

DIRECTORS' REPORT

To the Members of Eicher Motors Limited

The Directors have pleasure in presenting the Thirty Fifth Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2017.

FINANCIAL RESULTS

Your Company achieved an all-time high top line growth during the financial year 2016-17 with Net revenue from operations at Rs. 7,037.97 crores. The profit before depreciation and interest amounted to Rs. 2,205.81 crores, which is 31.3% of the Net revenue. After accounting for other income of Rs. 227.31 crores, interest expense of Rs. 2.79 crores and depreciation of Rs. 153.34 crores, profit before tax amounted to Rs. 2,276.99 crores. Profit after tax amounted to Rs. 1,560.02 crores after income tax provision of Rs. 716.97 crores. Total comprehensive income for the year, net of tax amounted to Rs. 1,559.94 crores.

The financial year under review commenced on April 1, 2016 and ended on March 31, 2017, being a period of 12 (twelve) months. The preceding period for which comparative figures are given commenced on January 1, 2015 and ended on March 31, 2016, being a period of 15 (fifteen) months. The financial results are summarised below:

Particulars	Rs. in Crores	
	For the financial year ended March 31, 2017 (12 months period)	For the financial year ended March 31, 2016 (15 months period)
Revenue from operations (net)	7,037.97	6,186.19
Profit before depreciation and interest	2,205.81	1,708.19
Interest	2.79	2.12
Depreciation	153.34	136.55
Profit before other income and tax	2,049.68	1,569.52
Other income	227.31	283.49
Profit before tax	2,276.99	1,853.01
Provision for tax (including deferred tax)	716.97	543.79
Net profit after tax	1,560.02	1,309.22
Other comprehensive income	(0.08)	(0.46)
Total comprehensive income for the year/period, net of tax	1,559.94	1,308.76
Balance in statement of profit and loss brought forward from previous year	1,916.67	1,199.10
Amount available for appropriation:	3,476.61	2,507.86
Interim dividend	-	271.61
Final dividend (proposed)	272.10	-
Earnings per share		
- Basic (Rs.)	573.75	482.45
- Diluted (Rs.)	572.17	480.68

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, 2017 TILL THE DATE OF THIS REPORT

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2017 till the date of this report.

DIVIDEND

The Board of Directors in their meeting held on May 5, 2017 had approved payment of dividend of Rs. 100/- per Equity Share (@ 1000%) of face value of Rs. 10/- each out of the profits for the financial year 2016-17.

The dividend, if approved by the shareholders shall be paid in the following manner:

- 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 1, 2017.

- b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests lodged with the Company on or before the close of business hours on August 1, 2017.

AMOUNTS TRANSFERRED TO RESERVES

During the financial year 2016-17, no amount was transferred to General Reserve of the Company.

BRIEF DESCRIPTION OF THE STATE OF COMPANY'S AFFAIRS/BUSINESS PERFORMANCE

Your Company's Royal Enfield unit continues to grow significantly. It sold 6,66,493 motorcycles in the financial year 2016-17 (12 months), 10.9% more when compared to financial year 2015-16 (15 months) sales of 6,00,944 motorcycles. Out of 6,66,493 motorcycles sold in 2016-17 (12 months), 15,383 were exported, a growth of 32% over previous year volume of 11,653 motorcycles in 2015-16 (15 months).

Net Revenue from operations for financial year 2016-17 (12 months) was Rs. 7,037.97 crores, 13.8% growth over previous year (Rs. 6,186.19 crores for 15 months). Net sales of spare parts, gears and services increased to Rs. 581.38 crores in 2016-17 (12 months) from Rs. 445.25 crores in the previous year (15 months), registering a growth of 30.6%.

Maximising operating leverage is a key focus in your Company. This enabled your Company to grow profits faster than revenue from operations. Your Company's profit before depreciation, interest and tax was Rs. 2,205.81 crores in 2016-17 (12 months), a growth of 29.1% over Rs. 1,708.19 crores recorded in 2015-16 (15 months).

MARKET AND FUTURE PROSPECTS

Please refer to Management Discussion & Analysis Report which forms part of the Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings & 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.

CHANGES IN SHARE CAPITAL & EICHER EMPLOYEES STOCK OPTION PLAN 2006

The paid-up Equity Share Capital of the Company as on March 31, 2017 was Rs. 27,21,02,490/-. During the year under review,

the Company has issued 49,066 Equity Shares of face value of Rs. 10 each pursuant to its Employees Stock Option Plan.

A Statement giving complete details pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company and the weblink for the same is http://www.eicher.in/uploads/1498884728_ESOP%20Statement%202016-17.pdf

The Employee Stock Option Plan for grant of stock options has been implemented in accordance with the SEBI Regulations. A certificate from M/s Deloitte Haskins & Sells, Statutory Auditors in this regard would be placed at the ensuing Annual General Meeting for inspection by the members. The Company has not changed its Employees Stock Option Plan during the year.

Further, details of options granted and exercised are included in Note no. 47 in the notes to accounts forming part of financial statements.

DEPOSITS

The Company has not accepted any deposits from the public/members under Section 73 of the Act read with 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

The shareholders of the Company in the 34th (thirty fourth) Annual General Meeting (AGM) held on June 18, 2016 had approved re-appointment of Mr. Siddhartha Lal as Managing Director of the Company for a term of 5 years effective from May 1, 2016. Mr. Siddhartha Lal, being a non-resident Indian, his reappointment required approval of Ministry of Corporate Affairs and the same was obtained vide Central Government approval letter dated October 25, 2016.

The Nomination & Remuneration Committee and the Board at their respective meetings held on May 5, 2017 have, subject to the approval of the shareholders, approved the remuneration payable to Mr. Siddhartha Lal as Managing Director of the Company w.e.f. May 1, 2017. Details of remuneration proposed to be paid to Mr. Siddhartha Lal is set out in the Notice convening the 35th (thirty fifth) AGM to be read with the explanatory statement attached thereto, for approval of the shareholders in the AGM.

In accordance with Section 149(7) of the Act, all the 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(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There has been no change in the Directors and Key Managerial Personnel of the Company during the year under review.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

It is expected that the Individual Board members are willing to learn the business of the Company and to devote the necessary time and effort to be well-informed.

