



July 29, 2023

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: Corrected Integrated Annual Report for the financial year 2022-23 and Notice of the 41st Annual General Meeting

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached corrected Integrated Annual Report of Eicher Motors Limited ("the Company") including the Business Responsibility and Sustainability Report for the financial year 2022-23 along with Notice of the 41st Annual General Meeting of the Company scheduled to be held on Wednesday, August 23, 2023 at 1.00 p.m. Indian Standard Time, through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). The Notice of Annual General Meeting forms part of the Integrated Annual Report of the Company for the financial year ended on March 31, 2023 and the same is 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**

Atul Sharma
Company Secretary

Encl.: as above



ONWARDS

AND **INTEGRATED
ANNUAL
REPORT**
2022-23

UPWARDS ↗



SCAN THE CODE
TO SEE THIS
REPORT ONLINE
WWW.EICHER.IN

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At Royal Enfield, we have a huge opportunity to redefine motorcycling in this new era as we continue to maintain razor-sharp focus on what is important to us – ensuring joy and excitement each time someone experiences our motorcycles.



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ABOUT THE REPORT

FY 2022-23 marks Eicher Motors Limited's (EML) third year of integrated reporting, in line with the principles of International Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC), which is now a part of International Financial Reporting Standards.

Through such reporting, we intend to provide a holistic narrative of our value creation, strategic outlook and the key outcomes to our stakeholders. We provide this information using six capitals – Financial, Manufactured, Human, Intellectual, Natural, Social and Relationship, while also considering the externalities, material matters and risks in our operating environment. Such reporting highlights our commitment to sustainable development, towards which we have aligned our business objectives and strategies with the United Nations Sustainable Development Goals (SDGs).

REPORTING PRINCIPLE

This Report has been developed in accordance with the <IR> framework of the IIRC. It is a Global Reporting Initiative (GRI) referenced report and also aligns with the core criteria of the Business Responsibility and Sustainability Reporting (BRSR) requirements of the Securities and Exchange Board of India (SEBI). The financial and statutory data disclosed in the statutory sections of this Report meet the requirements of the Companies Act, 2013 including the rules made thereunder, Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Standards issued by the Institute of Company Secretaries of India, and other applicable regulations.

REPORTING PERIOD, SCOPE AND BOUNDARY

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



March 31, 2023. It provides overview of EML's operations including the Headquarters in Chennai, its three domestic manufacturing locations in Thiruvottiyur, Oragadam and Vallam Vadagal as well as its technical centre in Bruntingthorpe, UK. The Company's joint ventures and subsidiaries are excluded from the scope of the Report.

APPROACH TO MATERIALITY

The contents of this Report and their presentation are based on issues that are material to EML and its stakeholders. Material ESG issues have been arrived at through a robust process of multi-channel engagement with internal stakeholders followed by prioritisation of topics of importance. EML undertook the last such exercise in FY 2020-21, however, it continues

to evaluate and update the material matters based on various internal analysis. These matters have been incorporated in long-term planning and strategy development to ensure sustainable growth.

EXTERNAL ASSURANCE

The British Standards Institution had been appointed to provide Independent third-party assurance for our Environmental data (waste, water, GHG emissions, energy) included in the Integrated Report. Our assurance report for Type 1 - moderate Assurance by BSI can be found on Page 419.

RESTATEMENTS

There have been a few restatements in the report and they have been adequately mentioned in the section as required.



MANAGEMENT RESPONSIBILITY

The contents of this Report have been reviewed by EML's management team. They ensure the integrity of the information, and to the best of their knowledge, they believe that the report provides a complete picture of the value creation and captures all relevant material issues transparently and accurately.

FEEDBACK

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

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

Further, details of EML's sustainability performance are available on the corporate website: www.eichermotors.com

FORWARD-LOOKING STATEMENT

The report makes use of certain statements related to the Company's business operations, industry, objectives, business strategy, management plans and expectations. These forward-looking statements can be denoted by usage of words such as 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'outlook',

'plans', 'will' and other similar words that imply future operating or financial performance of the Company. Since forward-looking statements are reliant on assumptions, there is a probability of incorrect data or methods with little potential of being fulfilled. These statements are intended to establish our current expectations according to logical assumptions and not act as a guarantee of future outcomes. The Company's actual results could be affected by various factors, risks and uncertainties and could vary materially from the projections indicated by the forward-looking statements. The Company is not under any obligation nor has any intention to update or revise any forward-looking statements in case of future events.



CORPORATE OVERVIEW





ONWARDS AND UPWARDS

Eicher Motors Limited (EML) is a globally acclaimed automotive company. For many years, the Company has been revolutionising the Mid-size motorcycle segment and the commercial vehicles (CV) space with its world-class engineering, innovations and differentiated approach. It has successfully established its unique brand proposition, and a global riding culture that is reflective of its vision and philosophies, and has scaled its presence across markets.

The world economy is currently experiencing a momentous era of transformation. Economic, social, environmental and political challenges are on the rise, demanding attention and necessitating adapting strategies by businesses across the world.

At EML, this was a time to reflect and take inspiration from its 122-year enduring legacy of withstanding the test of time. It was a moment to REBALANCE together with the entire ecosystem, to power its next phase of growth while addressing the challenges of the world.

With this strategic intent, the Company is now embracing a broader perspective that extends beyond profit and profitability. It is focussing on balancing social and commercial objectives, the existing portfolio of traditional mobility and the future portfolio of electric vehicles, and elevating the brand-led customer experiences to the next level.

In FY 2022-23, EML made tangible progress towards this mission. Royal Enfield launched the all-new Hunter 350 motorcycle in a different format

to look beyond existing customers and tap into newer set of consumers. Its pursuit of advancing on the e-mobility journey also gathered considerable pace with a strategic investment in a prominent global electric mobility firm, Stark Future. This has set the momentum for the many initiatives EML intends to undertake towards driving incremental growth and progress in the coming years.

Rooted in strong business fundamentals and guided by a long-term strategic approach, EML is set to propel forward by an ambitious vision and an unwavering passion of its team. United in purpose, it is ready to embark an onward and upward journey, that will drive value creation for the communities and stakeholders and catalyse positive change in the broader economy. Embracing the ethos of REBALANCE, EML stands confidently, equipped to navigate the evolving landscape and continue its legacy in the new era of mobility.



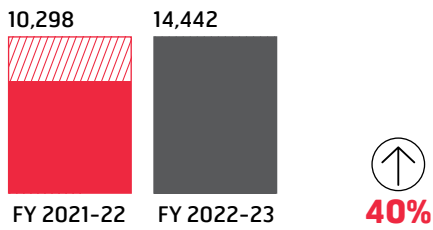


HIGHLIGHTS OF FY 2022-23

CONSOLIDATED FINANCIAL HIGHLIGHTS

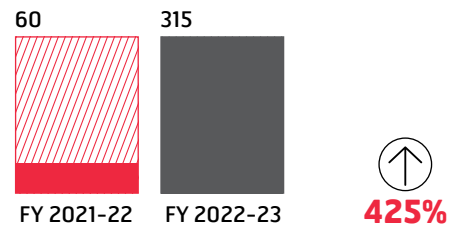
Revenue from Operations

(Rs. Crores)



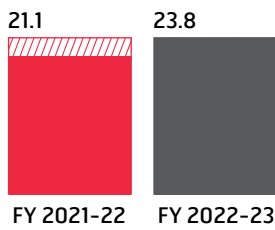
Share of Profit of JV

(Rs. Crores)



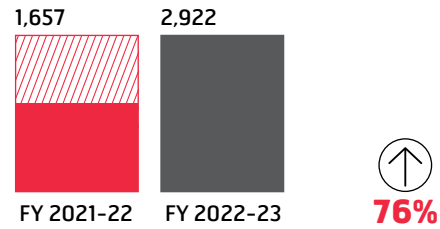
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) before share of profit of Joint Ventures

(%)



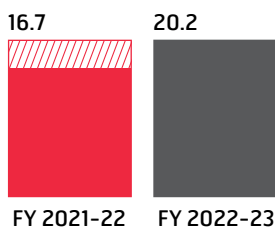
Total Comprehensive Income including share of profits of Joint Ventures

(Rs. Crores)



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

(%)





NON-FINANCIAL HIGHLIGHTS

TOP 10

in Dow Jones Sustainability
Emerging Markets Index Autos
category

TOP 10

among global Automakers
in Morgan Stanley Capital
International (MSCI)

#8

out of 89 automakers in
Sustainalytics for low ESG Risk
Rating

36%

water intensity reduction per
motorcycle (KL/motorcycle)

22%

emission intensity reduction
(tCO₂e/motorcycle)

4X

increase in renewable energy
utilisation

16%

inputs using recycled materials

13,968

lives positively impacted with
community initiatives

18

Awards Won
For the new product
launches in FY 2022-23



ENGINEERED BY EXCELLENCE, POWERED BY CREATIVITY

Eicher Motors Limited (EML) is an Indian, multinational automobile company of global repute. Headquartered in Chennai, India, it is listed on the Bombay and National Stock Exchanges.

EML is the listed parent Company of Royal Enfield which is an iconic and the oldest motorcycle brand in continuous production. It is revered by motorcycle enthusiasts worldwide, for delivering Pure Motorcycling experiences. Royal Enfield's premium line-up includes the stylish Hunter 350, the timeless Classic 350, the Meteor 350 cruiser,

the 650 parallel twin motorcycles - Interceptor 650, Continental GT 650 and the All new Super Meteor 650, the adventure motorcycles – Himalayan adventure tourer and the Scram 411 ADV Crossover, and the iconic Bullet 350. Royal Enfield fosters its riders and passionate community with a rich profusion of events at a local, regional and international level. Most notable are Rider Mania, an annual gathering of thousands of Royal Enfield enthusiasts in Goa, and Himalayan Odyssey, a yearly pilgrimage over some of the toughest terrains and highest mountain passes.

Additionally, EML has a joint venture with Sweden's AB Volvo - VE Commercial Vehicles Limited (VECV) - which is driving modernisation in India's commercial vehicle space, and in other developing countries. VECV includes the complete range of Eicher branded trucks and buses, Volvo trucks and buses in India, engine manufacturing and exports for Volvo Group, non-automotive engines, and Eicher component business.





BUSINESS SEGMENT

MOTORCYCLES



ROYAL ENFIELD

- Made Like a Gun Since 1901 | World's oldest motorcycle brand in continuous production
- Global leader in the mid-size motorcycle segment (250cc - 750cc) with a wide portfolio of models across various categories
- Motorcycles designed and developed across two state-of-the-art technical centres in India and in the UK, handcrafted and manufactured in India, and ridden across the world
- Motorcycles sold in more than 60 countries globally, including India through more than 3,200 retail touchpoints

Portfolio

- Motorcycles: Classic 350, Bullet 350, Meteor 350, Hunter 350, the Himalayan, Scram 411, Interceptor 650, Continental GT 650, Super Meteor 650
- Apparel (men and women): Protective riding apparel, urban casual wear, and riding accessories
- Motorcycle accessories: Protective, functional and style enhancing accessories

Performance FY 2022-23

8,24,066

Motorcycles sold

88.2%

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



JOINT VENTURE

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
- Strong presence in Light and Medium duty vehicle segment
- CV industry's first state-of-the-art Uptime Centre
- Premium luxury buses from Volvo India
- One of the pioneers in Electromobility solutions
- Global presence across 38 countries

Portfolio

- Eicher branded Light Duty Trucks (3.5- 5) , Light and Medium Duty Trucks (5 -18.5 tonnes), Heavy duty trucks (\geq 18.5 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

Performance FY 2022-23**79,623***Commercial vehicles sold***100%***All trucks and buses sold in India connected via advanced telematics***31.5%***Market share in India's light & medium duty (5-18.5 tonnes) CV segment**Strong presence in Bus segment with***24.1%***market share*



ROYAL ENFIELD GLOBAL FOOTPRINT

MANUFACTURING AND PRODUCT DEVELOPMENT

3

manufacturing and allied facilities in Chennai including 2 state-of-the-art manufacturing plants at Oragadam and Vallam Vadagal and adjunct facilities continuing at Thiruvottiyur

2

Technical Centres - Leicestershire, UK and Chennai, India

4

Completely Knocked Down (CKD) assembly lines in Argentina, Brazil, Colombia and Thailand

RETAIL

2,059

Retail outlets in India (including studio stores)

1,157 RETAIL OUTLETS IN 60+ COUNTRIES*

North America: USA

UK, Europe, MEA: Austria, Belgium, France, Germany, Italy, Israel, Morocco, Netherlands, Portugal, Qatar, Spain, UAE, UK

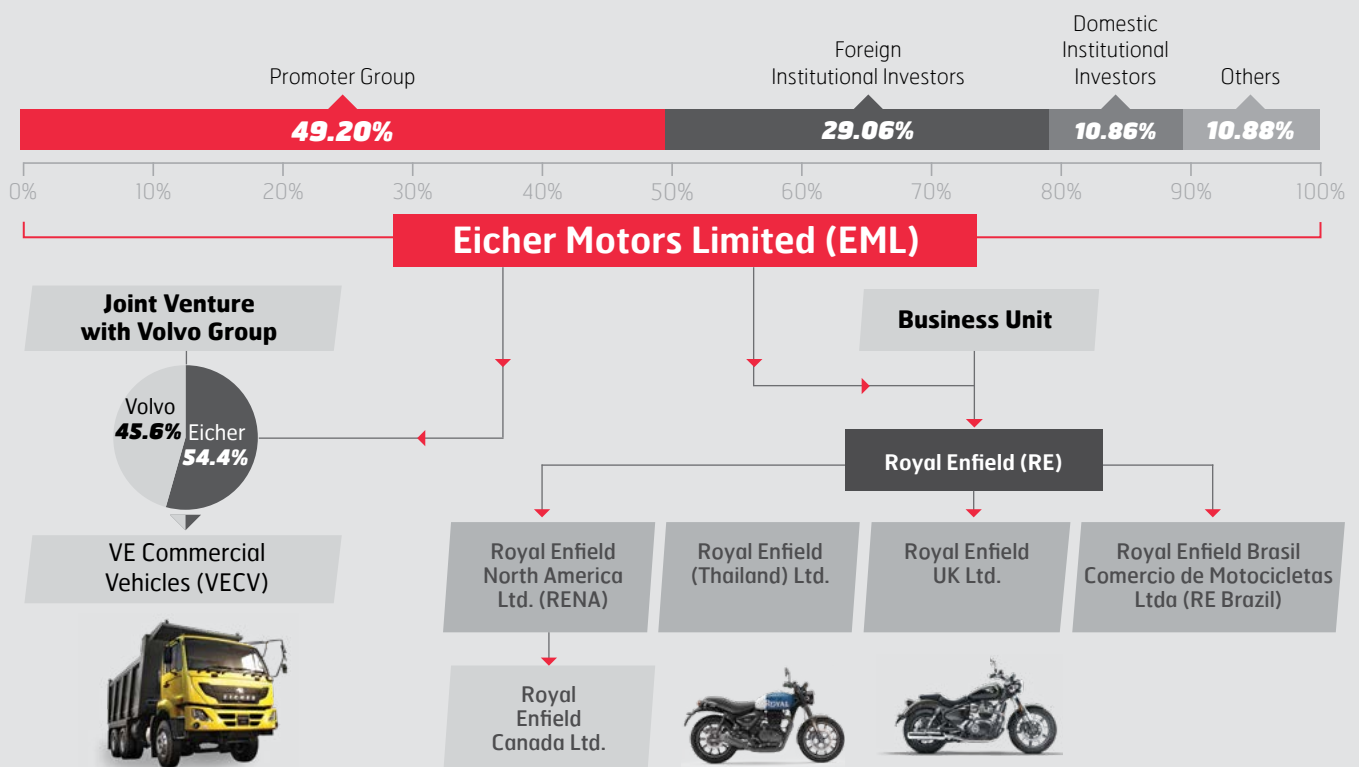
APAC: Australia, Cambodia, Indonesia, Japan, Malaysia, Mongolia, New Zealand, Philippines, Singapore, South Korea, Thailand, Vietnam

LATAM: Argentina, Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico, Peru

*excl. India

GROUP OPERATING STRUCTURE

(As on March 31, 2023)





MESSAGE TO THE SHAREHOLDERS



"FY 2022-23 HAS BEEN THE BEST EVER BUSINESS AND FINANCIAL PERFORMANCE, BOTH AT ROYAL ENFIELD AND VE COMMERCIAL VEHICLES."

At Eicher Motors Limited, FY 2022-23 has been a fantastic year across the board. We saw the stabilization of supply chain and markets, and made significant progress on all important initiatives, resulting in our best ever business and financial performance, both at Royal Enfield and VE Commercial Vehicles. We registered our highest ever revenues, EBITDA and Profit after Tax. This, we believe, is a strong testament to our vision, our direction and the capability of our people.

While we continue to solidify our existing business, we also have a sharp eye on the future. During the year, we made huge progress on our Electric Mobility plans. We now have close

DEAR SHAREHOLDERS,

After more than two years of uncertain economic and political situation, disruptions and global headwinds, the world has now settled into the 'new normal'. As a company that has withstood the test of tough times and tougher terrains, we kept riding ahead confidently. Our strong business fundamentals, razor sharp focus, and robust strategic business approach have seen us through these years, and we have actually come out stronger and better. We have Rebalanced our strategic priorities, and that has allowed us to reorient our vision and approach to business, and is already making us stronger, more resilient to external challenges and absolutely future-ready.

to a 100-member strong and highly capable team on the engineering and commercial side who are focused on building not just a distinct Royal Enfield electric motorcycle, but also a comprehensive electric vehicle business. We are also strengthening our technical know-how by partnering with like-minded people who have relevant experience in EVs. We've made a strategic investment in Stark Future, a Spanish electric mobility company that is focused on and passionate about disrupting the EV mobility space. We see immense synergies in this partnership and our plan is to co-develop and leverage each other's strengths. At VECV as well, we've remained highly focused on future ready solutions and clean alternative fuel strategy. We work very closely with our partners at Volvo on EV and alternate fuel solutions, as they bring immense capabilities and know-how in this area. We now have a robust range of EV trucks and buses, with more than 40 EV buses already plying the roads.



"THE COMPANY REGISTERED ITS HIGHEST EVER SALES VOLUME AT 8,34,895 MOTORCYCLES, A 38.4% GROWTH OVER FY 2021-22, BEATING OUR PREVIOUS HIGH OF 2018-19"

ROYAL ENFIELD

FY 2022-23 was a fantastic year for Royal Enfield. Alongside some very successful new motorcycle launches, we also made significant gains in new initiatives, as we recorded our best ever performance. The company registered its highest ever sales volume at 8,34,895 motorcycles, a 38.4% growth over FY 2021-22, beating our previous highest of 2018-19. We've taken really giant strides in our international business, and have crossed a milestone 1,00,000 mark in export shipments. This is a very positive inflection point for us, and we believe we have a virtuous cycle now in international markets. In our non-motorcycling business we have a strong growth momentum and witnessed a growth of almost 32% y-o-y.

Our long term ambition of being a global premium motorcycling brand from India, saw us introduce two new motorcycles during the year for global audiences. We launched the Hunter 350 - a stylish and peppy roadster, and the Super Meteor 650 - an absolutely gorgeous thoroughbred cruiser, inspired from our history of building amazing cruisers. Both these motorcycles are impeccably engineered, supremely refined and fun to ride, and beautifully designed to reflect their personalities and purpose. Since their launches in August 2022 and January 2023 respectively, the Hunter 350 and the Super Meteor 650 have received strong, positive endorsement from the best of the global motorcycling press and immense love and appreciation from consumers across the world.

Launched in August 2022, the Hunter 350 is a refreshingly new, stylish,

compact-yet-muscular motorcycle. Made for an all new set of customers that loved our brand, but did not find the right kind of attitude within our portfolio, the Hunter 350 has all the character of a Royal Enfield, with the nimble agility of a roadster. The global launch and first media ride of the all-new Hunter 350 in Bangkok was like a breath of fresh air after almost two years of virtual launches. The feeling of riding with the world's best experts and journalists across the streets of Bangkok was simply marvelous. The motorcycle has hit all the right chords with consumers and has earned worthy accolades from motorcycling experts across the globe. We have won innumerable, very prestigious awards for the Hunter 350 including the most coveted Indian Motorcycle of The Year (IMOTY) Award - our third IMOTY in the last five years. In a little more than six months from launch, we had a young and 'vibing', 1,00,000+ strong Hunter tribe in India. What amazes me is the fact that as we near the first year anniversary of the Hunter 350, we will have more than 2,00,000 motorcycles on the road. The Hunter is an amazingly fun motorcycle to ride and we are confident that the Hunter tribe will keep growing as newer customers keep discovering this motorcycle.

Continuing on Royal Enfield's heritage of building superlative cruisers, we launched the all-new Super Meteor 650 - a quintessential, thoroughbred, retro cruiser. After the launch event in Rajasthan in January this year, the motorcycle has received excellent reviews from press around the world. Built on the globally successful Royal Enfield 650-Twin platform, with an all-new chassis, the Super Meteor takes Royal Enfield's legacy of building exquisite cruisers a notch higher. More importantly, it makes long -distance cruising so much easier and more accessible for anyone; and thereby has the potential to expand the category. Since January, we have launched the Super Meteor in Europe, Australia, New Zealand and will soon be launching in the APAC region and Americas as well. There has been unprecedented interest for the Super Meteor from across the

"CROSSED A MILESTONE, 1,00,000 MARK IN EXPORT SHIPMENTS"

world, and we started receiving bookings from Europe and other markets even before the retail launches.

Just as our motorcycles have been finding immense appeal among global consumers, our business in markets outside India has grown considerably as well. It has been close to a decade now since we began our strategic foray into international markets. Choosing our markets carefully, our initial objective was to set a strong foundation in these new markets by building strong resonance for the brand and building the pure motorcycling ecosystem, creating a capable team and strong distribution, and building deep customer understanding and connect. We have now been able to leverage that strong base and foundation for sustained brand and business growth in international markets. Over the last 10 years, we have witnessed significant growth in our business, as well as in our global riding community, and we closed FY 2022-23 with stunning results.

In 2022-23 Royal Enfield recorded its highest ever exports by crossing the 1,00,000 export shipments milestone. Despite the macro backdrop, our retail growth in international markets ranged between 27% to 45% across regions in FY 2022-23. Our overall growth is also complemented by strong increase in market share across regions. In the Americas, we now have more than 7% in the 250cc-750cc segment, and close to 9% in the Asia-Pacific region, Europe and in the Middle-East. We are now the highest selling motorcycle brand in the 250cc-750cc mid-size segment in India, Korea and in the UK; #2 in Thailand, and #3 in France, Italy and Australia. In India, we have close to 90% market share in the mid-size segment. We've outperformed the market and have recorded a significant increase in market shares in the more than 125cc segment as well with 31.3%, and with 7.2% in the overall motorcycle segment - our best ever. With a strong



"WE ARE NOW THE HIGHEST SELLING MOTORCYCLE BRAND IN THE 250 - 750CC MID-WEIGHT SEGMENT IN INDIA, THE UK AND IN KOREA; #2 IN THAILAND, AND #3 IN FRANCE, ITALY AND AUSTRALIA "

line-up of motorcycles, and with our expanding network of premium stores and retail touchpoints across the world, I believe we have huge headroom for growth in international markets.

Mirroring our journey in international business, has been our journey on quality, and both have been remarkably commendable. Our new motorcycles starting with the 650 Twins in 2018, the Meteor 350 and the Classic 350 in 2020-21, and the new Hunter and Super Meteor, all have achieved a new level of quality, refinement and overall finesse, that is best-in-class globally. Today, Royal Enfield motorcycles are designed, developed and manufactured in state-of-the-art facilities and are comparable to the best in the world. This, combined with our constantly improving and intense product development and quality processes, within our plants and with our suppliers, has resulted in a step change in our engine quality, level of refinement and the sheer premiumness of our fit and finish, which has been appreciated by international experts. The Hunter and the Super Meteor have been an outcome of this same journey. Not surprising then that these motorcycles have been able to capture the imagination of global audiences so quickly. At the Frost and Sullivan's India Manufacturing Excellence Award 2022, our Vallam Vadagal manufacturing facility was recognised as the 'Future Ready Factory of the Year'.

As we are committed to constantly elevating our product offering, we are equally invested in enhancing our rider and consumer experiences; and we did just that at the 12th edition of

Rider Mania. Reimagining the concept with a fresh vision, we returned to the shores of Goa after a break of two years. Themed 'Into the Motoverse', the mega event brought together Royal Enfield's Pure Motorcycling ethos with new fun, engaging and thought provoking programming, including races, competitions, expert sessions and concerts. We had about 14,000 registered participants, more than 54,000 attendees across 10 hotspots in the city, and customers, dealers, and media from across the world, as Goa reverberated with the sound of Royal Enfield motorcycles for 3 days.

During the year, we curated a special project that showcased our undying love for handcrafted motorcycles. We unveiled the absolutely gorgeous 1:3 Classic Collectible models, to an overwhelmingly unprecedented response from passionate enthusiasts. The bespoke, limited edition Classic collectible is handcrafted to precision, sharing and resembling actual motorcycle parts, with multiple moving parts identical to the original. This project celebrates the unique craftsmanship that Royal Enfield is known for, and pays homage to the iconic Royal Enfield Classic 500. We unveiled these models at Rider Mania and almost immediately the entire set was sold off.

With a focus on sustainability and with a mission to leave every place better, we have been working on streamlining our strategic initiatives and outreach programme. With an ambitious goal of promoting and safeguarding the Intangible Cultural Heritage of India, starting with the Himalayas, we announced our partnership with the United Nations Educational, Scientific and Cultural Organization - UNESCO. Given our long relationship with the

"IN A LITTLE MORE THAN SIX MONTHS FROM LAUNCH, WE HAD A YOUNG AND 'VIBING', 1,00,000+ STRONG HUNTER TRIBE IN INDIA"

"IN INDIA, WHILE WE HAVE CLOSE TO 90% MARKET SHARE IN THE MID-WEIGHT SEGMENT, WE'VE OUTPERFORMED THE MARKET AND HAVE RECORDED A SIGNIFICANT INCREASE IN MARKET SHARES IN THE MORE THAN 125CC SEGMENT WITH 31.3% AND WITH 7.2% IN THE OVERALL MOTORCYCLE SEGMENT - OUR BEST EVER"

Himalayas, stretching back over three decades, our ambition is to partner with 100 Himalayan communities to adopt sustainable living practices by 2030. Our intent is to enable 1 million members of our global motorcycling community to act as agents of change and to take action to help regenerate iconic landscapes and the communities within them.

As we set our sights firmly on sustaining our leadership position in the global mid-size motorcycle segment, we will continue to remain steadfastly focused on what makes us 'one-of-a-kind'. In our 122-year journey, our deep understanding of motorcycles and our customers, our passion to nurture and grow the pure motorcycling culture, and our ability to remain fiercely unique has given us our distinctive character, our differentiated approach, and a well-defined brand positioning.

We have a robust ecosystem of motorcycling and allied initiatives, along with a diverse and strong portfolio of motorcycles that manifest multiple expressions of pure motorcycling for riders in India and across the world. With the work that we have done over the years in growing our manufacturing prowess, in the quality of our engineering, in growing our global presence, and in continuously enhancing our brand-led consumer



experiences; we believe that all the moving parts are firmly in position to take Royal Enfield to the next level.

VECV

Our commercial vehicle joint venture with the Volvo Group, VE Commercial Vehicles, has registered an excellent recovery in FY 2022-23. We are particularly pleased with improvements seen in all parts of our business, and the agility with which we maneuvered to maximize our opportunities during the year.

Our performance in FY 2022-23 is a reflection of our journey to becoming a customer-centric organization supported by our pioneering and industry leading initiatives in digitalization, retail excellence, and in product technology and reliability. With the use of AI and Machine Learning on our new range of connected trucks and buses, our aim remains to be the best at delivering Uptime to our customers, through remote and predictive diagnostics, which we strongly believe is a key to our sustained profitable growth.

At the Auto Expo in January, we demonstrated our technology prowess, with an impressive array of future ready solutions emphasizing on de-carbonization, Uptime and connected solutions. During the financial year, we also delivered our first batch of 40 Electric Buses to the city of Chandigarh, and plan to increasingly focus on this segment. We strongly believe that a mix of LNG, hydrogen and electrics are the fuels of the future in commercial vehicles, and we have showcased a range of such solutions. I strongly believe that we are ready to partner our customers into the future, with environmentally sustainable solutions, scalable for India and the developing world.

Our efforts are being recognized by Eicher and Volvo trucks and buses' customers, dealers and the industry. We ranked #1 in the Dealer Satisfaction Survey for the second year in a row, and concluded the year with celebrations as 6 of our Eicher and Volvo trucks and buses ranked #1 at the prestigious Apollo CV Awards.

"WE RANKED #1 IN THE DEALER SATISFACTION SURVEY FOR THE SECOND YEAR IN A ROW"

Our performance in FY 2022-23 has truly been a team effort. Thanks to our strong focus on price and cost management, we were able to navigate through a period of high inflation and supply chain disruptions with improved margins. It has been great to see the results of the continuous efforts we put to improve business fundamentals during the past few years.

The commercial vehicle industry is forecast to grow over the next few years as factors such as strong replacement demand, government focus on logistics and infrastructure development and policy support on modernization favour sustained growth for the industry.

Looking ahead we need to consolidate gains made, continue our journey towards our vision and continue the transformation of VECV to truly perform as a customer centric organization focused on Uptime -serving the needs of customers engaged in modern logistics. The current financial year - FY2023-24 - is a wonderful milestone for VECV as we celebrate 15 years of the joint venture. Reflecting on our many successes, we are looking forward to an exciting future that we have prepared for ourselves.

LOOKING AHEAD

The future of mobility is on the cusp of big change and innovation. What lies ahead is disruptive transformation that will be led jointly by established, experienced companies alongside start-ups. Between electric vehicles, alternative fuel, and internal combustion engines; all have to coexist over the next few years. Our success would lie in strategically balancing our portfolio and offerings to continue catering to existing markets while being agile and nimble-footed to adapt to change.

Both at Royal Enfield and VECV, we are strongly positioned to ride through this change. We have made immense progress on our own EV plans, and are even working on alternative fuel powered vehicles. Most importantly, both companies are led by strong, and focused leaders who are backed by a very competent management team.

At Royal Enfield, we have a huge opportunity to redefine motorcycling in this new era as we continue to maintain razor-sharp focus on what is important to us - ensuring joy and excitement each time someone experiences our motorcycles.

With an intent to do justice and bring magic to an entirely new technology and driveline, we have spent years on deep customer and technical research. Our aim has been to understand how best to use this technology to deliver an absolutely groundbreaking, unique and exciting offering to customers around the world. We now have multiple platforms and products in the development pipeline that we believe will harness the strengths of EV and bring a fresh, new electric motorcycle with the next level of finesse and character.

We have a strong legacy, and a deep understanding of motorcycles and our customers. But our success has been deeply rooted in our ability to remain fiercely unique. We are very cognizant of trends and competition, but we don't obsess about them or attempt to replicate what is working for others. This differentiated approach has given the brand a unique character and distinct position. Going forward, we will continue to retain this approach and boldly take the path less trodden, as we continue to set high standards and benchmarks in motorcycling across the world.

Keep riding

SIDDHARTHA LAL

Managing Director & CEO

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 122 years, and we'll keep riding for a while yet. Filling a rider's life with real, authentic experiences is what we call Pure Motorcycling.



PURE

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

MOTORCYCLING

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





THE OLDEST MOTORCYCLE BRAND

1901

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



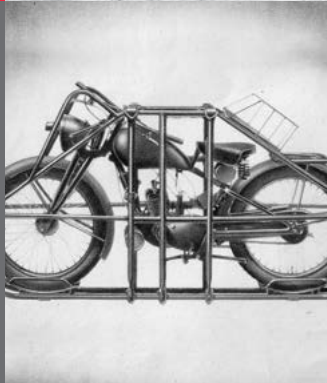
1932

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



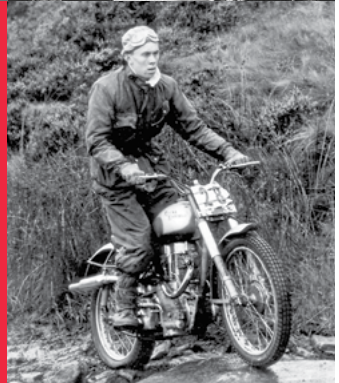
1943

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



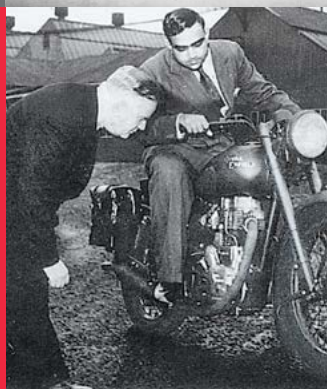
1948

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



1952

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



1955

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



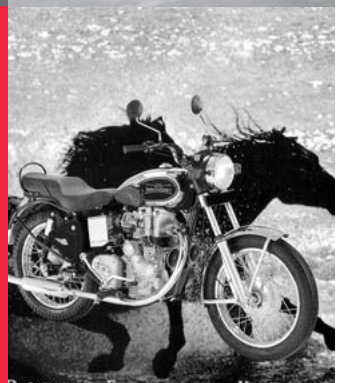
1964

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



1994

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





IN CONTINUOUS PRODUCTION

2008

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



2016

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



2017

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



2018

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



2020

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



2021

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



2022

Royal Enfield launched the Hunter 350, an incredibly stylish, joyful, and compact motorcycle that exudes retro-metro style. The motorcycle has received raving reviews from experts across the globe and has also won the most coveted Indian Motorcycle Of The Year 2023 award amongst the several other awards and accolades.



2023

After a stunning debut at EICMA 2022, Royal Enfield launched the most anticipated and thoroughbred cruiser - Super Meteor 650. The motorcycle has received unprecedented love and appreciation across the globe.





QUARTERLY HIGHLIGHTS

Q1

NEW COLOURWAYS ON METEOR 350

Royal Enfield introduced three new vibrant colourways - Fireball Blue, Fireball Green and Supernova Red - on the Meteor 350 bringing more style and excitement to cruising. Since launch, it has set new benchmarks in the entry-level cruiser segment in India, and has made in-roads in the global markets.



ROYAL ENFIELD APPOINTS CHIEF EXECUTIVE OFFICER

B Govindarajan was appointed as the CEO of Royal Enfield to drive long-term ambitions and growth strategy. Govindarajan has been with Royal Enfield for over two decades, serving as the Executive Director since 2021, before which he was the Chief Operating Officer from 2013.



ROYAL ENFIELD INAUGURATES 'TORNADOES WALL' SCULPTURE

In celebration of its long-standing association with the Indian Army, Royal Enfield inaugurated a special commemorative sculpture – the 'Tornadoes Wall'. The sculpture is a mark of respect to the unrelenting valour and bravery of their soldiers and stands tall in the Centre of Bengaluru.

ROYAL ENFIELD PARTNERS WITH ALPINESTARS FOR EXCLUSIVE RIDING GEARS

Royal Enfield x Alpinestars – two legacy brands in motorcycling – joined forces to launch an exclusive range of riding gear for the motorcycling enthusiasts. The range includes jackets, touring pants and gloves, powered by Alpinestars' patented Drystar technology and various certified protection systems.



CLEAN-UP RIDE ON WORLD ENVIRONMENT DAY

On the occasion of the World Environment Day, Royal Enfield organised a pan-India Clean-up ride. More than 2,000 Royal Enfield riders, citizen volunteers and NGO partners came together to promote environmental awareness and facilitate discussions on efficient waste management, with focus on the Himalayas.



Q2

HUNTER 350 LAUNCHED

Royal Enfield launched the new Hunter 350, a remixed roadster with the brand's character reimagined in a stylish, compact-yet-muscular geometry. Built on the award-winning 350cc J-series platform, combined with a highly flickable Harris Performance chassis, it delivers agility without fragility on city streets and joyful pleasure on the open roads. The motorcycle was launched in two variants and eight colours, engineered for the urban ride.

HIMALAYAN ODYSSEY RETURNS AFTER TWO YEARS

Royal Enfield conducted the 18th edition of Himalayan Odyssey that saw 70 motorcyclists cover 2,700 kms over 18 days to Umling La, the new highest motorable pass in the world. Traversing through some of the roughest terrains and highest mountain passes in the world, the Himalayan Odyssey contingent continued to promote the concept of responsible travelling through various efforts.

ROYAL ENFIELD CONTINENTAL GT CUP SEASON 2 COMMENCES

Royal Enfield geared for yet another spectacular racing season, with the Royal Enfield Continental GT Cup 2022 Season 2, a part of JK Tyre FMSCI National Racing Championship. The race was conceptualised in a unique 'Pro-Am Series' format to allow amateur and professional riders compete together to make racing accessible. Close to 500 registrations were received, 100 shortlisted, and 25 fastest racers (10 professional and 15 amateur) made it to the finals.



ROYAL ENFIELD CONDUCTS ONE RIDE 2022

Royal Enfield hosted the 11th edition of 'One Ride,' which drew over 15,000 riders from 500 Indian cities and 50 countries around the world. The Ride promoted responsible traveling and commemorating motorcycling enthusiasts from diverse locations and social identities.

UNIQUE PARTNERSHIP WITH UNESCO

UNESCO and Royal Enfield accomplished 'The Great Himalayan Exploration,' a unique collaboration aimed at documenting, preserving, and promoting India's Intangible Cultural Heritage (ICH). Riders from across India spent two weeks documenting ICH activities specified by a research team working in conjunction with UNESCO.



ARTOFMOTORCYCLING GOES GLOBAL WITH NFTs

Embarking on an exciting journey, Royal Enfield launched NFTs, starting with the top 10 winning designs of 'ArtOfMotorcycling' Season 1 and 2 being featured as inaugural NFTs. It aims at encouraging the community to express their art globally through digital medium.



CONSECUTIVE CHAMPIONSHIP WIN AT THE 2022 DTRA "FLAT TRACK NATIONALS"

Royal Enfield reinforced flat track pedigree with a second consecutive championship win at the 2022 DTRA "Flat Track Nationals" Twins Class. With the win in the final round, Pro rider Gary Birtwistle and factory development rider Paul Young finished the season with a clean sweep of seven consecutive wins.

Q3

GLOBAL UNVEIL OF SUPER METEOR 650

Royal Enfield unveiled the new Super Meteor 650 at the EICMA 2022 in Milan, Italy. The motorcycle injects a new level of character, style and accessibility into the mid-sized cruiser market. A quintessential cruiser, the Super Meteor 650 combines uncluttered controls and instrumentation with relaxed rider ergonomics.



INTO THE MOTOVERSE | ROYAL ENFIELD RIDER MANIA 2022

The annual motorcycling festival, the Royal Enfield Rider Mania in its 12th edition brought back music, art, heritage, inspiration and pop culture together with some of the greatest riders, artists, musicians, and storytellers from all across the country. Themed 'Into the Motoverse', Rider Mania brought together ~14,000 riders, their journeys and stories, their machines, and much more.

INTRODUCING CLASSIC COLLECTIBLE SCALE MODEL

Royal Enfield launched the limited edition 1:3 Classic Collectible scale models in eight colourways. Featuring authentic parts resembling Classic, one of the most successful motorcycles in the Royal Enfield line-up, it gave

Classic fans an opportunity to own a masterpiece. These were showcased at Motoverse 2022 before being sold online.



NEW COLOURWAYS AND UPGRADES IN HIMALAYAN

Royal Enfield launched three new Colourways – Glacier Blue, Sleet Black and Dune Brown – of its versatile adventure-tourer Himalayan. The motorcycles also featured upgrades like neat debossed logo on the grill and side panels and a USB charging port.



EICHER MOTORS ADVANCES EV JOURNEY

EML acquired a 10.35% equity stake in European, high-performance electric motorcycle manufacturer Stark Future for € 50 million, with an intent for long-term collaborative R&D in electric motorcycles, technology-sharing, technical licensing, and manufacturing. With this investment, the Company will explore further opportunities to collaborate in the space of electric mobility.

CKD FACILITY INAUGURATION IN BRAZIL

Royal Enfield strengthened its commitment to Americas region with the inauguration of its new CKD assembly facility in Brazil, a strong market for the brand. It marks a significant step forward in Royal Enfield's plans in LATAM while reiterating its commitment to the region.



Q4

NEW SUPER METEOR 650 LAUNCHED

Royal Enfield's eagerly anticipated thoroughbred cruiser, the Super Meteor 650, showcased at EICMA and unveiled in all its stellar shades at Rider Mania, was launched across India and Europe in January 2023. The Super Meteor 650 continues Royal Enfield's heritage of building superlative cruisers. It is centred around the acclaimed 648cc twin platform that's been rigorously tested and, since 2018, enjoyed worldwide recognition.



HUNTER 350 CROSSES 1-LAKH SALES

Royal Enfield celebrated a young and vibing, 1-lakh strong community for the Hunter 350. In just six months from its launch, the Hunter gained immense popularity among young Indians, with more than hundred thousand motorcycles on the roads. The success of the Hunter 350 reflects Royal Enfield's vision to deliver motorcycles that combine style, performance, and innovation.



COLLABORATION WITH VINTAGE RIDES FOR UNIQUE EXPEDITIONS

Royal Enfield extended its partnership with motorcycle tour curator Vintage Rides till 2025 to offer specially-curated offbeat itineraries on Royal Enfield motorcycles for motorcyclists across the globe.

COMMENCING ARTOFMOTORCYCLING SEASON 3


Royal Enfield kick-started - Season 3 of its marquee creative campaign ArtofMotorcycling. The season brought in unique interventions like 'Art on Street' – AR-powered murals in key metros, tier II and III cities for the larger community as well as interactive on-ground sessions for aspiring artists and designers at India's top design colleges.

INTRODUCING INTERCEPTOR 650 AND CONTINENTAL GT 650 VARIANTS

Royal Enfield's immensely successful parallel twin motorcycles, the Interceptor 650 and the Continental GT 650, since their launch in 2018 have appealed to worldwide enthusiasts for their authenticity and fun riding experience. The new variants of these motorcycles were launched in stunning new colourways, and with enhanced functional and ergonomic features. This included two blacked-out variants with blacked-out engine and exhaust parts.

THE ROYAL ENFIELD HUNTER 350 ARRIVES IN STYLE



A Royal Enfield Hunter 350 motorcycle is shown from a front-three-quarter view, parked on a boat deck. The motorcycle is black with orange accents on the headlight and fender. The background is a blurred view of a body of water and a boat railing. A large red graphic element is overlaid on the top right of the image, containing white text.

The refreshingly new and stylish roadster, Hunter 350, has opened a new chapter in Royal Enfield iconic history, successfully delivering newer experiences to newer audiences. The motorcycle has and continues to meet the aspirations and desires of passionate motorcyclists who loved the Royal Enfield brand and were seeking the right kind of attitude within the portfolio.

The Hunter 350 has been immensely popular among young Indians, and in just six months since launch in August 2022 more than a hundred thousand motorcycles are on the roads. It is all set to propel Royal Enfield's growth to the next level.



HUNTER 350: PROPELLING ROYAL ENFIELD'S GROWTH

The Hunter 350 is an incredibly joyful, stylish and accessible roadster. A two-wheeled double-espresso of motorcycling, this motorcycle is Royal Enfield's attempt to give the urban riders a form of self-expression in a new and refreshing format. Having a stylish, compact-yet-muscular geometry and high manoeuvrability capabilities, this functional and simple motorcycle with design ingenuity delivers a truly exhilarating city-friendly ride and fits perfectly into neighbourhoods.



DISTINCTLY UNIQUE WITHIN THE ROYAL ENFIELD

Royal Enfield is committed to building motorcycles that reimagine categories, sit at the intersection of fun and functionality, and are distinctly unique. The Hunter 350 is one such motorcycle that differentiates itself from the rest of the roadsters. The neo-retro stylised format of the motorcycle, the brand-new vehicle geometry, and the compact design, complemented by the character of a Royal Enfield, makes it a perfect 'Remixed Roadster' for the evolving, young urban riders. The remix exudes a perfect blend of unmistakable, solid, authentic Royal Enfield character and

a new-age roadster - sure to create its own fan base within the segment.

Its revised rake and trail angles, a lower seat height and shorter wheelbase, ensures exceptional manoeuvrability. It further features uncluttered handlebar controls, rotary power and lighting switches and a USB charging port.

Riding on the back of a marvellous launch, and unprecedented love from consumers, the Hunter tribe is growing significantly each month. The motorcycle has been launched across APAC, North America, Latin America and Europe, and the consumer response has just been incredible.

1,23,932

*Hunter 350 sold in six months**

*August 2022-March 2023



**LAUDED BY JOURNALISTS ACROSS THE GLOBE****Cycle World**

"The Hunter 350 fills a space in the Royal Enfield lineup. It has the sound, feel, and character you expect from a Royal Enfield single, and the lighter, more nimble chassis design feels more modern and refined. It's not as traditional, but that's the point—and it certainly isn't generic."

MCN

"It's light, tough, agile and, with faultless fuelling and a tight turning circle, designed to revel in the chaos of urban centres from Madras to Bangkok."

Motor cycle

"Royal Enfield is on a mission to produce a quality product at an affordable price. I reckon Royal Enfield has hit the nail on the head with the Hunter 350."

Auto Today

"Built to be slick and fun around the city, the Hunter 350 is a hoot to ride. While the chassis set-up is brilliant, the engine too syncs well in spite of it being the long stroke motor. Overall then the Hunter 350 is a brilliant package and should be able to draw naysayers to the brand."

Motoring World

"RE went to great lengths to highlight the new frame's geometry. And after riding it on a go-kart track in Bangkok and in heavy Mumbai monsoon traffic, I can say that Pythagoras would've been proud. Thanks to its compact proportions and steering geometry, the Hunter flowed through gaps in traffic and corners of all kinds."

The Times Of India

"The motorcycle is aimed at bringing new buyers into the brand and it has all the ingredients to do the same. It makes for a brilliant buy for someone upgrading from a 150/160 cc motorcycle or even young buyers looking at getting their first motorcycle. What sweetens the deal even more is the outstanding pricing of the Hunter 350."

RECOGNISED AS THE BEST IN THE CATEGORY

IMOTY 2023
Indian Motorcycle
of the Year



Bike India Awards
Two Wheeler of the Year
and Motorcycle of the
Year upto 350cc



Autocar India Awards 2023
Viewers' Choice Bike of
the Year



TopGear India Awards 2023
Roadster of the Year
upto 400cc



Motorcycle of the Year
upto 350cc and Two
Wheeler of the Year

Car and Bike Awards,
Best of 2022



Turbocharged
Motorcycle of the Year



Zee - Auto Awards
Motorcycle of the Year



Motorbeam Awards
Viewer's choice Bike
of the Year



Team-BHP Awards
Two Wheeler of the Year



Man's World
Bike of the Year 2022



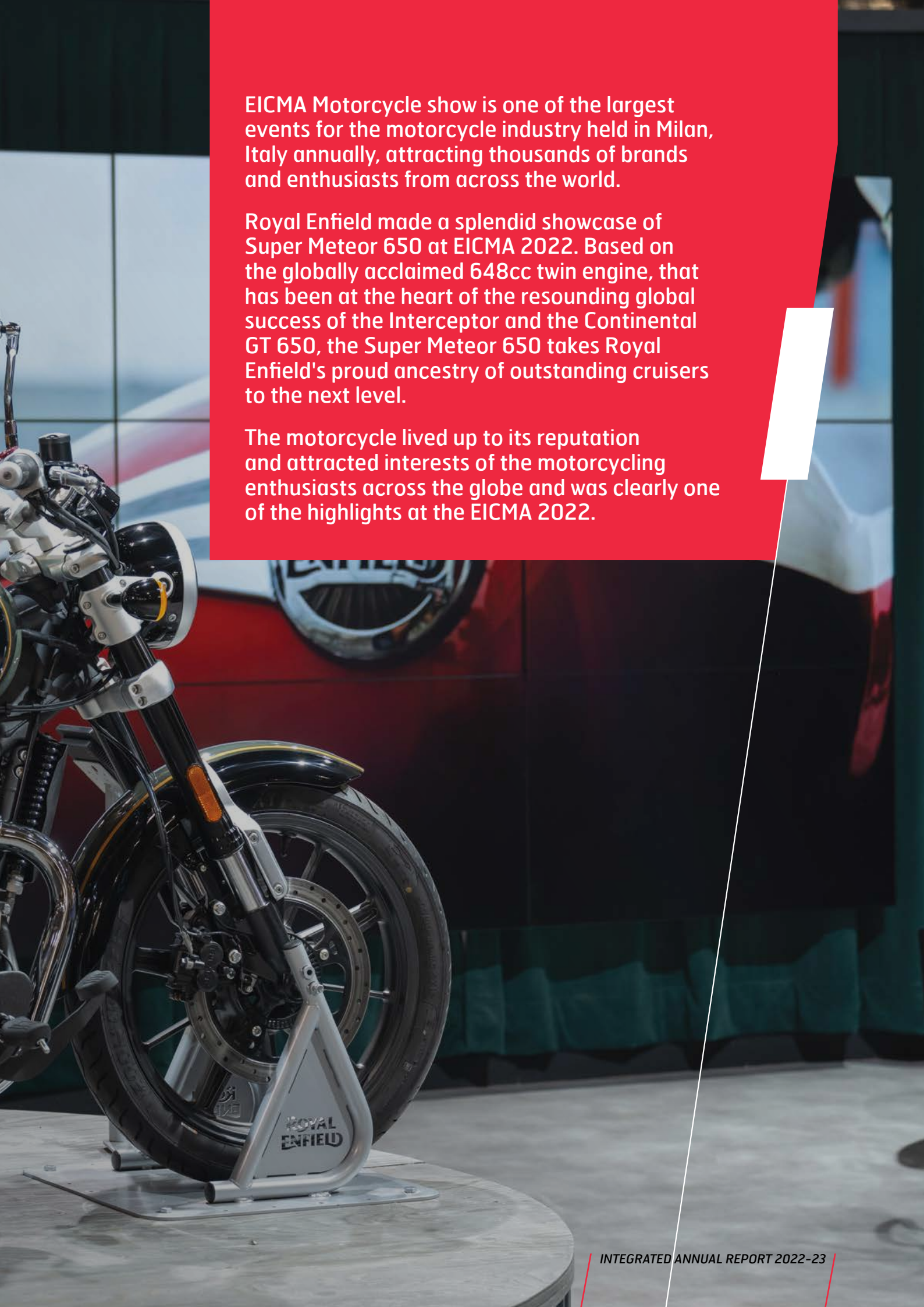
ACKO Awards
2023 Modern Classic
Motorcycle



Motor Vikatan 2023
Bike Of The Year



***SUPER METEOR 650
DEBUTS IN STYLE
AT EICMA***



EICMA Motorcycle show is one of the largest events for the motorcycle industry held in Milan, Italy annually, attracting thousands of brands and enthusiasts from across the world.

Royal Enfield made a splendid showcase of Super Meteor 650 at EICMA 2022. Based on the globally acclaimed 648cc twin engine, that has been at the heart of the resounding global success of the Interceptor and the Continental GT 650, the Super Meteor 650 takes Royal Enfield's proud ancestry of outstanding cruisers to the next level.

The motorcycle lived up to its reputation and attracted interests of the motorcycling enthusiasts across the globe and was clearly one of the highlights at the EICMA 2022.





THE SUPER METEOR 650 - ROYAL ENFIELD'S THOROUGHbred CRUISER

Built on the highly acclaimed 648cc twin platform, the Super Meteor 650 takes ahead Royal Enfield's legacy of building superlative cruisers perfectly suited to long-distance riding. The motorcycle captures the essence of British cruisers and has a design language influenced by the 1950s, but comes with a contemporary twist. Delivering an absolutely enjoyable and ergonomic riding experience, it encourages even the non-believers to break free from daily routines, and go on long journeys to cherish the open road, big skies and vast open landscapes.



THE SUPER METEOR 650 – CRUISING AT ITS PUREST

Six decades of cruiser DNA distilled

Royal Enfield has a rich legacy in long-distance riding, having made some of the most exquisite and liked cruiser motorcycles. The journey began in the mid-1950s with US export variants of the original Redditch Super Meteor.

In 1990, with the introduction of Citybike, Royal Enfield started the cruising culture in India. It further went on to lead the segment in India with Lightning 535, the Thunderbird 350, (AVL Lean Burn engine), Thunderbird

350 (UCE platform), Thunderbird 500 and the Thunderbird X. 2020 saw a defining moment as Royal Enfield launched Meteor 350 on the brand-new J-series platform, raising the game with enhanced finesse, quality and rideability. Super Meteor 650 with its premium features, takes ahead Royal Enfield's heritage of building superlative cruisers.

The quintessential cruiser

The Super Meteor 650 combines uncluttered controls with relaxed rider ergonomics; rock-steady stability on the highway with spine-tingling pleasure on winding roads, where it

keenly changes direction. Its flexible, silky-smooth engine has torque aplenty and its cool retro styling is infused with clearly recognisable Royal Enfield DNA. Inspired by a rich cruising legacy, it delivers an absolutely enjoyable long distance riding experience making it a thoroughbred, retro cruiser in every sense.

Its silhouette is that of a purebred cruiser – low stance, sumptuous seat with a narrow waist, fully feet-forward foot controls and wide pulled-back handlebars. Its large tank ensures extended range and wide tubeless tyres on alloy rims provide dependability. All



in all, the Super Meteor 650 ensures rock-steady stability on the highway and enjoyable experience.

GLOBAL UNVEIL AT EICMA AND SHOWCASE AT MOTOVERSE

Royal Enfield first unveiled the Super Meteor 650 for the global audiences at EICMA 2022. This was followed by unveiling at the mega motorcycling event Rider Mania 2022 - the Motoverse, making it one of the standout highlights. Two distinct variants – the Super Meteor 650 and Super Meteor 650 Tourer – of the motorcycle in seven striking colours were unveiled at Motoverse and were opened for pre-launch bookings for the registered participants.

SPECTACULAR GLOBAL-FIRST MEDIA RIDE AND LAUNCH

Rajasthan is home to a vibrant Indian culture and to Thar Desert that has long, empty stretches of road, making it perfect for cruising. Jaisalmer, Rajasthan was thus the most ideal location for the global launch of a motorcycle as unique and capable of delivering superlative cruising experience as Super Meteor



650. In January 2023, Royal Enfield pulled off a fantastic launch, captivating journalists from all over the world. The event witnessed large participation from the world's best motorcycling press, making it one of the largest and most admired launches, with the motorcycle receiving extremely positive feedback from everyone.

The motorcycle has since been made available for booking in India and Europe. An evocative line-up of the motorcycles was also put on display across dealerships to give enthusiasts first-hand experience. The deliveries began in February 2023 in India and in March 2023 in Europe.





RECOGNITION FROM MEDIA ACROSS THE GLOBE

Visordown

"If the success of the Meteor 350 is anything to go by, I'd guess this succession of Super Meteor 650 will be a roaring delight in the UK and further afield."

Moto.it

"A solid, attractive, easy and well finished cruiser with an excellent quality-price ratio."

Auto Today

"The Super Meteor 650 is now a benchmark for cruisers in the Indian market. The Super Meteor 650 is indeed a very special motorcycle."

Mobilidade Estadão

"Comfortable riding position, even for short riders. New chassis feels very stable on straights and provides good steering through corners. Good torque, no need for constantly shifting."

Revzilla

"Cruiser motorcycles have a distinctive stance and appearance, and the Super Meteor 650 is undeniably a cruiser at first glance. It has all the hallmarks of a "proper cruiser" — wide swept handlebars, forward foot controls, round headlight, low center of gravity, and aesthetics that stay true to the cruiser formula. Royal Enfield sprinkles in its unique spice to the category with the company's iconic "frame loop" that is a defining aesthetic feature of the bike."

Car and Bike

"If you are a cruiser lover and don't want to spend an exorbitant amount of money, then you can certainly consider the Royal Enfield Super Meteor 650. As a cruiser it ticks all the right boxes. With a starting price of 3.5 lakhs, the Super Meteor 650 certainly makes an attractive proposition. It's not just a desirable midside cruiser, but even as a leisure motorcycle that looks great, rides well, and will be an enjoyable outing in the suburbs. Relax, Unwind, and Take it easy, on this journey called life!"

Bike India

"The Super Meteor 650 ticks all the boxes when it comes to being an extremely capable machine to take on long-distance tours. This is great pricing for the most premium motorcycle to be launched by Royal Enfield. With the reliability of the 650-cc motor, plush ride quality, comfortable ergonomics, and new premium elements, this bike is surely going to appeal to cruiser enthusiasts."

Overdrive

"The Super Meteor 650 is a motorcycle that stays true to the traditions of a simple cruiser motorcycle. It will allow you to enjoy and experience the pure thrill of riding a high quality cruiser motorcycle without the adulteration of modern gimmicky features. It looks good, feels functional, refined and is of solid build - overall a top quality product."

AWARDS

TopGear

TopGear
Motorcycle of the Year





ELEVATING EXPERIENCES WITH MOTORCYCLE UPGRADES

Royal Enfield constantly improves and refreshes its product portfolio to keep upgrading its motorcycles to suit the evolving needs of the customers; be it new functionality, exciting new colourways, or product improvements that make the ride experience better. During FY 2022-23, Royal Enfield introduced upgrades to the 650 Twins, the easy-cruiser Meteor 350, and on the adventure tourer, Himalayan.

THRILLING TRANSFORMATIONS FOR 650 TWINS

Royal Enfield's parallel twin motorcycles, the Interceptor 650 and the Continental GT 650, have garnered immense success, globally for their authentic charm and fun riding experience.

Four new stunning colourways of the Interceptor 650 were introduced, including two blacked-out variants – Black Ray and Barcelona Blue, a new custom dual colourway – Black Pearl, and solid colourway of Cali Green. The Continental GT 650 received two new blacked-out versions – Slipstream Blue and Apex Grey.

These new colourways also pack additional functional and ergonomic features like enhanced seat comfort, new switchgear, a USB charging port and an all-new LED headlamp. The blacked-out variants further feature blacked-out engines, exhaust parts, cast alloy wheels and tubeless tyres that make them even more amazing.





COLOURFUL, STYLISH TWIST TO CRUISING WITH METEOR 350 NEW COLOURWAYS

Launched in 2020, the Royal Enfield Meteor 350 easy cruiser motorcycle with an all-new, ground-up engine platform was a milestone, and marked a transition for the brand.

To make easy cruising more stylish and exciting, Royal Enfield launched the motorcycle in three new vibrant colourways along with an array of MiY options for personalisation. The Fireball variant got two new additions in the Fireball Blue and Fireball Matt Green, and a head-turning Supernova Red made a bold debut in the top-end models.



EXCITING COLOURWAYS AND UPGRADES ON THE HIMALAYAN

Royal Enfield introduced three distinct, terrain-inspired colourways of its versatile adventure-touring motorcycle Himalayan along with a range of upgrades. As an ode to Royal Enfield's experience of over 50 years of riding across the Himalayas, these colourways are inspired by the epic terrain, vastness and grandeur of the Himalayas. The Glacier Blue takes inspiration from the crystal clear glacial lakes adorning the Himalayas and the Dune Brown represents the cold Himalayan deserts of Hunder situated in Nubra Valley, Ladakh. The popular Sleet pattern was brought back in a new black version called the Sleet Black, inspired by the glisening razor-sharp sleet on rock surfaces. These motorcycles also feature a neat debossed logo on the grill and side panels, and a USB charging port for on-the-go convenience.

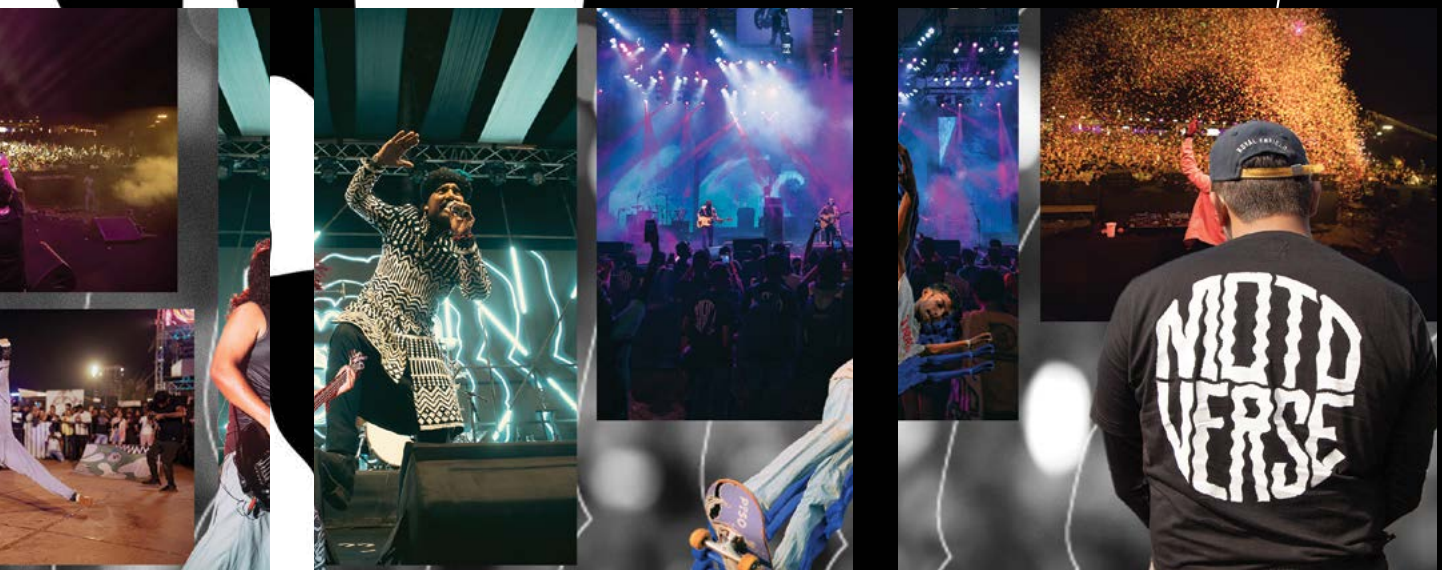


IMMERSING INTO THE WORLD OF MOTORCYCLING MOTOVERSE 2022



In 2022, Royal Enfield re-invented its annual motorcycling festival Rider Mania, expanding its scope into a wider realm of Motoverse. Embracing an all-new vision, Motoverse represents a larger universe deeply rooted in the rich culture of motorcycling.

Motoverse is Royal Enfield's quest to forge a fascinating new-age, pop-cultural space, providing exciting and kaleidoscopic gateway into the vibrant world of motorcycling. By working constantly with people and institutions that share the same values that Royal Enfield does - of self-expression, self-exploration and the social-self, it enables showcasing the power of motorcycling as a catalyst for self-discovery and a vibrant community experience.





ELEVATING PURE MOTORCYCLING EXPERIENCES

MOTOVERSE 2022

Rider Mania is a unique platform that binds together riders from all over the world, celebrating the camaraderie of the riding community, while breaking barriers and stereotypes along the way. It is not just a festival but 3 days of fun activities and a testament to the dreams and aspirations of motorcyclists, eager to be part of the Royal Enfield family.

Creating hotspots of entertainment

Moto Ville: Melting pot of the vibrant world of Motoculture

With an aim to create a new-age Pop Culture Calendar event that offers an exciting, kaleidoscopic gateway into the vibrant world of Motoculture, Royal

Enfield introduced Motoville – A Village led by the narrative of Riding Cultures to Rider Mania ranging from exploration, cruising, to street and custom.

Motoverse Village aims to bring together people, their stories, their machines, fashion, food and lifestyle in one inclusive space. Rider Mania was divided in 4 sections – Motothrill, Motoville, Motosonic and Motoshop, encouraging the attendees to experience different hotspots as per their convenience. The event also presented Motoreel, a space to initiate inspirational stories and two-way conversations between the stalwarts of the industry and the passionate riders.

Moto Thrill: Throttle it out or brake slide, this is where the action's at

Taking Puresport to a whole new level, Rider Mania 2022 offered some of the most electrifying motorsport experiences at the event. Motorsport enthusiasts got a chance to ride on India's premier off-road training motopark and training academy curated by India's first Dakar rally participant CS Santosh and also an opportunity to learn from speaker session with the illustrious Nani Roma, the legendary Dakar rally champion known for racing two and four wheelers, and Ashish Raorane, one of the Indian representatives at Dakar and CS Santosh. Furthermore, the Motothrill section witnessed some of the most popular activities in the Rider Mania, including Dirt Track, one of the





also witness leading content creators and several other eminent personalities sharing learnings from their inspiring professional and personal journeys.

MOTOSONIC: Audiophiles' galore

Motorcycling and music go hand in hand - neither need a language. Main stage music concerts at Rider Mania were scaled up to three spectacular performances every evening. Moto Sonic saw visitors grooving to Parvaaz, Peter Cat Recording Co., Karsh Kale Collective on the opening day, followed by The F16s, Sickflip, Divine on the second day, and the third day saw Thaikkudam Bridge and Bloodywood, before DJ Sa fusing electronic beats in the air for a final send off.

Experience a whole new groove and vibe with celebrated artists such as Tetseo Sisters, quartet of sisters from Nagaland who have been devoted to the art and tradition of the vocal folk music of the state, Parvaaz, the band whose sound has often been described

toughest challenges at Rider Mania, Slide school, designed for riders to experience flat-tracking in a controlled and safe environment as trainers guide participants on the basics of the sport on the customised Royal Enfield Himalayans, Trail school, Ace the Hill, Adventure Zone among others.

MOTOVILLE: Melting pot of the vibrant world of Motoculture

Motoville included 4 exclusive zones: Exploration Zone, Custom Zone, Cruiser Zone and Street Zone, each conducting engaging workshops by subject experts on Wildlife photography, Sneaker Customisation, Mural Art among others. For art and heritage lovers, the Royal Enfield Pop up Museum offered a chance for visitors to revisit Royal Enfield's brand legacy, and the UNESCO arena displayed some of the stories of indigenous tribes, and many other facets of the Himalayas documented under the Royal Enfield and UNESCO partnership. The event will





as one that transcends musical genres taking the listener into spaces that traverse folk, Karsh Kale, known primarily for his experimental tabla playing within electronic music contexts, Divine, a globally recognised Indian rapper, and several other musical icons.

Motoshop: For the joy of Pure Motorcycling

Over and above just motorcycles, Motoverse also witnessed a lot of action from the world of apparel and accessories as well. Royal Enfield unveiled its 1:3 Scale Model of the Classic, a scaled-down and hand-crafted representation of the actual motorcycle. The ArtOfMotorcycling (AOM) Gallery in the Arts & Heritage section displayed designs handpicked from the first and second seasons of AOM. The Apparel MiY stall housed live printing of t-shirts, masterclass on helmet painting, live helmet painting, customisation on new and existing helmets.



Moto Reel: In conversation with Champions & Stalwarts of Adventure

With so much happening in the world of motorcycling - cross-country or cross continent rides, riders doing the distance solo, Polar expeditions on a motorcycle, advancements in the field of racing and rally, moto journalists becoming beacons of inspiration, custom bike builds breaking boundaries - at Moto reel there were a lot of inspiring stories from industry stalwarts sharing their experiences and real life experiences with the visitors. Sessions by Louis Rudd - a record-breaking polar adventurer and expedition leader and stalwarts of Dakar with CS Santosh, Nani Roma, Ashish Raorone were some of the Moto Reel sessions that kept the audience engaged among the several others.

Continuing its journey towards sustainability, Rider Mania 2022 propagated the message for zero 'single-use plastic' and #LeaveEveryPlaceBetter along with other initiatives under Royal Enfield's social mission of Responsible Travel.



LIMITED EDITION COLLECTIBLE SCALE MODELS

The Classic motorcycle holds an esteemed position within Royal Enfield's line-up, renowned for its timeless design, lines and silhouette and the riding experience. In an ode to Classic's remarkable success, a limited edition 1:3 scale model of the Classic 500 was launched as a collectible, authentically embodying its finest qualities. Artfully handcrafted with pride, passion and to perfection, these bespoke models

featured authentic parts resembling real motorcycle components, including a moving throttle, clutch unit, adjustable suspension and adjustable chain. The model weighed close to 8.5 Kgs and measured 2.5 ft in length, 1.25 ft in breadth and 0.85 ft in height.

With this model, Royal Enfield presented connoisseurs and ardent Classic enthusiasts a once-in-a-lifetime opportunity to own an exquisitely

crafted beauty and express their love for the Classic. The model made its debut at Motoverse 2022, where it was showcased in a vibrant array of eight colours, garnering overwhelming response from the public and media alike. The collectible was then launched for sale on the Royal Enfield Apparel website, and the entire stock was swiftly sold out, establishing its immense popularity and desirability.



THE GREAT HIMALAYAN EXPLORATION



PRESERVING CULTURES WITH UNESCO

Royal Enfield and UNESCO forged a unique partnership in August 2022 with the purpose of engaging the motorcycling community in the first ever exercise by riders to document India's vast wealth of Intangible Cultural Heritage - The Great Himalayan Exploration. The first set of rides were conducted in Meghalaya and parts of Assam and Arunachal Pradesh, engaging nearly 30 motorcycle riders who donned the hat of researchers. Under the guidance of UNESCO, they successfully documented 21 practices that are an integral part of the living heritage of the Himalayas.

In a first-of-its-kind endeavour, UNESCO (the United Nations Educational, Scientific and Cultural Organisation) and Royal Enfield, came together in a unique partnership to document, preserve and promote the Intangible Cultural Heritage of India, beginning with the Himalayas.

CULTURAL SHOWCASE AT THE ICONIC BIKANER HOUSE

The announcement of this unique partnership between UNESCO and Royal Enfield was done through a four-day creative showcase of the rich heritage of the Western and Eastern Himalayas, at the iconic Bikaner House in Delhi and was curated by Dr Monisha Ahmed and Mary Therese Kurkalang. The showcase which brought the living heritage of the Indian Himalayas to the people of Delhi-NCR, included an exhibition, panel discussions, film screenings, performances and lecture-demonstrations. The four-day programme featured eminent artists, designers, chefs, mixologists, musicians, actors, photographers and luminaries of the social development sector such as Adil Hussain, Peter D'Ascoli, Sonam Dubal, Rita Banerji, Mallika Viridi and Tsewang Namgail, Yangdup Lama, Nilza Wangmo and Anumitra Ghosh.

PRESERVATION OF THE INTANGIBLE CULTURAL HERITAGE OF INDIA

As part of its ongoing programme globally and in India, UNESCO has been spearheading the movement to identify, document and preserve the Intangible Cultural Heritage of India, which is one of the 178 countries to have adopted the 2003 UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage (ICH), for decades. Apart from its incredible heritage of monuments, a substantial part of India's cultural heritage consists of an extraordinarily dynamic array of living heritage. This includes traditions of music, dance, theatre, storytelling, festivals, and rituals.

Intangible cultural heritage is directly linked to livelihoods. For instance, large number of women in rural India are engaged in weaving and the production of handicrafts, and India's handloom and crafts sector have emerged as one of the country's largest employers and facilitators for income generation in rural areas.

Indeed, the 2030 Agenda for Sustainable Development recognises that culture can contribute to economic growth, sustainable consumption and production, and the growth of sustainable settlements. Today, 14 elements from India are inscribed on UNESCO's Representative List of the Intangible Cultural Heritage of Humanity.

Commenting on the partnership, Siddhartha Lal, Managing Director and Chief Executive Officer of Eicher Motors Limited said, "The Himalayas is the spiritual home for Royal Enfield and we are very excited to partner with UNESCO to work towards building a sustainable future for this region. With more members of our motorcycling community heading there, Royal Enfield is working in this iconic landscape to promote sustainable tourism and build resilient communities. Through this partnership, we aim to preserve and promote the culture, knowledge and traditions that are harmonious with fair and regenerative living and ensure that Himalayan communities are empowered to make decisions that support their resilience."





ROYAL ENFIELD'S VISION AND MISSION FOR THE HIMALAYAS

Given its long relationship with the Himalayas, stretching back over three decades, Royal Enfield's ambition is to partner with 100 Himalayan communities to adopt sustainable living practices, by 2030. Over the years, Royal Enfield has played a leading role in galvanising communities and bringing them closer to the Himalayas. The brand now aims to enable 1 million members of its global motorcycling community to act as agents of change and to take action to help regenerate iconic landscapes like the Himalayas and the communities within them.

Royal Enfield already has several projects in the Himalayas that aim to promote sustainable living practices and empower communities to grow and develop, including waste collection centres and women's cooperatives. Additionally, Royal Enfield organises several cause-based rides where the riding community is encouraged to engage with local communities through causes such as clean-up drives, tree planting and so on.

THE GREAT HIMALAYAN EXPLORATION RIDE

The ride was flagged-off from the iconic Victoria Memorial in Kolkata and the team first visited Pattachitra Gram (Village of the Scroll Painters) in Pingla Block, a UNESCO ICH showcase in the West Medinipur District. The destination was part of a capacity-building exercise for the larger exploration in remote parts of the North Eastern Himalayas.

As part of the experience, the team were given a tour of the model village and the resource centre where the artists showcased the techniques they use to create the dyes and paint, as well as the end purpose of Pattachitra, which is its use as a prop and a backdrop in folk songs. Recognised as one of the oldest art forms in the world, the art of Pattachitra is documented by UNESCO and is handed down through generations. The exercise introduced the rider-researchers to the world of



Intangible Cultural Heritage through a physical showcase, in addition to the day-long workshop that was headlined by a session conducted by Eric Falt, former Director, UNESCO India.

After the flag-off and the ride to Pattachitra Gram, the rider-researchers were split into four groups and the team has since visited several communities across Meghalaya, Assam and Arunachal Pradesh, successfully documenting their specific

ICH practices. The culmination of these first set of rides of The Great Himalayan Exploration has resulted in a repository of documentation relating to 21 Intangible Cultural Heritage practices. The objective of The Great Himalayan Exploration is to document a total of 100 such practices in the Eastern Himalayas alone, before taking this unique exploratory model to the Western Himalayas.



COLLABORATIONS

Royal Enfield is committed to empowering emerging aspirants and loyalists to express themselves and connect with the brand through diverse apparel, accessories, and riding gear. By offering captivating apparel ranges in collaboration with renowned global brands, Royal Enfield is igniting a passion for pure motorcycling worldwide. These initiatives inspire exhilarating journeys, fuelling the spirit of adventure and embracing the essence of pure riding.

TORNADOES-THEMED APPAREL AND MERCHANDISE RANGE

A tribute to Army Service Corps (ASC) Motorcycle Display team 'Tornadoes'

Royal Enfield has a long-standing association with the Indian Army since 1952. The brand has also played a vital role in the history of Tornadoes, with its Bullet 350 being used in their first stunt performance in 1967.

In a tribute to the undying spirit of the Tornadoes and inspired by their valour, Royal Enfield installed a unique sculpture-tribute and launched a coffee table book. Additionally, the exclusive Tornadoes Collection, a limited-edition apparel range, was also launched. This collection features specially-designed protective apparel exclusively available to the ASC team, to ensure their safety while performing stunts. A range of graphic t-shirts, sweatshirts, shirts, jackets, trousers, caps, headgear and mugs, were also created for motorcycling enthusiasts and those aspiring to associate with Tornadoes.





ALPINESTARS X ROYAL ENFIELD

Combining safety, performance and comfort

In May 2022, passionate motorcyclists from across the world were in for a treat as Royal Enfield collaborated with celebrated Italian riding gear brand, Alpinestars to create an exclusive line of riding apparel. The new range included armour-infused riding jackets, gloves and riding trousers that meet global norms of safety, performance and comfort.

The jackets are CE certified to class A and the trousers come with CE Level 2 Nucleon flex pro knee protector.





WIDENING REACH AND EXPANDING GLOBAL FOOTPRINT

From establishing global subsidiaries to setting-up completely knocked (CKD) units, from expanding distributor and retail networks to formulating dedicated market strategy, Royal Enfield is taking dedicated efforts to make deeper inroads into global motorcycling markets. Having closed the year with milestone international sales, Royal Enfield is now looking to consolidate its position, increase market share, and significantly boost growth in markets outside India.

ROYAL ENFIELD INTERNATIONAL PRESENCE

More than 60 countries

1,150+ global touchpoints

200+ exclusive stores | 950+ MBOs

4 CKD facilities across the world - Thailand, Argentina, Colombia and Brazil

ENHANCING AVAILABILITY ACROSS INTERNATIONAL MARKETS

Royal Enfield motorcycles have a strong foothold in global markets, as evident in its growing market share in key markets. It holds a market-leading position in the mid-weight segment in the UK and ranks among the top three in Europe. Furthermore, the brand has witnessed notable growth in its market share across Americas, APAC and EMEA regions, reaching 8%, 9% and 9% respectively.

With strong growth visibility, Royal Enfield continues to steadily expand its international network to cater the growing demand. In FY 2022-23, Royal Enfield expanded to 1,150+ new retail touchpoints across different countries, including 207 exclusive stores and 950+ multi-brand outlets (MBOs). There is also a strong focus on expanding the portfolio, aligned to which Meteor 350 and New Classic 350 were made available in APAC and Europe and Hunter 350 in LATAM and APAC.





EXPANDING ASIA PACIFIC NETWORK

During the year, Royal Enfield expanded retail network in Asia Pacific with the addition of six exclusive stores across Philippines, Mongolia, Vietnam, and Thailand. With this, the total network in this market in FY 2022-23, stands at 155 touchpoints with 49 exclusive stores and 106 MBOs.



FORMIDABLE PRESENCE IN UK AND EUROPE

The UK and Europe are the largest and fastest growing markets for Royal Enfield outside India. The market has a total of 70 exclusive stores and 495 MBOs. Sustained marketing activities along with a robust strategy are being implemented to grow this market.

EXPANDING GLOBAL CKD NETWORK

The rising demand for Royal Enfield motorcycles in international markets along with long-term prospects necessitates expanding capacities. The brand is meeting the same with its CKD assembly units. Adding to its existing network of three CKDs across Argentina, Colombia and Thailand, during the year

a fourth unit was opened in Manaus, Brazil. It is a significant step forward in Royal Enfield's plans in LATAM, and is a testament of its commitment to the Brazilian market which holds significant growth potential.

More opportunities are being explored in priority markets like APAC and LATAM regions.



CREATING BRAND-LED CUSTOMER EXPERIENCES

Royal Enfield has always been inspired to undertake efforts that can deliver differentiated experiences and nudge passionate riders into the world of pure motorcycling. Over the last couple of years, the brand has conceptualised unique digital-led retail and service excellence initiatives that are ensuring superior customer experiences.

AUGMENTED REALITY EXPERIENCE

Royal Enfield introduced augmented reality (AR) feature to enable customers to enhance visualisation of its evocative motorcycles with an immersive and interactive experience, thus improving their overall purchasing journey. The feature also enabled dealers with an option to showcase the motorcycles that are not on display.

TRIPPER WEB-EXPERIENCE

Royal Enfield enabled seamless connectivity of Tripper, its intuitive navigation system to the motorcycle with the Royal Enfield App. It helps motorcyclists to conveniently plan and share their routes and receive call alerts while riding. The Tripper page also provides an immersive experience to explore the product and better understand its features and benefits.





ENHANCING TRUST, TRANSPARENCY AND CONVENIENCE

Royal Enfield launched a service cost calculator that enables the customers to better understand the cost of their service. This improved transparency, helps them plan their budgets, compare service options and make informed decisions. A Spare Genuine Check feature was introduced to help


customers verify the authenticity of the spares sold in the after-market, thus safeguarding them against counterfeit products.

To enable easy tracking motorcycle delivery, an order tracking feature was introduced on the Royal Enfield app. This feature empowers customers with information, control and convenience throughout the shipping process.



THE HOLY GRAIL OF MOTORCYCLING EVENTS - HIMALAYAN ODYSSEY 2022





The Himalayas are Royal Enfield's spiritual home, and the Himalayan Odyssey is an ode to the undying spirit of exploration and motorcycling adventure since its inception in 1997. It is one of the biggest and oldest motorcycle rides of its kind in the Himalayas.

In FY 2022-23, Royal Enfield returned with the 18th edition of Himalayan Odyssey after a hiatus of three years. The ride was flagged-off from Delhi amidst thunderous roaring of Royal Enfield motorcycles and contrasting chants of the lamas. Taking 70 riders on a 2,700-km-long 18-day journey to Umling La, the highest motorable pass in the world, the edition marked a significant chapter in Royal Enfield's endeavours to explore more.

IGNITING THE PURE MOTORCYCLING SPIRIT

The riders and enthusiasts of Royal Enfield are discerning, passionate and deeply engaged with the brand and with pure motorcycling. Their stories, experiences, adventures and bonhomie together as a community, keeps them going. Royal Enfield continues to create meaningful platforms and events to bring them together, ride together, deepen the bond and create vivid and exciting new pure motorcycling repetition.

HIMALAYAN ODYSSEY 2022

The 18th edition of Himalayan Odyssey 2022 saw participation from across Indian cities and global destinations like Singapore, Saudi Arabia and the USA. It took riders on two different routes: one rode to Ladakh via the picturesque Manali route and the other traversed the rugged Sangla-Kaza route, before finally converging at Leh.



Marking a new journey in responsible travelling

The edition furthered Royal Enfield's vision of responsible travel practices and preserving the fragile Himalayan ecosystem. This included discouraging use of bottled water and facilitating purified water through Royal Enfield installed dispensers, providing LifeStraw and a green kit to reduce plastic consumption, and encouraging responsible waste disposal.

Further, Royal Enfield arranged accommodation for riders in 60 homestays in remote areas of Ladakh, where the brand helped electrify 682 households through solar power installations. Royal Enfield cavalcade also stopped at Chumathang to support the Chumathang Football Tournament where almost 300 children participated.



ONE RIDE 2022 | CELEBRATING THE JOY OF RIDING TOGETHER

India's largest cause-led and Royal Enfield's marquee global ride - One Ride unites motorcycling enthusiasts across diverse ages, regions and social identities for a ride that is inclusive and fiercely unique. It encourages the riders to become the change agents by sensitising them about the local ecosystem and community challenges, and providing opportunities to volunteer/support for building resilience within them.



In FY 2022-23, One Ride was celebrated across 50 countries globally. In India, the 11th edition saw 15,000+ riders from across 500 cities riding together to celebrate the camaraderie and brotherhood. The theme for the ride 'One World | One Mission | One Ride' was rooted towards Royal Enfield's social mission of encouraging Responsible Travel practices.



CLEAN-UP RIDE - PROMOTING ENVIRONMENTAL CONSCIOUSNESS

Clean-up Ride is a Royal Enfield initiative, in collaboration with multiple civil society organisations including Earth Day Network, Plastics for Change, Waste Warriors, LEDEG, Snow Leopard Trust, The Midway Journey, Football Foundation Bhaichung, Responsible Earth organisation. It aimed at promoting environmental awareness and facilitate discussions on efficient waste management, with focus on the Himalayas.

Held on the World Environment Day, the Ride brought together more than 2,000 Royal Enfield riders, citizen volunteers and NGO partners across 39 locations in 17 states and 5 union territories of India. Eminent personalities like Bhaichung Bhutia, former Captain, Indian National Football Team, Tsewang Namgail, Wildlife Biologist & Scientist and Venerable Konchok Paldan, Buddhist Scholar joined to flag-off the ride.

Through the Ride, the participants helped communities to unite and demonstrate their environmental concerns. They undertook clean-up

campaigns and other community-level activities in selected states led by the Himalayan ecosystem. They also cleaned-up designated/popular sites such as beaches, waterways, parks and other highly frequented public spaces, while responsibly disposing of the collected waste. The initiative encouraged citizens to care for their community areas on an ongoing basis to elevate health, sanitation and safety standards.

