NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Eicher Motors Limited ("the Holding Company") is a public Company domiciled & incorporated under the provisions of the Companies Act, 1956. The Holding Company and its subsidiaries (hereinafter referred to as "the Group") is engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services. The Holding Company has its registered office at New Delhi, India and its corporate office at Gurugram, Haryana, India. The Group is a leading two-wheeler manufacturer and has a dominant presence in domestic market.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is January 1, 2015. Refer Note 3.23 for the details of first-time adoption exemptions availed by the Group.

2.2 Accounting convention

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Operating cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Holding Company and entities controlled by the Holding Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.1.1 The following subsidiary companies are considered in the consolidated financial statements:

Name of the subsidiary Company	Country of Incorporation	Voting power held as at March 31, 2017	Voting power held as at March 31, 2016	Voting power held as at January 1, 2015
Royal Enfield North America Limited (RENA) (incorporated on March 23, 2015)	U.S.A.	**100%**	100%	-
Royal Enfield Brasil Comercio De Motocicletas LTDA	Brazil	**99.99%**	99.99%	99.99%
Royal Enfield Canada Limited (100% subsidiary Company of RENA) (Incorporated on April 19, 2016)	Canada	**100%**	-	-

3.2 Investment in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The following joint venture companies are considered in the consolidated financial statements:

Name of the subsidiary Company	Country of Incorporation	Voting power held as at March 31, 2017	Voting power held as at March 31, 2016	Voting power held as at January 1, 2015
VE Commercial Vehicles Limited	India	**54.4%**	54.4%	54.4%
Eicher Polaris Private Limited	India	**50.0%**	50.0%	50.0%

3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Rental expense from operating leases is generally recognised on a straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.5 Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

3.8 Employee benefits

Retirement benefit

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.9 Share-based payment arrangements
Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 47.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.10 Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is recognised, subject to the consideration of prudence on timing differences, being the deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.11 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as-other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of its fixed assets generally in accordance with that provided in the Schedule II to the Act except in respect of moulds and dies depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.12 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

3.13 Impairment of tangible (property, plant and equipment) and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cost-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.14 Investment property

Investment property is a property held to earn rentals. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model.

3.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

proportion of overheads and where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

3.17 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.18 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)
Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets
The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward looking information.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.19 Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.21 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.22 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Group from April 1, 2017.

Amendment to Ind AS 7:
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on financial statements is being evaluated.

3.23 First-time adoption - mandatory exceptions, optional exemptions

Overall principle
The Group has prepared the opening balance sheet as per Ind AS as of January 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below:

Share-based payment transactions
The Group is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Group has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the Eicher Employee Stock Option Plan. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP.

The excess of stock compensation expense measured using fair value over the cost recognised under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

Past business combinations
The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of January 1, 2015.

Accounting for VE Commercial Vehicles Limited
VE Commercial Vehicles Limited was accounted for

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as subsidiary using the line-by-line consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Group has:

- On transition date, recognised investment in VECVL by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had consolidated under previous GAAP as of the transition date.
- This investment amount has been deemed to be the cost of investment at initial recognition.
- The Group has tested the investment in VECVL for impairment as of the transition date.
- After initial recognition at the transition date, the Group has accounted for VECVL using the equity method in accordance with Ind AS 28; and
- The breakdown of the assets and liabilities of VECVL that have been aggregated into the single line investment balance at the transition date is below:

	(Rs. in Crores)
Particulars	As at January 1, 2015 (Date of transition) (amounts as reported in previous GAAP)
Non-current assets	
Property, plant and equipment	1,490.67
Capital work-in-progress	124.43
Other intangible assets	315.61
Intangible assets under development	142.48
Financial assets	146.81
Income tax assets	1.97
Other non-current assets	129.82
Current assets	
Inventories	441.56
Financial assets	928.13
Other current assets	280.11
Non-current liabilities	
Financial liabilities	8.41
Provisions	58.79
Deferred tax liabilities	28.78
Other non-current liabilities	3.94
Current liabilities	
Financial liabilities	1,240.60
Provisions	153.43
Other current liabilities	203.28

Accounting for Eicher Polaris Private Limited (EPPL)

Eicher Polaris Private Limited was accounted for as joint venture using the proportionate consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Group has:

- On transition date, recognised investment in EPPL by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had consolidated under previous GAAP as of the transition date.
- This investment amount has been deemed to be the cost of investment at initial recognition.
- The Group has tested the investment in EPPL for impairment as of the transition date.
- After initial recognition at the transition date, the Group has accounted for EPPL using the equity method in accordance with Ind AS 28; and
- The breakdown of the assets and liabilities of EPPL that have been aggregated into the single line investment balance at the transition date is below:

	(Rs. in Crores)
Particulars	As at January 1, 2015 (Date of transition) (amounts as reported in previous GAAP)
Non-current assets	
Property, plant and equipment	3.54
Capital work-in-progress	138.49
Other intangible assets	1.39
Intangible assets under development	46.63
Financial assets	0.54
Other non-current assets	50.91
Current assets	
Financial assets	33.91
Other current assets	0.92
Non-current liabilities	
Provisions	0.44
Current liabilities	
Financial liabilities	24.64
Provisions	0.02
Income tax liabilities (net)	0.02
Other current liabilities	1.19

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

Control over VE Commercial Vehicles Limited

VE Commercial Vehicles Limited (VECVL) is a joint venture Company of Eicher Motors Limited (EML) and Aktiebolaget Volvo (PUBL), Volvo (AB Volvo). Under previous GAAP, an entity controls another entity when it has ownership, directly or indirectly, of more than one-half of the voting power of the other entity or control over the composition of the board of directors as to obtain economic benefits from its activities. Accordingly, since EML was holding 54.4% in VECVL, VECVL was considered as a subsidiary of EML.

The composition of the Board of Directors for the management of VECVL is jointly controlled by both the investors i.e. EML and AB Volvo. Further, EML is also not meeting the criteria of control as given in Ind AS 110, for e.g. EML exposure/right to variable returns from its involvement in VECVL, ability to use its power over VECV to affect the amount of returns, etc. and therefore, VECVL should be considered as joint venture instead of a subsidiary company for EML.

The arrangement shall be treated as a joint arrangement under Ind AS 111 "Joint Arrangements".

Ind AS 111 classifies joint arrangements into:

- Joint operations whereby the parties have joint control over the rights and obligations of the arrangement. It also includes an arrangement which is not structured through a separate vehicle.
- Joint venture whereby the parties have joint control over the net assets of the arrangement.

Joint Control has been described to be existing only when decisions about relevant activities require the unanimous consent of the parties that collectively control the arrangement. The contractual arrangement requires a minimum proportion of the voting rights to make relevant decisions.

As per the above description, the arrangement between EML and AB Volvo shall be classified as a Joint Venture as it has been structured through a separate vehicle (i.e. VECVL) and also the parties don't have control over specific rights and obligations rather they have joint control over the net assets.

There will be no changes in the net financial performance/position of the Group at consolidated level. However, instead of line-by-line consolidation, equity method will be applied and net returns from the operation of Joint Venture Company will be considered in the consolidated financial statement of EML and the value of investment in joint venture company will be adjusted to the extent of returns.

Recoverability of intangible asset and intangible assets under development

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in consolidated financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the consolidated financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Cost							
At January 1, 2015	85.89	81.10	319.63	3.18	26.08	14.21	530.09
Additions	0.06	96.20	359.18	7.62	25.26	6.03	494.35
Disposals	-	-	15.41	0.24	0.16	0.93	16.74
At March 31, 2016	**85.95**	**177.30**	**663.40**	**10.56**	**51.18**	**19.31**	**1,007.70**
Additions	-	52.70	133.33	3.89	17.30	12.12	219.34
Disposals	-	0.49	1.38	0.38	0.35	1.77	4.37
At March 31, 2017	**85.95**	**229.51**	**795.35**	**14.07**	**68.13**	**29.66**	**1,222.67**
Accumulated depreciation							
At January 1, 2015	-	11.01	108.39	1.18	7.74	5.87	134.19
Charge for the period	-	7.94	102.86	2.02	11.19	3.92	127.93
Adjustments	-	-	14.19	0.18	0.09	0.51	14.97
At March 31, 2016	**-**	**18.95**	**197.06**	**3.02**	**18.84**	**9.28**	**247.15**
Charge for the year	-	9.16	114.00	3.02	13.29	4.33	143.80
Adjustments	-	0.35	1.23	0.18	0.34	1.31	3.41
At March 31, 2017	**-**	**27.76**	**309.83**	**5.86**	**31.79**	**12.30**	**387.54**
Carrying amount							
At January 1, 2015	85.89	70.09	211.24	2.00	18.34	8.34	395.90
At March 31, 2016	85.95	158.35	466.34	7.54	32.34	10.03	760.55
At March 31, 2017	**85.95**	**201.75**	**485.52**	**8.21**	**36.34**	**17.36**	**835.13**

* Title deeds for land and other properties at Alwar and Jhajjar are pending for mutation in favour of the Company.

6. CAPITAL WORK-IN-PROGRESS

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Capital work-in-progress*	**265.01**	33.31	42.67
	265.01	33.31	42.67

*including pre-operative expenditure (pending allocation) amounting to Rs. 0.64 crore (March 31, 2016 Rs. 0.32 crore, January 1, 2015 Rs. 1.98 crores) (Refer Note No. 6A below)

6A. PRE-OPERATIVE EXPENDITURE (PENDING ALLOCATION)

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Salaries, wages, bonus, etc.	**0.78**	0.72	0.82
Contribution to provident and other funds	**0.03**	0.03	0.05
Repairs and maintenance : Plant and machinery	**-**	-	0.01
Legal and professional charges	**-**	-	0.01
Travelling expenses	**-**	-	0.04
Development expenses	**-**	-	0.15
	0.81	0.75	1.08
Add: Balance brought forward from previous period	**0.32**	1.98	0.90
	1.13	2.73	1.98
Less: Capitalised during the year/period	**0.49**	2.41	-
	0.64	0.32	1.98

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

7. INVESTMENT PROPERTY

	Building	Total
Cost		
At January 1, 2015	10.66	10.66
Additions	-	-
Disposals	0.54	0.54
At March 31, 2016	**10.12**	**10.12**
Additions	-	-
Disposals	-	-
At March 31, 2017	**10.12**	**10.12**
Accumulated depreciation		
At January 1, 2015	5.33	5.33
Charge for the period	0.53	0.53
Adjustments	0.30	0.30
At March 31, 2016	**5.56**	**5.56**
Charge for the year	0.35	0.35
Adjustments	-	-
At March 31, 2017	**5.91**	**5.91**
Carrying amount		
At January 1, 2015	5.33	5.33
At March 31, 2016	4.56	4.56
At March 31, 2017	**4.21**	**4.21**

FAIR VALUE OF THE INVESTMENT PROPERTY

The fair value of the Company's investment properties as at March 31, 2017, March 31, 2016 and January 1, 2015 have been arrived at on the bass of valuation carried out on the respective dates by Purshotam Khandelwal, independent valuers not related to the Company. Purshotam Khandelwal is a registered valuer with the authority which governs the valuers in India, and they have appropriate qualifications and experience in the valuation of properties in the relevant location.