With respect to core & competencies and personal reputation, our practices ensure through the selection process that all Directors:

- ◆ Exhibit integrity and accountability
- ◆ Exercise informed judgement
- ◆ Are financially literate
- ◆ Are mature and confident individuals
- ◆ Operate with high performance standards

Removal of Directors

Under extreme circumstances and in highly unusual situations it may become necessary to remove a member from the Board of Directors. Reasons for doing so, may relate to any of the following (indicative; other than as provided under the Companies Act, 2013):

- i. Breach of confidentiality in anyway
- ii. Failure to meet obligatory procedures in the disclosure of conflict of interest
- iii. Failure to fulfil the fiduciary duties of a Director for the Company
- iv. Acting in any other manner which is against the interests of the Company

Company's Remuneration Policy:

The Company's Compensation Strategy defines the principles underlying compensation philosophy for its employees. Compensation is a critical piece of overall human-resources strategy and broadly refers to all forms of financial returns and tangible benefits that employees receive as a part of their employment relationship.

The Remuneration/Compensation Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to Directors and Senior Management including Key Managerial Personnel (KMP) and other employees of the Company.

The remuneration of the Managing Director, Executive Director, KMPs and CXOs of the Company is recommended by the Nomination & 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 below the executive level subject to approval of Human Resource department. The maximum amount of loan/advance that can be granted to an employee shall not exceed one month's gross salary or Rs. 40,000, whichever is higher.

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 for 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% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act and as approved by the members from time to time by passing a resolution in the general meeting.

Remuneration of KMPs and employees largely consists of basic remuneration, perquisites, allowances, performance incentives and employee stock options granted pursuant to the Employees Stock Option Plan of the Company. The components of remuneration vary for different employee levels and are governed by the compensation trends in the industry, qualifications and experience of the employee and his/her responsibility areas, employee performance assessment, etc.

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and Nomination & Remuneration Committee (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.

A separate meeting of Independent Directors was also held to review the performance of the Managing Director,

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 Director and Non-Executive Directors (excluding the Chairman being evaluated).

MEETINGS OF BOARD OF DIRECTORS

Six (6) meetings of the Board of Directors of the Company were conducted during the financial year. The details of Board/Committee/Shareholder meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

DETAIL OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE ACT

The details of loans, guarantees and investments made by the Company during the year under review which are covered under Section 186 of the Act are provided under Annexure-2.

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015. Requisite approval of the Audit Committee and the Board (wherever required) was obtained by the Company for all Related Party Transactions. During the year under review, the Company has paid stamp duty on behalf of Eicher Goodearth Private Limited (EGPL), a related party to facilitate certain transaction between EGPL and a third party. Stamp Duty was repaid to the Company on the same day.

There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, subsidiaries, joint ventures and associate Companies which may have a potential conflict with the interest of the Company. There are no transactions that are required to be reported in Form AOC-2, hence the said form does not form part of this report. However, the details of the transactions with Related Parties are provided in the Company's financial statements in accordance with Indian Accounting Standards.

The Company has a Policy on materiality of and dealing with Related Party Transactions, as approved by the Board, which is available at 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee are:

Sl. No.	Name
1	Mr. M J Subbaiah, Chairman
2	Mr. S Sandilya
3	Mr. Siddhartha Lal
4	Mr. Priya Brat
5	Mr. Prateek Jalan

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

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

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

Highlights of performance of subsidiary 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. During the year it opened the first showroom in Milwaukee, Wisconsin. It sold 561 motorcycles during the year 2016-17 and achieved revenue of Rs.16.26 crores. As of March 2017, RENA had contracted with 42 multi brand outlets in USA.

Royal Enfield Canada Limited (RECA)

RECA is a 100% subsidiary of RENA. RECA was incorporated in April 2016 in Canada to manage the distribution and sales of Royal Enfield products and services including, motorcycles, bikes, spares and gear in Canada. During the first year of its operation in 2016-17, the company sold 52 motorcycles and achieved revenue of Rs.1.61 crores. As of March 2017, RECA had contracted with 8 multi brand outlets in Canada.

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 Motocicletas LTDA in 2016-17, with the launch of its first stand-alone exclusive store in Sao Paulo. The Company started its commercial sales from April 2017 with the launch of an exclusive store. The store is located in Av. República do Líbano, Moema, an upscale neighbourhood in the Central/South area of São Paulo City. Along with the motorcycles, an exclusive range of gear consisting of lifestyle apparels, riding gear and lifestyle accessories were also introduced into the Brazilian market.

VE Commercial Vehicles Limited

Overview of performance covered separately in the Annual Report.

Eicher Polaris Private Limited

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 Company's subsidiary and joint venture Companies in Form AOC-1 is attached as *Annexure-3*.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, Royal Enfield Canada Limited was incorporated w.e.f. April 19, 2016, as a wholly-owned subsidiary of Royal Enfield North America Limited, which is a wholly-owned subsidiary of the Company. Also, Eicher Engineering Solutions, Inc. and its wholly-owned subsidiaries, Eicher Engineering Solutions (Shanghai) Co. Ltd and Eicher Engineering Solutions (Beijing) Co. Ltd. have ceased to be subsidiaries of VE Commercial Vehicles Limited, a subsidiary of the Company, and in turn, have also ceased to be subsidiaries of the Company w.e.f. March 17, 2017.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant 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 controls and its adequacy are included in the Management Discussion & 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 Healthcare, Children's Education, Road Safety and Environmental Sustainability as some of the key areas. The Company will continue to support social projects that are consistent with the Policy.

Corporate Social Responsibility Committee of the Company is constituted as follows:

1. Mr. S Sandilya - Chairman
2. Mr. Siddhartha Lal
3. Mr. Prateek Jalan

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 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 Company, its subsidiaries and jointly controlled entities adopted Indian Accounting Standards ("Ind AS") from April 1, 2016. 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 audited accounts of the subsidiaries and joint venture companies will be made 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 copy of the financial statements of its subsidiary and joint venture companies to the shareholders upon their request. The consolidated Total Comprehensive income of the Company and its subsidiaries amounted to Rs. 1,664.65 crores for the financial year 2016-17(12 months) as compared to Rs. 1,337.65 crores for the previous period 2015-16 (15 months).