HIMALAYAN ADVENTURE - ZANSKAR

The Zaskar valley is an elusive and relatively untouched place, surrounded by great Himalayan peaks, averaging an altitude of 3,600m and with peaks as high as 7,000m. Himalayan Adventure - Zaskar took Royal Enfield riders on an epic and adventurous 9-day ride to discover this unexplored aspect of the Himalayas. Riding through off-road stretches, challenging terrain, water crossings and uncharted roads, it provided a spectacular experience for the riders.





ASTRAL RIDE - SPITI AND LADAKH

Astral Ride combines the shared passions of motorcycling and photography to take participants on an epic adventure at picturesque locations of India. During FY 2022-23, Royal Enfield organised two such rides - the Astral Spiti and the Astral Ladakh. Astral Spiti took participants on a 9-day ride to Shimla covering locations like Kaza and Manali. Astral Lakadh saw participants embark on an 8-day ride to Ladakh covering locations like Leh, Pangong Tso, Tso Moriri and Hanle. These Himalayan landscapes delivered extraordinary experiences taking them to some of the best places to capture cosmic marvels while riding through adventurous and beautiful locations.





NURTURING THE MOTORCYCLING SUBCULTURES

Royal Enfield is on a quest to broaden horizons and delve deeper into the realms of motorcycling. The brand has ventured into uncharted territories and circuits, embracing fresh formats to curate immersive experiences for customers. This serves as a catalyst for new ideas and paves the way for driving adventures in the world of motorcycling.



MAKING RACING MORE ACCESSIBLE WITH CONTINENTAL GT CUP

Royal Enfield Continental GT Cup, organised under the aegis of Federation of Motor Sports Club of India (FMSCI), is amongst the few retro-racing championship in India. It is aimed at nurturing niche riding cultures and enabling both new and experienced racers access to track-racing.

Season 2 of the race, notched up the experience with an exciting 'Pro-Am Series' format, that allowed novice riders to compete on the same grid with professional racers. It provided them an opportunity to grow their skills on the race circuit and get mentorship from seasoned racers.

The race, received a terrific response with nearly 500 registrations, of these, 100 were shortlisted and 25 top racers including 15 amateurs battled out for the championship title in the final

around across 8 intense races at the Kari Motor Speedway racetrack.

The racers once again got a chance to hone their exceptional racing skills on the Royal Enfield Continental GT-R650 with race-ready specs, enhanced in-house by Royal Enfield along with Harris Performance. This allowed for an un-intimidating, agile and spirited performance on track with enhanced racing comfort and aerodynamics.



SLIDE SCHOOL

Royal Enfield's Slide School initiative has been immensely popular and continues to gain traction in upcoming markets. The training school gives motorcycle enthusiasts an opportunity to learn the techniques of sliding a motorcycle into a corner giving them a taste of flat tracking. The schools focus on educating & introducing participants to a fun and easy to learn motorsport, in turn refining the riders skill & abilities on & off the track.

The FT 411, a customised version of the Scram 411 has been developed by our partners S&S cycle and are used by the students at the schools. In addition to such schools in India, USA and the UK, this year, Royal Enfield expanded its presence to newer regions. It launched Slide School in Italy and Netherlands which has gained traction steadily and is selling out every class. It is also in the final stages of launching a Slide School in Thailand, the first in the APAC region outside of India. You too can experience Slide Schools in India by logging onto royalenfield.com/slideschool

FUELLING CREATIVITY WITH ARTOFMOTORCYCLES SEASON 3

Conceptualised to fuel creativity among artists, creators and motorcycling enthusiasts, the ArtOfMotorcycling initiative offers a platform that gives the community an opportunity to express their love for art and 'the motorcycling way of life'.



For the first time, under ArtOfMotorcycling, Royal Enfield took the art created by the community to a whole new level with the Art on Street initiative. Taking over popular art districts across Delhi (Lodhi Art District), Chennai (Kannagi Art District) and Mumbai (Mahim (E) Art District), mural art was integrated with a first-of-its-kind Augmented Reality-powered display for the larger community to experience. In an extension to this initiative, participants' designs from Season 1 and 2 were also showcased through several art installations in Tier 2 and 3 cities.

Bringing together artists from various crafts and agencies under one umbrella to share their common love for motorcycling, ArtOfMotorcycling Season 3 welcomed a record number of 54,000+ registrations. The campaign witnessed 70% participation from Tier 2 and 3 cities and 90% participation from outside of Royal Enfield's riding community, resulting in a remarkable response.





UNLOCKING CREATIVITY WITH CUSTOMISATION

Royal Enfield motorcycles have always been a perfect canvas for imagination and self-expression. Every year, the Royal Enfield Custom Programme team collaborates with some of the world's leading companies and custom builders to showcase their creativity and express their love for the brand.



CERRA 865 – GT BUILD AUSTRALIA

Cerra 865 is a track racer developed by Skunk machine from Australia. Based on the GT650, the custom follows a similar design and development process as that in ID studios at OEM's, making it the first time a custom build has been approached in this fashion.



KAI – GT BUILD JAPAN

Kai, (derived from KAIZO -meaning modification) is our first ever commissioned build by a Japanese builder, a partner with AN-BU custom motors, a veteran custom builder who has been modifying motorcycles & racing them for over 2 decades.

KAI is an embodiment of Japanese custom motorcycles culture and trends with the builder focussing on material finishes rather than paint that not only look good but functions just as well. The custom was first showcased at the Tokyo Motorcycle show in March 2023, drawing huge crowds to the Royal Enfield booth along with immense appreciation and recognition for both the brand and the build.



SCRAM BUILD – BOMBAY LOKAL

The “Bombay Lokal” is an urban motard built based on the Scram 411 by Bombay Custom Works. It is inspired by the city of dreams and every bit of the build is steeped in visual representation that depicts the highs & lows of the city while complementing the functional attributes of the base motorcycle.

HIMALAYAN BUILD – ULTIMATE HIMALAYAN

The Ultimate Himalayan is built by Motoexotica in Dehradun. It boasts a variety of modifications that amplify every characteristic of the already capable motorcycle. The bike now runs a 500cc engine, full carbon fiber bodywork - making it lighter by 6 kgs -, rally spec suspension and tires that further fuel your passion for adventure & exploration.







INTEGRATED REPORT

BUSINESS MODEL

CRUISING AHEAD WITH A RESILIENT BUSINESS MODEL

INPUTS**FINANCIAL CAPITAL**

- Rs. 10,794.57 crores net worth as at March 31, 2022

**MANUFACTURED CAPITAL**

- 3 world-class manufacturing sites in Chennai, India with 12 lakh annual manufacturing capacity
- 4 CKD (assembling units) across global market
- Key raw material consumed –
 - Aluminium: 21,746 MT
 - Steel: 38,080 MT
 - Rubber & Plastic: 8,792 MT
- Rs. 653.94 crores capex spent for enhancing efficiency, safety and reliability of operations
- 18,000 Kaizen journey initiated

**INTELLECTUAL CAPITAL**

- 2 world-class research and development (R&D) centres in Chennai, India and Bruntingthorpe, UK
- Make it Yours (MiY) for customisation and enhancing ownership experience
- 450+ dedicated employees for R&D
- Rs. 309.57 crores spent on R&D (2% of revenue)
- Continual innovations aligned to dynamic market trends
- Development of local parts for CKD markets

**HUMAN CAPITAL**

- 5,002 permanent employees
- 758 new hires
- 1,00,000 hours of training conducted to enhance skills for achieving organisational goals

**SOCIAL AND RELATIONSHIP CAPITAL**

- Rs. 47 crores spent on community development projects
- Partnerships with 41 non-profit and 2 Government organisations
- 969 studio stores and 1,090 dealerships
- Supported dealers by setting-up experiential hub, skill development centres and satellite training centre and initiating HRMS/LMS
- Initiated ESG assessment of supply chain

**NATURAL CAPITAL**

- 4,98,002.3 GJ of energy used in three manufacturing sites and HQ (74,608.3 GJ through renewal energy - solar)
- 1,18,708 KL of water used in manufacturing
- 13 MW offsite-solar power plant
- Commitment towards efficient operations resulting in reduced environmental footprint
- Promoting responsible travel practices

VALUE CREATION MODEL**Design**

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

Procurement

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

Production

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

STRATEGIC OBJECTIVES

Promote safe, comfortable and environmentally friendly mobility



Ensure a smooth transition to changing policy scenarios



End-of-life

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

Customers

- Ensure customer safety, experience, engagements to enhance brand loyalty and reputation
- Customer satisfaction through after sales service
- Awareness for responsible travel
- Managing environmental footprint

Sales and distribution

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



Support export growth and expand further in international markets

OUTCOMES

FINANCIAL CAPITAL

- Rs. 12,886.90 crores net worth
- Rs. 14,066.64 crores net revenue
- 24.1% EBITDA margin
- Rs. 2,807.11 crores operating cash flows
- Delivering sound financial performance, creating sustained value for stakeholders

MANUFACTURED CAPITAL

- 8,32,179 motorcycles produced supported by the Vallam Vadagal and Oragadam units
- 8,34,895 motorcycles sold
- Maintained highest product quality standards to meet customer expectations and also reducing the cost of ownership

INTELLECTUAL CAPITAL

- 2 new motorcycles (Hunter 350 and Super Meteor 650) launched
- Launched upgraded / refreshed variants for Interceptor 650, Continental GT 650, Meteor 350 and Himalayan motorcycles
- Reduction in product development cycle
- Improved quality resulting in reduced warranty costs and cost of ownership, while enhancing user experience
- Upgraded motorcycles in India to latest regulatory norms

HUMAN CAPITAL

- 6% gender diversity in permanent employees
- Lost time injury frequency rate: Oragadam plant – Nil and Vallam plant - Nil
- Zero fatality
- Trained and skilled employees
- Happy, healthy and engaging working environment; 92% engagement score

SOCIAL AND RELATIONSHIP CAPITAL

- 69% procurement of raw materials from local vendors
- Positive customer satisfaction score at new motorcycle delivery stage
- Pioneer enriching experiences while creating shared value for a positive impact on people and planet

NATURAL CAPITAL

- 63,256 tCO₂e of Scope 1 and 2 emissions released
- 60% of Vallam unit's energy requirement met through renewable energy (solar)
- 12% and 4% of recycled aluminum and steel, respectively, are utilised in products
- 416.93 MT hazardous waste recycled
- 441.02 MWh of energy saved
- All units zero liquid discharge; achieved a water positive index of 2.6 in 2022-23
- Integrated pillars of sustainability right from design to consumer end use phase to mitigate the negative impacts on ecosystem

OPERATING ENVIRONMENT

READY TO SEIZE OPPORTUNITIES

The world is undergoing a transition driven by climate change and rising geopolitical tensions. The global automobile industry is also in a transition phase with e-mobility gaining traction and rising premiumisation, especially in the mid-weight motorcycling segment as customers seek better value. EML is responding with agility to stay at the forefront of the dynamic landscape and proactively capture the upcoming opportunities.

TRENDS SHAPING THE MOTORCYCLING INDUSTRY

1. Premiumisation in India

The demand for premium products is growing in India, driven by rising aspiration levels and growing per capita income. The trend has further accelerated post the pandemic, which saw a growing affinity of consumers towards premium, better valued products, including automobiles. Premiumisation is expected to further increase over the next couple of years with the Indian economy set to grow rapidly which in turn is expected to enhance the per capita income of Indians to USD 4,063 by 2030. This expansion in middle class and high-income segments is expected to reshape future consumption, resulting in an incremental consumption of USD 4 trillion by 2030.

Company response:

Royal Enfield is a leader in the premium motorcycling segment (> 125cc) in India with a market share of 31.9%. It has a strong brand following, and remains focussed on this segment with a strong pipeline for the coming years.

2. Accessible motorcycles demand in the global market

The global mid-sized motorcycle is underserved with a few globally operational brands in the segment. Also, the products of these brands are priced comparatively higher making them inaccessible. This has created a void in various global markets for premium, but accessible motorcycles. The global mid-sized motorcycle segment is estimated to be a 1 million opportunity.

Company response:

Royal Enfield has traditionally been an Indian market focussed company. However, in recent years, it started to shape its global expansion and brought a change in strategy to become a premium global brand from India. The Company's evocative motorcycle portfolios, its rich British roots and accessibility of products resulted in the brand gaining increased traction. As a result, in the last five years, the Company's international sales volume has expanded ~5 times, along with market share gains in key markets. Royal Enfield intends to grow its international business further by launching more products aligned to this market, expanding its retail network and strengthening its global assembly capacities to ensure faster market reach.





3. Environment compliant products

Climate change has triggered a shift towards sustainable products across sectors. The automobile industry too is witnessing disruption. Governments across the globe are making emission norms more stringent while also incentivising electric mobility to reduce carbon footprint. There is also a shift in consumer behaviour with growing preference for environmentally sustainable vehicles.

Company response:

Royal Enfield has strong R&D competencies which it is leveraging to manufacture its motorcycles more efficient and sustainable. The Company ensures that all its motorcycles are compliant to local emission norms, and in FY 2022-23 upgraded its entire portfolio in India to the latest norms. It is also working towards upgrading the portfolio to more stringent emission norms in the international markets. Royal Enfield has further made a strategic investment in an electric motorcycle company, Stark Future S.L, to further its electric vehicle capabilities.

4. Motorcycling culture

Leisure motorcycling is witnessing unprecedented growth as passionate motorcyclists look for more exhilarating and unique experiences. Also post pandemic, there has been a surge in the youths who seek to balance personal-professional lives.

Company response:

At Royal Enfield, communities have always been a core purpose of existence. The Company has for long been conducting unique rides and motorcycling events that attracts and connects with passionate riders. The Company continues to explore newer ways to give its ever-growing community experiences they desire.

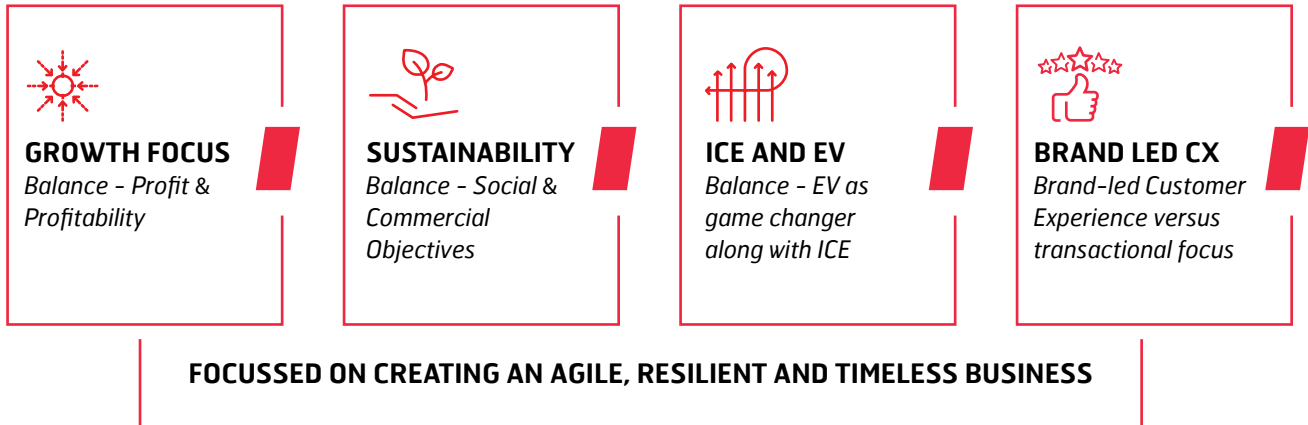





STRATEGY

**PURSuing SUSTAINABLE,
LONG-TERM GROWTH**

EML has adopted a new strategic objective – REBALANCE – in line with the evolving world and automobile industry. It has defined strategic priorities to address the market changes and challenges effectively, while setting the foundation for sustained long-term growth and value creation for all.

REBALANCE: A NEW STRATEGIC APPROACH FORWARD**SETTING THE RIGHT PRIORITIES FOR A SUSTAINABLE FUTURE**

Strategic priorities	Key actions undertaken
 <p>Strategy 1 Establish premium brand in India with an expansive distribution network</p>	<ul style="list-style-type: none"> ■ Strengthened reputation as premium mid-segment motorcycle brand with the launch of Super Meteor 650 ■ Ensuring deeper market penetration with large stores for tier I locations and smaller studio stores for tier II and III cities ■ Undertook training programme, established training centre and implemented digital initiatives to drive sales and service excellence among dealers



Strategic priorities

Key actions undertaken



Strategy 2 Build brand salience

- Organised motorcycling events and rides and continued to strengthen community ecosystem
- Providing multiple unique experiences with MiY (personalisation), Vintage stores (purchase and sales of pre-owned RE motorcycles), Garage Café, RE app, service on wheels, custom programme, among others
- Upgraded Rider Mania to Motoverse to make it a more fun, engaging and entertaining event
- Initiated various social media campaigns and digital engagement programmes resulting a total reach of more than 533 million



Strategy 3 Focused approach for international expansion

- Invested in CKD facility in Brazil, the fourth globally
- Undertaking global launch of products in international destinations as well as major motorcycling events like EICMA
- Increased engagements with global automobile journalists



Strategy 4 Building product development capabilities to cater global market

- Investment in Stark Future to have a stake in global electric leisure motorcycling segment and build own journey with technical know-how
- Strengthened team at global technology centres and ensuring sustained collaboration with Harris Performance
- Formed advanced engineering team that will work on integrating future technologies in new products



Strategy 5 Growing non-motorcycling business

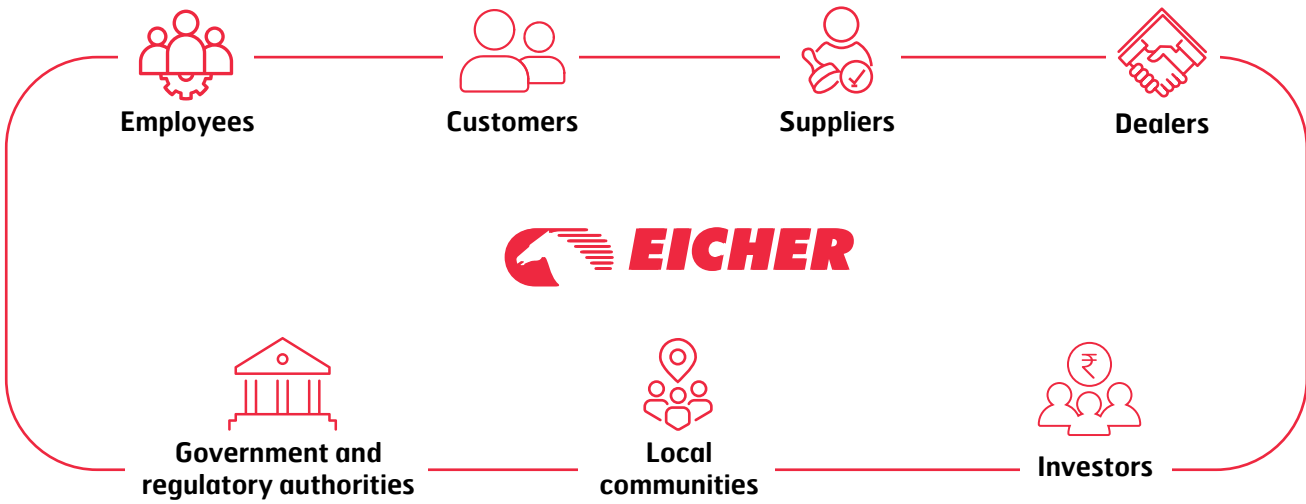
- Launched Tornadoes collection and APLINESTARS x RE riding apparel collections (in collaboration with APLINESTARS)
- Expanded genuine motorcycle accessory (GMA) range to 267 SKUs from 200

STAKEHOLDER ENGAGEMENT

BUILDING DEEP RELATIONS WITH EFFECTIVE ENGAGEMENT




At EML, effective stakeholder engagement is key to identifying their concerns as well as the issues and macro trends relevant to the Company’s operations. EML ensures taking appropriate actions to address their concerns and strengthen long-term relations. Such engagement also forms the basis of developing business and ESG strategies, which is crucial to capture opportunities and remain competitive.

EML has established a robust mechanism to effectively engage with relevant stakeholder groups comprising diverse internal and external stakeholders and uses multiple channels for communication. Key engagements and response by EML in FY 2022-23 are as follows:



Stakeholder group	Engagement channels	Their expectations	Actions by EML in FY 2022-23
<p>Employees</p>	<ul style="list-style-type: none"> Awareness / shop floor / learning and development trainings Townhalls Annual satisfaction surveys and performance appraisals Grievance redressal mechanism Newsletter 	<ul style="list-style-type: none"> Occupational health and safety Rewards and recognition Personal development and growth Engaging, satisfying and conducive work culture 	<ul style="list-style-type: none"> Conducted RECONNECT engagement survey and action plans in progress Implemented trainings, leadership development interventions and Kaizen convention Signed long-term settlement with union Organised sports, health camps and various other engagement programmes
<p>Customers</p>	<ul style="list-style-type: none"> Customer satisfaction and market surveys Launch events, rides and events Website, social media and apps 	<ul style="list-style-type: none"> Unique products Product quality, on-time delivery, safety and customisation capabilities Prompt and quality services complaint resolution 	<ul style="list-style-type: none"> Reintroduced marquee rides and community events post hiatus during pandemic Apps like RE app for end-to-end needs, MiY for easy customisation journey, order management for seamless ordering Doorstep services for delivery and services



Stakeholder group	Engagement channels	Their expectations	Actions by EML in FY 2022-23
 <p>Suppliers</p>	<ul style="list-style-type: none"> Supplier meets Training and awareness programmes Pre-onboarding Supplier assessments 	<ul style="list-style-type: none"> Planning and execution of work orders Innovation and product development Sourcing plans Co-creation of new technologies 	<ul style="list-style-type: none"> Undertaken supplier assessment survey and necessary actions to be implemented Ensured compliance with supplier code of conduct
 <p>Dealers</p>	<ul style="list-style-type: none"> Dealer meets Marketing communications Website and digital mediums 	<ul style="list-style-type: none"> Sales and marketing plan Product quality Incentives Enhancing customer experience 	<ul style="list-style-type: none"> Established experiential training hub Initiated HRMS/LMS to enable dealer manpower
 <p>Investors</p>	<ul style="list-style-type: none"> Press releases and publications Investor meets and quarterly earnings call Annual General Meeting One-on-one meeting 	<ul style="list-style-type: none"> Financial performance and prudent fiscal management Future approach and projects Updates on new launches ESG consideration 	<ul style="list-style-type: none"> Delivered 65% growth in PAT and distributed 3700% dividend Implemented REBALANCE strategy to go beyond profitability and secure long-term growth
 <p>Local communities</p>	<ul style="list-style-type: none"> Community outreach programmes Press releases and publications 	<ul style="list-style-type: none"> Community development initiatives including education, skill training and healthcare access Sustainable operations 	<ul style="list-style-type: none"> Promoting responsible travel to protect Himalayan environment, communities and its culture Implemented programmes for skill development and livelihood creation, conserving marine species, promoting education and winter sports, and road safety Special rides to encourage sustainable behaviour among communities and empower women
 <p>Government and regulatory authorities</p>	<ul style="list-style-type: none"> Mandatory compliance reports Onsite inspections One-on-one meeting 	<ul style="list-style-type: none"> Statutory compliance, including environmental and social compliance Job creation and contribution to national growth 	<ul style="list-style-type: none"> Rs. 757.38 crores taxes paid on time Zero issues relating to non-compliance



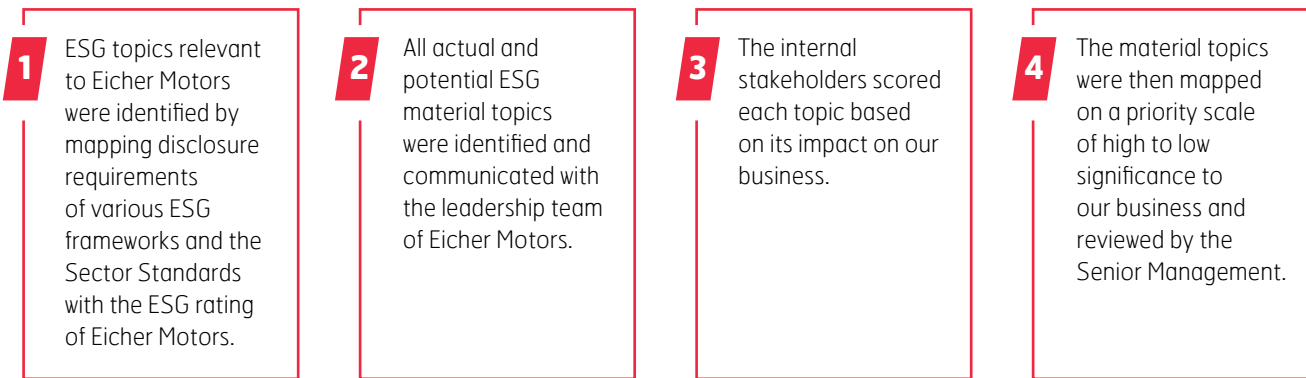
MATERIALITY

ADDRESSING THE MOST URGENT MATTERS

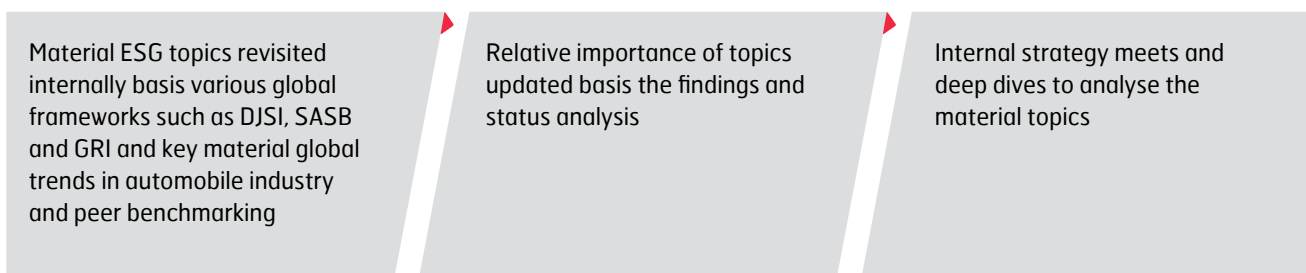
EML identified material topics critical to its value creation and to the stakeholders through an extensive stakeholder engagement and materiality analysis exercise conducted in FY 2020-21. During the year, it has re-evaluated the impact of these issues based on the externalities and the organisational strategic priorities and ESG focus area. Based on these, actions are being taken to reinforce long-term sustainability.

MATERIAL TOPICS RE-EVALUATION IN FY 2022-23

The process for determining the Material topics for Eicher Motors Limited is as follows:



In order to create a meaningful impact, the material issues identified require sustained attention and inputs and hence may be periodically realigned, depending on the Company's performance, changing business contexts and stakeholders' views.





MATERIAL MATTERS AND THEIR IMPACT ON VALUE CREATION

Environmental

Material topic	Impact on value creation
High significance	
Adoption of clean technology	Use of clean technologies ensures compliance with environmental regulations and improves reputation. EML's products meet the stringent global emission regulations, with ongoing efforts to further improve. It is also focussed on advancing to EV motorcycles.
Energy management	Efficient energy use mitigates climate change and helps save costs. EML has invested in renewable energy and energy-efficient devices and systems to minimise energy consumption.
Medium significance	
Product stewardship	Integration of sustainable practices into the development of new products that demonstrates the ability of the company to capitalise on market opportunities and minimise market risk at the product level by adding value to products by minimising the risk of harm both to people and the environment, thereby reducing potential liabilities.
Water and waste management	Improper water and waste management can cause stress in ecosystems and impact the health of communities. EML ensures water-positive operations through rainwater harvesting, recycling and reuse and implementing water efficient systems. EML follows the principles of circular economy and has sewage and effluent treatment plants at its units to manage waste.
Climate change and emissions	Climate change poses a global threat and can impact operations. EML's product development centres prioritises continuous innovation to improve motorcycle fuel efficiency. EML has also invested in an electric motorcycle company to advance its EV journey, encourages responsible travel practices and has invested in renewable energy.
Sustainable supply chain	A sustainable supply chain reduces carbon footprint and mitigates operational risks. EML's supply chain framework ensures sustainable procurement of raw materials. EML also assesses its supply chain and has code to guide their actions.
Responsible & efficient use of materials	Use of various extracted and non-reusable materials in operations can impact the environment. EML has implemented good manufacturing practices for efficient material use and also uses alternate materials.
Vehicle life cycle analysis	Assessing the overall impact that our products will have on climate-changing emissions during the manufacturing, its use and, ultimately, its end of life dismantling/recycling phase.
Low significance	
Biodiversity	Biodiversity protection is essential for maintaining ecological balance. EML promotes responsible travelling practices including discouraging use of single use plastics.
End-of-life (ELV) vehicle management	End-of-life is critical to reduce environmental impact and meet regulatory norms. EML takes proactive measures for effective recoverability and recyclability of its products. It ensures designing products to enhance ELV optimisation.

Capitals impacted:



Strategy at risk:



UN SDGs:



SOCIAL

Material topic	Impact on value creation
High significance	
Customer centricity	Customer centricity drives brand salience. EML's effort in conceptualising unique motorcycles, gears and accessories along with establishing a host of motorcycling and non-motorcycling ecosystems ensures exceptional customer experiences.
Human capital development	Talented team is key to success. With a robust talent management approach, EML builds a passionate team aligned with the brand's vision and its commitment to sustainable growth and value creation. Training and leadership programmes further enhance skills and drive global competitiveness.
Medium significance	
Human rights	Human rights are the bedrock of ethical conduct and pivotal in shaping brand reputation. EML upholds and safeguards the rights of all stakeholders throughout its entire value chain.
Occupational health and safety (OHS)	Healthier employees and a safe workplace prevent mishaps and ensure uninterrupted operations. EML prioritises OHS as a fundamental part of its strategy, supported by best safety practices, multiple systems and tools. This results in zero fatalities and low LTIFR.
Community welfare	Communities grant the social licence to operate. EML recognises the significance of fostering positive community relationships and advancing their prosperity with various initiatives to address their needs and make a meaningful impact.
Supplier social assessment	Evaluating suppliers' adherence to social and ethical standards, reduces reputational risks and increases operational efficiency. EML has a robust supplier code of conduct to guide their actions and also undertakes supplier assessments.
Industrial labour relations	Labour unrest can impact plant operations. EML maintains cordial relations with the unions and has also signed settlements with them. It has also invested in better technology and automation at the plant to enhance efficiency.
Low significance	
Road safety	Road safety can save lives. EML ensures its motorcycles meet necessary safety and quality standards. It also undertakes campaigns to promote responsible riding and wearing helmets.

Capitals impacted:



UN SDGs:



Strategy at risk:





ECONOMIC & GOVERNANCE

Material topic	Impact on value creation
High significance	
Manufacturing quality and efficiency	Premium, high-quality motorcycles underpin EML's success and differentiation, and efficient manufacturing is critical to ensuring cost-effectiveness and fast turnaround. EML uses top-class hand-crafted parts, having premium finishing, in its motorcycles which makes them distinctive. It further has best-in-class units with superior technologies and automation, ensuring high efficiency. It also has third CKD (assembly units) to meet growing demand efficiently.
Brand reputation management	Brand equity drives business growth. EML strengthens its brand through continued launch of unique motorcycles and promoting a motorcycling culture and ecosystem which delivers superior experiences. It is also establishing a presence in global popular culture hotspots.
Business continuity & economic performance	Business continuity planning ensures resilience and adaptability to challenging times, and a robust business strategy is essential for sustainable economic performance. This helps meet stakeholder's expectations and assists fund generation to drive growth ambitions. EML ensures continued new launches and widening global presence and dealer network for business growth. It is also progressing ahead on its EV strategy to meet evolving needs.
Regulatory compliance	Compliance to local regulation is a must for ongoing operations. EML has teams globally who have knowledge of local regulatory requirements. They engage with regulatory bodies and continually track developments to stay updated.
Ethical business practices	Ethical practices ensure achieving business priorities while protecting the interests of all stakeholders. EML ensures this with a robust governance framework supported by an experienced and independent board.
Medium significance	
Innovation management	Unique motorcycles, accessories and gears are a differentiator for EML. This is ensured through a proficient team at its technical centres and collaborations with global leaders.
Emerging mobility solutions	Automobile industry is shifting towards cleaner technologies and e-mobility. EML has made strategic investment in an e-mobility company Stark Future to advance its EV journey.
Cybersecurity & digitalisation	Cybersecurity is essential to protect sensitive data. EML conducts assessments and has implemented various defence mechanisms to avert cyber security threats. Employees are also regularly sensitised. Further, it is in the process of implementing an Incident Response Plan.
Low significance	
Tax management	Maintaining financial records, filing tax returns, account audits, and paying taxes in a timely manner and complying with the Tax Authorities in all the countries present.
Market volatility	Market volatility can impact demand and profitability. EML is continually expanding operations to new regions to minimise demand concentration. It also implements costs reduction programmes, focusses on using alternate materials, and having alternate vendors to reduce costs.

Capitals impacted:



UN SDGs:



Strategy at risk:





RISK MANAGEMENT

**MITIGATING RISKS,
AUGMENTING RESILIENCE**

EML has established a robust risk management framework that assists better understanding of dynamic externalities and their potential impact on business, and devising ways to effectively mitigate them. It enables achieving the strategic imperatives and safeguarding value creation in the interest of all stakeholders.

SUPPLY CHAIN DISRUPTION RISK

Risk	Mitigating actions
<p>Supply chain disruptions such as shortage of semiconductors (microchips) and rise in commodity prices including oil can delay production and increase input costs, and impact the Company's profitability.</p> <p>Further, high dependence on single-source vendors for key components and on certain country for raw material procurement can lead to concentration risk.</p> <p>Capital: Financial, Manufactured, Natural, Social and Relationship</p> <p>Material Issue: Economic performance, manufacturing efficiency, responsible supply chain, customer centricity, responsible use of materials</p>	<p>The Company undertakes measures to effectively mitigate raw material shortage impact on supply chain and manufacturing output. It secured sustained raw materials and components availability through alternate vendor sourcing, inventory build-up, and optimising variant-feature mix. Input price rise was offset through various cost reduction programmes, accelerated value engineering and undertaking price increases.</p>

CONCENTRATION RISK

Risk	Mitigating actions
<p>The Company's manufacturing is concentrated in a single location – Chennai. This exposes it to risks associated with geopolitical crises and natural disasters which may cause operational disruption, shutdown or production cuts, project delays, supply chain hurdles, and increased construction costs.</p> <p>Capital: Financial, Manufactured</p> <p>Material Issue: Economic performance, manufacturing efficiency</p>	<p>The Company has strategically diversified its supply base by establishing vendor relations across diverse locations. This ensures supply chain resilience and minimises the risks of delays in material availability. The Company's plants in Chennai have been kept separate, yet are built with a flexible / modular design, enabling them to manufacture any model. This allows for efficient resource allocations, while also giving the agility to swiftly shift production across units. Further, the Company has also established CKD (assembly) units outside India to serve various global markets, diversifying its manufacturing operations globally.</p>



TECHNOLOGY OUTDATING AND CHANGING CONSUMER PREFERENCE RISK

Risk	Mitigating actions
<p>1. The Company faces the risk of brand becoming outdated, because of reliance on ICE, outdated features etc. / sensitive to any change in the consumer sentiment and market segmentation.</p> <p>2. The consumer preferences are fast shifting towards electric mobility. The Company faces the risks of readiness to react to this change and having a product line to cater to this change.</p> <p>Capital: Intellectual, Social and Relationship Material Issue: Customer centricity, innovation management</p>	<p>The Company is undertaking dedicated efforts to create a deeper connect with younger, wider audiences across the world by inspiring and enabling them to experience the tactile, deliberately old-school pleasures of Pure Motorcycling in its current form. It is also optimising and modernising all aspects of the brand's customer experience to attract, engage and retain customers and community members.</p> <p>Further, the Company is gearing to ignite excitement among enthusiasts globally with regards to Royal Enfield's unique take on motorcycling soon becoming available in exciting new alternative formats such as EVs. This will be done through launching concepts and engaging pre-launch campaigns.</p> <p>The Company is geared to adapt to the technology advancements with a dedicated product pipeline currently under development. It has a long-term, consumer-centric EV strategy in place to introduce products. Further, the Company is making steady investments to support its EV strategy, including the recent strategic investment made in Spanish company Stark Future that has expertise in electric motorcycles. This will help gain technology know-how and develop its EV platform around leisure motorcycling. Further, the Company has in place a dedicated team to continually track the global environment and the trends shaping up.</p>

INTELLECTUAL PROPERTY RISKS

Risk	Mitigating actions
<p>The Company faces the risks of not registering patents on designs fast enough and not in line with the well-known markets / IPR related risks from the EV world.</p> <p>Capital: Intellectual, Social and Relationship Material Issue: Innovation management</p>	<p>The Company has a robust IPR mechanism, and has registered patents. There is a regular cadence of research and review to continue identification and registration of IP. As part of the EV development journey, the Company is also identifying possible opportunities to register patents.</p>

**REGULATORY RISK**

Risk	Mitigating actions
<p>A sudden change in policies and more stringent regulations around EV and ICE as well as environmental and legal regulations in India and International markets can impact the business and sales. This necessitates having in-depth knowledge and preparedness to comply with such regulations. Further, ambiguity on regulatory requirements or failure to meet the timelines of compliance, such as for BS6, OBD2B and alternate fuel requirements, can impact sales.</p> <p>Capital: Manufactured</p> <p>Material Issue: Regulatory compliance, climate change, energy and emissions, responsible use of materials</p>	<p>The Company has a track record of managing high-volume transitions and executing statutory projects ahead of deadline. It has recently transitioned its motorcycle portfolio to J-Series engines, which positions it better to mitigate risk of changing regulations on its operational performance.</p> <p>The Company has strong compliance monitoring and risk management framework which ensures active monitoring of upcoming regulatory changes across all operational regions along with identification of potential business risks and providing recommendations for timely adaptation. A quarterly compliance verification is done for all applicable rules and regulations at global level and compliance certificate is generated.</p> <p>The Company also has technical know-how on the global emissions and engine management system development requirements. It has an experienced team managing global homologation in critical markets and undertaking quarterly global update from Idiada Spain on future regulations. All compliances related to newer geographies are integrated into the existing compliance tool.</p> <p>To further strengthen practices, the Company has appointed EY to revamp its compliance tool and provide information about change in laws. It is also a part of ACEM and SIAM for discussions on EU and India future regulations. The Company also has a Dedicated Advanced Engineering team to exclusively work on future requirements and a flexible development process to fast-track critical projects.</p>

LABOUR UNREST RISK

Risk	Mitigating actions
<p>Being engaged in labour-intensive business, the occurrence of labour unrest can halt Company's operations and impact its business. It has witnessed such a crisis in the past and can face the same in future.</p> <p>Capital: Human</p> <p>Material Issue: Manufacturing efficiency, human rights</p>	<p>The Company employs effective crisis management techniques to mitigate the adverse effects of labour unrest. It also strives to enhance productivity through upgrading to better technology machines, automation, addition or reassignment of labour, and other measures.</p> <p>A recent 4-year settlement with internal unions along with initiatives to improve relations with unions, strengthen negotiation committee, enhance engagement and communications and mentor union leaders to further support harmonious relations. The Company is constantly working on further building trust and a harmonious working environment.</p>



PROFITABILITY RISK

Risk	Mitigating actions
<p>The Company faces the risks of lower profitability of the EV business at a consolidated level considering the high raw material cost and the low selling price in India.</p> <p>Capital: Financial and Manufactured Capital</p> <p>Material Issue: Economic Performance</p>	<p>The Company is undertaking initiatives towards ensuring profitability in EV space. It is conducting detailed analysis and studies to determine right product mix, optimum pricing, and global market penetration and compensation strategies. It is further working on optimising material and all allied costs.</p>

CYBER SECURITY AND DATA PRIVACY RISK

Risk	Mitigating actions
<p>The Company's IT assets and systems need to be secured end-to-end to prevent cyber security threats and data protection risks. Potential threats from cyber-attacks, privacy breaches and new laws on data privacy have dramatically raised the hazards to information security. There is always a possibility of a loophole being identified and exploited, which can severely disrupt the business operation.</p> <p>Capital: Intellectual</p> <p>Material Issue: Ethical business practices/ corporate governance</p>	<p>Mitigation and defence against potential cyber threats continue to be an important area for EML. The Company has dedicated defence mechanisms including firewall routers and anti-virus security to avert potential cyber-attacks and protect data and systems. Further, daily backups of critical data are performed across different sites.</p>

HUMAN RESOURCE RISK

Risk	Mitigating actions
<p>The availability of a skilled workforce is crucial for sustained operations and production. Shortage of skilled workforce, high attrition, or lack of the right skills may disrupt the Company's operations, productivity, and growth prospects and may damage its brand reputation. The Company also faces risk relating to succession planning for the key positions, attrition of key talent or critical workforce.</p> <p>Additionally, inability to train employees on emerging technologies including EV can lead to their redundancy. The challenge of attracting talent for niche skills and long lead time for recruitment may further impact EV-related ambitions.</p> <p>Capital: Human</p> <p>Material Issue: Attraction and retention of talent</p>	<p>The Company undertakes various initiatives to attract and retain a talented workforce and improve employee engagement. It ensures the availability of adequate right skilled employees through capability development and capacity augmentation activities.</p> <p>The Company has also implemented a succession planning framework for key roles, with focus on ensuring availability of succession by identifying potential internally and selectively external hiring. It is also aimed at retaining critical talent through Long Term Incentive Plan (LTIP) and positioning individuals for bigger roles.</p>

FINANCIAL CAPITAL



POWERING PERFORMANCE AND VALUE CREATION

EML's financial strength is defined by a well-managed cost structure, prudent capital allocation practices and steady cash flow generation. It drives our ability to generate surplus to fund business growth and maximise value for stakeholders across market cycles, while minimising financial risks.



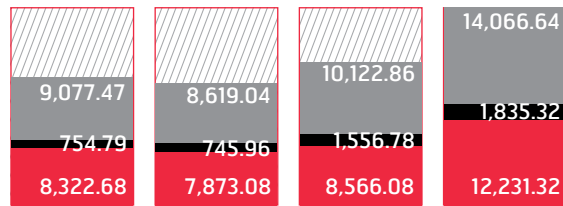
FINANCIAL MANAGEMENT AT EML

EML has sustainably improved its financial position supported by a robust financial management strategy. The Company has generated Rs. 2,807.11 crores of cash from operations in FY 2022-23. With a solid treasury position of Rs. 10,309.65 crores and a networth of Rs. 12,886.90 crores as on March 31, 2023, EML has adequate liquidity to drive its growth aspirations and meet any contingencies.

In FY 2022-23, EML made a strategic investment of Rs. 443.03 crores to acquire a stake in Stark Future, an electric mobility company. With e-mobility gaining traction, this investment will be essential for EML to start its electric motorcycle journey and capitalise the upcoming opportunity. A significant portion of this was allocated for the international markets, given EML's focus on aggressively growing here.

Net revenue from operations

(Rs. Crores)

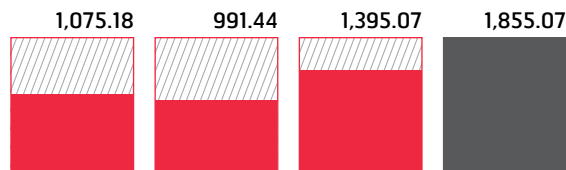


FY 2019-20 FY 2020-21 FY 2021-22 FY 2022-23

- Revenue from India business
- Revenue from International business
- Net revenue from operations

Revenue from non-motorcycling segment (sale of spares, apparel, accessories and services)

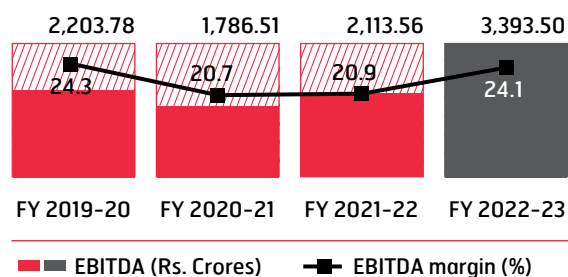
(Rs. Crores)



FY 2019-20 FY 2020-21 FY 2021-22 FY 2022-23

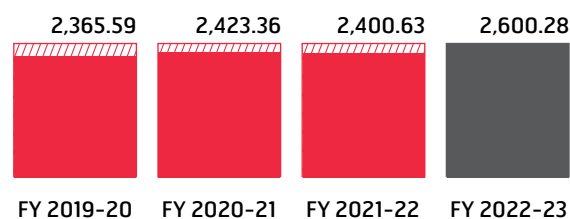


Earning Before Interest Tax Depreciation Amortisation (EBITDA) & EBITDA margin

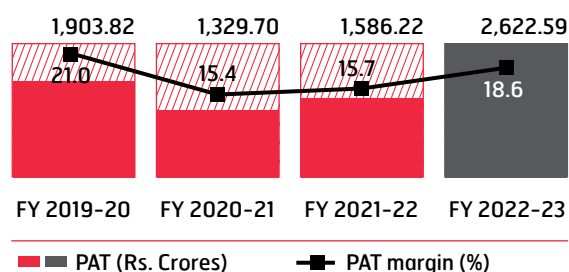


Property, plant and equipment, intangible assets and right of use assets

(Rs. Crores)

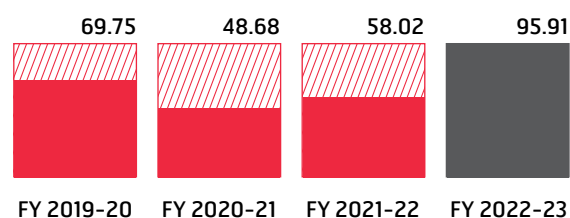


Profit After Tax (PAT) & PAT margin



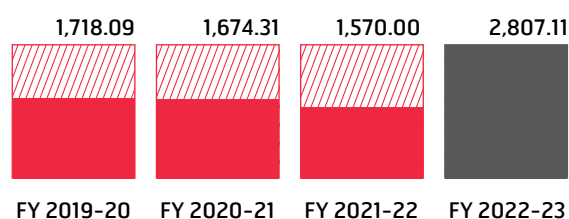
Basic earnings per share

(Rs.)



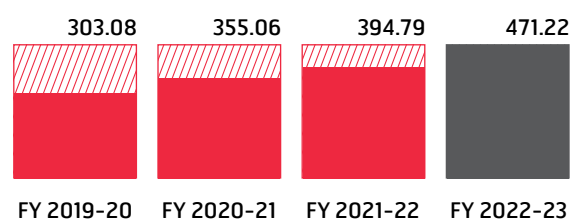
Operating cash flows

(Rs. Crores)



Book value per share of Re. 1*

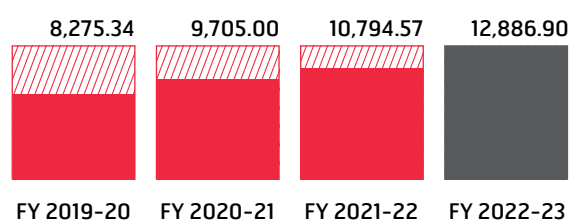
(Rs.)



*Standalone

Net worth

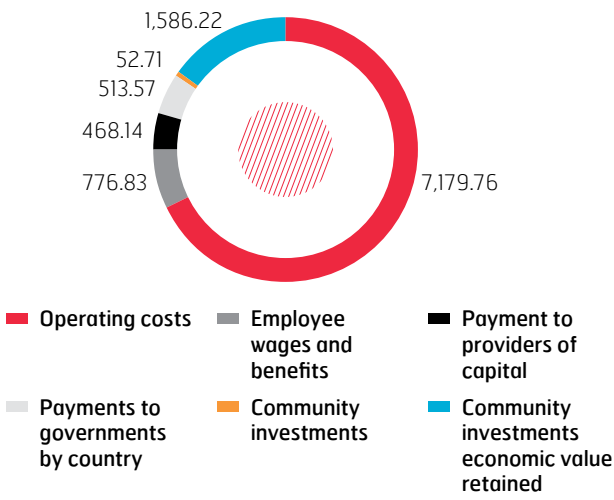
(Rs. Crores)



ECONOMIC VALUE CREATED AND DISTRIBUTED

EML is committed to sustainably creating value for all stakeholders by transparently and ethically distributing the wealth it generates in line with regulatory requirements. The Company's efficient cost structure maximises contribution towards the larger socio-economic benefit and nation development. It further prudently balances retaining and reinvesting surplus funds business to drive long-term wealth creation.

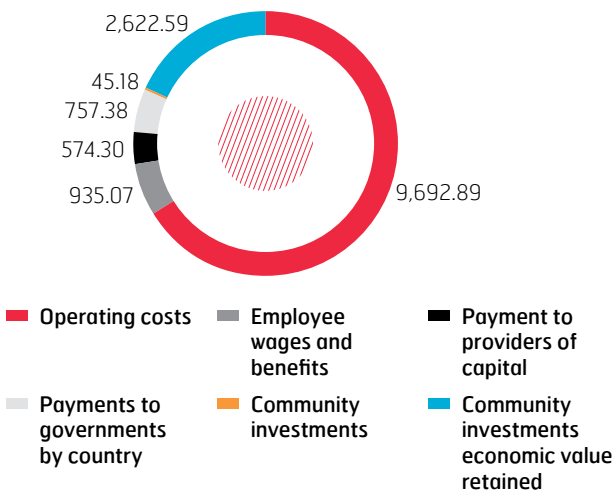
FY 2021-22 (Rs. Crores)



RS.10,577.14 CRORES

Total economic value created in FY 2021-22

FY 2022-23 (Rs. Crores)



RS.14,706.48 CRORES

Total economic value created in FY 2022-23



Note:

Payments to governments represent the direct tax paid during the financial year and 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.



FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT

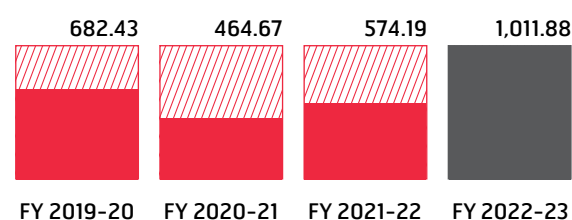
During the FY 2022-23, the company has received a soft loan of Rs. 131 crores, from State Industries Promotion Corporation of Tamil Nadu Ltd, at a subsidised rate of interest, towards achievement of certain eligible investments in property, plant and equipment and creation of direct employment.

VALUE CREATION FOR SHAREHOLDERS

EML has been at the forefront of creating value for the shareholders. Over the last 10 years (FY 2013-23), dividend declared by the Company has grown more than 12 times, and the market capitalisation has grown almost 12 times during the same period, making it one of the leading wealth creators.

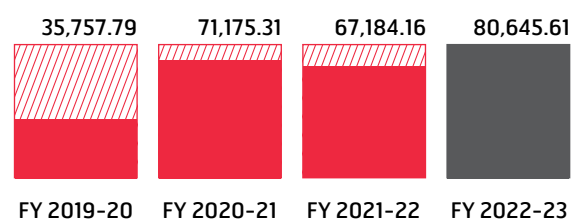
Dividend

(Rs. Crores)



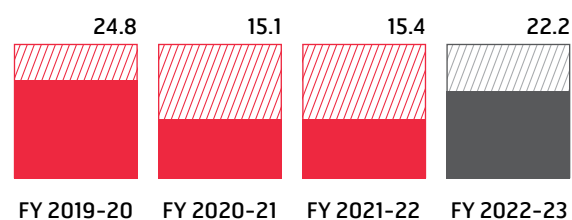
Market Capitalisation

(Rs. Crores)



Return on Equity

(%)



Note:

There were no political contributions made in financial year 2022-23.



MANUFACTURED CAPITAL

SCALING RESPONSIBLY WITH EXCELLENCE



EML is recognised globally for its premium quality, resilient and distinctive motorcycles. Its ability to sustainably deliver on this along with a host of accessories and customisation features at competitive pricing gives it an edge. This has resulted in an entrenched domestic position and a phenomenal global expansion. EML continues to invest in capacity creation and multiple optimisation measures to reinforce its enduring appeal.



GLOBAL MANUFACTURING AND MARKETING PRESENCE

Royal Enfield has established a widespread presence in 70 countries across North America, Latin America, Europe, the Middle East and Africa, South Asia, and Asia Pacific. While India has been the primary market where Royal Enfield has established three manufacturing plants, it has strategically established subsidiaries and CKD (assembly) units in major global markets to power global ambitions. It also has an extensive distribution network including 206 exclusive stores across the global markets and 2,050+ dealerships and stores in India.



■ Subsidiaries
Brazil
Canada
North America
Thailand
UK

▲ Technical Centres
Chennai, UK

● Manufacturing
Chennai 3 units -
Thiruvottiyur,
Oragadam and
Vallam Vadagal

◆ Completely knocked down (CKD) assembling facilities
Argentina
Brazil
Colombia
Thailand

+ Market presence
North America
Latin America
Europe & MEA
South Asia
Asia Pacific
India



POWERED BY WORLD-CLASS MANUFACTURING COMPETENCE

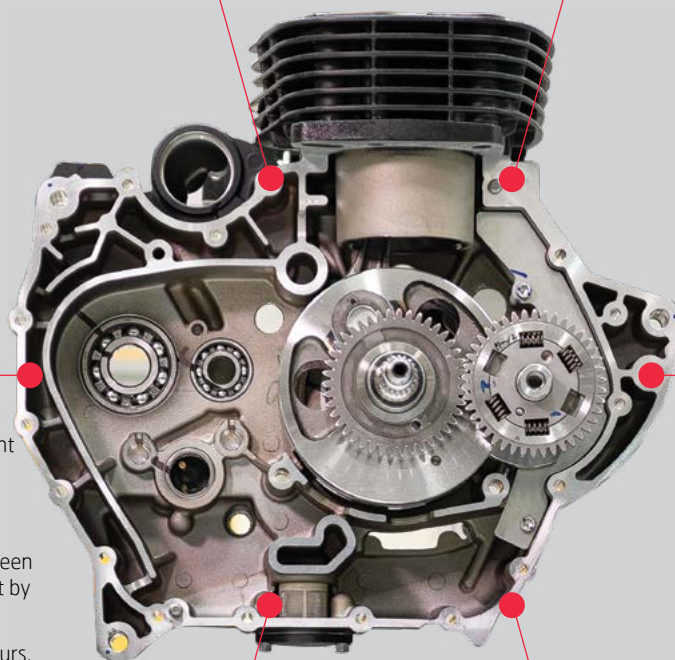
Royal Enfield continues to set new benchmarks in motorcycle manufacturing supported by its modern production facility that has best-in-class technology and highly skilled technicians. It enables efficient manufacturing to meet growing global demand, while also protecting the brand's 'Made Like a Gun' legacy, a pedigree of making resilient motorcycles since 1901.

Vehicle assembly

- Flexible assembly line enabling 256 SKUs production (including MiY)
- 49 Poka Yoke (mistake proof) in lines, nutrunners for safety critical tightening joints and road / dynamometer testing for 100% vehicles

Engine assembly

- Automated sub-assembly operations, 100% tightening by DC nutrunners and 520 Poka Yoke
- Semi-automatic testing of 100% engines



Surface finishing

- 46 robots for superior paint finish and better transfer efficiency
- Corrosion protection, weather resistance and sheen appearance measurement by gloss
- Currently painting 39 colours, capable to add 20 more colour

Machining

- 340 machining centres and 25 robotic washing
- Online SPCs with line interlocking to capture data of critical parameters

Fabrication

- 100% robotic welding of frames using 98 robots with intelligent power source, latest laser welding process and robotic washing in fuel tanks fabrication

Auto buffing

- Two-stage automated buffing process for enhanced aesthetics (uniform and consistent finish) of component
- Environmental-friendly process with engineered dust extraction system

INVESTING IN SCALING EXPANSION AND EXCELLENCE

Royal Enfield continually commits capex towards expanding capacities, augmenting and modernising existing facilities and enhancing safety and sustainability standards. In FY 2022-23, EML set up a CKD in Brazil to cater the LATAM market. The unit is aligned to its aspiration of becoming a leader in the global midweight motorcycling segment.

Further, an agreement has been signed for setting up CKDs in Nepal and Bangladesh as well. These facilities will start serving their respective markets from FY 2023-24 onwards.

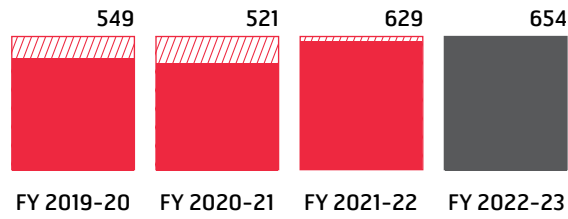
During the year, Royal Enfield also undertook several initiatives to further optimise cost and enhance its competitiveness including:

- Catalytic convertor cost reduction with 75% reduction in Platinum Group Metals (PGM) loading and negotiating PGM costs
- Undertaking Value Analysis & Value Engineering (VAVE) program, including for supplier
- Using alternate materials, processes and sourcing to reduce costs
- Optimising headcount (merging roles/functions, outsourcing or automating), travels, professional consultancy, IT spend and factory overhead
- 20% reduction in electricity post installation of solar energy in Vallam Vadagal
- Increased usage of digital marketing

Royal Enfield, powered by its manufacturing competence and support from the supply chain partners, posted a strong operational performance with 8,34,895 lakh motorcycle deliveries in FY 2022-23. The Vallam manufacturing plant recorded its highest-ever production at 4,48,830 lakh motorcycles.

Capex spent

(Rs. Crores)

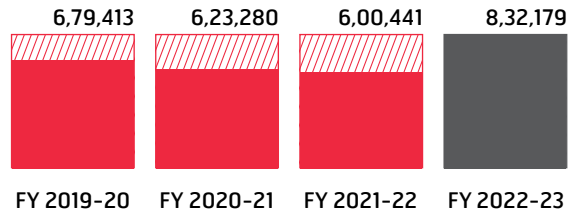


Royal Enfield also successfully addressed the growing market demand for two of its newly launched motorcycles, a testament to its manufacturing competence. The Company rapidly ramped up operations to manufacture 1,29,183 Hunter 350 in six months since launch and ~4,000 Super Meteor 650 in three months of

launch. As a result, capacity utilisation through FY 2022-23 was at 69.35%, as against 50.04% in the previous year.

Royal Enfield remains focussed on raising the bar with sustained new product launches and setting new benchmarks in product quality, performance and service.

Motorcycle production





EXCELLENCE ACKNOWLEDGED AND CELEBRATED ACROSS PLATFORMS



Future Ready Factory of the Year (Royal Enfield - Vallam facility)



Excellence in Operations, Excellence in Sustainability and Smart Factory of the Year Award (Royal Enfield)



Excellence in Environment, Health & Safety (Royal Enfield)



INTELLECTUAL CAPITAL

NURTURING PURE MOTORCYCLING ECOSYSTEM FOR EXTRAORDINARY EXPERIENCES



Royal Enfield motorcycles are gaining global recognition for their superior quality, performance and premium appeal. The brand's technology centres housing experienced engineers, its rich intellectual capital and robust product development approach enable this. It continues to leverage these to create unique motorcycles that combine modern technology and sustainability considerations, and delivers authentic experiences.

**INNOVATION AT EML**

Innovative and distinctive new product development are central to elevating Royal Enfield as a premium global motorcycle brand from India. Towards this, substantial investments are being made in innovation, with the Company's UK and India Technology Centres at the helm of research and development activities.

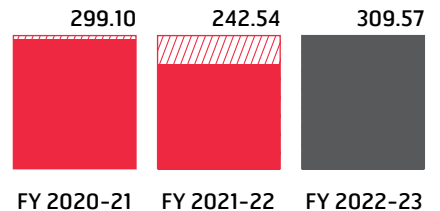
These centres have several engineers who work collaboratively throughout the development process across multiple platforms. Equipped with modern infrastructure for designing and testing, these centres with their integrated operations undertake extensive research of the dynamic market context and the evolving consumer preferences for new product development. They have successfully developed the versatile 'J' and 'P' engine platforms, which have become the foundation of multiple new motorcycles launched over the years.

**REINFORCING LEGACY
OF BUILDING SUPERIOR
MOTORCYCLES**

Royal Enfield has a solid track record of multiple new motorcycle launches and upgrades in recent years, all of which have witnessed good market response. FY 2022-23 has been another successful year, as two new motorcycles were launched along with introduction of refreshed and upgraded versions of existing motorcycles.

R&D investments

(Rs. Crores)





TAKING R&D TO THE NEXT LEVEL

Scaling R&D capabilities is key to Royal Enfield's global vision. It has formed a new advanced engineering team to work on future technologies for integrating into NPI (new product introduction).

As a part of the initiative, a rolling 3-year future technology roadmap has been created and a robust process established. Various initiatives have also been undertaken to kickstart the journey including:

- Forming two Centre of Excellence for Vehicle structures and Vehicle Dynamics who will work along with engineering teams towards world-class development for new and existing products
- Setting-up of a Spanish unit for Vehicle Dynamics, planned to be fully established by FY 2023-24
- Forming Project Assurance team to improve NPI systems and processes
- NPI Boost project in progress with focus of process, productivity improvement and time reduction

PRIORITISING SUSTAINABILITY IN THE PRODUCT DEVELOPMENT

EML is committed to significantly reducing carbon emission, and has prioritised sustainability as a key element of R&D. All the Company's motorcycles meet the regional emission requirements across the various global

markets, including BS VI in India and Euro VI in Europe. Efforts are underway to progress to more stringent global emission requirements and further reduce GHG.

The Company is actively identifying opportunities to improve fuel efficiency of existing and future models, including exploring usage of alternate fuels such as ethanol blends (E20-E85). It further intends to eliminate usage of hazardous materials by introducing IMDS portal for monitoring materials used in the vehicle. It further intends to undertake assessment of Recyclability & Recoverability of materials used in the vehicle. In FY 2022-23, it became the 1st OEM in India to complete RRR study on its Meteor motorcycle, which surpassed regulatory requirements.

INNOVATION BEYOND MOTORCYCLES

Motorcycles are but one part of the Company's efforts to deliver pure motorcycling experiences. Its ability to continually conceptualise unique ways to bring together and grow its community and create an entire ecosystem that delivers unique experiences is the other crucial part. Every year, the team at Royal Enfield introduces newer rides and events, riding gear and accessories, and digital campaigns to connect its community of riders.

Customisation and personalisation are another aspect that differentiates the brand. Over the years, a growing section of motorcycle owners have been using MiY (Make it Yours) platform to personalise motorcycles in a way that it reflects their personality. MiY via an app-based, 3-D Configurator, allows consumers access to thousands of personalisation combinations, including for the new launches and for accessories.

DRIVING DIGITAL EXCELLENCE

EML has been implementing several digital initiatives to empower both customers and dealers. Some of the key initiatives include:

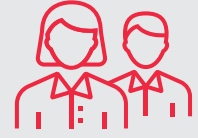
- Royal Enfield App: The App for the rider that is a window to the world of Royal Enfield. It supports end-to-end experiences right from exploring products to buying, payments and post purchase services. The app has been further upgraded with an order tracking feature.
- Digital platforms for international regions: Launched dealer portals for the UK and Brazil, auto replenishment of spares in Thailand
- Dealer management system (India): The DMS empowers dealers in managing order, invoices, payments, services and generating reports. Its features was upgraded to include labour AMC, auto replenishment for Oil and RE Essentials and direct ordering of spares for Studio stores
- Upgrade of infrastructure to Secure SD WAN
- Continued upgrades of cybersecurity elements to protect the organisation

SETTING NEW R&D MILESTONE IN FY 2022-23

- All models upgraded with the latest Engine Management System software to meet OBD II Stage A requirements and to be E20 compliant from April 1, 2023 onwards
- Becomes 1st OEM in India to undergo assessment for Reusability, Recyclability and Recoverability (RRR) requirements. It is a requirement for all new vehicles as per ELV regulation AIS 129 Part-2B, but not yet a regulation. RRR evaluation was undertaken for Meteor and it was found to meet AIS 129 requirements
- Made and showcased prototype vehicle enabled with Flex Fuel technology which can run on any blend of Gasoline & Ethanol up to 85% (E85)

HUMAN CAPITAL

EMPOWERING A PERFORMANCE AND CREATIVITY-LED CULTURE



At EML, passionate, innovation-driven and empowered people are pivotal to realising global aspirations and reinforcing its perception as a brand that provides pure motorcycling experiences. By committing to their health, safety and well-being, nurturing their skills and providing equal opportunities, EML ensures being an employer of choice that attracts the best talent.



TALENT MANAGEMENT

EML has a reputation as an employer of choice, enabling it to attract some of the best minds. EML ensures professional development of employees by incentivising them to develop capabilities for better career pathways and adopting a merit-based performance management system. The Company continues to reinvent itself towards providing unique experiences and growth opportunities to employees.

69*Senior management employees***668***Middle management employees***4,265***Junior management employees***16,463***Total Employees & Workers***5,002***Permanent***11,461***Contractual*

ENCOURAGING LEARNING AND DEVELOPMENT

EML is inspired to build a solid team with leadership capabilities and future-ready skills. It has curated multiple learning and development programmes in association with partners which are undertaken by internal or external experts. These help in filling internal gaps and pivoting the Company to the next phase of growth.

EML further uses innovative methodologies to enhance outcomes

of its training programme. Augmented reality (AR)-based learning methodology is used to upskill new hires on critical processes. It further has a DOJO laboratory which ensures practical skill development and shortens learning curve alongside reducing re-work and improving efficiency.

Key learning programmes undertaken in FY 2022-23

Leadership development programmes: EML undertook various programmes for

senior managers and hi-potentials in FY 2022-23. This included the Emerging Leader Programme (to groom and promote higher performing employees).

EV training: EV is the future of the automobile industry, and EML focussed on upskilling and making its EV resources future-ready by organising special training programmes. EML ensured its employees were trained on EV specific skills in FY 2022-23.



~1,00,000+ HOURS

Of training imparted to employees

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

REFresh: A skill development training for supervisors across all the Royal Enfield locations

Kaizen: It offers employees a platform to solve business problems collaboratively and innovatively, and get rewarded. In FY 2022-23, the initiative crossed the milestone of 18,000+ Kaizens across productivity, quality, cost, delivery, safety and morale (PGCDISM) parameters.

Learning programmes for dealership sales and service excellence

Dealers are an important touchpoint for customers and is the starting point for their experience journey with the brand. EML undertook several efforts during the year to enhance excellence at these stores, including:

- Soft skills training for service consultants
- Set-up RE-Skill Development Centre (Lucknow and Coimbatore) and Satellite Training Centre in Nagpur
- Initiated HRMS/LMS for empower dealer manpower; it is currently being piloted in Madhya Pradesh and Kerala
- Super Squad Skill Contest – First-of-its-kind for Sales & Service Dealer manpower
- Establishing first-of-its-kind Experiential Training Hub – Power Train

18,000+

Kaizen journey initiated



EML TEAM WINS 4 GOLD AWARDS AT ICQCC 2022

The International Convention on QC Circles (ICQCC) 2022 is a leading global event to recognise efforts of Improvement and Innovation Teams. Eicher team successfully won 4 Gold Awards.

ADVANCING TO THE FUTURE OF TRAINING

Augmented and virtual reality (AR/VR) are powerful tools, and can greatly enhance automotive technical training. They enable 3D model creation of automotive components and systems (already in use for Royal Enfield's J platform), that give augmented visualisation beyond 2D materials. It also facilitates simulation, enabling safer and more efficient practice of vehicles-related tasks.

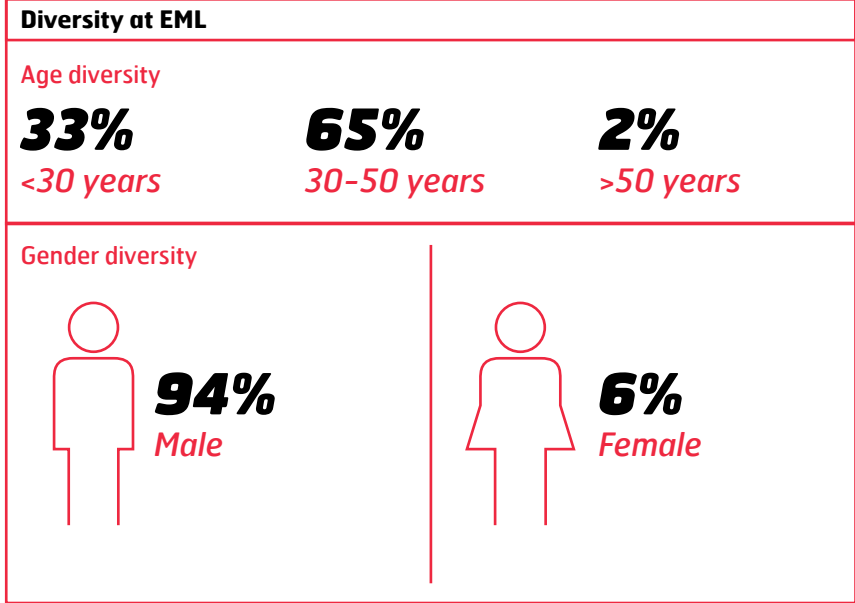
EML considers AR/VR training program to be invaluable for the field team. It is designing one such program for its K platform cooling, lubrication, and tappet setting (first-of-its-kind in Royal Enfield motorcycles). This will provide trainees a 360-degree visualisation of the engine and its components, different parts working together, maintenance and repairs, along with simulation of different tasks for a risk-free practice.

The program will be piloted in four zonal training centres. Upon success, it will be expanded to regional training centres in phases.

PROMOTING DIVERSITY AND INCLUSION

EML fosters a work culture that encourages diversity, inclusion and provides equal opportunities to all for ensuring a thriving professional career. The Company adopts a zero-tolerance policy for any kind of discrimination, and ensures transparent, merit-based performance appraisals.

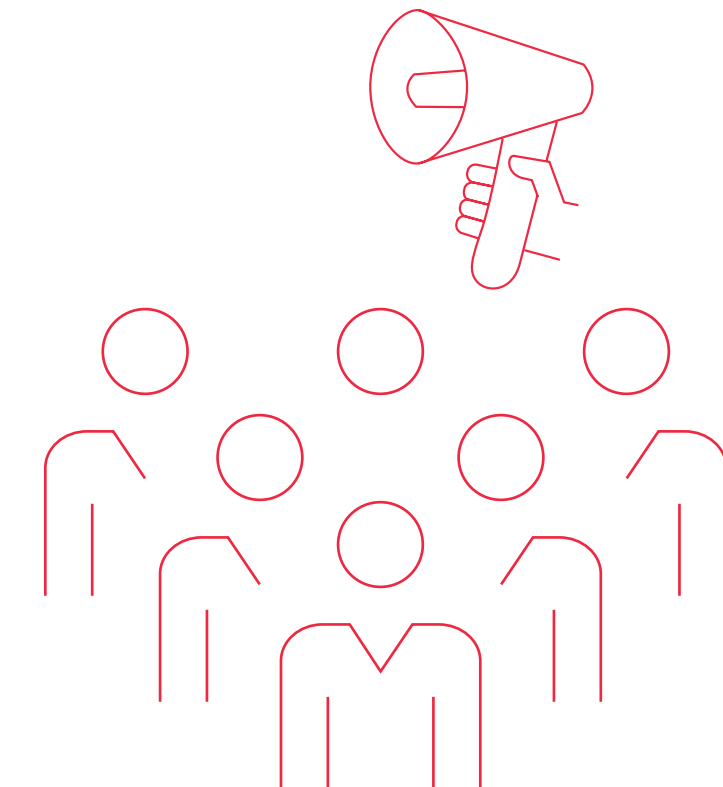
Women inclusion is an important focus for EML. Various initiatives towards this, including having special focus on their career development, increasing women hiring, facilitating work-life balance and having programmes to help them rise to managerial roles. As on March 31, 2023, EML had two women on its Board.

**DRIVING EMPLOYEE ENGAGEMENT AND WELL-BEING**

Employee engagement is crucial in enhancing their satisfaction levels and driving team spirit to attain business goals and long-term strategies. EML goes beyond the statutory requirements and has set industry benchmarks in compensation and benefits around personal wellbeing and health care.

The Company further undertakes various ongoing initiatives like celebrating festivals and occasions, REsmiles, organising sports, fitness sessions like Tabata and health camps to drive engagement levels. It has also designed programmes towards this including:

REImagine: It provides enterprise-wide employees a platform to express their thoughts and views freely without judgement. It has been successful in creating a collaborative environment that promotes innovation, with employees sharing their valuable inputs towards achieving process improvements. With REImagine,



EML focusses on progressing on its various strategic priorities including people process, brand and product development, digital initiatives, quality improvement and sustainability.

RED Talks: This is a virtual platform, which facilitates the teams and stakeholders to share their experiences and thoughts. It also includes expert talks (internal and external) on diverse subjects to motivate and enlighten targeted audiences.



PROMOTING BETTER WORKPLACE WITH RECONNECT

REConnect is an annual engagement survey which has been successful in improving employee satisfaction and engagement levels. It enables employees to express their expectations and suggestions on diverse topics, based on which improvements are implemented.

CAREER PORTAL, A RESULT OF RECONNECT GAINS TRACTION

Career Portal was developed based on employee feedback to ensure jobs posted by recruitment team get maximum visibility and mileage. Using smart AI-based digital tools, it streamlines processes and helps making better decisions to attract key talent. The platform is witnessing 25,000+ visits and 3,000 job applications every month.

FY 2022-23 REConnect survey highlights:

96%

Participation

92%

Employee engagement score

PROJECT SPEED

Commencement of a project focussed predominantly on process simplification throughout several areas in the company and streamlining of approval layers

UPHOLDING HEALTH AND SAFETY PRACTICES

EML has implemented and strictly follows ISO 45001 based Occupational Health and Safety (OHS) management system across all plants. The Company further uses tools like Hazard Identification & Risk Assessment (HIRA) for effective safety management. Further, routine mock drills and implementation of Kaizen initiatives are undertaken to enhance safety standards.

EML continues to move towards its aspirations of zero harm, having ensured zero fatalities and a nil LTIFR in FY 2022-23. A robust safety governance framework enables this, where all aspects are overseen by a central safety committee supported by plant level safety and additional committees.

FREEDOM OF ASSOCIATION

EML respects employees' rights to assemble, bargain collectively, and voice their concerns. It prioritises dialogue to resolve conflicts with the workforce. As of FY 2022-23, 41% of permanent employees and 100% workers are part of an association. As per the statutory requirements, EML ensures wage settlement meetings are held at least once every three years.



SOCIAL AND RELATIONSHIP CAPITAL

FOSTERING RELATIONSHIPS OF TRUST



EML is committed to positively impacting and maximising value for its customers, suppliers and communities. These stakeholders enable the Company to operate efficiently, and by understanding and delivering on their needs, it has established enduring relations which supports its long-term success.



ADOPTING CUSTOMER-CENTRIC PRACTICES

Royal Enfield has introduced some of the most unique and highly acclaimed motorcycles which reinforces its leading position in mid-weight motorcycling. Apart from the motorcycles, it has created an entire ecosystem across the lifecycle of purchase and even post purchase, in both physical and digital mediums which ensures seamless, personalised and unique Royal Enfield pure motorcycling experiences.

Royal Enfield store experiences

Retail touchpoint is the starting point that nudges passionate riders into the world of pure motorcycling. Aligned to this, every Royal Enfield dealership across the globe is specially designed to carry the brand's identity, sales process excellence, and has personnel with technical knowledge and understanding of products.

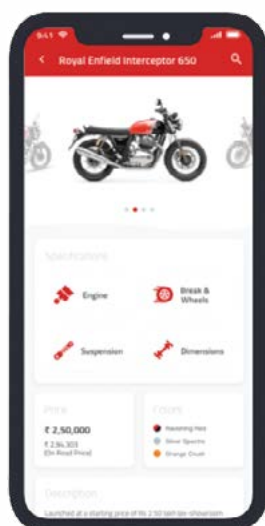
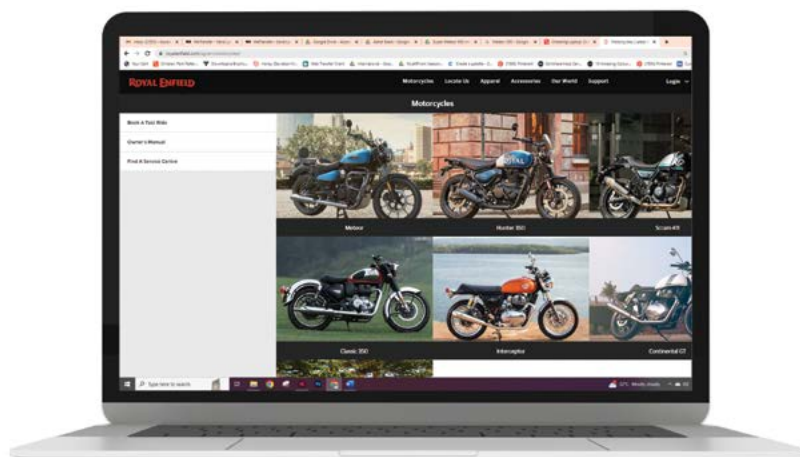




Delivering outstanding service experiences

EML continually conceptualises and implements unique initiatives that ensure seamless and frictionless service experiences. Some of the key initiatives undertaken includes:

3-step digital purchase: Royal Enfield has simplified purchases with a 3-step approach. Its web platform allows online discovery of motorcycles along with accessories and customisation, booking test rides at nearest dealers and delivery at doorstep post e-payment.



Royal Enfield App: The simple and user-friendly application brings the entire world of Royal Enfield at the palm with end-to-end services right from exploring motorcycles, booking, customisation and digital payments in a seamless way. It also supports service booking.

Ride Sure: Under this, three attractive warranty packages are offered including extended warranty, annual maintenance, and extended roadside assistance for complete peace of mind.

Service on Wheels: Through this convenient doorstep and roadside motorcycle servicing is offered along with pick-up and drop facility. Mobile vans are also operated to make services available in upcountry markets.

Order Management App: It enables seamless digital ordering across domestic and international markets.

Post-purchase experiences: Royal Enfield with its revamped motorcycle parts operations, has improved parts availability at the workshop and retail store while helping them maintain a lean inventory supported by a robust supply chain. This has resulted in 99% of parts availability at channel partners' end. Its Central Warehouse ensures 100% order execution within 24 hours with minimal complaints raised by channel partners.



Delivering exhaustive motorcycling ecosystem

Royal Enfield's wide range of apparels, gears (jackets, gloves, helmets, shoes) and accessories complete the unique motorcycling experiences that it strives to deliver. Every year, it continues to introduce some exclusive collections having rich legacy values along with top-notch quality and safety features. In FY 2022-23, the Company introduced unique Tornadoes and ALPINESTARS x RE collections.

EMPOWERING SUPPLIERS



EML supports its suppliers by helping them adopt best practices, implementing sustainable practices and establishing terms for a win-win relationship. EML ensures through this its code of conduct which defines the basic requirements the suppliers need to fulfil around the areas of labour & human rights, health and safety, environment, ethical practices, etc.

EML works closely with the suppliers to help improve performance and co-create opportunities. EML conducts regular supply meets to exchange ideas, EML is facilitating suppliers to demonstrate their new products via tech-shows for future business prospects.

Encouraging sustainable supply chain

EML has established a robust framework for its supply chain. It is designed to ensure uninterrupted raw materials supply, in an environmentally sustainable manner while helping support local economy.

This is enabled by three integral components that form a part of the framework: planning, execution and support. The planning phase involves considering factors like new technology and processes adoption, supplier proximity and capacity, and the implementation of a multi-sourcing strategy. The execution phase facilitates prioritising demand fulfilment, product delivery, and material costs. The support pillar enables green logistics and collaboration on joint initiatives to generate value.



Engaging effectively with supply chain

EML collaborates with suppliers to enhance its sustainability performance. The Company communicates frequently with them, including through supplier meets for knowledge sharing on maintaining quality, inventory management and production alongside providing business overviews and plans.

The suppliers are further invited to sites for get first-hand understanding of their material usage in the production as well as get training for improving sustainability performance. They are also provided platform to demonstrate their strengths and new technology competencies at tech-shows arranged by the Company. EML further involves suppliers in new product development to understand material requirements and explore co-creation opportunities. These initiatives have strengthened its procurement practices, build capacities, and foster collaboration for sustainable innovation.





Reducing supply chain impact

EML is proactively minimising its supply chain environmental footprint, by prioritising local procurement to transport-related impacts. In FY 2022-23, 69% of the total raw materials were procured from local suppliers, helping reduce emissions while also ensuring sustained supplies and contribution to local economy. Further, waste generated from supply chain activities have also been reduced alongside increasing usage of green and sustainable packaging.

The Company categorises its suppliers based on the criticality of parts supplied on the following criteria:

- Parts with few suppliers and long production time
- Performance consistency in terms of quality, cost and delivery
- Risk factor based on financial and environmental parameters
- Involvement in joint initiatives with the product development team

Supplier categories and spend share %

Particulars	Number of suppliers	Spend share	Geographical base of suppliers
Direct materials	261	88%	India, USA, Japan, China, Thailand, Malaysia, Brazil, France, Spain, etc.
Indirect materials	1,579	12%	India, Japan, Singapore, China, Malaysia, Thailand, USA, Germany, etc.



Supplier assessment

EML conducts periodical supplier assessments based on factors like legal compliance, environmental aspects, health and safety, production design capabilities, etc. to ensure their adherence to the latest quality

standards. Such assessments are conducted during both pre and post onboarding. The Company also conducts periodic performance evaluation audits basis which necessary actions are advised to address gaps.



STEPPING UP TO INTEGRATE ESG IN SUPPLY CHAIN

In FY 2022-23, EML initiated a large-scale project, in consultation with external agencies like KPMG and CII to study and improve the ESG aspects in its supply chain in coordination with supply partners, to make it more sustainable in the long-run. The project would involve conducting baseline study, assessing suppliers on below ESG parameters.

ENABLING HOLISTIC DEVELOPMENT OF COMMUNITIES

At EML, the welfare and development of communities is an integral part of the operations. Supported by the CSR committee and a dedicated CSR and Sustainability arm, Eicher Group Foundation, the Company undertakes meaningful efforts towards creating livelihood opportunities, developing local areas and promoting sports, education and safety. A substantial focus on the iconic Himalayan landscape towards making it environmentally, socially and economically sustainable.





SKILL DEVELOPMENT AND LIVELIHOOD CREATION



Goal: Train diploma holders and underprivileged youths for employment

Royal Enfield Academy for Technical Skills, Chennai

The Company partnered with the Centre for Entrepreneurship Development (Tamil Nadu) to empower educated but unemployed youth through free technical training and placement in the automobile sector. To facilitate this, the Company set up the Royal Enfield Academy for Technical Skills. It has also set-up five technical labs at the RRASE College of Engineering in Chennai on specific technical skills such as automobile engine assembly, vehicle assembly, industrial welding, CNC machine shop, and industrial maintenance, among others.

In FY 2022-23, the Academy successfully trained 640 diploma holders from various engineering fields, helping them enhance technical skills and making them employable. 100% of these candidates were successfully trained across 45 employing organisations.

Royal Enfield Skill Development Centre, Coimbatore

The Company in partnership with TVS Training & Services, Chennai established a Skill Development Centre in Coimbatore for training youth to take on employment in automotive sector roles, both technical as well as non-technical. The Centre imparts training in automotive domain skills (sales executive, service advisor and two-wheeler service technicians), soft skills and IT skills. It aims to empower and provide employment to 600 underprivileged youths across Tamil Nadu.