For the building located in Jaipur, India, the fair value of structure as on January 1, 2015 was determined based on S.O. No. X-3/2011 dated 24/04/2011 of State PWD B&R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since April 2011 to average mean period of construction. The items not covered under Standing Order No. X-3/2011 have been valued on the rates of State PWD BSR. For the fair value of structure as on March 31, 2016 and March 31, 2017 was determined based on S.O. No. X-3/2015 dated 15/07/2015 of State PWD B&R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since July 2015 to average mean period of construction. The items not covered under Standing Order No. X-3/2015 have been valued on the rates of State PWD BSR.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Detail of the investment properties and information about the fair value hierarchy as at March 31, 2017, March 31, 2016 and January 1, 2015 are as follows:

	Level 3		
	Fair value as at March 31, 2017	Fair value as at March 31, 2016	Fair value as at January 1, 2015
Building located at Jaipur, India	**4.50**	4.61	5.35
	4.50	4.61	5.35

8. INTANGIBLE ASSETS

	Product designs, prototypes etc.	**Computer softwares**	**Total**
Cost			
At January 1, 2015	9.37	18.40	27.77
Additions	15.34	9.92	25.26
Disposals	-	0.02	0.02
At March 31, 2016	**24.71**	**28.30**	**53.01**
Additions	1.55	12.58	14.13
Disposals	1.06	3.73	4.79
At March 31, 2017	**25.20**	**37.15**	**62.35**
Accumulated amortisation			
At January 1, 2015	6.42	9.42	15.84
Charge for the period	1.28	6.86	8.14
Adjustments	-	0.01	0.01
At March 31, 2016	**7.70**	**16.27**	**23.97**
Charge for the year	2.53	7.13	9.66
Adjustments	1.03	3.69	4.72
At March 31, 2017	**9.20**	**19.71**	**28.91**
Carrying amount			
At January 1, 2015	2.95	8.98	11.93
At March 31, 2016	17.01	12.03	29.04
At March 31, 2017	**16.00**	**17.44**	**33.44**

9. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Intangible assets under development	**108.76**	61.17	16.67
	108.76	61.17	16.67

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

10. INVESTMENTS

	Units As at March 31, 2017	Units As at March 31, 2016	Units as at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
Category-wise investments									
Investment in equity instruments				**1,745.82**	**-**	1,558.44	-	1,399.97	-
Investment in mutual funds				**2,313.76**	**883.61**	1,225.58	582.90	160.19	998.60
Investment in bonds				**43.94**	**-**	16.76	-	-	-
				4,103.52	**883.61**	2,800.78	582.90	1,560.16	998.60
Unquoted Investments									
(a) Investment in equity instruments of joint venture companies as per equity method									
54,40,000 (March 31, 2016 54,40,000; January 1, 2015 54,40,000) Equity shares of Rs.10 each fully paid up of VE Commercial Vehicles Limited				**1,570.86**	**-**	1,383.14	-	1,299.96	-
26,69,00,000 (March 31, 2016 22,13,00,000; January 1, 2015 10,55,00,000) Equity shares of Rs.10 each fully paid up of Eicher Polaris Private Limited				**174.96**	**-**	175.30	-	100.01	-
Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)*				**-**	**-**	-	-	-	-
Sub-total (A)				**1,745.82**	**-**	1,558.44	-	1,399.97	-
*Cost of investment is stated as Rs. Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of Rs. 2,50,000 has been charged to the Statement of Profit and Loss in the previous period.									
(b) Investments carried at fair value through profit or loss (FVTPL)									
UTI Fixed Term Income Fund-Series XXII-X-Direct Growth	**2,50,00,000**	2,50,00,000	-	**29.14**	**-**	26.64	-	-	-
DHFL Pramerica Fixed Maturity Plan-Series 91 (1100 Days) Direct Growth	**1,00,00,000**	1,00,00,000	-	**11.72**	**-**	10.71	-	-	-
Reliance Interval Fund-IV Series 3-Direct -Growth	**1,50,00,000**	1,50,00,000	-	**17.38**	**-**	15.89	-	-	-
Reliance Fixed Horizon Fund-XXIX-Series 8-Growth Direct	**1,00,00,000**	1,00,00,000	-	**11.43**	**-**	10.45	-	-	-
Reliance Fixed Horizon Fund-XXIX-Series 1-Growth Direct	**2,00,00,000**	2,00,00,000	-	**23.11**	**-**	21.10	-	-	-
ICICI Prudential FMP Series 74-369 Days Plan K-Direct Plan Cumulative	**-**	2,00,00,000	-	**-**	**-**	23.42	-	-	-
Reliance Fixed Horizon Fund-XXVI -Series 31-Direct Plan Growth	**-**	80,00,000	-	**-**	**-**	9.29	-	-	-
ICICI Prudential FMP Series 74-369 Days Plan T-Regular Plan-Growth	**-**	1,50,00,000	-	**-**	**-**	17.45	-	-	-
HDFC FMP 370 Days June 2014 (2) Series 31 - Regular Growth Option	**-**	80,00,000	-	**-**	**-**	9.30	-	-	-
ICICI Prudential FMP Series 74-370 Days Plan X-Direct Plan Cumulative	**-**	1,50,00,000	-	**-**	**-**	17.38	-	-	-
SBI Debt Fund Series A-35 (369 Days) Regular Plan-Growth	**-**	2,00,00,000	-	**-**	**-**	23.13	-	-	-
SBI Debt Fund Series B-27 (1100 Days) Direct Plan-Growth	**3,50,00,000**	3,50,00,000	-	**39.29**	**-**	35.91	-	-	-
Birla Sun Life Fixed Term Plan-Series LQ -Direct Growth	**-**	50,00,000	-	**-**	**-**	5.79	-	-	-
ICICI Prudential FMP Series 75-1100 Days Plan N-Direct-Growth	**-**	1,50,00,000	1,50,00,000	**-**	**-**	16.99	-	15.27	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Units As at March 31, 2017	Units As at March 31, 2016	Units as at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
ICICI Prudential FMP Series 75-1100 Days Plan T-Regular-Growth	-	1,00,00,000	1,00,00,000	-	-	11.25	-	10.08	-
DHFL Pramerica Fixed Maturity Plan-Series 82 (1100 Days) Direct Growth	-	1,50,00,000	1,50,00,000	-	-	16.86	-	15.13	-
ICICI Prudential FMP Series 76-1155 Days Plan K-Direct Plan-Growth	**2,00,00,000**	2,00,00,000	-	**24.05**	-	22.05	-	-	-
ICICI Prudential FMP Series 76-1142 Days Plan M-Direct-Growth	**2,00,00,000**	2,00,00,000	-	**23.87**	-	21.91	-	-	-
SBI Debt Fund Series B-9 (1105 Days) Direct-Growth	**2,00,00,000**	2,00,00,000	-	**23.66**	-	21.65	-	-	-
ICICI Prudential FMP Series 78-1212 Days Plan A-Direct Growth	**1,50,00,000**	1,50,00,000	-	**16.79**	-	15.38	-	-	-
ICICI Prudential FMP Series 76-1132 Days Plan P-Direct Growth	**1,50,00,000**	1,50,00,000	-	**17.92**	-	16.42	-	-	-
Birla Sun Life Fixed Term Plan-Series NE (1100 Days)	**2,00,00,000**	2,00,00,000	-	**22.33**	-	20.36	-	-	-
Religare Invesco FMP Series 27 Plan C (1100 Days) Direct Sub Plan Growth	**2,00,00,000**	2,00,00,000	-	**22.28**	-	20.35	-	-	-
Kotak FMP-Series 185 (1176 Days) Direct Growth	**2,00,00,000**	2,00,00,000	-	**22.29**	-	20.37	-	-	-
HDFC FMP 1176 Days January 2016 (1) Direct Growth Series-35	**2,50,00,000**	2,50,00,000	-	**27.89**	-	25.45	-	-	-
ICICI Prudential FMP Series 78-1190 Days Plan E-Direct Plan-Cumulative	**1,00,00,000**	1,00,00,000	-	**11.13**	-	10.18	-	-	-
HDFC FMP 1167 Days January 2016 (1) Direct Growth Series-35	**2,50,00,000**	2,50,00,000	-	**27.88**	-	25.43	-	-	-
Reliance Fixed Horizon Fund-XXX-Series 4-Direct Growth Plan	**6,00,00,000**	6,00,00,000	-	**66.86**	-	60.97	-	-	-
HDFC FMP 1155 Days February 2016 (1) Direct Growth Series-35	**1,00,00,000**	1,00,00,000	-	**11.13**	-	10.17	-	-	-
Birla Sun Life Fixed Term Plan-Series NK (1196 Days) Growth Direct	**3,00,00,000**	3,00,00,000	-	**33.40**	-	30.48	-	-	-
ICICI Prudential FMP Series 78-1170 Days Plan I-Direct Plan-Cumulative	**2,00,00,000**	2,00,00,000	-	**22.29**	-	20.38	-	-	-
ICICI Prudential FMP Series 78-1150 Days Plan N-Direct Plan-Cumulative	**4,00,00,000**	4,00,00,000	-	**44.29**	-	40.51	-	-	-
HDFC FMP 1114 Days March 2016 (1) Direct Growth Series-35	**1,00,00,000**	-	-	**11.00**	-	-	-	-	-
Kotak FMP-Series 150 (1109 Days) Direct Growth	-	1,00,00,000	1,00,00,000	-	-	12.09	-	10.89	-
UTI Fixed Term Income Fund-Series XVII-XIII-Direct Growth	-	1,50,00,000	-	-	-	18.08	-	-	-
HDFC FMP 370 Days February 2014 (1) Series 29 - Regular	-	1,36,59,709	-	-	-	16.45	-	-	-
HDFC FMP 369 Days February 2014 (2) Series 29 - Regular	-	2,00,00,000	-	-	-	24.02	-	-	-
HDFC FMP 370 Days March 2014 (1) Series 29 - Regular	-	3,00,00,000	-	-	-	35.96	-	-	-
UTI Fixed Term Income Fund-Series XVII-XVI-Direct Growth	-	90,96,615	-	-	-	10.92	-	-	-
ICICI Prudential FMP Series 73-368 Days Plan D-Direct Plan-Cumulative	-	2,00,00,000	-	-	-	23.94	-	-	-
Birla Sun Life Fixed Term Plan-Series KZ-Direct Growth	-	1,37,33,497	-	-	-	16.24	-	-	-
ICICI Prudential FMP Series 74-369 Days Plan B-Direct Plan Growth	-	2,50,00,000	-	-	-	29.58	-	-	-
Reliance Fixed Horizon Fund-XXVI-Series 9-Direct Plan - Growth	-	2,50,00,000	-	-	-	29.55	-	-	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Units As at March 31, 2017	Units As at March 31, 2016	Units as at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
Reliance Fixed Horizon Fund-XXVI-Series 9-Regular Plan Growth	-	1,00,00,000	-	-	-	11.79	-	-	-
UTI Fixed Term Income Fund-Series XVIII-V-Direct Growth	-	1,00,00,000	-	-	-	11.81	-	-	-
HDFC FMP 369 Days April 2014 (2) Series 31 - Regular	-	2,50,00,000	-	-	-	29.41	-	-	-
HDFC FMP 367 Days April 2014 (1) Series 31 - Regular	-	2,00,00,000	-	-	-	23.53	-	-	-
HDFC FMP 370 Days May 2014 (1) Series 31 - Regular Growth	-	1,50,00,000	-	-	-	17.62	-	-	-
HDFC FMP 366 Days May 2014 (1) - Direct Growth	-	1,30,00,000	-	-	-	15.23	-	-	-
Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	-	1,18,48,125	-	-	-	14.20	-	-	-
DSP BlackRock Ultra Short Term Fund - Direct Plan - Growth	6,20,49,059	-	-	73.89	-	-	-	-	-
ICICI Prudential Banking & PSU Debt Plan - Direct - Growth	3,57,95,376	-	-	67.76	-	-	-	-	-
Reliance Banking & PSU Debt Fund-Direct Growth Plan	11,95,20,427	-	-	141.42	-	-	-	-	-
ICICI Prudential Income Opp Plan-Direct Growth	3,85,32,108	-	-	89.88	-	-	-	-	-
IDFC SSIF Short Term Plan - Growth	2,94,91,108	-	-	101.21	-	-	-	-	-
IDFC Corporate Bond Fund Direct Plan-Growth	11,90,32,082	-	-	133.51	-	-	-	-	-
IDFC Money Manager Fund Investment Plan-Growth-Direct Plan	3,28,18,182	-	-	84.49	-	-	-	-	-
IDFC Ultra Short Term Fund	2,10,81,857	2,10,81,857	-	48.81	-	44.94	-	-	-
HDFC Medium Term Opportunity Fund-Direct-Growth	6,91,56,956	2,26,87,349	-	125.71	-	37.52	-	-	-
HDFC Medium Term Opportunity Fund-Growth	1,14,85,100	1,14,85,100	-	20.80	-	18.94	-	-	-
Kotak Bond Short Term-Direct Plan-Growth	4,53,65,355	-	-	143.54	-	-	-	-	-
Axis Short Term Fund	5,55,79,170	-	-	102.27	-	-	-	-	-
L&T Mutual Fund-Short Term Opportunities	6,61,62,991	1,43,38,048	-	105.44	-	20.98	-	-	-
HDFC FMP 370D Sep 2013-1-Regular-GR	-	-	1,00,00,000	-	-	-	-	11.44	-
ICICI Pru FMP Series 68-368 Days Plan G-Regular Plan Cumulative	-	-	1,50,00,000	-	-	-	-	17.22	-
ICICI Pru FMP Series 72-368 Days Plan A-Direct Plan Cumulative	-	-	2,00,00,000	-	-	-	-	21.82	-
Reliance Fixed Horizon Fund XXIV Series -11-Growth Plan	-	-	1,50,00,000	-	-	-	-	17.20	-
Reliance Interval Fund-II-Series 4-DP-Growth Plan	-	-	1,83,07,306	-	-	-	-	20.25	-
Reliance Interval Fund-III-Series 1-DP-Growth Plan	-	-	1,50,00,000	-	-	-	-	15.38	-
SBI Debt Fund Series 366 Days-46-Dir-Growth	-	-	50,00,000	-	-	-	-	5.51	-
IDFC SSIF-Medium Term Plan-Growth Direct Plan	4,53,45,363	-	-	129.49	-	-	-	-	-
Kotak Flexi Debt Direct Plan- Growth	1,34,43,553	-	-	28.97	-	-	-	-	-
Kotak FMP Series 202 - 1144 Days	1,60,00,000	-	-	16.03	-	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O	2,50,00,000	-	-	25.17	-	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	50,00,000	-	-	5.03	-	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	2,50,00,000	-	-	25.14	-	-	-	-	-
Birla Sun Life Fixed Term Plan-Series OI (1120 Days) Growth Direct	3,00,00,000	-	-	30.18	-	-	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 6	1,00,00,000	-	-	10.03	-	-	-	-	-