AUDITORS

(a) STATUTORY AUDITORS AND THEIR REPORT

M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number: 015125N) were re-appointed as Statutory Auditors in the 33rd (thirty third) Annual General Meeting (AGM) of the Company for a period of three years, subject to ratification of their appointment at every AGM by the shareholders.

The shareholders of the Company in the 34th (thirty fourth) AGM held on June 18, 2016 had ratified the appointment of M/s Deloitte Haskins & Sells as Statutory Auditors to hold office as such from the conclusion of 34th (thirty fourth) AGM until the conclusion of the 35th (thirty fifth) AGM. The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2017 pursuant to the provisions of the Act. The reports of Statutory Auditors forms part of the Annual Report. The reports are self-explanatory and does not contain any qualifications, reservations or adverse remarks.

(b) ROTATION OF STATUTORY AUDITORS

Pursuant to Ministry of Corporate Affairs order dated June 30, 2016, the Company is required to rotate its statutory auditors at the ensuing 35th (thirty fifth) Annual General Meeting.

In this regard, the Company invited proposals from a few leading chartered accountant firms for appointment as Statutory Auditors of the Company. The proposals submitted by the chartered accountant firms were reviewed and evaluated by the Audit Committee.

The Audit Committee recommended M/s. S R Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number: FRN 301003E/E300005), to the Board of Directors for appointment as statutory auditors of the Company for a period of five years. The Board of Directors in their meeting held on February 1, 2017 have decided to recommend appointment of M/s. S R Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company for a period of five years, from the conclusion of 35th AGM till the conclusion of the 40th AGM of the Company, to the shareholders for their approval at the ensuing 35th (thirty fifth) Annual General Meeting.

M/s. S R Batliboi & Co. LLP, Chartered Accountants, have furnished a certificate to the effect that their appointment, if made, would be in accordance with the provisions of Sections 139 and 141 of the Act. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

(c) SECRETARIAL AUDITORS AND THEIR REPORT

The Board has appointed M/s. RDA & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year ended March 31, 2017. As required under Section 204 of the Companies Act, 2013, the Secretarial Audit Report is annexed as *Annexure-5* to this Report. The Secretarial Audit Report is self-explanatory and does not contain any qualifications or adverse remarks which require any clarification or explanation.

(d) COST AUDITOR

Mr. V Kalyanaraman, a qualified Cost Accountant, has been appointed as the cost auditor to carry out audit of the cost records of the Company for the financial year 2016-17 pursuant to the provisions of the Companies Act, 2013. The cost auditor shall submit his report to the Board of Directors.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS RESPONSIBILITY REPORTS

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report together with the Auditors' certificate regarding compliance of conditions of Corporate Governance, Management Discussion & Analysis Report and Business Responsibility Report form part of the Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed as *Annexure-6*.

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, 2017, 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, 2017 and of the profits of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively; and
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES

Disclosures as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

- 1) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the Financial Year:

Sl. No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage Increase in Remuneration during 2016-17 over 2015-16*
1	Mr. S Sandilya	Chairman & Non-Executive Independent Director	8.2	-11%
2	Mr. Siddhartha Lal	Managing Director and CEO	150.8	40%
3	Mr. Priya Brat	Non-Executive Independent Director	1.8	-11%
4	Mr. M J Subbaiah	Non-Executive Independent Director	1.8	-9%
5	Mr. Prateek Jalan	Non-Executive Independent Director	4.6	-12%
6	Ms. Manvi Sinha	Non-Executive Independent Director	1.6	-13%
7	Mr. Lalit Malik	Chief Financial Officer	-	10%
8	Mr. Manhar Kapoor	General Counsel and Company Secretary	-	24%

- 2) Percentage increase in the median remuneration of the employees in the financial year: -10%*.
- 3) Number of permanent employees on the rolls of Company as at March 31, 2017: 2274.
- 4) The average increase in median remuneration of the employees other than managerial personnel was -10%* as compared to the increase in the managerial remuneration by 25%.
- 5) It is hereby affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

*NOTE: The financial year under review (2016-17) is a period of twelve (12) months, whereas the previous financial year (2015-16) was for a period of fifteen (15) months. Accordingly figures for 2016-17 appear to be lower than those for 2015-16.

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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided in the Directors' Report. However, in terms of provisions of Section 136 of the Act, the Annual Report is being sent to all the members of the Company and others entitled thereto, excluding the said statement. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for inspection at the Registered Office of the Company during working hours.

RISK MANAGEMENT

Requisite information is provided under Management Discussion & Analysis Report which forms part of the Annual Report.

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 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 to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaint of sexual harassment from any employees of the Company. No complaint of sexual harassment was pending at the beginning of the financial year.

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 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

Siddhartha Lal
Managing Director
& Chief Executive Officer
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 5, 2017

CIN: L34102DL1982PLC129877
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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. Paint shop number plate paint booth blower modified and motor capacity reduced from 5HP to 3HP resulting in savings of 7,448 kWh
2. Air compressors capacity reduction from 250 HP to 200 HP for process area resulting in savings of 22,054 kWh
3. Provision of automatic control board/timer to switch off lighting and fans during lunch time resulting in savings of 1,58,359 kWh
4. Switching off of machines during idle time resulting in savings of 90,252 kWh
5. Chiller and Circulation Pump On/Off logic modified from chiller-based control unit to methodology-based on ED bath temperature resulting in savings of 1,44,064 kWh
6. Removal of two transfer pumps and installation of hydro booster pump for pumping IRO and DM water from RO plant to process tank resulting in savings of 17,280 kWh
7. Borewell water transferred directly to raw water tank instead of fire pump house tank by stopping the transfer pump operation from fire tank to raw water tank resulting in savings of 8,280 kWh
8. Leak testing machines - Solenoid valve installed in the air line and interlocked with the foot pedal and cycle start circuits in the PLC (programmable logic controller). Air consumption is minimised after modification resulting in savings of 11,157 kWh
9. Fume killers are interlocked with the robots in frame line and tank line to run only in auto mode and will get switched off in idle condition resulting in savings of 13,104 kWh
10. In Engine Assembly shop, Test Bed Exhaust Blower Direct on-line Control (DOL) replaced with Variable Frequency Drive (VFD) and