As of March 31, 2023, 89 candidates were enrolled. The first training batch of 19 candidates completed training for the Automotive Sales Executive role and were placed for 20-day on-job training at Royal Enfield Showrooms. Currently, 52 candidates are undergoing training, 24 for Automotive Sales Advisor and 8 for Two-Wheeler Service Technician roles.

RE Academy for Technical Skills, Lucknow

The Company partnered with Don Bosco Technical Society (DB Tech) to train 600 youths in various automotive sector roles including retail, service and technical training. DB Tech will provide training on skill development, personality development, communication and soft skills and workplace readiness. It specially targeted empowering unemployed graduates / undergraduates from socially weaker economic and marginalised communities from Uttar Pradesh and Bihar.

As on March 31, 2023, 378 students have been trained, and 191 were placed as sales consultants, service advisors and service technicians. Furthermore, in a job fair held in April 2023, attended by 83 students and 4 employers, 40 students were shortlisted with confirmation pending.



MARINE CONSERVATION



Goal: Save turtles eggs and rescue and treat injured marine megafauna



created in schools and members of the Royal Enfield motorcycle community got involved in conservation efforts. The team with the support of volunteers, collected and stored 10,500 turtle eggs of which 10,200 hatched .

The Company also collaborated with ReefWatch Marine Conservation to rescue and treat injured marine megafauna (sea turtles, seabirds and cetaceans) along the coast of Goa and collect data from stranding incidents to identify the cause. Since April 2021, 454 stranding incidents have been recorded in Goa, including 76 in 2023. The team has successfully treated and released 29 animals, conducted post-mortems, and undertaken engagement with lifeguards and the public. The aim is to address 150-170 strandings, conduct 80-100 post-mortems, treat 60 live animals in the next year, and provide workshops and reports for the Forest Department of the state of Goa.

Marine life is important to balance ecology, and EML has committed to conserving it with various partnerships.

The Company has collaborated with BLESS NGO, Cuddalore to support the Department of Forest of the

Government of Tamil Nadu in protecting Olive Ridley Turtles in the state’s Villupuram District Coast. Efforts have been undertaken to protect their eggs and the little hatchlings, by creating two hatcheries in Chettikuppam with trained staff. Additionally, awareness was

PROMOTING RESPONSIBLE TRAVEL



Goal: Empowering local Himalayan communities and effective solid waste management

Himalayas is the spiritual home of Royal Enfield, and the Company undertook initiatives around promoting sustainable tourism and managing wastes to protect it and its culture. These include:

Sustainable ecotourism in Ladakh

The Company partnered with Snow Leopard Conservancy India Trust to create homestays in order to create sustainable tourism infrastructure in these ecologically fragile regions, not just for members of the Royal Enfield motorcycling community but also for

regular tourists. The idea is to promote responsible tourism, increase livelihood opportunities for the local people and reduce conflict between snow leopards and humans. The 20 homestay owners in Staksha, Turtuk, and Hanle were supported with consultative meetings, purchase and distribution of homestay materials, exposure trips to gain experience from existing homestays, along with training and monitoring. The programme was successful in promoting sustainable tourism, hospitality, hygiene, and wildlife conservation.

Sustainable ecotourism in Himachal Pradesh

The Company partnered with Indian National Trust for Art Culture and Heritage (INTACH) to create a sustainable geotourism corridor in Kaza Region of Himachal Pradesh (Spiti Valley). The focus was on mapping earth formations and highways, developing treks to off-highway sites, locating stop points with the best views, and creating plans for visitor convenience, with the aim of creating economic opportunities for local communities and making them a stakeholder in preserving the geology.



A detailed study has been completed and finalisation of proposals are being done.

In Lahaul, Himachal Pradesh (Spiti Valley), the Company partnered with MUSE to undertake a feasibility study for setting up tourist amenities (public conveniences, drinking water refill points), undertake sensitisation and drive behavioural change. It further focussed on exploring opportunities for solar lighting and developing winter adventure sports. The aim is to help minimise the negative environmental effect of tourism with sustainable homestays and help enhance hosts' quality of life and visitors' quality of experience.

The Company worked with Unknown Destinations Pvt Ltd (Not on Map) to develop sustainable ecotourism opportunities in Chamba, Keylong and along the Spiti Route. The project is aimed at establishing a sustainable and safe route with pit stops, where travellers can stay and get cultural experiences through trained hosts. The project further focusses on including community villages in the Not on Map Ecosystem and helping them generate income. Towards this, the Company identified ecotourism potential in homestays and villages through a participatory process, mobilised and trained communities on hospitality and sustainable tourism, and identified vendors for procurement.

The initiative benefited 28 households across two selected community villages with homestays and empowered 75 families and 150 community members.

Responsible Tourism Fellowship in the North-East

The Company partnered with Dusty Foot Foundation to initiate the Green Hub-Royal Enfield Responsible Tourism Fellowship in Northeast India. The fellowship supports youth in engaging with their cultural heritage, and building sustainable opportunities and livelihoods through responsible tourism. It aims to build socio-economic wellbeing and ecological security through youth and community ownership. The programme includes providing training, exposure trips, and field visits to four project sites under the guidance of livelihood and responsible tourism experts.

The Company undertook various infrastructure and equipment upgrades to facilitate the conducting of the fellowship along with the main Green Hub Fellowship programme that empowers youth from communities in the North-Eastern states to be able to narrate their own stories through the audio-visual medium. This included white washing and maintenance of the premises, purchasing camera and editing equipment as well as furniture and fixtures.

A total of 17 fellows from nine communities in six NE states graduated in the first batch. A conclave was hosted to celebrate the focus on youth connect

and building of local opportunity and entrepreneurship in responsible tourism. The fellowship's achievements also include participation in the Indian Responsible Tourism Awards and the offer of opportunities to the graduating fellows by travel enterprises. The current outreach of the programme is 110 fellows from 44 communities in 42 districts across eight Northeast states of Arunachal Pradesh, Assam, Meghalaya, Nagaland, Manipur, Mizoram, Tripura and Sikkim.

Encouraging sustainable waste management programmes

The Company partnered with Waste Warriors to implement effective solid waste management (SWM) in Corbett, Uttarakhand. The project, named Paryavaran Sakhi, raises awareness (among locals and tourists) and activates SWM practices in the villages including collection, segregation, and processing of recyclables. This created livelihood opportunities for women-led Self-Help Groups and helped promote responsible travel practices. Additionally, the Paryavaran Sakhi programme also helps eradicate caste-related stigma with women from upper caste families agreeing to conduct waste management programmes.

Through the initiative, the existence of necessary waste management infrastructure was validated, five dump sites transformed, 1,04,074 kg of dry waste collected, and livelihoods created for 33 women. It involved 8,000+ individuals in awareness sessions and



1,485 volunteers in clean-up drives, benefiting the local community across 14 villages/panchayats.

In another initiative, the Company in partnership with Further and Beyond Foundation transformed Chullyu village in Arunachal Pradesh into a model zero-waste community. The project involved rolling out a waste management policy and initiation of clean and dry

waste segregation into 8 categories at household level. It achieved 100% conversion of wet waste to compost, 88% of dry waste being recycled or upcycled and 90% discarded resources being diverted from the environment, landfills, and incinerators. Further, seven households started making bio-enzymes, all disposable utensils and plastic usage were completely banned and all events converted to zero-waste.

54 households consisting of 406 people, including local Nyishi tribe members and migrant workers benefiting through the project. Importantly, it led to the establishment of Chullyu Community Declaration on waste management and setting up of a local team to take forward the initiative.

ENCOURAGING ROAD SAFETY



Goal: Promote helmet adoption and general road safety

As a motorcycle manufacturer that encourages all forms of motorcycle riding, Royal Enfield is deeply committed to the cause of promoting safe riding. One of the key aspects of this is to raise awareness about and promote helmet usage among motorcycle riders apart from general road safety practices. Helmets for India is a Royal Enfield initiative that seeks to promote helmet usage and road safety through an artists' collective.

In Jaipur, Chandigarh and Ahmedabad, the Company partnered with 94.3 MY FM to encourage helmet usage among college students in particular and all riders in general, through a targeted offline event and radio and social media outreach programme. Further, students were engaged as influencers by involving them in promoting helmet usage. They were also asked to paint and decorate their helmets, to influence a trend which can lead to its increased usage. The campaign reached out to 12,380 students from 21 colleges and 359 riders of these cities.

Another helmet safety campaign was also carried out in Goa alongside undertaking efforts to fix the root cause of accidents i.e. bad roads, in collaboration with programme partner PotHoleRaja. A total of 704 sq. mt of potholes on the Vagator-Anjuna Road and 71 sq. mt in the Panjim area of Goa were fixed with the participation of volunteers from the Royal Enfield team. Giant-painted helmet prototypes were also installed at the junction to create awareness about wearing a helmet.





RIDING FOR SOCIAL CAUSE



Goal: Promoting education and awareness, responsible tourism and women empowerment

The Great Himalayan Exploration

The Company conducted 'The Great Himalayan Exploration' ride, as part of the UNESCO x Royal Enfield partnership. Flagged-off from Kolkata, the ride marked the first phase of the project aimed at discovering and documenting the Intangible Cultural Heritage (ICH) of India, beginning with the Himalayas. 27 trained rider-researchers traversed parts of Arunachal Pradesh, Assam and Meghalaya, and interacted with more than 10 tribes and documented 21 cultural practices, many of which have sustainable living and community spirit at their core. The collected information will be utilised for publications and promotion of the region's cultural heritage.

The goal is to identify 100 ICH practices in the North Eastern Himalayan region and promote them through content and story-telling. Further, the focus is on using select ICH practices and communities towards creating livelihood and other opportunities. The initiative shall also influence behaviour change among the Royal Enfield community of riders to experience a destination as more than just the landscape; in a community-based way and to contribute towards creating thriving Himalayan communities in the long-run.

Riding for women empowerment

Women's safety is a concern across India. On International Women's Day, Royal Enfield conducted motorcycle rides across Delhi, Chandigarh, Bengaluru and Pune focussed on promoting dialogue and empowering all genders on women's safety. Awareness was created on how women can tackle their harasser and how bystanders can help. Across the locations, a group of riders including police staff and tornado army riders rode to the location of partner institutes. This



was followed by awareness sessions, group discussion and quizzes and self-defence demonstration. A total of 229 underprivileged youth including all genders benefited through this activity.

Riding for sustainable tourism

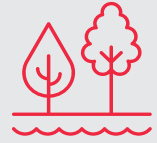
The Company got together with Shikhar Dhawan Foundation in a cause ride, Miles for Smiles, to promote sustainable tourism while preserving culture and fostering skill development. By addressing these, the project aimed to benefit both locals and tourists. The initiative involved donating probing canes to visually impaired, wheelchairs for enhancing mobility and 80 sewing machines for employment opportunities. The team further

renovated a school and distributed hygiene and educational kits, planted medicinal and air-purifying saplings, installed two bio-toilets and organised community engagement activities.

The project had a significant impact on the community. Environmentally, it helped reduce defecation waste, improved local ecosystems with plants and eliminated the use of generic plastic bags. It also contributed to positive social change by creation of employment opportunities, education promotion among underprivileged and fostering a sense of community.

NATURAL CAPITAL

PASSION WITH RESPONSIBILITY



Sustainability is an important aspect at EML. It operates with a vision of leaving every place better and proactively encourages its large community to join this pursuit. The Company has been continually undertaking efforts around reducing its emission footprint and better managing wastes, water and energy to promote a better world.

ADDRESSING CLIMATE CHANGE

Optimising energy consumption

Energy is a primary resource consumption area for EML, and its efficient usage is key to achieving low carbon footprint. EML ensures this with robust energy management measures involving continual monitoring and optimisation of energy consumption, transition to renewable energy and upgrading to latest energy-efficient technologies.

Key energy management initiatives undertaken in FY 2022-23 includes:

- Implementation of Heat Pump application in Plating Shop 4 and replacement of conventional diesel boiler
- Optimisation of ETP aeration blower, helping reduce power consumption
- Implementation of VFD in EPC AHU, helping reduce frequency (50 hz to 40 hz) and power consumption
- Installation of VFD in powder coating hot water rinse and cooling supply blowers
- Solar heating application for canteen kitchen
- Replacing high energy intensity blowers with coolant tanks in the planetary buffing process
- Implementation of VFD in AHU and dynamometer blower
- Replacement of conventional fans with Brushless DC fans for power conservation



IMPACT ACHIEVED

FY 2022-23

441 MWh

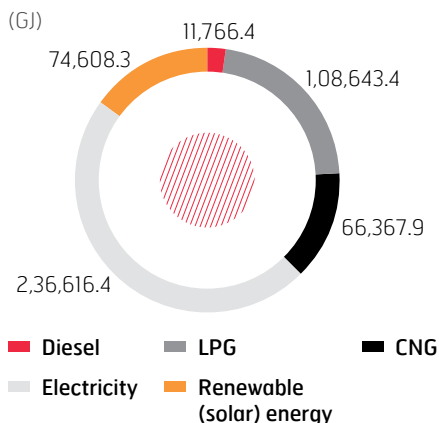
of energy savings

FY 2021-22

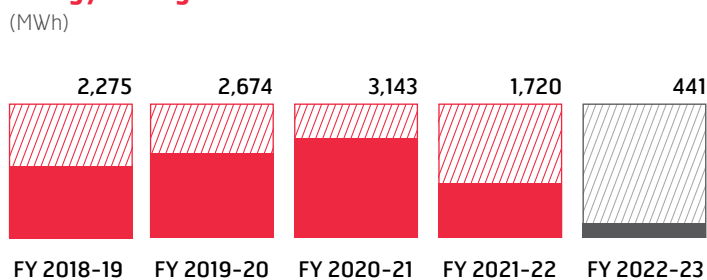
1,720 MWh



Energy consumption mix in FY 2022-23



Energy savings achieved



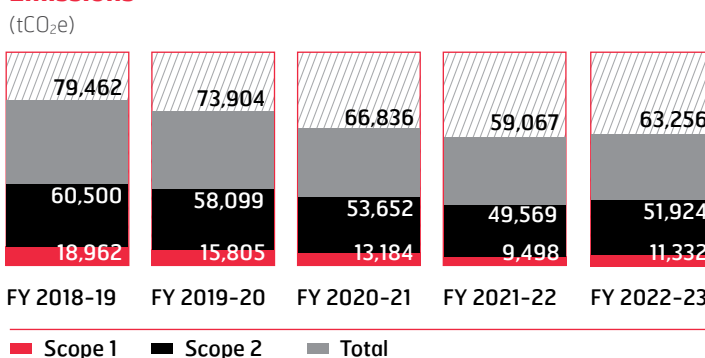
Reducing emissions

EML proactively adheres to the regional emission norms where it operates by aligning technologies of its manufacturing units and global CKD units accordingly. The Company actively tracks its scope 1 and 2 emissions, and implements necessary actions.

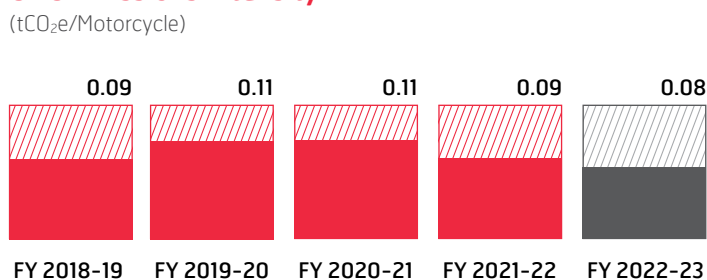
Over the years, EML has undertaken initiatives like investing in solar energy capacities, using liquefied natural gas (LNG) in paint shops and replacing gas welding with laser welding to lower emissions. Its Vallam unit has a 13 MW captive solar plant which generated 1,92,87,036 kWh energy in FY 2022-23, meeting 60% of its energy requirement. Additionally, EML is maintaining 10,625 trees inside its premises across all units and ~18,000 saplings in the open space reservation land from SIPCOT, which acts as a carbon sink.

EML continues to explore ways to replace LPG with LNG and using cleaner alternative fuels across various applications to make lower carbon products.

Emissions



GHG Emissions Intensity



EMISSION MANAGEMENT AND AIR QUALITY IMPROVEMENT

EML is committed to reducing other emissions like particulate matter (PM), sulphur oxides (SO_x), and nitrogen oxides (NO_x) which emanate from the operations of painting, fossil fuel-based electricity generation and heating among others. The Company periodically monitors its ambient air quality through third-parties, to maintain such emissions below limits set by Tamil Nadu Pollution Control Board (TNPCB).



ENSURING A WATER POSITIVE OPERATION

EML prioritises efficient use of water across all its operations. The Company has greatly minimised fresh water consumption, preventing water stress on local communities and ecosystems.

EML has invested in rainwater harvesting ponds, and uses this water in its manufacturing processes and operations, including in TVT post-treatment process. Various water efficient structures have been installed to reduce water wastage such as orifice taps in canteens and motion sensor and reducer for taps which saves nearly 1.5 KL/day.

All EML plants are equipped with effluent and sewage treatment plants (ETP and STP) which ensures zero discharge of wastewater. Treated water from these are used for landscaping and flushing of toilets, thus saving fresh water.

With sustained efforts EML's operations have been water positive for five consecutive years. Its water positivity index in FY 2022-23 was 2.6.

IMPACT ACHIEVED IN FY 2022-23

3,41,282 KL

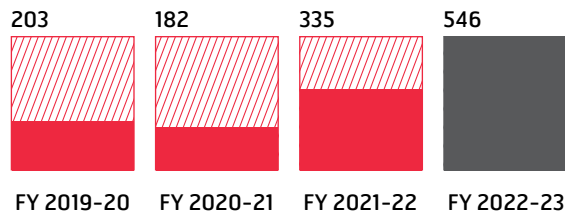
Total water recycled/treated

3,58,764 KL

Total water reused

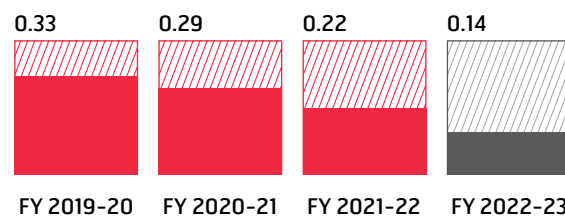
Effluent Recycled

(ML)



Water Intensity

(KL/motorcycle)





EFFECTIVELY MANAGING WASTES AND WASTEWATER

EML strives to achieve zero waste to landfill by implementing the principles of circular economy and 'Reduce, Reuse and Recycle' across all activities. It has invested in cutting-edge zero liquid discharge plants (STP and ETP) to ensure all wastewater are effectively treated and reused for irrigation and process top-ups. Its systems are also equipped to treat and lower chemical content in effluent and boost the quantity of recovered water by 10%.

EML also employs various methods to reduce solid wastes generated across various stages of operations, including eliminating paper usage. All hazardous wastes are effectively treated before disposal. Some of the key efforts undertaken towards effective waste management include:

- Converting the sewage sludge into vermicompost
- Co-processing of wastes like paint sludge, powder, residue containing oil, and filter waste in cement kilns
- Generating biogas from waste food for usage in gas for cooking
- Digitalising operations which helped reduce paper usage and waste reduction, translating in monthly savings of 400 paper bundles, equivalent to saving 18 trees which eliminates 404 kg CO₂e/annum
- Plastic waste management as per statutory norms by using poly covers with more than 75 microns, which can be recycled 4 times

IMPACT ACHIEVED IN FY 2022-23

417 MT

Hazardous waste recycled

351 MT

Hazardous waste co-processed

PATH AHEAD FOR SUSTAINABLE MANUFACTURING AT ROYAL ENFIELD

80%

targeted emission intensity reduction per motorcycle by FY 2029-30.

Scope 1&2 emissions
Base year FY 2020-21

- Increase renewable energy mix from 26% in FY 2022-23 to 49% in FY 2023-24
- 40% reduction in carbon emissions (FY 2021-22 baseline)
- Tracking PM, SO_x, NO_x emissions and maintaining them under limits set by TNPCB

INCREASE WATER POSITIVITY

- Continue utilisation of rainwater collected in pond constructed at Oragadam factory for operational requirements
- Plan to reduce the fresh water consumption by increasing the use of recycled water and recharging groundwater table

ZERO WASTE TO LANDFILL

- Sustained focus on circular economy principle in solid waste management led by reduce, reuse and recycle
- Ensure zero waste to landfill in FY 2023-24



GOVERNANCE

STRONG FOUNDATION FOR A BETTER TOMORROW

EML is characterised by a culture of ethical, transparent and responsible practices. Led by the Board of Directors, the Company's robust corporate governance philosophy is key to achieving business priorities and protecting the interests of the stakeholders.

ROBUST GOVERNANCE FRAMEWORK

EML ensures highest standards of governance and compliance through a well-defined corporate governance mechanism led by the Board and its Committees. The Board undertakes the responsibility of delivering value to the shareholder, providing oversight and guides the management towards achieving strategic objectives.

With 50% representation of independent directors, the Company has ensured Board's commitment to its obligations to stakeholders. The Company also has a diverse Board with one out of six members being women and all bringing a range of expertise. The Company further has a professional management at the CXO level and has ensured separation of roles of Chairman and Managing Director. The Chairman of the Board is a Non-Executive Director.

BOARD SUMMARY**10 YEARS**

Average tenure of Board members

ESG GOVERNANCE

To ensure effective ESG governance, the company has formed a dedicated team that plays an important role in overseeing ESG-related matters. This team forms part of the Risk Team that in turn, reports to the Chief Financial Officer (CFO) of the organization. The current structure ensures that the critical ESG considerations are integrated into the company's compliance, risk management, and operational excellence.

The team's responsibility is to ensure that the company's practices align with regulatory requirements and industry standards. They diligently monitor and evaluate the environmental impact, assess social responsibility efforts, and promote transparent governance practices.

Additionally, the CFO's oversight empowers the team to integrate ESG considerations into the strategic execution of initiatives across various

departments, seamlessly incorporating sustainable practices into day-to-day activities. This integration fosters operational efficiency, optimal resource allocation, and the maximization of long-term value creation.

ETHICAL BUSINESS PRACTICES

EML has zero tolerance for unethical practices and ensures doing business with complete integrity and in a responsible manner. The Company has Code of Conduct for employees as well as for the suppliers which lays out various expectation from them, and is strictly followed. The Company further has defined policies for Whistleblower, Anti-Bribery and Corruption and Ethical Practices which covers all stakeholders.



BOARD OF DIRECTORS

Leading from the Front

Mr. S Sandilya

Chairman & Non-Executive
Independent Director

1 2 3 4 5

Mr. S. Sandilya is presently Non-Executive Chairman, Eicher Motors Limited. He has over 44 years of work experience. He started his career in 1969 with DCM group of companies at their Group Headquarters in the Finance function. He then joined Union Carbide where he worked for five years across Delhi, Kolkata and Chennai in Systems as well as Finance and Accounts.

Mr. Sandilya joined Eicher in 1975. He has been a part of the growth journey of the Group and held various positions in different business units. He was the Managing Director of Eicher Motors Limited, the Commercial Vehicles Manufacturing business unit of the Group till 1998, before being given the added responsibility for Group Finance and Strategic Planning. He was appointed Group Chairman and CEO in April 2000, which at that time included Agricultural Tractors, Commercial Vehicles, Motorcycles, Engineering Components, Engineering Solutions and Business Consulting Services.

Mr. Siddhartha Lal

Managing Director

1 4 5

Siddhartha Lal is the Managing Director and CEO of Eicher Motors Ltd., the flagship company of Eicher Group in India. Siddhartha has also been the Chief Executive Officer of Royal Enfield between 2000 and 2004 and the Chairman of VE Commercial Vehicles from 2012 - 2017 and 2020 - 2023.

During his tenure as CEO of motorcycle manufacturer Royal Enfield (a division of EML), Siddhartha helped revive the company's fortunes and also strengthened stakeholders' involvement with the brand. Siddhartha has passionately led niche motorcycle brands to be the global leader in mid-weight motorcycle segment. Under his leadership the company has launched several new motorcycles across the world and has won numerous awards and accolades. VECV is the third largest commercial vehicle player in India and has ambitions to drive modernization in commercial transportation and become a leading trucks and buses company in India and emerging world markets.

Siddhartha is passionately involved in the subject of transportation and the role it has to play in sustainability, especially in urban settings; and its role in our health, safety and quality of life. Due to his efforts in this area, he has been nominated as a part of the World Economic Forum's (WEF) Global Agenda Council on Personal Transportation Systems. As a global leader at WEF, Siddhartha is co-championing the initiative - 'Transforming Urban Mobility'. He is also a part of the Next Generation Leaders Board at Indian School of Business.

Siddhartha holds a Master's degree in Automotive Engineering from the University of Leeds and is a Cranfield University qualified mechanical engineer. Siddhartha is also an Economics graduate from St. Stephens College in Delhi and an alumnus of The Doon School.

**Mr. Govindarajan Balakrishnan**

Whole-time Director

5

B. Govindarajan is the Chief Executive Officer at Royal Enfield and also serves as Wholetime Director on the Board of Eicher Motors Limited. He has spent over 23 years at Eicher Motors Limited and at Royal Enfield in two stints. In his present stint, he joined Royal Enfield in June 2011 as the Senior Vice President - Industry and has been the Chief Operating Officer at Royal Enfield since 2013.

Govindarajan's joined Eicher Motors Limited in 1995 as Manager - Engineering and was responsible for the Powertrain unit Manufacturing System Engineering. Subsequently, from 1994 to 2007, he worked across several verticals. In 2004, he became the General Manager - Manufacturing at Royal Enfield, responsible for the entire manufacturing activity and the implementation of the lean and quality management systems. In 2006, he was promoted as Divisional General Manager at Royal Enfield, post which he moved to the Commercial Vehicle Manufacturing unit of Eicher Motors in Pithampur as the Head of Operations.

In his current decade-long tenure at Royal Enfield, Mr. Govindarajan has led several turnkey projects, He has been instrumental in expanding its manufacturing facilities, transforming product quality, delivery and development processes, and implementing cost management in sourcing and operations. He played a key role in production ramp-up at Thiruvottiyur facility and the establishment of two new world-class manufacturing plants at Oragadam and Vallam Vadagal near Chennai. He also spearheaded the establishment of Technology centres at the UK and India, and oversaw successful delivery of the globally recognised Interceptor 650 and the Continental GT 650.

He holds a Mechanical Engineering degree from Annamalai University, Tamil Nadu and a Post Graduate Diploma in Materials Management

Mr. Vinod AggarwalManaging Director & CEO
(VECV)

Mr. Vinod Aggarwal serves as Managing Director & CEO of VE Commercial Vehicles Ltd (VECV), a Joint Venture between Eicher Motors and AB Volvo of Sweden since 2010. An industry veteran with an experience of 43 years, out of which 40 years have been with Eicher Group, he has held several senior executive management positions including the Chief Financial Officer of the Eicher Group, and President of Eicher Trucks and Buses. Mr. Aggarwal is concurrently serving as President, The Society of Indian Automobile Manufacturers (SIAM) and President of Automotive Skills Development Council (ASDC).

Over the years, he has won several awards for his contribution to the Indian Commercial Vehicle industry including the "CV Man of the Year" twice in 2019 and 2014. He was awarded as the "Best CEO - Medium and Heavy Duty truck makers" in 2016 by World Auto Forum and the "Hall of Fame 2015" by Manufacturing Today. In 2019, he was inducted into The Economic Times Polymers Automotive Hall of Fame.

Mr. Aggarwal is a Commerce graduate from Punjab University and is a fellow member of the Institute of Chartered Accountants of India and an associate member of Institute of Cost Accountants of India.

Ms. Manvi SinhaNon-Executive
Independent Director

1 2 3 4

Ms. Manvi Sinha comes with a rich journalism experience. She served as Chief Revenue Officer at NDTV Ltd. from January 2018 to November 2019, during which the broadcast company delivered its best financial results (FY 2018-19) in 14 years. Previously, she had a twenty-year career in television business journalism. She has straddled roles ranging from anchoring and production to business development and operational-cum-editorial leadership at NDTV. She was also a presenter of the India Business Report on BBC World. Prior to joining NDTV, Ms. Sinha was in the Audit and Business Advisory division of Arthur Anderson.

Ms. Sinha has a B.A. (Honours) degree in Economics from St. Stephen's College, Delhi University and has completed the Intermediate level from the Institute of Chartered Accountants of India.



Mr. Inder Mohan Singh

Non-Executive
Independent Director

1 2 3 4

Mr. Inder Mohan Singh is a fellow member of the Institute of Company Secretaries of India, a law graduate from Delhi University and a postgraduate in Finance from Delhi University. Mr. Singh is an Equity Partner with Shardul Amarchand Mangaldas & Co., a leading law firm and specialises in various practice areas including General Corporate, Mergers & Acquisitions, Private Equity, Corporate Governance and Education. Mr. Singh has vast experience in the automobile industry especially in matters related to joint ventures, distribution networks, business transfers and technology licensing issues. He has vast experience of advising Indian and international companies on corporate restructuring, amalgamation, merger, demerger & acquisitions. He has worked across industries including cement, media and entertainment, telecom, real estate and the education sector.

Legend

1 Audit Committee 2 Stakeholders Relationship Committee 3 Nomination Remuneration Committee

4 Corporate Social Responsibility Committee 5 Risk Management Committee

Chairman Member

Audit:

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	6	6
2.	Mr. Siddhartha Lal	Member	6	6
3.	Ms. Manvi Sinha	Member	6	6
4.	Mr. Inder Mohan Singh	Member	6	6

SRC:

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

NRC:

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	3	3
2.	Mr. S. Sandilya	Member	3	3
3.	Mr. Inder Mohan Singh	Member	3	3

CSR:

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

RMC:

Sl. No.	Name of Members	Chairperson/Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1.	Mr. Siddhartha Lal	Chairman	2	2
2.	Mr. S. Sandilya	Member	2	2
3.	Mr. Govindarajan Balakrishnan	Member	2	2
4.	Ms. Vidhya Srinivasan*	Member	1	1

*Ms. Vidhya Srinivasan, Chief Financial Officer was appointed as member of the Risk Management Committee w.e.f. November 18, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS



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

ECONOMIC OVERVIEW

Indian Economy

India retained its position among the world’s fastest-growing major economies. In FY 2022-23, the Indian economy continues to show strong resilience to external shocks. As per National Statistical Office (NSO), India’s GDP growth during FY 2022-23 is estimated at 7.0% as against 9.1% in FY 2021-22. However, the inflation continues to remain higher at 5.66% in March 2023 as the Reserve Bank of India (RBI) increased the repo rate by 250 basis points in FY 2022-23 as a countermeasure.

Higher capital investment, increasing pace of infrastructure development, the rebound of private consumption, digitalisation, and revival in credit growth continues to reflect India’s long runway for growth. Rising consumer incomes and purchasing power have potential to sustain the rapid growth in household consumption, boosting the demand for goods and services across industries.



Global Economy

The global economy navigated through a turbulent year 2022 caused by geo-political issues, supply chain disruptions, higher inflation, and the sharp rise in central bank rates. However, global economic conditions started showing signs of stabilisation in early 2023, with slight moderation in projected global inflation to 7.0% in 2023 as compared to 8.7% in 2022 (as per OECD). The United States economy reported the GDP growth at 2.1% in 2022 on the back of a mild increase in private investment and gradual pick-up in consumer spending. The European economy recorded 2.7% GDP growth in 2022. Further, the GDP of Australia and New Zealand grew at 3.7% and 2.4% respectively in 2022.

INDUSTRY OVERVIEW

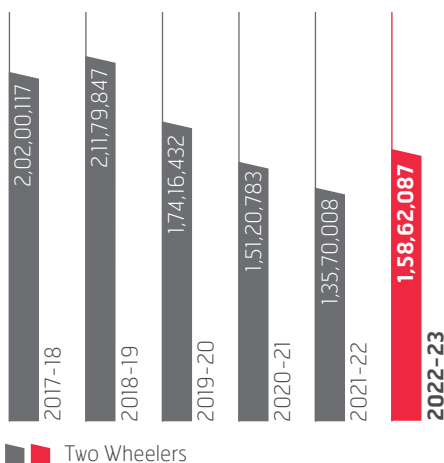
Indian two-wheeler and motorcycle industry

The Indian automotive industry has seen a healthy revival in FY 2022-23 (Year ending March 2023), aided by a recovery in the economic activities and recovery in mobility post COVID impacted period (FY 2021-22). However, the two-wheeler segment is yet to reach the pre-pandemic levels as the industry navigates through high inflation, supply chain hurdles, sharp increase in input costs, and the rising cost of ownership due to regulatory changes.

According to the Society of Indian Automobile Manufacturers (SIAM), the two-wheelers segment grew by a relatively moderate 17% YoY growth, after witnessing de-growth for the previous three consecutive years. The domestic sales of two-wheelers in FY 2022-23 were 15.9 million units as against 13.5 million units in FY 2021-22. Motorcycle sales increased by 14% YoY to 10.2 million units, while scooter sales grew over 25% YoY to 5.2 million units. The sales of Electric two-wheelers in India grew over two-and-half-fold to 7,28,090 units in FY 2022-23 over the previous fiscal, aided by subsidies offered by the government(s) and growing penetration of electric vehicles across segments.

Indian 2W Industry Sales Volumes

(In Numbers)



(Source: Society of Indian Automobile Manufacturers)

The long-term two-wheeler growth potential in India is backed by the relatively young population, rising incomes, wide availability of credit and financing options, and boost to the local manufacturing ecosystem.

Global two-wheeler and motorcycle industry

The global two-wheeler industry faced multiple macro economic headwinds in 2022 such as supply chain disruptions, inflationary pressures, higher interest rates, and dampening consumer sentiment. The semiconductor shortage has led to a production shortfall, especially in the premium segment of motorcycles. According to the SIAM, the exports of two-wheelers from India recorded a 17.8% decline to 3.7 million units in FY 2022-23 from 4.4 million units in FY 2021-22.

EML OVERVIEW

Eicher Motors Limited (EML) (Bloomberg- EIM: IN) is an Indian, multinational automotive company that has diversified interests in motorcycle and commercial vehicle manufacturing. Listed on the Bombay and National Stock Exchanges, EML is the listed parent company of Royal Enfield, the world's oldest motorcycle brand in continuous production since 1901.

Royal Enfield has evolved into an experiential brand to become the global leader in the mid-sized motorcycle segment (250cc - 750cc). Royal Enfield operates in India, and over 60 countries around the world. Its modern technical development centres for product designing are located in Leicestershire, UK, and Chennai, India. Royal Enfield's state-of-the-art manufacturing plants are situated in Vallam Vadagal, Oragadam and Tiruvottiyur in Tamil Nadu which manufacture motorcycles for Indian and international markets. Royal Enfield's overseas CKD assembly plants are located in Thailand, Argentina, Colombia, and Brazil.

EML has a joint venture with Sweden's AB Volvo - VE Commercial Vehicles (VECV). VECV has pioneered the modernisation of commercial vehicles in India and other developing countries. It manufactures a complete range of trucks and buses from 4.9-55 tonnes. VECV exports to over 34 countries and is supported by a strong dealership network of over 500 outlets. The Company's infrastructure includes nine state-of-the-art manufacturing facilities located in Pithampur, Bhopal, Baggad, Dewas (Madhya Pradesh), and Hoskote (Karnataka). The integrated manufacturing plant in Pithampur (VE Powertrain) is the global hub for medium-duty 5 & 8-litre engines for Volvo Group. It caters to the engine requirements of Volvo Group across Europe and Asia.

Royal Enfield

Royal Enfield's resilient 122-year successful legacy has been deeply rooted in its ability to remain fiercely unique based on the deep understanding of motorcycling and customers. The Company has created its own differentiated approach that has given the brand its character and a distinct positioning in people's minds, guiding the Company to create unique products, services, and experiences that have helped it deliver 'Pure motorcycling' experience.



REBALANCE

Royal Enfield remains true to its purpose, mission, and values with the strategic direction of REBALANCE with a view to reorienting the approach to business and making it more resilient in the face of challenges. The Company aims to recalibrate and renew its mission to create an agile, resilient, and timeless business led by pure motorcycling, to bring harmony between people, machine, and terrain. The REBALANCE approach is based on the following four key pillars:

- Growth focus with a balance on profitability
- Sustainable growth - Balancing Social and Commercial objectives
- EV & ICE - Balance the existing product portfolio of internal combustion engines and the transition into the future with electric vehicles
- Brand-led customer experience

ROYAL ENFIELD BUSINESS PERFORMANCE

1. New launches

Super Meteor 650

Royal Enfield's thoroughbred cruiser Super Meteor 650 was unveiled at EICMA 2022. The motorcycle has an enticing new appeal to attract customers in the International as well as India market. The global launch received huge praise from automotive publications and enthusiasts. The model was also showcased in all its colorways on the opening day of Rider

Mania 2022 and received an overwhelming response. The production of Super Meteor 650 started at the beginning of 2023 and ~4,000 units were sold in by March 2023.

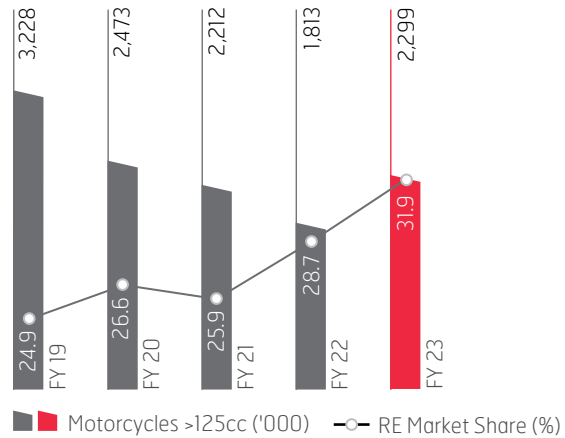
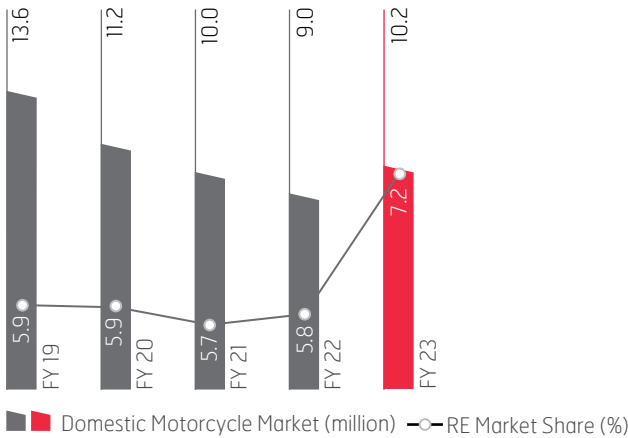
Hunter 350

Royal Enfield successfully launched the Hunter 350 in Bangkok, in August 2022. Equipped with the proven 350cc "J" platform engine, Hunter 350 is a neo-roadster-inspired motorcycle. The Hunter 350 offers high agility and nimbleness, which is perfect for Urban commuting. After a resounding success in India, this model was subsequently launched across 11 key regional markets. The Hunter 350 has been Awarded "Indian Motorcycle of the Year 2023" and multiple other awards and accolades from the Indian Motorcycling Industry. Since its launch in August 2022, the Hunter 350 has already sold 1,23,932 motorcycles in India and has had 13,699 models exported to its International Markets.

2. India Business Review

i. Royal Enfield Performance

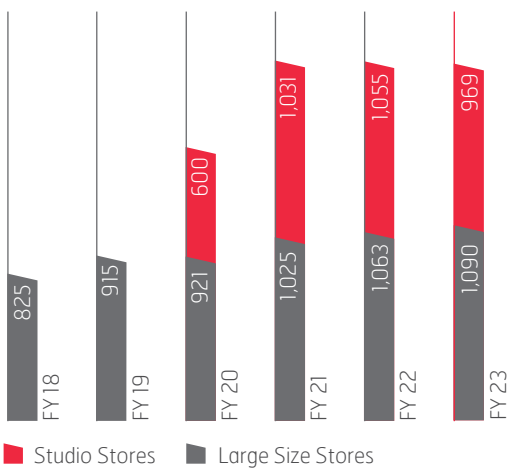
Royal Enfield has seen significant growth in FY 2022-23 in the domestic market and outpaced the Indian Motorcycle market by over 3X in FY 2022-23. Royal Enfield's market share remains dominant in the Middleweight segment (250-750cc) and has seen growth in market share in the above >125cc market to 31.9% in FY 2022-23. The Company also grew its presence in the overall motorcycle market to reach a 7.2% market share in FY 2022-23.



ii. India Dealership Network

Royal Enfield has one of the most premium distribution networks in India with 1,090 stores and 969 studio stores across ~1,750 cities. The Company has steadily expanded its sales and service network since 2019 by adding smaller studio stores in smaller pockets of the country to expand its reach to the customer. Royal Enfield currently **ranks #2 in the FADA Dealer Satisfaction Survey** conducted in 2022. Significant improvements were implemented in the effectiveness of training for customer-facing service teams, digitisation of marketing, product range and frequency of updates to offer to customers, and significant quality improvement in After-Sales.

1,090 stores and 969 studio stores across ~1,750 cities

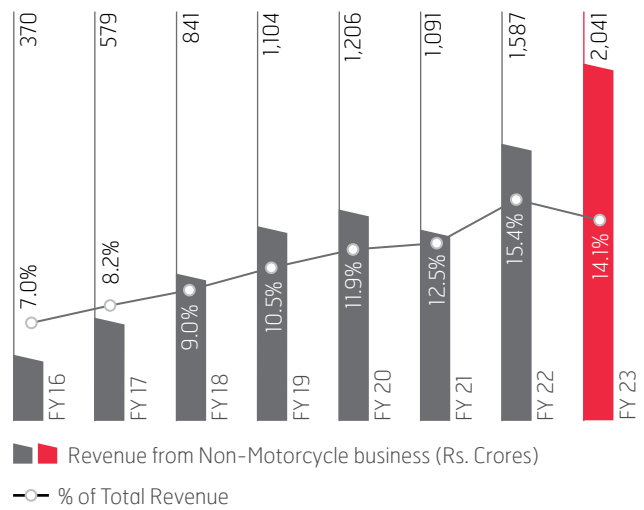


(Source: Society of Indian Automobile Manufacturers)

iii. India Non-Motorcycle Performance

Royal Enfield offers a pure motorcycling experience including rides, hassle-free ownership, personalisation, and convenient and comprehensive maintenance and care for motorcycles. Royal Enfield has established itself as a lifestyle brand in the last decade and its non-motorcycle business has a sizeable following of its own. It provides consumers a platform for self-expression and an open canvas for easy customisation

and personalisation of motorcycles with a broad range of accessories, apparel, etc. to display their personality. It also provides consumers with complete peace of mind by offering holistic maintenance options. The non-motorcycles revenue stood at Rs. 2,041 crores for FY 2022-23 and the business accounted for 14.1% of overall revenue.



1. Genuine Motorcycle Accessories

Royal Enfield motorcycles are known for their ease of personalisation and customisation. For decades, riding enthusiasts have inspired the Company with their personalised and customised Royal Enfield motorcycles as a means of self-expression. The Company's genuine motorcycle accessory (GMA) product range has been expanded from close to 200 SKUs to 267 SKUs in FY 2022-23 with a wide range of new products launched with Hunter and Super Meteor. The Make it Yours (MiY) platform has been very successful in the domestic markets with over 90% of the bookings being done through the platform. In order to enhance the sourcing and availability of GMA, the Company has activated 16 regional distribution hubs across the country for the supply of fast-moving SKUs.

2. Apparel

Royal Enfield’s apparel business continued its growth trajectory with a solid 29% growth in FY 2022-23 over the last year, primarily driven by a healthy mix of dealerships and the third-party e-commerce channels. In FY 2022-23, Royal Enfield formed new collaborations with the Industry leading companies such as TCX, Alpinestars and provided world-class gears and riding equipment with Royal Enfield’s rich heritage to its customers. Further, driven by its ethos of creating unique and differentiated products, Royal Enfield’s apparel business introduced the 1:3 classic collectible in FY 2022-23. Built to perfection, this miniature of Royal Enfield with a 1:3 ratio marks a unique step in the brand’s legacy of iconic craftsmanship. It is artfully handcrafted with pride, passion, and perfection with every part being identical to the actual motorcycle. The miniature is also equipped with moving parts such as a moving throttle, a moving clutch unit, an adjustable suspension, an adjustable chain, and a micro key. It was launched to much fanfare at Motoverse 2022 and the Company sold the first 150 units within 3 days of the event.

The apparel business’ marquee campaign #ArtOfMotorcycling - in its third season in FY 2022-23 - recorded more than 54,000 registrations, a 3.5x increase in participation over the previous season. The #ArtOfMotorcycling campaign further extended its reach into the art and technology domain by going digital with NFTs. The winning artworks of Seasons 1 and 2 were converted into NFTs and listed on a global platform for people to buy and trade. These NFTs were sold out within 4 days of launch and made Royal Enfield India’s first 2-wheeler brand to introduce NFTs.

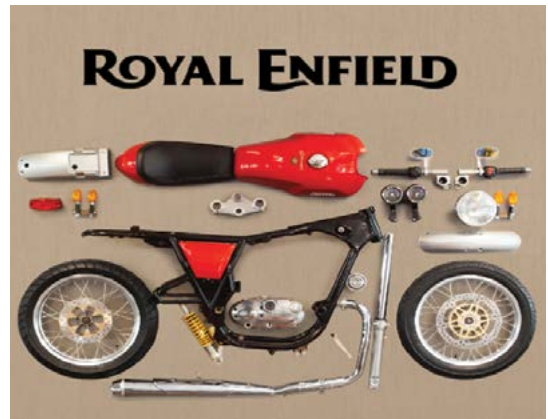
The apparel business is inducting sustainable production methods. The Company started sourcing 98% of its cotton sustainably through the Better Cotton Initiative (BCI). It also plans to launch its first fully sustainable product, the Streetwind eco riding jacket, which conforms

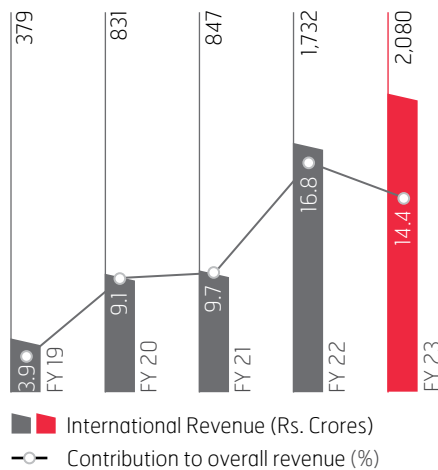
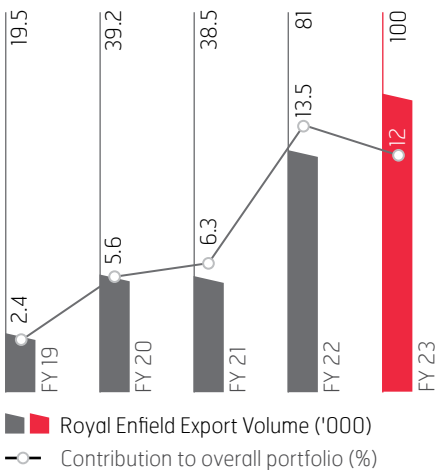
to GRS (Global Recycling Standard). The jacket is made from plastic pet bottle waste.

3. Spare parts and service

The Company is committed to providing smooth and hassle-free ownership and a fun riding experience to its consumers. Royal Enfield undertook a plethora of initiatives during FY 2022-23 to deliver a best-in-class service experience and strengthen its digital capabilities. Further, the Company ensured 100% commercial readiness on time for all serviceable parts for new launches i.e. Hunter, Super Meteor 650, and Twins Refresh.

- **Auto replenishment:** Royal Enfield ensured 100% auto replenishment across all dealers and distributors who are associated with the brand. Auto replenishment for Oil and RE essentials was successfully implemented across all channel partners. After the success of auto-replenishment in the domestic market, the Company extended it to the international markets. It started the successful implementation of auto-replenishment in Thailand between Central Warehouse (CWH), Thailand Warehouse (TWH), and Thai dealers.
- **Leh support:** The Company started providing spare parts support in Leh through a channel partner to enhance the availability and reduce the turnaround time for customers.
- **Customer centricity:** A QR code was implemented for Spares and Oil to enable the customers to check the genuineness and mechanics of loyalty points. Further, a web banner is included on the website of Royal Enfield to create awareness among customers. The Company reported only 0.027% of customer complaints in FY 2022-23.
- **Sales and service:** On the sales and service front, 3,050 new authorised mechanics and 1,856 new retailers were added in FY 2022-23.





Royal Enfield is currently present in over 60 countries and operates via five subsidiaries across multiple continents. Its global retail network (outside of India) spans over 1,150 touchpoints with 207 exclusive stores and 950+ multi-brand outlets (MBOs). Moreover, your Company strengthened its global presence by adding a new CKD assembly unit in Brazil, in addition to existing facilities in Argentina, Columbia, and Thailand.

Americas

The Americas – Including North and South America – is among the largest market outside of India by sales volume for the past three fiscal years for Royal Enfield clocking a 4x growth in that period. Sales of RE motorcycles have clocked a growth of 44% year-on-year in the American region. Your Company has an expansive network of 88 exclusive stores and 366 multi-brand outlets in the Americas region. Royal Enfield’s market share in the

middleweight segment in the Americas region climbed to ~7.8% in FY 2022-23. Within the region, Royal Enfield’s market share stands at around 7.8% in North America and 7.9% in LatAm. Royal Enfield has established three Completely Knocked Down units (CKD) assembly facilities in the region in the last 3 years showing our commitment to the region. The first facility was launched in Argentina through its partner in September 2020. The second assembly unit based in Colombia, commenced operations in October 2021. During FY 2022-23, Royal Enfield started operations of its CKD assembly unit in Brazil as well. Royal Enfield continues to build its community in the region and has undergone several activities in the year such as: The Tour of Mexico, Opening of Royal Enfield Academy in Columbia, and The 3rd Anniversary of Royal Women Riders Group in Brazil. The Company also conducted Dealer demo tour Stops in the United States.



■ **Europe, Middle-East, and Africa (EMEA) Market**

In the EMEA markets, Royal Enfield continued its growth track in FY 2022-23. Royal Enfield achieved three major milestones in the year- a) it gained the Number 1 position in the UK, with a 20.4% market share in the mid-size motorcycle segment, b) it announced the decision to go with the direct distribution model in the UK, and c) its position in Europe improved and now it is the 3rd largest player in the mid-size motorcycles segment from the 5th position last year. Royal Enfield's market share and ranking in the mid-size motorcycle segment improved in every country in the region. Overall, it achieved an 8.9% market share in FY 2022-23 in the mid-size motorcycle segment. The 350cc platform has been very well received by customers and motorcycle enthusiasts. The Company has 70 Exclusive Stores and 495 Multi-Brand Outlets in the region. Royal Enfield Club of Europe has a loyal fan following with over 16,000 members and is further gaining momentum with over 800 rides and events through the year to increase customer engagement.

■ **Asia Pacific (APAC)/ The South Asian Association for Regional Cooperation (SAARC)**

Royal Enfield's presence in the Asia Pacific (APAC) markets has increased significantly over the last 4 years. The region holds immense potential for middleweight motorcycles. The Royal Enfield footprint in the APAC markets is represented by 155 dealerships, comprising 49 exclusive stores and 106 multi-brand outlets. Your Company has witnessed 5x volume growth in the region in the last 5 years with its market share rising to 8.9% in 2022-23. Royal Enfield has now gained #1 position in South Korea, #2 in Thailand and #3 in Australia.

Over 11,000 customers were engaged via 463 Rides in the region with the marquee ride - "Moto Himalaya 2022" seeing 60 participants & media partners from various markets. The Hunter 350 was launched across

APAC markets during the year and has been garnering an excellent response among the Stylish, Fun, Roadster genre audiences. The Scram 411, which was also launched in the region during the year, tends to appeal to the Scrambler enthusiasts across markets who are looking for accessible on-road motorcycles with good off-road capabilities thanks to the Himalayan DNA.

4. **Royal Enfield's EV Strategy**

Royal Enfield remains committed to creating innovative and sustainable motorcycle experiences as part of its REBALANCE approach. In recent years, the Company has made significant progress in its electric vehicle (EV) programme with robust development of in-house design, development and testing capabilities. Royal Enfield's EV programmes are focussed on consumer requirements and are aimed at creating differentiated, high performance, and fun to ride electric motorcycles with Royal Enfield DNA.

a) **In-house teams and capabilities in place**

Your Company has built strong in-house capabilities to develop key aggregates and electric vehicles. A strong team of electric vehicle and powertrain development experts, led by CTO, has been put in place and is supplemented with deep investments in development and testing capabilities. The long-term product and technology roadmap is in place and the development work on key projects have been started. The Company already has several ideas in advanced stages of testing and is steadily proceeding towards the planned launch of its first EV product in 2025.

b) **Partnership with Stark Future**

EML has made a strategic investment of € 50 million in Stark Future S. L. - a Spanish electric motorcycle manufacturer - for long-term collaborative research and development in electric motorcycles, technology sharing, technical licensing, and manufacturing. Stark Future has



strong capabilities in the EV segment with several patents on its newly-developed electric motocross bike, Stark VARG. The motorcycle is launched in key markets and has garnered an excellent response from customers across the world. Eicher Motors and Stark Future have concluded the technical collaboration agreement and the Teams at Royal Enfield and Stark are working together on the key projects.

5. Brand and Key Activities

■ Motoverse 2022 - Rider Mania

Royal Enfield held the 12th edition of Rider Mania, themed 'Into the Motoverse' at Goa, which was a multi-space, multi-theme event encompassing thrilling motorcycling experiences, music by famous artists, and a unique ambiance. Over 54,000 people participated in the three-day event.

■ EICMA 2022

Royal Enfield unveiled its most anticipated thoroughbred retro cruiser, Super Meteor 650, in Fiera Milano, Europe at EICMA 2022, along with a wide range of purpose-built Genuine Motorcycle Accessories. RE also showcased its strong brand lineage and increasing love from customers' through its line-up of custom motorcycles.

Brand Strength

Royal Enfield has been recognised as the 4th strongest Global Auto Brand in 2023, up from the 48th strongest Auto Brand in 2021, according to Brand Finance, the world's leading brand valuation firm. In a tough geo-political situation, Royal Enfield is the only motorcycle brand to feature among the top 10 global Auto brands and remains to be the fastest-growing auto brand among its global peers.



Brand Social Media Highlights

We had 46+ million users including 44.9 million new users on our website in FY 2022-23. We recorded 69.5 million sessions logged and 123 million pageviews, leading to 989 thousand BTR leads. Our social media community increased to 10.6 million users in FY 2022-23 from 9.8 million in FY 2021-22. Our engagement rate on Instagram, our primary platform, grew to 9.7% in FY 2022-23, which is significantly higher than the industry average. Our share of voice in the market is 39% and the average share of the search was 17 million in FY 2022-23.

Social Media Awards

- AAFAQS Media Brand Awards 2023 - Royal Enfield won a gold medal for Best Branded Content for its marketing campaign "The Vibe Hunters" for Hunter 350. It also won a gold medal for Best Use of YouTube for "The Vibe Hunters".
- Royal Enfield won a gold medal for "The Vibe Hunters" IP, an interactive web series on VOOT. It was our first OTT collaboration when Voot Studio and Royal Enfield embarked on a creative journey together.
- Trendies Awards 2023 - Royal Enfield won a bronze medal for Best Product Launch for its campaign "Riding to Viral Success".





Key rides and cups

One Ride 2022

Royal Enfield held 11th edition of One Ride themed 'One World | One Mission | One Ride' to promote sustainability, support remote communities and encourage responsible travel practices. It was celebrated across 50 countries with record 15,000+ rider participation from India alone.

Himalayan Odyssey 2022

The 18th edition of Himalayan Odyssey, flagged off from India Gate, took 70 motorcyclists from worldwide on an 18-day adventure ride, covering ~2,700 km to Umling La, the new highest motorable pass in the world. It also encouraged responsible travel practices with a zero 'single-use-plastic' ride.

Himalayan Adventure Zaskar 2022

It brought together hardcore riders as well as media and influencers who are proficient off-roaders to ride in the Zaskar region.

Astral Ride - Ladakh and Spiti

The rides took participants on an interesting motorcycling journey across picturesque locations in Ladakh and Spiti alongside helping them enhance astral and travel photography quotient on the go.

The Great Himalayan Exploration

Royal Enfield and UNESCO entered a unique partnership and initiated 'The Great Himalayan Exploration' ride to preserve, promote and document the intangible cultural heritage of India, especially in Eastern Himalayan regions. As part of its social mission, Royal Enfield partnered with 100 Himalayan communities to build resilience and drive them toward a sustainable future.

Continental GT Cup Season 2

Royal Enfield held Season 2 of Continental GT Cup, under the aegis of the Federation of Motorsports Club of India (FMSCI). The race was conceptualised in a unique 'Pro-Am Series' format that allowed amateur riders and professional racers to compete on the same grid. It received an overwhelming response with ~500 registrations, of whom were 100 shortlisted and 25 (10 professional and 15 amateurs) reached the finals.

Clean-up Ride

Royal Enfield held the Clean-up Ride on World Environment Day, in collaboration with multiple civil society organisations. It conducted clean-up campaigns and other community-level activities to promote environmental awareness and efficient waste management.



OPERATIONS OVERVIEW

World-Class Production Capabilities

The Company has established world-class product development capabilities spanning across its three major manufacturing facilities at - Vallam Vadagal, Dragadam and Tiruvottiyur. Royal Enfield added another model to its J-series platform, Hunter 350. Since its launch in August 2022, Hunter 350 received an overwhelming response from consumers. The production capacity for Hunter 350 was ramped up and more than 1 lakh motorcycles were produced within 6 months of launch. RE launched its premium cruiser, Super Meteor 650 in Jan 2023 with a rapid production ramp-up from 340 units in November 2022 to 2,298 units in February 2023.

Royal Enfield received several awards and recognitions in FY 2022-23. Its Vallam facility received the "Future Ready Factory of the Year" award from Frost and Sullivan. The Company also received three awards, "Excellence in Operations", "Excellence in Sustainability" and "Smart Factory of the Year Award" from Manufacturing Today for its best-in-class performance in the manufacturing industry. Royal Enfield also received an award for "Excellence in Environment, Health & Safety" from the Economic Times.

Product Quality

Customer perceived quality levels improved significantly by adopting various quality upgradation projects that resulted in Enhanced customer satisfaction levels.

Successful & Seamless establishment of Quality systems and Local content part development approvals in CKD facilities in Argentina, Thailand, Colombia & Nepal.

Industry benchmark created in surpassing the highest rate of Recyclability - 93% & Recoverability - 98% in the ARAI AIS 129 End-of-life vehicle assessment.

As part of Employee engagement, the team won 4 Gold awards in International Quality Convention conducted by Indonesia Quality Management Association (IQMA).

Effective implementation of the 'Shoki Ryudo Kanri' (SRK) methodology resulted in a reduction in Fault frequency (FF3) with every new launch. The Company has been successful in reducing the FF3 from 6 faults per hundred in FY 2017-18 to 1.4 faults per hundred in FY 2022-23.

Supply Chain Management

Royal Enfield delivered 8.32 lakh motorcycles in FY 2022-23 with the support of its supply chain partners. The Company has strengthened its supply chain network and developed strong relationships with suppliers and dealers for smooth operations. It maintains real-time collaborative connections and interactions with supply partners for effective management of daily production. The Company faced challenges in sourcing & supply chain in FY 2022-23 through the unavailability of key components, shortage of semiconductors, and material price fluctuations. The supplies of key components were secured through strategic inventory and adding multiple sources for



critical parts (e.g. ABS, Electronic components, Alloy wheels, Exhaust system, Engine parts). Amidst the sharp increase in major raw material prices in the beginning of FY2022-23, your Company undertook aggressive cost reduction programmes to control the product level material cost.

Your Company also assesses its suppliers on social and environmental performance criteria, apart from quality assessments as part of its sustainability commitment. It focusses on local procurement and green packaging through its supply chain to reduce emissions and other adverse environmental impacts.

Research & Product Development

With every new launch, the Company continues to set new standards in product quality. All Models have been upgraded with the latest Engine Management System software to meet OBD II Phase-A requirements meeting the statutory deadline of April 1, 2023. In addition, all models have been updated to be E20 compliant from April 1, 2023. Flex Fuel demonstrator which can run on any blend of Gasoline & Ethanol up to 85% (E85) prototype made and showcased.

ELV regulation AIS 129 Part-2B requires that the Reusability, Recyclability, and Recoverability (RRR) are established for new vehicles at their time of production. This is yet to be notified as a regulation. In FY 2022-23, an RRR evaluation for Meteor was conducted and an audit was concluded by ARAI meeting the AIS 129 requirements:

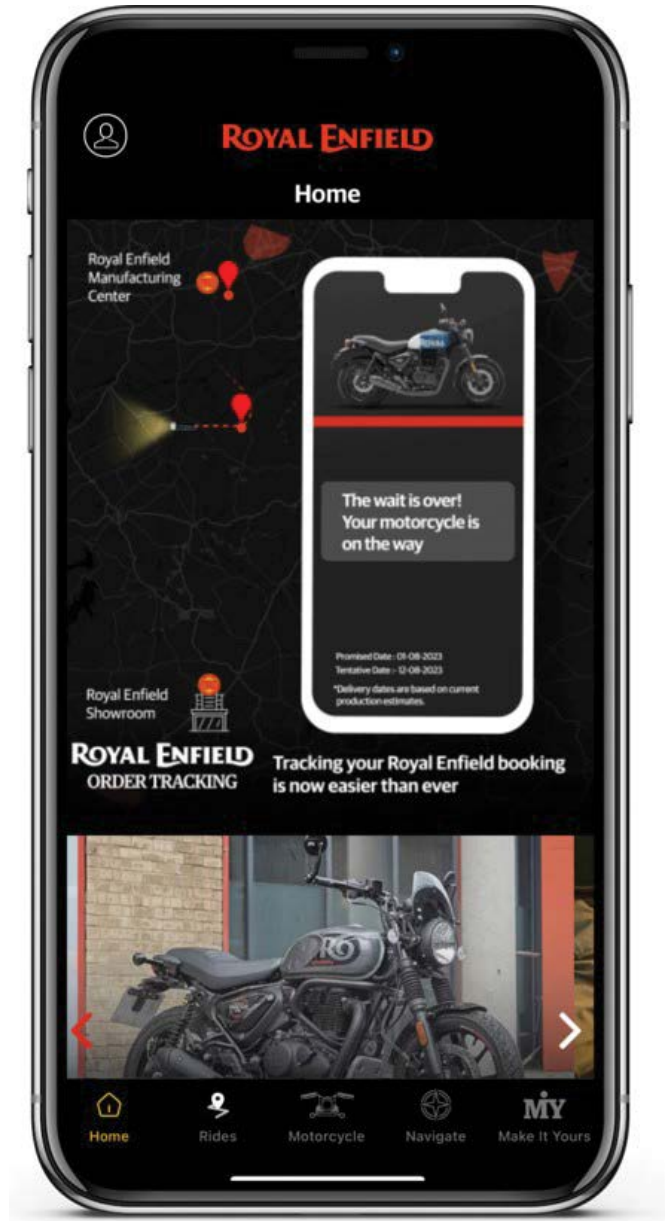
- Reusable and/or recyclable to a minimum of 80% by mass - 93%
- Reusable and/or recoverable to a minimum of 85% by mass - 98%

Royal Enfield is one of the first OEMs in India to undergo an assessment for RRR requirements. The Company is also continuously making efforts to meet Global Emission requirements and evaluate possibilities to reduce GHG. Two Centres of Excellence were formed for Vehicle Structures & Vehicle Dynamics that work along with the Engineering teams to provide world-class development for new and existing products.

Customer-Centric Digital Initiatives

MIY (Make It Yours) - MIY (Make It Yours) is Royal Enfield’s unique motorcycle personalisation initiative, which enables consumers to personalise and accessorise their motorcycles to make their own at the time of motorcycle booking. During the financial year 2022-23, the Company worked out on the 3D Configurator readiness for Hunter 350 & Super Meteor 650 launches, along with the new development of an exclusive option for Genuine Motorcycle Accessories (GMA) purchase on MiY platform for all models.

Digital Finance Marketplace - Royal Enfield launched a digital finance marketplace on its RE App during the year. This feature on-boards leading financiers on Royal Enfield’s App



and enables customers to toggle, evaluate and select the financing options. The feature further enhances Royal Enfield’s digital reach to its consumers and is a major step in our efforts to provide seamless brand-led customer experience.

ENTERPRISE RISK MANAGEMENT

The Company has a structured risk management framework for the timely and effective identification, assessment, monitoring, and mitigation of potential risks that may impact its businesses. The Risk Management Committee of the Board and the senior management personnel prioritise the key risks based on severity and probability, prepare a mitigation framework and formulate robust mitigation strategies. The key risks and their corresponding mitigation measures are depicted below:



1. Supply chain disruption risk

Supply chain disruptions such as shortage of semiconductors (microchips) and rise in commodity prices including oil can delay production and increase input costs, and impact the Company's profitability. Further, high dependence on single-source vendors for key components and on certain country for raw material procurement can lead to concentration risk.

Capital: Financial, Manufactured, Natural, Social and Relationship

Material Issue: Economic performance, manufacturing efficiency, responsible supply chain, customer centricity, responsible use of materials.

2. Concentration risk

The Company's manufacturing is concentrated in a single location – Chennai. This exposes it to risks associated with geopolitical crises and natural disasters which may cause operational disruption, shutdown or production cuts, project delays, supply chain hurdles, and increased construction costs.

Capital: Financial, Manufactured

Material Issue: Economic performance, manufacturing efficiency

3. Technology outdated and changing consumer preference risk

The Company faces the risk of brand becoming outdated, because of reliance on ICE, outdated features etc. / sensitive to any change in the consumer sentiment and market segmentation.

The consumer preferences are fast shifting towards electric mobility. The Company faces the risks of readiness to react to this change and having a product line to cater to this change.

Capital: Intellectual, Social and Relationship

Material Issue: Customer centricity, innovation management.

4. Intellectual property risks

The Company faces the risks of not registering patents on designs fast enough and not in line with the well-known markets / IPR related risks from the EV world.

Capital: Intellectual, Social and Relationship

Material Issue: Innovation management

5. Regulatory risk

A sudden change in policies and more stringent regulations around EV and ICE as well as environmental and legal regulations in India and International markets can impact the business and sales. This necessitates having in-depth knowledge and preparedness to

comply with such regulations. Further, ambiguity on regulatory requirements or failure to meet the timelines of compliance, such as for BS6, OBD2B and alternate fuel requirements, can impact sales.

Capital: Manufactured

Material Issue: Regulatory compliance, climate change, energy and emissions, responsible use of materials

6. Labour unrest risk

Being engaged in labor-intensive business, the occurrence of labour unrest can halt Company's operations and impact its business. It has witnessed such a crisis in the past and can face the same in future.

Capital: Human

Material Issue: Manufacturing efficiency, human rights

7. Profitability risk

The Company faces the risks of lower profitability of the EV business at a consolidated level considering the high raw material cost and the low selling price in India.

Capital: Financial and Manufactured Capital

Material Issue: Economic Performance

8. Cyber security and data privacy risk

The Company's IT assets and systems need to be secured end-to-end to prevent cyber security threats and data protection risks. Potential threats from cyber-attacks, privacy breaches and new laws on data privacy have dramatically raised the hazards to information security. There is always a possibility of a loophole being identified and exploited, which can severely disrupt the business operation.

Capital: Intellectual

Material Issue: Ethical business practices/corporate governance

9. Human resource risk

The availability of a skilled workforce is crucial for sustained operations and production. Shortage of skilled workforce, high attrition, or lack of the right skills may disrupt the Company's operations, productivity, and growth prospects and may damage its brand reputation. The Company also faces risk relating to succession planning for the key positions, attrition of key talent or critical workforce. Additionally, inability to train employees on emerging technologies including EV can lead to their redundancy. The challenge of attracting talent for niche skills and long lead time for recruitment may further impact EV-related ambitions.

Capital: Human

Material Issue: Attraction and retention of talent

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains a strong and comprehensive internal control framework that is responsible for monitoring operations, safeguarding assets from unauthorised use or losses, detecting and preventing frauds/losses, maintaining proper accounting controls for ensuring precision and reliability in reporting of operational and financial statements, addressing the evolving risks in the business, sustaining productivity and ensuring compliance to the applicable laws and regulations.

During FY 2022-23, EML assessed the effectiveness of Internal Control over financial reporting and found it to be adequate and effective. The Company strengthened its Internal Control System by creating a risk and control matrix for various critical processes through a special project "Internal Control – Centre of Excellence (IC-CoE)". The IC-CoE is a centralised team of specialists who provides ongoing support to colleagues and ensures internal checks and controls over processes for continuous improvement. This team also collaborates with project owners who have the primary responsibility of ensuring adherence. The risk control matrix and standard operating procedures cover Royal Enfield's operations in India and Thailand. EML's robust SAP-based Enterprise Resource Planning (ERP) system ensures a high degree of system-based checks and controls to protect its assets. Moreover, EML's governance risk and compliance frameworks ensure the effectiveness of internal controls and adherence to all the applicable regulations and compliances.

An independent Internal Audit team monitors the functions and processes according to a schedule approved by the Audit Committee. The adequacy and effectiveness of the internal financial controls concerning financial reporting are reviewed by the statutory auditor. The Company's whistle-blower policy/vigil mechanism facilitates all employees, vendors, dealers and other stakeholders to report fraud and wrongdoings without fear of consequences.

Human Resources

The Company has a well-designed Human Resources practice that promotes the Royal Enfield culture and strengthens the 'Being Eicher' values in the organisation. The Company has established an empowered, synergetic, harmonious and transparent work environment that values meritocracy and innovation. This drives the employees' passion about the brand and inspires them on a quest to take it to greater heights.

The Company has a robust talent management process to attract, retain, and foster right talent across roles. Multiple training programmes are conducted to enhance people skills and capabilities including Kaizen and REImagine, that inspire them to think beyond limits and make improvements across streams. Moreover, the Company has Leadership Development programmes to create a pipeline of young leaders.

EML provides platforms for employees to give feedback through engagement survey and 'Listen, Learn and Act' initiative which help gauge their satisfaction and create a collaborative workplace. Further, it ensures transparently felicitating and rewarding the employees for their contributions and long-standing commitment. The Company also undertakes various sustainability and engagement initiatives to enhance their satisfaction and motivation levels.

Health, safety, and security of employees are a priority and ensured through implementation of benchmarked practices including Occupational Health and Safety (OHS) management system. The Company also extends its safety priority to the external stakeholders that may be impacted by its operations.

REConnect – Employee Engagement Survey

REConnect is an Employee Engagement Survey platform that enables EML employees to express their opinions, expectations, and suggestions openly. The survey recorded 96% participation rate in FY 2022-23 as against 95% in the previous year. The Company has achieved a score of 92% for Employee Engagement, indicating that EML continues to be an Employer of Choice. The results of REConnect survey highlight valuable insights, which help the Company in action plan implementation and accelerate the speed of projects. Moreover, the Company's team-level action planning is in progress.

Career Portal

25,000 candidates visited the Company's career portal and 3,000 applied for various positions every month in FY 2022-23.

Learning & Development

During FY 2022-23, the Company provided 1 lakh hours of training to its workforce. It conducted Leadership Development Programs for senior leaders and high-potential employees. It





also provided special upskilling for EV resources and organised Kaizen Convention with a journey of 18,000+ Kaizen initiatives in FY 2022-23. The Company participated in International Convention on QC Circles 2022 and won 4 Gold awards.

Dealership Sales & Service Excellence

Royal Enfield established a first-of-its-kind Experiential Training Hub - Power Train at HITS, Chennai. This training centre aims to provide experiential learning and impart technical know-how of Royal Enfield motorcycles. It also conducted first-of-its-kind 'Super Squad Skill Contest' for sales and service dealer personnel. Further, soft skills training is provided for service consultants. The Company set up RE-Skill Development Centre in Lucknow and Coimbatore and Satellite Training Centre in Nagpur. It also initiated HRMS/LMS pilot for the dealer workforce in Madhya Pradesh and Kerala.

Business

The Company operationalised RElab in London. Royal Enfield's Vallam plant won the Platinum award for 'Future Ready Factory' from Frost & Sullivan's India Manufacturing Excellence Awards 2022. The Company also won 'Human Capital Award' in ESG 2023. Further, it signed a long-term settlement with the workers' union, which reflects its commitment to efficiency and the sound relationship between EML and its people. The Company inaugurated its facility in Phase 3 at Vallam Vadagal.

SUSTAINABILITY INITIATIVES

EML made collective endeavours during FY 2022-23 to establish a resilient business eco-system and deliver positive results towards its Environmental, Social, and Governance (ESG) vision. The Company continues to adopt conscious business processes and strives to minimise its environmental footprint, incorporate eco-friendly practices, and undertake multiple social initiatives. As an advocate and enabler of Pure Motorcycling, Royal Enfield takes responsibility for promoting a healthy balance between people, machine, and terrain. It undertook various environmental initiatives during the year including:

■ Energy Management System

EML's Energy Management System (EMS) ensures monitoring, control, and optimisation of energy consumption to reduce its carbon footprint. EML has also steadily transitioned towards renewable energy and adopted circular principles in energy use. It is committed to using energy-efficient devices and systems and continually invests in their upgradation. It is further exploring cleaner alternative fuels to reduce carbon emissions.

■ Emission management

EML is committed to reducing carbon emissions arising from upstream and downstream activities. It continues to explore new ways of achieving resource efficiency



and environmental protection. It tracks the release of particulate matter, sulphur oxides (SOx), and nitrogen oxides (NOx) produced in its operations, and maintains them below the prescribed limits set by Tamil Nadu Pollution Control Board (TNPCB).

■ **Water management**

EML ensures efficient use of water across all its manufacturing plants and headquarter in Chennai. It has implemented rainwater harvesting systems and sewage treatment plants, the water from which is used for various applications. EML ensures providing water access to the surrounding community and natural ecosystem. The Company's efforts led it to become 5x water positive in the last four years.

■ **Waste management**

EML ensures circular economy through the principles of 'Reduce, Reuse and Recycle' in all operational activities. It is focussed on optimising resource usage at every stage and to minimising waste generation. EML treats waste as

per governmental guidance and compliance including through co-processing in cement kilns, biogas plants and vermicompost. All its facilities are zero liquid discharge factories where wastewater is treated in the state-of-the-art STP and ETP plants and reused for irrigation and process top-ups. Further, the Company has significantly reduced paper and plastic consumption.

Passion with Responsibility

- UNESCO Partnership - In a first-of-its-kind endeavour, UNESCO and Royal Enfield have come together in a unique partnership to promote and safeguard the Intangible Cultural Heritage of India, beginning with the Himalayas. Royal Enfield aims to enable 1 million members of its global motorcycling community to act as agents of change and to take action to help regenerate iconic landscapes like the Himalayas and the communities within them. UNESCO and Royal Enfield flagged off 'The Great Himalayan Exploration' ride at the iconic Victoria Memorial in Kolkata.



- Women's Safety and Gender Equality Awareness with the National Commission of Women - In an attempt to create a safe space and a gender-neutral society, Royal Enfield partnered with NCW and State Police Department for a Gender Equality and Women Safety Awareness Ride across four major cities Delhi, Pune, Chandigarh, and Bengaluru. This drive was a huge success in all locations and saw the presence of senior police officials in all regions. Rekha Sharma, Chairperson of the National Commission for Women graced the occasion with her presence in Chandigarh. 7 media attended the event (Chandigarh); along with 12 hyper-local creators from all three cities.

Sustainability scores and ratings

- EML is listed in the DJSI Emerging Markets Index for the second year in a row and has maintained its position among the top 3 automotive sector leaders in India and the top 10 globally. Its ESG score is 62 in the DJSI assessment for 2022.

- EML is rated "A" and is among the top 10 auto companies globally in MSCI ratings.
- EML is given a low-risk ESG rating of 13.4 by Sustainalytics, and ranks #8 out of 89 in the Automotive Industry Group.

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

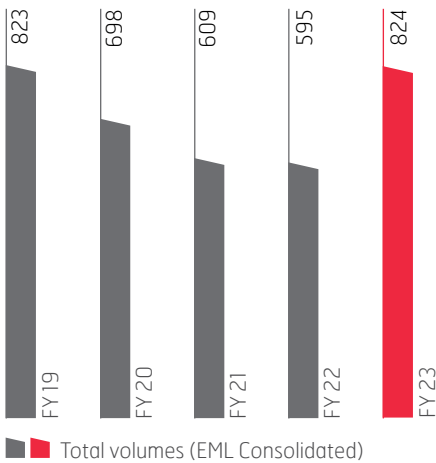


**FINANCIAL REVIEW**

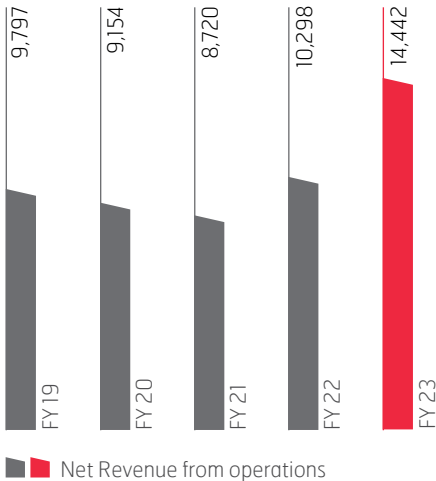
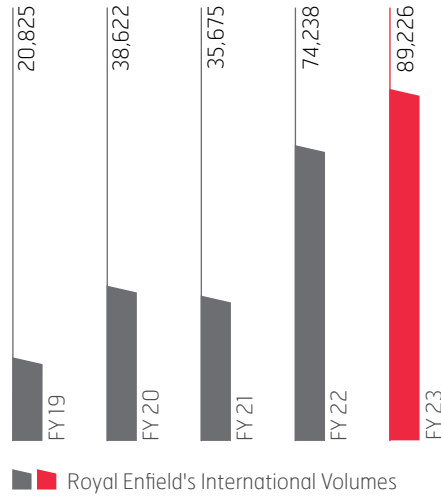
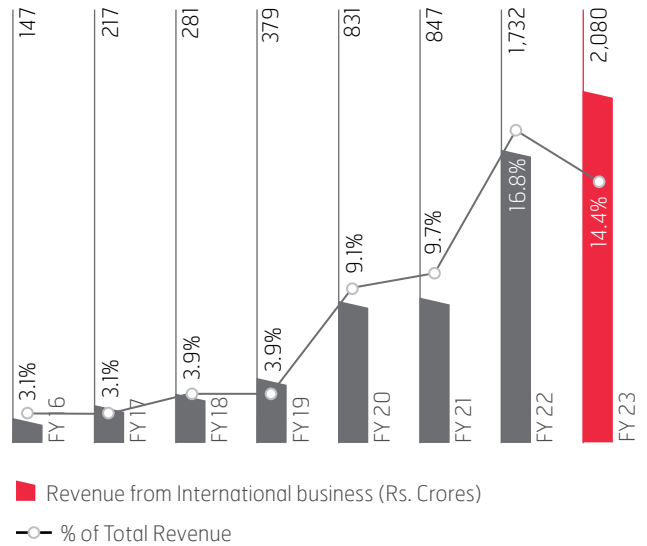
Eicher Motors Limited registered its highest ever annual volumes in FY 2022-23 at 8,24,066 units backed by success on new motorcycles - Hunter 350 and Super Meteor 650 in the domestic as well as international markets. Revenue for FY 2022-23 increased by 40% year-on-year growth to Rs.14,442 crores - another highest ever mark for EicherMotors.

Total volumes (EML Consolidated)

Motorcycle Volumes ('000)

**Net Revenue from operations**

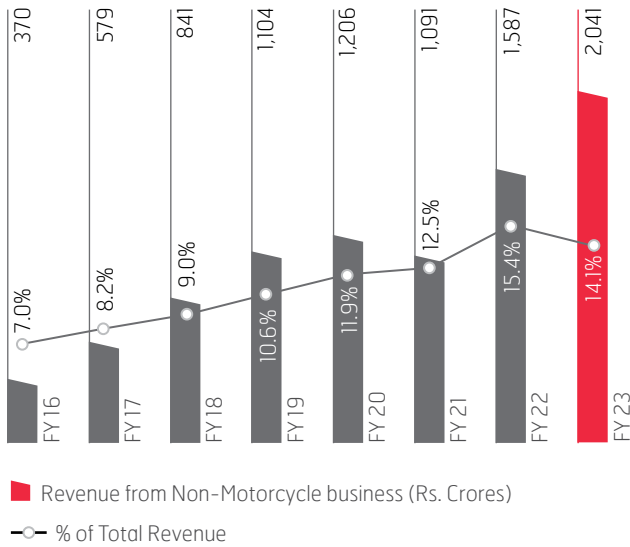
Rs. Crores

**Royal Enfield's International Volumes****Revenue from International business**

The strong growth momentum in export markets continued in FY 2022-23. In the last 4 years, our volumes in the International markets increased by over 4x and registered a CAGR (Compounded Annual Growth Rate) of over 43%. Despite turbulent macroeconomic conditions in key markets such as Europe, USA etc., overall volumes in International markets (consolidated) increased to 89,226 units - a growth of 20% over previous year. The revenue from International business increased by 20% YoY to Rs. 2,080 crores and accounted for 14.4% of EML's consolidated revenues.

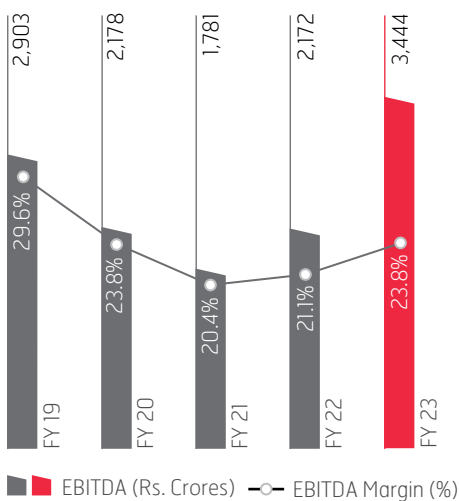


Revenue from Non-Motorcycle business



In a bid to grow its non-motorcycle segment share, your Company undertook a slew of initiatives across after-sales & service, genuine motorcycle accessories (GMA), and apparel businesses. Improvement in parts availability, Ride sure programme, expansion of accessory portfolio and apparel range, and retail distribution are steps in the right direction to enhance customer experience. A great acceptance and rising penetration of all such initiatives has underpinned a healthy performance of the non-motorcycle business. Total revenue from spares and services, apparel, accessories and others increased by 29% YoY to Rs. 2,041 crores in 2022-23.

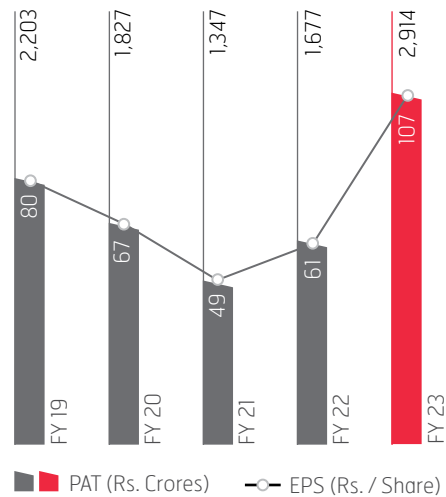
EBITDA and EBITDA Margin



Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of your Company increased by 59% to Rs. 3,444 crores in 2022-23 from Rs. 2,172 crores in 2021-22. EBITDA margin also increased to 23.8% in 2022-23 from 21.1% in 2021-22. Amidst sustained increase in commodity prices in

the first half of FY 2022-23 and elevated costs of operations, due to shortage of components and higher freight expenses, your Company delivered improvement in the profitability. Successive pricing actions by your Company coupled with strong focus on cost reduction and value engineering helped offset the impact of higher costs.