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Units As at March 31, 2017	Units As at March 31, 2016	Units as at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
HDFC FMP 1169 Days Feb 2017 (1) Direct Growth Series-37	**4,50,00,000**	-	-	**45.20**	**-**	-	-	-	-
Invesco Fixed Maturity Plan - Series 29 - Plan B (1150 Days)	**2,50,00,000**	-	-	**25.08**	**-**	-	-	-	-
DSP BlackRock FMP Series 204 - 37M	**2,50,00,000**	-	-	**25.17**	**-**	-	-	-	-
Birla Sun Life Floating Rate Fund-Long Term Plan-Growth	**13,38,587**	13,38,587	-	**26.86**	**-**	24.54	-	-	-
SBI Ultra Short Term Fund-Growth	**4,33,511**	4,33,511	-	**91.38**	**-**	84.62	-	-	-
DHFL Pramerica Fixed Duration Fund - Series AE	**3,00,000**	-	-	**30.17**		-	-	-	-
IDFC Fixed Term Plan-Series 21-Direct Growth	**-**	1,00,00,000	1,00,00,000	**-**	**-**	-	12.52	-	11.33
ICICI Prudential FMP Series 68-368 Days Plan G Regular-Growth	**-**	1,50,00,000	-	**-**	**-**	-	19.08	-	-
Birla Sun Life Interval Income Fund Annual Plan-Series X-Direct Growth	**-**	1,80,85,308	-	**-**	**-**	-	22.82	-	-
Reliance Fixed Horizon Fund-XXIV-Series 11-Direct Growth	**-**	1,50,00,000	-	**-**	**-**	-	19.04	-	-
HDFC FMP 370 Days September 2013 (1) Regular Growth	**-**	1,00,00,000	-	**-**	**-**	-	12.68	-	-
Reliance Interval Fund-II-Series 1-Regular Growth	**-**	50,00,000	50,00,000	**-**	**-**	-	6.16	-	5.59
SBI Debt Fund Series-366 Days-46 Direct Plan-Growth	**-**	50,00,000	-	**-**	**-**	-	6.11	-	-
Birla Sun Life Interval Income Fund Annual Plan-Series IX-Direct Growth	**-**	1,00,00,000	1,00,00,000	**-**	**-**	-	12.59	-	11.40
ICICI Prudential FMP Series 72-368 Days Plan A-Direct Plan-Cumulative	**2,00,00,000**	2,00,00,000	-	**-**	**26.07**	-	24.22	-	-
ICICI Prudential FMP Series 72-368 Days Plan D-Direct Plan-Cumulative	**-**	1,00,00,000	1,00,00,000	**-**	**-**	-	12.07	-	10.89
IDFC Yearly Interval Fund-Series II-Direct Growth	**60,13,135**	1,70,95,461	45,82,531	**-**	**8.56**	-	22.60	-	5.43
UTI Fixed Term Income Fund-Series XVII-XIII-Direct Growth	**1,50,00,000**	-	1,50,00,000	**-**	**19.54**	-	-	-	16.29
Birla Sun Life Fixed Term Plan-Series KD-Direct Growth	**-**	1,00,00,000	1,00,00,000	**-**	**-**	-	12.03	-	10.85
HDFC FMP 370 Days February 2014 (1) Series 29 - Regular	**1,36,59,709**	-	2,00,00,000	**-**	**17.73**	-	-	-	21.72
HDFC FMP 369 Days February 2014 (2) Series 29 - Regular	**2,00,00,000**	-	2,00,00,000	**-**	**25.96**	-	-	-	21.69
ICICI Prudential FMP Series 72-366 Days Plan K-Direct Plan-Cumulative	**-**	3,00,00,000	3,00,00,000	**-**	**-**	-	36.24	-	32.62
Reliance Fixed Horizon Fund-XXV-Series 18-Direct Plan - Growth Option	**-**	1,82,37,359	5,50,00,000	**-**	**-**	-	22.03	-	59.77
Reliance Yearly Interval Fund-Series 2-Regular Growth Option	**2,75,88,974**	5,96,88,759	3,20,99,784	**-**	**39.08**	-	78.71	-	38.01
DSP BlackRock Fixed Maturity Plan-Series 146-12 Months-Direct Growth	**-**	1,80,00,000	1,80,00,000	**-**	**-**	-	21.73	-	19.52
Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	**-**	-	1,50,00,000	**-**	**-**	-	-	-	16.21
HDFC FMP 370 Days March 2014 (1) Series 29 - Regular	**3,00,00,000**	-	3,00,00,000	**-**	**38.81**	-	-	-	32.47
UTI Fixed Term Income Fund-Series XVII-XVI-Direct Growth	**90,96,615**	-	3,00,00,000	**-**	**11.81**	-	-	-	32.49
ICICI Prudential FMP Series 73-368 Days Plan D-Direct Plan-Cumulative	**2,00,00,000**	-	2,00,00,000	**-**	**25.76**	-	-	-	21.56
DSP BlackRock Fixed Maturity Plan-Series 149-12 Months-Regular Growth	**-**	3,00,00,000	3,00,00,000	**-**	**-**	-	36.13	-	32.49
Kotak FMP-Series 143 (370 Days) Direct Growth	**-**	45,39,257	1,00,00,000	**-**	**-**	-	5.45	-	10.84
Kotak FMP-Series 150 (1109 Days) Direct Growth	**1,00,00,000**	-	-	**-**	**13.10**	-	-	-	-
Birla Sun Life Fixed Term Plan-Series KZ-Direct Growth	**1,37,33,497**	-	2,00,00,000	**-**	**17.53**	-	-	-	21.39

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Units As at March 31, 2017	Units As at March 31, 2016	Units as at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
ICICI Prudential FMP Series 74-369 Days Plan B-Direct Plan Growth	**2,50,00,000**	-	2,50,00,000	**-**	**31.95**	-	-	-	26.62
Reliance Fixed Horizon Fund-XXVI-Series 9-Direct Plan - Growth	**2,50,00,000**	-	2,50,00,000	**-**	**31.97**	-	-	-	26.73
Reliance Fixed Horizon Fund-XXVI-Series 9-Regular Plan Growth	**1,00,00,000**	-	1,00,00,000	**-**	**12.75**	-	-	-	10.68
UTI Fixed Term Income Fund-Series XVIII-V-Direct Growth	**1,00,00,000**	-	1,00,00,000	**-**	**12.78**	-	-	-	10.68
HDFC FMP 369 Days April 2014 (2) Series 31 - Regular	**2,50,00,000**	-	2,50,00,000	**-**	**31.76**	-	-	-	26.62
HDFC FMP 367 Days April 2014 (1) Series 31 - Regular	**2,00,00,000**	-	2,00,00,000	**-**	**25.42**	-	-	-	21.24
HDFC FMP 370 Days May 2014 (1) Series 31 Regular Growth	**1,50,00,000**	-	1,50,00,000	**-**	**19.02**	-	-	-	15.89
HDFC FMP 366 Days May 2014 (1) - Direct Growth	**1,30,00,000**	-	1,30,00,000	**-**	**16.47**	-	-	-	13.72
Reliance Yearly Interval Fund-Series 8-Growth	**1,84,28,933**	1,84,28,933	1,84,28,933	**-**	**25.05**	-	23.21	-	20.96
DHFL Pramerica Interval Fund Annual Plan Series-1 Direct Plant -Growth	**92,05,730**	92,05,730	92,05,730	**-**	**12.43**	-	11.53	-	10.42
Reliance Interval Fund-III Series 1 Growth Plan	**1,02,38,733**	1,50,00,000	-	**-**	**12.43**	-	16.94	-	-
Reliance Interval Fund-II-Series 4-Direct Growth	**1,25,52,465**	1,83,07,306	-	**-**	**16.43**	-	22.33	-	-
IDFC Yearly Interval Fund-Series III-Direct Growth	**-**	83,17,876	-	**-**	**-**	-	10.98	-	-
ICICI Prudential Interval Series-VII Annual Interval Plan C Regular-Growth	**1,07,68,497**	1,82,11,453	-	**-**	**13.95**	-	21.97	-	-
Reliance Yearly Interval Fund-Series I-Growth	**1,67,79,931**	1,67,79,931	-	**-**	**23.67**	-	22.05	-	-
ICICI Prudential FMP Series 74-369 Days Plan K-Direct Plan Cumulative	**2,00,00,000**	-	2,00,00,000	**-**	**25.36**	-	-	-	21.09
Reliance Fixed Horizon Fund-XXVI -Series 31-Direct Plan Growth	**80,00,000**	-	80,00,000	**-**	**10.07**	-	-	-	8.37
ICICI Prudential FMP Series 74-369 Days Plan T Regular Plan-Growth	**1,50,00,000**	-	1,50,00,000	**-**	**18.92**	-	-	-	15.73
HDFC FMP 370 Days June 2014 (2) Series 31 - Regular Growth Option	**80,00,000**	-	80,00,000	**-**	**10.05**	-	-	-	8.37
ICICI Prudential FMP Series 74-370 Days Plan X Direct Plan Cumulative	**1,50,00,000**	-	1,50,00,000	**-**	**18.84**	-	-	-	15.66
SBI Debt Fund Series A-35 (369 Days) Regular Plan-Growth	**2,00,00,000**	-	2,00,00,000	**-**	**25.08**	-	-	-	20.86
Birla Sun Life Fixed Term Plan-Series LQ -Direct Growth	**50,00,000**	-	50,00,000	**-**	**6.27**	-	-	-	5.22
SBI Premier Liquid Fund-Growth	**-**	-	2,00,268	**-**	**-**	-	-	-	20.09
UTI Money Market Fund	**-**	-	-	**-**	**-**	-	-	-	-
IDFC Super Saver Income Fund	**-**	-	51,66,277	**-**	**-**	-	-	-	11.89
IDFC Money Manager Fund - Investment Plan - Growth-(Regular Plan)	**-**	-	1,08,62,401	**-**	**-**	-	-	-	22.99
IDFC Fixed Term Plan Series 69 Direct Plan - Growth	**-**	-	2,00,00,000	**-**	**-**	-	-	-	21.71
Birla Sun Life Fixed Term Plan Series JZ-Growth Direct	**-**	-	2,30,00,000	**-**	**-**	-	-	-	24.99
Birla Sun Life Fixed Term Plan Series JZ-Growth Regular	**-**	-	2,20,00,000	**-**	**-**	-	-	-	23.89
Birla Sun Life Interval Inc Annual Plan X-GZ	**-**	-	1,80,85,308	**-**	**-**	-	-	-	20.65
HDFC Medium Term Opp Fund-Growth	**-**	-	1,14,85,100	**-**	**-**	-	-	-	17.04
Kotak FMP Series 138 Direct-Growth	**-**	-	1,00,00,000	**-**	**-**	-	-	-	10.86
ICICI Pru FMP Series 72-366 Days Plan M Direct Plan Cumulative	**-**	-	2,00,00,000	**-**	**-**	-	-	-	21.73