Frequency set to 20 Hz resulting in savings of 24,960 kWh

11. In Engine Assembly shop, Non Production/ Operation area AHU (Air Handling Units) duct nozzle flopper closed and reduced the frequency of AHU blower from 50 Hz to 35 Hz resulting in savings of 56,610 kWh
12. Engine HVAC (heating, ventilation and air conditioning) chiller suction saturated gas pressure setting increased from 45 F to 50 F heat and low water temperature (LWT) setting increased from 12 degree to 15 degree celcius resulting in lower chiller running hours resulting in savings of 32,010 kWh
13. In Machine Shop, Air washer unit supply air duct length reduced and VFD (Variable Frequency Drive) frequency reduced from 50 Hz to 42 Hz resulting in savings of 21,060 kWh

(ii) The steps taken by the Company for utilising alternate sources of energy

Conversion of CFL lamps/tube lights into LED lamps resulting in savings of 31,060 kWh

(iii) The capital investment on energy conservation equipment

Rs. 0.06 crore

(B) TECHNOLOGY ABSORPTION

1. ABS system designed, developed & implemented in all European models
2. Indigenously developed EVAP system for Euro-4 & BS-4 models implemented
3. AHO (Automatic Headlamp On) feature along with High power Magneto for all models
4. Gear position switch with isolated ground done for LS 410 Engine
5. Solenoid controlled secondary air injection for emission controls
6. Spring loaded oil seal on Gear shift shaft
7. Primary chain life enhancement with high grade steel

8. Rear shock life enhancement with improved oil seal
9. Bullet badge with flexible PU material for better productivity
10. Ignition switch with seven lever arrangement for better vehicle security
11. Single piece Head lamp holder in Thunderbird for better productivity & quality improvement
12. Quick fix connector implemented for Fuel hose
13. Double-walled Steel riveting technology for Silencer Guard for quality improvement
14. Tool box with self-adhesive feeding & formed lock plate for reduced locking effort
15. Taper roller bearing for steering for higher load carrying capability introduced in Himalayan

16. Chrome-plated Forged type side stand for all Classic models implemented
17. U Nut introduced instead of Nyloc nut for improving reusability
18. Switch module with Bi-Metallic contacts to enhance life introduced
19. EMS system with Direct driven Fuel pump implemented

The expenditure incurred on Research and Development:

- a) Revenue: Rs. 36.78 crores
- b) Capital: Rs. 91.29 crores

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, total exports (FOB value) were Rs. 177.01 crores (Previous year Rs. 177.49 crores). Foreign Exchange amounting to Rs. 233.79 crores (Previous year Rs. 199.32 crores) was used on account of import of components, spare parts, capital goods, salaries & wages, advertisement, business travel and consulting fees during the year under review.

ANNEXURE-2

THE DETAIL OF LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY DURING THE FINANCIAL YEAR 2016-17 WHICH ARE COVERED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Rs. in Crores	
Loans	Principal Amount
Opening Balance	4.75
Addition	3.66
Reduction	5.33
Closing Balance	3.08

Rs. in Crores	
Guarantees	Amount
Opening Balance	24.08
Addition	51.33
Reduction	-
Closing Balance	75.41

Rs. in Crores	
Investments	Amount
Opening Balance*	261.81
Addition **	49.71
Reduction	-
Closing Balance	311.52

*Includes Rs.18.00 crores paid to Eicher Polaris Private Limited for subscription of equity shares for which shares were allotted during 2016-17

**Includes Rs.11.10 crores paid to Eicher Polaris Private Limited for subscription of equity shares for which shares were allotted during 2017-18

ANNEXURE - 3

FORM AOC-1
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF
SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES
(PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF
COMPANIES (ACCOUNTS) RULES, 2014)

PART A-SUBSIDIARIES

Rs. in Crores											
Name of Subsidiary	VE Commercial Vehicles Ltd. (VECV) ^A	Eicher Engineering Solutions Inc.* (EESI)	Eicher Engineering Solutions (Shanghai) Co. Ltd.*	Eicher Engineering Solutions (Beijing) Co. Ltd.*	VECV Lanka (Private) Ltd	VECV South Africa (PTY) Ltd.	Royal Enfield Brasil Comércio de Motocicletas Ltda	Royal Enfield North America Limited (RENA)	Royal Enfield Canada Limited	Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)	
Sl. No.	Subsidiary of Company	Subsidiary of VECV	Subsidiary of EESI	Subsidiary of EESI	Subsidiary of VECV	Subsidiary of VECV	Subsidiary of Company	Subsidiary of Company	Subsidiary of RENA	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	July 01, 2008	July 01, 2008	July 01, 2008	April 09, 2013	January 22, 2016	August 18, 2014	March 23, 2015	April 19, 2016	November 19, 2015
3.	Reporting currency and exchange rate as on last date of the relevant Financial Year in case of foreign subsidiaries	INR	USD 1 USD = Rs. 64.8	RMB 1 RMB =Rs. 9.4	RMB 1 RMB =Rs. 9.4	LKR 1 LKR = Rs. 0.4	ZAR 1 ZAR = Rs. 4.8	BRL 1 BRL = Rs. 20.5	USD 1 USD = Rs. 64.8	USD 1 USD = Rs. 64.8	INR
4.	Share Capital	10.00	-	-	-	5.43	3.50	9.82	17.78	0.09	0.05
5.	Other Equity	2,879.85	-	-	-	(1.31)	(0.37)	(5.64)	(36.41)	0.07	10.74
6.	Total Assets	5,999.32	-	-	-	20.01	3.69	6.20	29.39	0.85	10.93
7.	Total Liabilities	3,109.47	-	-	-	15.89	0.56	2.02	48.02	0.69	0.14
8.	Investments	0.05	-	-	-	-	-	-	0.09	-	-
9.	Turnover (Gross)	8,952.77	15.92	0.11	19.57	72.28	0.65	-	16.26	1.61	-
10.	Contribution received	-	-	-	-	-	-	-	-	-	24.07
11.	Profit before Taxation	442.62	0.82	(0.26)	1.33	3.03	(2.10)	(4.14)	(24.20)	0.10	6.90
12.	Provision for Taxation	95.24	-	-	0.30	0.65	(0.57)	0.40	4.58	0.03	-
13.	Profit after Taxation	347.38	0.82	(0.26)	1.02	2.38	(1.53)	(4.54)	(28.78)	0.07	6.90
14.	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
15.	% of Shareholding ***	54.40%	Nil	Nil	Nil	54.40%	54.40%	99.99%	100.00%	100.00%	50.00%