Net Profit after tax and EPS



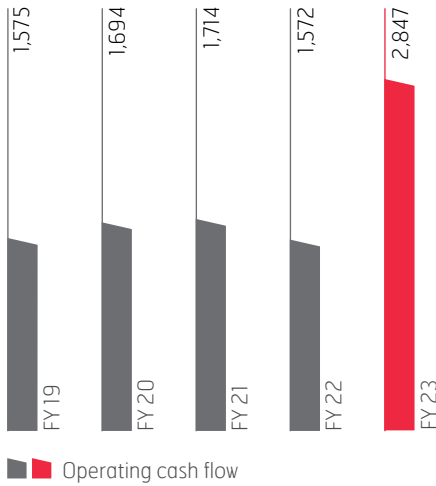
Consolidated Net Profit After Tax ("PAT") increased by 74% to Rs. 2,914 crores in FY 2022-23 from Rs. 1,677 crores in FY 2021-22. An increase in Revenue, EBITDA, and higher contribution from your Company's JV with Volvo AB - Volvo Eicher Commercial Vehicles have uplifted the profit growth over last year. As a result, Eicher Motors consolidated EPS for the year increased by 74% to Rs. 107 / share.



Your Company's financial position remains robust with total cash and cash equivalents, and investments (other than in subsidiaries and Joint Ventures) of Rs. 10,274 crores. It generated a healthy cash flow from operations at Rs. 2,847 crores and continued to invest in its future – which includes new product development activities (both ICE and EVs) 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. 682 crores.

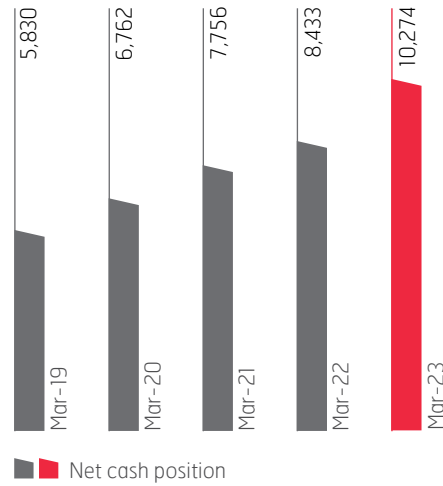
Operating cash flow

(Rs. Crores)



Net cash position

(Rs. Crores)



KEY FINANCIAL RATIOS

In accordance with SEBI (Listing and Disclosure Requirements 2015) (Amendment) Regulation, 2015, a company is required to give details of significant changes* (change of 25% or more as compared to the immediate previous financial year). Your Company has been reporting the following key financial ratios:

Particulars	UOM	Standalone			Consolidated		
		2022-23	2021-22	2020-21	2022-23	2021-22	2020-21
Inventory Turnover Ratio	Times	9.3	7.4	8.2	7.0	6.1	7.3
Current Ratio	Times	1.1	2.0	3.6	1.1	1.9	3.4
Trade Payables Turnover Ratio	Times	4.6	3.7	4.4	4.5	3.7	4.3
Net Capital Turnover Ratio	Times	30.9	3.9	1.4	32.2	3.9	1.4
Operating Profit Margin	%	20.5%	16.5%	15.6%	20.2%	16.7%	15.3%
Net Profit Margin	%	18.6%	15.7%	15.4%	16.3%	16.3%	15.4%
Return on Equity	%	22.2%	15.4%	15.1%	21.2%	13.8%	12.9%
Return on Capital Employed	%	26.4%	19.2%	18.0%	22.7%	16.8%	15.1%
Earnings per share (basic)	Rs.	95.9	58.0	48.7	106.6	61.3	49.3

*Refer key ratio disclosure in the standalone and consolidated financial statements for details of significant changes.

VECV - DRIVING MODERNISATION IN THE CV INDUSTRY

VE Commercial Vehicles Limited (VECV) is a joint venture between the Volvo Group and Eicher Motors Limited. VECV is a multi-brand, multi-division company and manufactures a complete range of premium, next-generation trucks across 4.9-55T and buses with a seating capacity of 12-72 across light, medium and heavy-duty applications. Apart from manufacturing Eicher and Volvo Trucks and Buses, VECV is engaged in exclusive distribution of Volvo Trucks in India, engine manufacturing and exports for Volvo Group, non-automotive engines and Eicher engineering component business.

In operation since July 2008, the synergy with Volvo group has seen a strong track record in the last 15 years as VECV strives to be recognised as the industry leader driving modernisation in commercial transportation in India and the developing world. The Company has strengthened its credibility through retail excellence, oriented front-end processes, and focus on uptime. The Company has expanded its retail network and now has more than 800 touchpoints across the country and has retained its No.1 position in the dealer satisfaction survey conducted by FADA.



The Commercial Vehicle Industry

The year 2022 had its share of ups and downs and threw some fresh challenges for everyone in the industry. While the effect of the pandemic subsided across the globe, the geopolitical situation in Europe added to uncertainty in supply chains across the world impacting the cost of raw materials and their availability. Despite these challenges, the CV industry has seen growth in FY 2022-23 owing to the government's emphasis on infrastructure, growth-oriented policies, pent-up replacement demand, and macroeconomic expansion in the second half of the year. Additionally, an outlay of Rs. 10 lakh crores for infrastructure development alongside 100 new projects for last-mile connectivity will further boost the CV industry.

VECV Performance

In the financial year 2022-23, VECV saw a 40% growth over the previous year and outgrew the Industry registering sales of 79,623 units. The growth has been robust and consistent during the year and the Company has been able to sustain its leading position in light and medium-duty trucks while increasing market shares in the Buses and HD Trucks segments. The exports, however, saw a decline of 41% owing to geo-political and macroeconomic challenges in the International markets.

In FY 2022-23, the Company achieved its highest-ever Eicher Trucks and Buses sales of 77,760 units beating its previous peak of 71,743 units in FY 2018-19. In the Heavy Duty trucks segment, the Company has sold 20,675 units (previous peak of 14,507 units in FY 2018-19) gaining a market share of 8.3% in the segment. Higher spending on infrastructure and road construction, higher mining activity of coal and iron

ore, higher demand in the FMCG and E-Commerce segments, and the shift toward more efficient logistics driving the replacement demand have been some of the major factors driving the growth in the segment.

In the Light and Medium duty trucks segment, the Company has sold 37,318 units (previous peak of 34,546 units in FY 2018-19) gaining a market share of 31.5% in the segment. Last-mile connectivity has seen sustained growth due to rapid growth in E-Commerce post the pandemic which is driving the growth of the segment. The Company has strengthened its offering in the segment with the new Pro 2049 12ft variant bus. The industry has also seen a shift toward higher gross vehicle weight (GVW) driving the demand for medium-duty trucks which now contribute to almost half of the LMD trucks. Pro 3018 is the latest addition to our MD trucks range which has now also been acknowledged as the ICV Cargo Carrier year of the year.

In the bus segment, VECV sold 14,924 units (previous peak of 12,270 units in FY 2018-19) and has maintained its place as the 2nd largest player in the segment with 23.8% market share owing to its strong performances in the Light and Medium Duty and Private Heavy Duty buses thanks to the class-leading products we have introduced like our intercity coaches. The increase in mobility to schools and offices, and intercity travel picking up have been driving factors in the bus segment.

The Company has sold its highest-ever Volvo trucks of 1,710 units beating its previous peak of 1,242 units in FY 2018-19. Volvo Eicher Powertrain (VEPT) delivered 53,739 units in FY 2022-23 seeing a growth of 24% YoY.



Models	Industry		VECV		Market Share		VECV Growth	Industry Growth
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22		
Domestic								
Light Duty Trucks (3.5 - 5 Tonnes)	7,652	9,551	1,620	1,904	21.2%	19.9%	-14.9%	-19.9%
Light & Medium Duty Trucks (5 - 18.5 Tonnes)	1,18,333	1,02,241	37,318	30,880	31.5%	30.2%	20.8%	15.7%
Heavy Duty Trucks (≥ 18.5 Tonnes) - Eicher & Volvo	2,47,858	1,64,681	20,675	12,099	8.3%	7.3%	70.9%	50.5%
Buses (Eicher & Volvo)	62,601	17,445	15,077	3,768	24.1%	21.6%	300.1%	258.8%
Domestic Total	4,36,444	2,93,918	74,690	48,651	16.7%	16.1%	53.6%	48.5%
Exports	37,570	49,281	4,933	8,426	13.1%	17.1%	-41.5%	-23.7%
Grand Total	4,74,014	3,43,199	79,623	57,077	16.8%	16.6%	39.5%	38.1%

Key business initiatives and launches

In its efforts to be recognised as the industry leader driving modernisation in commercial transportation in India and the developing world, VECV continues to introduce innovative and modern products that improve Customer Value Proposition in various applications, as well as services. During the year,

- The inauguration of 40 Eicher Skyline Pro E electric buses delivered to the city of Chandigarh.
- We continued to expand our product range with the launch of Eicher 13.5m Coach, Volvo 9600 Coach & Sleeper and Pro2000 Series LHD for International markets.
- Volvo Buses India has launched the next-gen Volvo 9600 platform in India. This all-new, modern platform will spawn factory-built sleeper and seater coaches in 15-metre and 13.5-metre buses and represents the largest and most modern buses in India.
- Our continuing focus on improving Dealer Satisfaction and Uptime for our Customers is showing in high levels of service and parts sales as our customers leverage our expanded dealer network.

Volvo and Eicher are committed to the rapidly modernising Indian logistics ecosystem through application-specific alternate fuels & smart support solutions. The Company is leading the decarbonisation of the CV industry, where we think that a variety of alternative fuels, such as LNG, ethanol, and hydrogen, are crucial. VECV is well-positioned to seize this opportunity and perform a transformative role for the Indian CV industry with multiple new products that were showcased in this year's Auto Expo, showcasing a glimpse of our capabilities through multiple future-ready product line-ups aligned with the Government of India's vision for efficient logistics and decarbonised Auto Industry:

- Unveiled India's longest **Eicher 13.5m** electric Intercity Coach.
- Unveiled **Eicher 2049** (4.9Tonne GVW). Built on Eicher's proven EV platform, the Eicher Pro 2049 electric 4.9 T GVW truck is specifically developed for economical and clean last-mile applications.

- Also on display is the **Eicher Pro 8055 LNG/CNG** truck designed specifically for meeting the needs for clean transport in long-haul applications. While managing longer range on LNG, the Eicher Pro 8055 is capable of transitioning to use CNG fuel by the simple turn of a switch - well suited to leverage the rapidly expanding CNG distributor network.
- Volvo Trucks showcased the Volvo FM LNG 420 4X2 Tractor which is undergoing extensive trials with leading e-commerce operators in long-haul hub-to-hub operations. The Volvo LNG solution is based on the unique Diesel-cycle technology that provides 15-20% improvement in fuel economy over Petrol or Otto-cycle technologies.
- Volvo Buses presented its state-of-the-art 15m Volvo 9600 luxury coach. Built on the internationally acclaimed Volvo 9600 platform, the coach offers First Class luxury seating for an exclusive travel experience.
- VECV also showcased a prototype Eicher Hydrogen Fuel Cell Truck and Hydrogen ICE technology engine. These next-gen technologies are aligned with the Government of India's Green Hydrogen Mission and offer a promising path to zero tail-pipe emissions.

As a successful Volvo Group and Eicher Motors JV, VECV was the first to build and introduce modern BS VI technology in India. Eicher and Volvo trucks and buses are backed by our 100% connected ecosystem which helps deliver on our promise of Productivity and Uptime for our customers. The electrification of the CV industry has already started with buses, and we believe that a range of alternative fuels, including LNG, Ethanol, and Hydrogen is essential to lead decarbonisation of the CV industry. Under the banner of Smart Sustainability, VECV is well poised to harness this opportunity and play a transformative role in the Indian CV industry.

Digitisation

The Company continues its focus on securing vehicle uptime for our customers through our Uptime Centre which monitors our fleet of 100% connected vehicles backed by strengthened



parts availability and vehicle reliability. All Eicher and Volvo trucks and buses are supported with a wide variety of support solutions such as remote and predictive diagnostics. Enabled by the industry-first 100% Connected Fleet and state-of-the-art Uptime Centre, these App-based smart support solutions ensure higher productivity and efficiency for trucks, buses, drivers, and fleet managers, further reducing their collective carbon footprint.

Awards and Accolades

At VECV, we continue to drive modernisation by delivering trucks and buses which are 100% connected and supported by a 24X7 Uptime Centre in order to ensure superior uptime and higher productivity for our customers. We are glad that our range of trucks and buses have been acknowledged in this year's Apollo Tyres CV Awards with 6 prestigious awards across various categories:

- ICV Cargo Carrier of the Year for Eicher Pro 3018
- M&HCV Tipper of the Year for Volvo FMX 460 8X4 Range
- Coach of the Year for Eicher Intercity Coach 13.5m
- Special Application CV of the Year for Eicher Pro 6028T Boom Pump
- Coach of the Year (Premium Offering) for VOLVO 9600 seater and sleeper coach
- Special recognition for VOLVO FM 420 4X2 LNG Tractor Head

Financial Review

In the financial year 2022-23, VECV saw consistent financial performance despite headwinds. VECV's revenue from operations was Rs. 18,952 crores in FY 2022-23, up by 48.9% over the previous year's revenue of Rs. 12,724 crores. EBITDA for the year was at Rs. 1,375 crores, 92.1% higher than Rs. 716 crores last year and the EBITDA Margin was at 7.3% against 5.6% last year. Profit after tax stood at Rs. 579 crores as against Rs. 111 crores last year.

The main business segments of the Company showed good growth in the year with the Company registering its highest-ever sales in the HD, LMD trucks, and in the buses segment. The other business segments have also achieved significant growth in FY 2022-23, with Eicher parts achieving its highest-ever sales at Rs. 1,166 crores and Volvo parts registering sales of Rs. 582 crores in FY 2022-23. Eicher Engineering Components business also achieved its highest-ever sales of Rs. 1,600 crores in FY 2022-23.

CAUTIONARY STATEMENTS

The Management Discussion and Analysis may contain some statements describing the Company's views of the industry, objectives, and expectations which may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those either expressed or implied in the Statement depending on the factors that could affect the Company's operations such as 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.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the Company	L34102DL1982PLC129877
2.	Name of the Listed Entity	EICHER MOTORS LIMITED
3.	Date of Incorporation	October 14, 1982
4.	Registered office address	3rd Floor-Select City Walk A-3 District Centre, Saket, New Delhi – 110017
5.	Corporate address	#96, Sector 32, Gurugram - 122 001, Haryana, India
6.	E-mail	investors@eichermotors.com
7.	Telephone	0124-4445070
8.	Website	http://www.eichermotors.com/
9.	Financial year for which reporting is being done	April 1, 2022- March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE and NSE
11.	Paid-up Capital	27.35 crores equity shares of Re. 1/- each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Anubhav Bajpai investors@eichermotors.com +91-124-4445070
13.	Reporting boundary	Standalone basis

II. PRODUCTS/SERVICES

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

S. No.	Description of Main Activity	Description of Business Activity	NIC Code	% of Turnover of the Entity
1	Automobile company	Eicher is involved in the production and sale of motorcycles, accessories, and related goods. The operations associated with the development, design, production, assembly, and sale of two-wheelers, as well as the selling of associated components and accessories, are all included in the automotive industry.	3091	100%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of motorcycles	3091	85.98%

III. OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	3	3	6

Number of plants: The Company operates 2 major manufacturing plants in Oragadam and Vallam Vadagal and one supporting facility in Thiruvottiyur (all 3 located in Chennai)

Number of offices:

1. Registered office: New Delhi.
2. Significant office: Gurugram and Chennai.
3. Technical centre at Chennai



Location	Number of plants	Number of offices	Total
International	4	6	10

Number of Plants: The Company, in association with local partners, operates 4 Completely Knocked Down (CKD) assembly facilities that assemble our products for local markets in Argentina, Colombia, Thailand and Brazil.

Number of offices: EML has subsidiaries in North America, Brazil, Thailand, United Kingdom and Canada and also a technology centre in Bruntingthorpe, United Kingdom.

The Company has 206 exclusive stores across the UK, USA, Mexico, Colombia, Brazil, Argentina, France, Spain, Indonesia, Thailand, Philippines, Vietnam, Austria, Portugal, Australia, New Zealand and UAE.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	All over India
International (No. of Countries)	70

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

The overall contribution of the exports to the total turnover is 13%.

c. A brief type of customers

Royal Enfield is a leading market player of Indian automobiles which has been in continuous production since 1901. Royal Enfield, a flagship brand under EML has been catering to the requirements of all ages. With a diverse range of products that EML offers it is most popular for its mid-size motorcycle segment in India and abroad, which has unique and distinctive modern classic motorcycles.

The type of customers that are attracted towards this brand include:

- ♦ **Enthusiasts** - The motorcycles are known for their classic, vintage styling and unique thump of the engines. Customers who appreciate the rich heritage and timeless designs of the motorcycles are often drawn towards them.
- ♦ **Adventure Seeker** - Most of the motorcycle models are designed for off-road adventure riding, with features like high ground clearance, rugged tyres and sturdy chassis. Customers who are adventure seekers and like exploring offbeat and new terrains often gravitate towards Royal Enfield.
- ♦ **Commuters** - Apart from the above two factors, this motorcycle is also practical for daily commuting with comfortable seating, fuel economy and good manoeuvrability in traffic. Customers who want a reliable and efficient motorcycle are often attracted towards this brand.
- ♦ **Retro lovers** - Retro-style motorcycles have been very popular in the last few years and Royal Enfield has been at the forefront of this trend. Customers who appreciate their vintage look and feel often choose the brand for its unique designs.
- ♦ **International Customers** - This brand is not only popular in its home country but also in the international markets. Various customers in the UK, US, Australia etc. often choose them for their reputation, reliability and quality.

IV. EMPLOYEES
18. Details as at the end of Financial Year:
a. Employees and workers including differently abled

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	4,995	4,712	94%	283	6%
2.	Other than Permanent (E)	11,461	10,399	91%	1,062	9%
3.	Total Employees (D + E)	16,456	15,111	92%	1,345	8%
WORKERS						
4.	Permanent (F)	7	7	100%	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total Workers (F + G)	7	7	100%	-	-

b. Differently abled employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	3	100%	-	-
2.	Other than Permanent (E)	1	-	-	1	100%
3.	Total differently abled employees (D + E)	4	3	75%	1	25%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

19. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	1	17%
Key Management Personnel	4	1	25%

20. Turnover rate for Permanent Employees and Workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	10%	19%	10%	10%	20%	10%	4%	10%
Permanent Workers	88%	NA	88%	47%	NA	47%	68%	NA	68%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)
21. a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Royal Enfield North America Ltd (RENA)	Subsidiary company	100%	No
2	Royal Enfield (Thailand) Ltd	Subsidiary company	99.99%	No
3	Royal Enfield Brasil Comercio de Motocicletas Ltda	Subsidiary company	99.99%	No
4	Royal Enfield UK Ltd.	Subsidiary company	100%	No



S. No.	Name of the holding/subsidiary/ associate companies/joint ventures	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
5	VE Commercial Vehicles Ltd (VECV)	Subsidiary company	54.40%	No
6	Eicher Polaris Private Limited	Joint venture company	50%	No
7	Eicher Group Foundation	Subsidiary company	50%	Yes
8	Royal Enfield Canada Ltd.	Subsidiary company of RENA	100% subsidiary company of RENA	No
9	VECV Lanka (Private) Ltd.	Subsidiary of VECV	100% subsidiary of VECV	No
10	VECV South Africa (PTY) Ltd.	Subsidiary of VECV	100% subsidiary of VECV	No
11	VE Electro-Mobility Limited	Subsidiary of VECV	100% subsidiary of VECV	No

VI. CSR DETAILS

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

		(Amount in Rs. Crores)	
		FY 2022-23	FY 2021-22
(ii)	Turnover	14,066.64	10,122.86
(iii)	Net Worth	12,886.90	10,794.57

VII. TRANSPARENCY AND DISCLOSURE

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes, investors@eichermotors.com	Nil	Nil	NA	Nil	Nil	NA
Shareholder	Yes, Shareholders grievance mechanism	177	2	The two complaints are also replied/ resolved in the first week of April.	105	Nil	NA
Employees	Yes, Whistle Blower Policy	The Company has established robust mechanisms for engagement with all its stakeholders. Code of conduct for our employees, customers, value chain partners and other stakeholders are set up and provide ample avenues for reporting and resolving grievances.					
Communities	Yes						
Customers	Yes, https://www.royalenfield.com/in/en/support/contact-us/						
Value Chain Partners	Yes, Supplier Code of Conduct	No grievances other than those that may occur in the normal course of business (e.g., clarifications on payment status by vendors, day-to-day queries from customers, etc.), were reported in the last two years.					

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

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

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Environmental					
1	Adoption of Clean Technology	Opportunity			
2	Energy Management	Risk & Opportunity			
3	Product Stewardship	Risk & Opportunity			
4	Water and Waste Management	Risk & Opportunity			
5	Climate Change and Emissions	Risk			
6	Sustainable Supply Chain	Risk & Opportunity			
7	Responsible & Efficient Use of Materials	Risk & Opportunity			
8	Vehicle Life Cycle Analysis	Risk & Opportunity			
9	Biodiversity	Opportunity			
10	End-of-life Vehicle Management	Opportunity			
Social					
1	Customer Centricity	Opportunity		Please refer the section on “Materiality” under the Integrated Report for details regarding material issues and risks and opportunities associated with them	Financial implications for material issues have not been quantified on an individual basis
2	Human Capital Development	Risk & Opportunity			
3	Human Rights	Risk & Opportunity			
4	Occupational Health and Safety	Risk			
5	Community Welfare	Opportunity			
6	Supplier Social Assessment	Opportunity			
7	Industrial Labour Relations	Risk & Opportunity			
8	Road Safety	Risk			
Economic & Governance					
1	Manufacturing Quality and Efficiency	Risk & Opportunity			
2	Brand Reputation Management	Risk & Opportunity			
3	Business Continuity & Economic Performance	Risk & Opportunity			
4	Regulatory Compliance	Risk			
5	Ethical Business Practices	Risk			
6	Innovation Management	Risk & Opportunity			
7	Emerging Mobility Solutions	Risk & Opportunity			
8	Cybersecurity & Digitalisation	Risk & Opportunity			
9	Responsible Investments	Risk & Opportunity			
10	Tax Management	Risk & Opportunity			
11	Market Volatility	Risk & Opportunity			

SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

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

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Process									
1. (a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c) Web Link of the Policies, if available	<p>Eicher has inculcated various policies throughout its business conduct to align themselves with all the regulatory guidelines.</p> <p>The adapted policies are as follows:</p> <ul style="list-style-type: none"> ◆ EML Integrated Management System Policy - Safety, Health, Environment & Quality ◆ Eicher Whistle Blower Policy ◆ EML Human Rights Policy ◆ EML Code of Conduct ◆ EML Global Tax Policy ◆ EML Board Diversity Policy ◆ EML Supplier Code of Conduct ◆ EML Information Security Policy ◆ EML Policy for Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace ◆ Remuneration/Compensation Policy ◆ Eicher's UK Tax Strategy Statement ◆ Dividend Distribution Policy ◆ Archival Policy ◆ Policy for Determining Materiality of Events and Information ◆ Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ◆ Eicher Code of Conduct - Directors & Senior Management ◆ Eicher Corporate Social Responsibility Policy ◆ Policy on Materiality of and Dealing with Related Party Transactions ◆ Terms of Appointment of Independent Directors ◆ Policy for Determining Material Subsidiaries <p>Link: https://www.eicher.in/investors-overview/corporate-governance/codes-and-policies</p>								
2. Whether the entity has translated the policy into procedures	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>The organisation abides by all the applicable laws and standards for the above given principles:</p> <ul style="list-style-type: none"> ◆ ISO 9001-2015 ◆ ISO 14001-2015 ◆ ISO 45001-2018 								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	The Company has identified and set goals and targets with defined timelines. Please refer to the ESG section of this report								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Not Applicable								
Government Leadership and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer the "Letter to the shareholders" section and "ESG" section								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Corporate Social Responsibility (CSR) committee of the Board oversees the Business Responsibility and progress on our ESG ambitions. Read more in the Corporate Social Responsibility (CSR) committee section of the corporate governance report in the Integrated Annual Report								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.	Yes. The Corporate Social Responsibility (CSR) committee of the Board is responsible for sustainability-related issues. Please refer to the Directors' Report for details.								

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	Yes									At regular intervals as required								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes. We comply with all applicable laws of the land we operate in.									At regular intervals as required								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

Yes, external assessment was carried out by DNV ISO 9001-2015, 14001-2015, 45001-2018

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

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

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

EML is dedicated to conducting business in a way that upholds the greatest standards of morality and professionalism. The business developed a "Code of Conduct " (CoC) that applies to the entire organisation and is based on the fundamental principles of ethics, accountability and transparency. It talks about topics including bribery, corruption, adhering to the Company's standards of corporate behaviour, and ensures that regulatory obligations are met.

Globally, all workers are required to abide by the code of conduct (CoC) and become familiar with it during the induction process. The organisation makes an endeavour that all the Employees periodically undergo training on topics including safety, codes of conduct, and human rights (such as POSH).

For more details, kindly go through the Code of Conduct Policy, Human Rights Policy.

Trainings are offered to 100% of the board of directors, key managerial personnel, other employees and workers on Codes of Conduct, Human Rights related aspects (such as POSH) and safety, among others.

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

Securities Exchange Board of India (“SEBI”), pursuant to the adjudicating order Ref. No. ORDER/SBM/KL/2022-2023/16885 dated June 01, 2022 imposed a monetary penalty of Rs. 10,00,000 (Rupees Ten Lakhs only) on the Company for violation of the provisions of clause 23 of General Norms for processing of documents under RRTI Circular no. 1 (2000-2001) dated May 09, 2001, Clause 3(e) of Listing Agreement read with Regulation 39(2) and 103(2) of the SEBI (LODR) Regulations, 2015 for not following the due process as prescribed under the above regulations while approving requests for duplicate share certificates in few cases during the period from 2007 to 2012. The Company has filed an appeal against the order of SEBI which is pending before the Hon'ble Securities Appellate Tribunal.



However, the above mentioned event is not material for the Company and does not warrant any disclosure pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015.

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

The Company has filed an appeal against the order of SEBI which is pending before the Hon'ble Securities Appellate Tribunal.

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

Yes, the code of conduct covers anti-corruption and anti-bribery. The policy ensures that all the entities abide by anti-bribery and corruption laws in all spheres of business, and comply with the requirements preventing improper payments under all applicable anti-bribery and corruption laws. The Company is committed to prevention, deterrence and detection of any unethical business practices. The policy is applicable to all the employees, contractor workers, and suppliers associated with the organisation.

For more details refer the link given below:

EML code of conduct

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

	FY 2022-23	FY 2021-22
Directors		
KMPs	Nil	Nil
Employees		
Workers		

6. Details of complaints regarding conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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

No corrective actions related to the issues of fines or penalties were enforced.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total no. of awareness programmes held	Topics/principles covered in training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	Decarbonization, Circularity, Human Rights, Health & Safety	Its a new initiative started only with 12 direct suppliers.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the policy on Code of Conduct for Directors and Senior Management expects that all its Senior Management team discloses potential conflicts of interest that they may be there regarding any matter and comply with applicable laws and guidelines.

All Board members submit disclosure of their interest in other entities pursuant to Section 184 of the Companies Act, 2013 at the first Board Meeting of every financial year and also as & when there is a change in previous disclosure made. The Company also prepares a Related Party List pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which is being monitored to check proposed related party transactions/ potential conflict of interest and ensures prior approvals of the Board/Audit Committees/Shareholders as the case may be, are in place.

For more details, refer Eicher Code of Conduct – Directors & Senior Management

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

ESSENTIAL INDICATORS

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

Technology advancement and innovation are essential components of EML's ongoing success. The R&D division helps the Company set new standards for the industry while working consistently to adopt numerous technical advancements. The majority of our R&D activities are focussed on creating new products or adjustments that improve customer satisfaction, quality, safety, and dependability (reduced cost of ownership) and meet the strict emission norms

	FY 2022-23	FY 2021-22	Details of Improvements in environmental and social impacts
R&D (revenue)	81.44	70.10	Eicher is undertaking several projects to improve its environmental and social impacts. These include:
Capex	228.13	172.44	<ol style="list-style-type: none"> 1. Developed and Implemented Onboard diagnostic tools for monitoring the reduce emissions and comply with global emission norms 2. Improvised the catalytic converter in the exhaust system by optimising the Platinum Group Metal loading ratios 3. Battery developments to improve customer safety 4. Improved braking systems and other crucial components to increase customer safety 5. Upgrade kits have been developed for making vehicles compatible for E20 fuel and easy access for customers to upgrade.

(Rs. Crores)

2. (a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. Eicher has a procedure for sustainable sourcing and procurement. This initiative ensures meeting production needs without causing adverse impact on the environment due to operations. The Company promotes local procurement and is associated with suppliers in and around the areas of operations mainly Chennai. This enables the Company to contribute to a sustainable local economy.

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

67% of direct raw materials and 81% of indirect materials including consumables, spares, tools are sourced sustainably from local suppliers and vendors in and around the areas of operations mostly based in Chennai.

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

Eicher is working towards achieving a circular economy by ensuring the use of the 3R principle of Reduce, Reuse and Recycle. This principle has helped in optimising resource utilisation with minimal environmental impact.

- ◆ The Company is also making constant efforts to achieve zero waste to landfill.
- ◆ It is running paperless operations during the bidding process to decrease their footprint.
- ◆ All the hazardous waste is either treated, co-processed in cement kilns or sent to authorised vendors for disposal.
- ◆ The non-hazardous waste is segregated and sold to authorised dealers, while the hazardous waste is treated in adherence to prescribed guidelines.
- ◆ The STP sludge is converted into vermicompost used for landscaping and greening activity.
- ◆ Waste generated is tracked and reported for better management.



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

No, the organisation is not following the Extended Producer Responsibility plan currently but understands the importance of the same and will be considering this in the subsequent years.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Currently, EML has not conducted any Life Cycle Perspective/Assessments (LCA) for any of its products. But the Company has a plan to conduct in subsequent years.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

There are no environmental or social concerns arising from the disposal of its products. The organisation proactively ensures that all necessary steps are taken during the disposal of products.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Recycled steel	4%	4%
Recycled aluminium	12%	12%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable

PRINCIPLE 3

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

ESSENTIAL INDICATORS

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

EML is dedicated to fostering a culture of performance excellence inside the Company by investing in the development of its workers' skills and competencies as well as assuring their overall advancement and well-being. The following table provides a percentage of employees (Permanent employees & Other than Permanent employees) covered under the well-being measures in the reporting year.

Category	Total (A)	% of Employees covered									
		Health insurance care facilities		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	(B/A) %	No. (C)	(C/A) %	No. (D)	(D/A) %	No. (E)	(E/A) %	No. (F)	(F/A) %
Permanent Employees											
Male	4,712	4,712	100%	4,712	100%	-	-	4,712	100%	4,712	100%
Female	283	283	100%	283	100%	283	100%	-	-	283	100%
Total	4,995	4,995	100%	4,995	100%	283	100%	4,712	100%	4,995	100%
Other than Permanent Employees											
Male	10,399	10,399	100%	10,399	100%	-	-	-	-	-	-
Female	1,062	1,062	100%	1,062	100%	-	-	-	-	-	-
Total	11,461	11,461	100%	11,461	100%	-	-	-	-	-	-

1 (b) Details of measures for the well-being of workers:

The following table provides a percentage of workers (Permanent workers & Other than Permanent workers) covered under the well-being measures in the reporting year.

Category	Total (A)	% of workers covered									
		Health insurance care facilities		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	(B/A)%	No. (C)	(C/A)%	No. (D)	(D/A)%	No. (E)	(E/A)%	No. (F)	(F/A)%
Permanent workers											
Male	7	7	100%	7	100%	-	-	7	100%	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	7	7	100%	7	100%	-	-	7	100%	-	-
Other than Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes
Gratuity	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes
ESI	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes	100% of the applicable employees, as per the relevant Act	100% of the applicable employees, as per the relevant Act	Yes

3. Accessibility of Workplace.

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

Yes, the premises of EML are constructed in a way that is accessible to differently abled workers and employees and are as per the requirements of the Rights of Persons with Disabilities Act, 2016. The Company strongly advocates human rights and is committed to creating an inclusive and safe environment. Various facilities have been incorporated in the infrastructure such as specifically constructed washrooms, ramps, for better mobility for all the individuals. In addition, sign-boards have been placed at every location to assist people with hearing aid. Wheelchair facilities are also available in occupational health centres in all major facilities.

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

EML has constantly been working on providing equal opportunity and promoting equal rights. It is very strict with its anti-discrimination stands. EML has an holistic approach towards providing employment opportunities at plant and office location based on the nature of disabilities.

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	NA	NA
Total	100%	100%	100%	100%



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

Yes. The Board of Directors of the Company has adopted POSH - (The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013), CoC- (Code of Conduct), for all classes of permanent employees and workers. All the employees and workers can report the human rights abuses through dedicated channels and has also put in place 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.

The link to the same is available on Company's website at: https://www.eicher.in/uploads/1652950270_eicher-whistle-blower-policy.pdf

If yes, give details of the mechanism in brief (Yes/No)	
Permanent Workers	EML gives utmost importance to addressing needs and grievances of all its stakeholders. It has adapted various codes and policies to address and receive any form of complaints.
Other than Permanent Workers	The Company has a policy on human rights, code of conduct, POSH and vigil and whistle blower policy to put in line a steady mechanism and be able to address the issues under a stipulated amount of time.
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union(B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total	4,995	2,068	41%	4,618	2,086	45%
Permanent Employees						
Male	4,712	1,982	42%	4,385	1,996	46%
Female	283	86	30%	233	90	39%
Total	7	7	100%	18	18	100%
Permanent Workers						
Male	7	7	100%	18	18	100%
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

EML strives to provide appropriate education and training opportunities to develop its employees wherever possible, and conducts regular performance reviews for all employees. At EML, all employees including fresh hire and new contact workers undergo mandatory health and safety training during the time of orientation and on an ongoing basis consequently. And action plans are strictly followed to guide continuous learning and performance improvement at all locations. A tailored approach to nurturing employee needs has proven effective for organisations. Over 1,05,460 hours of training were imparted in FY 2022-23.

Category	Total FY 2022-23	Health and Safety	Skill Development	Total FY 2021-22	Health and Safety	Skill Development
Employees						
Male	4,712	4,712	100%	4,385	4,385	100%
Female	283	283	100%	233	233	100%
Total	4,995	4,995	100%	4,618	4,618	100%
Workers						
Male	7	7	100%	18	18	100%
Female	-	-	-	-	-	-
Total	7	7	100%	18	18	100%

9. Details of performance and career development reviews of employees and workers:

As an employee-centric company, EML provides continuous and ongoing support to its employees through various measures and initiatives. All promotions and salary increases are based on the employee's annual performance evaluation and are in line with the Company's performance stated with equal pay for men and women.

Category	FY 2022-23			FY 2021-22		
	Total(A)	No.(B)	(B/A)%	Total(A)	No.(B)	(B/A)%
Employee						
Male	2,730	2,730	100%	1,996	1,996	100%
Female	197	197	100%	90	90	100%
Total	2,927	2,927	100%	2,086	2,086	100%
Workers						
Male	7	7	100%	18	18	100%
Female	-	-	-	-	-	-
Total	7	7	100%	18	18	100%

10. Health and safety management system:
(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

Yes. As part of its integrated management system, EML has implemented ISO 45001 certified safety management systems at all three manufacturing sites, spare parts departments and headquarters. EML covers all employees and workers under an occupational health and safety management system.

(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

EML gives paramount importance to the health and safety of its employees. The Occupational Health and Safety Management system has been put into place that helps in identifying work-related hazards and risks on a regular basis. This system is adapted based on ISO 15001 that ensures safe working conditions. This covers all of EML's manufacturing facilities including all the workers and employees within the premises of the organisation. EML also has an Integrated Management System (IMS) which incorporates suitable tools like Hazard Identification & Risk Assessment (HIRA) for effective safety management. EML has a central Safety Committee that reviews the safety standards quarterly and makes appropriate changes.

(c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has processes for workers to report work-related hazards and to remove themselves from such risks.

(d) Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. EML prioritises healthcare and any benefits offered in this regard are intentional support to meet the health needs of employees and their families. The following benefits are provided to full-time employees of the Company:

1. Life insurance,
2. Health care,
3. Disability support,
4. Annual health check-ups and health camps.

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		(Current Financial Year)	(Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	0.05
	Workers	-	
Total recordable work-related injuries	Employees	-	2
	Workers	-	
No. of fatalities	Employees	-	-
	Workers	-	
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	



12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Failures to workplace health and safety can result in increased process costs, reduced availability of workers, Low employee morale, poor corporate image, or even threaten a company's profitability scenario. EML is committed to ensuring health & safety and elimination of risks in the workplace and with the aim to ensure 'Zero Harm' to people of employees, environment, and communities in which the Company operates. They firmly believe that all injuries and illnesses are preventable.

Impact on occupational health and safety protection at all our business decisions are one of non-negotiable aspects of our daily work. EML has implemented ISO 45001 certified safety management systems at all three manufacturing sites, spare parts departments and headquarters. EML covers all employees and workers under an occupational health and safety management system. Implemented hazards Identification and Risk Assessment (HIRA) tools for effective security management.

13. Provide the number of employees/workers having suffered high consequence work-related injury/ill health/fatalities. Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NA	-	-	NA
Health Safety	-	-	NA	-	-	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

No corrective actions were taken with regards to addressing safety-related incidents.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)

Yes, the organisation ensures that its employees and workers and their families are taken care of in case of any unfortunate situation. Some of the initiatives already in place are:

- EMPLOYEES:** Yes, the permanent employees are provided with group term life insurance, deposit linked insurance scheme, and group personal accident benefit. This is also extended to part time employees where they are entitled to Group personal accident benefit.
- WORKERS:** All the permanent workers working under EML are provided Accident benefits. Workers not on the role are provided workmen compensation and Group Personal Accident benefits.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

In the current year, EML has commenced a pilot audit project in FY 2022-23 with few random suppliers to ensure statutory dues are being deducted and deposited by the value chain partners. The Company has also targeted to expand its cover in the upcoming financial year.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, EML does provide transition assistance to its employees to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. Under this termination, employees are provided with severance packages on a case-to-case basis.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% as part of the onboarding processes
Working conditions	100% as part of the onboarding processes

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective actions were taken as no major risks concerns were identified.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity

Stakeholders are individuals or groups that have the ability to influence and impact any organisation’s operations. We are aware that our activities are directly or indirectly influenced by a number of stakeholders such as customers, employees, investors, regulators, business partners, peers etc. Therefore, it is crucial to understand and address the needs and concerns of its stakeholders in a transparent and ethical manner in order to build long-term relationships. By prioritising stakeholder engagement, a company can ensure that it is aligned with the expectations of its stakeholders, which can help to mitigate risks and enhance its reputation in the marketplace.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder engagement is an ongoing process and over the years, EML has established accessible channels for communication on topics related to various groups. The following table provides EML’s diverse stakeholder base and engagements:

Stakeholder Group	Engagement Channels	Areas of Engagement	Frequency
Employees	<ul style="list-style-type: none"> ◆ Awareness training ◆ 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
Consumers	<ul style="list-style-type: none"> ◆ Customer satisfaction survey ◆ Market surveys ◆ Rides and events ◆ Apps including MiY 	<ul style="list-style-type: none"> ◆ Customisation ◆ Product and service quality ◆ Complaint resolution ◆ On-time delivery ◆ Product safety 	Continuous



Stakeholder Group	Engagement Channels	Areas of Engagement	Frequency
Suppliers	<ul style="list-style-type: none"> ◆ Supplier meets ◆ Training and awareness programmes ◆ Pre-onboarding ◆ Supplier assessments 	<ul style="list-style-type: none"> ◆ Planning and execution of work orders ◆ Innovation and product development ◆ 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"> ◆ Sales and marketing plan ◆ Product quality ◆ Incentives ◆ Enhancing customer experience 	Continuous
Investors	<ul style="list-style-type: none"> ◆ Press releases and publications ◆ Investor meets ◆ Annual General Meeting ◆ One-on-one meeting 	<ul style="list-style-type: none"> ◆ ESG and financial performance ◆ Future approach and projects ◆ Updates on new launches 	Continuous
Bankers	<ul style="list-style-type: none"> ◆ One-on-one meeting ◆ Press releases ◆ Emails and telephone calls 	<ul style="list-style-type: none"> ◆ Business expansion and diversification ◆ Manufacturing efficiency ◆ Risk management ◆ Financial performance 	Quarterly
Governments and Regulatory Authorities	<ul style="list-style-type: none"> ◆ Mandatory compliance reports ◆ Onsite inspections ◆ One-on-one meeting 	<ul style="list-style-type: none"> ◆ Statutory compliance, including environmental and social compliance 	Continuous
Local Communities	<ul style="list-style-type: none"> ◆ Community outreach programmes ◆ Press releases and publications 	<ul style="list-style-type: none"> ◆ Education ◆ Skill training ◆ Healthcare access ◆ Community development 	Continuous
Peers and Industry	<ul style="list-style-type: none"> ◆ Industry associations ◆ External conferences ◆ Press releases 	<ul style="list-style-type: none"> ◆ Response to new regulations ◆ Compliance including environmental and social compliances ◆ Innovation and product development 	Continuous

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The organisation carried out a comprehensive exercise for materiality assessment during FY 2020-21. This exercise is carried out to identify the material topics that have a direct and indirect impact on the environmental, social and economic aspects. The process includes identification of internal and external stakeholders that would help align the identified material topics with the organisation's strategy and goals, and prioritise them based on their significance and relevance. The outcome of this exercise guides the organisation in developing its sustainability strategy and reporting on its performance.

Regular updates and reviews of the materiality assessment are conducted to ensure relevance and alignment with the analysis of stakeholders' views, as well as the prevalent market, regulatory and environmental trends.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

At EML, we understand the consultations with the stakeholders are very important from the view of aligning its ESG strategies and goals. Thus by leveraging stakeholder engagements, we plan to incorporate their view on the key material topics to help us in managing the identified risks and opportunities associated with them.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

EML has undertaken several CSR projects under Eicher Group Foundation along with various partners which involve engagement with the vulnerable and marginalised stakeholder groups. EML has taken initiatives for rural development, promoting education, technical skill development and providing healthcare services for the benefit of the community. Through its interventions EML has worked on establishing sanitary facilities, implementing groundwater recharging facilities by installing rooftop rainwater harvesting systems, solar street lights, RO drinking water units. The Company has been constantly working on identifying the concerns of the community and working on identified topics.

PRINCIPLE 5 Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

EML ensures all the employees and workers in the organisation receive training on human rights issues and policies. It actively promotes a culture of inclusivity and equal rights. EML also has an Integrated Management System policy in place that promotes safe and healthy working conditions to prevent work-related injuries and threats to health of its employees, visitors, contractors, transporters, suppliers and third-party associates.

It also has a standalone human rights policy which makes an endeavour to respect and uphold the human rights of all our stakeholders including our employees, customers, business and value chain partners and the community. It ensures that all the employees and workers adhere to these policies and regulatory processes.

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	4,995	4,995	100%	4,618	4,618	100%
Other than permanent	11,461	11,461	100%	8,462	8,462	100%
Total Employees	16,456	16,456	100%	13,080	13,080	100%
Workers						
Permanent	7	7	100%	18	18	100%
Other than permanent	-	-	-	-	-	-
Total Workers	7	7	100%	18	18	100%

All the employees and workers are given trainings on human rights, safety and Code of Conduct on a periodic basis

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	4,712	-	-	4,712	100%	4,385	-	-	4,385	100%
Female	283	-	-	283	100%	233	-	-	233	100%
Other than Permanent										
Male	10,399	-	-	10,399	100%	7,702	-	-	7,702	100%
Female	1,062	-	-	1,062	100%	760	-	-	760	100%
Workers										
Permanent										
Male	7	-	-	7	100%	18	-	-	18	100%
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

For details of the median remuneration/salaries, please refer to the Directors' Report for more details

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Internal Complaints Committee along with POSH and the human resources departments are responsible for addressing human rights issues or impacts raised by the Company activities.



5. Describe the internal mechanisms in place to redress grievances related to human rights issues

EML has zero tolerance towards any form of human rights violations. It is committed to respecting all internationally recognised human rights and expect the same from all the stakeholders and business partners. EML follows and aligns its business in accordance with internationally accepted standards such as the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. To redress grievances, EML has put forward a human rights policy, whistle blower policy and POSH committee in place that takes care of any kind of human rights violations. This provides an avenue for the people to report any wrongdoings without any reprisal. Along with this regular audit are conducted to assess compliance and non-compliance with social and human rights requirements across its facilities.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolutions at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at Workplace						
Child Labour						
Forced Labour/Involuntary Labour		NIL			NIL	
Wages						
Other Human Rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

EML emphasises on creating an environment where everyone is treated with respect and dignity. The Company's POSH policy offers guidance to ensure no form of misconduct such as discrimination and harassment takes place. The POSH committee has established a mechanism to address any complaints or concerns reported.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. All our agreements and contracts include statutory and regulatory laws including the clause related to human rights, safe working place etc. A supplier code of conduct is also extended throughout the supply chain that insists every supplier to adhere to all applicable laws and regulations with respect to human rights and comply with this Code. Additionally, the Company adheres to the principles of the UNGC (United Nation Global Compact), which include human rights clauses.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	100%
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

There were no significant risks/concerns arising from the human rights assessments.

LEADERSHIP INDICATORS

1. Details of a business process being modified/introduced as a result of addressing human rights grievances / complaints.

There has been no process modifications introduced as a result of addressing human rights issues as there were no complaints or grievances identified.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

EML is committed to respecting and upholding the human rights of all its stakeholders and work in accordance with applicable labour laws and regulations. EML has various policies and internal committees such as Human Rights policy, POSH committee that take care of human rights due diligence. These different committees assess the respective concerns and provide course corrections. Frequent internal audits are also conducted to ensure adherence to all the standards and protocols

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. All our campuses have accessible workplaces and we build necessary infrastructure inside the corporate offices and the plants such as ramps, sideways and elevators that support differently abled employees and visitors as per Disabilities Act, 2016. Necessary sign-boards have been placed at every location to assist employees/workers with hearing aids. Wheel-chairs are available in Occupational Health Centres in all major facilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at Workplace	
Child Labour	100%
Forced Labour/Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Currently, there are no significant risks or concerns identified during the assessment process and hence no corrective actions were undertaken.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Safety Incident/Number	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (GJ) (A)	2,13,847	2,51,478
Total fuel consumption (GJ) (B)	1,87,739	1,49,934
Energy consumption through other sources (GJ) (C)	74,707	14,395
Total energy consumption (GJ) (A+B+C)	4,76,293	4,15,807
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	33.85	38.31

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.



3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22* (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	7,061	6,365
(iii) Third party water	42,451	79,772
(iv) Seawater/desalinated water	-	-
(v) Others - Water from Municipality	83,738	75,814
(vi) Others - Collected rainwater + Condensate	34,366	5,094
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,67,616	1,67,045
Total volume of water consumption (in kilolitres)	1,65,392	1,36,711
Water intensity per rupee of turnover (Water consumed/turnover Rs. Crores) (calculated as per revenue from operations in Rs. Crores)	11.75	13.50
Water intensity (per Motorcycle)	0.18 KL/Motorcycle	0.22 KL/Motorcycle

*The values for FY 2021-22 have been restated

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

EML has implemented Zero Liquid Discharge mechanism throughout all its facilities and corporate offices. EML's Zero Liquid Discharge systems uses cutting-edge technology to ensure that the waste water does not pollute the environment, and the treated wastewater is completely recycled or reused for the following organisation's processes such as heating, cooling, ventilation, Reverse Osmosis (RO) membrane cleaning.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	MT	Below the norms of CPCB	Below the norms of CPCB
SOx	MT	Below the norms of CPCB	Below the norms of CPCB
Particulate matter (PM)	MT	Below the norms of CPCB	Below the norms of CPCB
Persistent organic pollutants (POP)	NA	Below the norms of CPCB	Below the norms of CPCB
Volatile organic compounds (VOC)	NA	Below the norms of CPCB	Below the norms of CPCB
Hazardous air pollutants (HAP)	NA	Below the norms of CPCB	Below the norms of CPCB

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	11,510	9,381
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	55,945	49,569
Total Scope 1 and Scope 2 emissions per rupee of turnover	Kg of CO ₂ e/Re	4.5	5.8
Total Scope 1 and Scope 2 emission intensity (Motorcycle produced) – the relevant metric may be selected by the entity	Kg of CO ₂ e/motorcycle	0.081	0.098*

*The values for emission intensity (motorcycle produced) for FY 2021-22 have been restated

7. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details.

Yes, the Company undertakes several projects and energy-saving initiatives to reduce the Scope 1 and Scope 2 emissions. The following table provides the project information undertaken by EML:

Project	Initiative undertaken	Outcome (Metric tonnes of CO ₂ equivalent saved – FY 2022-23)
1	Installation of Group Captive Solar – 13 MW for Vallam plant	15,882
2	VFD installation in PTCED, powder coating, dynamometer exhaust blower	256
3	VFD Installation for Nickel exhaust, alkali exhaust, chrome exhaust blower in plating 2	60
4	Installation of LED Lights for energy efficiency	45

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22* (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	129	36
E-waste (B)	4	40
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	22	18
Radioactive waste (F)		NA
Other Hazardous waste. Please specify, if any. (G)	1,521	1,057 (ETP sludge, spent solvent, used oil, empty barrels, etc.)
ETP chemical sludge	327	304
Paint sludge, powder & filter	610	428
Phosphate sludge	32	38
Spent solvent	169	125
Used oil	43	34
Waste/reduces containing oil	142	33
Discarded containers	198	95
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	6,546 (All this waste is sent to the authorised recyclers)	4,534 (Metal scrap, carton, rubber scrap, wood scrap, gunny bags, etc.)
Total (A + B + C + D + E + F + G + H)	8,222	5,685
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	639	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	639	NA
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	343	357
(iii) Other disposal operations (Co-processing in cement plant)	416	440
Total	759	797

*The values for FY 2021-22 have been restated

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

EML waste management systems are well defined to manage manufacturing and operational waste. The Company's approach towards Reduce, Reuse, and Recycle (3R) concept promotes the circular economy of its business and ensures reducing use of virgin material and lowering the environmental impact. The Company is making various efforts and initiatives



towards Zero waste to landfill (ZLD) and promotes the ideas to its employees in reducing the waste generation across the facilities. EML's paperless working culture helps in reducing the carbon footprint of the Company.

In addition, EML is certified under ISO 14001:2015 and the scope covers its entire operations. As part of the environmental management system, the Company has a standard waste management process for both hazardous and non-hazardous waste which includes identification, segregation, collection, recycling and final disposal.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

No, EML does not operate in ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc. which require approvals/clearances.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether Conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
The Company has not conducted any environmental impact assessments (EIA) of projects or industrial facility in FY 2022-23					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/Regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as Pollution Control Boards or by courts	Corrective action taken, if any
Not applicable				

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (GJ) (solar) (A)	74,707	NA
Total fuel consumption (B)	-	NA
Energy consumption through other sources (C)	-	NA
Total energy consumed from renewable sources (A+B+C)	74,707	NA
From non-renewable sources		
Total electricity consumption (GJ) (D)	2,13,847	NA
Total fuel consumption (GJ) (E) (Diesel + LPG + CNG)	1,87,739	NA
Energy consumption through other sources (F)	-	NA
Total energy consumed from non-renewable sources (D+E+F)	4,01,586	NA

2. Provide the details related to water discharged:

Not Applicable

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):
For each facility/plant located in areas of water stress, provide the following information:**

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Not Applicable

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Project 1		
Initiative undertaken	Installation of Group Captive Solar - 13 MW for Vallam plant	
Outcome of the initiative	Metric tonnes of CO ₂ equivalent	15,882
Project 2		
Initiative undertaken	VFD Installation for Nickel exhaust, alkali exhaust, chrome exhaust blower in plating	
Outcome of the initiative	Metric tonnes of CO ₂ equivalent	60
Project 3		
Initiative undertaken	VFD installation in PTCED, powder coating, dynamometer exhaust blower	
Outcome of the initiative	Metric tonnes of CO ₂ equivalent	256
Project 4		
Initiative undertaken	Installation of LED Lights for energy efficiency	
Outcome of the initiative	Metric tonnes of CO ₂ equivalent	45

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, EML has a Risk Management Committee in place which formulates business continuity and disaster management plans. The committee works on creating a framework for identification of risks related to finance, operations, sectorial, sustainability and cyber security while taking appropriate measures for risk mitigation including systems and processes for internal control. It also monitors and oversees implementation of the risk management policy, including evaluating the adequacy of risk management systems.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Currently, there are no significant adverse impacts to the environment caused by the company arising from value chain activities.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

All the value chain partners are addressed for the environmental impacts.

**PRINCIPLE 7**

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS**1. (a) Number of affiliations with trade and industry chambers/associations.**

There are a total of 6 affiliations with trade and industry associations/chambers.

(b) List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of / affiliated to

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Society of Automotive Fitness and Environment (SAFE)	National
2	Society of Indian Automobile Manufacturers (SIAM)	National
3	Confederation of Indian Industry (CII)	National
4	Bureau of Indian Standards (BIS)	National
5	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
6	Employers' Federation of Southern India (EFSI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

EML keeps a check on all forms of regulatory guidelines and adheres to it. Various codes and policies have been implemented for ensuring ethical business conduct. For FY 2022-23, no corrective actions were taken against issues of anti-competitive conduct as there were no instances of adverse action from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not applicable	

LEADERSHIP INDICATORS**1. Details of public policy positions advocated by the entity:** Not applicable**PRINCIPLE 8**

Businesses should promote inclusive growth and equitable development

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Shiksha Pahal Program: Conducted by our programme partner Bodh Shiksha Samiti, this programme aims to provide quality education for the poor and children of marginalised social groups	NA	NA	Yes, Conducted by CSR Box	No, (Will be conducted post Board meeting)	NA
Royal Enfield Academy for Technical Skills - The aim of the programme is to empower educated unemployed youth through Sector Specific Technical Training and Placement in the Automobile Sector	NA	NA	Yes, Conducted by Soulace	No, (Will be conducted post Board meeting)	NA
Holistic Village Development of Community at Oragadam - This programme aims to ensure inclusive, equitable quality education and to promote lifelong learning opportunities to all. Additionally, it will ensure availability and sustain management of Water and Sanitation for all, along with affordable and clean energy.	NA	NA	Yes, Conducted by Soulace	No, (Will be conducted post Board meeting)	NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable. Currently, Eicher is not associated with any ongoing projects on Rehabilitation and Resettlement.

Sl. No.	Name of Project for which R&R is Ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in FY (In ₹)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

EML supports the community it operates in and is constantly working towards community development. For this, the Company conducts a need assessment in the vicinity of its operating location. It has also a mechanism in place to receive and redress grievances of the community and has taken the following approaches:

- ♦ Initiating forums for raising issues relating to grievances
- ♦ Partnering and indulging with local committees that also conduct the role of grievance redressal
- ♦ It also takes the direct approach where the aggrieved can approach the programme partner or the Company, directly.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/small producers	~9%	~9%
Sourced directly from within the district and neighbouring districts	~67%	~68%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
No negative social impact has been identified during social impact assessment.	Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The Company believes in creating positive social impact in the community and uplift the lives of its beneficiaries by undertaking various CSR initiatives and projects. At present, Eicher is not operating its CSR projects under aspirational districts as all the CSR initiatives undertaken are in the localities close to operating locations but it is working on expanding its reach in the upcoming years.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

The Company does not have a preferential procurement policy to purchase from suppliers comprising marginalised/vulnerable groups but it is directly working with various local suppliers and vendors for its supply.

(b) From which marginalised/vulnerable groups do you procure?

Not applicable

(c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not applicable as the Company does not have any intellectual properties owned or acquired by the entity (in the current financial year), based on traditional knowledge.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

No complaints regarding intellectual property related disputes have been registered and hence no corrective action was taken.



6. Details of beneficiaries

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	47	13,968	85

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

EML communicates with its customers via the Royal Enfield app to learn their opinions on sales and services. The appropriate service or sales team keeps track of and responds to customer complaints to facilitate quicker resolution. The consumers can register their complaints via Email, Toll Free Numbers, Consumer Forums, and Social Media. All the concerns are registered under CRM Platform, MSD and tickets are raised and closed post resolution

2. Turnover of products/services as a percentage of turnover from all products/services that carry information about:

	As percentage of total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

FY 2022-23: 50,707

FY 2021-22: 40,464

EML focusses on delivering exceptional experiences for its customers through various customer-centric initiatives such as MiY. The Company also reached out to thousands of customers through the Royal Enfield app and various social media platforms, in order to understand customers' feedback related to sales and services. Customer complaints are monitored and resolved by the respective service/sales team in order to facilitate faster resolution. Following are the % of customer complaints that are outstanding as of:

FY 2022-23: 1%

FY 2021-22: 1%

4. Details of instances of product recalls on account of safety issues:

No instances of product recalls on account of safety occurred for FY 2022-23.

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, EML has an Information security policy that takes care of risks associated with cyber security and data privacy. The policy provides an integrated set of protection measures that are uniformly applied across the value chain to ensure a secure environment for business operations. The Policy defines the controls that are required to ensure protection of EML's information assets, and allows access, use and disclosure of information in accordance with appropriate standards, laws and regulations.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No corrective action has been taken relating to any of the above-mentioned issues in FY 2022-23

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

For proper management of information on its products and services, the Company has various checks and balances in place to ensure best of standards. The details on the same can be accessed on <https://www.royalfield.com/in/en/motorcycles/>



2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

For EML, safety and responsible usage is of utmost value and we encourage all the consumers to adhere to all the safety protocols. EML encourages responsible travel and has promoted initiatives such as helmets for India encouraging usage of safe riding gears for the riders and "leave every place better".

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

EML discloses its discontinuation of products and services on its website and in the integrated report.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, adequate information is provided in the user manuals/website regarding the safe and appropriate use of our motorcycles.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Under the stakeholder engagement programme, EML has conducted various programmes such as customer satisfaction survey, market survey. With their customer-centricity initiative, EML have developed the Royal Enfield mobile app to make service operations smooth and enhance user experience.

6. Provide the following information relating to data breaches:

Data Breach	FY 2022-23
Number of instances of data breaches along with impact	Nil
Percentage of data breaches involving personally identifiable information of customers	Nil



DIRECTORS' REPORT

To the Members of Eicher Motors Limited

The Directors have pleasure in presenting the 41st Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2023.

FINANCIAL RESULTS

Your Company has earned a total revenue from operations of Rs. 14,066.64 crores during the financial year 2022-23. The profit before depreciation and interest amounted to Rs. 3,393.50 crores, which is 24.1% of the total revenue. After accounting for other income of Rs. 639.84 crores, interest expense of Rs. 12.97 crores and depreciation of Rs. 512.05 crores, profit before tax amounted to Rs. 3,508.32 crores.

Profit after tax amounted to Rs. 2,622.59 crores after an income tax provision of Rs. 885.73 crores. Total Comprehensive income for the year, net of tax amounted to Rs. 2,632.54 crores.

The financial statements are summarised below:

Particulars	Rs. in Crores	
	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Net Revenue from operations	14,066.64	10,122.86
Profit before depreciation and interest	3,393.50	2,113.56
Interest	12.97	10.25
Depreciation	512.05	445.52
Profit before other income and tax	2,868.48	1,657.79
Other income	639.84	454.28
Profit before tax	3,508.32	2,112.07
Provision for tax (including Deferred tax)	885.73	525.85
Net profit after tax	2,622.59	1,586.22
Other comprehensive income	9.95	(9.13)
Total Comprehensive income for the year/period, net of tax	2,632.54	1,577.09
Balance in statement of profit and loss brought forward from previous year	10,112.61	8,993.44
Amount available for appropriation: (Excluding exchange difference in translation of foreign operations)	12,729.13	10,577.28
Dividend for FY 2020-21, paid in FY 2021-22	-	464.67
Dividend for FY 2021-22, paid in FY 2022-23	574.19	-
Dividend proposed for FY 2022-23, to be paid in FY 2023-24	1,011.88	-
Earnings per share		
- Basic (Rs.)	95.91	58.02
- Diluted (Rs.)	95.74	57.96

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, 2023 TILL THE DATE OF THIS REPORT

There have been no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2023 till the date of this report.

DIVIDEND

The Board of Directors at its meeting held on May 11, 2023, has recommended for approval of the shareholders, payment of dividend of Rs. 37/- per equity share of face value of Re. 1/- each (@ 3700%) out of the profits for the financial year 2022-23 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 dematerialised form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on August 16, 2023 (record date);
- b) To all Members in respect of shares held in physical form as of the close of business hours on August 16, 2023 (record date)

AMOUNTS TRANSFERRED TO RESERVES

During the financial year 2022-23, no amount was transferred to the General Reserve of the Company.

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

Your Company has sold 8,34,895 motorcycles in the financial year 2022-23, 38.6% higher when compared to 2021-22 sales of 6,02,268 motorcycles. Out of 8,34,895 motorcycles sold in 2022-23, 1,00,055 motorcycles were exported, an increase of 23.5% over previous year export volume of 81,032 motorcycles.

Net Revenue from operations for 2022-23 year was Rs. 14,066.64 crores, 39.0% higher when compared with previous year Rs. 10,122.86 crores. Net Sales of spare parts, gears and services increased to Rs. 1,855.07 crores in 2022-23 from Rs. 1,395.07 crores in the previous year, with a growth of 33.0%.

Your Company's profit before depreciation, interest and tax was Rs. 3,393.50 crores in financial year 2022-23, higher by 60.6% over Rs. 2,113.56 crores recorded in financial year 2021-22.

MARKET AND FUTURE PROSPECTS

Please refer to the 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 2022-23.

CHANGES IN SHARE CAPITAL & THE COMPANY'S EMPLOYEE STOCK OPTION PLAN, 2006 AND RESTRICTED STOCK UNITS PLAN, 2019

The paid-up Equity Share Capital of the Company as on March 31, 2023, was Rs. 27,34,81,570/-. During the year under review, the Company has issued 58,468 Equity Shares (Face value Re. 1/- each) pursuant to its Employees Stock Option Plan, 2006 ("ESOP, 2006"). No shares have been issued under the Company's Restricted Stock Units Plan, 2019 ("RSU Plan, 2019") during the year.

A Statement giving complete details as at March 31, 2023, pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the website of the Company and the web link for the same is <https://www.eicher.in/content/dam/eicher-motors/Eicher-Motors-ESOP-Statement-2022-23.pdf>

ESOP, 2006 and RSU Plan, 2019, for grant of stock options have been implemented in accordance with the aforesaid SEBI Regulations. A certificate from M/s. AGSB & Associates, Secretarial Auditors, in this regard will be available for inspection on the website of the Company under "Investors" Section on the date of Annual General Meeting. The Company has not changed its ESOP, 2006 and RSU Plan, 2019 during the year under review.

Further, details of options granted and exercised are included in Note no. 49 in the notes to accounts forming part of standalone financial statements.

DEPOSITS

The Company has not accepted any deposits including 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, 2023, all Independent Directors of the Company have valid registrations with the Independent Directors' databank maintained by Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Director liable to retire by rotation

In accordance with the provisions of Section 152 and other applicable provisions of the Act, Mr. Siddhartha Lal, Managing



Director, retires by rotation at the ensuing 41st Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his reappointment.

Reappointment of Directors

The Board of Directors of the Company at its meeting held on May 11, 2023, after taking into consideration recommendations of the Nomination & Remuneration Committee of the Company and subject to requisite approvals of the shareholders at the ensuing 41st Annual General Meeting, have re-appointed:

- a) Mr. Inder Mohan Singh as Independent Director of the Company for second term of 5 (five) years with effect from November 12, 2023;
- b) Mr. Vinod Kumar Aggarwal as Non-Executive Non-Independent Director of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from April 1, 2024.

In the opinion of the Board, Mr. Inder Mohan Singh and Mr. Vinod Kumar Aggarwal possesses requisite skills & expertise required for the business and operations of the Company. For details on skills, expertise, competencies of Mr. Singh and Mr. Aggarwal, please refer to the Corporate Governance Report forming part of this Annual Report.

In addition, the shareholders of the Company at the 40th Annual General Meeting held on August 24, 2022 approved the appointment of Mr. B. Govindarajan as the Whole-time Director of the Company for a period of 5 (five) years w.e.f. August 18, 2021.

Change in the Board and Key Managerial Personnel

Mr. Kaleeswaran Arunachalam resigned from the position of Chief Financial Officer of the Company with effect from closing of working hours of September 2, 2022. The Board of Directors pursuant to the recommendation of the Audit Committee and the Nomination & Remuneration Committee appointed Ms. Vidhya Srinivasan as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. November 18, 2022.

The Board at its meeting held on August 10, 2022, pursuant to the recommendation of Nomination and Remuneration Committee appointed Mr. Atul Sharma as Company Secretary (Key Managerial Personnel) and Compliance Officer of the Company w.e.f. August 10, 2022.

There has been no other change in the Directors and Key Managerial Personnel of the Company during the financial year under review.

THE COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Hiring & Employment Policy:

A number of factors are considered towards selecting candidates at the Board level which include:

- ♦ Ability to contribute to strategic thinking
- ♦ Proficiency in Governance norms, policies and mechanisms at the Board level

- ♦ Relevant cross industry/functional experience, educational background, skills and experience
- ♦ Wherever relevant, independence of Directors in terms of applicable regulations

With respect to core competencies and personal reputation, Company's 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 Director from the Board of the Company. 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

Due process of law will be followed in this regard.

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, Whole-time/ 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 authorised 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 recognised by the Company as per Union Agreement; medical emergency advances etc.

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

Remuneration by way of commission to the Non-Executive Directors shall be decided by the Board of Directors within the ceiling of a sum, not exceeding 1% of the annual net profits of the Company in each of the financial year, calculated in accordance with the provisions of the Act.

Remuneration of KMPs and employees largely consists of basic remuneration, perquisites, allowances, performance incentives and employee stock options granted pursuant to the Employees Stock Option Plan, 2006 and Restricted Stock Units Plan, 2019 of the Company. The components of remuneration vary for different employee levels and are governed by industry patterns, qualifications and experience of the employee and his/her responsibility areas, employee performance assessment etc.

The said Policy is also available on the website of the Company at <https://www.eicher.in/content/dam/eicher-motors/Remuneration-Compensation-Policy.pdf>

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

During the financial year under review, formal annual evaluation of the Board, its Committees and Individual Directors was carried out pursuant to the Board Performance Evaluation Policy of the Company and provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 by the Board at its meeting held on February 14, 2023.

The Nomination and Remuneration Committee has 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 and effectiveness of the process.

Separate meeting of Independent Directors was also held on February 13, 2023, to review the performance of the Non-Independent Directors, performance of the Board as a whole and performance of the Chairperson of the Company. Review of the performance of the Chairperson was done after taking into account the views of the Executive Directors and Non-Executive Directors (excluding the Chairperson being evaluated).

MEETINGS OF BOARD OF DIRECTORS

Six (6) meetings of the Board of Directors of the Company were conducted during the financial year under review. The details of Board/Committees/Shareholder meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

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

The details of loans, guarantees and investments made by the Company during the financial year under review which are covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

PARTICULARS OF RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board of Directors has approved the criteria pursuant to which omnibus approval can be granted for related party transactions by the Audit Committee. Requisite approvals of the Audit Committee, the Board and the shareholders, as required, were obtained by the Company for 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. Transactions that are required to be reported in Form AOC-2, are attached as **Annexure-2** and forms part of this report. The details of the transactions with Related Parties are also provided in the Company's financial statements in accordance with Indian Accounting Standards.

The Company had obtained shareholders' approval at the 40th Annual General Meeting (AGM) held on August 24, 2022 for certain material related party transactions between VE Commercial Vehicles Limited (VECV), Subsidiary of the Company, and Volvo Group India Private Limited (VGIPL),



a related party of VECV, for the financial year 2022-23 as per the amended provisions of SEBI (LODR) Regulations, 2015. Further, based on the recommendations of the Audit Committee and the Board, similar material related party transactions between VECV and VG IPL for the financial year 2023-24 are proposed at the ensuing 41st Annual General Meeting for the approval of the shareholders by way of Ordinary resolution. Please refer to the notice of 41st AGM for further details.

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 behaviour, 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/content/dam/eicher-motors/Eicher-Whistle-Blower-Policy.pdf>

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

Highlights of performance of subsidiaries, associate and joint venture Companies and their contribution to the overall performance of the Company during the year under review.

Royal Enfield North America Limited (RENA)

RENA was incorporated in March 2015 as a 100% subsidiary of Eicher Motors Limited to manage the distribution and sales of Royal Enfield products and services including, motorcycles, spares and gear in North America. It sold 13,827 motorcycles (including 925 motorcycles sold to Royal Enfield Canada Limited, 100% subsidiary of RENA) during the year 2022-23 and achieved revenue of Rs. 528.21 crores (including revenue of Rs. 33.46 crores from sales to Royal Enfield Canada

Limited). As of March 2023, RENA had contracted with 154 multi brand outlets in the USA. The company participated in 22 Dealer Demo Events and continued to support American Flat Track and Build Train Race (BTR) Programmes with participation in 31 collective events.

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 2022-23, the company sold 870 motorcycles and achieved revenue of Rs. 33.48 crores. As of March 2023, RECA had contracted with 16 multi brand outlets in Canada. The Company participated in 12 dealer demo events.

Royal Enfield Brasil Comercio De Motocicletas Ltda.

Royal Enfield started its operations in Brazil through a direct distribution company by the name of Royal Enfield Brasil Comercio de Motocicleta Ltda in 2016. During the year 2022-23, Eicher Motors Limited and RE Brazil entered into a tripartite agreement with Dafra da Amazônia Indústria e Comércio de Motocicletas, a third-party CKD manufacturer, to assemble the components into motorcycles. The company sold 12,114 motorcycles in the financial year 2022-23 and achieved a revenue of Rs. 250.32 crores.

Royal Enfield (Thailand) Ltd

Royal Enfield (Thailand) Ltd. was incorporated on September 18, 2018 and commenced sales operations from September 2019. The Company's footprints have been 12 exclusive stores, 5 studio stores and 12 authorised sales and service points. The brand love has been demonstrated by the company's passionate Customers & Communities from various provinces in Thailand and thereby impacting the company's growing Mindshare & Market Share in the Kingdom of Thailand. Company is among the top #3 motorcycles in the Mid-segment with a market share of 16% in FY 2022-23.

The company has commenced its manufacturing operations through CKD and started selling motorcycles assembled in Thailand in 2021-22. During the year 2022-23, the company received four awards from the coveted Grand Prix group, three awards for "Bike of the Year 2023" for Classic 350 being the "Best Modern Classic over 250 cc". Hunter 350 bagged the "Best Modern Classic Light Weight" and SCRAM 411 bagged the "Best Touring Lightweight" motorcycle award. Also the company's newest Super Meteor 650 received "The Most Unique Bike Award" from Bangkok International Motor Show organisers 2023 as well. The company has sold 4,116 motorcycles and achieved revenue of Rs. 131.17 crores.

Royal Enfield UK Ltd

Royal Enfield UK Ltd, was incorporated in August, 2019 and commenced sales operations from June 2020. The company reflected steady growth in its footprints from 11 to 13 exclusive stores and 61 to 84 Authorised Sales & Service Points. During the financial year 2022-23, the company sold 7,546 motorcycles against the plan of 9,000 motorcycles, reflecting

a rise in the mid-size market share in the UK from 18.6% in financial year 2021-22 to 20.4% in financial year 2022-23 and achieved a revenue of Rs. 186.71 crores in financial year 2022-23.

Eicher Polaris Private Limited (EPPL)

Eicher Polaris Private Limited, a joint venture company, was involved in manufacturing and sales of personal utility vehicles.

The Board of Directors and Shareholders of EPPL at their respective meetings held on February 18, 2020 approved voluntary liquidation (solvent liquidation) of EPPL and appointed an insolvency professional as the liquidator. The liquidation process is currently under progress.

VE Commercial Vehicles Limited and its step-down subsidiaries

Overview of performance covered separately in the Annual Report.

Report containing salient features of financial statements of subsidiaries and joint venture Companies

Pursuant to the provisions of Section 129(3) of the Act, a report containing salient features of the financial statements of the Company's subsidiaries and joint venture Company in Form AOC-1 is attached as **Annexure-3**.

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

VE Electro-Mobility Limited, incorporated on April 27, 2022, under the Companies Act, 2013, which is a 100% subsidiary of VE Commercial Vehicles Limited (Company's material subsidiary) became the subsidiary of the Company during the financial year 2022-23.

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 environmental sustainability) and road safety, as themes which will be given preference while formulating Annual Action Plans. The Company will continue to support social projects that are consistent with the Policy.

Corporate Social Responsibility Committee of the Company is constituted as follows:

1. Mr. S. Sandilya – Chairman
2. Mr. Siddhartha Lal
3. Mr. Inder Mohan Singh
4. Ms. Manvi Sinha

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

CONSOLIDATED FINANCIAL STATEMENTS

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

Pursuant to Section 136 of the Act, the financial statements, consolidated financial statements and separate accounts of the subsidiaries are available on the website of the Company at www.eichermotors.com. These are also available for inspection by the shareholders at the Registered Office of the Company during business hours. The Company shall provide free of cost, the copies of the financial statements of the Company and its subsidiary Companies to the shareholders upon their request. The consolidated total Comprehensive income of the Company and its subsidiaries amounted to Rs. 2,922.49 crores for the financial year 2022-23 as compared to Rs. 1,657.44 crores for the previous financial year 2021-22.

AUDITORS

(a) Statutory Auditors and their report

M/s S.R. Batliboi & Co., LLP, Chartered Accountants (Firm Registration Number: FRN 301003E/E300005) were re-appointed as Statutory Auditors in the 40th (Fortieth) Annual General Meeting (AGM) of the Company for second term of five consecutive years, from the conclusion of 40th AGM till the conclusion of 45th AGM to be held in the year 2027. 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, 2023 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.

(b) Secretarial Auditors and their report

The Board of Directors has appointed M/s. AGSB & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year ended March 31, 2023. As required under Section 204 of the Companies Act, 2013, the Secretarial Audit Report is annexed as **Annexure-5** to this Report. The Secretarial Auditors' Report is self-explanatory and there is no qualification or adverse remark in the report relating to the financial year 2022-23. The Secretarial Auditors provided two observations in its report as follows:

- (a) The Company has filed an application with the Reserve Bank of India, Mumbai for the compounding of contravention of regulation 8(2) of erstwhile FEM (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000/FEMA 20 read with Master Circular No. 15/2015-16 dated July 01, 2015 as a result of omission to mention the name of a Non-Resident Indian/Overseas Citizen of India, in Form – ESOP filed physically on October 26, 2016 with the Reserve Bank of India, New Delhi through AD Bank, intimating grant of Employee Stock Option under the Company's Employee Stock Option Plan, 2006;
- (b) The Company has filed an appeal before the Hon'ble Securities Appellate Tribunal against the adjudicating order Ref. No. ORDER/SBM/KL/2022-2023/16885 dated June 01, 2022 passed by Securities and Exchange Board of India ("SEBI") imposing a monetary penalty of Rs. 10,00,000 (Rupees Ten Lakhs only) on the Company for violation of the provisions of clause 23 of General Norms for processing of documents under RRTI Circular no. 1 (2000-2001) dated May 09, 2001, Clause 3(e) of Listing Agreement read with Regulation 39(2) and 103(2) of the SEBI (LODR) Regulations, 2015 for not following the due process as prescribed under the above regulations while approving requests for duplicate shares certificates in few cases during the period from 2007 to 2012. The Company has filed an appeal against the order of SEBI before the Hon'ble Securities Appellate Tribunal.

The Board of Directors took note of the above observations and the corrective action taken by the Company. The management is advised to exercise more caution to avoid any such instance in the future.

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-6** to this Report.

(c) Cost Auditors

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

M/s. Jyothi Satish & Co, a qualified Cost Accountant Firm (Firm registration No. 101197), has been appointed as the Cost Auditors to carry out audit of the cost records of the Company for the financial year 2022-23 pursuant to the provisions of the Companies Act, 2013. The Cost auditor shall submit its report to the Board of Directors within the time prescribed under the Companies Act, 2013 and the rules made thereunder.

DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors, the Secretarial Auditors and the Cost Auditors have not reported any incident of fraud to the Audit Committee or Board during the financial year under review.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTS

As per SEBI (LODR) Regulations, 2015, Corporate Governance Report together with the Auditors' certificate regarding compliance of conditions of Corporate Governance, Management Discussion & Analysis Report and Business Responsibility & Sustainability Report form part of the Annual Report.

INTEGRATED REPORT

The Company has voluntarily prepared an Integrated Report which will help stakeholders to understand the Company's economic, environmental, social and governance performance more effectively and analysing 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 also available on the website of the Company at www.eichermotors.com.

**ANNUAL RETURN**

The Annual Return as required under Section 92 (3) read with Section 134(3)(a) of the Companies Act, 2013 is available on the website of the Company and the web link for the same is [https://www.eicher.in/content/dam/eicher-motors/Annual-Report-\(Form-MGT-7\)-2022-23.pdf](https://www.eicher.in/content/dam/eicher-motors/Annual-Report-(Form-MGT-7)-2022-23.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, 2023, 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, 2023 and of the profits of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively; and
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF DIRECTORS & EMPLOYEES

Disclosures as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- 1) Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the financial year:

Sl. No.	Name of the Director/ KMP	Designation	Ratio of Remuneration of Directors to Median Remuneration of Employees**	Percentage Increase in Remuneration for FY 2022-23 over FY 2021-22
1.	Mr. S Sandilya	Chairman & Non-Executive Independent Director	6.7	14.1
2.	Mr. Siddhartha Lal	Managing Director	355.4	14.6
3.	Mr. Govindarajan Balakrishnan	Whole-time Director and CEO-Royal Enfield	70.5	N.A.*
4.	Mr. Inder Mohan Singh	Non-Executive Independent Director	4.0	20.9
5.	Ms. Manvi Sinha	Non-Executive Independent Director	4.0	20.9
6.	Mr. Kaleeswaran Arunachalam	Chief Financial Officer (till September 2, 2022)	19.2	N.A.*
7.	Mr. Atul Sharma	Company Secretary (w.e.f. August 10, 2022)	-	N.A.*
8.	Ms. Vidhya Srinivasan	Chief Financial Officer (w.e.f. November 18, 2022)	-	N.A.*

*The % change in remuneration is not comparable as the said Directors/Key Managerial Personnel held their respective positions for a part of the year in either FY 2021-22 or in FY 2022-23

**Remuneration of Directors/Key Managerial Personnel who held their respective positions for a part of the year in either FY 2021-22 or in FY 2022-23 has not been annualised

Note:

- 1) Mr. Vinod Kumar Aggarwal, Non-Executive Director Non-Independent, is not drawing any remuneration by way of sitting fees or commission or otherwise, from the Company.
- 2) Percentage increase in the median remuneration of the employees in the financial year: 15%
- 3) Number of permanent employees on the rolls of Company as at March 31, 2023: 5,002 employees.



- 4) The average increase in median remuneration of the employees (other than managerial personnel) was 15% and the increase in the managerial remuneration was also 15%.
- 5) It is hereby affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

Further, a statement containing particulars of top ten employees in terms of the remuneration drawn and employees drawing remuneration in excess of the limits set out in Rule 5(2) § (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided as part of the Directors' Report. However, in terms of provisions of Section 136 of the said Act, the Annual Report is being sent to all the members of the Company and others entitled thereto, excluding the said statement. Any member interested in obtaining such particulars may write at investors@eichermotors.com. The said information is also available for inspection at the Registered Office of the Company during working hours till the date of Annual General Meeting.

RISK MANAGEMENT

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

COMPLIANCE OF SECRETARIAL STANDARDS

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

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

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

PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No Corporate Insolvency Resolution Process has commenced against the Company during the financial years under the Insolvency and Bankruptcy Code, 2016.

ONE-TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the year under review, there was no one-time settlement with any Bank or Financial Institution. Hence, no valuation was required to be undertaken.

ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board of Directors

Siddhartha Lal
Managing Director
DIN: 00037645
Place : London, UK

S. Sandilya
Chairman
DIN: 00037542
Place: Chennai, Tamil Nadu

Date: May 11, 2023

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. Power consumed through 13 MW Group Captive solar plant resulted in saving of 1,91,35,033 kWh.
2. Installation of Variable Frequency Drive (VFD) in Nickel Exhaust, Acid/Alkali Exhaust & Chrome exhaust blower in plating process resulted in saving of 72,624 kWh.
3. Optimisation of Effluent Treatment Plant (ETP) aeration blower reduced power consumption resulting in saving of 63,767 kWh.
4. Implementation of VFD in EPC Air Handling Unit (AHU) to reduce frequency 50Hz to 40Hz resulting in saving of 44,450 kWh.
5. In the robot lines - 2 & 3, flash off zone booth lights are controlled through a limit switch resulting in saving of 7,290 kWh.
6. Installation of VFD in Paint shop PTCED 2 (Pre Treatment Cathode Electro Deposition) hot water rinse resulted in saving of 28,369 kWh.
7. Installation of VFD for powder coating cooling supply blowers resulting in saving of 13,057 kWh.
8. Installation of VFD in powder coating exhaust blower resulted in saving of 7,076 kWh.
9. Implementation of Brushless Direct Current (BLDC) ceiling fans resulting in saving of 6,617 kWh.
10. Installation of LED lights in Vehicle assembly and paint shop at Oragadam resulting in saving of 54,385 kWh.
11. Installation of VFD for motors in powder coating final filter unit resulting in saving of 96,970 kWh.
12. Implementation of VFD for vehicle assembly AHU secondary section air blower resulting in saving of 9,833 kWh.
13. Implementation of VFD in Vehicle assembly dynamometer exhaust blower resulting in saving of 3,372 kWh.
14. Fabrication shop frame line automation of on & off in Fume Collector & Exhaust unit resulting in saving of 12,120 kWh.
15. Implementation of Solar street light resulting in saving of 3,751 kWh.
16. Coolant system implementation in the buffing machine resulted in saving of 8,640 kWh.

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

1. 9 MW Offsite Group Captive solar that has the capacity to generate savings of approximately 1,70,00,000 kWh, to be utilised for the Oragadam plant operations.
2. Use of 70 kW rooftop solar with capacity to generate savings of approximately 1,04,000 kWh, to be utilised at the headquarters.

(iii) The capital investment on energy conservation equipment

Rs. 494.04 lakhs

(B) TECHNOLOGY ABSORPTION

J Engine

- i. OBD Stage II - A implemented.
- ii. Catalytic converter in Exhaust system PGM loading ratios optimised as a Value Engineering exercise meeting BS VI & Euro V regulations.
- iii. Cam cover seal is developed in HT ACM material.
- iv. Engine Sprocket cover, Cover Cam Centre, Oil Filler plug developed in plastic with similar black textured surface finish as Aluminium.
- v. Piston pin bore clearance optimised to improve the piston durability.
- vi. Crankcase main bearing insert lug design improved for better durability.
- vii. Exhaust cam base circle with increased hardness to improve cam shaft durability.

