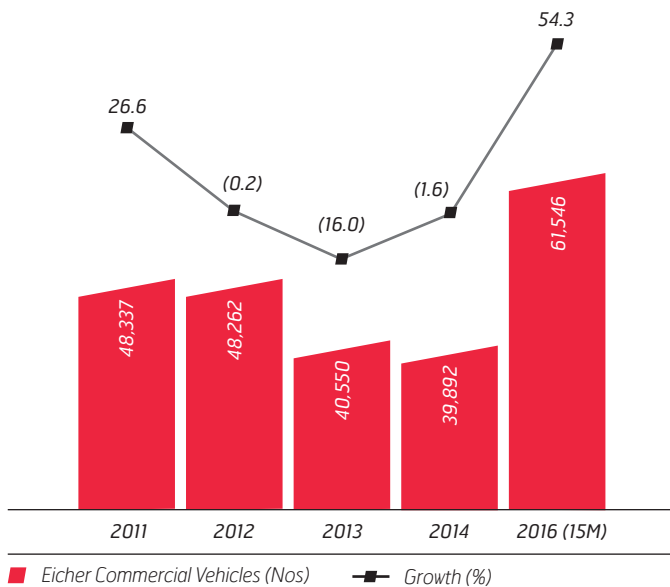


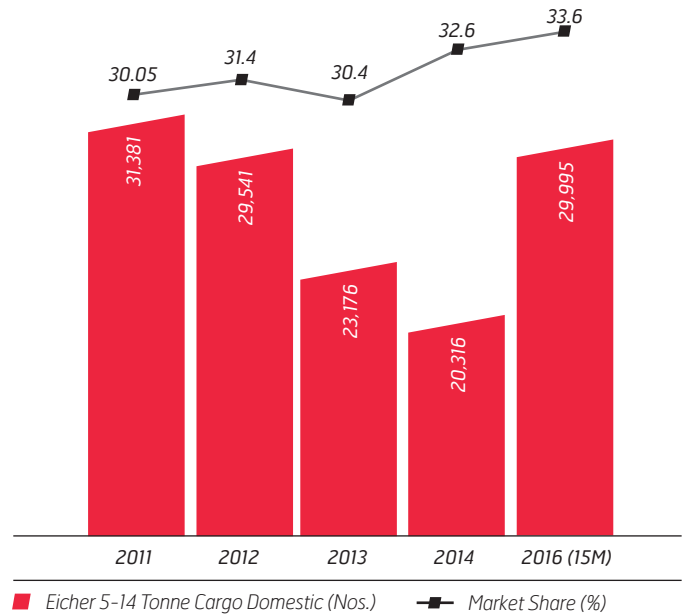
# PERFORMANCE HIGHLIGHTS

OF VE COMMERCIAL VEHICLES LIMITED

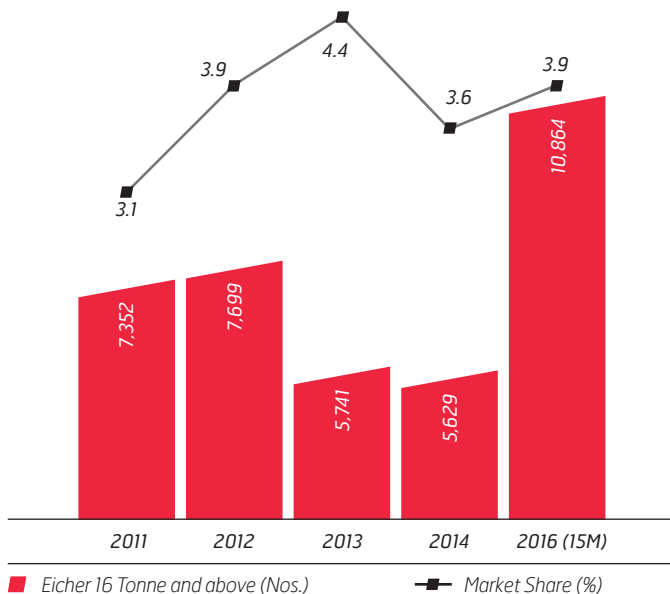
**Chart 1// Eicher Commercial Vehicles and Growth**