^A VECV is a subsidiary company as per section 2(87) of Companies Act 2013. However, for the purpose of financial statements, VECV is treated as Joint Venture company as per Ind AS III - 'Joint Arrangements'

* VECV holds 100% equity in Eicher Engineering Solutions Inc., (EESI). EESI holds 100% equity in Eicher Engineering Solutions (Shanghai) Co. Ltd. and Eicher Engineering Solutions (Beijing) Co. Ltd. On March 17, 2017, VECV has disinvested its 100% holding in EESI. Accordingly, EESI and its wholly-owned subsidiaries Eicher Engineering Solutions (Shanghai) Co. Ltd. and Eicher Engineering Solutions (Beijing) Co. Ltd. have ceased to be subsidiaries of VECV, and in turn, have also ceased to be subsidiaries of the Company.

** 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% equity in VECV. VECV holds 100% equity in VECV Lanka (Private) Limited and VECV South Africa (PTY) Ltd.

PART B-JOINT VENTURE

Sl. No.	Name of Joint Venture	Eicher Polaris Private Limited
1.	Latest audited Balance sheet	March 31, 2017
2.	Date on which joint venture was associated/acquired	July 23, 2012
3.	Shares of joint venture held by the Company on the year end	
	No. as on March 31, 2017	26,69,00,000 Shares *
	Amount of Investment in joint venture - Rs. Crores	266.9
	Extent of Holding %	50%
4.	Description of how there is significant influence	There is no significant influence by Eicher Motors Limited since it is a joint venture company with 50% shareholding and control
5.	Reason why the joint venture is not consolidated	Not Applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet - Rs. Crores	186.08
7.	Profit/Loss for the year	
	i. Considered in Consolidation - Rs. Crores	(45.92)
	ii. Not Considered in Consolidation - Rs. Crores	(45.92)

*Subsequent to year end March 31, 2017, additional 1,11,00,000 Equity Shares have been issued and allotted to the Company for value of Rs. 11.10 crores

ANNEXURE - 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

1 A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Board of Directors of the Company at their meeting held on November 12, 2014 had approved the Corporate Social Responsibility Policy of the Company pursuant to Section 135 of the Companies Act 2013 (the Act) and relevant rules prescribed thereunder.

The Policy, *inter alia*, lays down the criteria for identifying programmes eligible for financial assistance and for determining the quantum of assistance in relation with such programmes, implementation procedure for programmes, evaluation, monitoring and reporting framework and administration mechanism. programmes that are eligible in accordance with the Act and are consistent with the CSR themes of the Company shall be eligible for grants.

Following CSR themes are given preference while identifying and approving CSR programmes:

1. Road safety
2. Environmental sustainability
3. Children's education
4. Healthcare

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:

1. Clearly defined objectives consistent with the policy
2. A system for monitoring actual spending by the grantees
3. Impact assessment
4. A reporting framework/system

Prospective CSR programmes are presented to the CSR Committee for evaluation. The proposal include proposed budget, social need for the programme and benefits expected. CSR Committee recommends desirable programmes with all necessary details to the Board for approval.

All CSR programme 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 may also collaborate with third parties for undertaking CSR Programmes in such manner as the CSR Committee may deem fit.

Your Company will continue to support social projects that are consistent with the policy.

CSR Policy of the Company is available at http://www.eicher.in/uploads/1427718324_EMLCSR.pdf

Details of Company's CSR Projects and Programmes are provided under Annexure A.

2 The Composition of the CSR Committee

The CSR Committee comprises:

1. Mr. S Sandilya – Chairman
2. Mr. Siddhartha Lal
3. Mr. Prateek Jalan

3	Average net profit of the Company for last three financial years	Rs. 916.61 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 18.33 Crores
5	Details of CSR spent during the financial year:	
(1)	Total amount to be spent for the financial year	Rs. 18.33 Crores
(2)	Amount unspent, if any	Nil
(3)	Manner in which the amount spent during the financial year	The manner in which the amount is spent is provided under Annexure A
6	In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report	Not Applicable
7	We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.	

Siddhartha Lal
 Managing Director
 & Chief Executive Officer
 DIN: 00037645

S. Sandilya
 Chairman
 DIN: 00037542

Place: Gurugram
 Date: May 5, 2017

ANNEXURE - A

REPORTING PERIOD : APRIL 1, 2016 TO MARCH 31, 2017

(Rupees in Lacs)							
1	2	3	4	5	6	7	8
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programmes Subheads: 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative expenses up to the reporting period	Amount spent: Direct or through implementing agency
1	Disaster relief	Promoting healthcare, eradicating hunger, poverty and malnutrition, sanitation and making available safe drinking water	Local Area Chennai and surrounding area, Tamil Nadu	491.0	352.9	426.9	Through implementing agency - Eicher Group Foundation
2	Improve employment opportunities for school dropouts unemployed youth by skill-building	Employment enhancing vocational skills	Local Area Chennai and surrounding area, Tamil Nadu Gurugram, Haryana	550.0	65.8	65.8	Through implementing agency - Eicher Group Foundation

(Rupees in Lacs)							
1	2	3	4	5	6	7	8
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programmes Subheads: 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative expenses up to the reporting period	Amount spent: Direct or through implementing agency
3	Road Safety and Community Development Programme	(i) Promoting health care and sanitation (ii) Promoting education including special education, employment enhancing vocational skills	Other Leh, Jammu and Kashmir, Lahaul and Spiti, Himachal Pradesh	1,000.0	86.1	86.1	Through implementing agency - Eicher Group Foundation
4	Eradication of blindness and deafness	Promoting healthcare	Other various states	250.0	153.1	240.1	Through implementing agency - Eicher Group Foundation
5	Vocational training	Promoting education, employment enhancing vocational skills	Other various states	225.0	164.1	176.1	Through implementing agency - Eicher Group Foundation
6	Infrastructure development and operational expenses for school	Promoting education	Other Alwar and surrounding area, Rajasthan	850.0	470.2	842.2	Through implementing agency - Eicher Group Foundation
7	Village upgradation programme a) Education- children's learning centres, renovation of anganwadis b) Environment- reviving of lakes/ ponds, waste collection, kitchen garden c) Livelihood-self help groups d) Multi disciplinary training centre e) Community safe drinking water f) Healthcare	Rural development projects	Local Tiruvottiyur, Oragadam, Vallam (Tamil Nadu)	330.0	253.3	253.3	Through implementing agency - Eicher Group Foundation
8	Eicher Group Foundation		Sl. Nos. 1 to 7 above	258.8	258.8	258.8	
Direct expenditure on projects or programmes (A)					1,804.3		
Overheads relating to 1 to 7 above (B)					29.0		
Grand Total (A)+(B)					1,833.3		