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Units As at March 31, 2017	Units As at March 31, 2016	Units as at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
SBI Debt Fund Series 366 Days-52-Dir-Growth	-	-	1,50,00,000	-	-	-	-	-	16.28
Tata FMP Series 46 Scheme L-DP - Growth- INF277K01XM1	-	-	1,00,00,000	-	-	-	-	-	10.87
Tata FMP Series 46 Scheme P-DP - Growth- INF277K01YC0	-	-	1,00,00,000	-	-	-	-	-	10.85
Templeton India Short Term Income Plan	-	-	66,106	-	-	-	-	-	18.51
Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	1,18,48,125	-	-	-	15.30	-	-	-	-
ICICI Prudential FMP Series 75-1100 Days Plan N-Direct-Growth	1,50,00,000	-	-	-	18.59	-	-	-	-
ICICI Prudential FMP Series 75-1100 Days Plan T-Regular-Growth	1,00,00,000	-	-	-	12.24	-	-	-	-
DHFL Pramerica Fixed Maturity Plan-Series 82 (1100 Days) Direct Growth	1,50,00,000	-	-	-	18.36	-	-	-	-
Birla Sun Life Savings Fund-Growth	-	20,64,894	13,21,284	-	-	-	60.67	-	34.83
Kotak Liquid Scheme	-	35,878	-	-	-	-	11.01	-	-
UTI-Liquid Cash Plan - Institutional - Growth	2,02,541	-	-	-	53.81	-	-	-	-
L&T Mutual Fund-Liquid Fund Direct-Growth	5,42,481	-	-	-	120.69	-	-	-	-
Sub-total (B)				2,313.76	883.61	1,225.58	582.90	160.19	998.60
Quoted Investments									
(c) Investments carried at fair value through amortised cost									
PFC Tax Free Bond	25,670	25,670	-	2.57	-	2.57	-	-	-
IRFC Tax Free Bond	1,41,940	1,41,940	-	14.19	-	14.19	-	-	-
NHAI Tax Free Bond	2,44,484	-	-	27.18	-	-	-	-	-
Sub-total (C)				43.94	-	16.76	-	-	-
Total (A+B+C)				4,103.52	883.61	2,800.78	582.90	1,560.16	998.60
Aggregate carrying value of quoted investments				43.94	-	16.76	-	-	-
Aggregate market value of quoted investments				44.36	-	16.80	-	-	-
Aggregate carrying value of unquoted investments				4,059.58	883.61	2,784.02	582.90	1,560.16	998.60
Category-wise investments - as per Ind AS 109 Classifications*									
Financial assets carried at fair value through profit or loss (FVTPL)									
Unquoted									
Investment in mutual funds				2,313.76	883.61	1,225.58	582.90	160.19	998.60
Financial assets carried at fair value through amortised cost									
Quoted									
Investment in bonds				43.94	-	16.76	-	-	-

*These investments excludes investment in joint ventures accounted as per equity method aggregating Rs. 1,745.82 crores (March 31, 2016 Rs. 1,558.44 crores; January 1, 2015 Rs. 1,399.97 crores).

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

10.1. Investment in Joint Venture

Details of material joint ventures

Name of the Company	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group		
			As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
VE Commercial Vehicles Limited	Manufacturing and sales of commercial vehicles	India	**54.40%**	54.40%	54.40%
Eicher Polaris Private Limited	Manufacturing and sales of personal utility vehicles	India	**50.00%**	50.00%	50.00%

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

VE Commercial Vehicles Limited	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Non-current assets	**2,534.54**	2,430.35	2,337.74
Current assets	**3,162.56**	2,416.22	1,653.12
Non-current liabilities	**156.96**	118.94	93.92
Current liabilities	**2,652.53**	2,185.10	1,507.31

VE Commercial Vehicles Limited	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
Revenue from operations	**9,258.64**	10,011.51
Profit for the year/period	**348.29**	385.62
Other comprehensive income for the year/period	**(5.20)**	0.20
Total comprehensive income for the year/period	**343.09**	385.83
Dividends received from the joint venture during the year/period	**-**	105.40

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consoldiated financial statements

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Net assets of the joint venture	**2,887.61**	2,542.53	2,389.63
Proportion of the Group's ownership interest in the joint venture	**1,570.86**	1,383.14	1,299.96
Carrying amount of the Group's interest in the joint venture	**1,570.86**	1,383.14	1,299.96

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

Eicher Polaris Private Limited	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Non-current assets	**358.66**	369.45	245.24
Current assets	**48.76**	62.99	34.83
Non-current liabilities	**11.20**	10.76	4.19
Current liabilities	**24.09**	35.08	25.86

Eicher Polaris Private Limited	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
Revenue from operations	**42.65**	21.20
Profit/(loss) for the year/period	**(91.99)**	(81.06)
Other comprehensive income for the year/period	**0.10**	0.04
Total comprehensive income for the year/period	**(91.89)**	(81.02)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consoldiated financial statements

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Net assets of the joint venture	**372.13**	386.60	250.02
Proportion of the Group's ownership interest in the joint venture	**186.06**	193.30	125.01
Less: Advances given for investment in shares	**11.10**	18.00	25.00
Carrying amount of the Group's interest in the joint venture	**174.96**	175.30	100.01

11. LOANS

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Current			
Unsecured, considered good			
Loans to employees	**0.34**	6.80	-
Total	**0.34**	6.80	-

Note : These financial assets are carried at amortised cost.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current			
Unsecured, considered good			
Security deposits	**16.46**	10.07	7.15
Fixed deposits*	**-**	24.50	29.83
Advance given to joint venture company for subscription of equity shares (at cost)	**11.10**	18.00	25.00
Advances to employees	**-**	-	0.02
Total	**27.56**	52.57	62.00
Current			
Unsecured, considered good			
Security deposits	**0.04**	0.03	-
Insurance claim receivable	**5.80**	2.52	2.51
Lease rent receivable	**0.05**	0.05	-
Interest accrued on fixed deposits and bonds	**2.34**	1.25	0.93
Others	**0.60**	1.79	-
Total	**8.83**	5.64	3.44

Note : These financial assets are carried at amortised cost unless otherwise stated.

* Pledged with banks

13. INCOME TAX ASSETS/ (LIABILITY) (NET)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Tax assets			
Advance income tax	**1,468.78**	901.20	382.45
Total	**1,468.78**	901.20	382.45
Tax liabilities			
Provision for income tax	**1,488.13**	893.63	368.84
Total	**1,488.13**	893.63	368.84
Net	**(19.35)**	7.57	13.61

14. OTHER ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current			
Unsecured, considered good			
Capital advances	**133.83**	39.49	83.27
Balance with government authorities	**7.71**	8.96	7.42
Prepayment land leases	**89.14**	90.07	90.99
Other prepayments	**1.41**	2.14	2.11
Others	**-**	-	0.04
Total	**232.09**	140.66	183.83

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Current			
Unsecured, considered good			
Advances to related parties	**-**	-	0.10
Other advances			
Advance to suppliers	**28.75**	26.66	14.97
Advance to employees	**2.05**	2.65	2.02
Prepaid expenses	**7.02**	2.89	2.86
Balance with government authorities			
Considered good	**37.33**	29.25	51.45
Considered doubtful	**1.11**	1.11	-
	38.44	30.36	51.45
Less: Provision for doubtful advances	**1.11**	1.11	-
	37.33	29.25	51.45
Gratuity fund (net)	**0.35**	0.31	-
Prepayment land leases	**0.96**	0.96	1.18
Other prepayments	**0.70**	0.54	0.38
Others			
Considered doubtful	**-**	-	0.02
	-	-	0.02
Less: Provision for doubtful advances	**-**	-	0.02
	-	-	-
	77.16	63.26	72.86
Total	**77.16**	63.26	72.96

15. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Raw materials	**121.54**	113.13	74.35
(Includes goods in transit of Rs. 14.28 crores (March 31, 2016 Rs. 12.87 crores; January 1, 2015 Rs. 14.42 crores))			
Work-in-progress	**14.90**	9.43	7.74
Finished goods	**168.27**	157.27	107.69
Stock-in-trade	**22.62**	19.48	8.70
Stores and spares	**6.98**	5.64	3.59
Loose tools	**1.59**	3.44	1.89
Total	**335.90**	308.39	203.96

- The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 4,139.24 crores (previous period Rs. 3,871.51 crores).
- The cost of inventories recognised as an expense includes Rs.5.60 crores (during January 1, 2015 to March 31, 2016 Rs.10.87 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs.7.69 crores (during January 1, 2015 to March 31, 2016 Rs. 0.58 crores) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of material consumed/sold.
- Inventories of Rs. 6.27 crores (March 31, 2016 Rs. 5.83 crores and January 1, 2015 Rs. 1.18 crores) are expected to be recovered after more than 12 months.
- The mode of valuation of inventories has been stated in note no. 3.15.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

16. TRADE RECEIVABLES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Current			
Secured, considered good	**0.89**	0.15	0.06
Unsecured - considered good	**49.15**	32.49	10.64
- considered doubtful	**0.25**	0.43	0.43
	50.29	33.07	11.13
Less: Provision for doubtful receivables	**0.25**	0.43	0.43
Total	**50.04**	32.64	10.70
Age of receivables			
Within the credit period	**43.95**	26.10	9.03
Up to 6 months	**5.45**	6.16	1.64
More than 6 months	**0.64**	0.38	0.03
	50.04	32.64	10.70

17. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Cash on hand	**0.02**	0.07	0.06
Cheques/drafts on hand	**0.12**	0.09	0.22
Balances with banks:			
In current accounts	**17.10**	27.40	16.84
In deposit accounts	**-**	8.29	-
Cash and cash equivalents as per balance sheet Total	**17.24**	35.85	17.12
Bank overdrafts (refer note 25)	**-**	22.57	-
Cash and cash equivalents as per statement of cash flows	**17.24**	13.28	17.12

18. OTHER BANK BALANCES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
In unpaid dividend accounts	**7.82**	13.32	3.77
Total	**7.82**	13.32	3.77

19. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Authorised equity share capital			
3,00,00,000 (March 31, 2016 3,00,00,000; January 1, 2015 3,00,00,000) Equity shares of Rs. 10 each	**30.00**	30.00	30.00
Total	**30.00**	30.00	30.00

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Issued, subscribed and fully paid up			
2,72,10,249 (March 31, 2016 2,71,61,183; January 1, 2015 2,71,04,783) Equity shares of Rs. 10 each	**27.21**	27.16	27.10
Total	**27.21**	27.16	27.10

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	For the year ended March 31, 2017		For the fifteen months ended March 31, 2016	
	Nos.	**Rs. in Crores**	Nos.	Rs. in Crores
At the beginning of the year	**2,71,61,183**	**27.16**	2,71,04,783	27.10
Issued during the year/period - ESOP (refer note no. 47)	**49,066**	**0.05**	56,400	0.06
Outstanding at the end of the year/period	**2,72,10,249**	**27.21**	2,71,61,183	27.16

(ii) Details of shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	**% holding in the class**	Nos.	% holding in the class
Eicher Goodearth Trust	**-**	**-**	32,71,723	12.05%
Anita Lal	**-**	**-**	30,23,167	11.13%
The Simran Siddhartha Tara Benefit Trust	**1,20,30,648**	**44.21%**	67,99,828	25.04%

Particulars	As at January 1, 2015	
	Nos.	% holding in the class
Eicher Goodearth Trust	32,71,723	12.07%
Anita Lal	30,23,167	11.15%
The Simran Siddhartha Tara Benefit Trust	67,99,828	25.09%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	22,75,610	8.40%

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

(iii) Share options granted under the Company's employee share option plan outstanding at the year/period end

Option Series	Share options outstanding (in Nos.)			
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015	Expiry Date
22nd October, 2007	**500**	3,000	29,500	22-Oct-17
29th April, 2010	**29,000**	40,000	40,000	28-Apr-18
6th May, 2011	**-**	32,100	60,200	5-May-21
11th February, 2012	**1,800**	3,600	5,400	10-Feb-22
16th December, 2013	**3,334**	5,000	5,000	15-Dec-23
11th August, 2014	**16,000**	16,000	22,500	10-Aug-24
12th November, 2014	**2,400**	5,400	5,400	11-Nov-24
12th January, 2015	**22,300**	22,300	-	11-Jan-25
20th March, 2015	**1,500**	4,500	-	20-Mar-25
8th May, 2015	**48,450**	53,000	-	7-May-25
21st July, 2015	**6,590**	6,590	-	20-Jul-25
6th November, 2015	**7,800**	7,800	-	5-Nov-25
5th February, 2016	**4,200**	4,200	-	4-Feb-26
27th April, 2016	**2,400**	-	-	26-Apr-26
28th July, 2016	**2,100**	-	-	27-Jul-26
28th October, 2016	**3,000**	-	-	27-Oct-26
1st February, 2017	**1,800**	-	-	31-Jan-27
27th March, 2017	**3,500**	-	-	26-Mar-27

Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note no. 47.