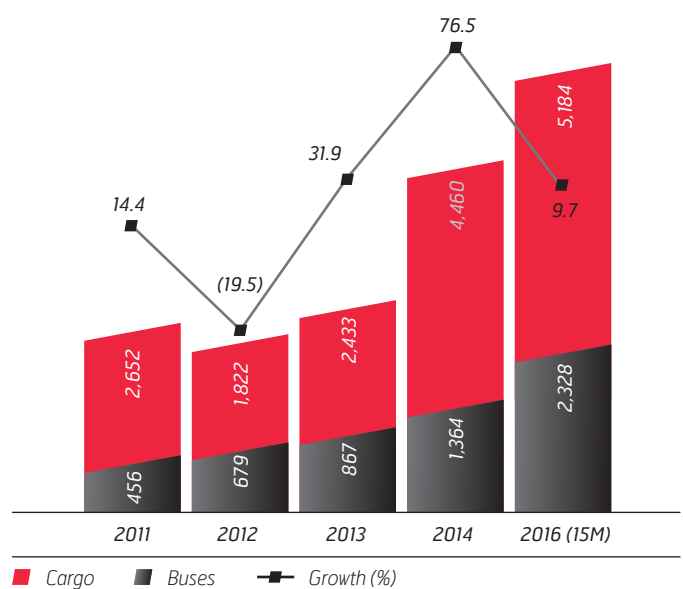
**Chart 2// Eicher 5-14 Tonne Cargo Domestic and Market Share**



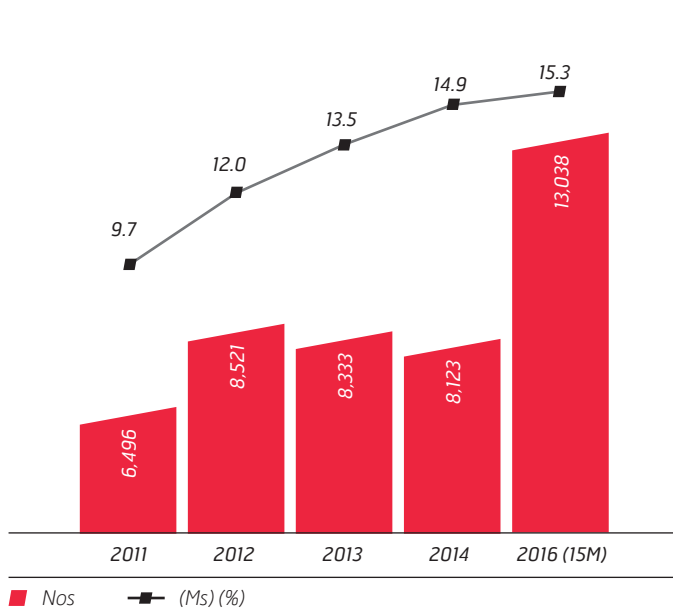
**Chart 3// Eicher 16 Tonne and above Cargo Domestic and Market Share**



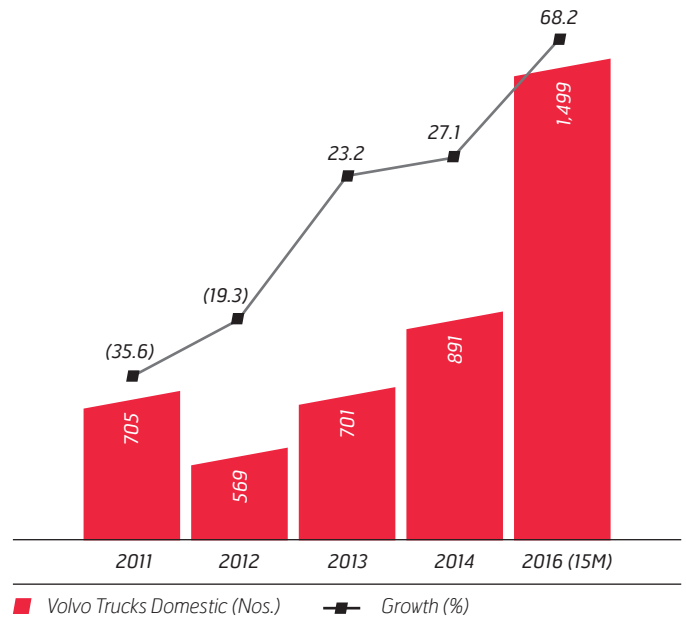
**Chart 4// Eicher Exports: Cargo/Buses and Growth**