ANNEXURE - 5

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Eicher Motors Limited,
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 **"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 **Eicher Motors Limited'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, 2017 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, 2017, 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 and the rules and regulations made thereunder 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'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi) The Motor Vehicles Act, 1988 and rules made thereunder (the law, which is applicable specifically to the Company, being manufacturer/dealer of Automobile products and related components).

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 including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation under the Companies Act, 2013 (the Act) and the rules made thereunder:

1. The Company has suo moto initiated steps with revenue authorities regarding determination of duties payable, if any.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors cum Independent Directors. The re-appointment of Mr. Siddhartha Lal as Managing Director of the Company during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice has been 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(s) and for meaningful participation at the meeting(s).

All the decisions are carried unanimously. The members of the Board including committee members have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the Company has:

- (i) Re-appointed Mr. Siddhartha Lal, a Non Resident, as Managing Director of the Company for a further period of five years and complied with the provisions of the Act.
- (ii) The Company has allotted shares under Employee Stock Option Plan to its employees and officers of the Company and necessary compliances of the Act were made.

For **RDA & Associates**
Company Secretaries

CS Ranjeet Pandey

Partner

Place: New Delhi
Date: 04/05/2017

FCS - 5922, CP No.- 6087

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

ANNEXURE-A

**To,
The Members,
Eicher Motors Limited,
3rd Floor, Select Citywalk, A-3, District Centre,
Saket, New Delhi-110 017**

Our report of even date is to be read along with this letter:

1. Management of Secretarial record 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 secretarial records. We believe that the processes 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 is the responsibility of management. Our examination was limited to the verification of procedure 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.

For **RDA & Associates**
Company Secretaries

CS Ranjeet Pandey

Partner

Place: New Delhi
Date: 04/05/2017

FCS - 5922, CP No.- 6087

ANNEXURE - 6

EXTRACT OF ANNUAL RETURN Form No. MGT-9

(As on the financial year ended on March 31, 2017)
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L34102DL1982PLC129877
ii)	Registration Date	October 14, 1982
iii)	Name of the Company	Eicher Motors Limited
iv)	Category / Sub-Category of the Company	Public Company Limited by Shares
v)	Address of the Registered office and contact details	3 rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017 Phone: 011-29563722
vi)	Whether listed company (Yes / No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, 2 nd Floor, Community Centre Narayana Industrial Area, Phase-I, New Delhi - 110 028 Phone No: 011-41410592-94 Fax No: 011-41410591 E-Mail: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and Description of Main Products/ Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacture of motorcycles	3091	92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN/ Reg. No.	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	VE Commercial Vehicles Ltd. Address: 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017	U74900DL2008PLC175032	Subsidiary	54.4%	2(87)
2.	VECV Lanka (Private) Limited Address: Level 1, The Landmark Building, No. 385, Galle Road, Kollupitiya, Colombo-03 Sri Lanka	PV 91985	Subsidiary	54.4%	2(87)
3.	VECV South Africa (PTY) Ltd. Address: Unit 15 Cambridge Office Park, 5 Bauhinia Street, Highveld Technopark, Centurion, South Africa	2016/007012/07	Subsidiary	54.4%	2(87)
4.	Eicher Polaris Private Limited Address: 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017	U34300DL2012PTC243453	Joint Venture	50%	2(6)
5.	Royal Enfield North America Limited Address: 10976, Bridge Street Cedarburg WI 53012, USA	R062747	Subsidiary	100%	2(87)
6.	Royal Enfield Brasil Comércio de Motocicletas Ltda Address: Avenida das Nações Unidas, No 14.171, 15th Floor, Room Numbers 1548/1549, Postal Code 04794-100, City of São Paulo, State of São Paulo	18369408/0001-09	Subsidiary	99.99%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN/ Reg. No.	Holding / Subsidiary / Associate	% of shares held	Applicable Section
7.	Eicher Group Foundation (Section 8 Company) Address: 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017	U74900DL2015NPL287551	Subsidiary	50% is held by the Company and remaining 50% is held by VE Commercial Vehicles Ltd.	2(87)
8.	Royal Enfield Canada Limited Address: 1055 West Georgia Street 1500, Royal Centre, P.O. Box 11117 Vancouver BC V6E 4N7 Canada	BC1072545	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	43,30,629	-	43,30,629	15.94	9,35,992	-	9,35,992	3.44	(12.50)	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	15,143	-	15,143	0.06	15,143	-	15,143	0.06	0.00	
e) Banks/ FI	-	-	-	-	-	-	-	-	-	
f) Any Other (Trust)	1,05,57,258	-	1,05,57,258	38.87	1,25,16,355	-	1,25,16,355	46.00	7.13	
Sub-total (A)(1)	1,49,03,030	-	1,49,03,030	54.87	1,34,67,490	-	1,34,67,490	49.50	(5.37)	
(2) Foreign										
a) NRIs Individuals	-	-	-	-	2,94,694	-	2,94,694	1.08	1.08	
b) Other Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks/ FI	-	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	-	
Sub-total (A)(2)	-	-	-	-	2,94,694	-	2,94,694	1.08	1.08	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,49,03,030	-	1,49,03,030	54.87	1,37,62,184	-	1,37,62,184	50.58	(4.29)	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	8,43,402	-	8,43,402	3.11	10,57,518	1180	10,58,698	3.89	0.78	
b) Banks/ FI	20,141	-	20,141	0.07	37,088	121	37,209	0.14	0.07	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FIs	39,79,539	-	39,79,539	14.65	88,30,176	-	88,30,176	32.45	17.80	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	48,43,082	-	48,43,082	17.83	99,24,782	1301	99,26,083	36.48	18.65	