D Engine

- i. OBD Stage II - A implemented.
- ii. Catalytic converter in Exhaust system PGM loading ratios optimised as a Value Engineering exercise meeting BS VI & Euro V regulations.



- iii. Cush gear mechanism implemented to improve the NVH characteristic on the Balancer drive system.
- iv. Silencer guard alternate material introduced.

P Engine

- i. OBD Stage II - A implemented.
- ii. Cam timing accuracy improved with ratchet type auto chain tensioner assembly.
- iii. Lapping process improvement done on piston rings for better surface contact.
- iv. Adhesive coating on rocker cover gasket to address the misalignment of the gasket.
- v. Rubber boot design improved on suppressor cap for assembly easiness.

UCE Engine

- i. OBD Stage II - A implemented.
- ii. Primary chain material indigenised with similar strength characteristics.
- iii. EMS calibration updated for improved low speed driveability.
- iv. E20 Fuel - parts upgrade kit developed for BS III and BS IV models for customers to upgrade their vehicles in the market.

Electrical Design

- i. Bluetooth based e-diagnostics tool for RE technicians implemented in Super meteor 650.
- ii. Multi-point IC implemented in gear position sensor for increased accuracy of calibration points.
- iii. Implementation of Type C USB charger in Super Meteor / Interceptor / GT 650.
- iv. Aluminium switch housing with satin finish on Super Meteor / Interceptor / GT 650.
- v. Internal Air volume optimisation in Instrument Cluster and improved breathing sticker implemented to improve durability.

CAE

- i. Thermal runaway simulation developed.
- ii. Battery electrochemical modelling using GT-Autolion implemented.
- iii. Motor design and performance optimisation methodology developed.
- iv. EV Battery management system model developed with ISO 26262 functional safety targets.

- v. Multi-time scale modelling to reduce the computational time in CFD analysis.
- vi. Fogging simulation in speedometer.
- vii. EV Battery CHT simulation to predict the temperature distribution.
- viii. Alternative fuel combustion analysis (Ethanol blended gasoline fuel).
- ix. Electromagnetic Interference study for Ignition coil system.
- x. Exhaust orifice noise measurement analysis for 650 Engine.

Vehicle Design (Meteor / Classic / Hunter)

- i. New fastening mechanism introduced on the steering stem / top yoke arrangement.
- ii. Commonised Mirror design developed for Black and Chrome versions.
- iii. Evaporative hoses developed in Nitrile Rubber.
- iv. Cush rubber material introduced in Natural Rubber.
- v. Battery Box material with Polypropylene Glass reinforcement introduced.
- vi. Top Yoke introduced as an Aluminium casting for better surface finish and value Engineering.

Vehicle Design (Himalayan / Scram)

- i. New Grease Seal arrangement introduced for the improved corrosion resistant of Steering Taper roller bearings.
- ii. Introduction of new Skid Plate design with improved better strength and Weight reduction.
- iii. New grease seal arrangement on Swing arm to avoid mud entry for the improved service life.
- iv. Introduction of Dust cover to improve the service life of Rear suspension.
- v. Introduction of Dual lock tap for USB device fixing to avoid welding of sheet metal bracket on Frame.
- vi. Improved Cam arrangement for Side stand pivot yoke for a consistent switch operating function.

Vehicle Design (Super Meteor 650)

- i. Upside Down Forks introduced.
- ii. Adjustable levers introduced for Front brake & Clutch.
- iii. LED Headlight introduced.
- iv. 320mm Front disc with 300mm Rear disc with Twin piston calliper.

**Vehicle Design (Interceptor / GT 650)**

- i. Alloy wheels with Tubeless tyres introduced.
- ii. New Seat designed for enhanced comfort.
- iii. Rear Radial Tyres introduced for GT 650.
- iv. Brake performance improvement done with new Front Master Cylinder.
- v. Hard Chrome piston rod introduced on Rear Shock absorber for improved durability.

The expenditure incurred on Research and Development:

- a) Revenue: Rs. 81.44 crores
- b) Capital: Rs. 228.13 crores

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, total foreign exchange earnings were Rs. 1,694.28 crores (Previous year Rs. 1,475.92 crores). Foreign exchange outflow amounting to Rs. 642.32 crores (Previous year Rs. 458.92 crores) was towards import of components, spare parts, capital goods, salaries & wages, advertisement, business travel and consulting fees during the year under review.



ANNEXURE-2

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS: N.A.

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

Names of the related party & nature of relationship	<p>The material related party transactions are between VE Commercial Vehicles Limited ("VECV"), an unlisted material subsidiary of Eicher Motors Limited and Volvo Group India Private Limited ("VGIPL"), a related party of VECV. Eicher Motors Limited is not a party to this transaction.</p> <p>VECV and VGIPL are related parties pursuant to Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Mr. Jan Gustav Gurander being the common director on the board of both VECV and VGIPL during FY 2022-23.</p>
Nature of contracts/ arrangements/transaction	<p>VECV has undertaken and continues to undertake various related party transactions ("RPTs") with VGIPL. The RPTs involve:</p> <ul style="list-style-type: none"> (i) purchase of goods; (ii) purchase of capital goods/services; (iii) sale of finished goods/services; (iv) incentives on part sales, expenses recovered; (v) reimbursement of expenses, purchase consideration and other related transactions. <p>The RPTs are at arm's length and in ordinary course of business of VECV and VGIPL.</p>
Duration of the contracts/ arrangements/transaction	<p>Ongoing (Shareholders have accorded their approval for the transaction at the 40th AGM held on August 24, 2022 for the financial year 2022-23 by way of an Ordinary Resolution pursuant to Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015).</p>
Salient terms of the contracts or arrangements or transaction including the value, if any	<p>Please refer to the notice of 40th AGM available on the website of the Company at www.eichermotors.com. Ceiling of Rs. 2,100 crores was fixed by the shareholders of Eicher Motors Limited for the financial year 2022-23. Actual value of the transaction during the financial year 2022-23 was Rs. 2,026.57 crores.</p> <p>The pricing mechanism followed for RPTs is based on arm's length principle.</p>
Date of approval by the Board	July 21, 2022
Amount paid as advances, if any	Not Applicable

For **Eicher Motors Limited**

Siddhartha Lal
 Managing Director
 DIN: 00037645
 Place: London, UK
 Date: May 11, 2023

S. Sandilya
 Chairman
 DIN: 00037542
 Place: Chennai, Tamil Nadu



ANNEXURE-3

FORM AOC-1

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

[Pursuant to First Proviso to Sub-Section (3) of Section 129 of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART A - SUBSIDIARIES

											Rs. in Crores
Sl. No.	Name of Subsidiary	VE Commercial Vehicles Ltd. (VECV)	VECV Lanka (Private) Ltd	VECV South Africa (PTY) Ltd.	VE Electro-Mobility Limited	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)
		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 VECV	Subsidiary of company	Subsidiary of company	Subsidiary of company	Subsidiary of RENA	Subsidiary of company	Subsidiary of company (50% held by the Company and remaining 50% held by VECV)
1	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period**	-	-	-	-	-	-	-	-	-	-
2	The date since when subsidiary was acquired	March 07, 2008	April 09, 2013	January 22, 2016	April 27, 2022	August 18, 2014	September 18, 2018	March 23, 2015	April 19, 2016	August 20, 2019	November 19, 2015
3	Reporting currency and exchange rate as on last date of the relevant Financial Year in case of foreign subsidiaries	INR	LKR 1 LKR = Rs. 0.25	ZAR 1 ZAR = Rs. 4.57	INR	BRL 1 BRL = Rs. 16.17	THB 1 THB = Rs. 2.41	USD 1 USD = Rs. 82.22	CAD 1 CAD = Rs. 60.73	GBP 1 GBP = Rs. 101.87	INR
4	Share Capital	10.00	5.43	11.50	0.05	127.84	27.66	43.10	0.11	1.02	0.05
5	Other Equity	4,088.95	(5.42)	4.66	(0.06)	(114.92)	(9.63)	35.40	1.58	0.65	35.09
6	Total Assets	11,437.17	0.27	45.16	24.94	259.30	50.61	299.74	5.57	119.88	35.91
7	Total Liabilities	7,338.22	0.26	29.00	24.95	246.37	32.58	221.24	3.88	118.20	0.77
8	Investments (current & non-current)	66.64	-	-	-	-	-	0.11	-	-	-
9	Turnover (Gross)	18,968.18	0.01	104.15	2.30	250.32	131.17	528.21	33.48	186.71	-
10	Contribution received	-	-	-	-	-	-	-	-	-	43.56
11	Profit before Taxation	886.75	(0.21)	5.06	0.03	(17.06)	0.00	78.62	0.28	2.40	(8.19)
12	Provision for Taxation	310.66	-	1.35	0.09	0.71	-	10.54	0.09	0.49	-
13	Profit after Taxation	576.09	(0.21)	3.71	(0.06)	(17.78)	0.00	68.08	0.18	1.91	(8.19)
14	Proposed Dividend	175.00	-	-	-	-	-	-	-	-	-
15	% of Shareholding ***	54.40%	54.40%	54.40%	54.40%	99.99%	99.99%	100.00%	100.00%	100.00%	50.00%

** For consolidation of financial statements and for the purpose of disclosure in this form, reporting period of all subsidiaries is same as that of the Company

*** EML holds 54.4% in VECV. VECV holds 100% in VECV Lanka (Private) Limited, VECV South Africa (PTY) Ltd and VE Electro-Mobility Limited



PART B - JOINT VENTURE

Sl. No.	Name of Joint Venture	Eicher Polaris Private Limited (EPPL)
1	Latest audited Balance Sheet	March 31, 2023
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, 2023	32,54,89,000 Shares
	Amount of Investment in Joint Venture - Rs. crores	325.49
	Extend of Holding %	50%
4	Description of how there is significant influence	There is no significant influence by Eicher Motors Limited since EPPL is a joint venture company with 50% shareholding and control
5	Reason why joint venture is not consolidated	Not Applicable
6	Net worth attributable to Shareholding as per latest audited Balance Sheet - Rs. crores	3.64
	Profit/Loss for the year	
7	i. Considered in Consolidation - Rs. crores	Refer Note below
	ii. Not Considered in Consolidation - Rs. crores	Refer Note below

Note :

- During the year under consideration, the Company has not considered any impairment loss (Rs. Nil for the year ended: March 31, 2023, March 31, 2022, March 31, 2021 and March 31, 2020. For the year ended March 31, 2019 and year ended March 31, 2018 : Rs. 17.52 crores and Rs. 311.98 crores respectively). The cumulative impairment till March 31, 2023 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. 3.61 crores during the current year of which the Company's share of loss is Rs. 1.81 crores.

ANNEXURE-4

Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2022-23

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Board of Directors of the Company had approved the Corporate Social Responsibility Policy of the Company pursuant to Section 135 of the Companies Act 2013 ("the Act") and relevant rules prescribed thereunder.

The Policy, inter-alia, lays down the criteria for identifying programmes eligible for financial assistance and for determining the quantum of assistance in relation with such programmes, implementation procedure for programmes, evaluation, monitoring and reporting framework and administration mechanism. Programmes that are eligible in accordance with the Act and are consistent with the CSR themes of the Company shall be eligible for grants.

Following CSR themes are given preference while formulating Annual Action Plans:

- i. Local Area Development
- ii. Social Mission - (Responsible Travel & environmental sustainability)
- iii. Road Safety

CSR Committee may include any other themes on CSR that are within the purview of Section 135 of the Act read with Schedule VII thereto.

The Company ensures that every programme has:

- i. Clearly defined objectives consistent with the Policy
- ii. A system for monitoring actual spending by the grantees
- iii. Impact assessment, wherever required
- iv. A reporting framework/system

Prospective CSR programmes are presented to the CSR Committee for evaluation. The proposal includes the proposed budget, social need for the programme and benefits expected. The CSR Committee recommends desirable programmes with all necessary details to the Board for approval.

All CSR programmes are closely monitored through field visits, comprehensive documentation and regular interaction with beneficiary communities.

Your Company implements its CSR Programmes on its own or through Eicher Group Foundation (EGF), a section 8 Company incorporated by the Company and its unlisted subsidiary VE Commercial Vehicles Limited (VECV) with a view to facilitate and monitor CSR initiatives of the Company and VECV. The Company also collaborates with third parties for undertaking CSR Programmes in such manner as the CSR Committee may deem fit.

Your Company will continue to support social projects that are consistent with the policy.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee which the members were eligible to attend during the year	Number of meetings of CSR Committee attended during the year
1	Mr. S. Sandilya	Chairman, Non-Executive Independent Director	3	3
2	Mr. Siddhartha Lal	Member, Managing Director	3	3
3	Mr. Inder Mohan Singh	Member, Non-Executive Independent Director	3	3
4	Ms. Manvi Sinha	Member, Non-Executive Independent Director	3	3

3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Composition of the CSR committee is mentioned above and is available on the Company's website at <https://www.eicher.in/constitution-of-board-committee>

CSR Policy of the Company is available at <https://www.eicher.in/content/dam/eicher-motors/Eicher-Corporate-Social-Responsibility-Policy.pdf>

CSR Projects approved by the Board are available at <https://www.eicher.in/details-of-csr-projects>



4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE:

Below is the executive summary of the 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. The detailed impact assessment report(s) can be accessed on the website of the Company at <https://www.eicher.in/investors-overview/corporate-governance/csr>

(A) Holistic Village Development of Community, Vallam Village, Tamil Nadu: Project implementation agency of the Company - Eicher Group Foundation (EGF), in partnership with the Habitat for Humanity India Trust, has created significant positive impact on the lives of the people of Vallam village in Tamil Nadu through different interventions with respect to Sanitation, Safe Drinking water, Education, and Water conservation. This was demonstrated through an Impact Assessment Study carried out by Soulace Consulting Pvt. Ltd., that used a mixed approach of quantitative and qualitative surveys to ascertain factual and reliable outcomes of the project related to Holistic Village Development of Community in Vallam Village.

The study revealed that EGF supported the construction of individual household toilets, setting up of community RO water purifying plant and rooftop rainwater harvesting structures and renovation of school infrastructure. The qualitative aspect of the study showed that the beneficiaries of this project, the villagers who largely came from rural marginalised communities and the members of the village Panchayat, were happy with these initiatives. In fact 51% of the respondents work as daily wage earners while 26% hold employment in private jobs. Most of the respondents, around 69%, have monthly incomes ranging from Rs. 5,000 to Rs. 10,000.

As a result of the construction of individual household toilets, the villagers declared that open defecation in the village vicinity, which was a problem in the past, has reduced significantly; 92% of the toilets constructed were functional while the remaining 8% needed some maintenance work and were non-functional. The respondents also said that the toilets that had been constructed were of good quality. The issue of open defecation however has not been eradicated completely due to the lack of proper toilet facilities at the workplace, as a result of which people continued to defecate openly during working hours, said 34% of the respondents.

The study shows that all beneficiaries relied on the newly set up RO Water ATM that provides clean and safe drinking water at Rs. 5 for 10 litres. Approximately, 60% of the respondents said that the water received at the RO Water ATM is excellent quality. Prior to the setting up of this ATM, the villagers relied on hand pumps and water supplied by water tankers for their daily needs. This resulted in significant suffering through the summer months when clean and safe drinking water would be in short supply.

To offset the seasonal scarcity of water, EGF has also set up rooftop rainwater harvesting facilities in 328 houses in Vallam. With this infrastructure in place, villagers will be able to collect and store rainwater through proper channels resulting in a usable supply in their wells when the monsoon showers set in. The setting up of rainwater harvesting facilities will also reduce mud in the village vicinity and make roads and pathways more usable through the rainy season.

The study also showed that student attendance at the RCM schools has increased as a result of interventions with respect to renovation and repair of school infrastructure. Constructions of sanitation blocks, hand wash units and renovation of the kitchens have resulted in general happiness among the school teachers. They also said that the facilities were good and were being used regularly.

(B) Royal Enfield Academy for Skill Development: The Royal Enfield Academy for Skill Development is an initiative that aims to train students with diplomas, in the age group 19 to 26 years. The objective is to develop vocational skill with the goal of 100% placement. Of the people who have completed their training, 62% are currently employed in the automobile trade with 51% earning Rs. 12,000 per month and 12.9% are able to financially contribute to their families. The majority of employed beneficiaries have a work experience varying from 6 months to 1 year. The qualitative aspect of the study carried out by Soulace Consulting Pvt. Ltd. showed that 78% of the students and trainees feel that the syllabus is well structured while 72% agree that the timings of the training schedule is convenient. The month long training programme has fixed classes totalling 8 hours daily, with training being a mix of theory and practical application.

(C) School Education: Company's supported Shikshak Pehal Programme (SPP) has been delivering quality education to marginalized children living in remote villages of Thanagazi and Umrain blocks of the Alwar district, for over 23 years. Bodhshalas and Learning Centres are running with enrolment of approximately 5446 students from pre-school to grade eight.

Impact assessment of said program was carried out by CSR Box and assessment period is from 2019 to 2022. The study adopted a mixed methodology i.e. quantitative and qualitative approach. The study used the National Education Policy 2020 framework - Access, Equity, Quality, Affordability and Accountability. School quality checklist and evaluation on

rubrics were used to identify the quality standards. Adopting a 360-degree approach, three research designs were administered across the study - descriptive, experimental and cross sectional.

Overall, the study found that SPP is an inclusive programme with enrolment of 39% OBC, 25% SC, 20% ST and 16% GEN category students. Delivery of education continued in community places and Shiksha Ghars throughout pandemic. In all, 88% of enrolled students attended classes during pandemic. Oral lessons (95%), worksheets (89%) and textbooks (26%) were used as teaching material during classes during pandemic. Teachers played a crucial part in maintaining the proper execution of this programme. All teachers interviewed had undergone extensive training to adopt new learning methods in teaching. Over 95% teachers feel highly motivated to teach every day in Bodhshalas and Learning Centres. 89% teachers from category A Bodhshalas agreed that lesson delivery became better using smartboards. Over 95% students stated they shared a good bond with teachers. For detailed report, please refer to the link provided above.

Healthcare and other initiatives:

The Company also works towards providing quality and affordable healthcare to the community. One such initiative of the Company is with Dr. Shroff's Charity Eye Hospital where the Company contributes towards the running expenses, infrastructure and research & development of the Hospital. Impact assessment on said program will be undertaken at appropriate time and details with the shared.

For details on other CSR initiatives of the Company, please refer to CSR section of the integrated report, which form part of the Annual Report.

- 5. (a) Average net profit of the company as per sub-section (5) of section 135:** Rs. 2,255.89 crores
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 45.12 crores
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:
 Rs. 0.06 crore (bank interest earned)
(d) Amount required to be set-off for the financial year, if any: NIL
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 45.18 crores
- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 11.09 crores
(b) Amount spent in Administrative Overheads: Rs. 1.88 crores (includes administrative expenses on amounts spent on previous years projects)
(c) Amount spent on Impact Assessment, if applicable: Rs. 0.08 crore
(d) Total amount spent for the financial year [(a)+(b)+(c)]: Rs. 13.05 crores
(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (Rs. in Crores)	Amount Unspent (Rs. in Crores)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135			Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135	
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13.05	32.13	April 28, 2023		Not Applicable	

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (Rs. in Crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	45.12
(ii)	Total amount spent for the Financial Year	13.05
(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	0.06
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil



7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Preceding Financial Year(s)	Original Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (Rs. in Crores)	Balance Amount in Unspent CSR Account as on April 1, 2022, under sub-section (6) of section 135 (in Rs. in Crores)	Amount Spent in the Financial Year (Rs. in Crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any Amount Date of (in Rs. in Transfer Crores)	Amount remaining to be spent in succeeding Financial Years (Rs. in Crores)	Deficiency, if any
1	FY 2020-21	24.92	16.75	12.74	Not Applicable	4.01	Not Applicable
2	FY 2021-22	24.97	24.97	16.13	Not Applicable	8.84	Not Applicable

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

Yes No

If Yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of Entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

Not Applicable

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135:

Eicher Group Foundation, a Section 8 Company incorporated by the Company and its unlisted subsidiary VE Commercial Vehicles Limited, plans and executes the CSR projects of the Company as long term/ continuous projects. Spending is planned as per the requirements of the projects. The unspent CSR amount for Financial Year 2022-23, as mentioned under Para 6, is transferred to a separate unspent CSR account pursuant to the provisions of Section 135 of the Act read with Schedule VII and relevant rules prescribed thereunder. The Company has plans to spend the entire money in the unspent CSR accounts towards its CSR projects within the prescribed timelines.

Date: May 11, 2023

Siddhartha Lal
Managing Director
DIN: 00037645
Place: London, UK

S. Sandilya
Chairman, CSR Committee
DIN: 00037542
Place: Chennai, Tamil Nadu



ANNEXURE-5

FORM MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2023

[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, 2023 ('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 Audit Period, 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 and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - There was no reportable event requiring compliance during the Audit Period;
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - There was no reportable event requiring compliance during the Audit Period;
 - (i) 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,
- ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited, and
- iii) The Company has in place a Structured Digital Database and has complied with the requirements of Reg 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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 has:

- (a) allotted equity shares to its employees and officers of the Company pursuant to Employee Stock Option Plan, 2006 and granted options under the Restricted Stock Unit Plan, 2019 and necessary compliances of the Act and FEMA were made;
- (b) filed an application with the Reserve Bank of India, Mumbai for the compounding of contravention of regulation 8(2) of erstwhile FEM (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000/FEMA 20 read with Master Circular No. 15/2015-16 dated July 01, 2015 as a result of omission to mention the name of Mr. Krishnan Ramaswamy, a person resident outside India i.e., Non-Resident Indian/Overseas Citizen of India, in Form – ESOP filed physically on October 26, 2016 with the Reserve Bank of India, New Delhi through AD Bank, intimating grant of Employee Stock Option under the Company's Employee Stock Option Plan, 2006; and
- (c) filed an appeal before the Hon'ble Securities Appellate Tribunal against the adjudicating order Ref. No. ORDER/SBM/KL/2022-2023/16885 dated June 01, 2022 passed by Securities and Exchange Board of India ("SEBI") imposing a monetary penalty of Rs. 10,00,000 (Rupees Ten Lakhs only) on the Company for violation of the provisions of clause 23 of General Norms for processing of documents under RRTI Circular no. 1 (2000-2001) dated May 09, 2001, Clause 3(e) of Listing Agreement read with Regulation 39(2) and 103(2) of the SEBI (LODR) Regulations, 2015 for not following the due process as prescribed under the above regulations while approving requests for duplicate shares certificates in few cases during the period from 2007 to 2012. The Company has filed an appeal against the order of SEBI which is pending before the Hon'ble Securities Appellate Tribunal.

For **AGSB & Associates**
Company Secretaries

Amit Gupta

Partner

ACS No.: 57453

CP No.: 21705

PR: 1891/2022

UDIN: A057453E000232716

Place: New Delhi
Date: May 01, 2023

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, 2023 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of the events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.

For **AGSB & Associates**
Company Secretaries

Amit Gupta

Partner

ACS No.: 57453

CP No.: 21705

PR: 1891/2022

UDIN: A057453E000232716

Place: New Delhi

Date: May 01, 2023



ANNEXURE-6

FORM MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2023
[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 Citywalk
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 authorised 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, 2023 ('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, 2023, according to the provisions of:

- i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 ('FEMA') and the rules and regulations made thereunder to the 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 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, based on the review of compliance mechanism established by the Company and on the basis of compliance certificate(s) issued by the company secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Company has in place adequate systems and processes which commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company did not have any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **AGSB & Associates**
Company Secretaries

Amit Gupta

Partner

ACS No.: 57453

CP No.: 21705

PR: 1891/2022

UDIN: A057453E000188903

Place: New Delhi

Date: April 25, 2023

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 Citywalk
A-3, District Centre, Saket
New Delhi - 110 017

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2023 is to be read along with this letter.

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

5. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of the events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

For **AGSB & Associates**
Company Secretaries

Amit Gupta

Partner

ACS No.: 57453

CP No.: 21705

PR: 1891/2022

UDIN: A057453E000188903

Place: New Delhi

Date: April 25, 2023



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 stakeholders' rights and interest, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working - workplace management, marketplace responsibility, community engagement and business decisions.

The Code of Conduct(s)/Company's Policies and the governance are based on the corporate principles and strong emphasis laid on transparency, accountability, integrity and compliance.

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

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015]. The Company has adopted best practices contained in SEBI (LODR) Regulations, 2015.

2. BOARD OF DIRECTORS

2.1. Composition, Meetings, Attendance, Other Directorship, Chairmanship and Membership

The Board is responsible for the management of the affairs of the Company. As on March 31, 2023, the Board consists of six Directors comprising three Non-Executive Independent Directors of which one is a woman Director, one Non-executive Non-Independent Director and two Executive Directors. Six Board meetings were held during the financial year ended March 31, 2023, on May 13, 2022, August 10, 2022, November 10, 2022, December 29, 2022, February 14, 2023 and March 27, 2023. The Directors participated in the meetings of the Board and Committees through video conferencing/physical presence.

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 40 th AGM held on August 24, 2022	Number of Directorship held in other Companies [#]	Number of Committee Memberships/Chairpersonships held in other Companies [#]	
						Memberships*	Chairpersonship*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr. S. Sandilya DIN: 00037542	Chairman-Non-Executive Independent Director	6	Yes	-	-	-
2.	Mr. Siddhartha Lal DIN: 00037645	Promoter-Managing Director	6	Yes	1	1	1
3.	Mr. Govindarajan Balakrishnan DIN: 03093035	Whole Time Director & Chief Executive Officer-Royal Enfield	6	Yes	-	-	-
4.	Mr. Vinod K. Aggarwal DIN: 00038906	Non-Executive Non-Independent Director	6	Yes	2	-	-
5.	Ms. Manvi Sinha DIN: 07038675	Non-Executive Independent Director	6	Yes	-	-	-
6.	Mr. Inder Mohan Singh DIN: 07114750	Non-Executive Independent Director	6	Yes	2	2	-

Notes:

[#]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 memberships of a Director in a Committee under column no. 7 of the table above also includes his/her membership held through chairperson position in Committees.

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

Mr. Inder Mohan Singh is a Non-Executive Independent Director in JTEKT India Limited, a listed company. All Independent Directors of the Company have valid registrations with the Independent Directors' databank maintained by the Indian Institute of Corporate Affairs.

No Independent Director serves as a Whole-time Director/Managing Director in any other listed Company. Further, none of the Non-Executive Directors of the Company, hold Directorship/Independent Directorship in more than seven listed companies and the Executive Directors of the Company do not hold any Independent Directorship 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 a Director by SEBI or the Ministry of Corporate Affairs or any other such authority. The Company has also obtained a certificate of the Practising Company Secretary in this regard and a copy of the same is enclosed with this report as **Annexure-1**.

The Company has appointed separate persons to the post of the Chairman and the Chief Executive Officer. Mr. S. Sandilya is the Chairman of the Board of Directors and Mr. Siddhartha Lal is the Managing Director and Chief Executive Officer of the Company. Mr. Sandilya is not related to Mr. Siddhartha Lal as per the definition of the term "relative" under the Companies Act, 2013.

2.2. Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment. The Company has issued letter of appointment to all the Independent Directors and the general terms and conditions of their appointment have been disclosed on the Company's website www.eichermotors.com.

While appointing Directors and other senior officers, the Board seeks to ensure business continuity with due weightage to succession planning.

2.3. Information supplied to the Board

The required information, including information as enumerated under Regulation 17(7) read with Part A of Schedule II of the SEBI (LODR) Regulations, 2015 is made available to the Board of Directors, for discussions and consideration at the quarterly Board Meetings.

2.4. Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 13, 2023, without the attendance of Non-Independent Directors and members of management to:

- review the performance of Non-Independent Directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2.5. Shareholding of Non-Executive Directors

As on March 31, 2023, 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. Familiarisation Programme for Independent Directors

The Company familiarises 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 <https://www.eicher.in/investors-overview/corporate-governance/familiarization-programme>

2.7. Skills/expertise/competencies of the Board

The Board recognises certain skills/expertise/competencies that are required by it to function effectively in the context of business of the Company and which inter-alia consist of experience & knowledge



of the automobile industry, technical skills and specialised knowledge in various areas. Board members have significant experience and expertise in the areas of corporate governance, finance & accounts, corporate strategy, engineering, automobile industry, media, legal, general management, public relations and information technology. The Company gains immensely from the strategic vision and insights provided by Directors.

The Board is of the opinion that all Directors possess personal attributes in addition to sound professional knowledge & experience and contribute to the collective skills, expertise and 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 Director	Corporate Governance	Finance & Accounts	Corporate Strategy	Engineering-technical Skills	Experience/knowledge of Automobile Industry	Media	Legal	General Management	Public Relations	Information Technology
Mr. S. Sandilya	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Siddhartha Lal	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes
Mr. Govindarajan Balakrishnan	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes
Ms. Manvi Sinha	Yes	Yes	Yes	-	Yes	Yes	-	Yes	Yes	Yes
Mr. Vinod K. Aggarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Inder Mohan Singh	Yes	Yes	Yes	-	Yes	-	Yes	Yes	-	Yes

3. AUDIT COMMITTEE

Composition and terms of reference of the Audit Committee of Directors of the Company are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, with all members being financially literate and most having accounting or related financial management expertise. As on March 31, 2023, the Audit Committee consists of three Non-Executive Independent Directors and one Executive Director. The role of the Audit Committee is inter alia to provide directions to and oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and carry out such other matters as are required in terms of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

3.1 Major terms of Reference

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are 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 utilisation of loans and/or advances to/ investment in the subsidiary companies exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower;
- (xvii) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and the shareholders;
- (xviii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews information as required under SEBI (LODR) Regulations, 2015, including the following:

- (i) Management discussion and analysis of financial condition and results of operations;
- (ii) Internal audit reports relating to internal control weaknesses;
- (iii) Management letters/letters of internal control weaknesses, if any, issued by the statutory auditors;
- (iv) Statement of related party transactions submitted by management;
- (v) The appointment, removal and terms of remuneration of the chief internal auditor.

3.2 Meetings and Attendance

Six Meetings of the Audit Committee of Directors of the Company were held during the financial year ended March 31, 2023 on May 12, 2022, August 10, 2022, November 09, 2022, December 29, 2022, February 13, 2023 and March 27, 2023. 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 meetings attended
1.	Mr. S. Sandilya	Chairman	6	6
2.	Mr. Siddhartha Lal	Member	6	6
3.	Ms. Manvi Sinha	Member	6	6
4.	Mr. Inder Mohan Singh	Member	6	6

Mr. S. Sandilya, Chairman of the Audit Committee was present at the last Annual General Meeting for answering the shareholders' queries.

Whole-time Director, Non-Executive Director, Chief Financial Officer, the Head of Internal Audit and the Statutory Auditors are invited for the Audit Committee meetings as required. The Company Secretary acts as the Secretary to the Audit Committee.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of Regulation 20 of the SEBI (LODR) Regulations, 2015, the Company has a Stakeholders' Relationship Committee which, as on March 31, 2023, consists of three Non-Executive Independent Directors. The Committee looks into the redressal of shareholders' complaints relating to transmission of shares, transfer of shares, if any, Non-receipt of Annual Report, Non-receipt of dividends, issue of letter of confirmation in lieu of duplicate shares, general meetings, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the Company 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 and also reviews investor complaint redressal mechanism.

4.1 Meetings and Attendance

Four Meetings of the Stakeholders' Relationship Committee of Directors of the Company were held during the financial year ended March 31, 2023, on May 12, 2022, August 10, 2022, November 09, 2022 and February 13, 2023. The names of the Members and Chairperson of the Committee and attendance details are as under:

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

Ms. Manvi Sinha, Chairperson of the Committee was present at the last Annual General Meeting.

The Chief Financial Officer is invited to the Stakeholders' Relationship Committee meetings as required. The 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	177
2.	Complaints replied/resolved	175
3.	Pending complaints	2*

*These two complaints are also replied/resolved in the first week of April 2023.

5. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee comprising three Directors as at March 31, 2023, all being Non-Executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

5.1 Major terms of Reference

- (i) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment, removal and all remuneration, in whatever form, payable to senior management;
- (ii) With respect to every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director;
- (iii) Laying down the evaluation criteria for performance evaluation of Individual Directors, Board as whole and its Committees;
- (iv) Review the implementation and compliance of the performance evaluation process in the Company;
- (v) To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- (vi) Devising a policy on diversity of Board of Directors;
- (vii) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to the Remuneration of the Directors, Key Managerial Personnel and other employees;
- (viii) To undertake and perform all such functions, powers of administration and superintendence of Employee Stock Option Plan – 2006 (ESOP, 2006) and Restricted Stock Units Plan, 2019 (RSU Plan, 2019), as contained under SEBI (Share Based Employee Benefits) Regulations, 2014 including any amendments thereof;
- (ix) To review and approve any other matter relating to the aforesaid ESOP, 2006 and RSU Plan, 2019 which may be considered necessary and incidental thereto.

5.2 Meetings and Attendance

Three Meetings of the Nomination & Remuneration Committee of Directors of the Company were held during the financial year ended March 31, 2023 on May 12, 2022, August 10, 2022 and November 09, 2022. 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	3	3
2.	Mr. S. Sandilya	Member	3	3
3.	Mr. Inder Mohan Singh	Member	3	3

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

5.3 Performance Evaluation Criteria for Independent Directors

The Company has adopted an Evaluation policy to evaluate performance of Individual Directors, the Board as a whole and its committees. Nomination and Remuneration Committee of the Company has specified the manner for effective evaluation of performance of Board, its committees and Individual Directors. Amongst others, evaluation of Individual Directors including Independent Directors is carried out by the entire Board in accordance with the applicable provisions. Evaluation factors include various criteria including thought contribution, business insight, applied knowledge, etc.

During the financial year under review, formal annual evaluation of the Board, its committees, the Chairman and Individual Directors including Independent Directors was carried out at the Board Meeting held on February 14, 2023.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility Committee of Directors comprising three Non-Executive Independent Directors and one Executive Director as on March 31, 2023. The composition and the role of the Committee are in conformity with the provisions of Section 135 of Companies Act, 2013 and the Rules made thereunder.

6.1 Major terms of Reference

- (i) Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subjects specified in Schedule VII to the Companies Act, 2013;
- (ii) Recommending the amount of expenditure to be incurred on the activities referred to in Company's CSR policy;
- (iii) Monitoring the CSR Policy of the Company from time to time;
- (iv) Formulating and recommending to the Board, an annual action plan in pursuance of Company's CSR policy.

6.2 Meetings and Attendance

Three Meetings of the Corporate Social Responsibility Committee of Directors of the Company were held during the financial year ended March 31, 2023, on May 12, 2022, November 09, 2022 and February 13, 2023. 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 meetings attended
1.	Mr. S. Sandilya	Chairman	3	3
2.	Mr. Siddhartha Lal	Member	3	3
3.	Mr. Inder Mohan Singh	Member	3	3
4.	Ms. Manvi Sinha	Member	3	3

The Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

7. RISK MANAGEMENT COMMITTEE

In terms of Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company has a Risk Management Committee which, as on March 31, 2023, consists of three Directors and the Chief Financial Officer. The composition and the role of the Committee are in conformity with the above provisions.

7.1 Major terms of Reference:

- (i) To assist the Board in formulating the Risk Management Plan and Practises;
- (ii) To monitor and review risk management plan and practises of the Company as approved by the Board;
- (iii) To monitor and review the risks & measures related to cyber security;
- (iv) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
 - (c) Business continuity plan.
- (v) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (vi) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (vii) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (viii) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (ix) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

7.2 Meetings and Attendance

Two Meetings of the Risk Management Committee of the Company were held during the financial year ended March 31, 2023 on September 20, 2022 and March 14,



2023. The names of the Members and Chairperson of the Committee and attendance details are as under:

Sl. No.	Name of Members	Chairperson/ Member	No. of meetings which the member was eligible to attend	No. of meeting attended
1.	Mr. Siddhartha Lal	Chairman	2	2
2.	Mr. S. Sandilya	Member	2	2
3.	Mr. Govindarajan Balakrishnan	Member	2	2
4.	Ms. Vidhya Srinivasan*	Member	1	1

*Ms. Vidhya Srinivasan, Chief Financial Officer was appointed as member of the Risk Management Committee w.e.f. November 18, 2022.

Mr. Kaleeswaran Arunachalam ceased to be a member of the Risk Management Committee from the close of the working hours of September 2, 2022.

The Company Secretary acts as the Secretary to the Risk Management Committee.

The process of risk prioritisation and mitigation is presented, discussed and reviewed at the Risk Management Committee meetings regularly and various measures have been adopted as an outcome of such discussions. Members of the Risk Management Committee have been actively involved in fulfilling the terms of reference.

8. SHARES COMMITTEE

The Company has appointed Link Intime India Pvt. Ltd. as its RTA for reviewing and approving all requests for

9. REMUNERATION OF DIRECTORS

9.1 Remuneration to Executive Directors

The remuneration of the Executive Directors is fixed by the Board of Directors and approved by shareholders in the Annual General Meeting. The details of remuneration for the financial year ended March 31, 2023 is as under:

Name of the Director	Salary (including perquisites)	Statutory contributions	Commission	Service Contract	
				Tenure	Notice period
Mr. Siddhartha Lal, Managing Director	13.68	3.33*	10.48	5 years (Members approved re-appointment of Mr. Siddhartha Lal as Managing Director w.e.f. May 1, 2021 up to April 30, 2026, by way of an Ordinary Resolution passed through the Postal Ballot on October 24, 2021)	3 months' notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months
Mr. Govindarajan Balakrishnan, Whole-time Director and CEO-Royal Enfield	5.45#	0.00	0.00	5 years (Members at their AGM held on August 24, 2022, approved appointment of Mr. Govindarajan Balakrishnan as Whole-time Director w.e.f. August 18, 2021 up to August 17, 2026)	3 months' notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months

(*) Represents National Insurance payable to HMRC UK on fixed salary and commission, as per UK laws.

(#) Excluding post employment and other long term benefits of Rs. 1.13 crores

transfer & transmission of shares, if any, issue of letter of confirmation in lieu of duplicate shares request for name deletion and other matters relating to shareholders servicing. Basis review of documents by Link Intime India Pvt. Ltd., the shares committee approve the requests of the shareholders. As at March 31, 2023, the Shares Committee of the Company consists of three members i.e. Ms. Vidhya Srinivasan, Chief Financial Officer, Mr. Atul Sharma, Company Secretary and Mr. M.N.V. Krishna Mohankumar, Financial Controller.

During the financial year ended March 31, 2023, 14 meetings of the Committee were held to approve:

- name deletion for 8,860 shares,
- name change/correction of 2,000 shares,
- request for duplicate share certificates for 83,550 shares,
- transmission of 60,304 shares, and
- dematerialisation of 2,05,310 shares.

The above also includes duplicate share certificates issued for 55,350 equity shares of face value of Re. 1 each which were subsequently dematerialised 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 664 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.

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.

Amount of commission to be paid to the Managing Director is based on achievement of organisational performance parameters and other metrics inter-alia total revenue/net profit, strategic milestones or such other parameters/metrics as may be determined by the Board and/or NRC from time to time.

No sitting fees have been paid to Mr. Siddhartha Lal and Mr. Govindarajan Balakrishnan.

Grant of 15,000 and 16,500 stock options pursuant to Company's Restricted Stock Unit Plan, 2019 (RSU Plan) was made to Mr. Govindarajan on May 12, 2022 and May 11, 2023 respectively, with vesting period of 3 years from grant date and exercise price of Re. 1 per stock option. Prior to the appointment of Mr. Govindarajan as Director, following stock options were granted to him under Company's Employees Stock Option Plan, 2006 (ESOP Plan) (i) 1,00,000 Stock options on May 27, 2021 which shall vest and become exercisable in equal proportion at the end of 3rd and 4th years, and (ii) 50,000 Stock options on May 6, 2020 which are vested and exercisable w.e.f. May 6, 2023. Vesting and exercise of above stock options shall be contingent upon continuous employment with the Company and terms of Company's RSU Plan and ESOP Plan. All stock options shall be exercised within a period of seven years from the date of vesting. No stock options have been granted to Mr. Siddhartha Lal under the Company's RSU Plan and ESOP Plan.

9.2 Remuneration to Non-Executive and Independent Directors

The remuneration comprising sitting fees and commission to Non-Executive and Independent Directors for the financial year ended March 31, 2023 is as under:

Name of the Director	(Rs. in Lakhs)	
	Remuneration	
	Sitting fees	Commission
Mr. S. Sandilya – Chairman and Non-Executive Independent Director	6.90	45.00
Ms. Manvi Sinha – Non-Executive Independent Director	6.60	24.00
Mr. Inder Mohan Singh – Non-Executive Independent Director	6.60	24.00
Total	20.10	93.00

Criteria of making payment to Non-Executive Directors as on March 31, 2023:

Remuneration paid to Non-Executive Independent Directors represents sitting fees of Rs. 50,000/- for attending each meeting of the Board of Directors, Rs. 30,000/- for attending each meeting of the Audit Committee and Rs. 25,000/- for attending each meeting of the Nomination and Remuneration Committee. Sitting fees of Rs. 15,000/- is paid for attending each meeting of Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. Amount of sitting fees as above is fixed by the Board of Directors of the Company.

Shareholders at their 37th Annual General Meeting held on August 1, 2019, approved payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding 1% of the annual net profits of the Company for each financial year, calculated in accordance with the provisions of the Companies Act, 2013, in such proportion and in such manner as may be determined by the Board of Directors.

The aforesaid annual commission approved by the Board and payable to Non-Executive Independent Directors is subject to approval of annual financial statements by the shareholders at the forthcoming Annual General Meeting of the Company. Independent Directors are not entitled to any stock options.

There has been no other material pecuniary relationship or business transactions by the Company with any of the Non-Executive and Independent Directors of the Company.

10. SUBSIDIARY COMPANIES

Subsidiary companies of the Company are managed by their respective Boards / authorised representative having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of unlisted subsidiary companies, *inter-alia*, by the following means:

- (i) Financial statements, in particular, the investments made by the subsidiary companies are periodically reviewed by the Audit Committee of the Company;
- (ii) Utilisation 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. VECV was incorporated on March 7, 2008 in India and its statutory auditors M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) were re-appointed by the Board of VECV on May 10, 2022 for a term of five years commencing from the financial year 2022-23.

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 weblink for the same is

<https://www.eicher.in/content/dam/eicher-motors/Policy-for-determining-material-subsidiaries.pdf>

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

11. OTHER DISCLOSURES

11.1 Related Party Transactions

In terms of Indian Accounting Standard-24 on “Related Party Disclosures”, as prescribed under Section 133 of the Companies Act, 2013, the Company has identified the related parties and suitable disclosures relating to details of transactions with such related parties have been disclosed in Note No. 46 to the Standalone Accounts forming part of this Annual Report.

All contracts/arrangements/transactions entered into by the Company during the financial year with the Related Parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and there are no materially significant related party transactions entered into during the financial year ended March 31, 2023, which is considered to have potential conflict with the interests of the Company at large. Related Party Transactions are approved by the Audit Committee, Board and Shareholders, as required, as per the applicable provisions. The Audit Committee also reviews related party transactions entered into by the Company on a quarterly basis.

The Company had obtained shareholders’ approval at the 40th Annual General Meeting held on August 24, 2022 for certain material related party transactions between VE Commercial Vehicles Limited (VECV), Subsidiary of the Company, and Volvo Group India Private Limited (VGIPL), a related party of VECV, for the financial year 2022-23 as per the amended provisions of SEBI (LODR) Regulations, 2015. Further, based on

the recommendations of the Audit Committee and the Board, said transactions between VECV and VGIPL for the financial year 2023-24 are proposed for the approval of the shareholders by way of Ordinary resolution at the ensuing 41st Annual General Meeting.

The Company has also formulated a policy on materiality of and dealing with Related Party Transactions (RPT Policy). This RPT Policy is available on the website of the Company and the weblink for the same is <https://www.eicher.in/content/dam/eicher-motors/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf>. All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013, Regulation 23 of the SEBI (LODR) Regulations, 2015 and the Company’s RPT Policy.

11.2 Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, Regulations of SEBI and other statutory authorities on all matters related to capital markets during the last three years. However, during the period under review, the Company has:

- (a) filed an appeal before the Hon’ble Securities Appellate Tribunal against the adjudicating order Ref. No. ORDER/SBM/KL/2022-2023/16885 dated June 01, 2022 passed by Securities and Exchange Board of India (“SEBI”) imposing a monetary penalty of Rs. 10,00,000 (Rupees Ten Lakhs only) on the Company for violation of the provisions of clause 23 of General Norms for processing of documents under RRTI Circular no. 1 (2000-2001) dated May 09, 2001, Clause 3(e) of Listing Agreement read with Regulation 39(2) and 103(2) of the SEBI (LODR) Regulations, 2015 for not following the due process as prescribed under the above regulations while approving requests for duplicate shares certificates in few cases during the period from 2007 to 2012. The Company has filed an appeal against the order of SEBI before the Hon’ble Securities Appellate Tribunal.
- (b) filed an application with the Reserve Bank of India, Mumbai for the compounding of contravention of Regulation 8(2) of erstwhile FEM (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000/FEMA 20 read with Master Circular No. 15/2015-16 dated July 01, 2015 as a result of omission to mention the name of a Non-Resident Indian/Overseas Citizen of India, in Form – ESOP filed physically on October 26, 2016 with the Reserve Bank of India, New Delhi through AD Bank, intimating grant of Employee Stock Option under the Company’s Employee Stock Option Plan, 2006.

11.3 Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management which is strictly adhered to and the same is available on Company's website at <https://www.eicher.in/content/dam/eicher-motors/Eicher-Code-of-Conduct-Directors-and-Senior-Management.pdf>. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Managing Director & Chief Executive Officer attached as **Annexure-2**.

Further, there are no material, financial and commercial transactions, where the Senior Management has personal interest that may have a potential conflict with the interest of the Company at large.

11.4 Code on Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company, inter alia, adopted a Code of Conduct for Regulating, Monitoring and Reporting trading by an Insider (Code). All Designated Persons of the Company and its material subsidiary who could have access to the unpublished price sensitive information of the Company, along with their immediate relatives, are governed by this code. Amongst others, the trading window for dealing in securities of the Company is closed and opened as per the provisions of the said Code.

11.5 CEO / CFO Certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015 and that the certificate forms part of this report as **Annexure-3**.

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

The Company complies with the following non-mandatory requirements:

1. The Non-Executive Chairman of the Company is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
2. The Statutory Auditors have expressed no qualification in their reports on financial statements of the Company.
3. The Internal Auditor reports directly to the Audit Committee on a quarterly basis.
4. The Chairman of the Company is a Non-Executive & Independent Director and his position is separate from that of the Managing Director & CEO of the Company.

11.7 Accounting treatment in preparation of the financial statements

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

11.8 Vigil Mechanism/Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy to establish a vigil mechanism for the Directors, employees, vendors and dealers of the Company, to report genuine concerns or grievances including instances of leak or suspected leak of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is available on Company's website at <https://www.eicher.in/content/dam/eicher-motors/Eicher-Whistle-Blower-Policy.pdf>. No person has been denied access to the Audit Committee.

11.9 Dividend Distribution Policy

In Compliance with Regulation 43A of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has adopted a Dividend Distribution Policy of the Company.

The said Policy is available on the Company's website <https://www.eicher.in/content/dam/eicher-motors/Dividend-Distribution-Policy.pdf>

11.10 Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act") and the Rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up, in accordance with the aforesaid Act, to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaint of sexual harassment.

The Company also conducts various programmes in the organisation on a continuous basis in order to build awareness in this area. During the year under review,



approximately 8,900 employees / trainees were given awareness training on prevention of sexual harassment at workplace. The training structure included training through workshops, e-learning modules and as part of new hires induction programme.

11.11 Commodity price risk or foreign exchange risk and hedging activities

The Company procures the Components & Services from the Suppliers who in turn procure input Raw Materials from the Raw Material Suppliers. Hence direct purchase of Raw Materials by the Company is marginal. However, to facilitate Suppliers for procuring right Quality of Raw Materials at competitive prices, Company adopts Group Buying strategy to consolidate the Raw Materials requirements, with Steel Mills and Aluminium Alloy Suppliers, on behalf of Suppliers and administers the prices by settling on Quarterly / Half yearly basis with forecasted quantum of supplies with appropriate communication to Suppliers.

Component Suppliers avail the price negotiated by the Company to procure the Raw material either from the recommended Raw Material suppliers or from their own Raw Material Suppliers. However, supplier's own Raw Material sources require pre-approval from the Company involving quality audits. In this way, both quality standards and price control are adhered to, as per the Company's norms. The order for raw material scheduled quantity is placed by the component suppliers with the Raw material suppliers and physical transaction takes place between them. The adjustment in the Raw Material Prices by the component suppliers are done in accordance with the prices settled by the Company. The Raw Material prices are settled by the Company, periodically, based on domestic market price movements and international price data. Commodity Price fluctuation impact is managed by VAVE initiatives, continuous cost optimisation 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 Account (Exchange Earners' Foreign Currency Account). Further, hedging activities (by way of Foreign Exchange derivatives) have been undertaken by the Company to manage the FX risk on net open positions.

11.12 Detail of payments made to Statutory Auditors and its network firms by EML and its subsidiaries

(Rs. in Crores)				
Sl. No.	Particulars	Payments made by EML	Payments made by subsidiaries of EML including VECV	Total
1.	Audit fee*	1.00	0.71	1.71
2.	Fee for other services	0.88	0.45	1.33
Total				3.04

*includes fees for services which can be obtained only from the Statutory Auditors.

11.13 The Company & its subsidiaries have not granted any loans or advances to firms/companies in which their respective Directors are interested. The Company provides bill discounting facility to the vendors of VE Commercial Vehicles Ltd. (material subsidiary of the Company) at 7.3% to 8.7% per annum and the credit period is upto 120 days. The balances at any point in time have remained within the overall sanctioned limit. As at March 31, 2023, the outstanding balance is Rs. 588.90 crores.

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, the transcripts and audio recording of quarterly results calls are promptly posted on the website of the Company.

- (iv) The Company also disseminates on its website all disclosures filed with the stock exchanges under Regulation 30 of SEBI (LODR) Regulations, 2015 and all other information and documents that are required to be placed on the website of the Company.
- (v) The following are displayed on the Website of the Company i.e. www.eichermotors.com
- ◆ Business of the Company
 - ◆ Terms and conditions of appointment of Independent Directors
 - ◆ Composition of various committees of the Board
 - ◆ Whistle Blower Policy
 - ◆ Dividend Distribution Policy
 - ◆ Annual Reports of the Company
 - ◆ Policy on materiality of and dealing with related party transactions
 - ◆ Policy for determining material subsidiaries
 - ◆ Details of familiarisation programmes for Independent Directors
 - ◆ Shareholding Patterns
 - ◆ Company Profile
 - ◆ Press Releases
 - ◆ Code of Conduct for the Directors and Senior Management
 - ◆ Contact information - for resolving any investor's queries
 - ◆ Other information as required under Regulation 46 of SEBI (LODR) Regulations, 2015

13. GENERAL SHAREHOLDER INFORMATION

13.1 Day, date, time and venue of the Annual General Meeting

As per the information provided in the Notice of Annual General Meeting.

13.2 Financial Year

The financial year under review is of 12 (twelve) months from April 1, 2022 to March 31, 2023.

13.3 General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
April 1, 2021 – March 31, 2022	24.08.2022 (40 th AGM)	Wednesday	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)	No
April 1, 2020 – March 31, 2021	17.08.2021 (39 th AGM)	Tuesday	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-1
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

Notes:

- No Special Resolution was passed at the 40th AGM held on August 24, 2022.
- One Special Resolution was passed at the 39th AGM held on August 17, 2021 related to payment of remuneration to Mr. S. Sandilya, Chairman (Non-Executive & Independent Director) for the financial year 2020-21, which exceeds fifty per cent of the total remuneration payable to all the Non-Executive Directors of the Company.
- 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.
- 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 – 2022-2023

Adoption of Quarterly/ Annual Results for the quarter/year ended	Date of Board Meetings	Date of Publication	Name of Newspapers
June 30, 2022 (Quarterly Results)	10/08/2022	11/08/2022	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
September 30, 2022 (Quarterly Results)	10/11/2022	11/11/2022	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
December 31, 2022 (Quarterly Results)	14/02/2023	15/02/2023	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
March 31, 2023 (Quarterly & Annual Results)	11/05/2023	12/05/2023	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition (Proposed)

Tentative Financial Calendar – for the financial year ending March 31, 2024

Quarterly results for the quarters ending June 30, 2023, September 30, 2023, December 31, 2023 and quarterly/annual results for the quarter/year ending March 31, 2024 will be approved in the Board Meetings which will be tentatively held in the month of August 2023, November 2023, February 2024 and May 2024 respectively (subject to the finalisation of dates by the Board of Directors). Annual General Meeting for the financial year 2023-24 will be tentatively held in between July-August 2024. The Consolidated quarterly and annual results will likely be published in the Business Standard (English) in all Editions and in Business Standard (Hindi), Delhi Edition. The Standalone and Consolidated quarterly and annual results will be submitted with the Stock Exchanges. Additionally, the same will be posted on the Company's website at www.eichermotors.com.

13.5 Book Closure & Dividend Payment Date

As mentioned in the Notice of the 41st 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 2023-2024.

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

Name of the Depository	ISIN No.
National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL)	INE066A01021

The equity shares are quoted under the following Code/ Symbol:

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

13.8 Registrar and Share Transfer Agent/Address for Correspondence

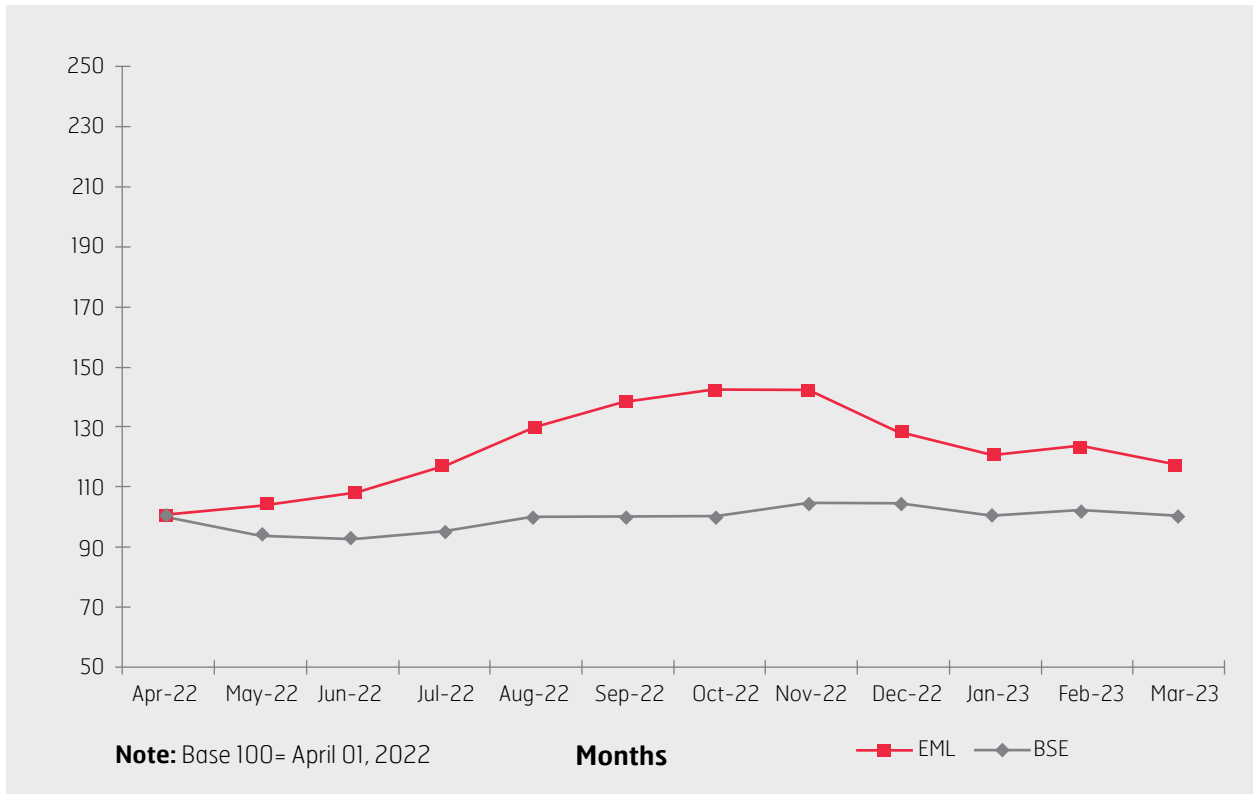
Share transmission, transposition, name deletion, issue of letter of confirmation in lieu of duplicate shares, dematerialisation and other communication regarding change of address, dividends, share certificates, investor complaints, etc. may be addressed to:

Link Intime India Pvt. Ltd.
Registrar and Share Transfer Agent
C-101, 247 Park
LBS Marg, Vikhroli (West),
Mumbai - 400083
Tel No.: +91-22-49186270
Email: rnt.helpdesk@linkintime.co.in

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

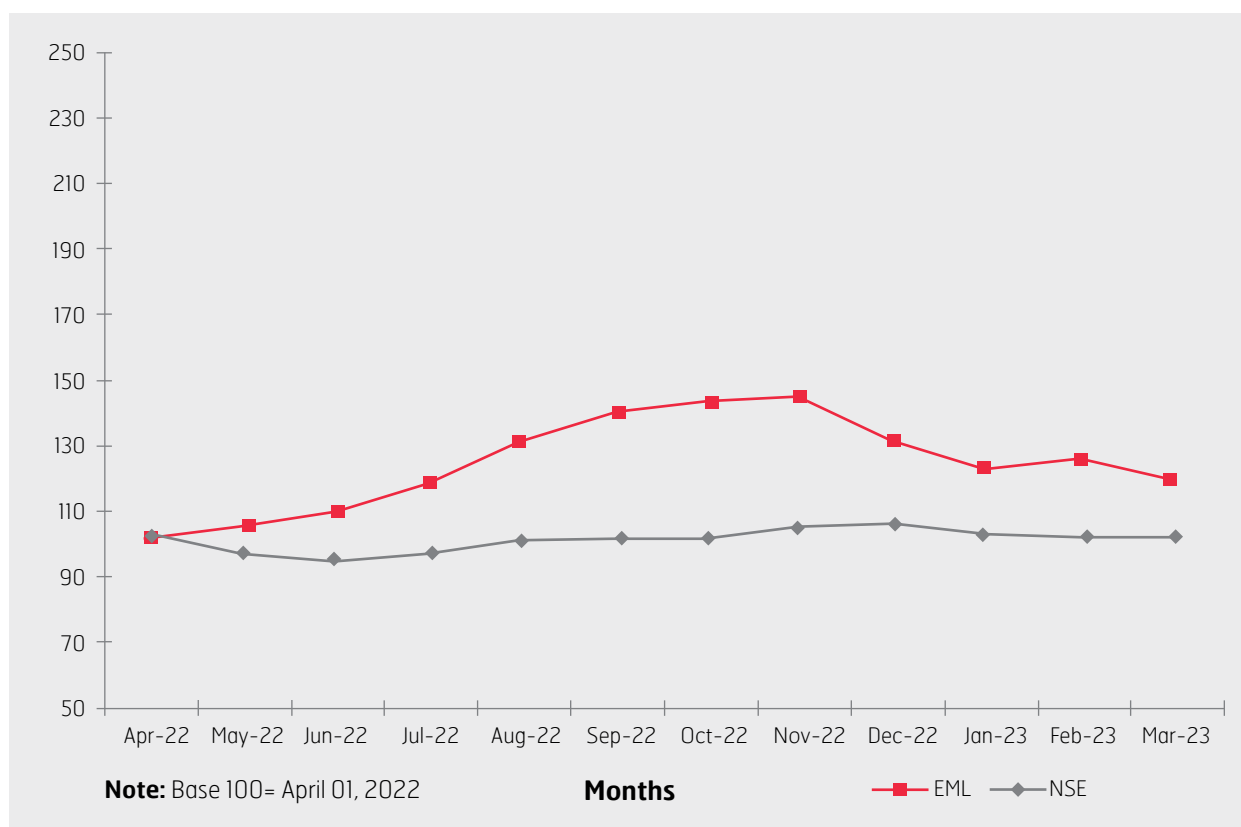
**13.9 Market Price Data at BSE and NSE**

April 2022 to March 2023	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 2022	2,708.15	2,420.05	2,91,658	2,707.65	2,421.10	1,24,81,867
May 2022	2,817.00	2,311.10	5,98,655	2,818.65	2,310.00	1,79,34,809
June 2022	2,924.00	2,585.30	2,74,884	2,922.95	2,585.05	1,52,34,415
July 2022	3,179.15	2,745.35	6,08,840	3,179.00	2,745.75	1,49,21,310
August 2022	3,512.75	2,913.50	9,75,874	3,513.70	2,913.05	2,44,75,788
September 2022	3,785.80	3,257.85	7,06,851	3,787.25	3,241.00	1,65,50,116
October 2022	3,864.70	3,376.30	7,53,162	3,864.10	3,377.00	1,20,90,260
November 2022	3,886.00	3,347.05	4,19,344	3,889.65	3,346.30	1,60,10,452
December 2022	3,498.00	3,091.55	2,90,755	3,500.00	3,088.20	1,49,11,186
January 2023	3,276.00	3,060.00	2,31,187	3,278.85	3,060.00	1,04,46,291
February 2023	3,352.90	3,095.00	3,24,916	3,354.95	3,091.15	1,32,01,082
March 2023	3,217.75	2,835.95	2,71,360	3,219.95	2,836.00	1,10,94,179

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

The Company has appointed Link Intime India Pvt. Ltd. as its RTA for reviewing and approving all requests for transfer & transmission of shares, if any, issue of letter of confirmation in lieu of duplicate shares request for name deletion and other matters relating to shareholders servicing. During the financial year ended March 31, 2023, due process was followed for effecting the transfer of shares of the Company. All valid requests for transfer/transmission, if any, of Equity shares are processed and wherever applicable, confirmation is given to the respective depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, within the statutory timelines, by Link Intime India Pvt. Ltd.

Details of the total number of requests processed for share transfer, transmission, issue of letter of confirmation in lieu of duplicate shares, name deletion, dematerialisation during the financial year under review are provided under Para 8 of this Report.

In terms of amended provisions of Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfer of shares held in physical form is not permitted. Accordingly, the Company has not been accepting requests for transfer of shares held in physical form since the said cut-off date of April 1, 2019 in terms of aforesaid provisions except those already lodged with the Company before the said date and returned due to deficiency in

the documentation. Further, SEBI has vide its circular dated September 7, 2020, notified March 31, 2021 as the cut-off date for re-lodgment of transfer deeds originally lodged prior to April 1, 2019 with the Company. In addition, the shares that are re-lodged for transfer are being issued to the transferee only in demat mode. SEBI has vide its circular dated January 25, 2022 has also mandated to issue the securities in dematerialised form only while processing the service request received in the nature of issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. The Link Intime India Pvt. Ltd. issues letter of confirmation after processing the service requests which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerialising the said securities.

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).

With effect from January 1, 2022, the Securities and Exchange Board of India (SEBI) has mandated furnishing

of PAN, specimen signature, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of physical securities. In this regard, the Company had sent a communication dated February 4, 2022 to all its members holding shares in physical form (weblink <https://www.eicher.in/content/dam/eicher-motors/Intimation-to-Shareholders-holding-Shares-in-Physical-Mode.pdf>).

Further, in terms of SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the Company shall be again sending a communication to all its members holding shares in physical form to provide the aforesaid details. Members may note that on and after October 1, 2023, in case any of the above cited documents/ details is not provided/ updated by the shareholder, Registrar & Share Transfer Agent shall freeze such Folio of the shareholder. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company also at <https://www.eicher.in/investor-service-request>. Members holding shares in electronic form are requested to submit

the PAN, KYC details to their Depository Participants with whom they are maintaining their demat accounts.

13.11 Dematerialisation 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, 2023, 27,12,78,850 shares constituting 99.19% of the total paid-up equity share capital of the Company are in dematerialised form with NSDL and CDSL.

13.12 Distribution of shareholding as on March 31, 2023

Category	No. of shareholders	% holders	No. of shares of face value of Re. 1/- each	% Shareholding
1-500	2,65,582	96.89	77,33,349	2.83
501-1,000	3,993	1.46	32,71,805	1.20
1,001-2,000	2,245	0.82	36,54,143	1.34
2,001-3,000	645	0.23	15,95,989	0.58
3,001-4,000	306	0.11	10,93,682	0.40
4,001-5,000	184	0.07	8,41,963	0.31
5,001-10,000	328	0.12	23,80,509	0.87
10,001-50,000	445	0.16	1,03,33,225	3.78
50,001-1,00,000	143	0.05	1,02,09,587	3.73
1,00,001 and above	235	0.09	23,23,67,318	84.96
Total	2,74,106	100.00	27,34,81,570	100.00

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

13.13 Transfer of Unclaimed / Unpaid Dividend to Investor Education and Protection Fund Authority

The Company shall be transferring the unclaimed/unpaid dividends as mentioned hereunder to the Investor Education and Protection Fund Authority, established by the Central Government, in terms of the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

For the Financial Year	Due date for transfer
2016-17 (April to March)	September 12, 2024
2017-18 (April to March)	September 14, 2025
2018-19 (April to March)	August 30, 2026
2019-20 (April to March)*	April 12, 2027
2020-21 (April to March)	September 21, 2028
2021-22 (April to March)	September 23, 2029

*Interim Dividend declared by the Board of Directors on March 11, 2020.



Members who have not encashed their Dividend Warrants for the above Financial Years/period may approach the Company's Registrar & Share Transfer Agent for encashment of their unclaimed dividend.

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

In compliance with the provisions of Section 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("the Rules"), as on date the Company has transferred 22,73,874 (0.83%) 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 3,060 shareholders, to the Investor Education and Protection Fund Authority (IEPF Authority).

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

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

13.15 Unclaimed Shares Suspense Account

In compliance with Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has maintained Eicher Motors Limited-Unclaimed Suspense Account, in which unclaimed shares lying with the Company have been credited after dematerialisation thereof.

The details with respect to the unclaimed shares of the Company for the financial year ended March 31, 2023 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	4	1130
(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	1	260
(v)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	3	870

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) - 41095173
Website: www.eichermotors.com

This Corporate Governance Report of the Company for the Financial Year ended March 31, 2023 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.

13.20 Corporate Office

#96, Sector 32,
Gurugram- 122 001, Haryana, India.
Tel. No. (0124) - 4445070

Headquarters

Royal Enfield Global Headquarters
#296, Rajiv Gandhi Salai,
Sholinganallur, Chennai-600119,
Tamil Nadu, India
Tel.No. (044) - 46093434

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)

For **Eicher Motors Limited**

Siddhartha Lal

Managing Director & Chief Executive Officer
DIN: 00037645
Place: London, UK
Date: May 11, 2023

S. Sandilya

Chairman
DIN:00037542
Place: Chennai, Tamil Nadu



ANNEXURE-1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

Eicher Motors Limited

3rd Floor, Select Citywalk, A-3,

District Centre, Saket, New Delhi- 110017

- a. Eicher Motors Limited** (CIN: L34102DL1982PLC129877) is having its registered office at 3rd floor, Select Citywalk, A-3 District Centre, Saket, New Delhi- 110017 (hereinafter referred as "Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
- b.** I have examined the relevant disclosures (DIR-8 and MBP-1), registers, records, forms and returns maintained by the company and produced before me for the purpose of issuing this certificate in accordance with regulation 34(3) read together with clause 10(i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c.** In our opinion and to the best of our information and according to the verifications and examination of the disclosures under sections 149, 164, 184 of the Companies Act, 2013 (the Act) and DIN status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sl. NO.	Name of the Directors	Director Identification Number (DIN)	Designation	Date of appointment*
1.	Siddhartha Vikram Lal	00037645	Managing Director	01-05-2006
2.	Vinod Kumar Aggarwal	00038906	Director	01-04-2019
3.	Srinivasan Sandilya	00037542	Director	26-10-1999
4.	Manvi Sinha	07038675	Director	13-02-2015
5.	Inder Mohan Singh	07114750	Director	12-11-2018
6.	Govindarajan Balakrishnan	03093035	Whole-time Director	18-08-2021

* the date of appointment is as per the MCA Portal.

- d.** Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.
- e.** This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

Malavika Bansal

Company Secretary in Practice

FCS- 8231

CoP No.- 9159

UDIN: F008231E000137811

Place: New Delhi

Date: April 19, 2023



ANNEXURE-2

DECLARATION

As per Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct for Board of Directors and Senior Management for the financial year ended March 31, 2023.

For **Eicher Motors Limited**

Siddhartha Lal

Managing Director &

Chief Executive Officer

DIN:00037645

Place: London, UK

Date: May 11, 2023



ANNEXURE-3

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Siddhartha Lal - Managing Director & Chief Executive Officer and Vidhya Srinivasan - Chief Financial Officer, hereby certify that:

- (a) We have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2023 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, 2023 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, 2023;
 - (ii) there have not been any significant changes in accounting policies during the year ended March 31, 2023; and
 - (iii) there has not been any instance during the financial year ended March 31, 2023 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 11, 2023

Vidhya Srinivasan
Chief Financial Officer

Place: Chennai, Tamil Nadu

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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

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

1. The Corporate Governance Report prepared by Eicher Motors Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's 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, 2023 and verified that atleast 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, 2022 to March 31, 2023:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Vij**

Partner

Membership Number: 095169

UDIN:23095169BGXZYP1389

Place of Signature: Gurugram

Date: May 11, 2023



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, 2023, 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, 2023, 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, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Intangible assets capitalized or under development (Refer to the accounting estimates and judgements in Note 3 and Note 7 to the standalone financial statements)	Our audit procedures included the following: <ul style="list-style-type: none"> ♦ We read the 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.

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.



Key audit matters	How our audit addressed the 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. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. ◆ We tested the disclosure relating to research and development expenditure in the standalone financial statements.

Revenue Recognition (Refer to the accounting policies in Note 3 to the standalone financial statements)

Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter.

Our audit procedures included the following:

- ◆ We read the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers".
- ◆ We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers.
- ◆ We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms.
- ◆ We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating



effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- ♦ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of



the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position

in its standalone financial statements
– Refer Note 41 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. The management has represented that, to the best of its knowledge and belief (refer note 56 to the standalone financial statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief (refer note 56 to the standalone financial statements), no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 53 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169
UDIN: 23095169BGXZYN9621

Place of Signature: Gurugram

Date: May 11, 2023



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

Re: Eicher Motors Limited (‘the Company’)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment were physically verified by the management during the year in

Description of the properties	Carrying value as at March 31, 2023 (Rs. Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
Freehold land located at Alwar, Rajasthan and Jhajjar, Haryana	0.74	Eicher Tractors Ltd.	No	02-08-2004	The properties were acquired through Group restructuring and management has informed us that they are taking necessary steps to get the property registered in the name of the Company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of

accordance with a planned programme of verifying them over three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the financial statements are held in the name of the Company except two immovable properties as indicated in the below mentioned cases as at March 31, 2023 for which title deeds were not available with the Company and hence we are unable to comment on the same.

10% or more in aggregate were not noted for each class of inventory.

Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

- (b) As disclosed in note 21 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores from one bank during the year on the basis of security of current assets of the Company. The requirements to file quarterly returns/statements by the Company is not stipulated by the bank.



- (iii) (a) During the year the Company has provided guarantees for its subsidiary companies, bill discounting facility on behalf of its Joint venture Company and loans to employees as detailed in table below. There are no loans, advances in the nature of loans to any other companies, firms, Limited Liability Partnerships or any other parties.

	Guarantees	Security	Bill discounting	Loans to employees	Advances in nature of loans
Aggregate amount granted/ provided during the year					
- Subsidiaries	-	-	-	-	-
- Joint Ventures	-	-	676.75 Cr*	-	-
- Associates	-	-	-	-	-
- Others	-	-	-	2.46 Cr	-
Balance outstanding as at balance sheet date in respect of above cases					
- Subsidiaries	266.22 Cr	-	-	-	-
- Joint Ventures	-	-	588.90 Cr	-	-
- Associates	-	-	-	-	-
- Others	-	-	-	0.71 Cr	-

*Represents the maximum value of facility used at any point in time during the current year by the Joint venture Company. The individual transactions under the bill discounting facility provided to its Joint Venture Company ranges upto 120 days period and balances at any point of time have remained within the overall sanction limit of the facility provided to Joint Venture Company.

- (b) The investments made, terms and conditions of the grant of all loans (including loans granted on behalf of its Joint venture Company), stood guarantees and advances in the nature of loans are not prejudicial to the Company's interest. During the year the Company has not provided any security to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has granted loans on behalf of its Joint venture company and advances in the nature of loans during the year to companies and other parties, where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans (including loans granted on behalf of its Joint venture company) including advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans (including loans granted on behalf of its Joint venture company) or advances in the nature of loan granted to companies or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans (including loans granted on behalf of its Joint venture company) or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (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, in respect of products manufactured by the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other statutory dues applicable to it. As explained to us, the Company did not have any dues on account of duty of excise, sales tax, service



tax and value added tax. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited 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	Commissioner Appeals Level	1995-96 to 1996-97	0.02	0.01
Central Excise Act, 1944	Excise Duty	CESTAT	1983-84 to 2000-01, 2012-13 to 2015-16, 2016-17 to 2017-18	19.16	18.41
Central Excise Act, 1944	Excise Duty	Punjab & Haryana High court	1995-96 to 1998-99	0.18	-
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Commissioner of Sales Tax (Appeals)	2010-11, 2013-14	0.75	0.48
Tamilnadu Central Sales Tax	CST	Appellate Tribunal	1994-95, 2006-07, 2007-08, 2014-15	1.05	0.13
Bihar Finance Act, 1981	Sales Tax	Commissioner of Sales Tax (Appeals)	2000-01, 2001-02	0.79	0.74
Uttar Pradesh Sales Tax Act, 1948, Uttar Pradesh VAT Act, 2008	Sales Tax / Value added Tax	Appellate	1986-87, 1987-88, 2008-09	0.07	0.02
Uttar Pradesh Sales Tax Act, 1948, Uttar Pradesh VAT Act, 2008	Sales Tax / Value added Tax	Tribunal	1991-92, 1993-94, 1994-95, 1995-96, 1999-00, 2001-02, 2003-04, 2004-05	0.69	0.57
Uttar Pradesh Sales Tax Act, 1948, Uttar Pradesh VAT Act, 2008	Sales Tax / Value added Tax	Allahabad High Court	2000-01, 1984-85, 1985-86	0.60	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, 2002-03, 2010-11, 2014-15	0.34	0.28
Rajasthan Sales Tax Act, 1994, Rajasthan Value Added Tax Act, 2003	Sales Tax / Value added Tax	Sales Tax Appellate Tribunal	1990-2000	0.05	0.05
Rajasthan Sales Tax Act, 1994, Rajasthan Value Added Tax Act, 2003	Sales Tax / Value added Tax	Rajasthan High Court	1993-94	0.03	0.01
Rajasthan Sales Tax Act, 1994, Rajasthan Value Added Tax Act, 2003	Sales Tax / Value added Tax	Supreme Court of India	1986-87 to 1988-89, 1990-91, 1991-92, 2001-02 to 2003-04	1.96	1.41
Delhi Sales Tax Act, 1975	Sales Tax	Sales Tax Appellate Tribunal	1988-89, 1991-92, 1992-93, 1993-94	0.70	0.58
The Madhya Pradesh General Sales Tax Act, 1958, The Madhya Pradesh VAT Act, 2002	Sales Tax / Value added Tax	Commissioner of Sales Tax (Appeals)	1994-95, 1995-96, 1996-97, 1999-00, 2000-01, 2001-02, 2002-03, 2008-09	0.19	0.04
The Madhya Pradesh General Sales Tax Act, 1958, The Madhya Pradesh VAT Act, 2002	Sales Tax / Value added Tax	Appellate Tribunal	1997-98, 1998-99, 2002-03, 2004-05, 2006-07	0.32	0.21
The Madhya Pradesh General Sales Tax Act, 1958, The Madhya Pradesh VAT Act, 2002	Sales Tax / Value added Tax	High Court	2004-05	0.66	0.39
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	Tribunal	2012-13	0.04	0.03

Name of Statute	Nature of Dues	Forum where it is Pending	Period to which it Relates	Amount involved (Rs. Crores)	Amount unpaid (Rs. Crores)
The Odisha Sales Tax Act, 1947	Value Added Tax	Commissioner of Sales Tax (Appeals)	2000-01	0.01	-
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	-
The Central Sales Tax Act , Andhra Pradesh , CST	CST	Appellate Tribunal	2002-03	0.46	0.02
The Central Sales Tax Act GOA	CST	Appellate Authority	2015-16 , 2017-18	0.04	0.03
The Central Sales Tax Act Gujarat	CST	Appellate Authority	2005-06, 1996-97	0.01	0.01
Goods and Service Tax Act 2017	GST - Chhattisgarh	Assessing officer	2018-19	0.38	0.38
Goods and Service Tax Act 2017	GST	Commissioner of GST (Appeals)	2017-18 to 2018-19	1.63	1.45
Finance Act, 1994	Service Tax	CESTAT	2006-07 to 2011-12	0.39	0.36
Customs - Appeal pending with Addl. D.G.F.T	Appeal pending with Addl. D.G.F.T	Appeal pending with Addl. D.G.F.T	1998-99	3.47	3.47
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2015-16, 2016-17, 2018-19, 2019-20, 2020-21, 2022-23, 2023-24	61.7	0.10

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company



- during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current or preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 55 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 51 to the financial statements.
- (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 51 to the financial statements.

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

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169
 UDIN: 23095169BGXZYN9621

Place of Signature: Gurugram
 Date: May 11, 2023



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, 2023 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 STANDALONE 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, 2023, 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: 23095169BGXZYN9621

Place of Signature: Gurugram

Date: May 11, 2023



STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,962.66	1,891.49
(b) Capital work-in-progress	5	74.16	133.38
(c) Intangible assets	6	461.88	327.34
(d) Right of use assets	52	175.74	181.80
(e) Intangible assets under development	7	394.32	370.80
(f) Financial assets			
(i) Investments in subsidiaries & joint ventures	8,9	187.31	187.31
(ii) Other investments	10	9,872.40	5,337.95
(iii) Other financial assets	12	18.78	72.90
(g) Non-current tax assets	25	82.51	83.10
(h) Other non-current assets	17	145.83	138.93
Total non-current assets		13,375.59	8,725.00
Current assets			
(a) Inventories	13	910.94	898.37
(b) Financial assets			
(i) Investments	10	219.89	424.70
(ii) Loans / Bill discounting	11	588.94	676.79
(iii) Trade receivables	14	702.02	492.87
(iv) Cash and cash equivalents	15	27.58	26.62
(v) Bank balances other than (iv) above	16	768.31	2,671.94
(vi) Other financial assets	12	34.42	65.70
(c) Other current assets	17	247.81	240.81
Total current assets		3,499.91	5,497.80
Total assets		16,875.50	14,222.80
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	27.35	27.34
(b) Other equity	19	12,859.55	10,767.23
Total equity		12,886.90	10,794.57
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	62.96	-
(ii) Lease liability	52	27.57	34.64
(iii) Other financial liabilities	20	15.51	14.81
(b) Provisions	23	101.34	67.33
(c) Deferred tax liabilities (net)	24	303.40	222.86
(d) Government grant	26	96.37	63.76
(e) Other non-current liabilities	28	336.38	236.54
Total non-current liabilities		943.53	639.94
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	35.84	5.98
(ii) Lease liability	52	13.96	12.34
(iii) Trade payables	22		
Total outstanding dues of micro and small enterprises	42	29.45	37.78
Total outstanding dues of creditors other than micro and small enterprises		1,723.25	1,726.68
(iv) Other financial liabilities	20	259.35	245.77
(b) Provisions	23	154.37	121.04
(c) Current tax liabilities	25	220.69	170.11
(d) Government grant	26	32.45	19.38
(e) Contract liability	27	178.89	168.08
(f) Other current liabilities	28	396.82	281.13
Total current liabilities		3,045.07	2,788.29
Total liabilities		3,988.60	3,428.23
Total equity and liabilities		16,875.50	14,222.80

See accompanying notes forming part of the standalone 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 11, 2023

Date: May 11, 2023

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

Vidhya Srinivasan
Chief Financial Officer

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Atul Sharma
Company Secretary

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from contract with customers		13,874.98	9,983.10
Other operating income		191.66	139.76
Revenue from operations	29	14,066.64	10,122.86
Other income	30	639.84	454.28
Total Income		14,706.48	10,577.14
Expenses			
Cost of raw material and components consumed	31	7,812.32	5,759.44
Purchases of traded goods	32	252.75	226.18
Change in inventories of finished goods, work-in-progress and traded goods	33	64.39	(23.76)
Employee benefits expense	34	935.07	776.83
Finance costs	35	12.97	10.25
Depreciation and amortisation expense	36	512.05	445.52
Other expenses	37	1,608.61	1,270.61
Total expenses		11,198.16	8,465.07
Profit before tax		3,508.32	2,112.07
Tax expense			
Current tax	38	808.55	521.04
Deferred tax	38	77.18	4.81
Total tax expense		885.73	525.85
Net profit after tax		2,622.59	1,586.22
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		16.26	(9.07)
Gains/(losses) in cash flow hedges		-	0.04
Debt instruments through other comprehensive income		5.15	-
Income tax effect	38	(5.39)	2.28
		16.02	(6.75)
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		(8.11)	(3.18)
Income tax effect	38	2.04	0.80
		(6.07)	(2.38)
Total Comprehensive income for the year		2,632.54	1,577.09
Earnings per equity share of Re. 1 each (in Rs.)			
(a) Basic	44	95.91	58.02
(b) Diluted	44	95.74	57.96

See accompanying notes forming part of the standalone 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 11, 2023

Date: May 11, 2023

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

Vidhya Srinivasan
Chief Financial Officer

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Atul Sharma
Company Secretary

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A EQUITY SHARE CAPITAL

	Number of Shares	Amount
As at April 01, 2021	27,33,35,922	27.33
Changes in equity share capital during the year		
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	87,180	0.01
Balance as at March 31, 2022	27,34,23,102	27.34
Changes in equity share capital during the year		
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	58,468	0.01
Balance as at March 31, 2023	27,34,81,570	27.35

B OTHER EQUITY

Particulars	Reserves and surplus						Items of OCI			Total equity
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserve	Retained earnings	Hedge reserve	Debt instruments through other comprehensive income	Foreign currency translation reserve	Total
Balance as at March 31, 2021	0.25	1.41	225.00	339.89	79.87	8,993.44	-	-	37.81	9,677.67
Profit for the year	-	-	-	-	-	1,586.22	-	-	-	1,586.22
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	(2.38)	0.04	-	(6.79)	(9.13)
Total comprehensive income for the year	-	-	-	-	-	1,583.84	0.04	-	(6.79)	1,577.09
Share-based payments (refer note 49)	-	-	-	-	(29.34)	-	-	-	-	(29.34)
Payment of dividend	-	-	-	-	-	(464.67)	-	-	-	(464.67)
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	6.48	-	-	-	-	-	-	6.48
Transfer to securities premium on issue of shares	-	-	9.57	-	(9.57)	-	-	-	-	-
Balance as at March 31, 2022	0.25	1.41	241.05	339.89	40.96	10,112.61	0.04	-	31.02	10,767.23
Profit for the year	-	-	-	-	-	2,622.59	-	-	-	2,622.59
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	(6.07)	-	3.85	12.17	9.95
Total comprehensive income for the year	-	-	-	-	-	2,616.52	-	-	12.17	2,632.54
Share-based payments (refer note 49)	-	-	-	-	22.76	-	-	-	-	22.76
Payment of dividend	-	-	-	-	-	(574.19)	-	-	-	(574.19)
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	11.21	-	-	-	-	-	-	11.21
Transfer to securities premium on issue of shares	-	-	5.41	-	(5.41)	-	-	-	-	-
Balance as at March 31, 2023	0.25	1.41	257.67	339.89	58.31	12,154.94	0.04	3.85	43.19	12,859.55

See accompanying notes forming part of the standalone financial statements

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

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

per **Sanjay Vij**
Partner
Membership No : 095169

Vidhya Srinivasan
Chief Financial Officer

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Place: Gurugram
Date: May 11, 2023

Date: May 11, 2023

Atul Sharma
Company Secretary

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	3,508.32	2,112.07
Adjustments for:		
Depreciation and amortisation expense	512.05	445.52
Gain on disposal of property, plant and equipment	(1.34)	(0.90)
Loss on sale of property, plant and equipment	0.89	4.76
Dividend from joint venture company	(40.80)	(27.20)
Grant income on soft loan from State Industries Promotion Corporation of Tamil Nadu Ltd. (SIPCOT)	(45.75)	-
Net gain on financial instruments at fair value through profit or loss	(301.12)	(155.30)
Interest income recognised in profit or loss	(176.58)	(244.24)
Expenses recognised in respect of equity-settled share-based payments	22.76	(29.34)
Exchange difference on conversion of foreign branch	16.26	(9.07)
Gains in cash flow hedges	-	0.04
Debt instruments through other comprehensive income	5.15	-
Exchange difference on reinstatement of property, plant and equipment	(4.49)	3.29
Unrealised foreign exchange difference	(11.42)	1.18
Finance income on lease	(0.70)	(1.63)
Provision for doubtful debts and advances (including write off)	6.58	1.38
Finance costs recognized in profit or loss	12.97	10.25
Operating profit before changes in working capital	3,502.78	2,110.81
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	(0.39)	(2.63)
Other assets	(27.35)	(14.23)
Adjustments for (increase) / decrease in current assets:		
Inventories	(12.57)	(129.24)
Trade receivables	(201.01)	(239.38)
Other financial assets	7.63	(8.32)
Other assets	(10.34)	(69.99)
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	(0.12)	0.19
Provisions	29.55	42.36
Government grant	5.83	0.34
Other liabilities	99.84	113.04
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	(12.00)	278.32
Other financial liabilities	17.85	7.32
Provisions	25.22	28.13
Government grant	13.07	3.77
Contract liability	10.81	(59.16)
Other liabilities	115.69	22.24
Cash generated from operating activities	3,564.49	2,083.57
Direct taxes paid (net of refunds)	(757.38)	(513.57)
Net cash flow from / (used in) operating activities (A)	2,807.11	1,570.00



STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangible assets	(653.94)	(628.72)
Proceeds from disposal of property, plant and equipment and intangible assets	6.55	1.61
Investment in subsidiary company	-	(118.45)
Investment in equity instruments	(443.03)	(4.16)
Proceeds from sale of debt mutual funds and bonds	5,080.05	3,500.29
Purchases of debt mutual funds and bonds	(8,665.54)	(7,130.14)
Investments in fixed deposits	(753.04)	(3,593.29)
Maturity proceeds from fixed deposits	2,700.53	6,626.97
Bill discounting on behalf of a related party (net) (refer note 46)	87.85	(217.63)
Dividend from joint venture company	40.80	27.20
Interest received from bank deposits	204.59	398.64
Net cash flow from / (used in) investing activities (B)	(2,395.18)	(1,137.68)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Soft loan received from SIPCOT	131.41	-
Interest paid	(0.11)	(3.47)
Proceeds from issue of equity share capital under employee stock option plan / restricted stock units plan (refer note 19C and 49) (including security premium)	11.22	6.49
Lease receivables	7.18	5.06
Interest on lease liability paid	(3.50)	(4.37)
Repayment of lease liabilities	(12.84)	(13.39)
Dividend paid	(574.19)	(464.67)
Net cash flow from / (used in) financing activities (C)	(440.83)	(474.35)
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(28.90)	(42.03)
Cash and cash equivalents at the beginning of the year	20.64	62.67
Cash and cash equivalents at the end of the year	(8.26)	20.64

Particulars	As at March 31, 2023	As at March 31, 2022
Components of cash and cash equivalents		
Cash on hand	0.01	0.02
Balances with banks:		
In current accounts	27.57	26.60
Cash and cash equivalents as per balance sheet (refer note 15)	27.58	26.62
Bank overdrafts (refer note 21)	35.84	5.98
Cash and cash equivalents as per statement of cash flows	(8.26)	20.64

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 11, 2023

Date: May 11, 2023

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

Vidhya Srinivasan
Chief Financial Officer

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Atul Sharma
Company Secretary

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 11, 2023.

