

# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**Eicher Motors Limited**

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of EICHER MOTORS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the fifteen months then ended and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## OPINION

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 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, 2016, and its profit and its cash flows for the fifteen months ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143 (3) of the Act, we report that:
  - 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.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 33 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 52 to the financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer note 53 to the financial statements.

For **DELOITTE HASKINS & SELLS**

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

**Jaideep Bhargava**

Partner  
(Membership No. 090295)

Place: GURGAON  
Date: May 5, 2016

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

## (REFERRED TO IN PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the period by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals other than for inventories lying with third parties at the end of the period for which confirmations have been obtained in most of the cases.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate

with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weaknesses in such internal control system.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the period within the meaning of Section 73 to 76 or any other relevant provisions of the Act.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act for the goods manufactured by the Company and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There are no disputed dues in respect of Wealth Tax, Customs Duty and Cess which have not been deposited. Details of disputed dues not deposited/deposited under protest of Income Tax, Sales Tax, Service Tax and Excise Duty as at March 31, 2016 are as follows:

RS. IN CRORES					
Nature of the Statute	Nature of dues	Forum where pending	Amount*	Amount paid under protest	Period to which amount relate
Central Excise Act	Excise Duty	Assessing Authority	0.05	-	2011-12
		Appellate Authority up to Commissioner's level	0.02	0.01	1995-96 and 1996-97
		CESTAT	2.05	0.26	1983-84 to 2000-01, 2002-03 to 2004-05
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority up to Commissioner's level	2.62	1.20	1987-88, 1989-90 to 1991-92, 1993-94, 1996-97 to 1999-00, 2000-01 to 2003-04, 2005-06, 2007-08 to 2010-11, 2012-13, 2013-14
		Appellate Tribunal	2.16	0.49	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	1.75	0.61	1984-85, 1985-86, 1993-94, 2000-01, 2001-02, 2004-05
		Supreme Court	1.96	0.55	1986-87, 1990-91, 1991-92, 2001-02 to 2003-04
		Appellate Authority up to Commissioner's level	0.39	0.02	2006-07 to 2011-12
Finance Act, 1994	Service Tax	Appellate Authority up to Commissioner's level	0.09	-	2010-11
Income Tax Act, 1961	Income Tax	Appellate Authority up to Commissioner's level	0.16	-	2008-09 and 2009-10
		Income Tax Appellate Tribunal	0.16	-	2008-09 and 2009-10

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

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(viii) The Company does not have any accumulated losses at the end of the financial period and has not incurred cash losses during the financial period covered by our audit and the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan from financial institutions and has issued any debentures during the period.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not, prima facie, prejudicial to the interest of the Company.

(xi) As the Company has not taken any term loan during the period, paragraph 3(xi) of the Order is not applicable.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

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

**Jaideep Bhargava**

Partner

(Membership No. 090295)

Place: GURGAON

Date: May 5, 2016