(b) Preference share capital

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Authorised preference share capital			
1,01,000 (March 31, 2016 1,01,000; January 1, 2015 1,01,000) Redeemable cumulative preference shares of Rs. 100 each	**1.01**	1.01	1.01
Total	**1.01**	1.01	1.01

The Company has not issued preference share capital.

20. OTHER EQUITY

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Capital reserves	**0.25**	0.25	0.25
Capital redemption reserve	**1.41**	1.41	1.41
Securities premium reserve	**32.09**	25.80	20.88
General reserves	**339.89**	339.89	216.91
Share options outstanding account	**45.13**	25.23	2.11
Foreign currency translation reserve	**0.74**	0.17	-
Retained earnings	**4,898.35**	3,233.18	2,486.89
	5,317.86	3,625.93	2,728.45

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
A Capital reserve		
Opening balance	**0.25**	0.25
Add / Less: Movement during the year/period	**-**	-
Closing balance	**0.25**	0.25
B Capital redemption reserve		
Opening balance	**1.41**	1.41
Add / Less: Movement during the year/period	**-**	-
Closing balance	**1.41**	1.41

The Capital redemption reserve was created at the time of buy back of shares. The Company can utilise the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
C Securities premium reserve		
Opening balance	**25.80**	20.88
Add : Proceeds from issue of equity shares@	**5.69**	4.75
Add : Transferred from share options outstanding account	**0.60**	0.17
Closing balance	**32.09**	25.80

@ Represents premium @ Rs. 452 per equity share on 2,500 (26,500) equity shares, @ Rs. 685 per equity share on 11,000 (Nil) equity shares, @ Rs. 1,152 per equity share on 32,100 (28,100) equity shares, @ Rs. 1,760 per equity share on 1,800 (1,800) equity shares, and @ Rs. 4,905 per equity share on 1,666 (Nil) equity shares issued and allotted during the year/period under Employee Stock Option Scheme. The Company can utilise the same for the purpose of buy back of share or issue of fully paid bonus shares or for such other permitted purposes as may be decided by the Management.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
D General reserves		
Opening balance	**339.89**	216.91
Add: Amount transferred from retained earnings	**-**	122.98
Closing balance	**339.89**	339.89

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
E Share options outstanding account		
Opening balance	**25.23**	2.11
Add : ESOP expense during the year/period	**20.50**	23.29
Less : Transferred to securities premium on issue of shares	**0.60**	0.17
Closing balance	**45.13**	25.23

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 47.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
F Foreign currency translation reserve		
Opening balance	**0.17**	-
Less: Exchange fluctuation of subsidiary company of joint venture transferred to exchange loss pursuant to divestment	**(1.09)**	-
Add : Exchange differences in translating the financial statements of foreign operations	**(0.52)**	0.17
Closing balance	**0.74**	0.17

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
G Retained earnings		
Opening balance	**3,233.18**	2,486.89
Add: Profit for the year/period	**1,667.08**	1,338.04
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	**(1.91)**	(0.56)
Less: Interim dividend (amount per share Rs. Nil (Rs. 100.0))	**-**	271.61
Less: Dividend (amount per share Rs. Nil (Rs. 50.0))	**-**	135.52
Less: Tax on dividend	**-**	61.08
Less: Transferred to general reserve	**-**	122.98
Balance at end of year	**4,898.35**	3,233.18

In respect of the year ended March 31, 2017, the directors propose that a dividend of Rs. 100 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 272.10 crores.

21. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current			
Security deposits received	**7.16**	5.87	4.52
Total	**7.16**	5.87	4.52
Current			
Employee dues	**51.00**	43.86	19.92
Capital creditors	**70.29**	10.91	9.90
Unpaid dividend*	**7.82**	13.32	3.77
Book overdraft	**2.66**	6.55	-
Interest accrued but not due	**0.32**	-	-
Others	**10.31**	7.97	-
Total	**142.40**	82.61	33.59

* Does not include any amounts outstanding which are required to be credited to Investor Education and Protection Fund.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

22. PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current			
Employee benefits (i)			
Gratuity	**-**	-	8.66
Compensated absences	**9.88**	7.34	4.04
Other employee benefits	**2.96**	1.57	1.12
Sub-total (A)	**12.84**	8.91	13.82
Other provisions: Warranties (ii)	**23.17**	20.76	-
Sub-total (B)	**23.17**	20.76	-
Total (A+B)	**36.01**	29.67	13.82
Current			
Employee benefits (i)			
Gratuity	**-**	-	0.21
Compensated absences	**0.52**	1.04	0.87
Other employee benefits	**0.07**	0.04	0.09
Sub-total (A)	**0.59**	1.08	1.17
Other provisions: warranties (ii)	**32.04**	25.39	14.39
Sub-total (B)	**32.04**	25.39	14.39
Total (A+B)	**32.63**	26.47	15.56

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward. The increase in the carrying amount of the provision for the current year results from increase in the number of employees, period of service, salary cost, etc.

(ii) Movement in warranties provision

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening balance	**46.15**	14.39
Additions during the year/period	**47.80**	65.76
Amount utilised during the year/period	**40.27**	34.71
Unwinding of discount	**1.53**	0.71
Closing balance	**55.21**	46.15

The provision for warranty claims represents the present value of the management's best estimate of the future economic benefits that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

23. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Deferred tax liabilities on			
Property, plant and equipment and intangible assets	**81.67**	41.73	24.81
Investments measured at FVTPL	**8.01**	8.76	5.42
Others	**1.28**	0.76	-
Sub-total (A)	**90.96**	51.25	30.23
Less: Deferred tax assets on			
Business loss carried forward	**-**	4.91	-
Accrued expenses deductible on payment	**3.26**	2.29	1.52
Provision for gratuity	**-**	-	3.40
Provision for compensated absences and other employee benefits	**3.60**	2.89	1.67
Provision for doubtful debts and advances	**0.47**	0.53	0.15
Others	**5.86**	4.78	1.52
Sub-total (B)	**13.19**	15.40	8.26
Total (A-B)	**77.77**	35.85	21.97

Movement of deferred tax liabilities/assets

For the year ended March 31, 2017

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	41.73	39.94	-	81.67
Investments measured at FVTPL	8.76	(0.75)	-	8.01
Others	0.76	0.30	0.22	1.28
Sub-total (A)	51.25	39.49	0.22	90.96
Less: Deferred tax assets on				
Business loss carried forward	4.91	(4.91)	-	-
Accrued expenses deductible on payment	2.29	0.97	-	3.26
Provision for compensated absences and other employee benefits	2.89	0.71	-	3.60
Re-measurement on defined benefit plans	-	(0.04)	0.04	-
Provision for doubtful debts and advances	0.53	(0.06)	-	0.47
Others	4.78	1.08	-	5.86
Sub-total (B)	15.40	(2.25)	0.04	13.19
Total (A-B)	35.85	41.74	0.18	77.77

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

For the fifteen months ended March 31, 2016

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	24.81	16.92	-	41.73
Investments measured at FVTPL	5.42	3.34	-	8.76
Others	-	0.76	-	0.76
Sub-total (A)	30.23	21.02	-	51.25
Less: Deferred tax assets on				
Business loss carried forward	-	4.91	-	4.91
Accrued expenses deductible on payment	1.52	0.77	-	2.29
Provision for gratuity	3.40	(3.40)	-	-
Re-measurement on defined benefit plans	-	(0.25)	0.25	-
Provision for compensated absences and other employee benefits	1.67	1.22	-	2.89
Provision for doubtful debts and advances	0.15	0.38	-	0.53
Others*	1.52	3.23	0.03	4.78
Sub-total (B)	8.26	6.86	0.28	15.40
Total (A-B)	21.97	14.16	(0.28)	35.85

*includes Rs. 0.03 crore on account of foreign exchange fluctuation

24. OTHER LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current			
Deferred revenue arising from Government grant (i)	**23.20**	9.55	-
Total	**23.20**	9.55	-
Current			
Advance from customers	**292.06**	241.97	163.11
Deferred revenue	**18.82**	14.30	12.46
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	**114.17**	89.64	99.86
Others	**4.87**	4.20	-
Total	**429.92**	350.11	275.43

(i) The deferred revenue arises as a result of the benefit received by the United Kingdom (UK) Branch of the Company from the Government of UK - Department for Business Innovation & Skills - Regional Growth Fund. The grant will be recognised in statement of profit and loss after capitalisation of the related fixed assets on a systematic basis over the useful life of the assets.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

25. BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Unsecured			
Loan repayable on demand			
- From bank			
Overdraft facility*	**-**	22.57	-
Short-term Loan#	**44.41**	-	-
Total	**44.41**	22.57	-

*Unsecured loan carries interest @ 9.30% per annum as at March 31, 2016.
#Unsecured Short Term loans are against Corporate Guarantee given by the Parent Company, Eicher Motors Limited.

26. TRADE PAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Acceptances	**158.22**	145.41	95.12
Other trade payables	**674.52**	577.81	387.09
Total	**832.74**	723.22	482.21

Note: Refer note 40 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006

27. REVENUE FROM OPERATIONS

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Revenue from operations			
Sale of products			
Manufactured goods (including excise duty)		**7,690.32**	6,796.41
Stock-in-trade		**218.78**	148.16
	Sub-total (A)	**7,909.10**	6,944.57
Other operating revenue			
Export benefits		**6.25**	5.87
Scrap sale		**19.01**	17.52
Excess liability no longer required written back		**0.18**	-
Income from other operating revenues		**4.91**	3.17
	Sub-total (B)	**30.35**	26.56
Revenue from operations	**Total (A+B)**	**7,939.45**	6,971.13

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Details of products sold			
Manufactured goods			
Two wheelers		**7,276.50**	6,457.08
Spare parts and other components		**413.82**	339.33
	Total	**7,690.32**	6,796.41
Stock-in-trade			
Two wheelers		**0.15**	-
Spare parts and other allied products		**218.63**	148.16
	Total	**218.78**	148.16

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

28. OTHER INCOME

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Interest income on financial assets carried at amortised cost		
Bank deposits and bonds	**2.03**	3.78
Others	**1.92**	0.88
	3.95	4.66
Dividend income		
Dividend on unquoted non-current investments	**-**	1.83
	-	1.83
Net gain on financial instruments at fair value through profit or loss	**219.74**	162.99
Other non-operating income		
Rent income	**2.80**	3.39
Other income	**0.72**	5.16
Profit on sale of property, plant and equipment	**0.12**	0.06
	3.64	8.61
Total	**227.33**	178.09

29. COST OF RAW MATERIALS CONSUMED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Inventory at the beginning of the year/period	**113.13**	74.35
Add: Purchases	**3,648.11**	3,473.85
	3,761.24	3,548.20
Less: Inventory at the end of the year/period	**121.54**	113.13
Less: Material cost of vehicles capitalised	**1.64**	0.54
	3,638.06	3,434.53
Less: Sale of raw materials to suppliers on cost to cost basis	**22.37**	11.38
Net consumption **Total**	**3,615.69**	3,423.15

30. PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Two wheelers	**1.00**	-
Spare parts and other allied products	**107.39**	74.04
Total	**108.39**	74.04

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Inventories at the end of the year/period		
Finished goods	**168.27**	157.27
Work-in-progress	**14.90**	9.43
Stock-in-trade	**22.62**	19.48
A	**205.79**	186.18