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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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.

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.



NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Sale of goods

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

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance (RSA), Free Service Coupons (FSC), etc.). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

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

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section 3.16 Provisions.

The Company provides a one to three years warranty beyond fixing defects that existed at

the time of sale. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the goods and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised on the service-type warranty to the extent of actual cost incurred on rendering the warranty service.

Agency services

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.17 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.



NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Leases

The Company assesses at the contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less 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 3.1.3 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



NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

assessment of an option to purchase the underlying asset.

iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset are classified as finance leases.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

In case of finance lease, as a lessor, the company recognises, at the commencement date, assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Interest rate implicit is used to measure the net investment in the lease. Initial direct costs, other than those incurred by the company, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is arrived in such a way that the initial direct costs are included automatically in the net investment in the lease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

(a) fixed payments less any lease incentives payable, (b) variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date; (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee, (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

At the commencement date, as a manufacturer or dealer the Company recognises the following for each of its finance leases:

(a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest; (b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and (c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which Ind AS 115 applies. The company also recognise selling profit or loss on a finance lease at the commencement date, regardless of whether the company transfers the underlying asset as described in Ind AS 115."

The company as a manufacturer or dealer lessor recognises as an expense costs incurred in connection with obtaining a finance lease at the commencement date because they are mainly related to earning the manufacturer or dealer's selling profit. Costs incurred by the company in connection with obtaining a finance lease are excluded from the definition of initial direct costs and, thus, are excluded from the net investment in the lease.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Subsequent measurement:

The company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The finance income is allocated over the lease term on a systematic and rational basis. The company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The company applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The company reviews regularly estimated unguaranteed residual values used in computing the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, the company revises the income allocation over the lease term and recognises immediately any reduction in respect of amounts accrued.

3.5 Foreign currencies

The financial statements are presented in Indian Rupees, which is also the functional currency of the Company. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Transactions in foreign currencies are initially recorded by the foreign operation at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operation, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for practical reasons, the Company uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

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

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are initially recognised in the financial statements of the Company in the other comprehensive income. 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.



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3.7 Government grants

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

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

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

3.8 Retirement and other employee benefits Provident fund

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

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

measures each unit separately to build up the final obligation.

(ii) The employees, who are not covered under the scheme stated in 3.8 (i) above, are covered in a defined contribution scheme wherein their portion of provident fund is contributed to the government administered provident fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

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

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- ♦ service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- ♦ net interest expense or income; and
- ♦ re-measurement

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

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

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.9 Share-based payment arrangements

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

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 49.

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

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

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

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



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the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

- ◆ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ◆ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.11 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Freehold land is not depreciated.

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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 0 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 (including unit of production) 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 (except in respect of moulds and dies covered above)
Furniture and fixtures	10
Office equipment	5
Vehicles	5

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

3.12 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately and intangible assets not yet available for use are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Internally-generated intangible assets - research and development expenditure

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

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

- ♦ the technical feasibility of completing the intangible asset so that it will be available for use or sale
- ♦ the intention to complete the intangible asset and use or sell it;



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- ♦ 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.

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

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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.

Onerous contracts

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs



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and an allocation of costs directly related to contract activities).

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.17 Financial instruments

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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 through profit or loss.

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)

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

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

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

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

Investments in subsidiaries and joint ventures are carried at cost in the separate financial statements.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

3.19 Financial liabilities and equity instruments

Classification as financial liability or equity

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

Equity instruments

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

Financial liabilities

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as



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

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.20 Derivative Instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation"

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- ♦ There is 'an economic relationship' between the hedged item and the hedging instrument.

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- ♦ The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- ♦ The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Company designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from

the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above."

3.21 Cash and cash equivalent

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

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

3.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of



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non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.23 Cash dividend

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India a distribution is authorised when it is approved by the shareholders. However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is

sought to be declared. A corresponding amount is recognised directly in equity.

3.24 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Cost							
At March 31, 2021	85.95	813.51	2,086.72	37.24	203.15	90.10	3,316.67
Additions	-	15.72	286.64	1.29	29.23	29.82	362.70
Disposals	-	1.45	48.54	2.24	7.96	11.33	71.52
Adjustments (Exchange difference)	-	(1.01)	(1.02)	(0.03)	(0.32)	(0.29)	(2.67)
At March 31, 2022	85.95	826.77	2,323.80	36.26	224.10	108.30	3,605.18
Additions	-	119.26	286.34	3.46	42.49	28.10	479.65
Disposals	-	0.12	45.01	1.58	3.27	16.30	66.28
Adjustments (Exchange difference)	-	1.68	1.76	0.07	0.57	0.81	4.89
At March 31, 2023	85.95	947.59	2,566.89	38.21	263.89	120.91	4,023.44
Accumulated depreciation							
At March 31, 2021	-	144.24	1,086.52	19.81	131.53	46.27	1,428.37
Charge for the year	-	34.86	259.36	4.39	35.74	18.07	352.42
Disposals	-	1.30	47.12	1.60	7.73	8.30	66.05
Adjustments (Exchange difference)	-	(0.18)	(0.28)	(0.02)	(0.32)	(0.25)	(1.05)
At March 31, 2022	-	177.62	1,298.48	22.58	159.22	55.79	1,713.69
Charge for the year	-	37.30	305.63	4.03	38.99	18.91	404.86
Disposals	-	0.15	43.28	1.37	3.37	12.01	60.18
Adjustments (Exchange difference)	-	0.37	0.61	0.05	0.60	0.78	2.41
At March 31, 2023	-	215.14	1,561.44	25.29	195.44	63.47	2,060.78
Carrying amount							
At March 31, 2022	85.95	649.15	1,025.32	13.68	64.88	52.51	1,891.49
At March 31, 2023	85.95	732.45	1,005.45	12.92	68.45	57.44	1,962.66

Immovable property not held in the name of the Company

Description of item of property	Property location	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold land	Alwar, Rajasthan and Jhajjar, Haryana	0.74	Eicher Tractors Ltd.	No	August 2, 2004	The properties were acquired through Group restructuring and the Company is taking necessary steps to get the properties registered in its name.

Property, plant and equipment of the Company at Oragadam and Thiruvottiyur units upto the carrying value of Rs. 361.01 crores are secured by first charge towards the Soft loan obtained from SIPCOT.



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5. CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress*		
Opening	133.38	59.78
Additions	420.30	436.36
Capitalised	479.65	362.70
Adjustments (Exchange difference)	0.13	(0.06)
Closing	74.16	133.38

As at March 31, 2023

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	58.53	14.08	1.23	0.32	74.16
Projects temporarily suspended	-	-	-	-	-
Other Capital work-in-progress	-	-	-	-	-
Total	58.53	14.08	1.23	0.32	74.16

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023

As at March 31, 2022

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	110.14	18.34	0.12	-	128.60
Projects temporarily suspended	-	-	-	-	-
Other Capital work-in-progress	3.41	1.13	0.24	-	4.78
Total	113.55	19.47	0.36	-	133.38

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

* Capital work in progress comprises of expenditure for plant in the course of construction and machineries yet to be installed.

6. INTANGIBLE ASSETS

Particulars	Product designs, prototypes etc	Computer softwares	Total
Cost			
At March 31, 2021	384.94	135.52	520.46
Additions	36.35	30.98	67.33
Disposals / write off	-	0.06	0.06
Adjustments (Exchange difference)	(2.95)	(0.14)	(3.09)
At March 31, 2022	418.34	166.30	584.64
Additions	184.25	41.75	226.00
Disposals / write off	-	-	-
Adjustments (Exchange difference)	4.93	0.23	5.16
At March 31, 2023	607.53	208.29	815.81



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Particulars	Product designs, prototypes etc	Computer softwares	Total
Accumulated amortisation			
At March 31, 2021	96.44	85.13	181.57
Charge for the year	46.46	30.76	77.22
Disposals / write off	-	0.06	0.06
Adjustments (Exchange difference)	(1.29)	(0.14)	(1.43)
At March 31, 2022	141.61	115.69	257.30
Charge for the year	59.19	34.30	93.49
Disposals / write off	-	-	-
Adjustments (Exchange difference)	2.89	0.25	3.14
At March 31, 2023	203.69	150.24	353.93
Carrying amount			
At March 31, 2022	276.73	50.61	327.34
At March 31, 2023	403.84	58.05	461.88

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development*		
Opening	370.80	250.38
Additions	241.85	191.11
Capitalised	226.00	67.33
Adjustments (Exchange difference)	7.67	(3.36)
Closing	394.32	370.80

As at March 31, 2023

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	155.90	94.36	58.98	85.08	394.32
Projects temporarily suspended	-	-	-	-	-
Other Intangible assets under development	-	-	-	-	-
Total	155.90	94.36	58.98	85.08	394.32

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023

As at March 31, 2022

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	132.13	86.65	65.93	86.09	370.80
Projects temporarily suspended	-	-	-	-	-
Other Intangible assets under development	-	-	-	-	-
Total	132.13	86.65	65.93	86.09	370.80

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

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



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8 & 9. INVESTMENTS IN SUBSIDIARIES & JOINT VENTURES

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Non-current	Non-current
Unquoted Investments		
(a) Investment in equity instruments of subsidiary companies (at cost)		
7,90,41,569 (March 31, 2022 : 7,90,41,569) shares of Brazilian Real 1 each fully paid up of Royal Enfield Brasil Comércio de Motocicletas Ltda	121.01	121.01
1,00,000 (March 31, 2022 : 1,00,000) shares of Royal Enfield North America Limited (no face value)	34.17	34.17
2,29,50,000 (March 31, 2022 : 2,29,50,000) shares of Thai Bhat 5 each fully paid up of Royal Enfield (Thailand) Limited	25.76	25.76
1,00,000 (March 31, 2022 : 1,00,000) shares of GBP 1 each fully paid up of Royal Enfield UK Limited	0.93	0.93
Sub-total (A)	181.87	181.87
(b) Investment in equity instruments of joint venture companies (at cost)		
54,40,000 (March 31, 2022 : 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, 2022 : 32,54,89,000) Equity shares of Rs.10 each fully paid up of Eicher Polaris Private Limited	325.49	325.49
Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013)*	-	-
Sub-total	330.93	330.93
Less: Impairment in value of investments in Eicher Polaris Private Limited	(325.49)	(325.49)
Sub-total (B)	5.44	5.44
Total (A+B)	187.31	187.31

* Cost of investment is stated as Rs. Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of Rs. 2,50,000 has been charged to the Statement of Profit and Loss in the financial year 2015-16.

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Financial Assets :

10. INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Unquoted Investments				
(a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL)				
(i) 16,80,000 (March 31, 2022 : 16,80,000) Equity shares of Rs. 10 per share fully paid up of Suryadev Alloys and Power Private Limited	5.04	-	5.04	-
(ii) 5,20,000 (March 31, 2022 : 5,20,000) Equity shares of Rs. 10 per share fully paid up of Flamesun Solar Private Limited	4.16	-	4.16	-
(b) Investment in equity instruments of companies at fair value through other comprehensive income (FVTOCI)				
(i) 55,363 (March 31, 2022 : Nil) Equity shares of Rs. 10 per share fully paid up of Stark Future S.L., #	443.03	-	-	-
Sub-total (A)	452.23	-	9.20	-
# During the year, Company has made a strategic investment in the equity shares of a Spanish electric mobility Company, Stark Future SL (investee), for 50 million Euro which represents a 11.48% (undiluted basis) stake in the investee as on March 31, 2023. The Company has determined that it cannot exercise any significant influence over the investee (Note 39).				
Quoted Investments				
(c) (i) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	6,561.09	122.91	5,058.06	331.50
(c) (ii) Investments in Target Maturity Index Funds at fair value through other comprehensive income (FVTOCI)**	2,503.32	-	-	-
Sub-total (B)	9,064.41	122.91	5,058.06	331.50
(d) Investment in instruments carried at amortized cost	355.76	96.98	270.69	93.20
Sub-total (C)	355.76	96.98	270.69	93.20
Total (A+B+C)	9,872.40	219.89	5,337.95	424.70
** Exchanged trade funds/Target Maturity Index funds follows a passive buy and hold strategy to receive contractual cash flows except for meeting redemption and rebalance requirements. Investments in such funds are classified as FVTOCI considering the business model of the Company to realize cashflows from these investments realised on maturity or upon sale.				
Aggregate carrying value of quoted investments	9,420.17	219.89	5,328.75	424.70
Aggregate market value of quoted investments	9,418.84	219.97	5,337.57	426.04
Aggregate carrying value of unquoted investments	452.23	-	9.20	-
Category-wise investments - as per Ind AS 109 Classifications				
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in equity instruments	9.20	-	9.20	-
Quoted				
Investment in mutual funds	6,561.09	122.91	5,058.06	331.50
Financial assets carried at fair value through other comprehensive income (FVTOCI)				
Unquoted				
Investment in equity instruments	443.03	-	-	-
Quoted				
Investment in mutual funds	2,503.32	-	-	-
Financial assets carried at amortized cost				
Quoted				
Investment in bonds	355.76	96.98	270.69	93.20



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11. LOANS / BILL DISCOUNTING

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, considered good		
Loans to employees	0.04	0.04
Bill discounting on behalf of a related party# (refer note 46)	588.90	676.75
Total	588.94	676.79

Disclosure required under Sec 186(4) of the Companies Act, 2013

Represents bills discounted to vendors of VE Commercial Vehicles Limited (VECV) at 7.3% to 8.7% per annum and the credit period up to 120 days. The balances at any point in time have remained within the overall sanction limit.

12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Security deposits	18.78	18.39
Bank deposits with remaining maturity greater than twelve months	-	47.76
Lease receivables (refer note 52)	-	6.75
Total	18.78	72.90
Current		
Unsecured, considered good		
Insurance claim receivable	0.80	8.76
Interest accrued on fixed deposits and bonds	22.22	50.23
Lease receivables (refer note 52)	2.16	1.89
Derivative asset	0.05	0.06
Others	9.19	4.76
Total	34.42	65.70

13. INVENTORIES

(At lower of cost and net realizable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials [includes in transit Rs. 84.17 crores (previous year Rs. 48.57 crores)]	454.25	381.32
Work in progress	36.36	41.62
Finished goods	307.46	369.52
Traded goods	81.74	78.81
Stores and spares	18.07	17.47
Loose tools	13.06	9.63
Total	910.94	898.37

Inventories are net of non-moving/slow-moving provisions amounting to Rs. 17.81 crores (March 31, 2022 : Rs. 50.61 crores). These were recognised as an expense during the year in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 3.15.



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14. TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	330.66	294.52
Receivables from related parties (refer note 46)	371.36	198.35
Total	702.02	492.87
Current		
Considered good - secured	112.39	116.04
Considered good - unsecured	589.63	376.83
Receivables - credit impaired	5.39	2.10
Trade receivables	707.41	494.97
Less: Provision for doubtful receivables	(5.39)	(2.10)
Total	702.02	492.87

Trade receivables ageing

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	
Undisputed trade receivables - considered good	616.45	84.82	0.59	0.16	-	-	702.02
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	3.40	0.50	0.17	0.06	0.53	4.66
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	0.73	0.73
Total	616.45	88.22	1.09	0.33	0.06	1.26	707.41

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	
Undisputed trade receivables - considered good	417.02	65.33	4.91	2.49	1.40	1.72	492.87
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	0.70	0.02	0.05	0.21	0.35	1.33
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	0.02	-	0.67	0.08	0.77
Total	417.02	66.03	4.95	2.54	2.28	2.15	494.97

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule

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

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

Export sales carry credit period of 0 to 270 days, depending on the contractual terms with respective customers.

For terms and condition for related party sales refer note 46.



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15. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.01	0.02
Balances with banks:		
In current accounts	27.57	26.60
Total	27.58	26.62

At March 31 2023, the Company had available Rs. 64.16 crores (March 31, 2022: Rs. 94.02 crores) of undrawn borrowing facilities. The Company has pledged a part of its fixed deposits to fulfil collateral requirements.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.01	0.02
Balances with banks:		
In current accounts	27.57	26.60
Total	27.58	26.62
Bank overdrafts (refer note 21)	35.84	5.98
Cash and cash equivalents as per statement of cash flows Total	(8.26)	20.64

Changes in liabilities arising from financing activities

Particulars	April 1, 2022	Net cash flows	Others	March 31, 2023
Lease receivables	8.35	(7.18)	0.70	1.87
Obligation under finance lease	46.98	(16.34)	10.89	41.53
Total liabilities from financing activities	55.33	(23.52)	11.59	43.40

Changes in liabilities arising from financing activities

Particulars	April 1, 2021	Net cash flows	Others	March 31, 2022
Lease receivables	12.07	(5.06)	1.34	8.35
Obligation under finance lease	60.20	(17.76)	4.54	46.98
Total liabilities from financing activities	72.27	(22.83)	5.88	55.33

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16. OTHER BANK BALANCES

Particulars	As at March 31, 2023	As at March 31, 2022
In unpaid dividend accounts #	14.84	14.65
Unspent CSR accounts #	12.66	16.75
On deposit accounts		
- Original maturity between three and twelve months*	649.27	617.91
- Original maturity greater than twelve months	91.54	2,022.63
Total	768.31	2,671.94

There are restrictions in the balances in Unpaid Dividend accounts and Unspent CSR accounts.

* The bank deposits amounting to Rs. 100 crores (March 31, 2022: Rs. 100 crores) are earmarked against the overdraft facility.

17. OTHER ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Capital advances	76.96	97.41
Prepaid expenses	47.57	30.60
Balance with government authorities	21.30	10.92
Total	145.83	138.93
Current		
Unsecured, considered good		
Other advances		
Advance to suppliers		
Considered good	123.08	133.78
Considered doubtful	21.34	18.00
	144.42	151.78
Less: Provision for doubtful balance	(21.34)	(18.00)
	123.08	133.78
Advance to employees	11.98	4.33
Prepaid expenses	40.98	37.51
Balance with government authorities		
Considered good	64.01	46.98
Considered doubtful	1.11	1.11
	65.12	48.09
Less: Provision for doubtful balance	(1.11)	(1.11)
	64.01	46.98
Government grant receivable	7.76	18.21
Total	247.81	240.81



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18. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Equity share capital		
30,00,00,000 Equity shares of Re. 1 each (March 31, 2022 : 30,00,00,000 Equity shares of Re. 1 each)	30.00	30.00
Total	30.00	30.00
Issued, subscribed and fully paid up		
27,34,81,570 Equity shares of Re. 1 each (March 31, 2022 : 27,34,23,102 Equity shares of Re. 1 each)	27.35	27.34
Total	27.35	27.34

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(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, 2023		For the year ended March 31, 2022	
	Nos.	Rs. in crores	Nos.	Rs. in crores
At the beginning of the year	27,34,23,102	27.34	27,33,35,922	27.33
Issued during the year - ESOP (refer note 49)	58,468	0.01	87,180	0.01
Outstanding at the end of the year	27,34,81,570	27.35	27,34,23,102	27.34

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust				
At the beginning of the year	12,03,06,480	44.00%	12,03,06,480	44.01%
Outstanding at the end of the year	12,03,06,480	43.99%	12,03,06,480	44.00%

(iii) Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in note 49.

(b) Preference share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Preference share capital		
1,01,000 (March 31, 2022 : 1,01,000) Redeemable preference shares of Rs. 100 each	1.01	1.01
Total	1.01	1.01

The Company has not issued any preference shares.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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(c) Details of equity shares held by promoters

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 1 each fully paid					
Ms. Simran Lal	31,52,410	-	31,52,410	1.15%	0.00%
Ms. Tara Lal	31,49,940	-	31,49,940	1.15%	0.00%
Mr. Siddhartha Lal	29,46,940	(33,000)	29,13,940	1.07%	(0.01)%#
The Simran Siddhartha Tara Benefit Trust (Trustee- Vikram Lal)	12,03,06,480	-	12,03,06,480	43.99%	(0.01)%*
The Brinda Lal Trust, Trustee- Vikram Lal	48,57,070	-	48,57,070	1.78%	0.00%
Karvansarai Investments Private Limited	1,51,430	-	1,51,430	0.06%	0.00%
Tara Lal Trust, Trustee- Vikram Lal	324	-	324	0.00%	0.00%
Raul Rai	445	48	493	0.00%	0.00%
Siddhartha Lal Trust	-	33,000	33,000	0.01%	0.01%#
Total	13,45,65,039	48	13,45,65,087	49.20%	

% Change due to transfer of 33,000 equity shares to the Promoter Group

*Change in shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan 2006 and Restricted Stock Unit Plan 2019, during the FY 2022-23.

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 1 each fully paid					
Ms. Simran Lal	31,52,410	-	31,52,410	1.15%	0.00%
Ms. Tara Lal	31,49,940	-	31,49,940	1.15%	0.00%
Mr. Siddhartha Lal	29,46,940	-	29,46,940	1.08%	0.00%
The Simran Siddhartha Tara Benefit Trust (Trustee- Vikram Lal)	12,03,06,480	-	12,03,06,480	44.00%	(0.01)%**
The Brinda Lal Trust, Trustee- Vikram Lal	48,57,070	-	48,57,070	1.78%	0.00%
Karvansarai Investments Private Limited	1,51,430	-	1,51,430	0.06%	0.00%
Tara Lal Trust, Trustee- Vikram Lal	-	324	324	0.00%	0.00%
Raul Rai	-	445	445	0.00%	0.00%
Total	13,45,64,270	769	13,45,65,039	49.22%	

**Change in shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan 2006 and Restricted Stock Unit Plan 2019, during the FY 2021-22.



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19. OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserves	0.25	0.25
Capital redemption reserve	1.41	1.41
Securities premium	257.67	241.05
General reserves	339.89	339.89
Share based payments reserve	58.31	40.96
Foreign currency translation reserve	43.19	31.02
Hedge reserve	0.04	0.04
Debt instruments through other comprehensive income	3.85	-
Retained earnings	12,154.94	10,112.61
Total	12,859.55	10,767.23

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
C Securities premium		
Opening balance	241.05	225.00
Add : Proceeds from issue of equity shares	11.21	6.48
Add : Transferred from share options outstanding account	5.41	9.57
Closing balance	257.67	241.05

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
E Share based payments reserve		
Opening balance	40.96	79.87
Add : Share-based expense during the year	22.76	(29.34)
Less : Transferred to securities premium on issue of shares	5.41	9.57
Closing balance	58.31	40.96

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan/ restricted stock units plan. Further information about share-based payments to employees is set out in note 49.

Particulars	As at March 31, 2023	As at March 31, 2022
F Foreign currency translation reserve		
Opening balance	31.02	37.81
Add : Exchange differences in translation of foreign operations	12.17	(6.79)
Closing balance	43.19	31.02

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, 2023	As at March 31, 2022
G Hedge reserve		
Opening balance	0.04	-
Add: Gain/(loss) recognised on cash flow hedges	-	0.04
Closing balance	0.04	0.04

The Company uses hedging instruments as part of its management of foreign currency risk associated with trade receivables. For hedging foreign currency risk, the Company uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges are reclassified to the statement of profit and loss when the hedged item affects profit or loss.



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Particulars	As at March 31, 2023	As at March 31, 2022
H Debt instruments through other comprehensive income		
Opening balance	-	-
Add: Other comprehensive income for the year	3.85	-
Closing balance	3.85	-

This reserve represents cumulative gains (net of losses) arising on revaluation of Debt instruments measured through Other Comprehensive Income, net of amounts reclassified, if any to the profit/loss account, if such instruments are disposed off.

Particulars	As at March 31, 2023	As at March 31, 2022
I Retained earnings		
Opening balance	10,112.61	8,993.44
Add: Profit for the year	2,622.59	1,586.22
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	(6.07)	(2.38)
Less: Dividend for FY 2020-21 paid in FY 2021-22 (amount per share Rs. 17)	-	464.67
Less: Dividend for FY 2021-22 paid in FY 2022-23 (amount per share Rs. 21)	574.19	-
Total appropriations	574.19	464.67
Balance at end of year	12,154.94	10,112.61

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

20. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits received	15.51	14.81
Total	15.51	14.81
Current		
Employee dues	127.20	112.40
Capital creditors	68.51	72.97
Unpaid dividend *	14.84	14.65
Unspent CSR liabilities (refer note 51)	44.79	41.72
Provision for constructive obligation towards the discontinued operations of a joint venture	4.01	4.01
Derivative liabilities	-	0.02
Total	259.35	245.77

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



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21. BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Secured		
- From Others		
Soft loan - State Industries Promotion Corporation of Tamilnadu Ltd. (SIPCOT)*	62.96	-
Current	62.96	-
Secured		
- From bank		
Overdraft facility**	35.84	5.98
Total	35.84	5.98

*Soft loan from SIPCOT is at a subsidised interest rate of 0.1 % per annum. The principal amount of the loan is repayable after 10 years and interest is payable quarterly. The loan is secured by first charge on the Property, plant and equipment of the Company at Oragadam and Thiruvottiyur units with a carrying value of Rs. 361.01 crores

**Secured overdraft facility carries interest @ 5.60 % per annum, secured by the Company's fixed deposits of Rs. 100 crores

The Company has not defaulted on any loans payable.

22. TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 42)	29.45	37.78
Sub-total (A)	29.45	37.78
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Other trade payables	1,645.99	1,651.82
Trade payables to related parties (refer note 46)	77.26	74.86
Sub-total (B)	1,723.25	1,726.68
Total (A+B)	1,752.70	1,764.46

As at March 31, 2023

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				Total
		< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	29.45	-	-	-	29.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	650.80	1,072.45	-	-	-	1,723.25
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	650.80	1,101.90	-	-	-	1,752.70



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As at March 31, 2022

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				Total
		< 1 year	1 - 2 years	2 - 3 years	> 3 years	
		Total outstanding dues of micro enterprises and small enterprises	-	37.78	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	699.09	1,027.55	-	-	-	1,726.64
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	0.04	-	-	-	0.04
Total	699.09	1,065.37	0.00	0.00	0.00	1,764.46

For terms and conditions pertaining to related party dues, refer note 46

23. PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Employee benefits - refer note (i) below	30.97	7.35
Warranties - refer note (ii) below	70.37	59.98
Total	101.34	67.33
Current		
Employee benefits - refer note (i) below		
Compensated absences	0.43	18.42
Other employee benefits	0.28	0.22
Sub-total (A)	0.71	18.64
Warranties - refer note (ii) below	139.48	76.53
Onerous contract - refer note (ii) below	14.18	25.87
Sub-total (B)	153.66	102.40
Total (A+B)	154.37	121.04

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.

(ii) Movement in warranties and onerous contract provisions

As at March 31, 2023

Particulars	Warranties	Onerous contract
Opening balance	136.51	25.87
Arising during the year	137.21	5.52
Amount utilized during the year	68.33	17.21
Unwinding of discount and changes in the discount rate	4.46	-
Closing balance	209.85	14.18



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As at March 31, 2022

Particulars	Warranties	Onerous contract
Opening balance	90.20	-
Arising during the year	92.76	25.87
Amount utilized during the year	48.86	-
Unwinding of discount and changes in the discount rate	2.41	-
Closing balance	136.51	25.87

The provision for warranty claims represents the present value of the management's best estimate of the future economic costs that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

24. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	239.73	228.15
Investments measured at FVTPL	101.89	41.66
Loan from State Industries Promotion Corporation of Tamilnadu Ltd.	17.23	-
Others	11.21	8.17
Sub-total (A)	370.06	277.98
Less: Deferred tax assets on		
Accrued expenses deductible on payment	2.10	1.23
Deferred revenue	46.17	33.35
Provision for compensated absences and other employee benefits	5.93	4.64
Provision for doubtful debts and advances	6.17	6.39
Lease	2.56	2.41
Others	3.73	7.10
Sub-total (B)	66.66	55.12
Total (A-B)	303.40	222.86



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Movement of deferred tax liabilities/assets For the year ended March 31, 2023

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	228.15	11.58	-	239.73
Investments measured at FVTPL	41.66	60.23	-	101.89
Loan from State Industries Promotion Corporation of Tamilnadu Ltd.	-	17.23	-	17.23
Others	8.17	3.04	-	11.21
Sub-total (A)	277.98	92.08	-	370.06
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.23	0.87	-	2.10
Deferred revenue	33.35	12.82	-	46.17
Provision for compensated absences and other employee benefits	4.64	1.29	-	5.93
Exchange differences in translating the financial statements of foreign operations	-	4.09	(4.09)	-
Debt instruments through other comprehensive income	-	1.30	(1.30)	-
Remeasurement of defined benefit obligation	-	(2.04)	2.04	-
Provision for doubtful debts and advances	6.39	(0.22)	-	6.17
Lease	2.41	0.15	-	2.56
Others	7.10	(3.37)	-	3.73
Sub-total (B)	55.12	14.89	(3.35)	66.66
Total (A-B)	222.86	77.18	3.35	303.40

For the year ended March 31, 2022

Particulars	Opening balance	Recognized in profit or loss	Recognized in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	205.33	22.82	-	228.15
Investments measured at FVTPL	36.12	5.54	-	41.66
Others	8.04	0.13	-	8.17
Sub-total (A)	249.49	28.49	-	277.98
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.18	0.05	-	1.23
Deferred revenue	11.90	21.45	-	33.35
Provision for compensated absences and other employee benefits	4.01	0.63	-	4.64
Exchange differences in translating the financial statements of foreign operations	-	(2.27)	2.27	-
Gains/(losses) in cash flow hedges	-	(0.01)	0.01	-
Remeasurement of defined benefit obligation	-	(0.80)	0.80	-
Provision for doubtful debts and advances	5.40	0.99	-	6.39
Lease	3.18	(0.77)	-	2.41
Others	2.69	4.41	-	7.10
Sub-total (B)	28.36	23.68	3.08	55.12
Total (A-B)	221.13	4.81	(3.08)	222.86



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25. CURRENT TAX LIABILITIES / NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Tax liabilities		
Provision for current tax (net)	220.69	170.11
Total	220.69	170.11
Tax assets		
Advance income tax (net)	82.51	83.10
Total	82.51	83.10

26. GOVERNMENT GRANT

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	96.37	63.76
Total	96.37	63.76
Current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	32.45	19.38
Total	32.45	19.38

- (i) The deferred revenue arises as a result of:
- The benefit received/receivable 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 (HMRC).
 - 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 property, plant and equipment / intangible assets.

- (ii) Movement in Government grant

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	83.14	79.03
Additions during the year	70.02	20.87
Amount recognised as income during the year	24.34	16.76
Closing balance	128.82	83.14



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27. CONTRACT LIABILITY

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Contract liability	178.89	168.08
Total	178.89	168.08

28. OTHER LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred revenue	336.38	236.54
Total	336.38	236.54
Current		
Advance from customers	126.19	147.64
Deferred revenue	138.58	49.38
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	115.52	74.86
Others	16.53	9.25
Total	396.82	281.13

29. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations		
Revenue from contract with customers (Goods transferred at a point in time)		
Manufactured goods	13,029.45	9,329.98
Traded goods	781.34	594.56
Revenue from contract with customers (Services transferred over time)		
Others	64.19	58.56
Sub-total (A)	13,874.98	9,983.10
Other operating revenue		
Government grant (Export incentives)	83.34	76.05
Scrap sale	34.42	25.76
Income from other operating revenues	73.90	37.95
Sub-total (B)	191.66	139.76
Total (A+B)	14,066.64	10,122.86

Also refer accounting policy 3.3 on Revenue from contract with customers

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Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Details of products sold		
Manufactured goods		
Two wheelers	12,029.62	8,567.42
Spare parts and other components	999.83	762.56
Total	13,029.45	9,329.98
Traded goods		
Accessories and other allied products	781.34	594.56
Total	781.34	594.56
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	14,089.74	10,148.04
Adjustments:		
- Trade Discount	90.12	53.50
- Incentives	32.38	42.66
- Deferral of revenue (FSC, RSA) and others	92.26	68.78
Total	13,874.98	9,983.10

Contract Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	702.02	492.87
Contract liabilities	178.89	168.08

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount of Revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	151.91	227.24

30. OTHER INCOME

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on financial assets carried at amortized cost		
Bank deposits and bonds	135.52	208.11
Discount on bills (refer note 46)	39.88	34.28
Others	1.18	1.85
	176.58	244.24
Dividend income		
Dividend from joint venture company	40.80	27.20
	40.80	27.20



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Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Other non-operating income		
Grant income on soft loan from SIPCOT	45.75	-
Gain on financial instruments at fair value through profit or loss (mutual funds)	301.12	155.30
Other income	49.08	25.30
Profit on sale of property, plant and equipment	1.34	0.90
Finance income on lease	0.70	1.34
Exchange gain (net)	24.47	-
	422.46	182.84
Total	639.84	454.28

31. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	381.32	280.88
Add: Purchases	8,041.48	6,023.28
	8,422.80	6,304.16
Less: Inventory at the end of the year	454.25	381.32
Less: Material cost of vehicles capitalized	5.89	3.01
	7,962.66	5,919.83
Less: Sale of raw materials to suppliers on cost to cost basis	150.34	160.39
Total	7,812.32	5,759.44

32. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accessories and other allied products	252.75	226.18
Total	252.75	226.18

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods	307.46	369.52
Work-in-progress	36.36	41.62
Traded goods	81.74	78.81
A	425.56	489.95
Inventories at the beginning of the year		
Finished goods	369.52	345.08
Work-in-progress	41.62	39.42
Traded goods	78.81	81.69
B	489.95	466.19
Net change (B-A)	64.39	(23.76)



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34. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	834.96	734.11
Contribution to provident and other funds (refer note 43)	29.01	24.39
Share-based payments (refer note 49)	22.76	(29.34)
Staff welfare expenses	48.34	47.67
Total	935.07	776.83

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

35. FINANCE COSTS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		
On other borrowings	5.01	3.47
Unwinding of discount on provisions	4.46	2.41
Interest on lease liabilities (refer note 52)	3.50	4.37
Total	12.97	10.25

36. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 4)	404.86	352.88
Amortization of intangible assets (refer note 7)	93.49	76.76
Amortization of right of use assets (refer note 52)	13.70	15.88
Total	512.05	445.52



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37. OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of Stores and machinery spares (including loose tools and packing material)	261.96	198.30
Loss on sale of property, plant and equipment and intangible assets	0.89	4.76
Power and fuel	72.91	55.71
Insurance	33.54	28.91
Repairs and maintenance		
Buildings	6.27	3.28
Plant and equipment	44.02	48.28
Others	83.78	81.19
Rates and taxes	4.56	3.75
Advertisement	25.41	16.63
Freight and handling charges	198.90	149.25
Provision for warranty and onerous contract	144.64	118.54
Other selling and distribution expenses	389.77	274.82
Expense related to short term leases	27.88	22.97
Legal and professional charges*	49.57	64.02
Travelling expenses	102.81	46.72
Development expenses	14.40	11.53
Corporate social responsibility expenditure (refer note 51)	45.18	52.71
Provision for doubtful debts and advances (including write off)	6.58	1.38
Exchange loss (net)	-	6.07
Miscellaneous expenses	95.54	81.79
Total	1,608.61	1,270.61

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors:		
a) For audit	0.40	0.40
b) For limited reviews of unaudited financial results	0.32	0.23
c) For other services	0.25	0.09
d) For reimbursement of expenses	0.06	-
Total	1.03	0.72
In other capacity:		
a) For other services	0.14	0.12
Total	0.14	0.12



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38. INCOME TAX RECOGNIZED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
In respect of the current year	808.55	521.04
Sub-total (A)	808.55	521.04
Deferred tax		
Relating to origination and reversal of temporary differences	77.18	4.81
Sub-total (B)	77.18	4.81
Total income tax expense recognized in the current year (A+B)	885.73	525.85

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	3,508.32	2,112.07
Income tax expense calculated at 25.168% (previous year @ 25.168%)	882.97	531.57
Effect on long-term capital gain from investment in mutual funds	(66.72)	(16.81)
Effect of ESOP expenses not deductible in determining taxable profits	5.73	(7.38)
Effect of income exempt from taxation	(9.99)	(6.46)
Effect of mark to market on mutual funds	60.23	11.43
Effect of CSR Expenses	11.37	13.27
Others	2.14	0.23
	885.73	525.85
Income tax expense recognized in statement of profit and loss	885.73	525.85
Income tax rate :		
Basic rate	22.000%	22.000%
Surcharge - 10% (applied on basic rate)	2.200%	2.200%
Cess - 4% (applied on basic plus surcharge)	0.968%	0.968%
	25.168%	25.168%

Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax charge/(benefit)		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	4.09	(2.29)
Gains/(losses) in cash flow hedges	-	0.01
Debt instruments through other comprehensive income	1.30	-
Remeasurement of defined benefit obligation	(2.04)	(0.80)
Total income tax recognized in other comprehensive income	3.35	(3.08)
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that may be reclassified to profit or loss	5.39	(2.28)
Items that will not be reclassified to profit or loss	(2.04)	(0.80)
Total	3.35	(3.08)



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39. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

Recoverability of intangible assets and intangible assets under development

The Company has various internally generated intangible assets either capitalised or under development. Initial recognition of the expenditure under these assets are based on assessing each asset in relation to the specific recognition criteria to be met for capitalisation, for e.g. technological and economic feasibility and the ability of the asset to generate economic benefits in the future. 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 date. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

Equity investments designated at FVTOCI

Equity instruments designated at fair value through OCI include investments in equity shares of Stark Future S.L., for a non-controlling interests of 11.48% (undiluted basis). This investment was irrevocably designated at initial recognition as fair value through OCI considering it to be strategic in nature.

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. 81.44 crores (March 31, 2022 : Rs. 70.10 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 228.13 crores (March 31, 2022 : Rs. 172.44 crores).



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41. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2023	As at March 31, 2022
a) In respect of following:		
- Excise duty matters	18.69	18.97
- Sales tax matters	6.66	7.04
- Service tax matters	0.39	0.39
- Customs duty matters	3.48	3.48
- Goods and Services tax	2.00	0.25
b) Claims against the Company not acknowledged as debts	11.73	10.84
c) Guarantees given:-	274.77	252.82
to bank/others for credit facility granted to 100% subsidiary Company		
- Dues outstanding	96.90	52.86

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

42. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	29.45	37.78
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	0.00	0.01
(iii) The amount of payment made to the supplier beyond the appointed day	0.65	4.40
(iv) The amount of interest due and payable for the year	0.01	0.06
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.08	0.07
(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, 2023	For the year ended March 31, 2022
Detail of amount recognized as expense for defined contribution plans is given below:-		
a) Provident fund*	19.64	17.57
b) Superannuation fund	0.34	0.38
c) Employee State Insurance Corporation	0.06	0.08
d) Other funds	18.45	14.47
Total	38.49	32.50

*includes Rs. 0.83 crores (March 31, 2022: Rs. 0.58 crores) capitalized during the year and Rs. 8.65 crores (March 31, 2022: Rs. 7.53 crores) considered in pre-operative expenditure (pending allocation)

Out of the total contribution made for employees' provident fund, Rs. 7.41 crores (March 31, 2022: Rs. 6.55 crores) is made to Eicher Executive Provident Fund Trust, while the remaining contribution has been made to government administered provident fund.



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B. Defined benefit plans:

The Defined benefit plan of the 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, 2023 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.

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, 2023	As at March 31, 2022
Discount rate	7.40%	7.25%
Future salary increase	7.25%	7.00%
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, 2023	For the year ended March 31, 2022
Service cost:		
Current service cost	6.30	4.86
Net Interest expense	-	-
Components of defined benefit costs recognized in profit or loss	6.30	4.86
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	0.73	0.32
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.71	0.50
Actuarial (gains)/ losses arising from experience adjustments	6.67	2.36
Components of defined benefit costs recognized in other comprehensive income	8.11	3.18
Total	14.41	8.04

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The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present Value of funded defined benefit obligation	47.28	35.33
Fair value of plan assets	47.28	35.33
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, 2023	For the year ended March 31, 2022
Opening defined obligation	35.33	29.20
Current service cost	6.30	4.86
Interest cost	2.56	2.00
Actuarial (gains)/ losses	7.39	2.86
Benefits paid	(4.30)	(3.59)
Closing defined benefit obligation	47.28	35.33

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

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets@	35.33	29.20
Interest income	2.56	2.00
Actuarial gains/ (losses)	(0.73)	(0.32)
Contribution	14.42	8.04
Benefit paid	(4.30)	(3.59)
Closing fair value of plan assets@	47.28	35.33

@Funds managed by EML Employees Company Gratuity Scheme (Trust).

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

The Fair value of the plan assets at the end of reporting period for each category are as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Government securities	23.04	15.28
Debt instruments categorized by issuers' credit rating:		
AAA	17.73	15.27
AA+/AA/A1+	2.86	2.18
Cash, deposits, Equity, etc.,	3.65	2.60
Total	47.28	35.33

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. 1.84 crores for the year ended March 31, 2023.



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

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 3.42 crores (increase by Rs. 3.80 crores) [as at March 31, 2022: Decrease by Rs. 2.39 crores (increase by Rs. 2.65 crores)].
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 3.79 crores (decrease by Rs. 3.44 crores) [as at March 31, 2022: Increase by Rs. 2.64 crores (decrease by Rs. 2.41 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, 2023	As at March 31, 2022
Average duration of the defined benefit obligation (in years)	19.63	19.80

The estimated contribution during next year is Rs. 7.37 crores (March 31, 2022 : Rs. 5.57 crores) to the defined benefit plan.

44. EARNINGS PER SHARE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (in Rs.)	95.91	58.02
Diluted earnings per share (in Rs.)	95.74	57.96
Basic earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
Profit for the year, per statement of profit and loss (Rs. in crores)	2,622.59	1,586.22
Weighted average number of equity shares for the purposes of basic earnings per share	27,34,54,538	27,33,93,761
Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.		
Profit for the year, per statement of profit and loss (Rs. in crores)	2,622.59	1,586.22
Weighted average number of equity shares for the purposes of basic earnings per share	27,34,54,538	27,33,93,761
Shares deemed to be issued for no consideration in respect of :		
- employee stock option plan / restricted stock units plan	4,61,430	2,76,259
Weighted average number of equity shares for the purposes of diluted earnings per share	27,39,15,968	27,36,70,020

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45. SEGMENT REPORTING DISCLOSURE

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2023	12,231.32	1,835.32	14,066.64
For the year ended March 31, 2022	8,566.08	1,556.78	10,122.86
Revenue from operations - External			
For the year ended March 31, 2023	12,189.78	1,120.28	13,310.06
For the year ended March 31, 2022	8,530.19	1,083.02	9,613.21
Non-current segment assets			
As at March 31, 2023	2,670.48	813.93	3,484.41
As at March 31, 2022	2,600.11	714.03	3,314.15

- 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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46. RELATED PARTY DISCLOSURES UNDER IND AS 24

a. Related party disclosures

Name of related parties and their relationship:

Name of related party		Nature of Relationship
Royal Enfield North America Ltd.	(RENA)	Subsidiary company
Royal Enfield Canada Ltd.	(RECA)	100% subsidiary company of RENA
Royal Enfield Brasil Comercio de Motocicletas Ltda	(RE Brasil)	Subsidiary company
Royal Enfield (Thailand) Ltd.	(RET)	Subsidiary company
Royal Enfield (UK) Ltd	(REUK)	Subsidiary company
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
VECV Lanka (Private) Limited	(VECV Lanka)	Subsidiary company of VECVL
VECV South Africa (PTY) Ltd.	(VECV Africa)	Subsidiary company of VECVL
VE Electro-Mobility Limited	(VEEM)	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	(EETF)	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
Shardul Amarchand Mangaldas & Co.		Director 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 (up to August 13, 2021)
Mr. B Govindarajan	Whole-time Director & Chief Executive Officer of Royal Enfield (w.e.f August 18, 2021)
Mr. S. Sandilya	Chairman
Ms. Manvi Sinha	Independent director
Mr. Inder Mohan Singh	Independent director
Mr. Vinod Aggarwal	Non-executive director
Mr. Kaleeswaran Arunachalam	Chief Financial Officer (up to September 2, 2022)
Ms. Vidhya Srinivasan	Chief Financial Officer (w.e.f November 18, 2022)
Mr. Manhar Kapoor	Company Secretary (up to March 11, 2022)
Mr. Atul Sharma	Company Secretary (w.e.f August 10, 2022)

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

Particulars	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Siddhartha Lal	Remuneration		
	Short-term benefits		
	Salary (including perquisites)	13.68	13.00
	Statutory contributions*	3.33	2.81
	Commission	10.48	8.19
		27.49	24.00
Mr. Vinod K. Dasari	Remuneration		
	Short-term benefits	-	11.80
	Share based payments	-	12.78
		-	24.58
Mr. B Govindarajan	Remuneration		
	Short-term benefits	5.45	3.34
	Post-employment benefits	0.60	0.39
	Other long-term benefits	0.53	0.31
		6.58	4.04
Mr. S. Sandilya	Sitting fees	0.07	0.05
	Commission	0.45	0.41
Ms. Manvi Sinha	Sitting fees	0.07	0.04
	Commission	0.24	0.21
Mr. Inder Mohan Singh	Sitting fees	0.07	0.04
	Commission	0.24	0.21
Mr. Kaleeswaran Arunachalam	Remuneration		
	Short-term benefits	1.48	2.32
	Post-employment benefits	-	0.04
	Other long-term benefits	-	0.05
		1.48	2.41
Ms. Vidhya Srinivasan	Remuneration		
	Short-term benefits	0.87	-
	Post-employment benefits	0.01	-
	Other long-term benefits	0.02	-
		0.90	-
Mr. Manhar Kapoor	Remuneration		
	Short-term benefits	-	1.24
	Post-employment benefits	-	0.10
	Other long-term benefits	-	0.08
		-	1.42
Mr. Atul Sharma	Remuneration		
	Short-term benefits	0.23	-
	Post-employment benefits	0.02	-
	Other long-term benefits	0.02	-
		0.27	-

*represents National Insurance payable to HMRC UK on fixed salary and commission

Post-employment benefits and other long-term benefits mentioned above were accrued and not paid as on March 31, 2023



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d. Transactions with the related parties

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
	Purchase of raw materials and components / services	241.31	150.51
VE Commercial Vehicles Limited	Expenses recovered	-	0.62
	Corporate service charges	2.07	1.80
	Dividend income	40.80	27.20
	Discount on bills	39.88	34.28
Eicher Polaris Private Limited	Expenses reimbursed	-	0.25
	Corporate service charges	0.96	0.99
Eicher Goodearth Private Limited	Rent	4.00	4.72
	Brand fees	5.00	25.10
Royal Enfield North America Ltd	Guarantee given / forex revaluation (increase)/decrease	(12.72)	0.26
	Sale of products	316.89	202.42
	Expenses reimbursed	12.75	18.51
Royal Enfield Brasil Comercio de Motocicletas Ltda	Guarantee given / forex revaluation (increase)/decrease	(6.70)	(2.29)
	Sale of products	191.55	91.22
	Supply of Completely Knocked Down (CKD) tools/consumables	8.87	-
	Expenses reimbursed	5.00	2.32
	Investment in share capital of subsidiary company	-	111.19
Royal Enfield (Thailand) Ltd	Guarantee given / forex revaluation (increase)/decrease	(2.26)	(15.64)
	Sale of products	53.56	24.85
	Supply of Completely Knocked Down (CKD) tools/consumables	0.10	-
	Expenses recovered	0.75	0.42
	Expenses reimbursed	7.54	0.33
Royal Enfield UK Limited	Royalty income	1.91	0.40
	Investment in share capital of subsidiary company	-	7.26
	Sale of products	151.13	154.87
	Expenses recovered	14.63	16.57
Eicher Group Foundation	Sales and marketing service expense	10.36	1.06
	Corporate social responsibility expenditure	45.18	52.71
Eicher Executive Provident Fund	Contribution to provident fund	7.41	6.55
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	0.26	0.28
Eicher Motors Limited Employees Gratuity Trust	Contribution to gratuity fund	14.42	8.04
	Benefits paid	(4.30)	(3.59)
Sunshine Automobiles	Sale of motorcycles, spares, apparel and accessories	41.54	35.88
	Payment for Free service coupon and warranty claims	0.71	0.47
Shardul Amarchand Mangaldas & Co.	Professional charges	0.66	0.16

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e. Balances outstanding at the year end

Name of related party	Nature	As at March 31, 2023	As at March 31, 2022
VE Commercial Vehicles Limited	Trade payables	56.05	41.79
	Corporate service charges	0.21	0.16
	Advances	0.12	0.02
	Bills discounted	588.90	676.75
Eicher Group Foundation	Receivable of surplus on CSR unspent fund	0.06	1.59
Eicher Goodearth Private Limited	Security deposits receivable	1.09	1.09
	Corporate service charges	0.22	0.23
Eicher Goodearth India Private Limited	Trade payables	5.00	25.10
Royal Enfield North America Ltd	Trade receivables	76.20	97.83
	Trade payables	5.54	6.05
	Guarantee given (including forex revaluation)	156.21	143.49
Royal Enfield Brasil Comercio de Motocicletas Ltda	Trade receivables	187.32	61.46
	Trade Payables	0.66	0.10
	Guarantee given (including forex revaluation)	82.22	75.52
Royal Enfield (Thailand) Ltd	Trade receivables	9.17	7.57
	Trade Payables	0.11	0.10
	Guarantee given (including forex revaluation)	27.79	25.53
Royal Enfield UK Limited	Trade receivables	98.67	31.48
	Trade Payables	9.90	1.83
Mr. Siddhartha Lal	Commission payable (including National insurance)	11.93	9.32
Non-executive and independent directors	Commission payable	0.93	0.83
Sunshine Automobiles	Security deposit payable	0.02	0.02
	Advances received towards vehicles, spares, apparel and accessories sales	0.45	0.87
Eicher Executive Provident Fund	Contribution to provident fund	0.63	0.52
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	0.02	0.02

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022 : 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 270 days with respect to receivables from RET, RENA RE Brasil and RE UK Ltd.

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 Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options. The Company uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers risks associated with the movement in the working capital.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

The following table summarizes the capital of the Company:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	98.80	5.98
Less: cash and cash equivalents (refer note 15)	(27.58)	(26.62)
Net debt*	71.22	-
Share capital	27.35	27.34
Other equity	12,859.55	10,767.23
Total Equity	12,886.90	10,794.57
Gearing ratio	0.55%	-

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

47.1 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	9.20	9.20
Investments in mutual funds	6,561.09	5,058.06
Current		
Investments in mutual funds	122.91	331.50
Financial assets at fair value through other comprehensive income		
Non-current		
Investments in mutual funds	2,503.32	-
Investments in equity	443.03	-
Current		
Derivative asset	0.05	0.06

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Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets at amortized cost		
Non-current		
Investments in bonds	355.76	270.69
Other financial assets	18.78	72.90
Current		
Investments in bonds	96.98	93.20
Trade receivables	702.02	492.87
Cash and bank balances	795.89	2,698.56
Loans / Bill discounting	588.94	676.79
Other financial assets	34.37	65.64
Financial liabilities at fair value through other comprehensive income		
Current		
Derivative liability		
Financial liabilities at amortized cost	-	0.02
Non-current		
Borrowings	62.96	-
Lease liability	27.57	34.64
Other financial liabilities	15.51	14.81
Current		
Borrowings	35.84	5.98
Lease liability	13.96	12.34
Trade payables	1,752.70	1,764.46
Other financial liabilities	259.35	245.77

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 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.



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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, 2023		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	9.20
Investments in mutual funds	6,561.09	-	-
Current			
Investments in mutual funds	122.91	-	-
Financial assets at fair value through other comprehensive income			
Non-current			
Investments in mutual funds	2,503.32	-	-
Investments in equity	-	-	443.03

Particulars	Fair value as at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	9.20
Investments in mutual funds	5,058.06	-	-
Current			
Investments in mutual funds	331.50	-	-

* represents the investments in equity of Suryadev Alloys & Power Private Limited and Flamesun Solar Private Limited. As per the share purchase agreement between the Company and these parties, in case of termination or as the case may be, the Company shall transfer the equity shares to the person nominated by each party (Nominated person) as may be prescribed and consideration to receive in this regard shall be the same amount as paid by the Company towards purchase of these equity investments (cost of purchase).

Fair value of the 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, 2023		March 31, 2022	
	Carrying amount	Fair value (Level 1)	Carrying amount	Fair value (Level 1)
Financial assets at amortized cost				
Non-current				
Investments in instruments	355.76	354.43	270.69	279.51
Current				
Investments in instruments	96.98	97.06	93.20	94.54



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The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- The fair value of bonds is based on quoted prices and market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year and the previous year.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in foreign currency in crores)

Foreign currency exposure	As at March 31, 2023		As at March 31, 2022	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	3.97	0.37	2.79	0.41
EURO	2.68	0.10	2.41	0.04
GBP	0.97	0.13	0.44	0.25
JPY	-	3.83	-	10.04
THB	3.80	0.04	3.34	0.04
Others	-	0.02	-	0.01



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Foreign currency sensitivity

The company uses the sensitivity rate of 5% when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. In the opinion of the management, the sensitivity of increase or decrease of Rs. 31.27 crores (March 31, 2022: Rs. 20.59 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	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at beginning of the year	20.10	18.74
Add: Provided during the year	6.63	1.38
Less: Amounts written off	-	0.02
Balance at end of the year	26.73	20.10

Other price risks including interest rate risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, etc. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower, the profit for the year ended March 31, 2023 would increase/decrease by Rs. 91.87 crores (for the year ended March 31, 2022: increase/decrease by Rs. 53.90 crores).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Since the Company's borrowings which are affected by interest rate fluctuation is very insignificant to the size and operations of the Company, therefore, a change in interest rate risk does not have a material impact on the Company's financial statements in relation to fair value of financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	As at March 31, 2023			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Borrowings	-	-	62.96	62.96
(ii) Lease liability	-	26.01	8.92	34.93
(iii) Other financial liabilities	-	-	15.51	15.51
Current				
(i) Borrowings	35.84	-	-	35.84
(ii) Lease liability	16.86	-	-	16.86
(iii) Trade payables	1,752.70	-	-	1,752.70
(iv) Other financial liabilities	259.35	-	-	259.35

Particulars	As at March 31, 2022			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liability	-	35.12	8.95	44.07
(ii) Other financial liabilities	-	-	14.81	14.81
Current				
(i) Borrowings	5.98	-	-	5.98
(ii) Lease liability	15.73	-	-	15.73
(iii) Trade payables	1,764.46	-	-	1,764.46
(iv) Other financial liabilities	245.77	-	-	245.77

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

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.



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The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant, provided that the Exercise Price shall not be less than the closing market price of the shares of the Company on NSE/BSE on the day preceding the date of grant of Options.

The options vested can be exercised at any time until completion of seven years from the date of vesting. Any options remaining unexercised at the end of the exercise period shall lapse. At the time of exercise, the participant may pay the exercise price in the form as approved by the Nomination and Remuneration Committee in accordance with the terms of the ESOP, 2006.

Each stock option, when exercised, is convertible into one equity share of the Company. No amount is payable by the option grantee on grant of option. The options carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

Details of the Employee Stock Option Plan, 2006 of the Company

The following share-based payment arrangements were in existence during the current and prior years :

Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(ii)	20,89,000	22-Oct-07	3 Years	21-Oct-17	46.20	24.39
(iii)	4,00,000	29-Apr-10	1 Year	28-Apr-18	69.50	15.46
(iv)	1,54,000	8-Nov-10	3 Years	7-Nov-20	141.10	24.39
(v)	10,82,000	6-May-11	3-5 Years	5-May-21	116.20	62.51
(vi)	54,000	11-Feb-12	3-5 Years	10-Feb-22	177.00	96.71
(vii)	50,000	16-Dec-13	3-5 Years	15-Dec-23	491.50	252.20
(viii)	1,60,000	11-Aug-14	3-5 Years	10-Aug-24	847.75	433.63
(ix)	54,000	12-Nov-14	3-5 Years	11-Nov-24	1,299.37	655.57
(x)	20,000	12-Jan-15	1 Year	11-Jan-25	1,473.90	762.66
(x)	2,03,000	12-Jan-15	3-5 Years	11-Jan-25	1,473.90	739.39
(xi)	45,000	20-Mar-15	3-5 Years	20-Mar-25	1,611.20	829.56
(xii)	5,30,000	8-May-15	3-5 Years	7-May-25	1,480.70	774.20
(xiii)	65,900	21-Jul-15	3-5 Years	20-Jul-25	2,124.80	1,111.25
(xiv)	78,000	6-Nov-15	3-5 Years	5-Nov-25	1,767.80	901.05
(xv)	42,000	5-Feb-16	3-5 Years	4-Feb-26	1,689.40	856.59
(xvi)	24,000	27-Apr-16	3-5 Years	26-Apr-26	2,014.80	1,005.58
(xvii)	21,000	28-Jul-16	3-5 Years	27-Jul-26	2,034.00	1,043.71
(xviii)	30,000	28-Oct-16	3-5 Years	27-Oct-26	2,449.20	1,175.40
(xix)	18,000	1-Feb-17	3-5 Years	31-Jan-27	2,302.80	1,087.56
(xx)	35,000	27-Mar-17	3-5 Years	26-Mar-27	2,435.00	1,160.12
(xxi)	13,500	9-Aug-17	3-5 Years	8-Aug-27	3,212.10	1,497.35
(xxii)	15,000	14-Nov-17	3-5 Years	13-Nov-27	3,058.50	1,452.09
(xxiii)	21,000	7-Feb-18	3-5 Years	6-Feb-28	2,757.90	1,272.97
(xxiv)	45,000	2-Apr-18	3-5 Years	1-Apr-28	2,837.30	1,293.48
(xxv)	12,500	9-May-18	3-5 Years	8-May-28	3,042.70	1,409.20
(xxvi)	24,000	9-Aug-18	3-5 Years	8-Aug-28	2,759.40	1,288.71
(xxvii)	28,000	12-Nov-18	3-5 Years	11-Nov-28	2,249.60	1,046.94
(xxviii)	12,500	11-Feb-19	3-5 Years	10-Feb-29	2,084.80	961.54
(xxix)	10,00,000	1-Apr-19	3-7 Years	31-Mar-33	2,054.80	762.89
(xxx)	36,000	1-Aug-19	3-5 Years	31-Jul-31	1,634.90	745.52
(xxxi)	82,500	6-May-20	3-5 Years	5-May-32	1,381.10	446.24

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Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(xxxii)	4,27,500	6-May-20	3 Years	5-May-30	1,381.10	386.16
(xxxiii)	6,000	13-Aug-20	3 Years	12-Aug-30	2,211.70	639.70
(xxxiv)	10,000	10-Feb-21	3 Years	9-Feb-31	2,948.00	875.95
(xxxvi)	3,28,500	27-May-21	3 Years	26-May-31	2,633.50	782.21
(xxxvi)	2,00,000	27-May-21	3-4 Years	26-May-31	2,633.50	829.69
(xxxvii)	50,000	3-Nov-21	3 Years	2-Nov-31	2,543.00	744.18

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is Rs. Nil (March 31, 2022 : Rs. 795.34). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model

Option series

Particulars	(xxxv)	(xxxvi)	(xxxvii)
Grant date share price	2,633.50	2,633.50	2,542.50
Exercise price	2,633.50	2,633.50	2,543.00
Expected volatility	37.75%	34.62%	36.29%
Option life	3 Years	4 Years	3 Years
Dividend yield	0.67%	0.67%	0.64%
Risk-free interest rate	4.73%	5.37%	5.07%

Movements in share options during the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	11,31,808	1,998.65	18,97,658	1,881.43
Granted during the year	-	-	5,78,500	2,623.62
Forfeited during the year	(1,35,150)	1,628.58	(13,07,170)	2,113.28
Exercised during the year	(58,468)	1,917.06	(37,180)	1,743.45
Balance at end of the year	9,38,190	2,057.05	11,31,808	1,998.65
Exercisable at the end of the year	1,43,190	1,861.48	1,86,808	1,854.54

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Share-based payments	13.40	(29.34)



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Share options exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise Price Rs
For the year ended March 31, 2023			
(xiv) Granted on November 6, 2015	2,750	13-May-22	1,767.80
(xv) Granted on February 5, 2016	1,000	13-May-22	1,689.40
(xxxi) Granted on May 6, 2020	2,000	13-May-22	1,381.10
(xiv) Granted on November 6, 2015	1,668	10-Aug-22	1,767.80
(x) Granted on January 12, 2015	4,200	10-Aug-22	1,473.90
(xiii) Granted on July 21, 2015	10,000	10-Aug-22	2,124.80
(xxx) Granted on August 1, 2019	6,000	10-Aug-22	1,634.90
(xviii) Granted on October 28, 2016	5,000	10-Aug-22	2,449.20
(x) Granted on January 12, 2015	2,100	10-Nov-22	1,473.90
(xiii) Granted on July 21, 2015	9,200	10-Nov-22	2,124.80
(xxx) Granted on August 1, 2019	6,000	10-Nov-22	1,634.90
(xv) Granted on February 5, 2016	3,000	10-Nov-22	1,689.40
(xxxv) Granted on May 27, 2021	2,000	10-Nov-22	2,633.50
(xiii) Granted on July 21, 2015	3,550	14-Feb-23	2,124.80
	58,468		
Weighted average exercise price	1,917.06		
For the year ended March 31, 2022			
(xii) Granted on May 8, 2015	2,500	27-May-21	1,480.70
(ix) Granted on November 12, 2014	4,000	12-Aug-21	1,299.37
(xiv) Granted on November 6, 2015	2,750	12-Aug-21	1,767.80
(xiv) Granted on January 12, 2015	4,500	12-Aug-21	1,473.90
(xv) Granted on February 05, 2016	4,000	25-Oct-21	1,689.40
(ix) Granted on November 12, 2014	4,600	03-Nov-21	1,299.37
(xiv) Granted on November 06, 2015	2,750	03-Nov-21	1,767.80
(xx) Granted on November 12, 2018	9,330	14-Feb-22	2,249.60
(xiii) Granted on July 21, 2015	2,750	14-Feb-22	2,124.80
	37,180		
Weighted average exercise price	1,743.45		

Share options outstanding at end of the year

Options series	Options outstanding		Remaining contractual life in years		Exercise Price Rs.
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
(viii) 11-Aug-14	20,000	20,000	1.36	2.36	847.75
(ix) 12-Nov-14	-	-	-	-	1,299.37
(x) 12-Jan-15	-	-	-	-	1,473.90
(x) 12-Jan-15	-	6,300	1.78	2.78	1,473.90
(xii) 8-May-15	50,640	50,640	2.10	3.10	1,480.70
(xiii) 21-Jul-15	6,250	43,650	2.30	3.30	2,124.80
(xiv) 6-Nov-15	-	4,418	2.60	3.60	1,767.80
(xv) 5-Feb-16	7,000	11,000	2.85	3.85	1,689.40
(xvi) 27-Apr-16	9,000	9,000	3.07	4.07	2,014.80
(xvii) 28-Jul-16	17,800	17,800	3.32	4.32	2,034.00

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Options series	Options outstanding		Remaining contractual life in years		Exercise Price Rs.
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
(xviii) 28-Oct-16	-	5,000	3.58	4.58	2,449.20
(xxi) 9-Aug-17	13,500	13,500	4.36	5.36	3,212.10
(xxii) 14-Nov-17	15,000	15,000	4.62	5.62	3,058.50
(xxx) 1-Aug-19	24,000	36,000	8.33	9.33	1,634.90
(xxxix) 6-May-20	-	4,000	9.10	10.10	1,381.10
(xxxix) 6-May-20	3,27,000	4,27,500	7.10	8.10	1,381.10
(xxxiv) 10-Feb-21	10,000	10,000	7.87	8.87	2,948.00
(xxxv) 27-May-21	1,88,000	2,08,000	8.16	9.16	2,633.50
(xxxvi) 27-May-21	2,00,000	2,00,000	8.16	9.16	2,633.50
(xxxvii) 3-Nov-21	50,000	50,000	8.59	9.59	2,543.00
	9,38,190	11,31,808			

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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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Detail of Restricted Stock Units Plan, 2019 ("RSU 2019")

The following share-based payment arrangements were in existence during the current year

Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(iii)	50,000	1-Apr-21	1 Year	31-Mar-29	1.00	2,526.34
(iv)	1,30,430	12-May-22	3 year	11-May-32	1.00	2,342.87
(v)	10,750	10-Nov-22	3 year	9-Nov-32	1.00	3,665.42
(vi)	3,300	18-Nov-22	3 year	17-Nov-32	1.00	3,379.52

Fair value of stock units granted in the year

The weighted average fair value of the stock units granted during the financial year is Rs. 2,464.95 (March 31, 2022 : Rs. 2,526.34). 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)	(iii)
Grant date share price	1,634.81	1,309.60	2,603.95
Exercise price	1.00	1.00	1.00
Expected volatility	30.62%	32.32%	37.32%
Option life	4.5 years	4.5 years	4.5 years
Dividend yield	0.75%	0.67%	0.67%
Risk-free interest rate	6.52%	5.86%	5.79%

Inputs into the Black Scholes options pricing model model

Particulars	Option series		
	(iv)	(v)	(vi)
Grant date share price	2,389.15	3,732.95	3,441.85
Exercise price	1.00	1.00	1.00
Expected volatility	35.83%	33.59%	33.68%
Option life	3 years	3 years	3 years
Dividend yield	0.64%	0.60%	0.60%
Risk-free interest rate	6.94%	7.55%	7.21%

Movements in share options during the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	-	-	50,000	1.00
Granted during the year	1,44,480	1.00	50,000	1.00
Forfeited during the year	(6,600)	-	(50,000)	-
Exercised during the year	-	-	(50,000)	1.00
Expired during the year	-	-	-	-
Balance at end of the year	1,37,880	1.00	-	-
Exercisable at the end of the year	-	-	-	-



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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
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Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Share-based payments	9.36	-

Stock units exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2023			
Nil	Nil	Nil	Nil
For the year ended March 31, 2022			
(i) Granted on April 1, 2020	50,000	27-May-21	1.00

Share options outstanding at end of the year

Options series	Options outstanding	Remaining contractual life in years		Exercise Price Rs.	
		As at March 31, 2023	As at March 31, 2022		As at March 31, 2023
(iv) 12-May-22	1,23,830	-	2.12	-	1.00
(v) 10-Nov-22	10,750	-	2.61	-	1.00
(vi) 18-Nov-22	3,300	-	2.64	-	1.00
	1,37,880	-			

50. CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 538.05 crores (March 31, 2022 : Rs. 434.49 crores).

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.



NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

51. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Gross amount required to be spent and approved by the board to be spent#	45.18	52.71
(b) Amount spent:		
During the year ending on March 31, 2023:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above*	13.05	-
During the year ending on March 31, 2022:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above*	-	27.74
(c) Unspent amount in relation to:		
(i) Ongoing project	32.13	24.97
(ii) Other than ongoing project	-	-
# Includes surplus generated on unspent CSR balances amounting to Rs. 0.06 crores (March 31, 2022: 1.59 crores)		
*Includes administrative expenses	1.88	2.07

Details of ongoing project and other than ongoing project for FY 22-23

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company*	In Separate CSR Unspent A/c*		From Company's bank A/c	From Separate CSR Unspent A/c	With Company**	In Separate CSR Unspent A/c
-	41.72	45.18	13.05	29.06	32.13	12.66

* The amount of Rs. 24.97 Crores was transferred to separate CSR unspent account during April, 2022 as per MCA circular no. 14/2021 dated 25th August 2021.

** The unspent amount pertaining to the FY 2022-23 was transferred to the separate CSR unspent account in April, 2023 as per the CSR Rules.

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

Details of ongoing project and other than ongoing project for FY 21-22

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With company**	In Separate CSR Unspent A/c**		From Company's bank a/c	From Separate CSR	With company*	In Separate CSR
-	24.92	52.71	27.74	8.17	24.97	16.75

** The amount was transferred to unspent account in September 2021 post clarification by MCA vide circular no.14/2021 dated 25th August 2021.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

In case of S. 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	-	-	-

CSR activities undertaken directly or through Eicher Group Foundation (EGF) majorly includes sustainable initiatives for transforming rural communities, strengthening and upgradation of education system, protection of heritage, art and culture & responsible travel initiatives at Uttarakhand & North Eastern Himalayas.

The Company's projects are long term and money is spent depending upon the requirement of the projects. During the financial year 2022-23, Rs. 13.05 crores (March 31, 2022: 27.74 crores) was spent as per the requirements of CSR projects and the unspent amount of Rs. 32.13 crores (March 31, 2022: 24.97 crores) is transferred to unspent CSR account pursuant to the CSR Rules subsequent to the year-end.

52. IND AS 116 LEASES

A. As a lessee

The Company has lease contracts for various buildings used in its operations. Leases of buildings generally have lease terms between 2 to 25 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options which are further discussed below.

The Company also has certain leases of buildings with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(i) Movement in the carrying value of the Right to Use Asset

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	144.43	37.37	181.80	145.96	50.21	196.17
Depreciation charge for the Period	(1.53)	(12.17)	(13.70)	(1.53)	(14.35)	(15.88)
Additions during the Period	-	7.51	7.51	-	1.57	1.57
Adjustment/Deletion	-	0.13	0.13	-	(0.06)	(0.06)
Closing Balance	142.90	32.84	175.74	144.43	37.37	181.80

(ii) Classification of current and non current liabilities of the lease liabilities

Particulars	As at March 31, 2023			As at March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Current liabilities	-	13.96	13.96	-	12.34	12.34
Non Current Liabilities	-	27.57	27.57	-	34.64	34.64
Total Lease liabilities	-	41.53	41.53	-	46.98	46.98



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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

(iii) Movement in the carrying value of the Lease Liability

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	-	46.98	46.98	-	60.20	60.20
Interest Expense	-	3.50	3.50	-	4.37	4.37
Lease Payments [Total Cash Outflow]	-	(16.34)	(16.34)	-	(19.06)	(19.06)
Additions during the year	-	7.28	7.28	-	1.57	1.57
Adjustments	-	0.11	0.11	-	(0.10)	(0.10)
Closing Balance	-	41.53	41.53	-	46.98	46.98

(iv) Contractual Maturities of Lease liability outstanding

Particulars	As at March 31, 2023			As at March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Less than one year	-	16.86	16.86	-	15.73	15.73
One to five Years	-	26.01	26.01	-	35.12	35.12
More than Five years	-	8.92	8.92	-	8.95	8.95
Total	-	51.79	51.79	-	59.80	59.80

Lease expenses relating to short term leases aggregated to Rs. 27.88 crores during the year ended March 31, 2023 (Rs. 22.97 crores during the year ended March 31, 2022).

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, 2023	For the year ended March 31, 2022
Amortisation of right-of-use assets	13.70	15.88
Interest expense on lease liabilities	3.50	4.37
Expense relating to short-term leases (included in other expenses)	27.88	22.97

B. As a lessor

Finance Lease

During the previous years, the Company has given office equipments on finance lease to its dealers for operational use by the dealers for servicing the customers of the Company. For the year ended March 31, 2023, the Company recognised interest income on lease receivables of Rs. 0.70 crores (March 31, 2022: Rs. 1.34 crores). 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, 2023	As at March 31, 2022
Less than one year		
Total Undiscounted lease receivables	2.28	2.57
Unearned finance income	0.12	0.68
Net investment in the lease	2.16	1.89
One to three years		
Total Undiscounted lease receivables	0.01	6.89
Unearned finance income	0.01	0.14
Net investment in the lease	-	6.75

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

53. The Board of Directors of the Company at their meeting held on May 11, 2023, considered and recommended a final dividend aggregating to Rs. 1,011.88 crores @ Rs. 37 per share (nominal value of Re. 1 per share) for the financial year ended March 31, 2023 (final dividend paid for previous financial year ended March 31, 2022 was Rs. 574.19 crores @ Rs. 21 per share of nominal value of Re. 1 per share).

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. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio: <i>Current Assets / Current Liabilities</i>	1.1	2.0	(45.0%)	Decrease is mainly due to liquidation of fixed deposits and same was re-invested in long term mutual funds
Debt- Equity Ratio: <i>Total Debt / Shareholder's Equity</i>	0.0	0.0	0.0%	Not applicable
Debt Service Coverage ratio: <i>Earnings for debt service = Net profit after taxes + Non-cash operating expenses / Debt service = Interest & Lease Payments + Principal Repayments</i>	190.7	113.9	67.4%	Change due to increase in the profits and reduction in the lease rentals compared to the previous year
Return on Equity ratio: <i>Net Profits after taxes – Preference Dividend / Average Shareholder's Equity</i>	0.2	0.2	0.0%	Not applicable
Inventory Turnover ratio: <i>Cost of goods sold / Average Inventory</i>	9.3	7.4	25.7%	Change due to increase in the operations while inventory levels remained the same
Trade Receivable Turnover Ratio: <i>Net credit sales = Gross credit sales - sales return / Average Trade Receivable</i>	2.9	3.8	(23.7%)	Not applicable
Trade Payable Turnover Ratio: <i>Net credit purchases = Gross credit purchases - purchase return / Average Trade Payables</i>	4.6	3.7	24.3%	Not applicable
Net Capital Turnover Ratio: <i>Net sales = Total sales - sales return / Working capital = Current assets – Current liabilities</i>	30.9	3.7	735.1%	Change is due to increase in sales from previous year and reduction in working capital compared to previous year (due to liquidation of fixed deposits in the current year and the same was re-invested in long term mutual funds)
Net Profit ratio: <i>Net Profit / Net sales = Total sales - sales return</i>	0.2	0.2	0.0%	Not applicable
Return on Capital Employed: <i>Earnings before interest and taxes / Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability</i>	26.4%	19.2%	37.5%	Change due higher Earnings before interest and taxes owing to increase in sales
Return on Investment: <i>Interest (Finance Income) / Average Investments</i>	4.7%	4.6%	2.2%	Not applicable



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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

56. OTHER STATUTORY INFORMATION

- (i) The Company has not defaulted on loans payable and have not been declared as wilful defaulter.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iii) The Company has not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the year.
- (iv) The Company does not have any transactions with companies struck off.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (ix) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (x) The Company has not granted any loans and advances to promoters, directors, KMPs and other related parties (as defined under Companies Act 2013) during the year.
- (xi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

57. STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 1, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.



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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 1, 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 1, 2023. The Company is currently assessing the impact of the amendments.

58. Previous year's figures have been recast/regrouped, wherever necessary to conform with the current period's presentation.

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

per Sanjay Vij
Partner
Membership No : 095169

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

Vidhya Srinivasan
Chief Financial Officer

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Place: Gurugram
Date: May 11, 2023

Date: May 11, 2023

Atul Sharma
Company Secretary

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Eicher Motors Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures comprising of the consolidated Balance sheet as at March 31, 2023, 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 its joint ventures as at March 31, 2023, 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 its joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. 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 by the management, 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 7 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>	<ul style="list-style-type: none"> ◆ We read 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>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ◆ We read the Group's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". ◆ We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers. ◆ We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to ensure that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms. ◆ We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation including dealers' confirmations, where necessary, to establish that sales and corresponding trade receivables are properly recorded in the correct period.



OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 their respective companies 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 their respective companies.