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	4,45,067	12,461	4,57,528	1.68	5,60,160	9,688	5,69,848	2.09	0.41	
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	17,80,280	5,46,796	23,27,076	8.57	18,39,759	4,90,309	23,30,068	8.56	(0.01)	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,28,972	-	3,28,972	1.21	1,69,660	-	1,69,660	0.62	(0.59)	
c) Others (specify)										
(1) Trust	27,778	-	27,778	0.10	54,957	3,209	58,166	0.21	0.11	
(2) Foreign Nationals	-	-	-	-	226	-	226	-	0.00	
(3) Non Resident Indians	2,03,823	1,25,361	3,29,184	1.21	1,68,918	1,15,849	2,84,767	1.05	(0.16)	
(4) Overseas Corporate Bodies	-	980	980	0.00	-	880	880	0.00	0.00	
(5) Clearing Members	36,874	-	36,874	0.14	58,253	-	58,253	0.21	0.07	
(6) HUF	45,239	-	45,239	0.17	49,709	-	49,709	0.18	0.01	
(7) Foreign Corporate Bodies	38,58,513	-	38,58,513	14.21	-	-	-	-	(14.21)	
(8) Others	2,927	-	2,927	0.01	405	-	405	-	(0.01)	
Sub-total (B)(2)	67,29,473	6,85,598	74,15,071	27.30	29,02,047	6,19,935	35,21,982	12.94	(14.36)	
Total Public Shareholding (B) = (B)(1) + (B)(2)	1,15,72,555	6,85,598	1,22,58,153	45.13	1,28,26,829	6,21,236	1,34,48,065	49.42	4.29	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,64,75,585	6,85,598	2,71,61,183	100.00	2,65,89,013	6,21,236	2,72,10,249	100.00	-	

(ii) Shareholding of Promoters & Promoter Group:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016)			Shareholding at the end of the year (as on March 31, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Ms. Simran Lal	3,15,241	1.16	-	3,15,241	1.16	-	0.00
2	Ms. Tara Lal	3,14,994	1.16	-	3,14,994	1.16	-	0.00
3	Ms. Rukmani Joshi	3,60,083	1.33	-	3,05,757	1.12	-	(0.21)
4	Mr. Siddhartha Lal	2,94,694	1.08	-	2,94,694	1.08	-	0.00
5	Ms. Anita Lal	30,23,167	11.13	-	-	-	-	(11.13)
6	Mr. Vikram Lal	22,450	0.08	-	-	-	-	(0.08)
7	Eicher Goodearth Pvt Ltd	15,143	0.06	-	-	-	-	(0.06)
8	The Simran Siddhartha Tara Benefit Trust, Trustee - Vikram Lal	67,99,828	25.04	-	1,20,30,648	44.21	-	19.17

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016)			Shareholding at the end of the year (as on March 31, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
9	Eicher Goodearth Trust, Trustee - Vikram Lal	32,71,723	12.05	-	-	-	-	(12.05)
10	The Brinda Lal Trust, Trustee - Vikram Lal	4,85,707	1.79	-	4,85,707	1.79	-	0.00
11	Karvansarai Travel & Lifestyle Private Limited	-	-	-	15,143	0.06	-	0.06
	Total	1,49,03,030	54.87	-	1,37,62,184	50.58	-	(4.29)*

* Out of a total 4.29% decrease in shareholding of Promoters & Promoter Group, 0.09% decrease is on account of allotment of equity shares by the Company under its Employee Stock Option Plan, 2006, during the FY 2016-17.

(iii) Change in Promoters & Promoter Group Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Ms. Simran Lal					
1	At the beginning of the year	3,15,241	1.16	3,15,241	1.16
	Data-wise Increase/Decrease in Promoters Shareholding during the year			No Change	
	At the end of the year i.e. as on March 31, 2017			3,15,241	1.16
Ms. Tara Lal					
2	At the beginning of the year	3,14,994	1.16	3,14,994	1.16
	Data-wise Increase/Decrease in Promoters Shareholding during the year			No Change	
	At the end of the year i.e. as on March 31, 2017			3,14,994	1.16
Ms. Rukmani Joshi					
3	At the beginning of the year	3,60,083	1.33	3,60,083	1.33
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Market Sale on May 13, 2016	(54,326)	(0.20)	3,05,757	1.12
	At the end of the year i.e. as on March 31, 2017			3,05,757	1.12
Mr. Siddhartha Lal					
4	At the beginning of the year	2,94,694	1.08	2,94,694	1.08
	Data-wise Increase/Decrease in Promoters Shareholding during the year			No Change	
	At the end of the year i.e. as on March 31, 2017			2,94,694	1.08
Ms. Anita Lal					
5	At the beginning of the year	30,23,167	11.13	30,23,167	11.13
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Market Sale on May 13, 2016	(5,43,260)	(2.00)	24,79,907	9.13
	Inter-se transfer between Promoters on December 26, 2016	(24,79,907)	(9.12)	NIL	NIL
	At the end of the year i.e. as on March 31, 2017			NIL	NIL
Mr. Vikram Lal					
6	At the beginning of the year	22,450	0.08	22,450	0.08
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Inter-se transfer between Promoters on December 26, 2016	27,28,463	10.03	27,50,913	10.11
	Inter-se transfer between Promoters on December 30, 2016	(27,50,913)	(10.11)	NIL	NIL
	At the end of the year i.e. as on March 31, 2017			NIL	NIL
Eicher Goodearth Private Limited					
7	At the beginning of the year	15,143	0.06	15,143	0.06
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Inter-se transfer between Promoters on March 24, 2017	(15,143)	(0.06)	NIL	NIL
	At the end of the year i.e. as on March 31, 2017			NIL	NIL