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Inventories at the beginning of the year/period		
Finished goods	157.27	107.69
Work-in-progress	9.43	7.74
Stock-in-trade	19.48	8.70
B	186.18	124.13
Net change (B-A)	(19.61)	(62.05)

32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Salaries and wages	321.78	278.09
Contribution to provident and other funds	17.56	9.25
Share-based payments to employees	20.50	23.29
Staff welfare expenses	42.52	39.58
Total	402.36	350.21

33. FINANCE COSTS

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Interest expense		
On income tax	-	0.11
On bills discounting	0.15	-
On other borrowings	1.88	1.30
Total interest expenses	2.03	1.41
Unwinding of discount on provisions	1.53	0.71
Total	3.56	2.12

34. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Depreciation on property, plant and equipment	143.80	127.93
Depreciation of investment property	0.35	0.53
Amortisation of intangible assets	9.66	8.14
Total	153.81	136.60

35. OTHER EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Consumption of stores and machinery spares (including loose tools and packing material)	115.90	117.33
Increase/decrease of excise duty on finished goods	2.37	13.25
Loss on sale of property, plant and equipment and intangible assets	0.36	0.12

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Property, plant and equipment discarded	**0.07**	1.35
Power and fuel	**46.02**	46.18
Insurance	**9.31**	7.49
Repairs and maintenance	**-**	-
Buildings	**2.37**	4.10
Plant and machinery	**34.16**	26.62
Others	**18.29**	12.46
Rates and taxes	**11.92**	10.52
Advertisement	**17.69**	34.29
Freight and handling charges	**104.83**	88.09
Incentives	**15.27**	9.78
Warranty	**47.80**	65.76
Other selling and distribution expenses	**106.87**	73.13
Rent	**30.13**	28.35
Legal and professional charges*	**50.87**	39.99
Travelling expenses	**31.47**	30.26
Development expenses	**7.20**	4.44
Corporate social responsibility expenditure (refer note no. 49)	**18.33**	8.99
Bad debts / advances written off	**-**	0.01
Provision for doubtful debts and advances	**-**	1.11
Exchange loss (net)	**11.80**	1.35
Miscellaneous expenses	**69.55**	73.53
Total	**752.58**	698.50

*** Including payment to auditors as below:**

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
a) For audit	**0.34**	0.27
b) For limited reviews of unaudited financial results	**0.19**	0.23
c) For other services	**0.07**	0.18
d) For reimbursement of expenses	**0.01**	0.01
e) Audit of accounts for the fiscal year	**-**	0.06
	0.61	0.75

36. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Current tax		
In respect of the current year/period	**678.56**	524.69
	678.56	524.69
Deferred tax charge		
In respect of the current year/period	**41.74**	14.19
	41.74	14.19
Total income tax expense recognised in the current year/period	**720.30**	538.88

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Profit before tax	**2,387.38**	1,876.92
Income tax expense calculated at 34.608% (2015-16 : 34.608%)	**826.22**	649.56
Effect of lower tax on long-term capital gain from investment in mutual funds	**(68.15)**	(41.52)
Effect of addition deduction of research and product development cost	**(11.77)**	(13.16)
Effect of addition deduction for investment allowance under section 32AC of the Income tax Act, 1961	**(6.10)**	(16.84)
Effect of ESOP expenses not deductible in determining taxable profits	**7.09**	8.06
Effect of income exempt from taxation	**(0.52)**	(0.76)
Deferred tax asset not created on carried forward business loss of subsidiary companies	**13.32**	-
Impact of share of profit/(loss) of joint ventures included in profit before tax	**(49.65)**	(51.20)
Others	**9.86**	4.74
	720.30	538.88
Income tax expense recognised in statement of profit and loss	**720.30**	538.88

Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Deferred tax charge/(benefit)		
Arising on income and expenses recognised in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	**0.22**	(0.03)
Remeasurement of defined benefit obligation	**(0.04)**	(0.25)
Total income tax recognised in other comprehensive income	**0.18**	(0.28)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that may be reclassified to profit or loss	**0.22**	(0.03)
Items that will not be reclassified to profit or loss	**(0.04)**	(0.25)
	0.18	(0.28)

37. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 397.57 crores (Rs. 96.92 crores).

The Group has other commitments, for purchase/sale orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, employees' benefits including union agreement in normal course of business. The Group does not have any long-term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

38. RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure on research and development incurred and expensed off during the year/period through the appropriate heads of account aggregate Rs. 36.78 crores (previous period Rs. 32.20 crores). The capital expenditure incurred during the year/period for research and development purposes aggregate Rs. 91.29 crores (previous period Rs. 59.33 crores).

39. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
a) In respect of following:			
- Excise duty matters	**1.74**	2.12	54.98
- Sales tax matters	**6.75**	6.25	5.06
- Service tax matters	**0.39**	0.39	0.39
- Income tax matters	**-**	0.17	4.26
b) Claims against the Company not acknowledged as debts	**7.34**	6.87	6.13
c) Contingent liabilities arising from its interests in joint ventures	**155.27**	169.24	182.69

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Group.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

40. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year/period	13.27	10.99
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	5.00	22.46
(iv)	The amount of interest due and payable for the year/period	0.07	0.41
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year/period	0.14	0.07
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

41. EMPLOYEE BENEFIT PLANS

The details of various employee benefits provided to employees are as under:

A. Defined Contribution Plans

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
a)	Provident fund*	15.73	8.74
b)	Superannuation fund	0.43	0.51
d)	Other fund	1.48	0.17
c)	Employees' State Insurance Corporation	2.22	1.69

*includes Rs. 0.06 crore (Rs. 0.14 crore) capitalised during the year/period and Rs. 0.03 crore (Rs. 0.03 crore) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 2.59 crores (Rs. 2.28 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government administered provident fund.
The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2017 is Rs. 154.36 crores as against the total plan assets of Rs. 155.97 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

B. Defined benefit plans:

The Defined benefit plan of the Group includes entitlement of gratuity for each year of service until the retirement age.

This plan typically expose the Group to actuarial risks such as: investment risk, inherent rate risk , longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Mr. K.K. Dharni (FIAI M No. 00051), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Discount rate	**7.50%**	7.50%	7.50%
Future salary increase	**7.00%**	7.00%	7.00%
Retirement age	**58 years**	58 years	58 years
Rate of withdrawal	**2.00%**	2.00%	2.00%
In service mortality	**IALM (2006-08)**	IALM (2006-08)	IALM (2006-08)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Service cost:		
Current service cost	**1.96**	1.49
Net interest expense	**(0.01)**	1.26
Components of defined benefit costs recognised in profit or loss	**1.95**	2.75
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	**0.12**	0.71
Components of defined benefit costs recognised in other comprehensive income	**0.12**	0.71
Total	**2.07**	3.46

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Present value of funded defined benefit obligation	**13.32**	11.34	8.87
Fair value of plan assets	**13.67**	11.65	-
Net liability arising from defined benefit obligation	**(0.35)**	(0.31)	8.87

Movements in the present value of the defined benefit obligation are as follows:

	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening defined obligation	**11.34**	8.87
Current service cost	**1.96**	1.49
Interest cost	**0.85**	1.26
Actuarial (gains)/ losses	**0.53**	0.71
Benefits paid	**(1.36)**	(0.99)
Closing defined benefit obligation	**13.32**	11.34

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Movements in the fair value of the plan assets are as follows:

	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening fair value of plan assets@	**11.65**	-
Interest income	**0.86**	-
Actuarial gains/ (losses)	**0.41**	-
Contribution	**1.00**	11.65
Benefit paid	**(0.25)**	-
Closing fair value of plan assets@	**13.67**	11.65

@funds managed by EML Employees Company Gratuity Scheme (Trust).

The major categories of plan assets maintained with the approved insurance companies for EML Trust are as follows:

The fair value of the plan assets at the end of reporting period for each category are as follows:

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Government securities	**4.64**	5.94	-
Debt instruments categorised by issuers' credit rating:			
AAA	**7.25**	4.08	-
AA+	**0.82**	1.17	-
AA	**0.55**	-	-
Cash, deposits, etc.	**0.41**	0.46	-

The fair values of the above instruments are determined based on quoted market prices in active market. The actual return on plan assets was Rs. 1.27 crores for the year ended March 31, 2017.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 0.62 crore (increase by Rs. 0.68 crore) (as at March 31, 2016: Decrease by Rs. 0.46 crore (increase by Rs. 0.51 crore))(as at January 1, 2015: decrease by Rs.0.29 crore (increase by Rs.0.32 crore)).
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 0.68 crore (decrease by Rs. 0.62 crore) (as at March 31, 2016: Increase by Rs. 0.51 crore (decrease by Rs. 0.46 crore))(as at January 1, 2015: increase by Rs. 0.32 crore (increase by Rs.0.30 crore)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Average duration of the defined benefit obligation (in years)	**19.27**	18.65	17.82

The estimated contribution during next year is Rs. 2.36 crores (previous period Rs. 1.78 cores) to the defined benefit plan.

42. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Basic earnings per share	**613.12**	493.07
Diluted earnings per share	**611.44**	491.26
Basic earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year/period, per statement of profit and loss (Rs. in crores)	**1,667.08**	1,338.04
Weighted average number of equity shares for the purposes of basic earnings per share	**2,71,89,996**	2,71,37,015
Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
Profit for the year/period, per consolidated statement of profit and loss (Rs. in crores)	**1,667.08**	1,338.04
Weighted average number of equity shares for the purposes of basic earnings per share	**2,71,89,996**	2,71,37,015
Shares deemed to be issued for no consideration in respect of :		
- employee options	**74,974**	99,768
Weighted average number of equity shares for the purposes of diluted earnings per share	**2,72,64,970**	2,72,36,783

43. SEGMENT REPORTING DISCLOSURE

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2017	**7,722.28**	**217.17**	**7,939.45**
Fifteen months ended March 31, 2016	6,787.76	183.37	6,971.13
Non-current segment assets			
As at March 31, 2017	**1,355.94**	**139.15**	**1,495.10**
As at March 31, 2016	986.43	52.94	1,039.37
As at January 1, 2015	662.69	0.79	663.48

a) Domestic segment includes sales to customers located in India.

b) Overseas segment includes sales rendered to customers located outside India.

c) Non-current segment assets include property, plant and equipment, investments, and other non-current assets.

d) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

Information about major customers

No customer individually accounted for more than 10% of the revenue.