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, 2023 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

- (a) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose financial statements include total assets of Rs 309.91 crores as at March 31, 2023, and total revenues of Rs 381.49 crores and net cash inflows of Rs 2.50 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 by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 0.58 crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one joint venture and two subsidiaries of a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and subsidiaries of a joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and subsidiaries of a joint venture, is based solely on the reports of such other auditors.
- (b) Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and subsidiaries of joint venture 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 and subsidiaries of joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the joint ventures, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of 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, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its joint ventures, none of the directors of the Group's companies, and its joint ventures, incorporated in India, is disqualified as on March 31, 2023 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 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), and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" 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, 2023 has been paid / provided by the Holding Company and its joint ventures (other than Eicher Polaris Private Limited which is exempted from compliance with provisions of section 197, since the Company is a Private Limited Company) 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 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 its joint ventures in its consolidated financial statements – Refer Note 40 to the consolidated financial statements;
 - ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
 - 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 its joint ventures, incorporated in India during the year ended March 31, 2023.
 - iv. a) The respective managements of the Holding Company and its joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have



represented to us and the other auditors of such joint ventures respectively that, to the best of its knowledge and belief (refer note 55 to the consolidated financial statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such joint ventures to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such joint ventures respectively that, to the best of its knowledge and belief (refer note 55 to the consolidated financial statements), no funds have been received by the respective Holding Company or any of such joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable

and appropriate in the circumstances performed by us and that performed by the auditors of the joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v) The final dividend paid by the Holding Company, and its joint venture companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 53 to the consolidated financial statements, the respective Board of Directors of the Holding Company and its joint venture companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

- vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its joint venture companies incorporated in India, hence reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Membership Number: 095169

UDIN: 23095169BGXZY06142

Place of Signature: Gurugram

Date: May 11, 2023



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

Re: Eicher Motors Limited ('the Holding Company')

In terms of the information and explanations sought by us and given by the Holding company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, and consideration of report of the other auditors on separate financial statements and the other financial information of the joint ventures incorporated in India, we state that:

- xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Membership Number: 095169

UDIN: 23095169BGXZY06142

Place of Signature: Gurugram

Date: May 11, 2023

ANNEXURE 2 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, 2023, 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, 2023, 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: 23095169BGXZY06142

Place of Signature: Gurugram

Date: May 11, 2023



CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,999.65	1,910.78
(b) Capital work-in-progress	5	77.75	133.98
(c) Intangible assets	6	464.21	329.84
(d) Right of use assets	51	226.13	183.66
(e) Intangible assets under development	7	394.32	370.80
(f) Financial assets			
(i) Investments in joint ventures	8	2,228.37	1,957.94
(ii) Other investments	9	9,872.40	5,337.95
(iii) Other financial assets	11	19.28	73.01
(g) Non-current tax assets	24	86.47	83.12
(h) Other non-current assets	16	145.83	139.41
Total non-current assets		15,514.41	10,520.49
Current assets			
(a) Inventories	12	1,278.44	1,132.40
(b) Financial assets			
(i) Investments	9	219.89	424.69
(ii) Loans / Bill discounting	10	588.94	676.79
(iii) Trade receivables	13	368.92	302.04
(iv) Cash and cash equivalents	14	88.81	50.53
(v) Bank balances other than (iv) above	15	768.31	2,671.94
(vi) Other financial assets	11	34.42	65.75
(c) Other current assets	16	335.50	295.20
Total current assets		3,683.23	5,619.34
Total assets		19,197.64	16,139.83
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	27.35	27.34
(b) Other equity	18	14,962.93	12,580.66
Total equity		14,990.28	12,608.00
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	62.96	-
(ii) Lease liability	51	67.79	35.32
(iii) Other financial liabilities	19	15.51	14.82
(b) Provisions	22	102.46	67.96
(c) Deferred tax liabilities (net)	23	291.31	220.06
(d) Government grant	25	96.37	63.76
(e) Other non-current liabilities	27	336.38	236.54
Total non-current liabilities		972.78	638.46
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	132.74	58.84
(ii) Lease liability	51	24.92	13.55
(iii) Trade payables	21		
Total outstanding dues of micro and small enterprises	41	29.45	37.78
Total outstanding dues of creditors other than micro and small enterprises		1,780.99	1,750.31
(iv) Other financial liabilities	19	266.77	250.00
(b) Provisions	22	155.48	121.82
(c) Current tax liabilities	24	222.83	170.62
(d) Government grant	25	32.45	19.38
(e) Contract liability	26	180.10	170.14
(f) Other current liabilities	27	408.85	300.93
Total current liabilities		3,234.58	2,893.37
Total liabilities		4,207.36	3,531.83
Total equity and liabilities		19,197.64	16,139.83

See accompanying notes forming part of the consolidated 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 11, 2023

Date: May 11, 2023

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

Vidhya Srinivasan
Chief Financial Officer

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Atul Sharma
Company Secretary

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from contract with customers		14,175.90	10,127.07
Other operating income		266.28	170.76
Revenue from operations	28	14,442.18	10,297.83
Other income	29	595.11	440.82
Total Income		15,037.29	10,738.65
Expenses			
Cost of raw material and components consumed	30	7,843.95	5,765.24
Purchases of traded goods	31	431.20	339.03
Change in inventories of finished goods, work-in-progress and traded goods	32	(63.25)	(148.59)
Employee benefits expense	33	1,001.93	821.02
Finance costs	34	28.02	18.78
Depreciation and amortisation expense	35	526.21	451.93
Other expenses	36	1,784.77	1,348.88
Total expenses		11,552.83	8,596.29
Profit before share of profit of Joint venture and tax		3,484.46	2,142.36
Share of profit of joint venture (VE Commercial Vehicles Limited)		315.17	60.15
Profit before tax and after share of profit of Joint venture		3,799.63	2,202.51
Tax expense			
Current tax	37	819.13	521.42
Deferred tax	37	66.56	4.49
Total tax expense		885.69	525.91
Net profit after tax		2,913.94	1,676.60
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		19.65	(20.84)
Gains/(losses) in cash flow hedges		-	0.04
Debt instruments through other comprehensive income		5.15	-
Income tax effect	37	(6.24)	5.24
Share of other comprehensive income / (expense) in joint venture (net of tax)		(0.69)	(0.33)
		17.87	(15.89)
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		(8.11)	(3.18)
Income tax effect	37	2.04	0.80
Share of other comprehensive income / (expense) in joint venture (net of tax)		(3.25)	(0.89)
		(9.32)	(3.27)
Total Comprehensive income for the year (net of tax)		2,922.49	1,657.44
Profit for the year attributable to:			
- Equity holders of the parent/holding		2,913.94	1,676.60
- Non-controlling interests		-	-
Other comprehensive income for the year attributable to:			
- Equity holders of the parent/holding		8.55	(19.16)
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
- Equity holders of the parent/holding		2,922.49	1,657.44
- Non-controlling interests		-	-
Earnings per equity share of Re. 1 each (in Rs.)			
(a) Basic	43	106.56	61.33
(b) Diluted	43	106.38	61.26

See accompanying notes forming part of the consolidated 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

Vidhya Srinivasan Chief Financial Officer
B Govindarajan Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Place: Gurugram
Date: May 11, 2023

Date: May 11, 2023

Atul Sharma
Company Secretary
S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A EQUITY SHARE CAPITAL

	Number of Shares	Amount
As at April 01, 2021	27,33,35,922	27.33
Changes in equity share capital during the year		
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	87,180	0.01
Balance as at March 31, 2022	27,34,23,102	27.34
Changes in equity share capital during the year		
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	58,468	0.01
Balance as at March 31, 2023	27,34,81,570	27.35

B OTHER EQUITY

Particulars	Reserves and surplus						Items of OCI			Total equity
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserve	Retained earnings	Hedge reserve	Debt instruments through other comprehensive income	Foreign currency translation reserve	Total
Balance as at March 31, 2021	0.25	1.41	225.00	339.89	79.87	10,712.70	-	-	51.63	11,410.75
Profit for the year	-	-	-	-	-	1,676.60	-	-	-	1,676.60
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(3.27)	0.04	-	(15.93)	(19.16)
Total comprehensive income for the year	-	-	-	-	-	1,673.33	0.04	-	(15.93)	1,657.44
Share-based payments (refer note 48)	-	-	-	-	(29.34)	-	-	-	-	(29.34)
Payment of dividend	-	-	-	-	-	(464.67)	-	-	-	(464.67)
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	6.48	-	-	-	-	-	-	6.48
Transfer to securities premium on issue of shares	-	-	9.57	-	(9.57)	-	-	-	-	-
Balance as at March 31, 2022	0.25	1.41	241.05	339.89	40.96	11,921.36	0.04	-	35.70	12,580.66
Profit for the year	-	-	-	-	-	2,913.94	-	-	-	2,913.94
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(9.32)	-	3.85	14.02	8.55
Total comprehensive income for the year	-	-	-	-	-	2,904.62	-	3.85	14.02	2,922.49
Share-based payments (refer note 48)	-	-	-	-	22.76	-	-	-	-	22.76
Payment of dividend	-	-	-	-	-	(574.19)	-	-	-	(574.19)
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	11.21	-	-	-	-	-	-	11.21
Transfer to securities premium on issue of shares	-	-	5.41	-	(5.41)	-	-	-	-	-
Balance as at March 31, 2023	0.25	1.41	257.67	339.89	58.31	14,251.79	0.04	3.85	49.72	14,962.93

See accompanying notes forming part of the consolidated 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 11, 2023

Date: May 11, 2023

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

Vidhya Srinivasan
Chief Financial Officer

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Atul Sharma
Company Secretary

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax and after share of profit of Joint venture	3,799.63	2,202.51
Adjustments for:		
Share of profit of joint venture	(315.17)	(60.15)
Depreciation and amortisation expenses	526.21	451.93
Gain on disposal of property, plant and equipment	(1.83)	(1.09)
Loss on sale of property, plant and equipment	2.14	5.32
Grant income on soft loan from State Industries Promotion Corporation of Tamil Nadu Ltd. (SIPCOT)	(45.75)	-
Gain on financial instruments at fair value through profit or loss	(301.12)	(155.30)
Interest income recognised in profit or loss	(176.48)	(244.04)
Expenses recognised in respect of equity-settled share-based payments	22.76	(29.34)
Exchange difference on conversion of foreign branch and subsidiaries	19.65	(20.84)
Exchange difference on reinstatement of property, plant and equipment	(6.41)	2.78
Gains/(losses) in cash flow hedges	-	0.04
Debt instruments through other comprehensive income	5.15	-
Unrealised foreign exchange difference	(11.42)	1.27
Finance income on lease	(0.70)	(1.63)
Provision for doubtful debts and advances (including write off)	7.38	1.40
Finance costs recognized in profit or loss	28.02	18.78
Operating profit before changes in working capital	3,552.06	2,171.64
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	(0.78)	(50.39)
Other assets	(27.35)	(16.73)
Adjustments for (increase) / decrease in current assets:		
Inventories	(146.04)	(257.80)
Trade receivables	(59.04)	(146.57)
Other financial assets	7.68	(8.35)
Other assets	(43.64)	(100.01)
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	(0.13)	0.20
Provisions	30.03	42.99
Government grant	5.83	0.34
Other liabilities	99.84	113.04
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	22.15	283.38
Other financial liabilities	20.62	6.35
Provisions	25.55	28.45
Government grant	13.07	3.77
Contract liability	9.96	(57.53)
Other liabilities	107.92	27.88
Cash generated from operating activities	3,617.73	2,040.65
Direct taxes paid (net of refunds)	(770.27)	(513.61)
Net cash flow from / (used in) operating activities (A)	2,847.46	1,527.04

**CONSOLIDATED STATEMENT OF CASH FLOW**

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangible assets	(682.49)	(640.83)
Proceeds from disposal of property, plant and equipment and intangible assets	8.78	2.13
Investment in equity instruments	(443.03)	(4.16)
Proceeds from sale of debt Mutual funds	5,080.05	3,500.29
Purchases of debt Mutual funds	(8,665.54)	(7,130.13)
Investments in fixed deposit	(753.04)	(3,545.53)
Maturity proceeds from fixed deposit	2,700.53	6,626.97
Bill discounting on behalf of a related party (net) (refer note 45)	87.85	(217.63)
Dividend from joint venture company	40.80	27.20
Interest received on bank deposits	204.49	398.44
Net cash flow from / (used in) investing activities (B)	(2,421.60)	(983.25)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Working capital loan	63.60	32.14
Re-payment of working capital loan	(19.56)	(136.69)
Soft loan received from SIPCOT	131.41	-
Interest paid	(13.43)	(14.23)
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)	11.22	6.49
Lease receivables	7.18	5.06
Interest on lease liability paid	(4.79)	(4.51)
Repayment of lease liabilities	(18.88)	(16.95)
Dividend paid	(574.19)	(464.67)
Net cash flow from / (used in) financing activities (C)	(417.44)	(593.36)
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	8.42	(49.57)
Cash and cash equivalents at the beginning of the year	44.55	94.12
Cash and cash equivalents at the end of the year	52.97	44.55

Particulars	As at March 31, 2023	As at March 31, 2022
Components of cash and cash equivalents		
Cash on hand	0.02	0.02
Balances with banks:		
In current accounts	88.79	50.51
Cash and cash equivalents as per balance sheet (refer note 14)	88.81	50.53
Bank overdrafts (refer note 20)	35.84	5.98
Cash and cash equivalents as per statement of cash flows	52.97	44.55

See accompanying notes forming part of the consolidated 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 11, 2023

Date: May 11, 2023

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

Vidhya Srinivasan
Chief Financial Officer

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

Siddhartha Lal
Managing Director
DIN: 00037645

Atul Sharma
Company Secretary

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 11, 2023.

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.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using 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, 2023. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

Name of the Company	Country of Incorporation	Voting power held as at March 31, 2023	Voting power held as at March 31, 2021
Royal Enfield North America Limited (RENA) (Incorporated on March 23, 2015)	U.S.A	100%	100%
Royal Enfield Brasil Comercio De Motocicletas LTDA (Incorporated on August 18, 2014)	Brazil	99.99%	99.99%
Royal Enfield Canada Limited (100% subsidiary Company of RENA) (Incorporated on April 19, 2016)	Canada	100%	100%
Royal Enfield (Thailand) Limited (RET) (Incorporated on September 18, 2018)	Thailand	99.99%	99.99%
Royal Enfield (UK) Limited (REUK) (Incorporated on August 20, 2019)	United Kingdom	100%	100%

3.2 Investment in Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after

the initial recognition of the net investment in a joint venture and that event (or 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, 2023	Voting power held as at March 31, 2022
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.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

3.4 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ◆ In the principal market for the asset or liability, or
- ◆ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions, that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

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

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance (RSA), Free Service Coupons (FSC), etc.). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

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

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent

Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section 3.18 Provisions.

The Group provides a one to three years warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the goods and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised on the service-type warranty to the extent of actual cost incurred on rendering the warranty service.

Agency services

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

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.19 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.6 Leases

The Group assesses at the contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Particulars	Useful life (in years)
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



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in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset are classified as finance leases.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

In case of finance lease, as a lessor, the Group recognises, at the commencement date, assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Interest rate implicit is used to measure the net investment in the lease. Initial direct costs, other than those incurred by the Group, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term.

The interest rate implicit in the lease is arrived in such a way that the initial direct costs are included automatically in the net investment in the lease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

(a) fixed payments less any lease incentives payable, (b) variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date; (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee, (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

At the commencement date, as a manufacturer or dealer the Group recognises the following for each of its finance leases:

(a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of 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

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transfers the underlying asset as described in Ind AS 115.

The Group as a manufacturer or dealer lessor recognises as an expense costs incurred in connection with obtaining a finance lease at the commencement date because they are mainly related to earning the manufacturer or dealer's selling profit. Costs incurred by the Group in connection with obtaining a finance lease are excluded from the definition of initial direct costs and, thus, are excluded from the net investment in the lease.

Subsequent measurement:

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The finance income is allocated over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The Group applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Group reviews regularly estimated unguaranteed residual values used in computing the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, the Group revises the income allocation over the lease term and recognises immediately any reduction in respect of amounts accrued.

3.7 Foreign currencies

The financial statements are presented in Indian Rupees, which is also the functional currency of the Group. In preparing the financial statements of the Group, transactions in currencies other than the group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Transactions in foreign currencies are initially recorded by the foreign operations at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operations, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for practical reasons, the Group uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

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

- ♦ Exchange differences arising on monetary items that forms part of a reporting entity's net investment in foreign operations are initially recognised in the financial statements of the Group in the other comprehensive income. These exchange differences are reclassified from equity (Foreign currency translation reserve) to profit or loss on disposal of the net investment.
- ♦ Tax charges and credits attributable to exchange differences on those monetary items are also recorded in Other Comprehensive Income (OCI).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



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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.

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

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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. 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 Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

3.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

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



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Deferred tax

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

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

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

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

- ♦ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ♦ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available

against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.13 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

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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 0 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 (including unit of production) 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 (except in respect of moulds and dies covered above)
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

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of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.16 Investment property

Investment property is a property held to earn rentals and capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model. The Group depreciates building component of investment property over 30 years from the date of capitalisation.

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

3.17 Inventories

Inventories comprising Raw materials, work-in-progress, stores and spares, loose tools, traded goods and finished goods are stated at the lower of cost and net realisable value.

Costs of inventories are determined on a moving average.

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

3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency



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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.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.19 Financial instruments

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.20 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss or fair value through other comprehensive income, depending on the classification of the financial assets.

Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value through profit or loss.

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.

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

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

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

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

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

Impairment of financial assets

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

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased 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



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paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

3.22 Derivative Instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability."

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

- Hedges of a net investment in a foreign operation"

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- ♦ There is 'an economic relationship' between the hedged item and the hedging instrument.
- ♦ The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- ♦ The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item. "

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk

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in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Company designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above."

3.23 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity

of three months or less, which are subject to an insignificant risk of changes in value.

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

3.24 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.25 Cash dividend

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

3.26 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.



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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Cost							
At March 31, 2021	85.95	814.36	2,088.50	37.75	204.41	97.20	3,328.17
Additions	-	15.72	296.21	1.29	29.55	37.62	380.39
Disposals	-	1.45	48.51	2.27	8.09	13.00	73.32
Adjustments (Exchange difference)	-	(1.03)	(0.32)	0.01	(0.27)	(0.15)	(1.76)
At March 31, 2022	85.95	827.60	2,335.88	36.78	225.60	121.67	3,633.48
Additions	-	120.36	304.54	3.85	43.36	32.30	504.41
Disposals	-	0.97	45.08	1.59	3.29	19.23	70.16
Adjustments (Exchange difference)	-	1.74	2.50	0.11	0.67	1.83	6.85
At March 31, 2023	85.95	948.73	2,597.84	39.15	266.34	136.57	4,074.58
Accumulated depreciation							
At March 31, 2021	-	144.41	1,088.05	20.14	132.26	48.80	1,433.66
Charge for the year	-	35.12	261.04	4.45	36.05	20.04	356.70
Disposals	-	1.30	47.12	1.63	7.85	9.08	66.98
Adjustments (Exchange difference)	-	(0.08)	(0.25)	(0.01)	(0.20)	(0.14)	(0.68)
At March 31, 2022	-	178.15	1,301.72	22.95	160.26	59.62	1,722.70
Charge for the year	-	37.49	308.47	4.17	39.39	21.67	411.19
Disposals	-	0.15	43.31	1.37	3.38	13.24	61.45
Adjustments (Exchange difference)	-	0.33	0.91	0.08	0.45	0.72	2.49
At March 31, 2023	-	215.82	1,567.79	25.83	196.72	68.77	2,074.93
Carrying amount							
At March 31, 2022	85.95	649.45	1,034.16	13.83	65.34	62.05	1,910.78
At March 31, 2023	85.95	732.91	1,030.05	13.32	69.62	67.80	1,999.65

IMMOVABLE PROPERTY NOT HELD IN THE NAME OF THE COMPANY

Description of item of property	Property location	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold land	Alwar, Rajasthan and Jhajjar, Haryana	0.74	Eicher Tractors Ltd.	No	August 2, 2004	The properties were acquired through Group restructuring and the Company is taking necessary steps to get the property registered in its name.

Property, plant and equipment of the Company at Oragadam and Thiruvottiyur units upto the carrying value of Rs. 361.01 crores are secured by first charge towards the Soft loan obtained from SIPCOT.

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5. CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress*		
Opening	133.98	63.91
Additions	448.14	450.60
Capitalised	504.41	380.39
Adjustments (Exchange difference)	0.04	(0.14)
Closing	77.75	133.98

As at March 31, 2023

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	58.53	14.08	1.23	0.32	74.16
Projects temporarily suspended	-	-	-	-	-
Other Capital work-in-progress	3.59	-	-	-	3.59
Total	62.12	14.08	1.23	0.32	77.75

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023

As at March 31, 2022

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	110.14	18.34	0.12	-	128.60
Projects temporarily suspended	-	-	-	-	-
Other Capital work-in-progress	4.01	1.13	0.24	-	5.38
Total	114.15	19.47	0.36	-	133.98

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

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

6. INTANGIBLE ASSETS

Particulars	Product designs, prototypes etc	Computer softwares	Total
Cost			
At March 31, 2021	384.94	138.18	523.12
Additions	36.40	31.28	67.68
Disposals / write off	-	0.06	0.06
Adjustments (Exchange difference)	(2.95)	0.49	(2.46)
At March 31, 2022	418.39	169.89	588.28
Additions	184.25	42.87	227.12
Disposals / write off	-	0.39	0.39
Adjustments (Exchange difference)	4.93	0.30	5.23
At March 31, 2023	607.57	212.67	820.24



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Particulars	Product designs, prototypes etc	Computer softwares	Total
Accumulated amortisation			
At March 31, 2021	96.45	85.50	181.95
Charge for the year	46.00	31.30	77.30
Disposals / write off	-	0.05	0.05
Adjustments (Exchange difference)	(0.78)	0.02	(0.76)
At March 31, 2022	141.67	116.77	258.44
Charge for the year	59.16	35.26	94.42
Disposals / write off	-	0.01	0.01
Adjustments (Exchange difference)	2.88	0.30	3.18
At March 31, 2023	203.71	152.32	356.03
Carrying amount			
At March 31, 2022	276.72	53.12	329.84
At March 31, 2023	403.86	60.35	464.21

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development*		
Opening	370.80	250.38
Additions	242.97	191.46
Capitalised	227.12	67.68
Adjustments (Exchange difference)	7.67	(3.36)
Closing	394.32	370.80

As at March 31, 2023

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	155.90	94.36	58.98	85.08	394.32
Projects temporarily suspended	-	-	-	-	-
Other Intangible assets under development	-	-	-	-	-
Total	155.90	94.36	58.98	85.08	394.32

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023

As at March 31, 2022

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	132.13	86.65	65.93	86.09	370.80
Projects temporarily suspended	-	-	-	-	-
Other Intangible assets under development	-	-	-	-	-
Total	132.13	86.65	65.93	86.09	370.80

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

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

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8. INVESTMENTS IN JOINT VENTURES

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted Investments		
VE Commercial Vehicles Limited :		
54,40,000 (March 31, 2022: 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	2,222.93	1,952.50
Sub-total (A)	2,228.37	1,957.94
Eicher Polaris Private Limited :		
32,54,89,000 (March 31, 2022: 32,54,89,000) Equity shares of Rs.10 each fully paid up		
Cost of investment	325.49	325.49
Group's share of net assets	(325.49)	(325.49)
Sub-total (B)	-	-
Total (A+B)	2,228.37	1,957.94

- 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 19).

"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, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Non-current assets	4,167.77	3,635.57
Current assets	7,269.78	5,353.02
Non-current liabilities	538.01	357.82
Current liabilities	6,803.32	5,031.66

VE Commercial Vehicles Limited	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	18,952.33	12,724.45
Profit for the year	579.36	110.57
Other comprehensive income / (expense) for the year	(7.25)	(2.25)
Total Comprehensive income for the year	572.11	108.32
Dividends received from the joint venture during the year	40.80	27.20

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

VE Commercial Vehicles Limited	As at March 31, 2023	As at March 31, 2022
Net assets of the joint venture	4,096.22	3,599.11
Proportion of the Group's ownership interest in the joint venture	2,228.37	1,957.94
Carrying amount of the Group's interest in the joint venture	2,228.37	1,957.94

Eicher Polaris Private Limited	As at March 31, 2023	As at March 31, 2022
Non-Current assets	-	-
Current assets	15.15	12.16
Non-current liabilities	-	-
Current Liabilities	7.86	1.27

Eicher Polaris Private Limited	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	-	-
Profit or loss from continuing operations	-	-
Profit/(loss) for the year	(3.61)	(2.96)
Other comprehensive income for the year	-	-
Total Comprehensive income for the year	(3.61)	(2.96)

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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, 2023	As at March 31, 2022
Net assets of the joint venture	7.29	10.90
Proportion of the Group's ownership interest in the joint venture	3.64	5.45
Less:- Amount of interest in the joint venture not considered for consolidation	(3.64)	(5.45)
Less:- Advances given for investment in shares	-	-
Add : Provision for constructive obligation disclosed as Other Financial Liabilities	-	-
Carrying amount of the Group's interest in the joint venture	-	-

As at the year end, the joint venture is in the process of winding up and the net assets will be fully utilised towards such winding up. Accordingly, the Group's share of net assets of the joint venture has not been consolidated.

Financial Assets :

9. INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Unquoted Investments				
(a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL)				
(i) 16,80,000 (March 31, 2022 : 16,80,000) Equity shares of Rs. 10 per share fully paid up of Suryadev Alloys and Power Private Limited	5.04	-	5.04	-
(ii) 5,20,000 (March 31, 2022: 5,20,000) Equity shares of Rs. 10 per share fully paid up of Flamesun Solar Private Limited	4.16	-	4.16	-
(b) Investment in equity instruments of companies at fair value through other comprehensive income (FVTOCI)				
(i) 55,363 (March 31, 2022: Nil) Equity shares of Rs. 10 per share fully paid up of Stark Future S.L.,#	443.03	-	-	-
Sub-total (A)	452.23	-	9.20	-
# During the year, Company has made a strategic investment in the equity shares of a Spanish electric mobility Company, Stark Future SL (investee), for 50 million Euro which represents a 11.48% (undiluted basis) stake in the investee as on March 31, 2023. The Company has determined that it cannot exercise any significant influence over the investee (Note 38).				
Quoted Investments				
(c) (i) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	6,561.09	122.91	5,058.05	331.50
(c) (ii) Investments in Target Maturity Index Funds at fair value through other comprehensive income (FVTOCI)**	2,503.32	-	-	-
Sub-total (B)	9,064.41	122.91	5,058.05	331.50
(d) Investment in bonds carried at amortized cost	355.76	96.98	270.70	93.19
Sub-total (C)	355.76	96.98	270.70	93.19
Total (A+B+C)	9,872.40	219.89	5,337.95	424.69
** Exchanged trade funds/Target Maturity Index funds follows a passive buy and hold strategy to receive contractual cash flows except for meeting redemption and rebalance requirements. Investments in such funds are classified as FVTOCI considering the business model of the Company to realize cashflows from these investments realised on maturity or upon sale.				
Aggregate carrying value of quoted investments	9,420.17	219.89	5,328.75	424.69
Aggregate market value of quoted investments	9,418.84	219.97	5,337.56	426.04
Aggregate carrying value of unquoted investments	452.23	-	9.20	-



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Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Category-wise investments - as per Ind AS 109 Classifications				
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in equity instruments	9.20	-	9.20	-
Quoted				
Investment in mutual funds	6,561.09	122.91	5,058.05	331.50
Financial assets carried at fair value through other comprehensive income (FVTOCI)				
Unquoted				
Investment in equity instruments	443.03	-	-	-
Quoted				
Investment in mutual funds	2,503.32	-	-	-
Financial assets carried at amortized cost				
Quoted				
Investment in bonds	355.76	96.98	270.70	93.19

10. LOANS / BILL DISCOUNTING

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, considered good		
Loans to employees	0.04	0.04
Bill discounting on behalf of a related party# (refer note 45)	588.90	676.75
Total	588.94	676.79

Disclosure required under Sec 186(4) of the Companies Act, 2013

Represents bills discounted to vendors of VE Commercial Vehicles Limited (VECV) at 7.3% to 8.7% per annum and the credit period up to 120 days. The balances at any point in time have remained within the overall sanction limit.

11. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Security deposits	19.28	18.50
Bank deposits with remaining maturity greater than twelve months	-	47.76
Lease receivables (refer note 51)	-	6.75
Total	19.28	73.01
Current		
Unsecured, considered good		
Security deposits	-	0.05
Insurance claim receivable	0.80	8.75
Interest accrued on fixed deposits and bonds	22.22	50.23
Lease receivables (refer note 51)	2.16	1.89
Derivative asset	0.05	0.06
Others	9.19	4.77
Total	34.42	65.75

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12. INVENTORIES

(At lower of cost and net realizable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials [includes in transit Rs. 84.17 crores (previous year Rs. 51.80 crores)]	461.84	385.06
Work in progress	128.94	41.62
Finished goods	246.90	283.88
Traded goods	407.63	394.72
Stores and spares	18.08	17.47
Loose tools	15.05	9.65
Total	1,278.44	1,132.40

Inventories are net of non-moving/slow-moving provisions amounting to Rs. 30.71 crores (March 31, 2022 : Rs. 51.84 crores). These were recognised as an expense during the year in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 3.17

13. TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Considered good - secured	80.95	125.87
Considered good - unsecured	287.97	176.17
Receivables - credit impaired	5.68	2.10
	374.60	304.14
Less: Provision for doubtful receivables	(5.68)	(2.10)
Total	368.92	302.04

Trade receivables ageing

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	
Undisputed trade receivables - considered good	323.73	44.44	0.59	0.16	-	-	368.92
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	3.40	0.79	0.17	0.06	0.53	4.95
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	0.73	0.73
Total	323.73	47.84	1.38	0.33	0.06	1.26	374.60



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Trade receivables ageing

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	
Undisputed trade receivables - considered good	271.80	19.54	5.07	2.51	1.40	1.72	302.04
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	0.70	0.02	0.03	0.23	0.35	1.33
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	0.02	-	0.67	0.08	0.77
Total	271.80	20.24	5.11	2.54	2.30	2.15	304.14

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule

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

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

Export sales carry credit period of 0 to 120 days, depending on the contractual terms with respective customers.

14. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.02	0.02
Balances with banks:		
In current accounts	88.79	50.51
Total	88.81	50.53

At March 31 2023, the Company had available Rs. 64.16 crores (March 31, 2022: Rs. 94.02 crores) of undrawn borrowing facilities. The Company has pledged a part of its fixed deposits to fulfil collateral requirements.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.02	0.02
Balances with banks:		
In current accounts	88.79	50.51
Total	88.81	50.53
Bank overdrafts (refer note 20)	35.84	5.98
Cash and cash equivalents as per statement of cash flows	52.97	44.55

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Changes in liabilities arising from financing activities

Particulars	April 1, 2022	Net cash flows	Others	March 31, 2023
Short term borrowings	52.86	44.04	-	96.90
Interest accrued but not due	-	(13.43)	13.86	0.43
Lease receivables	8.35	(7.18)	0.70	1.87
Obligation under finance lease	48.87	(23.67)	67.51	92.71
Total liabilities from financing activities	110.08	(0.24)	82.07	191.91

Particulars	April 1, 2021	Net cash flows	Others	March 31, 2022
Short term borrowings	157.41	(104.55)	-	52.86
Interest accrued but not due	2.37	(14.23)	11.86	-
Lease receivables	12.07	(5.06)	1.34	8.35
Obligation under finance lease	61.84	(21.46)	8.49	48.87
Total liabilities from financing activities	233.69	(145.31)	21.69	110.08

15. OTHER BANK BALANCES

Particulars	As at March 31, 2023	As at March 31, 2022
In unpaid dividend accounts #	14.84	14.65
Unspent CSR accounts #	12.66	16.75
On deposit accounts		
- Original maturity between three and twelve months*	649.27	617.91
- Original maturity greater than twelve months	91.54	2,022.63
Total	768.31	2,671.94

There are restrictions in the balances in Unpaid Dividend accounts and Unspent CSR accounts.

* The bank deposits amounting to Rs. 100 crores (March 31, 2022: Rs. 100 crores) are earmarked against the overdraft facility.

16. OTHER ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Capital advances	76.96	97.89
Prepaid expenses	47.57	30.60
Balance with government authorities	21.30	10.92
Total	145.83	139.41



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Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, considered good		
Advance to suppliers		
Considered good	191.17	145.55
Considered doubtful	21.34	18.00
	212.51	163.55
Less: Provision for doubtful balance	(21.34)	(18.00)
	191.17	145.55
Advance to employees	12.83	4.98
Prepaid expenses	43.49	40.91
Balance with government authorities		
Considered good	79.98	85.29
Considered doubtful	1.11	1.11
	81.09	86.40
Less: Provision for doubtful balance	(1.11)	(1.11)
	79.98	85.29
Government grant receivable	7.76	18.21
Others		
Considered good	0.27	0.26
Total	335.50	295.20

17. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Equity share capital		
30,00,00,000 Equity shares of Re. 1 each (March 31, 2022 : 30,00,00,000 Equity shares of Re. 1 each)	30.00	30.00
Total	30.00	30.00
Issued, subscribed and fully paid up		
27,34,81,570 Equity shares of Re. 1 each (March 31, 2022 : 27,34,23,102 Equity shares of Re. 1 each)	27.35	27.34
Total	27.35	27.34

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

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

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Nos.	Rs. in crores	Nos.	Rs. in crores
At the beginning of the year	27,34,23,102	27.34	27,33,35,922	27.33
Issued during the year - ESOP (refer note 48)	58,468	0.01	87,180	0.01
Outstanding at the end of the year	27,34,81,570	27.35	27,34,23,102	27.34

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust				
At the beginning of the year	12,03,06,480	44.00%	12,03,06,480	44.01%
Outstanding at the end of the year	12,03,06,480	43.99%	12,03,06,480	44.00%

(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 48.

(b) Preference share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Preference share capital		
1,01,000 (March 31, 2022 : 1,01,000) Redeemable preference shares of Rs. 100 each	1.01	1.01
Total	1.01	1.01

The Group has not issued preference share capital.

(c) Details of equity shares held by promoters

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 1 each fully paid					
Ms. Simran Lal	31,52,410	-	31,52,410	1.15%	0.00%
Ms. Tara Lal	31,49,940	-	31,49,940	1.15%	0.00%
Mr. Siddhartha Lal	29,46,940	(33,000)	29,13,940	1.07%	(0.01)%#
The Simran Siddhartha Tara Benefit Trust (Trustee- Vikram Lal)	12,03,06,480	-	12,03,06,480	43.99%	(0.01)%*
The Brinda Lal Trust, Trustee- Vikram Lal	48,57,070	-	48,57,070	1.78%	0.00%
Karvansarai Investments Private Limited	1,51,430	-	1,51,430	0.06%	0.00%
Tara Lal Trust, Trustee- Vikram Lal	324	-	324	0.00%	0.00%
Raul Rai	445	48	493	0.00%	0.00%
Siddhartha Lal Trust	-	33,000	33,000	0.01%	0.01)%#
Total	13,45,65,039	48	13,45,65,087	49.21%	

% Change due to transfer of 33,000 equity shares to the Promoter Group

*Change in shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan 2006 and Restricted Stock Unit Plan 2019, during the FY 2022-23.



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As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 1 each fully paid					
Ms. Simran Lal	31,52,410	-	31,52,410	1.15%	0.00%
Ms. Tara Lal	31,49,940	-	31,49,940	1.15%	0.00%
Mr. Siddhartha Lal	29,46,940	-	29,46,940	1.08%	0.00%
The Simran Siddhartha Tara Benefit Trust (Trustee- Vikram Lal)	12,03,06,480	-	12,03,06,480	44.00%	(0.01)**
The Brinda Lal Trust, Trustee- Vikram Lal	48,57,070	-	48,57,070	1.78%	0.00%
Karvansarai Investments Private Limited	1,51,430	-	1,51,430	0.06%	0.00%
Tara Lal Trust, Trustee- Vikram Lal	-	324	324	0.00%	0.00%
Raul Rai	-	445	445	0.00%	0.00%
Total	13,45,64,270	769	13,45,65,039	49.22%	

**Change in shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan 2006 and Restricted Stock Unit Plan 2019, during the FY 2021-22.

18. OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserves	0.25	0.25
Capital redemption reserve	1.41	1.41
Securities premium	257.67	241.05
General reserves	339.89	339.89
Share based payments reserve	58.31	40.96
Foreign currency translation reserve	49.72	35.70
Hedge reserve	0.04	0.04
Debt instruments through other comprehensive income	3.85	-
Retained earnings	14,251.79	11,921.36
Total	14,962.93	12,580.66

Particulars	As at March 31, 2023	As at March 31, 2022
A Capital reserve		
Opening balance	0.25	0.25
Add / Less: Movement during the year	-	-
Closing balance	0.25	0.25

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Particulars	As at March 31, 2023	As at March 31, 2022
B Capital redemption reserve		
Opening balance	1.41	1.41
Add / Less: Movement during the year	-	-
Closing balance	1.41	1.41

The Capital redemption reserve was created at the time of buy back of shares. The Group can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	As at March 31, 2023	As at March 31, 2022
C Securities premium		
Opening balance	241.05	225.00
Add : Proceeds from issue of equity shares	11.21	6.48
Add : Transferred from share options outstanding account	5.41	9.57
Closing balance	257.67	241.05

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
E Share based payments reserve		
Opening balance	40.96	79.87
Add : Share based expense during the year	22.76	(29.34)
Less : Transferred to securities premium on issue of shares	5.41	9.57
Closing balance	58.31	40.96

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan/ restricted stock units plan. Further information about share-based payments to employees is set out in note 48.



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Particulars	As at March 31, 2023	As at March 31, 2022
F Foreign currency translation reserve		
Opening balance	35.70	51.63
Add : exchange differences in translating the financial statements of foreign operations	14.02	(15.93)
Closing balance	49.72	35.70

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, 2023	As at March 31, 2022
G Hedge reserve		
Opening balance	0.04	-
Add: Gain/(loss) recognised on cash flow hedges	-	0.04
Closing balance	0.04	0.04

The Company uses hedging instruments as part of its management of foreign currency risk associated with trade receivables. For hedging foreign currency risk, the Company uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges are reclassified to the statement of profit and loss when the hedged item affects profit or loss.

Particulars	As at March 31, 2023	As at March 31, 2022
H Debt instruments through other comprehensive income		
Opening balance	-	-
Add: Other comprehensive income for the year	3.85	-
Closing balance	3.85	-

This reserve represents cumulative gains (net of losses) arising on revaluation of Debt instruments measured through Other Comprehensive Income, net of amounts reclassified, if any to the profit/loss account, if such instruments are disposed off.

Particulars	As at March 31, 2023	As at March 31, 2022
I Retained earnings		
Opening balance	11,921.36	10,712.70
Add: Profit for the year	2,913.94	1,676.60
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	(9.32)	(3.27)
Less: Dividend for FY 2020-21 paid in FY 2021-22 (amount per share Rs. 17)	-	464.67
Less: Dividend for FY 2021-22 paid in FY 2022-23 (amount per share Rs. 21)	574.19	-
Total appropriations	574.19	464.67
Balance at end of year	14,251.79	11,921.36

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

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Financial Liabilities:

19. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits received	15.51	14.82
Total	15.51	14.82
Current		
Employee dues	134.19	116.62
Capital creditors	68.51	72.98
Unpaid dividend *	14.84	14.65
Unspent CSR liabilities	44.79	41.72
Interest accrued but not due	0.43	0.00
Provision for constructive obligation towards the discontinued operations of a joint venture (refer note 8)	4.01	4.01
Derivative liabilities	-	0.02
Total	266.77	250.00

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

20. BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Secured		
Soft loan - State Industries Promotion Corporation of Tamilnadu Ltd. (SIPCOT)*	62.96	-
	62.96	-
Current		
Secured		
- From bank		
Overdraft facility**	35.84	5.98
Working capital loan#	96.90	52.86
Total	132.74	58.84

*Soft loan from SIPCOT is at a subsidised interest rate of 0.1 % per annum. The principal amount of the loan is repayable after 10 years and interest is payable quarterly. The loan is secured by first charge on the Property, plant and equipment of the Company at Oragadam and Thiruvottiyur units with a carrying value of Rs. 361.01 crores

**Secured overdraft facility carries interest @ 5.60 % per annum, secured by the Company's fixed deposits of Rs. 100 crores

Unsecured working capital loan of subsidiary company viz., Royal Enfield North America Ltd as at March 31, 2023 of Rs. 92.08 crores (March 31, 2022 : Rs. 52.86 crores), average repayment period being 3 months, carrying interest @ 6.64% p.a., and Royal Enfield Thailand Ltd. as at March 31, 2023 of Rs. 4.82 crores (March 31, 2022 : Rs. Nil), average repayable on demand, carrying policy interest rate @ 1.75% plus 0.8%. These loans are against corporate guarantees given by the Holding Company, Eicher Motors Limited.

The Group has not defaulted on any loans payable.



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21. TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 41)	29.45	37.78
Sub-total (A)	29.45	37.78
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Other trade payables	1,719.94	1,683.42
Trade payables to related parties (refer note 45)	61.05	66.89
Sub-total (B)	1,780.99	1,750.31
Total (A+B)	1,810.44	1,788.09

As at March 31, 2023

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				Total
		< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	29.45	-	-	-	29.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	365.39	1,415.60	-	-	-	1,780.99
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	365.39	1,445.05	0.00	0.00	0.00	1,810.44

As at March 31, 2022

Particulars	Unbilled dues	Outstanding for following periods from due date of payment				Total
		< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	37.78	-	-	-	37.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	564.45	1,185.80	0.02	-	0.00	1,750.27
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	0.04	-	-	-	0.04
Total	564.45	1,223.62	0.02	0.00	0.00	1,788.09

Terms and conditions of the above financial liabilities:

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



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22. PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Employee benefits - refer note (i) below	32.09	7.97
Warranties - refer note (ii) below	70.37	59.99
Total	102.46	67.96
Current		
Employee benefits - refer note (i) below		
Compensated absences	1.54	19.20
Other employee benefits	0.28	0.22
Sub-total (A)	1.82	19.42
Warranties - refer note (ii) below	139.48	76.53
Onerous contract - refer note (ii) below	14.18	25.87
Sub-total (B)	153.66	102.40
Total (A+B)	155.48	121.82

- (i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.
(ii) Movement in warranties provision

As at March 31, 2023

Particulars	Warranties	Onerous contract
Opening balance	136.52	25.87
Additions during the year	138.06	5.52
Amount utilized during the year	69.20	17.21
Unwinding of discount	4.47	-
Closing balance	209.85	14.18

As at March 31, 2022

Particulars	Warranties	Onerous contract
Opening balance	90.20	-
Additions during the year	92.76	25.87
Amount utilized during the year	48.85	-
Unwinding of discount	2.41	-
Closing balance	136.52	25.87

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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23. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	239.73	228.15
Investments measured at FVTPL	101.89	41.66
Loan from State Industries Promotion Corporation of Tamilnadu Ltd.	17.23	-
Others	11.21	8.17
Sub-total (A)	370.06	277.98
Less: Deferred tax assets on		
Business loss carried forward		
Accrued expenses deductible on payment	2.10	1.23
Deferred revenue	46.17	33.35
Provision for compensated absences and other employee benefits	5.93	4.64
Provision for doubtful debts and advances	6.17	6.39
Lease	2.56	2.41
Others	15.82	9.90
Sub-total (B)	78.75	57.92
Total (A-B)	291.31	220.06

Movement of deferred tax liabilities/assets For the year ended March 31, 2023

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	228.15	11.58	-	239.73
Investments measured at FVTPL	41.66	60.23	-	101.89
Loan from State Industries Promotion Corporation of Tamilnadu Ltd.	-	17.23	-	17.23
Others	8.17	3.04	-	11.21
Sub-total (A)	277.98	92.08	-	370.06
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.23	0.87	-	2.10
Deferred revenue	33.35	12.82	-	46.17
Provision for compensated absences and other employee benefits	4.64	1.29	-	5.93
Exchange differences in translating the financial statements of foreign operations	-	7.54	(7.54)	-
Debt instruments through other comprehensive income	-	(1.30)	1.30	-
Remeasurement of defined benefit obligation	-	(2.04)	2.04	-
Provision for doubtful debts and advances	6.39	(0.22)	-	6.17
Lease	2.41	0.15	-	2.56
Others	9.90	6.41	(0.49)	15.82
Sub-total (B)	57.92	25.52	(4.69)	78.75
Total (A-B)	220.06	66.56	4.69	291.31

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For the year ended March 31, 2022

Particulars	Opening balance	Recognized in profit or loss	Recognized in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	205.33	22.82	-	228.15
Investments measured at FVTPL	36.12	5.54	-	41.66
Others	8.04	0.13	-	8.17
Sub-total (A)	249.49	28.49	-	277.98
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.18	0.05	-	1.23
Deferred revenue	11.90	21.45	-	33.35
Provision for compensated absences and other employee benefits	4.01	0.63	-	4.64
Exchange differences in translating the financial statements of foreign operations	-	(5.23)	5.23	-
Gains/(losses) in cash flow hedges	-	(0.01)	0.01	-
Remeasurement of defined benefit obligation	-	(0.80)	0.80	-
Provision for doubtful debts and advances	5.40	0.99	-	6.39
Lease	3.18	(0.77)	-	2.41
Others	2.32	7.58	-	9.90
Sub-total (B)	27.99	23.89	6.04	57.92
Total (A-B)	221.50	4.60	(6.04)	220.06

At March 31, 2023, there was no recognised deferred tax liability (March 31, 2022: 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.

24. CURRENT TAX LIABILITIES / NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Tax liabilities		
Provision for current tax (net)	222.83	170.62
Total	222.83	170.62
Tax assets		
Advance income tax (net)	86.47	83.12
Total	86.47	83.12

25. GOVERNMENT GRANT

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	96.37	63.76
Total	96.37	63.76
Current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	32.45	19.38
Total	32.45	19.38



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

- a) The benefit received/receivable 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 (HMRC).
- b) Represents Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as Government grant.

These grants will be recognized in statement of profit and loss on a systematic basis over the useful life of the related property, plant and equipment / intangible assets.

These grants will be recognized in statement of profit and loss on a systematic basis over the useful life of the related property, plant and equipment / intangible assets.

(ii) Movement in Government grant

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	83.14	79.03
Additions during the year	70.02	20.87
Amount recognised as income during the year	24.34	16.76
Closing balance	128.82	83.14

26. CONTRACT LIABILITY

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Contract liability	180.10	170.14
Total	180.10	170.14

27. OTHER LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred revenue	336.38	236.54
Total	336.38	236.54
Current		
Advance from customers	126.28	147.92
Deferred revenue	138.58	49.37
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	127.46	94.39
Others	16.53	9.25
Total	408.85	300.93



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28. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations		
Revenue from contract with customers (Goods transferred at a point in time)		
Manufactured goods	13,317.61	9,475.62
Traded goods	794.10	592.89
Revenue from contract with customers (Services transferred over time)		
Others	64.19	58.56
Sub-total (A)	14,175.90	10,127.07
Other operating revenue		
Government grant (Export incentives)	83.34	76.05
Scrap sale	34.42	25.76
Income from other operating revenues	148.52	68.95
Sub-total (B)	266.28	170.76
Total (A+B)	14,442.18	10,297.83

Refer note 3.5 - Revenue from contract with customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Details of products sold		
Manufactured goods		
Two wheelers	12,317.12	8,709.84
Spare parts and other components	1,000.49	765.78
Total	13,317.61	9,475.62
Traded goods		
Accessories and other allied products	794.10	592.89
Total	794.10	592.89
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	14,389.95	10,291.73
Adjustments:		
- Trade Discount	88.68	50.74
- Incentives	32.61	45.15
- Deferral of revenue (FSC, RSA) and others	92.76	68.78
Total	14,175.90	10,127.07



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Contract Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	368.92	302.04
Contract liabilities	180.10	170.14

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount of Revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	151.91	227.67

29. OTHER INCOME

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on financial assets carried at amortized cost		
Bank deposits and bonds	135.85	208.13
Discount on bills (refer note 45)	39.88	34.28
Others	0.75	1.63
	176.48	244.04
Other non-operating income		
Grant income on soft loan from SIPCOT	45.75	-
Gain on financial instruments at fair value through profit or loss (mutual funds)	301.12	155.30
Other income	49.77	26.46
Profit on sale of property, plant and equipment	1.83	1.09
Finance income on lease	0.70	1.34
Exchange gain (net)	19.46	12.59
	418.63	196.78
Total	595.11	440.82

30. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	385.06	280.88
Add: Purchases	8,076.96	6,032.82
	8,462.02	6,313.70
Less: Inventory at the end of the year	461.84	385.06
Less: Material cost of vehicles capitalized	5.89	3.01
	7,994.29	5,925.63
Less: Sale of raw materials to suppliers on cost to cost basis	150.34	160.39
Total	7,843.95	5,765.24



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31. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accessories and other allied products	431.20	339.03
Total	431.20	339.03

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods	246.90	283.88
Work-in-progress	128.94	41.62
Traded goods	407.63	394.72
A	783.47	720.22
Inventories at the beginning of the year		
Finished goods	283.88	350.14
Work-in-progress	41.62	39.42
Traded goods	394.72	182.07
B	720.22	571.63
Net change (B-A)	(63.25)	(148.59)

33. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	894.04	774.30
Contribution to provident and other funds (refer note 42)	34.85	27.08
Share-based payments (refer note 48)	22.76	(29.34)
Staff welfare expenses	50.28	48.98
Total	1,001.93	821.02

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

34. FINANCE COSTS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		
On bills discounting	5.58	1.65
On borrowings	13.18	10.21
Unwinding of discount on provisions	4.47	2.41
Interest on lease liabilities (refer note 51)	4.79	4.51
Total	28.02	18.78



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35. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 4)	411.19	356.70
Amortization of intangible assets (refer note 7)	94.42	77.30
Amortization of right of use assets (refer note 51)	20.60	17.93
Total	526.21	451.93

36. OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of Stores and machinery spares (including loose tools and packing material)	262.25	198.56
Loss on sale of property, plant and equipment and intangible assets	2.14	5.32
Power and fuel	72.97	55.78
Insurance	37.58	31.83
Repairs and maintenance		
Buildings	6.29	3.28
Plant and equipment	44.09	48.48
Others	84.58	82.09
Rates and taxes	5.99	6.26
Advertisement	42.21	30.82
Freight and handling charges	272.83	180.97
Provision for warranty and onerous contract	145.47	118.56
Other selling and distribution expenses	426.39	284.69
Expense related to short term leases	46.11	28.11
Legal and professional charges*	62.52	72.05
Travelling expenses	110.66	50.18
Development expenses	14.82	12.04
Corporate social responsibility expenditure (refer note 49)	45.18	52.71
Provision for doubtful debts and advances (including write off)	7.38	1.40
Miscellaneous expenses	95.31	85.75
Total	1,784.77	1,348.88

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors:		
a) For audit	0.40	0.40
b) For limited reviews of unaudited financial results	0.32	0.23
c) For other services	0.25	0.09
d) For reimbursement of expenses	0.06	-
Total	1.03	0.72
In other capacity:		
a) For other services	0.14	0.12
Total	0.14	0.12

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37. INCOME TAX RECOGNIZED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
In respect of the current year	819.13	521.42
Sub-total (A)	819.13	521.42
Deferred tax		
Relating to origination and reversal of temporary differences	66.56	4.49
Sub-total (B)	66.56	4.49
Total income tax expense recognized (A+B)	885.69	525.91

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax and after share of profit of Joint venture	3,799.63	2,202.51
Income tax expense calculated at 25.168% (previous year @ 25.168%)	956.29	554.33
Effect on long-term capital gain from investment in mutual funds	(66.72)	(16.81)
Effect of ESOP expenses not deductible in determining taxable profits	5.73	(7.38)
Effect of income exempt from taxation	(9.99)	(6.46)
Effect of mark to market on mutual funds	60.23	11.43
Deferred tax asset not created on carried forward business loss of subsidiary companies	(4.29)	(0.45)
Impact of share of profit of joint venture included in profit before tax	(79.32)	(15.14)
Effect of CSR Expenses	11.37	13.27
Others	12.39	(6.88)
	885.69	525.91
Income tax expense recognized in statement of profit and loss	885.69	525.91
Income tax rate :		
Basic rate	22.000%	22.000%
Surcharge - 10% (applied on basic rate)	2.200%	2.200%
Cess - 4% (applied on basic plus surcharge)	0.968%	0.968%
	25.168%	25.168%

Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax charge/(benefit)		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	4.94	(5.25)
Gains/(losses) in cash flow hedges	-	0.01
Debt instruments through other comprehensive income	1.30	-
Remeasurement of defined benefit obligation	(2.04)	(0.80)
Total income tax recognized in other comprehensive income	4.20	(6.04)
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that may be reclassified to profit or loss	6.24	(5.24)
Items that will not be reclassified to profit or loss	(2.04)	(0.80)
Total	4.20	(6.04)



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38. 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.

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 date. As at March 31, 2023 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.



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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.

Equity investments designated at FVTOCI

Equity instruments designated at fair value through OCI include investments in equity shares of Stark Future S.L., for a non-controlling interests of 11.48% (undiluted basis). This investment was irrevocably designated at initial recognition as fair value through OCI considering it to be strategic in nature.

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. 81.44 crores (March 31, 2022 : Rs. 70.10 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 228.13 crores (March 31, 2022 : Rs. 172.44 crores).

40. CONTINGENT LIABILITIES NOT PROVIDED FOR :

Particulars	As at March 31, 2023	As at March 31, 2022
a) In respect of following:		
- Excise duty matters	18.69	18.97
- Sales tax matters	6.66	7.04
- Service tax matters	0.39	0.39
- Customs duty matters	3.48	3.48
- Goods and Services tax	2.00	0.25
b) Claims against the Group not acknowledged as debts	11.73	10.84
c) Guarantees given to bank/others	8.55	8.29
d) Contingent liabilities arising from its interests in joint ventures	111.33	112.40

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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41. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	29.45	37.78
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	0.00	0.01
(iii) The amount of payment made to the supplier beyond the appointed day	0.65	4.40
(iv) The amount of interest due and payable for the year	0.01	0.06
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.08	0.07
(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, 2023	For the year ended March 31, 2022
Detail of amount recognized as expense for defined contribution plans is given below:-		
a) Provident fund*	19.64	17.57
b) Superannuation fund	0.34	0.38
c) Employee State Insurance Corporation	0.06	0.08
d) Other funds	24.29	17.16
Total	44.33	35.19

*includes Rs. 0.83 crores (March 31, 2022: Rs. 0.58 crores) capitalized during the year and Rs. 8.65 crores (March 31, 2022: Rs. 7.53 crores) considered in pre-operative expenditure (pending allocation)

Out of the total contribution made for employees' provident fund, Rs. 7.41 crores (March 31, 2022: Rs. 6.55 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.

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, 2023 by Mr. K.K.Dharni (FIAI M.No. 00051), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

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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, 2023	As at March 31, 2022
Discount rate	7.40%	7.25%
Future salary increase	7.25%	7.00%
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, 2023	For the year ended March 31, 2022
Service cost:		
Current service cost	6.30	4.86
Net Interest expense	-	-
Components of defined benefit costs recognized in profit or loss	6.30	4.86
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	0.73	0.32
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.71	0.50
Actuarial (gains)/ losses arising from experience adjustments	6.67	2.36
Components of defined benefit costs recognized in other comprehensive income	8.11	3.18
Total	14.41	8.04

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, 2023	As at March 31, 2022
Present Value of funded defined benefit obligation	47.28	35.33
Fair value of plan assets	47.28	35.33
Net liability arising from defined benefit obligation	-	-



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

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined obligation	35.33	29.20
Current service cost	6.30	4.86
Interest cost	2.56	2.00
Actuarial (gains)/ losses	7.39	2.86
Benefits paid	(4.30)	(3.59)
Closing defined benefit obligation	47.28	35.33

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

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets@	35.33	29.20
Interest income	2.56	2.00
Actuarial gains/ (losses)	(0.73)	(0.32)
Contribution	14.42	8.04
Benefit paid	(4.30)	(3.59)
Closing fair value of plan assets@	47.28	35.33

@Funds managed by EML Employees Company Gratuity Scheme (Trust).

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

The Fair value of the plan assets at the end of reporting period for each category are as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Government securities	23.04	15.28
Debt instruments		
AAA	17.73	15.27
AA+/AA/A1+	2.86	2.18
Cash, deposits, etc.	3.65	2.60
Total	47.28	35.33

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. 1.84 crores for the year ended March 31, 2023.

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. 3.42 crores (increase by Rs. 3.80 crores) [as at March 31, 2022: Decrease by Rs. 2.39 crores (increase by Rs. 2.65 crores)].
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 3.79 crores (decrease by Rs. 3.44 crores) [as at March 31, 2022: Increase by Rs. 2.64 crores (decrease by Rs. 2.41 crores)].



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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, 2023	As at March 31, 2022
Average duration of the defined benefit obligation (in years)	19.63	19.80

The estimated contribution during next year is Rs. 7.37 crores (March 31, 2022 : Rs. 5.57 crores) to the defined benefit plan.

43. EARNINGS PER SHARE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (in Rs.)	106.56	61.33
Diluted earnings per share (in Rs.)	106.38	61.26
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	2,913.94	1,676.60
Weighted average number of equity shares for the purposes of basic earnings per share	273,454,538	273,393,761
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	2,913.94	1,676.60
Weighted average number of equity shares for the purposes of basic earnings per share	273,454,538	273,393,761
Shares deemed to be issued for no consideration in respect of:		
- employee stock option plan / restricted stock units plan	461,430	276,259
Weighted average number of equity shares for the purposes of diluted earnings per share	273,915,968	273,670,020

44. 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".



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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, 2023	12,231.32	2,210.86	14,442.18
For the year ended March 31, 2022	8,566.08	1,731.75	10,297.83
Non-current segment assets			
At March 31, 2023	2,665.40	728.96	3,394.36
At March 31, 2022	2,594.42	557.17	3,151.59

- 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.

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
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
VE Electro-Mobility Limited	(VEEM)	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	(EETF)	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
Shardul Amarchand Mangaldas & Co.		Director is a partner
Ms. Natasha Jamal		Relative of KMP



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b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. Vinod K. Dasari	Whole-time Director & Chief Executive Officer of Royal Enfield (up to August 13, 2021)
Mr. B Govindarajan	Whole-time Director & Chief Executive Officer of Royal Enfield (w.e.f August 18, 2021)
Mr. S. Sandilya	Chairman
Ms. Manvi Sinha	Independent director
Mr. Inder Mohan Singh	Independent director
Mr. Vinod Aggarwal	Non-executive director
Mr. Kaleeswaran Arunachalam	Chief Financial Officer (up to September 2, 2022)
Ms. Vidhya Srinivasan	Chief Financial Officer (w.e.f November 18, 2022)
Mr. Manhar Kapoor	Company Secretary (up to March 11, 2022)
Mr. Atul Sharma	Company Secretary (w.e.f August 10, 2022)

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

Particulars	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Siddhartha Lal	Managerial remuneration		
	Short-term benefits		
	Salary (including perquisites)	13.68	13.00
	Statutory contributions*	3.33	2.81
	Commission	10.48	8.19
		27.49	24.00
Mr. Vinod K. Dasari	Managerial remuneration		
	Short-term benefits	-	11.80
	Share based payments	-	12.78
		-	24.58
Mr. B Govindarajan	Managerial remuneration		
	Short-term benefits	5.45	3.34
	Post-employment benefits	0.60	0.39
	Other long-term benefits	0.53	0.31
		6.58	4.04
Mr. S. Sandilya	Sitting fees	0.07	0.05
	Commission	0.45	0.41
Ms. Manvi Sinha	Sitting fees	0.07	0.04
	Commission	0.24	0.21
Mr. Inder Mohan Singh	Sitting fees	0.07	0.04
	Commission	0.24	0.21
Mr. Kaleeswaran Arunachalam	Remuneration		
	Short-term benefits	1.48	2.32
	Post-employment benefits	-	0.04
	Other long-term benefits	-	0.05
		1.48	2.41



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Particulars	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Ms. Vidhya Srinivasan	Remuneration		
	Short-term benefits	0.87	-
	Post-employment benefits	0.01	-
	Other long-term benefits	0.02	-
		0.90	-
Mr. Manhar Kapoor	Remuneration		
	Short-term benefits	-	1.24
	Post-employment benefits	-	0.10
	Other long-term benefits	-	0.08
			1.42
Mr. Atul Sharma	Remuneration		
	Short-term benefits	0.23	-
	Post-employment benefits	0.02	-
	Other long-term benefits	0.02	-
		0.27	-

*represents National Insurance payable to HMRC UK on fixed salary and commission

Post-employment benefits and other long-term benefits mentioned above were accrued and not paid as on March 31, 2023

d. Transactions with the related parties

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
	Purchase of raw materials and components / services	241.31	150.51
VE Commercial Vehicles Limited	Expenses recovered	2.07	0.62
	Corporate service charges paid	2.07	1.80
	Discount on bills	39.88	34.28
Eicher Polaris Private Limited	Expenses reimbursed	-	0.25
Eicher Goodearth Private Limited	Corporate service charges paid	0.96	0.99
	Rent	4.00	4.72
Eicher Goodearth India Private Limited	Brand fees	5.00	25.10
Eicher Group Foundation	Corporate social responsibility expenditure	45.18	52.71
Eicher Executive Provident Fund	Contribution to provident fund	7.41	6.55
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	0.26	0.28
Eicher Motors Limited Employees Gratuity Trust	Contribution to gratuity fund	14.42	8.04
	Benefits paid	(4.30)	(3.59)
Sunshine Automobiles	Sale of motorcycles, spares, Apparel and accessories	41.54	35.88
	Payment for Free service coupon and warranty claims	0.71	0.47
Shardul Amarchand Mangaldas & Co.	Professional charges	0.66	0.16

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e. Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2023	As at March 31, 2022
VE Commercial Vehicles Limited	Trade payables	56.05	41.79
	Corporate service charges	0.21	0.16
	Advances	0.12	0.02
	Bills discounted	588.90	676.75
Eicher Group Foundation	Receivable of surplus on CSR unspent fund	0.06	1.59
Eicher Goodearth Private Limited	Security deposits receivable	1.09	1.09
	Rent payable	0.22	0.23
Eicher Goodearth India Private Limited	Trade payables	5.00	25.10
Mr. Siddhartha Lal	Commission payable (including National insurance)	11.93	9.32
Non-executive and independent directors	Commission payable	0.93	0.83
Sunshine Automobiles	Security deposit payable	0.02	0.02
	Advances received towards vehicles, spares, apparel and accessories sales	0.45	0.87
Eicher Executive Provident Fund	Contribution to provident fund	0.63	0.52
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	0.02	0.02

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022 : 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.

46. FINANCIAL INSTRUMENTS

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options. The Group uses the operational cash flows and equity to meet its capital requirements.

The Group is not subject to any externally imposed capital requirements.

The management of the Group reviews the capital structure of the Group on regular basis. As part of this review, the management of the Group considers risks associated with the movement in the working capital.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.



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Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (refer note no. 20)	195.70	58.84
Less: cash and cash equivalents (refer note no. 14)	(88.81)	(50.53)
Net debt	106.89	8.31
Share capital	27.35	27.34
Other equity	14,962.93	12,580.66
Total Equity	14,990.28	12,608.00
Gearing ratio	0.71%	0.07%

47.1 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	9.20	9.20
Investments in mutual funds	6,561.09	5,058.05
Current		
Investments in mutual funds	122.91	331.50
Financial assets at fair value through other comprehensive income		
Non-current		
Investments in mutual funds	2,503.32	-
Investments in equity	443.03	-
Current		
Derivative asset	0.05	0.06
Financial assets at amortized cost		
Non-current		
Investments in bonds	355.76	270.70
Other financial assets	19.28	73.01
Current		
Investments in bonds	96.98	93.19
Trade receivables	368.92	302.04
Cash and bank balances	857.12	2,722.47
Loans / Bill discounting	588.94	676.79
Other financial assets	34.37	65.69
Financial liabilities at fair value through other comprehensive income		
Current		
Derivative liability	-	0.02



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Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities at amortized cost		
Non-current		
Borrowings	62.96	-
Lease liability	67.79	35.32
Other financial liabilities	15.51	14.82
Current		
Borrowings	132.74	58.84
Lease liability	24.92	13.55
Trade payables	1,810.44	1,788.09
Other financial liabilities	266.77	250.00

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.

46.2 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, 2023		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	9.20
Investments in mutual funds	6,561.09	-	-
Current			
Investments in mutual funds	122.91	-	-
Financial assets at fair value through other comprehensive income			
Non-current			
Investments in mutual funds	2,503.32	-	-
Investments in equity	-	-	443.03



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Particulars	Fair value as at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-		9.20
Investments in mutual funds	5,058.05	-	-
Current			
Investments in mutual funds	331.50	-	-

* represents the investments in equity of Suryadev Alloys & Power Private Limited and Flamesun Solar Private Limited. As per the share purchase agreement between the Company and these parties, in case of termination or as the case may be, the Company shall transfer the equity shares to the person nominated by each party (Nominated person) as may be prescribed and consideration to receive in this regard shall be the same amount as paid by the Company towards purchase of these equity investments (cost of purchase).

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

Particulars	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value (Level 1)	Carrying amount	Fair value (Level 1)
Financial assets at amortized cost				
Non-current				
Investments in bonds	355.76	354.43	270.70	279.51
Current				
Investments in bonds	96.98	97.06	93.19	94.54

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 and the previous year.

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47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives

The Group's management monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in foreign currency in crores)

Foreign currency exposure	As at March 31, 2023		As at March 31, 2022	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	3.97	2.95	2.79	1.23
EURO	2.68	0.10	2.41	0.04
GBP	0.97	0.13	0.44	0.25
JPY	-	3.83	-	10.04
THB	3.80	0.04	3.34	0.04
Others	0.06	0.02	0.01	0.01

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. 20.85 crores (March 31, 2022: Rs. 17.52 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	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at beginning of the year	20.10	18.74
Add: Provided during the year	7.38	1.40
Less: amounts written off	-	0.04
Balance at end of the year	27.48	20.10

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, 2023 would increase/decrease by Rs. 91.87 crores (for the year ended March 31, 2022: increase/decrease by Rs. 53.90 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, 2023			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Borrowings	-	-	62.96	62.96
(ii) Lease liability	-	71.84	10.49	82.33
(iii) Other financial liabilities	-	-	15.51	15.51
Current				
(i) Borrowings	132.74	-	-	132.74
(ii) Lease liability	31.47	-	-	31.47
(iii) Trade payables	1,810.44	-	-	1,810.44
(iv) Other financial liabilities	266.77	-	-	266.77



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Particulars	As at March 31, 2022			Total
	Less than 1 year	1 to 5 years	>5 Years	
Non-current				
(i) Lease liability	-	35.87	8.95	44.82
(ii) Other financial liabilities	-	-	14.82	14.82
Current				
(i) Borrowings	58.84	-	-	58.84
(ii) Lease liability	17.10	-	-	17.10
(iii) Trade payables	1,788.09	-	-	1,788.09
(iv) Other financial liabilities	250.00	-	-	250.00

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

48. SHARE-BASED PAYMENTS

Employee Stock Option Plan, 2006

Pursuant to the approval accorded by shareholders at their Annual General Meeting held on July 5th 2006, the Nomination and Remuneration Committee of the Company formulated Employee Stock Option Plan 2006' ("ESOP, 2006") of the Company.

ESOP, 2006 is applicable to all permanent and full-time employees (as defined in the Plan), excluding employee who is a Promoter or belonging to Promoter Group of the Company and other exclusions as per SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations"). The eligibility of employees to receive grants under the Plan is decided by the Nomination and Remuneration Committee, from time to time at its sole discretion.

Vesting of the options shall take place in the manner as may be determined by the Nomination and Remuneration Committee at the time of grant, provided, the vesting period shall not be less than 1 year from the date of grant or such other period as may be prescribed, from time to time, under the aforesaid SEBI Regulations.

Vesting of options shall be subject to the conditions that the Grantee shall be in continuous employment with the Company (or its subsidiary company, as the case may be) and subject to such other conditions and exceptions as provided under Company's ESOP, 2006.

The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant, provided that the Exercise Price shall not be less than the closing market price of the shares of the Company on NSE/BSE on the day preceding the date of grant of Options.

The options vested can be exercised at any time until completion of seven years from the date of vesting. Any options remaining unexercised at the end of the exercise period shall lapse. At the time of exercise, the participant may pay the exercise price in the form as approved by the Nomination and Remuneration Committee in accordance with the terms of the ESOP, 2006.

Each stock option, when exercised, is convertible into one equity share of the Company. No amount is payable by the option grantee on grant of option. The options carry neither rights to dividends nor voting rights until they are exercised & converted into shares.



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Details of the Employee Stock Option Plan, 2006

The following share-based payment arrangements were in existence during the current and prior years :

Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(ii)	20,89,000	22-Oct-07	3Years	21-Oct-17	46.20	24.39
(iii)	4,00,000	29-Apr-10	1Year	28-Apr-18	69.50	15.46
(iv)	1,54,000	8-Nov-10	3Years	7-Nov-20	141.10	24.39
(v)	10,82,000	6-May-11	3-5Years	5-May-21	116.20	62.51
(vi)	54,000	11-Feb-12	3-5Years	10-Feb-22	177.00	96.71
(vii)	50,000	16-Dec-13	3-5Years	15-Dec-23	491.50	252.20
(viii)	1,60,000	11-Aug-14	3-5Years	10-Aug-24	847.75	433.63
(ix)	54,000	12-Nov-14	3-5Years	11-Nov-24	1,299.37	655.57
(x)	20,000	12-Jan-15	1Year	11-Jan-25	1,473.90	762.66
(x)	2,03,000	12-Jan-15	3-5Years	11-Jan-25	1,473.90	739.39
(xi)	45,000	20-Mar-15	3-5Years	20-Mar-25	1,611.20	829.56
(xii)	5,30,000	8-May-15	3-5Years	7-May-25	1,480.70	774.20
(xiii)	65,900	21-Jul-15	3-5Years	20-Jul-25	2,124.80	1,111.25
(xiv)	78,000	6-Nov-15	3-5Years	5-Nov-25	1,767.80	901.05
(xv)	42,000	5-Feb-16	3-5Years	4-Feb-26	1,689.40	856.59
(xvi)	24,000	27-Apr-16	3-5Years	26-Apr-26	2,014.80	1,005.58
(xvii)	21,000	28-Jul-16	3-5Years	27-Jul-26	2,034.00	1,043.71
(xviii)	30,000	28-Oct-16	3-5Years	27-Oct-26	2,449.20	1,175.40
(xix)	18,000	1-Feb-17	3-5Years	31-Jan-27	2,302.80	1,087.56
(xx)	35,000	27-Mar-17	3-5Years	26-Mar-27	2,435.00	1,160.12
(xxi)	13,500	9-Aug-17	3-5Years	8-Aug-27	3,212.10	1,497.35
(xxii)	15,000	14-Nov-17	3-5Years	13-Nov-27	3,058.50	1,452.09
(xxiii)	21,000	7-Feb-18	3-5Years	6-Feb-28	2,757.90	1,272.97
(xxiv)	45,000	2-Apr-18	3-5Years	1-Apr-28	2,837.30	1,293.48
(xxv)	12,500	9-May-18	3-5Years	8-May-28	3,042.70	1,409.20
(xxvi)	24,000	9-Aug-18	3-5Years	8-Aug-28	2,759.40	1,288.71
(xxvii)	28,000	12-Nov-18	3-5Years	11-Nov-28	2,249.60	1,046.94
(xxviii)	12,500	11-Feb-19	3-5Years	10-Feb-29	2,084.80	961.54
(xxix)	10,00,000	1-Apr-19	3-7Years	31-Mar-33	2,054.80	762.89
(xxx)	36,000	1-Aug-19	3-5Years	31-Jul-31	1,634.90	745.52
(xxxi)	82,500	6-May-20	3-5Years	5-May-32	1,381.10	446.24
(xxxii)	4,27,500	6-May-20	3Years	5-May-30	1,381.10	386.16
(xxxiii)	6,000	13-Aug-20	3Years	12-Aug-30	2,211.70	639.70
(xxxiv)	10,000	10-Feb-21	3Years	9-Feb-31	2,948.00	875.95
(xxxvi)	3,28,500	27-May-21	3Years	26-May-31	2,633.50	782.21
(xxxvi)	2,00,000	27-May-21	3-4Years	26-May-31	2,633.50	829.69
(xxxvii)	50,000	03-Nov-21	3Years	02-Nov-31	2,543.00	744.18



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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 share options granted during the financial year is Rs. Nil (March 31, 2022 : Rs. 795.34). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model

Option series

Particulars	(xxxv)	(xxxvi)	(xxxvii)
Grant date share price	2,633.50	2,633.50	2,542.50
Exercise price	2,633.50	2,633.50	2,543.00
Expected volatility	37.75%	34.62%	36.29%
Option life	3 Years	4 Years	3 Years
Dividend yield	0.67%	0.67%	0.64%
Risk-free interest rate	4.73%	5.37%	5.07%

Movements in share options during the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	11,31,808	1,998.65	18,97,658	1,881.43
Granted during the year	-	-	5,78,500	2,623.62
Forfeited during the year	(1,35,150)	1,628.58	(13,07,170)	2,113.28
Exercised during the year	(58,468)	1,917.07	(37,180)	1,743.45
Balance at end of the year	9,38,190	2,057.05	11,31,808	1,998.65
Exercisable at the end of the year	1,43,190	1,861.48	1,86,808	1,854.54

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Share-based payments	13.40	(29.34)



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Share options exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise Price Rs
For the year ended March 31, 2023			
(xiv) Granted on November 6, 2015	2,750	13-May-22	1,767.80
(xv) Granted on February 5, 2016	1,000	13-May-22	1,689.40
(xxxi) Granted on May 6, 2020	2,000	13-May-22	1,381.10
(xiv) Granted on November 6, 2015	1,668	10-Aug-22	1,767.80
(x) Granted on January 12, 2015	4,200	10-Aug-22	1,473.90
(xiii) Granted on July 21, 2015	10,000	10-Aug-22	2,124.80
(xxx) Granted on August 1, 2019	6,000	10-Aug-22	1,634.90
(xviii) Granted on October 28, 2016	5,000	10-Aug-22	2,449.20
(x) Granted on January 12, 2015	2,100	10-Nov-22	1,473.90
(xiii) Granted on July 21, 2015	9,200	10-Nov-22	2,124.80
(xxx) Granted on August 1, 2019	6,000	10-Nov-22	1,634.90
(xv) Granted on February 5, 2016	3,000	10-Nov-22	1,689.40
(xxxv) Granted on May 27, 2021	2,000	10-Nov-22	2,633.50
(xiii) Granted on July 21, 2015	3,550	14-Feb-23	2,124.80
	58,468		
Weighted average exercise price	1,917.06		
For the year ended March 31, 2022			
(xii) Granted on May 8, 2015	2,500	27-May-21	1,480.70
(ix) Granted on November 12, 2014	4,000	12-Aug-21	1,299.37
(xiv) Granted on November 6, 2015	2,750	12-Aug-21	1,767.80
(xiv) Granted on January 12, 2015	4,500	12-Aug-21	1,473.90
(xv) Granted on February 05, 2016	4,000	25-Oct-21	1,689.40
(ix) Granted on November 12, 2014	4,600	03-Nov-21	1,299.37
(xiv) Granted on November 06, 2015	2,750	03-Nov-21	1,767.80
(xx) Granted on November 12, 2018	9,330	14-Feb-22	2,249.60
(xiii) Granted on July 21, 2015	2,750	14-Feb-22	2,124.80
	37,180		
Weighted average exercise price	1,743.45		

Share options outstanding at end of the year

Options series	Options outstanding		Remaining contractual life in years		Exercise Price Rs.
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
(viii) 11-Aug-14	20,000	20,000	1.36	2.36	847.75
(x) 12-Jan-15	-	6,300	1.78	2.78	1,473.90
(xii) 8-May-15	50,640	50,640	2.10	3.10	1,480.70
(xiii) 21-Jul-15	6,250	43,650	2.30	3.30	2,124.80
(xiv) 6-Nov-15	-	4,418	2.60	3.60	1,767.80
(xv) 5-Feb-16	7,000	11,000	2.85	3.85	1,689.40
(xvi) 27-Apr-16	9,000	9,000	3.07	4.07	2,014.80
(xvii) 28-Jul-16	17,800	17,800	3.32	4.32	2,034.00
(xviii) 28-Oct-16	-	5,000	3.58	4.58	2,449.20
(xxi) 9-Aug-17	13,500	13,500	4.36	5.36	3,212.10
(xxii) 14-Nov-17	15,000	15,000	4.62	5.62	3,058.50

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Options series	Options outstanding		Remaining contractual life in years		Exercise Price Rs.
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
(xxx) 1-Aug-19	24,000	36,000	8.33	9.33	1,634.90
(xxxi) 6-May-20	-	4,000	9.10	10.10	1,381.10
(xxxii) 6-May-20	3,27,000	4,27,500	7.10	8.10	1,381.10
(xxxiv) 10-Feb-21	10,000	10,000	7.87	8.87	2,948.00
(xxxvi) 27-May-21	1,88,000	2,08,000	8.16	9.16	2,633.50
(xxxvi) 27-May-21	2,00,000	2,00,000	8.16	9.16	2,633.50
(xxxvii) 3-Nov-21	50,000	50,000	8.59	9.59	2,543.00
	9,38,190	11,31,808			

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

Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(iii)	50,000	1-Apr-21	1 Year	31-Mar-29	1.00	2,526.34
(iv)	130,430	12-May-22	3 year	11-May-32	1.00	2,342.87
(v)	10,750	10-Nov-22	3 year	9-Nov-32	1.00	3,665.42
(vi)	3,300	18-Nov-22	3 year	17-Nov-32	1.00	3,379.52

Fair value of stock units granted in the year

The weighted average fair value of the stock units granted during the financial year is Rs. 2,464.95 (March 31, 2022 : Rs. 2,526.34). 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		
	(i)	(ii)	(iii)
Grant date share price	1,634.81	1,309.60	2,603.95
Exercise price	1.00	1.00	1.00
Expected volatility	30.62%	32.32%	37.32%
Option life	4.5 years	4.5 years	4.5 years
Dividend yield	0.75%	0.67%	0.67%
Risk-free interest rate	6.52%	5.86%	5.79%

Inputs into the Black Scholes options pricing model model

Particulars	Option series		
	(iv)	(v)	(vi)
Grant date share price	2,389.15	3,732.95	3,441.85
Exercise price	1.00	1.00	1.00
Expected volatility	35.83%	33.59%	33.68%
Option life	3 years	3 years	3 years
Dividend yield	0.64%	0.60%	0.60%
Risk-free interest rate	6.94%	7.55%	7.21%



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Movements in share options during the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	-	-	50,000	1.00
Granted during the year	1,44,480	1.00	50,000	1.00
Forfeited during the year	(6,600)	-	(50,000)	-
Exercised during the year	-	-	(50,000)	1.00
Expired during the year	-	-	-	-
Balance at end of the year	1,37,880	1.00	-	-
Exercisable at the end of the year	-	-	-	-

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Share-based payments	9.36	-

Stock units exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2023			
Nil	Nil	Nil	Nil
For the year ended March 31, 2022			
(i) Granted on April 1, 2020	50,000	27-May-21	1.00

Share options outstanding at end of the year

Options series	Options outstanding	Remaining contractual life in years		Exercise Price Rs.
		As at March 31, 2023	As at March 31, 2022	
(iv) 12-May-22	1,23,830	-	2.12	1.00
(v) 10-Nov-22	10,750	-	2.61	1.00
(vi) 18-Nov-22	3,300	-	2.64	1.00
	1,37,880	-		



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49. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Gross amount required to be spent and approved by the board to be spent#	45.18	52.71
(b) Amount spent:		
During the year ending on March 31, 2023:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above*	13.05	-
During the year ending on March 31, 2022:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above*	-	27.74
(c) Unspent amount in relation to:		
(i) Ongoing project	32.13	24.97
(ii) Other than ongoing project	-	-
# Includes surplus generated on unspent CSR balances amounting to Rs. 0.06 crores (March 31, 2022: 1.59 crores)		
*Includes administrative expenses	1.88	2.07

Details of ongoing project and other than ongoing project for FY 22-23

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company*	In Separate CSR Unspent A/c*		From Company's bank A/c	From Separate CSR Unspent A/c	With Company**	In Separate CSR Unspent A/c
	41.72	45.18	13.05	29.06	32.13	12.66

* The amount of Rs. 24.97 Crores was transferred to separate CSR unspent account during April, 2022 as per MCA circular no. 14/2021 dated 25th August 2021.

** The unspent amount pertaining to the FY 2022-23 was transferred to the separate CSR unspent account in April, 2023 as per the CSR Rules.

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

Details of ongoing project and other than ongoing project for FY 21-22

In case of S. 135(5) (Other than ongoing project)						
Opening Balance	In Separate CSR Unspent A/c**	Amount required to be spent during the year	Amount spent during the year		Closing balance	
With company**			From Company's bank a/c	From Separate CSR	With company*	In Separate CSR
	24.92	52.71	27.74	8.17	24.97	16.75

** The amount was transferred to unspent account in September 2021 post clarification by MCA vide circular no.14/2021 dated 25th August 2021.



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In case of S. 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	-	-	-

CSR activities undertaken directly or through Eicher Group Foundation (EGF) majorly includes sustainable initiatives for transforming rural communities, strengthening and upgradation of education system, protection of heritage, art and culture & responsible travel initiatives at Uttarakhand & North Eastern Himalayas.

The Group's projects are long term and money is spent depending upon the requirement of the projects. During the financial year 2022-23, Rs. 13.05 crores (March 31, 2022: 27.74 crores) was spent as per the requirements of CSR projects and the unspent amount of Rs. 32.13 crores (March 31, 2022: 24.97 crores) is transferred to unspent CSR account pursuant to the CSR Rules subsequent to the year-end.

50. Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Share of net assets As at March 31, 2023		Share of profit or loss For the year ended March 31, 2023	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	84.39%	12,650.79	87.39%	2,546.56
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	0.52%	78.50	2.34%	68.08
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	0.09%	12.92	(0.61%)	(17.78)
3. Royal Enfield (Thailand) Limited	0.12%	18.03	0.00%	0.00
4. Royal Enfield UK Limited	0.01%	1.67	0.07%	1.91
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	14.87%	2,228.37	10.81%	315.17
2. Eicher Polaris Private Limited	0.00%	-	0.00%	-



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Name of the entity	Share of other comprehensive income for the year ended March 31, 2023		Share of total comprehensive income for the year ended March 31, 2023	
	As % of consolidated Other Comprehensive Income	Rs. in crores	As % of consolidated Total Comprehensive Income	Rs. in crores
Parent				
Eicher Motors Limited	116.37%	9.95	87.47%	2,556.51
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	19.88%	1.70	2.39%	69.78
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	(0.47%)	(0.04)	(0.61%)	(17.82)
3. Royal Enfield (Thailand) Limited	9.47%	0.81	0.03%	0.81
4. Royal Enfield UK Limited	0.82%	0.07	0.07%	1.98
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	(46.07%)	(3.94)	10.65%	311.23
2. Eicher Polaris Private Limited	-	-	0.00%	-

Name of the entity	Share of net assets As at March 31, 2022		Share of profit or loss for the year ended March 31, 2022	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	84.03%	10,594.54	93.09%	1,560.72
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	0.06%	8.16	2.85%	47.77
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	0.24%	30.75	0.35%	5.83
3. Royal Enfield (Thailand) Limited	0.13%	16.95	(0.11%)	(1.80)
4. Royal Enfield UK Limited	0.00%	(0.33)	0.23%	3.93
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	15.53%	1,957.94	3.59%	60.15
2. Eicher Polaris Private Limited	-	-	-	-

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Name of the entity	Share of other comprehensive income for the year ended March 31, 2022		Share of total comprehensive income for the year ended March 31, 2022	
	As % of consolidated Other Comprehensive Income	Rs. in crores	As % of consolidated Total Comprehensive Income	Rs. in crores
	Parent			
Eicher Motors Limited				
Subsidiaries	51.78%	(9.92)	93.57%	1,550.79
Foreign				
1. Royal Enfield North America Limited	36.74%	(7.04)	2.46%	40.73
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	(22.05%)	4.23	0.61%	10.06
3. Royal Enfield (Thailand) Limited	(2.87%)	0.55	(0.08%)	(1.25)
4. Royal Enfield UK Limited	30.03%	(5.76)	(0.11%)	(1.82)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	6.37%	(1.22)	3.55%	58.93
2. Eicher Polaris Private Limited	-	-	-	-

51. IND AS 116 LEASES

A. As a lessee

The Group has lease contracts for various buildings used in its operations. Leases of buildings generally have lease terms between 2 to 25 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options which are further discussed below.

The Group also has certain leases of buildings with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(i) Movement in the carrying value of the Right to Use Asset

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	144.43	39.23	183.66	145.96	51.66	197.62
Depreciation charge for the Period	(1.53)	(19.07)	(20.60)	(1.53)	(16.40)	(17.93)
Additions during the Period	-	63.00	63.00	-	4.03	4.03
Adjustment/Deletion	-	0.07	0.07	-	(0.06)	(0.06)
Closing Balance	142.90	83.23	226.13	144.43	39.23	183.66

(ii) Classification of current and non current liabilities of the lease liabilities

Particulars	As at March 31, 2023			As at March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Current liabilities	-	24.92	24.92	-	13.55	13.55
Non Current Liabilities	-	67.79	67.79	-	35.32	35.32
Total Lease liabilities	-	92.71	92.71	-	48.87	48.87



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(iii) Movement in the carrying value of the Lease Liability

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	-	48.87	48.87	-	61.84	61.84
Interest Expense	-	4.79	4.79	-	4.51	4.51
Lease Payments [Total Cash Outflow]	-	(23.67)	(23.67)	-	(21.43)	(21.43)
Termination options exercised	-	-	-	-	-	-
Additions during the year	-	62.62	62.62	-	4.03	4.03
Adjustments	-	0.10	0.10	-	(0.08)	(0.08)
Closing Balance	-	92.71	92.71	-	48.87	48.87

(iv) Contractual Maturities of Lease liability outstanding

Particulars	As at March 31, 2023			As at March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Less than one year	-	31.47	31.47	-	17.10	17.10
One to five Years	-	71.84	71.84	-	35.87	35.87
More than Five years	-	10.49	10.49	-	8.95	8.95
Total	-	113.80	113.80	-	61.92	61.92

Lease expenses relating to short term leases aggregated to Rs. 46.11 crores during the year ended March 31, 2023 (Rs. 28.11 crores during the year ended March 31, 2022)

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, 2023	For the year ended March 31, 2022
Amortisation of right-of-use assets	20.60	17.93
Interest expense on lease liabilities	4.79	4.51
Expense relating to short-term leases (included in other expenses)	46.11	28.11

B. As a lessor

Finance Lease

During the previous years, the Company has given office equipments on finance lease to its dealers for operational use by the dealers for servicing the customers of the Company. For the year ended March 31, 2023, the Company recognised interest income on lease receivables of Rs. 0.70 crores (March 31, 2022: Rs. 1.34 crores). 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, 2023	As at March 31, 2022
Less than one year		
Total Undiscounted lease receivables	2.28	2.57
Unearned finance income	0.12	0.68
Net investment in the lease	2.16	1.89
One to three years		
Total Undiscounted lease receivables	0.01	6.89
Unearned finance income	0.01	0.14
Net investment in the lease	-	6.75



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

52. CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 539.10 crores (March 31, 2022 : Rs. 435.35 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.