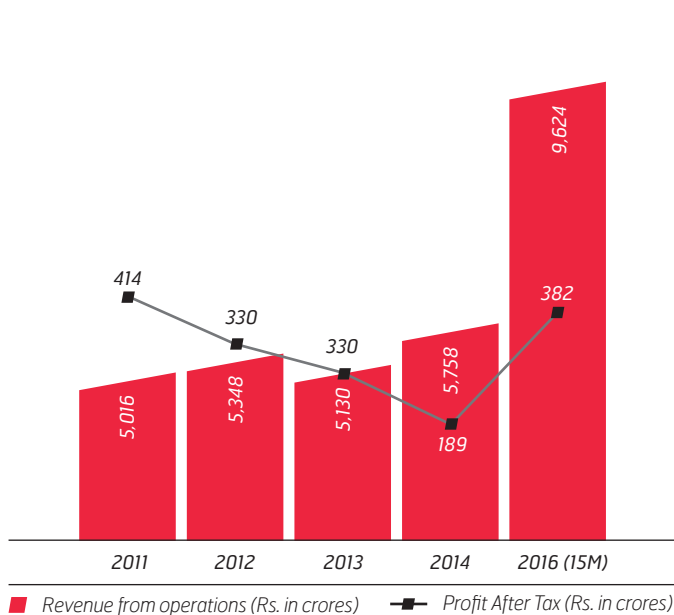
**Chart 5// Eicher Buses Domestic and Market Share**



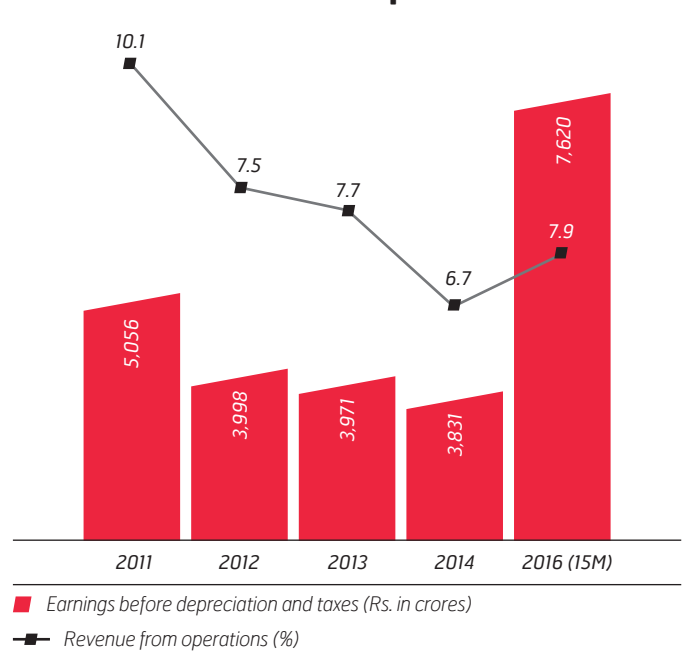
**Chart 6// Volvo Trucks Domestic and Growth**



**Chart 7// Revenue from operations and Profit After Tax**



**Chart 8// Earnings before depreciation and taxes and revenue from operations**



# BUSINESS HIGHLIGHTS



Heavy Duty tipper at the volvo trucks plant at Hoskote, Karnataka

## EICHER TRUCKS AND BUSES (ETB)

The demand of the trucks is directly linked to the growth of the economy and particularly in sectors like roads and constructions, mining, power and ports, as well as infrastructure projects. Growth in these sectors is facilitating the performance of the Company in 2015. ETB has achieved the sales of 61546 units in the period of 15 months ended March 31, 2016. ETB did very well in all segments during the period under review by increasing its market share in Light Medium Duty trucks (5-15 Ton) from 32.6% in 2014 to 33.6%, from 3.6% in 2014 to 4.4% in Heavy Duty trucks, and from 14.9% in 2014 to 15.3% in Buses.

## VOLVO TRUCKS INDIA (VTI)

Activities in terms of coal projects and earth moving segment picked up well during this period. The coal production growth was at 8.5% in financial year 2015-16 versus 7% in financial year 2014-15. This led to the increase in demand for the mining equipment. The period under review has been good for the VTI division.

For the 15 months period ended March 2016, Volvo Trucks deliveries were 1499 units out of which 1436 units were tippers. Volvo Trucks continue to be the preferred mining solution provider amongst the competition in 400hp+ segment and our market share has improved from 61.6% in 2014 to 63.7% in the period under review.

## EICHER ENGINEERING COMPONENTS (EEC)

EEC has made sizeable progress in turnover with domestic as well as global customers including the captive businesses. During the fifteen

months financial period ended on March 31, 2016, EEC business has shown a growth of 18% on annualized basis.