44. RELATED PARTY DISCLOSURES UNDER IND AS 24

a. Related party disclosures:

Name of related parties and their relationship:

Name of related party		Nature of Relationship
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation*	(EGF)	Joint venture company
Eicher Executive Provident Fund	(EEPF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETSSF)	Post employment benefit plan
EML Employees Company Gratuity Scheme	(EECGS)	Post employment benefit plan

*Incorporated on November 19, 2015

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. S. Sandilya	Non-executive and independent director
Mr. Priya Brat	Non-executive and independent director
Mr. M.J. Subbaiah	Non-executive and independent director
Mr. Prateek Jalan	Non-executive and independent director
Ms. Manvi Sinha	Non-executive and independent director (w.e.f. February 13, 2015)
Mr. Lalit Malik	Chief Financial Officer
Mr. Manhar Kapoor	Company Secretary

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

c. Transactions with the key management personnel during the year/period:

Particulars	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Mr. Siddhartha Lal	**Managerial remuneration**		
	Short-term benefits	**9.20**	8.49
	Post-employment benefits	**0.33**	0.24
	Other long-term benefits	**0.17**	0.01
		9.70	8.74
Mr. S. Sandilya	Sitting fees	**0.03**	0.03
	Commission	**0.48**	0.55
Mr. Priya Brat	Sitting fees	**0.03**	0.03
	Commission	**0.09**	0.10
Mr. M.J. Subbaiah	Sitting fees	**0.02**	0.02
	Commission	**0.09**	0.10
Mr. Prateek Jalan	Sitting fees	**0.03**	0.03
	Commission	**0.21**	0.30
Ms. Manvi Sinha	Sitting fees	**0.01**	0.01
	Commission	**0.09**	0.10
Mr. Lalit Malik	**Remuneration**		
	Short-term benefits	**2.51**	2.27
	Post-employment benefits	**0.05**	0.04
	Other long-term benefits	**0.05**	0.02
		2.61	2.33
Mr. Manhar Kapoor	**Remuneration**		
	Short-term benefits	**0.82**	0.67
	Post-employment benefits	**0.02**	0.01
	Other long-term benefits	**0.01**	0.01
		0.85	0.69

d. Transactions with the related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
VE Commercial Vehicles Limited	Purchase of finished goods/services	**145.74**	116.97
	Expenses reimbursed	**0.43**	0.23
	Corporate service charges paid	**2.60**	3.04
	Tooling advance given	**-**	0.21
	Dividend received	**-**	105.40
Eicher Polaris Private Limited	Investment in equity share capital (including advance given in previous period/year)	**45.60**	115.80
	Advance given for subscription of equity shares	**11.10**	18.00
	Expenses recovered	**1.07**	0.08
	Rent income	**2.78**	3.28
Eicher Goodearth Private Limited	Expenses reimbursed	**6.28**	0.02
	Corporate service charges paid	**0.83**	0.91
	Rent paid	**3.33**	3.77
	Brand fees paid	**17.55**	15.30
Eicher Group Foundation	Contribution for CSR expenditure	**18.09**	3.93
Eicher Executive Provident Fund	Contribution	**2.59**	2.28
Eicher Tractors Executive Staff Superannuation Fund	Contribution	**0.25**	0.30
EML Employees Company Gratuity Scheme	Contribution	**1.00**	11.65
	Benefits paid	**(0.25)**	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
VE Commercial Vehicles Limited	- Payables	**32.68**	26.63	14.07
	- Advances	**-**	0.21	-
	- Investment in equity share capital	**1,570.86**	1,383.14	1,299.96
Eicher Polaris Private Limited	- Receivables	**-**	-	0.10
	- Advances	**11.10**	18.00	25.00
	- Investment in equity share capital	**174.96**	175.30	100.01
Eicher Goodearth Private Limited	- Payables	**0.23**	15.51	7.54
	- Security deposit receivable	**1.09**	1.09	1.09
Mr. Siddhartha Lal	Commission payable	**4.20**	4.50	3.00
Non-Executive and Independent Directors	Commission payable	**1.02**	1.05	0.77

Note: Outstanding balances at the year-end are unsecured and settlement occurs in cash.

45. FINANCIAL INSTRUMENTS

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Group uses the operational cash flows and equity to meet its capital requirements.

The Group is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers risks associated with the movement in the working capital.

The following table summarises the capital of the Group:

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Share capital	**27.21**	27.16	27.10
Other equity	**5,317.86**	3,625.93	2,728.45
Total Equity	**5,345.07**	3,653.09	2,755.55

45.1 Categories of financial instruments

Carrying value of the financial instruments are as follows:

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	**2,313.76**	1,225.58	160.19
Current			
Investments in mutual funds	**883.61**	582.90	998.60

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Financial assets at amortised cost			
Non-current			
Investments in bonds	**43.94**	16.76	-
Other financial assets	**16.46**	34.57	37.00
Current			
Trade receivables	**50.04**	32.64	10.70
Cash and bank balances	**25.06**	49.17	20.89
Loans	**0.34**	6.80	-
Other financial assets	**8.83**	5.64	3.44
Financial liabilities at amortised cost			
Non-current			
Other financial liabilities	**7.16**	5.87	4.52
Current			
Borrowings	**44.41**	22.57	-
Trade payables	**832.74**	723.22	482.21
Other financial liabilities	**142.40**	82.61	33.59

45.2 Fair value measurements

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques.

The following table categorises the financial instruments measured at fair value into Level 1 to Level 3, as described below:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:
There are certain Company's financial assets which are measured are fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

	Fair value as at January 1, 2015		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	-	160.19	-
Current			
Investments in mutual funds	125.34	873.26	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Fair value as at March 31, 2016		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	231.53	994.05	-
Current			
Investments in mutual funds	71.68	511.22	-

	Fair value as at March 31, 2017		
	Level 1	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	**1,515.41**	**798.35**	**-**
Current			
Investments in mutual funds	**174.50**	**709.11**	**-**

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	March 31, 2017		March 31, 2016	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets at amortised cost				
Non-current				
Investments in bonds	**43.94**	**44.36**	16.76	16.80

	Fair value hierarchy	
	March 31, 2017	March 31, 2016
	Level 1	Level 1
Financial assets at amortised cost		
Non-current		
Investments in bonds	**44.36**	16.80

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- The fair value of bonds is based on quoted prices and market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year/period end.
- There were no transfers between Level 1 and Level 2 during the year.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives

The Group's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in Crores)

Foreign currency exposure	**As at March 31, 2017**		As at March 31, 2016	
	Foreign currency monetary assets	**Foreign currency monetary liabilities**	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	**0.27**	**0.83**	0.39	0.06
EURO	**0.27**	**0.04**	0.20	0.01
GBP	**0.11**	**0.07**	0.28	0.04
JPY	**-**	**7.44**	-	3.13
Others	**0.14**	**0.62**	0.02	4.12

(in Crores)

Foreign currency exposure	As at January 1, 2015	
	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.01	0.01
EURO	0.08	0.01
GBP	-	0.01
JPY	-	1.75

Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Currency	As at March 31, 2017		As at March 31, 2016	
	5% increase	**5% decrease**	5% increase	5% decrease
Receivable				
USD	**(0.89)**	**0.89**	(1.29)	1.29
EURO	**(0.92)**	**0.92**	(0.75)	0.75
GBP	**(0.45)**	**0.45**	(1.33)	1.33
Others	**(0.14)**	**0.14**	(0.02)	0.02
Payable				
USD	**2.69**	**(2.69)**	0.19	(0.19)
EURO	**0.14**	**(0.14)**	0.04	(0.04)
GBP	**0.28**	**(0.28)**	0.19	(0.19)
JPY	**0.21**	**(0.21)**	0.09	(0.09)
Others	**0.12**	**(0.12)**	0.02	(0.02)
Impact on profit or loss as at the end of the reporting year/period	**1.04**	**(1.04)**	(2.86)	2.86
Impact on total equity as at the end of the reporting year/period (net of tax)	**0.68**	**(0.68)**	(1.87)	1.87

Currency	As at January 1, 2015	
	5% increase	5% decrease
Receivable		
USD	(0.04)	0.04
EURO	(0.31)	0.31
Payable		
USD	0.03	(0.03)
EURO	0.05	(0.05)
GBP	0.04	(0.04)
JPY	0.05	(0.05)
Impact on profit or loss as at the end of the reporting year	(0.19)	0.19
Impact on total equity as at the end of the reporting year/period (net of tax)	(0.13)	0.13

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in note no. 16 above.

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Movement in the expected credit loss allowance of financial assets

	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Balance at beginning of the year	**0.43**	0.43
Less: Reversals of provision	**0.18**	-
Balance at end of the year	**0.25**	0.43

Other price risks including interest rate risk

The Group has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, etc. The Group is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates , liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

- profit for the year ended March 31, 2017 would increase/decrease by Rs. 31.97 crores (for the fifteen months ended March 31, 2016: increase/decrease by Rs. 18.08 crores).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Since the Group's borrowings which are affected by interest rate fluctuation is very insignificant to the size and operations of the Group, therefore, a change in interest rate risk does not have a material impact on the Group's financial statements in relation to fair value of financial instruments.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

Particulars	As at March 31, 2017			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current other financial liabilities	-	-	7.16	7.16
Current				
(i) Borrowings	44.41			44.41
(ii) Trade payables	832.74	-	-	832.74
(iii) Other financial liabilities	142.40	-	-	142.40

Particulars	As at March 31, 2016			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current other financial liabilities	-	-	5.87	5.87
Current				
(i) Borrowings	22.57	-	-	22.57
(ii) Trade payables	723.22	-	-	723.22
(iii) Other financial liabilities	82.61	-	-	82.61

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	As at January 1, 2015			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current other financial liabilities	-	-	4.52	4.52
Current				
(i) Trade payables	482.21	-	-	482.21
(ii) Other financial liabilities	33.59	-	-	33.59

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

47. SHARE-BASED PAYMENTS

Employee share option plan of the Group

Eicher Employee Stock Option Plan is applicable to all permanent and full-time employees (as defined in the Plan), excluding promoters of the Group. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion.

Each employee share option converts into one equity share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Details of the employee share option plan of the company

The following share-based payment arrangements were in existence during the current and prior years :

Option series	Number	Grant date	Vesting period	Expiry date	Exercise price	Fair value of options at grant date
					Rs.	Rs.
(ii)	2,08,900	22-Oct-07	3 Years	21-Oct-17	462.00	243.90
(iii)	40,000	29-Apr-10	1 Year	28-Apr-18	695.00	154.62
(iv)	15,400	8-Nov-10	3 Years	7-Nov-20	1,411.00	243.90
(v)	1,08,200	6-May-11	3-5 Years	5-May-21	1,162.00	625.14
(vi)	5,400	11-Feb-12	3-5 Years	10-Feb-22	1,770.00	967.06
(vii)	5,000	16-Dec-13	3-5 Years	15-Dec-23	4,915.00	2,522.03
(viii)	16,000	11-Aug-14	3-5 Years	10-Aug-24	8,477.50	4,336.33
(ix)	5,400	12-Nov-14	3-5 Years	11-Nov-24	12,993.65	6,555.65
(x)	2,000	12-Jan-15	1 Year	11-Jan-25	14,739.00	7,626.61
(xi)	20,300	12-Jan-15	3-5 Years	11-Jan-25	14,739.00	7,393.91
(xii)	4,500	20-Mar-15	3-5 Years	20-Mar-25	16,112.00	8,295.62
(xiii)	53,000	8-May-15	3-5 Years	7-May-25	14,807.00	7,741.96
(xiv)	6,590	21-Jul-15	3-5 Years	20-Jul-25	21,248.00	11,112.50
(xv)	7,800	6-Nov-15	3-5 Years	5-Nov-25	17,678.00	9,010.46
(xvi)	4,200	5-Feb-16	3-5 Years	4-Feb-26	16,894.00	8,565.87
(xvii)	2,400	27-Apr-16	3-5 Years	26-Apr-26	20,148.00	10,055.79
(xviii)	2,100	28-Jul-16	3-5 Years	27-Jul-26	20,340.00	10,437.06
(xix)	3,000	28-Oct-16	3-5 Years	27-Oct-26	24,492.00	11,753.96
(xx)	1,800	1-Feb-17	3-5 Years	31-Jan-27	23,028.00	10,875.64
(xxi)	3,500	27-Mar-17	3-5 Years	26-Mar-27	24,350.00	11,601.21

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is Rs. 22,751.16 (previous period: Rs. 15,599.37). Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model

						Option Series
	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)
Grant date share price	14,739	14,739	16,112	14,807	21,248	17,678
Exercise price	14,739	14,739	16,112	14,807	21,248	17,678
Expected volatility	37.78%-42.83%	31.91%-42.83%	37.66%-42.77%	34.40%-41.44%	34.45%-41.39%	34.30%-40.92%
Option life	1 Year	3-5 Years	3-5 Years	3-5 Years	3-5 Years	3-5 Years
Dividend yield	1.21%	1.21%	1.21%	0.94%	0.94%	0.94%
Risk-free interest rate	7.88%-7.90%	7.88%-7.95%	7.77%-7.78%	7.99%-8.03%	8.05%-8.14%	7.67%-7.71%

	(xvi)	(xvii)	(xviii)	(xix)	(xx)	(xxi)
Grant date share price	16,894	20,148	20,340	24,492	23,028	24,350
Exercise price	16,894	20,148	20,340	24,492	23,028	24,350
Expected volatility	33.54%-40.78%	33.65%-39.83%	32.04%-37.36%	31.91%-33.37%	31.34%-32.78%	30.73%-32.54%
Option life	3-5 Years	3-5 Years	3-5 Years	3-5 Years	3-5 Years	3-5 Years
Dividend yield	0.94%	0.94%	0.94%	0.89%	0.89%	0.89%
Risk-free interest rate	7.72%-7.85%	7.52%-7.60%	7.30%-7.38%	6.96%-7.01%	6.69%-6.85%	6.07%-6.28%