53. The Board of Directors of the Company at their meeting held on May 11, 2023, considered and recommended a final dividend aggregating to Rs. 1,011.88 crores @ Rs. 37 per share (nominal value of Rs. 1 per share) for the financial year ended March 31, 2023 (final dividend paid for previous financial year ended March 31, 2022 was Rs. 574.19 crores @ Rs. 21 per share of nominal value of Rs. 1 per share).

54. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio: <i>Current Assets / Current Liabilities</i>	1.1	1.9	(42.1%)	Decrease is mainly due to liquidation of fixed deposits and same was re-invested in long term mutual funds
Debt- Equity Ratio: <i>Total Debt / Shareholder's Equity</i>	0.0	0.0	0.0%	Not applicable
Debt Service Coverage ratio: <i>Earnings for debt service = Net profit after taxes + Non-cash operating expenses / Debt service = Interest & Lease Payments + Principal Repayments</i>	80.6	13.5	497.0%	Change due to increase in the profits and reduction in the debt and lease rentals compared to the previous year
Return on Equity ratio: <i>Net Profits after taxes – Preference Dividend / Average Shareholder's Equity</i>	0.2	0.1	100.0%	Change due higher Profit after taxes owing to increase in sales
Inventory Turnover ratio: <i>Cost of goods sold / Average Inventory</i>	7.0	6.1	14.8%	Not applicable
Trade Receivable Turnover Ratio: <i>Net credit sales = Gross credit sales - sales return / Average Trade Receivable</i>	5.8	6.5	(10.9%)	Not applicable
Trade Payable Turnover Ratio: <i>Net credit purchases = Gross credit purchases - purchase return / Average Trade Payables</i>	4.5	3.7	21.6%	Not applicable
Net Capital Turnover Ratio: <i>Net sales = Total sales - sales return / Working capital = Current assets – Current liabilities</i>	32.2	3.8	747.4%	Change is due to increase in sales from previous year and reduction in working capital compared to previous year (Due to liquidation of fixed deposits in the current year and the same was re-invested in long term mutual funds)
Net Profit ratio: <i>Net Profit / Net sales = Total sales - sales return</i>	0.2	0.2	0.0%	Not applicable
Return on Capital Employed: <i>Earnings before interest and taxes / Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability</i>	22.7%	16.8%	35.1%	Change due higher Earnings before interest and taxes owing to increase in sales
Return on Investment: <i>Interest (Finance Income) / Average Investments</i>	4.8%	4.6%	4.4%	Not applicable



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

55. OTHER STATUTORY INFORMATION

- (i) The Group has not defaulted on loans payable and have not been declared as wilful defaulter.
- (ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (iii) The Group has not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the year.
- (iv) The Group does not have any transactions with companies struck off.
- (v) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (viii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (ix) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (x) The Group has not granted any loans and advances to promoters, directors, KMPs and other related parties (as defined under Companies Act 2013) during the year.
- (xi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

56. STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 1, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 1, 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 1, 2023.

The Group is currently assessing the impact of the amendments.

57. 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 11, 2023

Date: May 11, 2023

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

Vidhya Srinivasan
Chief Financial Officer

Atul Sharma
Company Secretary

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906



REVIEW OF SUBSIDIARY





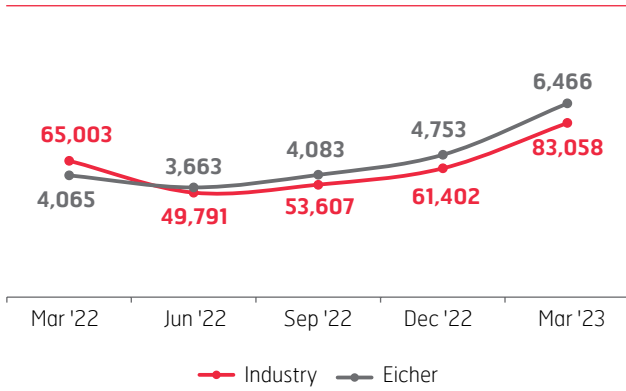
PERFORMANCE HIGHLIGHTS

OF VE COMMERCIAL VEHICLES LIMITED

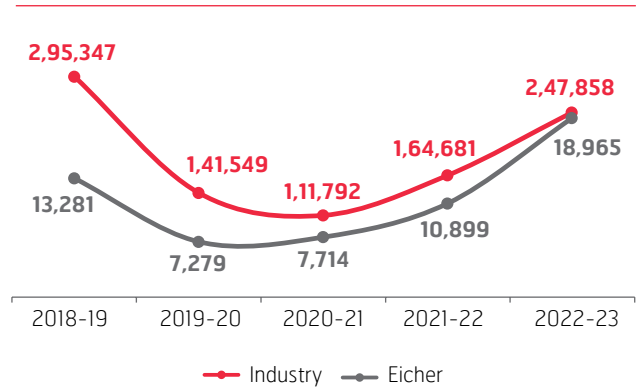
SALES VOLUME TREND INDUSTRY VS EICHER

Heavy Duty Trucks

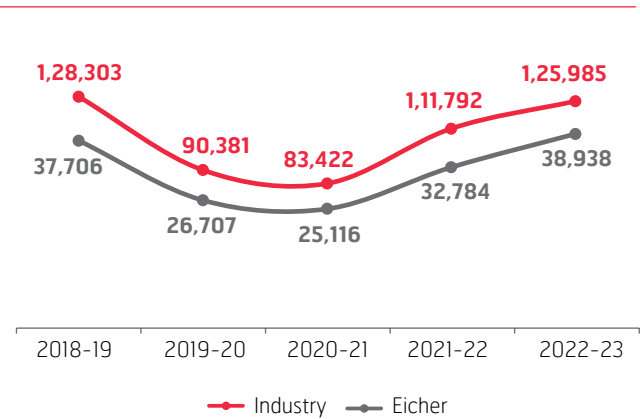
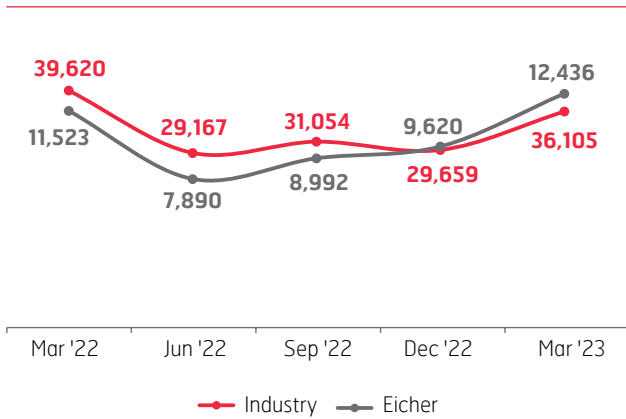
Quarterly Trend



Yearly Trend



Combined Light Duty Trucks (3.5 - 5 Tonnes) and Light Medium Duty Trucks (5 - 18.5 Tonnes)



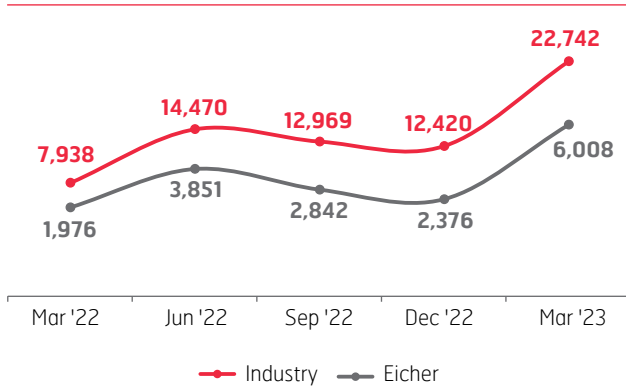


PERFORMANCE HIGHLIGHTS

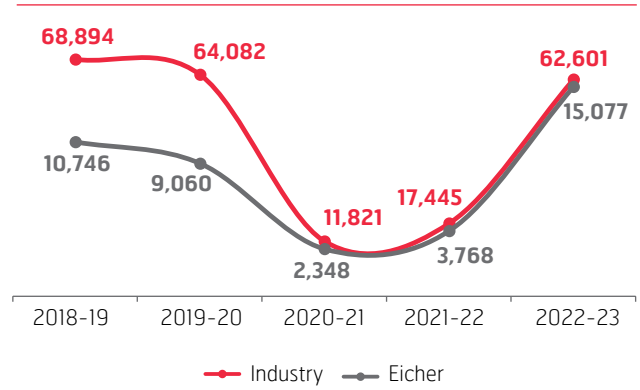
OF VE COMMERCIAL VEHICLES LIMITED

Buses (incl. Volvo Bus)

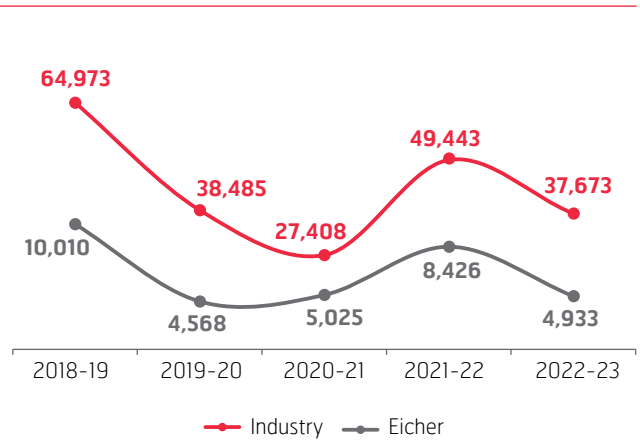
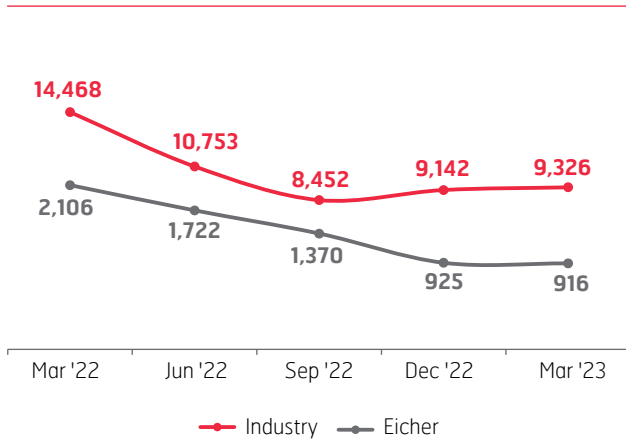
Quarterly Trend



Yearly Trend



Exports

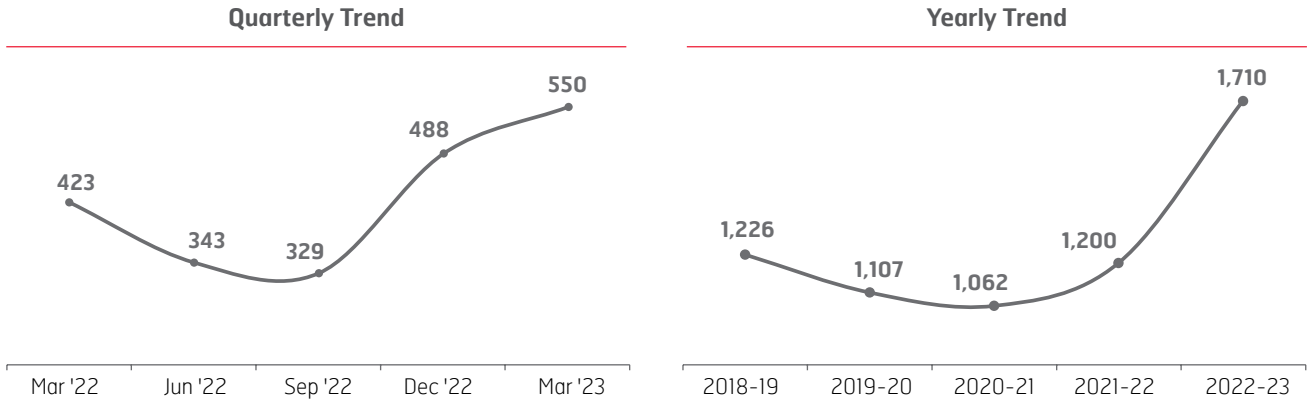




PERFORMANCE HIGHLIGHTS

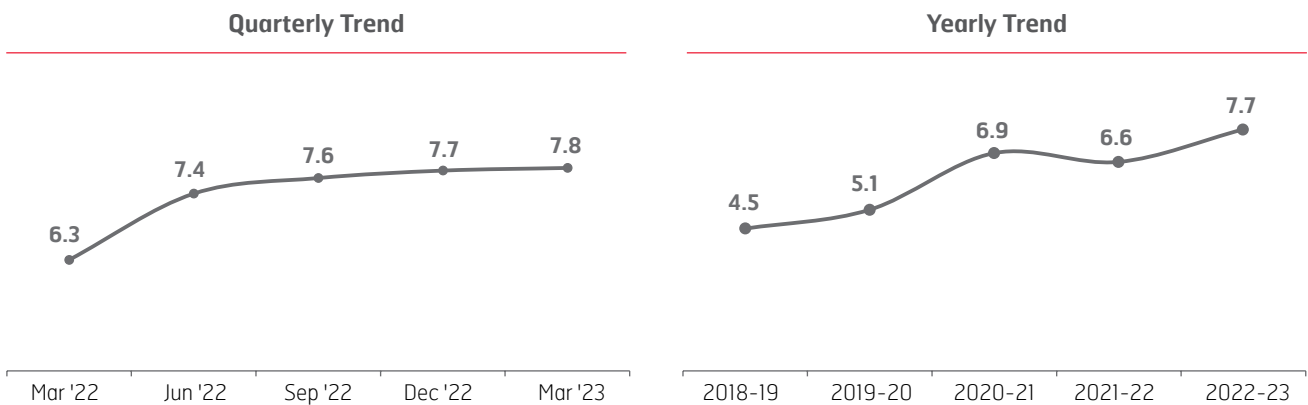
OF VE COMMERCIAL VEHICLES LIMITED

SALES VOLUME TREND VOLVO TRUCKS



EICHER MARKET SHARE TREND

Heavy Duty Trucks



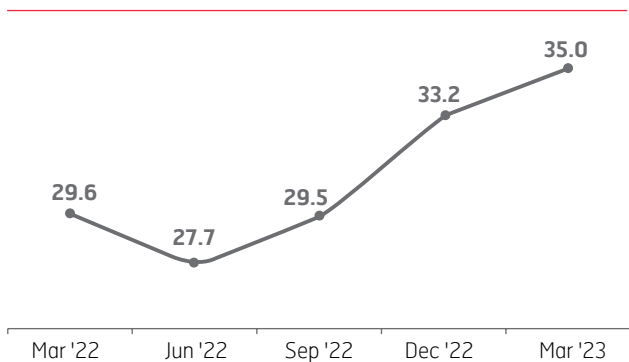


PERFORMANCE HIGHLIGHTS

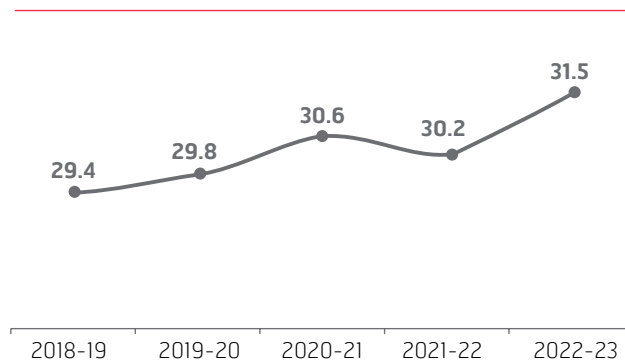
OF VE COMMERCIAL VEHICLES LIMITED

LIGHT MEDIUM DUTY TRUCKS (5 - 18.5 TONNES)

Quarterly Trend



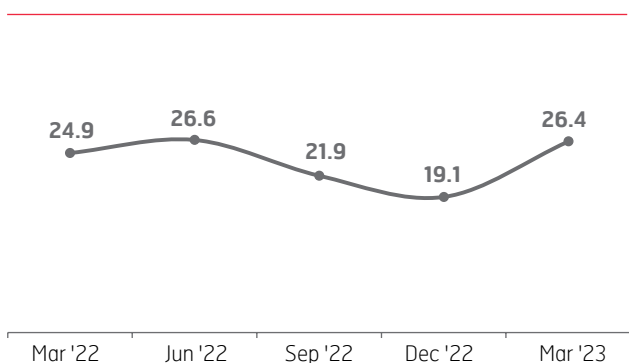
Yearly Trend



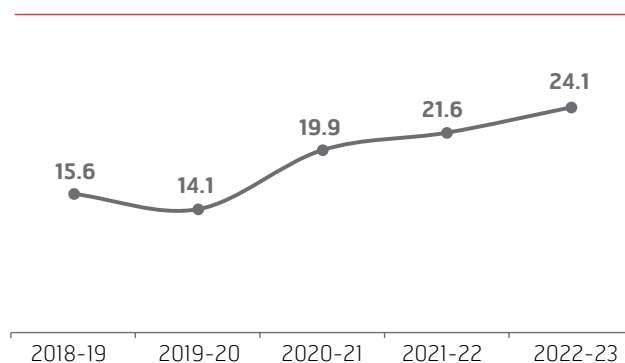
EICHER MARKET SHARE TREND

Buses (incl. Volvo Bus)

Quarterly Trend



Yearly Trend





BUSINESS HIGHLIGHTS AND FUTURE PROSPECTS

BRIEF DESCRIPTION OF THE STATE OF COMPANY'S AFFAIRS

VECV Performance

Your Company outperformed the market in 2023-24 and is well positioned to continue to grow, backed by its focus on customer centricity, strengthened product range, industrial infrastructure, improved market presence, future ready technology programs and customer satisfaction.

With meticulous execution strategies and good coordination between various teams, several actions as highlighted below were implemented:

- Implemented BS VI OBD II compliance product range across LMD, HD & Bus and introduced 13.5m Bus, as a first in industry
- Bhopal facility developed into "Centre of Excellence" for Pro 2000 range of trucks. It is enabled with "Connected factory" Industry 4.0 concept ensuring lean and efficient material supply.
- Introduction of Pro-2000 Left-Hand Drive and Right-Hand Drive range in Export markets
- Progress on emerging technologies: Production and delivery of first batch of 40 units of 9m Electric Vehicles for Chandigarh Transport Undertaking (CTU), Chandigarh
- Introduced Volvo FMX 500 off-dump truck enabled tapping of emerging opportunities in Mining and making inroads into Cement segment.
- The successful launch of Volvo 9600 coach created a benchmark in luxury and comfort.
- Addition of capacities with installation of superior manufacturing capabilities at EEC Dewas units
- Strong governance was implemented to drive sustainability initiatives across all the business units of your Company.

Further, your Company was Ranked #1 in Dealer Satisfaction Survey 2022 (by FADA) for the second year in a row. During the last quarter of financial year 2022-23, six products of your Company won the most prestigious Apollo CV awards in various categories.

OUR BUSINESSES, MARKET AND FUTURE PROSPECTS

Trucks and Buses

(i) Eicher Trucks and Buses (ETB)

Financial Year 2022-23 has been a record year for ETB. ETB has produced the highest ever 78202 vehicles. Persistence effort on quality through technology adoption and automation resulted in significant improvement in straight pass and product build quality. Continuous efforts are being made to adopt Volvo Production System (VPS) and IoT (Internet of Things) methodology across the plant.

ETB has recorded sales of 77760 units in the financial year 2022-23 as compared to 55824 units in the financial year 2021-22, registering a growth of 39.3%.

Eicher Heavy Duty (HD) trucks recorded highest ever volumes of 18,965 units with 7.7% market share. All sub segments of HD like 4X2 Haulage, MAV haulage, Tippers and Tractors have also registered all time high volumes. Eicher HD has been able to establish a strong foothold in the North region and consolidated its presence in Eastern territories.

Light and Medium Duty (5 - 18.5 Tonnes) range of Eicher trucks achieved a new peak with highest ever volumes of 37318 units and 31.5% market share. Eicher LMD trucks sustained leadership position in most of the sub-segments and attained leadership in 9 states with market share gain in 18 states.

Your Company achieved new heights in the Indian bus industry with an all-time high bus volume. With the vision of "Shaping the Future of the Indian Bus Industry" your Company continued to create an impact through its distinct product offerings. Industry leading relevant products have now made your Company the only OEM to offer products ranging from a 5-meter bus to a 15-meter bus across the entire value chain up to premium segment.

Your Company's Bus sales recorded 15077 units in the financial year 2022-23 as compared to 3768 units in the previous financial year 2021-22, registering a growth of 300%.



(ii) Volvo Trucks India (VTI)

Volvo Trucks maintained a strong brand image and leadership position in the premium trucks segment with 95.1% market share.

Volvo Trucks continue to maintain a strong and distinct leadership position in mining as well as heavy cargo transport segments within premium trucks (400+hp) space and are making good progress in non-Coal overburden segments. For the financial year 2022-23, VTI achieved 1710 units of sales out of which 36% were delivered into non-coal overburden segments.

(iii) Volvo Buses India

The year saw the launch of Volvo 9600 coach derived from the award-winning European design. The newly launched 13.5-meter Eicher chassis and built-up bus for intercity segment became the market leader and performance has been well appreciated in the market.

International Business

Your Company recorded exports of 4933 units of trucks and buses during the financial year 2022-23 as against 8426 vehicles in the financial year 2021-22. South Asia saw a sharp decline in industry volumes owing to import restrictions imposed on account of depleting foreign exchange reserves

in those countries. Your company made good inroads in Africa and the Middle East registering the highest ever sales and growth of 28% over last year. Market development initiatives continued successfully in Africa and Middle East, with recent entry into Latin American markets. New products developed, especially for new Left-hand-drive (LHD) markets, have helped grow in these markets. The growth was aided by focused segment-based marketing, and expansion in the customer service network. Twenty new touchpoints were added for parts and customer service as part of the retail excellence drive.

Eicher Engineering Components (EEC)

EEC's growth story continued in the financial year 2022-23. It witnessed a revenue growth of 31% over the previous financial year. New benchmarks were created in exports and domestic sales segments due to higher orders from existing customers and new orders from large and key global OEMs. The deliveries were ramped up to the highest ever level, with on-time capacity expansion and substantial work done on productivity improvement.

VE Powertrain (VEPT)

VEPT delivered the highest ever 53739 engines in the financial year 2022-23 as compared to 43191 engines in the financial year 2021-22, registering a growth of 24.5%.



CONSOLIDATED BALANCE SHEET

VE COMMERCIAL VEHICLES LIMITED AS AT MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Rs. in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
ASSETS		
Non-current assets		
(a) Property, plant and equipment	2,142.82	2,134.93
(b) Capital work-in-progress	122.06	115.63
(c) Other Intangible assets	751.16	691.85
(d) Right-of-use assets	261.70	186.18
(e) Intangible assets under development	161.42	169.34
(f) Investments in subsidiaries & joint ventures	-	-
(g) Financial assets	-	-
(i) Investments	0.14	0.14
(ii) Loans	2.80	2.64
(iii) Other financial assets	638.89	257.46
(h) Other assets	86.78	77.40
Total non-current assets	4,167.77	3,635.57
Current assets		
(a) Inventories	1,715.58	1,453.80
(b) Financial assets		
(i) Investments	49.52	-
(ii) Trade receivables	2,309.58	2,037.94
(iii) Loans	3.38	3.95
(iv) Cash and cash equivalents	183.71	422.59
(v) Bank balances other than (iv) above	2,417.03	963.04
(vi) Other financial assets	367.25	280.45
(c) Other assets	223.73	191.25
Total current assets	7,269.78	5,353.02
Total assets	11,437.55	8,988.59
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	10.00	10.00
(b) Other equity	4,086.22	3,589.11
Total equity	4,096.22	3,599.11
Liabilities		
(a) Financial liabilities		
(i) Borrowings	-	77.88
(ii) Lease liability	117.61	58.83
(iii) Other financial liabilities	8.46	8.04
(b) Provisions	170.82	127.32
(c) Deferred tax liabilities (net)	231.55	78.44
(d) Other liabilities	9.57	7.31
Total non-current liabilities	538.01	357.82
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	310.00	34.62
(ii) Lease liability	39.06	18.56
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	42.11	131.74
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,361.92	4,092.84
(iv) Other financial liabilities	260.27	197.32
(b) Provisions	130.94	100.29
(c) Liabilities for current tax (net)	31.48	35.89
(d) Other liabilities	627.54	420.40
Total current liabilities	6,803.32	5,031.66
Total liabilities	7,341.33	5,389.48
Total equity and liabilities	11,437.55	8,988.59

In terms of our report attached.

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

Vinod AggarwalManaging Director and
Chief Executive Officer
DIN: 00038906**Joachim Henry Rosenberg**Director
DIN: 06391543**Siddhartha Lal**Chairman and Director
DIN: 00037645**Praveen Jain**Company Secretary
M No. 3524**Ken Trolle**

Chief financial Officer

Place: Gurugram

Date: May 09, 2023



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Rs. in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income		
Revenue from operations	18,952.33	12,724.45
Other income	122.61	57.34
Total Income	19,074.94	12,781.79
Expenses		
Cost of raw materials and components consumed	12,923.12	8,675.45
Purchases of traded goods	2,089.94	1,390.61
Change in inventories of finished goods, work-in-progress and stock-in-trade	(174.84)	(89.43)
Employee benefits expenses	1,134.74	920.36
Depreciation and amortisation expenses	573.73	561.17
Finance costs	32.36	35.99
Other expenses	1,604.43	1,111.83
Total expenses	18,183.48	12,605.98
Profit before tax	891.46	175.81
Tax expense		
Current tax	155.62	30.25
Deferred tax charge	156.48	34.99
Total tax expense	312.10	65.24
Profit for the year	579.36	110.57
Other comprehensive income		
Items that will not be reclassified to profit or loss:-		
Re-measurement losses on defined benefit plans	(9.19)	(2.52)
Income tax benefit	3.21	0.88
Net other comprehensive income not to be reclassified to profit or loss	(5.98)	(1.64)
Items that may be reclassified to profit or loss:-		
Exchange differences in translating the financial statements of foreign operations	(1.74)	(0.94)
Income tax effect	0.47	0.33
	(1.27)	(0.61)
Net other comprehensive income not to be reclassified to profit or loss	(7.25)	(2.25)
Total Comprehensive income for the year (net of tax)	572.11	108.32
Earnings per equity share (of Rs. 10 each) in Rs.		
Basic/ diluted	579.36	110.57

In terms of our report attached.

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

Vinod Aggarwal

Managing Director and

Chief Executive Officer

DIN: 00038906

Joachim Henry Rosenberg

Director

DIN: 06391543

Siddhartha Lal

Chairman and Director

DIN: 00037645

Praveen Jain

Company Secretary

M No. 3524

Ken Trolle

Chief financial Officer

Place: Gurugram

Date: May 09, 2023



CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Rs in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	891.46	175.81
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	573.73	561.17
Property, plant and equipment discarded	1.62	0.77
Loss on sale of property, plant and equipment (net)	-	0.08
Exchange differences in translating the financial statements of foreign operations	(1.74)	(0.94)
Interest income	(110.61)	(49.85)
Impairment on doubtful debts	3.36	7.12
Finance costs	32.36	35.99
Operating profit before changes in working capital	1,390.18	730.15
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	(0.16)	(0.65)
Other financial assets	(384.79)	(63.38)
Other assets	1.42	(1.48)
Current		
Inventories	(261.78)	(86.84)
Trade receivables	(271.64)	(511.25)
Loans	0.57	(0.39)
Other financial assets	(58.29)	(40.65)
Other assets	(32.48)	(34.97)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	0.42	(0.23)
Provisions	28.05	20.89
Other liabilities	2.26	0.50
Current		
Trade payables	1,179.46	653.68
Provisions	30.65	(2.40)
Other financial liabilities	11.31	(42.30)
Other liabilities	207.14	146.94
Cash generated from operating activities	1,842.32	767.62
Income taxes paid	(159.72)	(31.64)
Net cash flows from operating activities (A)	1,682.60	735.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances)	(566.05)	(488.51)
Proceeds from sale of property, plant and equipment	5.65	(0.85)
Investment/Redemption in fixed deposits	(1,453.99)	137.55
Investment in Government Securities	(49.52)	-
Interest received (finance income)	81.68	47.60
Net cash flow from in investing activities (B)	(1,982.23)	(304.21)



CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Rs in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in borrowings	310.00	-
Repayment of Long term borrowings	(112.50)	(279.82)
Interest paid	(12.12)	(25.07)
Payment of finance lease liabilities	(49.63)	(26.99)
Dividends paid to equity holders	(67.50)	(45.00)
Tax on dividend paid	(7.50)	(5.00)
Net cash flow from / (used in) financing activities (C)	60.75	(381.88)
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	(238.88)	49.89
Cash and cash equivalents at the beginning of the year	422.59	372.70
Cash and cash equivalents at the end of the year	183.71	422.59

Particulars	As at March 31, 2023	As at March 31, 2022
Components of cash and cash equivalents		
Cash on hand	0.56	0.40
Cheques/ drafts on hand	5.26	2.75
Balances with banks:		
In current accounts	98.10	109.48
In deposit accounts	79.79	309.96
Total cash and cash equivalents	183.71	422.59

In terms of our report attached.

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

Vinod Aggarwal

Managing Director and

Chief Executive Officer

DIN: 00038906

Joachim Henry Rosenberg

Director

DIN: 06391543

Siddhartha Lal

Chairman and Director

DIN: 00037645

Praveen Jain

Company Secretary

M No. 3524

Ken Trolle

Chief financial Officer

Place: Gurugram

Date: May 09, 2023



NOTICE OF 41ST (FORTY-FIRST) ANNUAL GENERAL MEETING

Notice is hereby given that the 41st (Forty-First) Annual General Meeting of the members of Eicher Motors Limited is scheduled to be held on Wednesday, August 23, 2023, 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, 2023 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 37/- per equity share of face value of Re. 1/- each for the financial year ended March 31, 2023.
3. To appoint Mr. Siddhartha Vikram 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 2022-23:

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 on the recommendation of the Audit Committee, as Cost Auditor of the Company to conduct audit of the relevant cost records of the Company for the financial year 2022-23, amounting to Rs. 5,00,000/- (Rupees Five lakhs 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. Inder Mohan Singh as an Independent Director of the Company:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013

(“the Act”), the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended and Articles of Association of the Company and on the basis of approval and recommendation of the Nomination and Remuneration committee and the Board of Directors, Mr. Inder Mohan Singh (DIN: 07114750), who holds the office of Independent Director under the first term of 5 (five) years up to November 11, 2023 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from November 12, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it to any committee of Board of Directors and/or any other person as it deems fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

6. To consider and approve re-appointment of Mr. Vinod Kumar Aggarwal as Non-executive Non-Independent Director of the Company:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended and Articles of Association of the Company and on the basis of approval and recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Vinod Kumar Aggarwal (DIN: 00038906), whose present term of appointment as a Non-Executive Non-Independent Director is valid upto March 31, 2024 and in respect of whom the Company has received a notice in writing from a member under Section 160(1)



of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, to hold office for a period of 5 (five) years with effect from April 1, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it to any committee of Board of Directors and/or any other person as it deems fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

7. To consider and approve Material Related Party Transactions between VE Commercial Vehicles Limited (VECV), Subsidiary of the Company, and Volvo Group India Private Limited, a related party of VECV:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Regulation 23(4) and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013, as amended, and other applicable laws/ statutory provisions, if any, Company’s Policy on Related Party Transactions and based on the recommendation of the Audit Committee and the Board, approval of the members of the Company be and is hereby accorded to the material related party transactions/ contracts entered into/ proposed to be entered into (whether individual transaction or transaction(s) taken together or series of transaction(s) or otherwise) as per the details provided in the explanatory statement between VE Commercial Vehicles Limited (“VECV”), an unlisted material subsidiary of the Company (related party of the Company) and Volvo Group India Private Limited (“VGIPL”), a related party of VECV on such terms and conditions as may be agreed between VECV and VGIPL, aggregating up to Rs. 4,000 crores (Rupees Four Thousand crores Only), excluding taxes, during the financial year 2023-24 provided however, that the said transactions shall be carried out at an arm’s length basis and in the ordinary course of business of the respective companies.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it to any committee of Board of Directors and/or any other person as it deems fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

By order of the Board of Eicher Motors Limited

Atul Sharma

Company Secretary

Membership No. ACS 22763

Place: Gurugram, Haryana

Date: July 26, 2023

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: (011)-41095173

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. Details of Directors seeking re-appointment /retiring by rotation at this Meeting (item no. 3, 5 and 6) 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, are provided in the “Annexure” to the Notice. 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. 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 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business as set out under item no. 3 of the Notice.

3. Detail of payments made to Statutory Auditors and its network firms by EML and its subsidiaries:

(Rs. in Crores)

S No.	Particulars	Payments made by EML	Payments made by subsidiaries of EML including VECV	Total
1	Audit fee*	1.00	0.71	1.71
2	Fee for other services	0.88	0.45	1.33
	Total			3.04

* includes fees for services which can be obtained only from the Statutory Auditors.

4. Ministry of Corporate Affairs has vide its General Circulars No. 20/2020 dated May 5, 2020 read with General Circular No 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 05, 2022 and 10/2022 dated December 28, 2022 (collectively referred to as **"MCA Circulars"**) has permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means (**"VC / OAVM"**), till September 30, 2023, without physical presence of the Members at a common venue.
5. 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 41st 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.
6. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed hereto.
7. 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 17, 2023 to August 23, 2023 (both days inclusive).
8. The dividend, if approved by the shareholders shall be paid in the following manner:
- To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on August 16, 2023;
 - To all Members in respect of shares held in physical form as of the close of business hours on August 16, 2023.
9. 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 41st AGM.
10. a) The amount of dividend remaining unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund Authority (IEPF Authority), constituted by the Central Government. The Company, accordingly, has transferred the unpaid and unclaimed dividend amount pertaining to financial year 2015-16 (January 2015 – March 2016) to the IEPF Authority within the stipulated time period.
- Members who have not encashed their dividend warrants pertaining to the financial year 2016-17 (April 2016 – March 2017) 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, 2023, the Company has transferred 22,73,874 equity shares of face value of Re. 1 each (0.83% of total share capital) on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, belonging to 3,060 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.

11. The Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, specimen signature, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of physical securities. In this regard, the Company had sent a communication dated February 4, 2022 to all its members holding shares in physical form ([weblink https://www.eicher.in/content/dam/eicher-motors/Intimation-to-Shareholders-holding-Shares-in-Physical-Mode.pdf](http://www.eicher.in/content/dam/eicher-motors/Intimation-to-Shareholders-holding-Shares-in-Physical-Mode.pdf)). Further, in terms of SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the Company had sent a communication dated May 31, 2023 to all its members holding shares in physical form to provide the aforesaid details ([weblink https://www.eicher.in/content/dam/eicher-motors/investor/notifications/company-update/Intimation-to-Shareholders-holding-Shares%20in-Physical-Mode.pdf](http://www.eicher.in/content/dam/eicher-motors/investor/notifications/company-update/Intimation-to-Shareholders-holding-Shares%20in-Physical-Mode.pdf)). Members may note that on and after October 1, 2023, in case any of the above cited documents/ details is not provided/ updated by the shareholder, Registrar & Share Transfer Agent shall freeze such Folio of the shareholder. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company also at <https://www.eicher.in/investor-service-request>. Upon freezing of folios, any service requests or complaints received from the member will not be processed by Registrar & Share Transfer Agent till the aforesaid details/ documents are provided to Registrar & Share Transfer Agent i.e. Link Intime India Pvt. Ltd. at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400083 or uploaded at portal of Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent of the Company at <https://web.linkintime.co.in/KYC/index.html>. Members holding shares in electronic form are requested to submit the PAN, KYC details to their Depository Participants with whom they are maintaining their demat accounts.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/ Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to Company's Registrar & Share Transfer Agent in the manner prescribed in para 11 above. Beneficial owners holding shares in electronic form are requested to intimate change in address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP).
13. Pursuant to the provisions of Section 72 of the Companies Act 2013, a member(s) holding shares in physical form may nominate, in the prescribed Form SH-13, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in physical form may write to the Company/ Registrar & Share Transfer Agent for this facility in the manner prescribed under para 11 above. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds which were lodged earlier and returned. The shares after executing transfer shall be issued only in demat mode. In addition, SEBI has vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated to issue the securities in dematerialized form only while processing the service request received in the nature of (i) Issue of duplicate securities certificate, (ii) Claim from Unclaimed Suspense Account, (iii) Renewal / Exchange of securities certificate, (iv) Endorsement, (v) Sub-division / Splitting of securities certificate, (vi) Consolidation of securities certificates/folios, (vii) Transmission and (viii) Transposition. In light of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or its Registrar & Share Transfer Agent i.e. Link Intime India Pvt. Ltd., for any clarifications required in this regard.
15. 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.

16. SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, has formulated Standard Operating Procedures for dispute resolution under the Stock Exchange arbitration mechanism for disputes between the Company/ Registrars to an Issue and Share Transfer Agents and Company's Shareholder(s)/Investor(s). The Shareholders may initiate Arbitration Mechanism, post exhausting all actions for resolution of complaints including through SCORES Portal, by filing the Arbitration reference with the Stock Exchange where the initial complaint has been addressed. Further details are available on the website of the Company under "Investors" Section.
17. The Register of Directors & Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which Directors are interested under Section 189 and any other document referred in the notice of this Annual General Meeting will be made available for inspection by members of the Company, up to the date of the Annual General Meeting, basis email request received on investors@eichermotors.com. Certificate(s) from the Secretarial Auditors of the Company certifying that Employee Stock Option Plan, 2006 and Restricted Stock Units Plan, 2019 are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available for inspection on the website of the Company under "Investors" Section on the date of Annual General Meeting.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

18. In compliance with the aforesaid MCA circulars and SEBI circulars dated May 12, 2020 read with circular dated January 15, 2021, May 13, 2022 and January 5, 2023, Notice of the e-AGM along with the Annual Report for the financial year ended on March 31, 2023, 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. The hard copy of the Annual Report will be dispatched to those members who ask for the same.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

19. 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 AGM2023@eichermotors.com, from their registered email address, mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card. Questions that will be received by the Company by Wednesday, August 16, 2023 upto 5.00 p.m. IST shall only be considered and responded during the e-AGM.
20. 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 AGM2023@eichermotors.com, from their registered email address mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card by Wednesday, August 16, 2023 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.
21. The Company reserves the right to restrict the number of questions/queries/clarifications to be addressed at the e-AGM and restrict the number of speakers, as appropriate, for smooth conduct of the e-AGM.

PROCEDURE FOR JOINING THE E-AGM THROUGH VIDEO CONFERENCING:

22. Members will be provided with a facility to attend the e-AGM through the NSDL e-Voting system. Members may access by following the steps mentioned below for **Access to NSDL e-Voting system**. After successful login, members can access the link placed under "**Join General meeting**" menu against Company name to attend e-AGM. The link will be available in Member login where the EVEN-124674 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.
23. 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.
24. 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.

25. The members can join the e-AGM through VC from 12:30 p.m. (IST) by following the procedure mentioned in this Notice.
26. 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 AGM2023@eichermotors.com.
27. Members who need assistance for participating in the e-AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or at telephonic number 022 - 4886 7000 and 022 - 2499 7000.
28. 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:

29. 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 41st 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).
30. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Company had fixed August 16, 2023 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

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

of e-AGM through VC. The remote e-voting period commences on August 20, 2023 (9:00 a.m. IST) and ends on August 22, 2023 (5:00 p.m. IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 16, 2023, 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.

31. 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.

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 the Company name or e-Voting service provider - NSDL and you will be redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
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If you are not registered, follow the below steps:

1. Option to register is available at <https://eservices.nSDL.com>.
2. Select “Register Online for IDEAS” Portal or click at <https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp>
3. Please follow steps given in points 1-5.

B. e-Voting website of NSDL

1. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on the Company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

C. e-Voting mobile application of NSDL

Shareholders/ Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
3. Click on the Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & e-Voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.



Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 124674 then user ID is 124674001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your e-mail ID is not registered, please follow steps mentioned under Para 11 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-124674 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:

32. The procedure for e-Voting on the day of the e-AGM is same as mentioned above for remote e-voting.
33. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the e-AGM or participating in e-AGM. Only those members, who will be present in the e-AGM through VC facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the e-AGM. Members who have voted through remote e-Voting will also be eligible to attend the e-AGM, however, they will not be eligible to vote again at the e-AGM.
34. 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 27 of these foregoing notes.

35. GENERAL GUIDELINES FOR SHAREHOLDERS FOR VOTING:

- (a) Corporate entities/other entities including Institutional shareholders (i.e. other than individuals etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to attend the e-AGM and to vote through remote e-voting or e-voting at the e-AGM, to the Scrutinizer by e-mail to vijay.gupta@vkgassociates.com with a copy marked to evoting@nsdl.co.in, AGM2023@eichermotors.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **“Upload Board Resolution / Authority Letter”** displayed under **“e-Voting”** tab in their login.
- (b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.



- (c) In case of any queries related to voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 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 16, 2023. 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 16, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in and AGM2023@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.
- 36.** Mr. Vijay Gupta, Chartered Accountant, or in his absence, Mr. Akshay Kakkar, Company Secretary, shall act as the Scrutinizer(s) to scrutinise the e-voting and remote e-voting process in a fair and transparent manner.
- 37.** During the 41st 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 41st 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.

- 38.** The Scrutinizer shall after the conclusion of the 41st Annual General Meeting, will unblock the votes cast through remote e-voting and e-voting held at the e-AGM in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report within the prescribed time, of the total votes cast in favor or against, if any, and submit the report to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 39.** Results of voting shall be declared within 2 working days of conclusion of the meeting. The results along with the Scrutinizers' report would be intimated to the Stock Exchanges where securities of the Company are listed, Depositories and Registrar & Share Transfer Agent and will be displayed on the Company's website www.eichermotors.com and on the website of NSDL www.evoting.nsdl.com.

By order of the Board of Eicher Motors Limited

Atul Sharma

Company Secretary

Membership No. ACS 22763

Place: Gurugram, Haryana

Date: July 26, 2023

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: (011)-41095173

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 10, 2022 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 2022-23. Based on the recommendations of the Audit Committee, the Board of Directors has decided to recommend to the shareholders for approval, payment of remuneration of Rs. 5,00,000/- (Rupees Five lakhs 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 2022-23. 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. Inder Mohan Singh (DIN: 07114750) was appointed as an Independent Director of the Company by the shareholders at the 37th Annual General Meeting held on August 1, 2019, for a term of five consecutive years with effect from November 12, 2018, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Articles of Association of the Company. The first term of appointment of Mr. Inder Mohan Singh as an Independent Director shall come to an end on November 11, 2023.

The Nomination and Remuneration committee at its meeting held on May 10, 2023, after taking into consideration Mr. Singh's expertise in the area of corporate laws, governance, finance, risk management among others, his experience, knowledge and time commitment towards the affairs of the Company and the substantial contribution made by him during his tenure as an Independent Director and the performance evaluation during the first term of five years, has recommended to the Board his reappointment as an Independent Director for a second term of five years. The nomination and remuneration committee is of the view

that Mr. Singh possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint him as an Independent director for the second term of five years. Based on the recommendation of the nomination and remuneration committee, the Board of the Company at its meeting held on May 11, 2023 has approved and recommended to the shareholders for approval, the reappointment of Mr. Inder Mohan Singh as an independent director, not liable to retire by rotation, for a second term of five years effective from November 12, 2023 to November 11, 2028. In accordance with the provisions of Section 149 of the Companies Act, 2013, an Independent Director may hold office for two terms of five consecutive years each.

Brief Profile:

Mr. Inder Mohan Singh is a fellow member of the Institute of Company Secretaries of India, a law graduate from Delhi University and a postgraduate in Finance from Delhi University. Mr. Singh is an Equity Partner with Shardul Amarchand Mangaldas & Co., a leading law firm and specialises in various practice areas including General Corporate, Mergers & Acquisitions, Private Equity, Corporate Governance and Education. Mr. Singh has vast experience in the automobile industry especially in matters related to joint ventures, distribution networks, business transfers and technology licensing issues. He has vast experience of advising Indian and international companies on corporate restructuring, amalgamation, merger, demerger & acquisitions. He has worked across industries including cement, media and entertainment, telecom, real estate and the education sector.

Mr. Inder Mohan Singh is also a member of the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and the Stakeholders' Relationship Committee of the Company.

Mr. Inder Mohan Singh is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given consent for re-appointment as Independent Director for a second term of five consecutive years. The Company has also received a declaration from Mr. Inder Mohan Singh confirming he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Mr. Inder Mohan Singh has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably expected to anticipate that could impair or impact his ability to discharge his duties as an Independent Director of the Company.



It is further informed that the Company in the normal course engages with various Indian and International law firms inter alia Shardul Amarchand Mangal Das & Co (SAM), depending upon the subject matter and expertise of the law firm. All the engagements with SAM are at arm's length and in the ordinary course of business of the Company. Any such engagement with SAM does not in any way affect the independence of Mr. Inder Mohan Singh in terms of section 149(6) of the Companies Act, 2013 read with independence criteria specified under SEBI Listing Regulations. The fees paid to Shardul Amarchand Mangaldas & Co. by the Company, as mentioned in the financial statements, is not material as compared to their total revenue for the relevant financial year.

In the opinion of the Board, Mr. Inder Mohan Singh fulfils the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and he is independent of the management of the Company. The Company has, in terms of Section 160(1) of the Act, received notice in writing from Member, proposing his candidature for re-appointment in the office of Independent Director.

Copy of the draft letter of re-appointment of Mr. Inder Mohan Singh as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company on all working days, during business hours, up to the date of the AGM. The terms and conditions of appointment are also uploaded on the website of the Company <https://www.eicher.in/codes-and-policies>. The same can also be obtained by sending an email request on investors@eichermotors.com, up to the date of the Annual General Meeting.

Mr. Inder Mohan Singh for himself and through his relatives, to the extent of their shareholding, if any, in the Company and to the extent of remuneration by way of sitting fees and commission drawn by him from the Company, may be deemed to be concerned or interested, financially or otherwise, in the resolution as set out under business item no. 5 of the notice. Apart from receiving Directors' remuneration, Mr. Singh does not have any other pecuniary relationship with the Company. He is also not related to any Director or Key Managerial Personnel of the Company. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in the said resolution.

Disclosures, as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

In the opinion of the Board, it will be in the best interest of the Company to re-appoint Mr. Inder Mohan Singh as an Independent Director of the Company. The Board accordingly 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:

Mr. Vinod Kumar Aggarwal (DIN: 00038906) was appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, by the shareholders at their 37th Annual General Meeting held on August 1, 2019, for a period of five years with effect from April 1, 2019, pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Articles of Association of the Company. The term of appointment of Mr. Vinod Kumar Aggarwal shall come to an end on March 31, 2024.

The Nomination and Remuneration Committee at its meeting held on May 10, 2023, after taking into consideration Mr. Aggarwal's expertise in the area of general management, corporate strategy, corporate governance, treasury, finance & accounts, risk management among others, his leadership skills, vast experience of the automobile industry and knowledge & time commitment towards the affairs of the Company and considering the substantial contribution made by him during his tenure as a member of the Board, has recommended to the Board his reappointment as Non-Executive Non-Independent Director for another term of five years w.e.f April 1, 2024. The Nomination and Remuneration Committee is of the view that Mr. Vinod Kumar Aggarwal possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint him for another term of five years. Based on the recommendation of the Nomination and Remuneration Committee, the Board of the Company at its meeting held on May 11, 2023 has approved and recommended to the shareholders for approval, the reappointment of Mr. Vinod Kumar Aggarwal as a Non-Executive Non-Independent Director, liable to retire by rotation, for another term of five years effective from April 1, 2024.

Brief Profile:

Mr. Vinod Aggarwal serves as Managing Director & CEO of VE Commercial Vehicles Ltd (VECV), a Joint Venture between Eicher Motors and AB Volvo of Sweden since 2010. An industry veteran with an experience of 43 years, out of which 40 years have been with Eicher Group, he has held several senior executive management positions including the Chief Financial Officer of the Eicher Group, and President of Eicher Trucks and Buses. Mr. Aggarwal is concurrently serving as President, The Society of Indian Automobile Manufacturers (SIAM) and President of Automotive Skills Development Council (ASDC).

Over the years, he has won several awards for his contribution to the Indian Commercial Vehicle industry including the "CV Man of the Year" twice in 2019 and 2014. He was awarded as the "Best CEO- Medium and Heavy Duty truck makers" in 2016 by World Auto Forum and the "Hall of Fame 2015" by Manufacturing Today.



In 2019, he was inducted into The Economic Times Polymers Automotive Hall of Fame.

Mr. Aggarwal is a Commerce graduate from Punjab University and is a fellow member of the Institute of Chartered Accountants of India and an associate member of Institute of Cost Accountants of India.

Mr. Vinod Kumar Aggarwal is not part of the Promoter group of the Company. He is not holding any Directorship in any other listed Company and is not holding any committee position in any company in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a member, proposing re-appointment of Mr. Vinod Kumar Aggarwal as a Director of the Company. Mr. Vinod Kumar Aggarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent for re-appointment as a Non-Executive Non-Independent Director for a period of five years w.e.f 1st April 2024. In the opinion of the Board of Directors, Mr. Vinod Kumar Aggarwal fulfills the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as a Director of the Company.

This explanatory statement read with the resolution are the terms and conditions of re-appointment of Mr. Vinod Kumar Aggarwal as a Non-Executive Non-Independent Director which are available for inspection by members at the Registered Office of the Company on all working days, during business hours, up to the date of the AGM. The same can also be obtained by sending an email request on investors@eicherMotors.com, up to the date of the Annual General Meeting.

Mr. Vinod Kumar Aggarwal is the Managing Director and CEO of VE Commercial Vehicles Ltd (VECV) and draws remuneration from VECV in accordance with the limits permitted under the Companies Act, 2013 and the rules thereunder. As part of his remuneration he is eligible for benefits under the long term incentive plan of VECV which may include issue of Employee Stock Options pursuant to Eicher Motors Limited ESOP Scheme, 2006 and/or RSU Plan, 2019. Mr Aggarwal may be issued certain stock options in future under aforesaid ESOP scheme/ RSU plan as may be decided by VECV and approved by the Nomination and Remuneration Committee of the Company as part of his remuneration from VECV. VECV shall bear the cost of the Stock Options issued by the Company. VECV shall reimburse to the Company, cost of said Stock Options calculated pursuant to the recognised valuation method and there will be no financial impact on the Company. No remuneration is proposed to be paid from the Company.

Mr. Vinod Kumar Aggarwal holds 37,000 equity shares of face value of Re. 1 each in the Company. Mr. Vinod Kumar Aggarwal for himself and through his relatives, to the extent

of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the resolution as set out under business item no. 6 of the notice. Mr. Vinod Kumar Aggarwal does not have any pecuniary relationship with the Company. He is also not related to any Director or Key Managerial Personnel of the Company. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in the said resolution.

Disclosures, as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

In the opinion of the Board of Directors, it will be in the best interest of the Company to re-appoint Mr. Vinod Kumar Aggarwal as a Non-Executive Non-Independent Director of the Company for another period of 5 years. The Board accordingly 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 an ordinary resolution.

Item no. 7

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended on November 09, 2021 vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective from April 1, 2022, provides that where the aggregate value of related party transactions between two entities during a financial year exceeds Rs. 1,000 crores or 10% of annual consolidated turnover of the listed entity as per the last audited financial statements, whichever is lower, shall be considered as material related party transactions and shall require approval of shareholders of the listed entity by means of an ordinary resolution.

The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has widened the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

The related party transactions for which this proposal is placed before the shareholders of Eicher Motors Limited ("the Company") are between VE Commercial Vehicles Limited ("VECV"), an unlisted material subsidiary of Eicher Motors Limited and Volvo Group India Private Limited ("VG IPL"), a related party of VECV. The Company is not a party to these transactions. However, owing to the amended definition of regulation 2(1)(zc) read with Regulation 23(4) of the SEBI Listing Regulations, the related party transactions between VECV and VG IPL require approval of the shareholders of the Company.



As the value of transactions between VECV and VGIPL during the financial year 2023-24, in aggregate, is expected to be upto Rs. 4,000 crores approximately, excluding taxes, which is in excess of the threshold of Rs. 1,000 crores or 10% of the annual consolidated turnover of Eicher Motors Limited, whichever is lower, as per the last audited financial statements as on March 31, 2023, said material transaction shall require approval of the shareholders of Eicher Motors Limited at the ensuing 41st Annual General Meeting by means of an ordinary

resolution as per the provisions governing the related party transactions under SEBI Listing Regulations.

It is submitted that the aforesaid transactions are in the ordinary course of business and at arm's length basis and necessary approvals as required in compliance of the provisions under the Companies Act, 2013 and SEBI Listing Regulations have been obtained from the Audit Committee and the Board on May 10, 2023 and May 11, 2023 respectively.

Details of the proposed related party transaction(s) between VECV, subsidiary of the Company and Volvo Group India Private Limited, a related party of VECV, including the information required to be disclosed as part of the explanatory statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

Sl. No.	Particulars	Details
1	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	<p>VE Commercial Vehicles Limited (VECV) is a joint venture company between Aktiebolaget Volvo (PUBL), Sweden and the Company. VECV is an unlisted material subsidiary of the Company and the Company holds 54.40% of equity share capital of VECV and the remaining 45.60% of the equity share capital of VECV is held by Aktiebolaget Volvo (PUBL), Sweden and Volvo Truck Corporation, Sweden. Accordingly, VECV is a related party of the Company in terms of Regulation 2(1)(zb) of the SEBI Listing Regulations and section 2(76) of the Companies Act, 2013.</p> <p>Volvo Group India Private Limited (VGIPL) is an unlisted private limited company and is part of Volvo Group of Companies.</p> <p>VECV and VGIPL are related parties pursuant to Regulation 2(1)(zb) of the SEBI Listing Regulations.</p>
2	Type, material terms and particulars of the proposed transaction;	<p>VECV has undertaken and continues to undertake various related party transactions ("RPTs") with VGIPL. The RPTs involve:</p> <ul style="list-style-type: none"> (i) purchase of goods; (ii) purchase of capital goods/services; (iii) sale of finished goods/services; (iv) incentives on part sales, expenses recovered; (v) Reimbursement of expenses, purchase consideration and other related transactions. <p>The RPTs are at arm's length and in ordinary course of business.</p>
3	Tenure of the proposed transaction	Recurring transactions during the financial year 2023-24
4	Value of the proposed Transaction	<p>Not exceeding Rs. 4,000 crores, excluding taxes, during the financial year 2023-24.</p> <p>VECV is the exclusive distributor of Volvo Trucks in India which are procured from VGIPL. Since VECV is entering into many growth areas including express cargo segment, construction, irrigation, coal transportation among others, there is tremendous scope for sale of 'Volvo' branded trucks. Volvo Group also plans to broaden their offering by producing higher capacity trucks for mining. There are plans to introduce through VECV high productivity transport solutions like road trains for goods and mineral transport. Another forte of the Volvo Group, alternate energy is well established in Europe with the supply of LNG and Electric trucks. VECV plans to introduce these solutions in India.</p>



Sl. No.	Particulars	Details
		<p>With above background, VECV has drawn strong plans to achieve growth in Volvo Trucks business and based on the growth plans, the approval for transactions of upto Rs. 4,000 crores, excluding taxes, is sought for the financial year 2023-24. Approval for transactions of upto Rs. 4,000 crores will ensure that the business is carried out smoothly with focus on expansion. The approval sought is for one year only (FY 2023-24) and the Company will come back to the shareholders for approval of subsequent years transactions in the next AGM.</p> <p>Last year, shareholders' approval was obtained by the Company for the same transactions between VECV and VGIPL during the financial year 2022-23 at the 40th Annual General Meeting of the Company for Rs. 2100 crores, against which actual transaction value was Rs. 2026.57 crores.</p>
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	<p>The value of proposed RPTs between VECV and VGIPL is 27.69% of the annual consolidated turnover of the Company, as per financial statements for the immediately preceding financial year ended on March 31, 2023.</p> <p>The value of proposed RPTs between VECV and VGIPL is 21.10 % of the annual standalone turnover of VECV for the immediately preceding financial year ended on March 31, 2023.</p>
6.	Justification as to why the RPT is in the interest of the listed entity	<p>Volvo is a global player and has a strong brand image. Volvo Group is a leading global manufacturer of trucks, Buses, marine and industrial engines and construction equipment with brands like Volvo, Renault trucks, Mack, Volvo Penta, SDLG, Dongfeng trucks, Eicher under its umbrella.</p> <p>With over 20,000 trucks supplied in India till date, Volvo trucks are the first choice for customers with stringent performance requirements, who desire productivity, safety, quality and reliability in their operations.</p> <p>VECV is engaged in the business of manufacture and sale of 'Eicher' branded trucks and buses, Volvo branded Buses, spare parts as well as distribution of 'Volvo' branded trucks and provision of aftermarket services and distribution of spare parts for 'Volvo' branded trucks. VECV is exclusive distributor of Volvo Trucks in India.</p> <p>Volvo Trucks India (VTI) is part and parcel and an important division of VECV and representing 13.30% of its total sales for the financial year 2022-23. VECV is fully dependent for the procurement of 'Volvo' branded trucks and parts from VGIPL. This transaction is very critical and crucial for running of this business. VTI annual sales revenues are above Rs.2,350 crores including service revenue of around Rs. 568 crores, consistently profitable and adding value to shareholders on year on year basis.</p> <p>VTI caters to the niche segments like mining, heavy construction, and long haul. It caters to over 40% of all the coal overburden removal in India. It is also instrumental in evacuation minerals like coal, iron ore, limestone etc., all of which are necessary for power generation and infrastructure development in India.</p> <p>In premium truck segment, VTI achieved 95% market share during 2022-23 and maintained #1 position in terms of brand image and customer satisfaction. VTI has a comprehensive nation-wide network of service and parts centres in India that have the best of infrastructure, tools and equipment, systems and processes, highly trained and competent manpower that offer 24 x 7 support to its customers.</p> <p>Uptime centres are continuously monitoring the trucks through the data collected by the telematics system. VTI continues to focus on driving digitalization in services and offer smart transport solutions.</p> <p>Volvo Group plans to broaden their offering by producing higher capacity trucks for mining. There are plans to introduce through VECV high productivity transport solutions like road trains for goods and mineral transport. Another forte of the Volvo Group, alternate energy is well established in Europe with the supply of LNG and Electric trucks. VECV plans to introduce these solutions in India.</p> <p>Prices are negotiated every year on various parameters such as inflation, new features etc. on arm's length basis.</p>



Sl. No.	Particulars	Details
		In light of above and to meet the business requirements of VECV, it is necessary to procure Volvo Trucks as well as other related parts and services from VGIPL and enter into related transactions for the value not exceeding Rs 4000 crores, excluding taxes, during the year 2023-24.
7	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: <ol style="list-style-type: none"> i. details of the source of funds in connection with the proposed transaction ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, <ul style="list-style-type: none"> • nature of indebtedness; • cost of funds • tenure iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security iv. the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT 	Not Applicable
8	Arm's length pricing and valuation or other external party report, if any such report has been relied upon	The pricing mechanism followed for RPTs shall be based on arm's length principle. Also these RPTs are in the ordinary course of business. Valuation Report and/or other external report, if applicable, would be obtained and relied upon.
9	Name of the Director or Key Managerial Personnel who is related, if any and the nature of their relationship	None of the Directors or KMP(s) of the Company is Director or KMP of VGIPL. Mr. Siddhartha Lal, Mr. Vinod Kumar Aggarwal and Mr. Inder Mohan Singh are common directors on the Board of Eicher Motors Limited and VECV.
10	Any other information that may be relevant	Non interested Independent Directors approved the above mention related party transactions in the Audit Committee meeting of the Company. The Audit Committee on a quarterly basis reviews the status of related party transactions to ensure they are within the limits set by the Audit Committee/ shareholders, as the case may be.

Approval of the Members of the Company is, therefore, being sought in terms of Regulation 23(4) of the SEBI Listing Regulations by way of an Ordinary Resolution to the aforesaid material RPTs between VECV and VGIPL for a value, not exceeding in aggregate Rs. 4,000 crores, excluding taxes, during the financial year 2023-24.

Validity of the approval of the members of the Company for said RPTs shall be as provided under SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, as may be amended from time to time.

VECV was incorporated as a joint venture between AB Volvo, Sweden and the Company and one of the objectives of incorporation of VECV was to meet the business requirements of both the JV partners i.e. the Company as well as AB Volvo, Sweden and achieve overall efficiencies with respect to distribution of 'Volvo' branded trucks and provision of aftermarket services and distribution of spare parts for

'Volvo' branded trucks. VECV has been entering into similar transactions with VGIPL since 26th May, 2008 and all the transactions are duly disclosed in the financial statements of VECV in accordance with applicable accounting standards. Further, the RPTs between VECV and VGIPL are at arm's length basis and in the ordinary course of business. Further, the RPTs are crucial and critical for continuity of the business of VECV and are in the interest of the shareholders of the Company.

Based on the aforesaid consideration, the Board recommends the resolution as set out under business item no. 7 in the notice of this meeting for approval of the members by means of an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives is/ are concerned or interested, financially or otherwise, in the resolution/related party transaction. Further, the promoters of the Company are not related to VGIPL in accordance with Section 2(76) of the Act read with regulation 2(1)(zb) of SEBI Listing Regulations.



The Members may please note that in terms of provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not) shall not vote to approve the aforesaid related party transaction.

By order of the Board of Eicher Motors Limited

Atul Sharma

Company Secretary
Membership No. ACS 22763

Place: Gurugram, Haryana
Date: July 26, 2023

CIN: L34102DL1982PLC129877
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A-3 District Centre, Saket
New Delhi – 110017
Phone: (011)-41095173
Website: www.eichermotors.com
E-mail: investors@eichermotors.com



ANNEXURE TO THE NOTICE

Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings

Name	Mr. Siddhartha Vikram Lal	Mr. Inder Mohan Singh	Mr. Vinod Kumar Aggarwal
DIN	00037645	07114750	00038906
Age	49 Years	58 Years	63 Years
Qualification	Mr. Siddhartha Vikram Lal is a Economics graduate from St. Stephens College in Delhi and an alumnus of The Doon School. He holds a Master's degree in Automotive Engineering from University of Leeds and is a Cranfield University qualified mechanical engineer.	Mr. Inder Mohan Singh is a fellow member of the Institute of Company Secretaries of India, a law graduate from Delhi University and a postgraduate in Finance from Delhi University	Mr. Aggarwal is a Commerce graduate from Punjab University and is a fellow member of the Institute of Chartered Accountants of India and an associate member of Institute of Cost Accountants of India.
Experience (including expertise in specific functional area) / Brief Resume	Mr. Siddhartha Vikram Lal possesses vast experience in Automobile industry. Please refer to the Company's website: https://www.eicher.in/bod for his detailed profile.	As provided in the explanatory statement. Please refer to the Company's website: https://www.eicher.in/bod for his detailed profile.	As provided in the explanatory statement. Please refer to the Company's website: https://www.eicher.in/bod for his detailed profile.
Skills and Capabilities	Corporate Governance, Finance & Accounts, Corporate Strategy, Engineering-technical Skills, Experience/ knowledge of Automobile Industry, Media, General Management, Public Relations and Information Technology	Corporate Governance, Corporate Law, Merger & Acquisition, Finance & Accounts, Risk Management, Corporate Strategy, Experience/ knowledge of Automobile Industry, Legal, General Management and Information Technology	Corporate Governance, Finance & Accounts, Corporate Strategy, Engineering-technical Skills, Experience/ knowledge of Automobile Industry, Treasury, Risk Management, Media, Legal, General Management, Public Relations and Information Technology
Date of first appointment on the Board	May 1, 2006	November 12, 2018	April 1, 2019
Directorships held in other companies	VE Commercial Vehicles Limited, Eicher Goodearth Private Limited, Eicher Goodearth India Private Limited and SST Holiday Homes Private Limited	VE Commercial Vehicles Limited (Public Unlisted Company, material subsidiary of Eicher Motors Limited) JTEKT India Limited (Listed Company)	VE Commercial Vehicles Limited, VE Electro-Mobility Limited and Eicher Group Foundation (Section 8 Company)
Resignations from the Listed Companies in the past three years	None	None	None
Memberships/ Chairmanships of committees of other companies	VE Commercial Vehicles Limited - Chairman of Corporate Social Responsibility Committee and Member of Nomination & Remuneration Committee	VE Commercial Vehicles Limited - Member of Audit Committee, Corporate Social Responsibility Committee and Nomination & Remuneration Committee. JTEKT India Limited - Member of Audit Committee and Chairman of Nomination & Remuneration Committee	None
Number of Equity Shares held in the Company	Mr. Siddhartha Vikram Lal holds 28,85,470 (1.05%) 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 13,45,65,087 equity shares of face value of Re. 1 each in the Company constituting 49.17% of Company's total equity share capital	Mr. Inder Mohan Singh holds 50 equity shares of face value of Re. 1 each in the Company.	Mr. Vinod Kumar Aggarwal holds 37,000 equity shares of face value of Re. 1 each in the Company.



Relationship between Directors and other KMPs inter-se	None	None	None
Number of meetings of the Board, Audit Committee and the Stakeholders' Relationship Committees attended during the last financial year	Mr. Siddhartha Vikram Lal attended all 6 (Six) Board Meetings held during the financial year 2022-23. He has attended all 6 (Six) Audit Committee Meetings held during the financial year 2022-23.	Mr. Inder Mohan Singh attended all 6 (Six) Board Meetings held during the financial year 2022-23. He has attended all 6 (Six) Audit Committee Meetings and all 4 (four) Stakeholders' Relationship Committee Meetings held during the financial year 2022-23.	Mr. Vinod Kumar Aggarwal attended all 6 (Six) Board Meetings held during the financial year 2022-23
Remuneration (including sitting fees, if any) last drawn in financial year 2022-23	For remuneration details, please refer	Corporate Governance Report which is part of this Integrated Annual Report.	Mr. Vinod Kumar Aggarwal is currently not drawing any remuneration from Eicher Motors Limited
Remuneration proposed to be paid	Within the threshold approved by the shareholders of the Company.	Remuneration by way of commission as may be decided by the Board of Directors from time to time, which together with commission paid to other Non-Executive Directors shall not exceed 1% (one percent) of the 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 addition to sitting fees for attending Board/ Committee meetings.	No remuneration is proposed to be paid from Eicher Motors Limited
Terms and conditions of Appointment/ Re-appointment	Mr. Siddhartha Vikram Lal was re-appointed as the Managing Director of the Company, w.e.f. May 1, 2021, for a period of 5 consecutive years on the terms and conditions including remuneration, as approved by the shareholders through Postal Ballot concluded on October 24, 2021	As per the details provided under the resolution and explanatory statement for business item no. 5.	As per the details provided under the resolution and explanatory statement for business item no. 6.



(Refer Note 9 of the Notice of 41st 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 SHAREHOLDERS:

- A.1 No tax shall be deducted on payment of dividend to the resident individual members, if the total dividend for a financial year does not exceed Rs. 5,000 (Rupee Five Thousand), subject to availability of PAN of member.
- A.2 Tax shall be deducted from Dividend paid to resident members (other than category prescribed under A.1 above) as per the details provided below:

Particulars	Applicable Rate of Tax	Declaration/ documents required
Where valid PAN is updated with the Depository Participant (in case shares are held in dematerialized form) or with Company's Registrar and Transfer Agent ("RTA") i.e. Link Intime India Private Limited (in case shares are held in physical form) and no exemption is sought by the resident member	10%	Not applicable
No PAN/ Invalid PAN/ Inoperative PAN* or Specified person as per section 206AB of the IT Act and no exemption sought by member	20%	Not applicable Note: In case of a shareholder being resident individual eligible for obtaining Aadhaar Number have not linked the Aadhaar Number allotted with its PAN by June 30, 2023, such PAN would be treated as inoperative for the provisions of deduction of TDS.
Where lower/ nil tax deduction certificate is issued by Income Tax Department under section 197 of the IT 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 Note: The certificate should be valid for the financial year 2023-24 and should cover the dividend income from the company.

* As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar, except person exempted as per Notification No. 37/2017. In case of failure to comply to this, the PAN allotted shall be deemed to be inoperative and tax shall be deducted at higher rates as prescribed under the IT Act.

- 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
Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> • Copy of PAN card • Form 15G (applicable to an individual who is less than 60 years) OR Form 15H (applicable to individual who is 60 years or more), provided that all the required eligibility conditions are met. Format of Form 15G and 15H are given in the link below
Submitting Certificate under Section 197 of the IT Act	<ul style="list-style-type: none"> • Copy of PAN card • NIL withholding tax certificate obtained from tax authority Note: The certificate should be valid for the financial year 2023-24 and should cover the dividend income from the company.



Particulars	Declaration/ documents required
Members [e.g. LIC, GIC, Business Trust (REIT, InvIT)] for whom Section 194 of the IT Act is not applicable	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (refer format SD1 given in the link below) along with adequate documentary evidence (e.g., registration certificate) to the effect that no tax withholding is required pursuant to the provisions of Section 194 of the IT Act.
Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (refer format SD1 given in the link below) that the AIF is registered with SEBI as per SEBI Regulations along with copy of registration certificate along with the confirmation that their income is exempted from tax in terms of notification no. 51/2015 issued by CBDT
Persons covered under Section 196 of the IT Act (e.g. Mutual Funds, RBI, Govt.)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (refer format SD1 given in the link below) along with documentary evidence (e.g., registration certificate) that the person is covered under said Section 196 of the IT Act
Other shareholders (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (refer format SD1 given in the link below) along with documentary evidence to the effect that no tax withholding is required • Copy of the lower TDS certificate obtained from Income Tax Department (except those covered by Circular 18/2017)

B. NON-RESIDENT SHAREHOLDERS:

As per Section 90 of the IT Act, the non-resident member has the option to be governed by the provisions of the Double Taxation Avoidance Agreement (“tax 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	Documents required (if any)
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)	<p>If the member wants to avail the tax rates as per the tax treaty, following documents would be required:</p> <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 2023-24 • Electronically generated Form 10F from the link https://eportal.incometax.gov.in (for non-resident possessing PAN) and in case of non-resident not possessing PAN & not required to have a PAN, a hard copy of duly executed Form 10F along with a declaration (refer format SD2 given in the link below) that the shareholder is not required to have a PAN as per the provisions of the IT Act read along with Rules • In case of FIIs and FPIs, self-attested copy of SEBI registration certificate • Self-declaration in the (format SD3 given in the link below), certifying that – <ul style="list-style-type: none"> i. You will continue to remain a tax resident of the country of your residency during the Financial Year 2023-24; ii. You are eligible to claim the beneficial tax treaty 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 tax treaty is impaired in any manner; iv. You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company; v. You do not have a taxable presence/ permanent establishment/ fixed base/ Business Connection/ Place of Effective Management, in India in accordance with the applicable tax treaty or dividend income is not attributable/ effectively connected to any permanent establishment or fixed base in India (Non-resident having PE in India would need to comply with provisions of section 206AB); vi. Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument (‘MLI’).



Particulars	Applicable Rate	Documents required (if any)
Submitting Certificate under Section 197 of the IT Act.	Rate specified in Lower/Nil withholding tax certificate	Lower/NIL withholding tax certificate obtained from tax authority Note: The certificate should be valid for the financial year 2023-24 and should cover the dividend income from the company.
Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (refer format SD4 given in the link below) along with adequate documentary evidence (e.g registration certificate) substantiating the nature of the entity.
Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the IT Act	30%	Not applicable
Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the IT Act	NIL	<ul style="list-style-type: none"> • Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the IT Act issued by the Government of India. • Self-Declaration (refer format SD5 & SD6 given in the link below) that the conditions specified in section 10(23FE) have been complied with.
Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the IT Act	NIL	Self-Declaration (refer format SD7 given in the link below) substantiating the fulfillment of conditions prescribed under section 10(23FE) of the IT Act

Application of beneficial tax treaty Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident members and meeting requirement of the IT Act read with applicable tax treaty. It must be ensured that self-declaration should be addressed to the company and should be in the same format as attached. In the absence of the same, the company will not be obligated to apply the beneficial tax treaty rate at the time of tax deduction on dividends.

Section 206AB of the IT Act applicable to all members (resident and non-resident)

Section 206AB(1) of the IT Act provides that where TDS is required to be deducted under Chapter XVIIIB, other than sections 192, 192A, 194B, 194BB, 194LBC or 194N on any sum or income or amount paid or payable or credited, by a person to a specified person, the tax shall be deducted at the higher of the below rates:-

- at twice the rate specified in the relevant provision of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Further, sub section (2) of section 206AB provides that where sections 206AA and 206AB are applicable, i.e. the specified person has not submitted the PAN as well as not filed the income tax return (and the TDS/ TCS for the previous year exceeds INR 50,000); the tax shall be deducted at the higher rate between both the said sections.

The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.

The Income Tax Department has also released a Compliance Check Functionality to determine whether a payee is a specified person under section 206AB of the Act and whether the PAN in case of individual is operative/ inoperative and the Company would be relying on the report generated from the said facility for compliance with section 139AA read with section 206AA and 206AB of the IT Act.

For all members (Resident and Non- Resident)

Members holding shares under multiple accounts under different residential status/ shareholder category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category, will be considered on their entire shareholding which is held under different accounts.

The aforementioned forms (duly completed, signed and scanned) along with PAN (unless already registered) shall be submitted on our RTA, Link Intime India Private Limited website at <https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or email to emltaxexemption@linkintime.co.in on or before August 16, 2023, in order to enable the Company to determine and deduct appropriate TDS / withholding tax, as may be applicable.

After receipt of any of the declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the IT Act.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the



aforementioned details/documents or for any other reason, there would still be an option available with the member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such tax deduction.

A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the IT Act, in the hands of a person other than the member in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of name, address, PAN, along with other documents mentioned above depending upon the tax residency status of such person to whom credit is to be given and proportion of credit to be given in respect of dividend income.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the members (s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

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.

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at rnt.helpdesk@linkintime.co.in.

To view / download Form 15G click here
https://web.linkintime.co.in/admin/DownloadFiles/FORM_15G_EML.pdf

To view / download Form 15H click here
https://web.linkintime.co.in/admin/DownloadFiles/FORM_15H_EML.pdf

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https://web.linkintime.co.in/admin/DownloadFiles/Form_10F_EML.pdf

To view / download - Self Declaration SD1 for Resident Shareholders click here
https://web.linkintime.co.in/admin/DownloadFiles/SD1-%20Declaration_for_Resident_Shareholders_EML.pdf

To view / download - Self Declaration SD2 for Manual Form 10F click here
https://web.linkintime.co.in/admin/DownloadFiles/SD2-Declaration_for_manual_10F_EML.pdf

To view / download - Self Declaration SD3 for Non-Resident Shareholders click here
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To view / download - Self Declaration SD4 for AIF Category III click here
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INDEPENDENT ASSURANCE STATEMENT



Inspiring trust for a more resilient world.

INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: **BSIV-IND-794662**

Eicher Motors Limited - Selected Environmental parameters verification for year 2022-23.

The British Standards Institution is independent to Eicher Motors Limited hereinafter referred to as EML and has no financial interest in the operation of EML other than for the verification of selected environmental parameters for the year 2022-23.

This independent opinion statement has been prepared for EML only for the purposes of assuring its environmental parameters, more particularly described in the scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent opinion statement may be read. This statement is intended to be used by stakeholders & management of EML.

Audit was conducted in hybrid mode. Sites were visited and audit was conducted at site. Part of the audit was done remotely through audio-video conference using MS Teams software link provided by client. We also used emails and phones.

This independent opinion statement is prepared based on review by the British Standards Institution of information presented to it by EML. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent opinion statement or matters relating to it should be addressed to EML only.

Scope

The scope of engagement agreed upon with EML includes the following:
Verification of data and information related to EML's environmental data during 2022-23 as collated and for four performance elements **Energy, GHG emissions, Water and Waste.**





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The Opinion covers the above environmental parameters for four locations – The corporate office, 2 operating manufacturing units – Oragadam and Vallam Vadagal near Chennai and one supportive unit in Thiruvottiyur for the period 1st April 2022 to 31st March 2023.

Our engagement did not include assessment of materiality and stakeholder engagements or verification of the adequacy or effectiveness of EML's systems, procedures and protocols in data collection and analysis. No external stakeholders were interviewed as part of the verification process.

Methodology

Our work was designed to gather evidence to base our conclusion. Verifiers adopted various methodologies for verifying as well as cross checking the reported data, which included:

- 1) Checking water flow meter readings and tanker intakes from logbooks and registers.
- 2) Checking the electricity bills for reported renewable and other grid electricity consumption.
- 3) Checking fuel procurement and opening and closing stock and arriving at consumption data. Also, cross verifying opening/closing stock data with the logbooks/register entries.
- 4) Verifying production and sales input from publicly available information and internal MIS.
- 5) Checking manifests and cross verifying with State Pollution Control Board portals for hazardous waste disposal data.
- 6) Non-hazardous wastes were mainly checked from SAP (ERP system) data on sale/recycling of the waste.
- 7) Refrigerant consumptions could not be verified since compiled data was not available. Organisation decided to exclude the same from scope of the assessment.

Competency and Independence

The verification team was composed of Lead auditors experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including ISO 14064, ISO 14001, GRI Standard, AA1000, ISO10002, ISO 45001, and ISO 9001, etc. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Assurance Level

The type 1 moderate (Limited) level of assurance is provided as defined by the scope and methodology described in this statement.





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Responsibility

It is the responsibility of EML's senior management to ensure the data/information presented for verification is accurate. Our responsibility is to provide an independent opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Conclusions

EML Environmental parameters presented for verification had minimal technical/compilation errors, which were identified during the sampling process and corrected in the final submission. The parameters verified are detailed in the table below. Based on the processes and procedures conducted with a Type 1 moderate level assurance, there is no evidence that the following environmental data and information are not materially correct and are not a fair representation of their Environmental performance.

<i>Environmental parameters</i>		<i>UOM</i>	<i>2022-23</i>
Energy	Non-renewable sources	From fuel*	GJ 187739
		From Electricity	GJ 213847
	Renewable sources	From Electricity	GJ 74707
	Total energy		GJ 476293
Emission	Scope 1	Fuel combustion* #	t CO ₂ e 11,510
		Fugitive emission	t CO ₂ e excluded
	Scope 2	Grid Power	t CO ₂ e 32,893
		3rd Party power	t CO ₂ e 23,052
	Total		t CO₂e 67,455
Water	Water withdrawal	Ground water	m ³ 7061
		Rainwater	m ³ 31728
		Municipality water (fresh water)	m ³ 67858
		Municipality water (treated water)	m ³ 15880
		Condensate (recycled water)	2638
		Third party (tanker)	m ³ 42451
		Total	m³ 167616





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	Water consumption	Domestic use and drinking	m ³	131352
		Process use	m ³	8936
		Utilities (Filter wash, AHUs, Fire hydrant)	m ³	25104
		Total	m³	165392
Waste	Waste generation			
	Hazardous waste	ETP Chemical Sludge	tonnes	327
		Paint Sludge, Powder & Filter waste	tonnes	610
		Phosphate sludge	tonnes	32
		Spent solvent	tonnes	169
		Used Oil	tonnes	43
		Wastes/residues containing oil	tonnes	142
		Discarded Containers/Empty barrels	tonnes	198
		Total	tonnes	1521
	Waste disposal			
	Hazardous waste disposal	Disposed to Landfill	tonnes	343
		Coprocessing in Cement plant	tonnes	416
		Recycling	tonnes	639
		Total	tonnes	1399
Environmental parameters			UOM	2022-23
	Non-Hazardous waste	Metal waste	tonnes	3856
	(recycled/sold)	Cardboard/wood. gunny bags	tonnes	2362
		Plastic /rubber	tonnes	328
		Total	tonnes	6546

* Fuel consumed for bike testing excluded

Fugitive emission due to refrigerants leakage excluded





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<i>Environmental intensity</i>			<i>UOM</i>	<i>2022-23</i>
Output	Bikes production	Sales	Numbers	834895
		Production	Numbers	832179
Intensity	Energy intensity	Energy consumed/bike (sold)	MJ/bike	570
		Energy consumed/bike (produced)	MJ/bike	570
	Emission intensity	Scope 1 & 2 emission/bike (sold)	kg CO ₂ e/bike	80.8
		Scope 1 & 2 emission/bike (produced)	kg CO ₂ e/bike	81.1

For and on behalf of BSI:

 Theuns Kotze, Managing Director – IMETA Assurance
 25th July 2023





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APPENDIX

List of company owned stores as a place of business

Dealership	Location	City	State	Address
Company Store Cochin	Edapally	Kochi	Kerala	No 25/85, Akoonam th aiE dap ally-opposite Indian Oil Petrol Pump, Kochi Kerala, 682024
Company Store Lucknow	Faizabad Road	Lucknow	Uttar Pradesh	UGF 109, Cross Road Plaza, Badshah Nagar Crossing, Near Fly Over Faizabad Road, Lucknow, Uttar Pradesh, 226006
Company Store Hyderabad	Erragada	Hyderabad	Telangana	No 8/3/166 B To F, Erragadda Main Road, Beside Gokul Theatre, Hyderabad, Telengana, 500018
Company Store - Bangalore	BTM 2 nd stage	Bengaluru	Karnataka	Door No 2067/1, 2068/2, East End 39, Main 9 th Block, Jayanagar, Bengaluru, 560069
Company Store Adgar Chennai	Adyar	Chennai	Tamil Nadu	New No 9, Old No 3, Devi Kripa, Besant Avenue Road, Adyar, Chennai - 600020
Company Store OMR	OMR-Perungudi	Chennai	Tamil Nadu	Plot No 9 & 10, OMR Rd & Santhosh Nagar, Palavakkam, Chennai 600096
Company Store Bandra Mumbai	Bandra	Mumbai	Maharashtra	Shop No 6 & 7, Imperial Plaza, 27 th & 30 th Road Jn, Linking Road Bandra, Opposite Bandra Hindu Association, Mumbai, Maharashtra, 400050
Company Store Saket New Delhi	Saket	Delhi	Delhi	GR 01, Select City Walk Mall, Multiplex Block, Saket, New Delhi, 110017
Company Store Bangalore	Bannerghetta	Bengaluru	Karnataka	Door No 26, 23 rd Cross, BTM 2 nd Stage, 29 th Main Road, Opposite Madiwala Lake, Bengaluru, Karnataka, 560017
Garage Cafe	North Goa	Baga	Goa	House No 560, Villa Rodrigues Arpora Baga Creek Road, Bardez, Arpora Near Karma Resorts, Goa, 403519
Company Store Jaipur	Ajmer Road	Jaipur	Rajasthan	No G 5/G6/ G7, Gitanjali Towers, Ajmer Road, Jaipur, Rajasthan, 302006



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