## EICHER ENGINEERING SOLUTIONS (EES)

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

EES business was severely impacted due to sudden drop in business from major clients. Significant cost rationalization program was under taken to reduce operational costs accordingly. As this business does not fall under the VECV core competency area, closure of this division is under consideration.

## VE POWERTRAIN (VEPT)

VE Powertrain has sold 23766 engines in the financial period 2015-16 against 12358 engines in the financial year 2014, growth of 53.9% on an annualised basis.

## BUS BODY PLANT

Bus Body plant has delivered 3930 buses during the financial period as against 1925 buses during financial year 2014 with a growth of 63% on annualized basis. This includes 800 buses of the newly launched platform of Skyline Pro and Midi buses. During the period under review, the plant capacity has been enhanced through productivity improvement to deliver 8200 units per year which will go up to 16400 units per annum by 2017.

**MARKET AND FUTURE PROSPECTS**

**Eicher Trucks and Buses**

The commercial vehicles industry has kept up the pace of growth which started in the last quarter of 2014. We believe that high focus on competitive growth as well as market development to build share in key segments are critical for sustained growth and long term value creation. While focusing on key segments, the Company continues to invest significantly developing the market in these segments to drive future growth.

Eicher HD conducted multi location, mega & micro launches of the all new Pro 6000 series. The focus was on providing a premium experiential journey into the Eicher brand and build the brand imagery as a modern and technologically advanced product. The Lifetime Support Solutions property was created to convey Eicher’s aftermarket offerings, which will help the customer to realise maximum lifetime profitability from his truck. Several new initiatives have been started and are being successfully implemented for improving customer connect. Similarly, new programs have been initiated in the LMD trucks and bus segments as well for enhancing driver and customer engagement.

In 2016-17, Eicher LMD and HD vehicles, both trucks and buses, are expected to continue their strong contribution. Year 2016-17 will see Eicher commercially launching more new variants of Eicher Pro 6000 series of heavy-duty trucks and Eicher Pro 3000 series of light and medium duty trucks, to cater to the fast growing segments in the market. Further increasing acceptability and positive customer response to the Eicher PRO series of heavy duty drive incremental volumes in 2016-17 and aid in ETB’s long term strategy towards becoming a significant player in the heavy-duty CV market.

**Volvo Trucks**

Business sentiments in terms of coal production and market outlook seem positive following the key actions taken by new Government in the mining segment. Record coal production growth has been achieved in the last year and Coal India Limited (CIL) plans to further increase the production in the coming year. However, in the present scenario, the coal stocks piled up in the pits and thermal plants. Government is also targeting to reduce the imports of thermal coal to nil in the next 2 – 3 years. Private coal blocks auctions went well in 2015 but the operationalization has been sluggish with concerns on various clearances. However this may change next year as demand from power sector is set to go up. This would increase the demand for mining equipment in next year. The demand from industries like steel, cement and power is expected to contribute significantly for further growth in the coming quarters.

**Eicher Engineering Components (EEC)**

The year 2016-17 is likely to witness further growth in OEM business with higher requirements from strategic customers. The overall economy (in India and US) is buoyant signaling the increased demand overall. EEC is expecting the exports business also to grow substantially in the coming years.

**Bus Body Plant**

To leverage the state of the art manufacturing capability of the Bus plant with customers, plant visit of domestic and export customers has been organized. To enhance capacity utilization further, new models are also being produced in the bus plant.



An Eicher Skyline Pro bus

# CONSOLIDATED BALANCE SHEET

OF VE COMMERCIAL VEHICLES LIMITED AS AT MARCH 31, 2016

	RS. IN CRORES	
	As at March 31, 2016	As at December 31, 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	10.00	10.00
Reserves and surplus	2,526.78	2,294.36
	<b>2,536.78</b>	<b>2,304.36</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities (net)	310.02	219.28
Other long-term liabilities	9.98	12.35
Long-term provisions	103.58	58.79
	<b>423.58</b>	<b>290.42</b>
<b>Current liabilities</b>		
Short-term borrowings	63.30	58.36
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	65.82	24.29
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,715.32	1,008.71
Other current liabilities	276.62	352.52
Short-term provisions	64.04	153.43
	<b>2,185.10</b>	<b>1,597.31</b>
<b>Total</b>	<b>5,145.46</b>	<b>4,192.09</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	1,573.90	1,490.67
Intangible assets	298.35	315.61
Capital work-in-progress	82.37	124.43
Intangible assets under development	237.88	142.48
	<b>2,192.50</b>	<b>2,073.19</b>
Non-current investments	0.05	0.05
Long-term loans and advances	448.97	338.34
Other non-current assets	59.91	105.10
	<b>2,701.43</b>	<b>2,516.68</b>
<b>Current assets</b>		
Inventories	694.72	441.56
Trade receivables	827.87	565.87
Cash and cash equivalents	522.82	315.54
Short-term loans and advances	390.80	305.40
Other current assets	7.82	47.04
	<b>2,444.03</b>	<b>1,675.41</b>
<b>Total</b>	<b>5,145.46</b>	<b>4,192.09</b>