Sl. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
The Simran Siddhartha Tara Benefit Trust					
8	At the beginning of the year	67,99,828	25.04	67,99,828	25.04
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Inter-se transfer between Promoters on December 26, 2016	24,79,907	9.12	92,79,735	34.12
	Inter-se transfer between Promoters on December 30, 2016	27,50,913	10.11	1,20,30,648	44.23
	At the end of the year i.e. as on March 31, 2017			1,20,30,648	44.21
Eicher Goodearth Trust					
9	At the beginning of the year	32,71,723	12.05	32,71,723	12.05
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Market Sale on May 13, 2016	(5,43,260)	(2.00)	27,28,463	10.05
	Inter-se transfer between Promoters on December 26, 2016	(27,28,463)	(10.03)	NIL	NIL
	At the end of the year i.e. as on March 31, 2017			NIL	NIL
The Brinda Lal Trust					
10	At the beginning of the year	4,85,707	1.79	4,85,707	1.79
	Data-wise Increase/Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2017			4,85,707	1.79
Karvansarai Travel & Lifestyle Private Limited					
11	At the beginning of the year	NIL	NIL	NIL	NIL
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Inter-se transfer between Promoters on March 24, 2017	15,143	0.06	15,143	0.06
	At the end of the year i.e. as on March 31, 2017			15,143	0.06

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (as on April 1, 2016)		Shareholding at the end of the year (as on March 31, 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Cartica Capital Ltd [@]	9,86,002	3.63	1,60,092	0.59
2	Tiaa-Cref Institutional Mutual Funds-International Equity Fund [@]	2,59,335	0.95	2,09,353	0.77
3	Amansa Holdings Private Limited*	1,98,410	0.73	1,44,966	0.53
4	Tree Line Asia Master Fund (Singapore) PTE Ltd*	2,35,000	0.87	1,35,000	0.50
5	Steadview Capital Mauritius Limited [@]	2,22,457	0.82	2,20,457	0.81
6	Vanguard Emerging Markets Stock Index Fund, A series Of Vanguard International Equity Index Fund [@]	1,87,768	0.69	2,07,399	0.76
7	Europacific Growth Fund [@]	2,48,800	0.92	10,87,308	4.00
8	New World Fund INC [@]	2,44,500	0.90	2,66,400	0.98
9	Copthall Mauritius Investment Limited [@]	2,05,992	0.76	2,28,756	0.84
10	Government of Singapore [@]	1,68,514	0.62	1,94,637	0.72
11	Ishares India Index Mauritius Company ^{^^}	1,43,795	0.53	1,61,224	0.59
12	Vanguard Total International Stock Index Fund ^{^^}	1,26,343	0.47	1,60,629	0.59

Note: More than 97% of the Shares of the Company are held in dematerialised form, and are widely traded on daily basis. Therefore, the data-wise increase/decrease in shareholding is not indicated.

@ Amongst common top ten Shareholders as on April 1, 2016 and March 31, 2017.

* Amongst top ten Shareholders only as on April 1, 2016.

^^ Amongst top ten Shareholders only as on March 31, 2017.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on April 1, 2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Siddhartha Lal, Managing Director & Chief Executive Officer				
	At the beginning of the year	2,94,694	1.08	2,94,694	1.08
	Data-wise Increase/Decrease in Shareholding		No Change		
	At the end of the year i.e., 31.3.2017			2,94,694	1.08
2.	Mr. S. Sandilya, Chairman and Non-Executive Independent Director				
	At the beginning of the year	12,766	0.05	12,766	0.05
	Data-wise Increase/Decrease in Shareholding				
	Market Sale on August 12, 2016	(975)	(0.00)	11,791	0.04
	Market Sale on August 16, 2016	(25)	(0.00)	11,766	0.04
	At the end of the year i.e., 31.3.2017			11,766	0.04
3.	Mr. Lalit Malik, Chief Financial Officer				
	At the beginning of the year	5,000	0.02	5,000	0.02
	Data-wise Increase/Decrease in Shareholding				
	Exercise of Stock Option on July 28, 2016	4,000	0.01	9,000	0.03
	At the end of the year i.e., 31.3.2017			9,000	0.03

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

Sl. No.	Particulars of Remuneration paid during the year	Name of MD/WTD/Manager Mr. Siddhartha Lal- Managing Director & Chief Executive Officer	(Amount in Rs.) Total Amount
1.	Gross salary*		
	a) Salary	3,29,26,252	3,29,26,252
	b) Value of perquisites	1,71,35,022	1,71,35,022
	c) Profits in lieu of salary	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	4,50,00,000	4,50,00,000
5.	Others, please specify	-	-
	Total (A)	9,50,61,274	9,50,61,274
	Ceiling as per the Act		1,14,36,67,964

*Mr. Siddhartha Lal-Managing Director & Chief Executive Officer is a Non-resident Indian. His salary and value of perquisites as above is calculated as per the laws of United Kingdom where he presently resides.

B. REMUNERATION TO OTHER DIRECTORS:

							(Amount in Rs.)
Sl. No.	Particulars of Remuneration paid during the year	Name of Directors					Total Amount
1.	Independent Directors	Mr. S. Sandilya	Mr. Priya Brat	Mr. M. J. Subbaiah	Mr. Prateek Jalan	Ms. Manvi Sinha	
	• Fee for attending Board/Committee meetings	3,40,000	2,60,000	2,30,000	2,70,000	1,00,000	12,00,000
	• Commission	55,00,000	10,31,250	10,31,250	30,25,000	10,31,250	1,16,18,750
	• Others, please specify	-	-	-	-	-	-
	Total (1)	58,40,000	12,91,250	12,61,250	32,95,000	11,31,250	1,28,18,750
2.	Other Non-Executive Directors						
	• Fee for attending Board/Committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1 + 2)	58,40,000	12,91,250	12,61,250	32,95,000	11,31,250	1,28,18,750
	Total Managerial Remuneration (A+B)						10,78,80,024
	Overall Ceiling as per the Act						2,51,60,69,520

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

				(Amount in Rs.)		
Sl. No.	Particulars of Remuneration paid during the year	Key Managerial Personnel			Total	
		Company Secretary	CFO			
1.	Gross salary					
a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		81,77,118	2,50,51,884	3,32,29,002	
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		39,600	5,797	45,397	
c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961		-	-	-	
2.	Stock Option		-	-	-	
3.	Sweat Equity		-	-	-	
4.	Commission		-	-	-	
5.	Others, please specify		-	-	-	
	Total		82,16,718	2,50,57,681	3,32,74,399	

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017 under the Companies Act, 2013.