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

OF VE COMMERCIAL VEHICLES LIMITED FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

	RS. IN CRORES	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>INCOME</b>		
Revenue from operations (gross)	10,324.13	6,082.47
Less: Excise duty	700.19	324.41
Revenue from operations (net)	9,623.94	5,758.06
Other income	41.42	35.59
<b>Total revenue</b>	<b>9,665.36</b>	<b>5,793.65</b>
<b>EXPENSES</b>		
Cost of raw materials and components consumed	5,246.38	3,135.08
Purchase of stock-in-trade	1,766.55	914.68
Change in inventories of finished goods, work-in-progress and stock-in-trade	(217.36)	(41.55)
Employee benefits expenses	717.01	497.44
Finance costs	7.63	8.09
Depreciation and amortisation expenses	302.39	169.66
Other expenses	1349.40	869.36
<b>Total expenses</b>	<b>9172.00</b>	<b>5,552.76</b>
<b>Profit before tax</b>	<b>493.36</b>	<b>240.89</b>
<b>Tax expense</b>		
Current tax	125.62	52.91
Minimum alternate tax (MAT) credit entitlement	(108.39)	(52.91)
Deferred tax charge	94.41	51.46
<b>Total tax expense</b>	<b>111.64</b>	<b>51.46</b>
<b>Profit for the period/year</b>	<b>381.72</b>	<b>189.43</b>
<b>Earning per share - basic/diluted</b>	<b>381.72</b>	<b>189.43</b>
(Face value of Rs 10 per share) (in Rs.)		

# CONSOLIDATED CASH FLOW STATEMENT

OF VE COMMERCIAL VEHICLES LIMITED FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

RS. IN CRORES		
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	493.36	240.89
Adjustments for:		
Depreciation and amortisation expenses	302.39	169.66
Profit on sale of fixed assets	(2.54)	(0.53)
Fixed assets discarded	0.44	0.83
Loss on sale of fixed assets	2.44	1.42
Exchange differences on conversion	0.60	(0.08)
Interest income	(32.55)	(25.83)
Finance costs	7.63	8.09
<b>Operating profit before changes in working capital</b>	<b>771.77</b>	<b>394.45</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(253.16)	(58.21)
Trade receivables	(262.00)	(57.59)
Short-term loans and advances	(85.40)	(36.27)
Long-term loans and advances	(1.27)	(32.54)
Other current assets	41.65	(27.53)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	748.14	155.93
Other current liabilities	(24.83)	55.88
Other long-term liabilities	(1.75)	0.61
Short-term provisions	(7.43)	18.12
Long-term provisions	44.79	9.54
<b>Cash generated from operating activities</b>	<b>970.51</b>	<b>422.39</b>
Direct taxes paid	(115.61)	(55.22)
<b>Net cash from operating activities (A)</b>	<b>854.90</b>	<b>367.17</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including Pre-operative expenditure and capital advances)	(493.75)	(519.82)
Sale of fixed assets	6.43	2.27
Investment in/proceeds from fixed deposits	45.19	(105.10)
Interest received	30.12	51.90
<b>Net cash flow from investing activities (B)</b>	<b>(412.01)</b>	<b>(570.75)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in short term borrowings (net)	4.94	(21.54)
Interest paid	(7.63)	(8.09)
Dividend paid	(193.75)	(75.00)
Tax on dividend	(39.17)	(12.75)
<b>Net cash flow from financing activities (C)</b>	<b>(235.61)</b>	<b>(117.38)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>207.28</b>	<b>(320.96)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>315.54</b>	<b>636.50</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>522.82</b>	<b>315.54</b>
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
Components of cash and cash equivalents		
Cash on hand	0.13	0.09
Cheques/ drafts on hand	58.26	21.34
Balances with banks:		
In current accounts	91.51	86.10
In deposit accounts	372.92	208.01
<b>Total cash and cash equivalents</b>	<b>522.82</b>	<b>315.54</b>