Movements in share options during the year

	For the year ended March 31, 2017		For the fifteen months ended March 31, 2016	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	**2,03,490**	**9,032.69**	1,68,000	2,419.19
Granted during the year	**12,800**	**22,751.61**	98,390	15,599.37
Forfeited during the year	**(10,550)**	**14,662.45**	(6,500)	8,477.50
Exercised during the year	**(49,066)**	**1,171.37**	(56,400)	852.50
Expired during the year	**-**	**-**	-	-
Balance at end of the year	**1,56,674**	**12,236.35**	2,03,490	9,032.69

Share options exercised during the year

The following share options were exercised during the year and previous year/period:

Option series	**Number exercised**	**Exercise date**	**Share price at exercise date**
			Rs.
For the year ended March 31, 2017			
(vi) Granted on February 11, 2012	1,800	05/05/2016	1,770
(iii) Granted on April 29, 2010	3,000	28/07/2016	695
(v) Granted on May 06, 2011	32,100	28/07/2016	1,162
(ii) Granted on October 22, 2007	2,500	28/10/2016	462
(iii) Granted on April 29, 2010	3,000	28/10/2016	695
(iii) Granted on April 29, 2010	5,000	01/02/2017	695
(vii) Granted on December 16, 2013	1,666	01/02/2017	4,915
	49,066		

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Option series	Number exercised	Exercise date	Share price at exercise date Rs.
For the fifteen months ended March 31, 2016			
(ii) Granted on October 22, 2007	2,500	13/02/2015	462
(ii) Granted on October 22, 2007	7,000	08/05/2015	462
(v) Granted on May 06, 2011	28,100	08/05/2015	1,162
(ii) Granted on October 22, 2007	10,700	06/11/2015	462
(vi) Granted on February 11, 2012	1,000	06/11/2015	1,770
(ii) Granted on October 22, 2007	6,300	05/02/2016	462
(vi) Granted on February 11, 2012	800	05/02/2016	1,770
	56,400		

Share options outstanding at end of the year

Option series		Options outstanding		Remaining contractual life		Exercise price
		As at March 31, 2017	As at March 31, 2016	**As at March 31, 2017**	As at March 31, 2016	
						Rs.
(ii)	22-Oct-07	**500**	3,000	0.56	1.56	462
(iii)	29-Apr-10	**29,000**	40,000	1.08	2.08	695
(iv)	8-Nov-10	**-**	-	3.61	4.61	1,411
(v)	6-May-11	**-**	32,100	4.10	5.10	1,162
(vi)	11-Feb-12	**1,800**	3,600	4.87	5.87	1,770
(vii)	16-Dec-13	**3,334**	5,000	6.71	7.71	4,915
(viii)	11-Aug-14	**16,000**	16,000	7.37	8.37	8,478
(ix)	12-Nov-14	**2,400**	5,400	7.62	8.62	12,994
(x)	12-Jan-15	**2,000**	2,000	7.79	8.79	14,739
(xi)	12-Jan-15	**20,300**	20,300	7.79	8.79	14,739
(xii)	20-Mar-15	**1,500**	4,500	7.98	8.98	16,112
(xiii)	8-May-15	**48,450**	53,000	8.11	9.11	14,807
(xiv)	21-Jul-15	**6,590**	6,590	8.31	9.31	21,248
(xv)	6-Nov-15	**7,800**	7,800	8.61	9.61	17,678
(xvi)	5-Feb-16	**4,200**	4,200	8.85	9.85	16,894
(xvii)	27-Apr-16	**2,400**	-	9.08	-	20,148
(xviii)	28-Jul-16	**2,100**	-	9.33	-	20,340
(xix)	28-Oct-16	**3,000**	-	9.58	-	24,492
(xx)	1-Feb-17	**1,800**	-	9.84	-	23,028
(xxi)	27-Mar-17	**3,500**	-	9.99	-	24,350
		1,56,674	2,03,490			

Option series		Options outstanding	Remaining contractual life	Exercise price
		As at January 1, 2015	As at January 1, 2015	
				Rs.
(ii)	22-Oct-07	29,500	2.81	462
(iii)	29-Apr-10	40,000	3.33	695
(iv)	8-Nov-10	-	5.86	1,411
(v)	6-May-11	60,200	6.35	1,162
(vi)	11-Feb-12	5,400	7.12	1,770
(vii)	16-Dec-13	5,000	8.96	4,915
(viii)	11-Aug-14	22,500	9.62	8,478
(ix)	12-Nov-14	5,400	9.87	12,994
		1,68,000		

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

48. DISCLOSURE IN RESPECT OF OPERATING LEASES:

(A) Assets taken on lease:

The Group has taken certain premises under various operating lease agreements. The total lease rental recognised as expense aggregate to Rs. 30.13 crores (Rs. 28.35 crores).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following year/period:

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Not later than one year	**7.54**	9.03	5.68
Later than one year and not later than five years	**6.73**	6.29	7.99

(B) Assets given on lease:

The Group has given assets under operating lease agreement to its joint venture Group "Eicher Polaris Private Limited" . The total lease rental recognised as income aggregate to Rs. 2.78 crores (Rs. 3.28 crores).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following year:

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Not later than one year	**2.92**	2.78	2.61
Later than one year and not later than five years	**13.20**	12.57	11.84
Later than five years	**3.72**	7.27	11.45

49. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	As at March 31, 2017	For the fifteen months ended March 31, 2016
(a) Gross amount required to be spent	**18.33**	8.36
(b) Amount spent:		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purpose other than (i) above	**18.09**	8.99
(c) Administrative expenses	**0.24**	-

50. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:

(in Rs.)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8.11.2016	3,81,000	25,787	4,06,787
(+) Permitted receipts		1,07,276	1,07,276
(-) Permitted payments		56,857	56,857
(-) Amount deposited in Banks	3,81,000		3,81,000
Closing cash in hand as on 30.12.2016	-	76,206	76,206

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

51. Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Share of net assets As at March 31, 2017		Share of profit or loss For the year ended March 31, 2017	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	73.23%	3,914.45	93.41%	1,557.17
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-0.70%	(37.22)	-1.74%	(29.02)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	-0.11%	(5.64)	-0.27%	(4.54)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	29.29%	1,565.42	11.37%	189.47
2. Eicher Polaris Private Limited	-1.72%	(91.94)	-2.76%	(46.00)

Name of the entity	Share of other comprehensive income For the year ended March 31, 2017		Share of total comprehensive income For the year ended March 31, 2017	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	3.35%	(0.08)	93.54%	1,557.09
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-27.42%	0.67	-1.70%	(28.35)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	9.95%	(0.24)	-0.29%	(4.78)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	116.28%	(2.83)	11.21%	186.64
2. Eicher Polaris Private Limited	-2.15%	0.05	-2.76%	(45.95)

52. The figures for the current year are for twelve months from April 1, 2016 to March 31, 2017, whereas the corresponding previous period figures are for fifteen months from January 1, 2015 to March 31, 2016. As such corresponding figures for the previous period are not directly comparable with those of current year.

53. The Group and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

54. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its jointly controlled entities.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

55. FIRST-TIME IND AS ADOPTION RECONCILIATIONS

55.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016 and January 1, 2015

	Refer Notes in 55.6	As at March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
ASSETS				
Non-current assets				
(a) Property, plant and equipment	(a),(o)	2,547.68	(1,787.13)	760.55
(b) Capital work-in-progress	(o)	117.91	(84.60)	33.31
(c) Investment property	(i)	9.35	(4.79)	4.56
(d) Intangible assets	(o)	356.11	(327.07)	29.04
(e) Intangible assets under development	(l),(o)	291.88	(230.71)	61.17
(f) Financial assets				
(i) Investments	(j),(o)	1,134.15	1,666.63	2,800.78
(ii) Loans	(o)	2.25	(2.25)	-
(iii) Other financial assets	(c), (o)	117.97	(65.40)	52.57
(g) Income tax assets	(o)	298.54	(290.97)	7.57
(h) Other non-current assets	(a), (i), (c), (o)	194.76	(54.10)	140.66
Total Non-Current Assets		**5,070.60**	**(1,180.39)**	**3,890.21**
Current assets				
(a) Inventories	(o)	1,014.31	(705.92)	308.39
(b) Financial assets				
(i) Investments	(j)	494.78	88.12	582.90
(ii) Trade receivables	(o)	833.61	(800.97)	32.64
(iii) Cash and cash equivalents	(o)	576.57	(540.72)	35.85
(iv) Bank balances other than (iii) above	(o)	14.86	(1.54)	13.32
(v) Loans	(o)	9.41	(2.61)	6.80
(vi) Other financial assets	(o)	42.66	(37.02)	5.64
(c) Other current assets	(a), (i), (c),(o)	421.44	(358.18)	63.26
Total Current Assets		**3,407.64**	**(2,358.84)**	**1,048.80**
Total Assets		**8,478.24**	**(3,539.23)**	**4,939.01**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		27.16	-	27.16
(b) Other equity	(j), (d), (k), (o)	3,437.13	188.80	3,625.93
Total Equity		**3,464.29**	**188.80**	**3,653.09**
Minority interest	(o)	1,156.85	(1,156.85)	-
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	(o)	13.50	(7.63)	5.87
(b) Provisions	(d), (o)	136.07	(106.40)	29.67
(c) Deferred tax liabilities (net)	(j), (d), (k), (o)	338.18	(302.33)	35.85
(d) Other non-current liabilities	(c),(o)	2.35	7.20	9.55
Total Non-Current Liabilities		**490.10**	**(409.16)**	**80.94**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	(o)	85.87	(63.30)	22.57
(ii) Trade payables	(k), (o)	2,497.10	(1,773.88)	723.22
(iii) Other financial liabilities	(o)	208.20	(125.59)	82.61
(b) Provisions	(o)	82.56	(56.09)	26.47
(c) Other current liabilities	(k), (o)	493.27	(143.16)	350.11
Total Current Liabilities		**3,367.00**	**(2,162.02)**	**1,204.98**
Total Equity and Liabilities		**8,478.24**	**(3,539.23)**	**4,939.01**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

55.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016 and January 1, 2015 (Contd.)

	Refer Notes in 55.6	As at January 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
ASSETS				
Non-current assets				
(a) Property, plant and equipment	(a), (b), (i), (o)	1,981.09	(1,585.19)	395.90
(b) Capital work-in-progress	(o)	236.34	(193.67)	42.67
(c) Investment property	(i)	10.55	(5.22)	5.33
(d) Other intangible assets	(o)	328.24	(316.31)	11.93
(e) Intangible assets under development	(o)	182.46	(165.79)	16.67
(f) Financial assets				
(i) Investments	(j), (o)	150.05	1,410.11	1,560.16
(ii) Loans	(o)	2.01	(2.01)	-
(iii) Other financial assets	(c), (o)	158.91	(96.91)	62.00
(g) Tax assets	(o)	206.08	(192.47)	13.61
(h) Other non-current assets	(a), (i), (c), (o)	246.00	(62.17)	183.83
Total Non-Current Assets		**3,501.73**	**(1,209.63)**	**2,292.10**
Current assets				
(a) Inventories	(o)	645.52	(441.56)	203.96
(b) Financial assets				
(i) Investments	(j)	917.09	81.51	998.60
(ii) Trade receivables	(o)	562.17	(551.47)	10.70
(iii) Cash and cash equivalents	(o)	349.55	(332.43)	17.12
(iv) Bank balances other than (iii) above		3.77	-	3.77
(v) Loans		1.47	(1.47)	-
(vi) Other financial assets		74.37	(70.93)	3.44
(c) Other current assets	(a), (i), (c), (o)	351.90	(278.94)	72.96
Total - Current Assets		**2,905.84**	**(1,595.29)**	**1,310.55**
Total - Assets		**6,407.57**	**(2,804.92)**	**3,602.65**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		27.10	-	27.10
(b) Other equity	(b), (j), (d), (e), (k), (o)	2,488.76	239.69	2,728.45
Total Equity		**2,515.86**	**239.69**	**2,755.55**
Minority interest	(o)	1,085.06	(1,085.06)	-
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	(o)	12.93	(8.41)	4.52
(b) Provisions	(o)	72.83	(59.01)	13.82
(c) Deferred tax liabilities (net)	(b), (j), (k), (o)	239.35	(217.38)	21.97
(d) Other non-current liabilities	(o)	3.94	(3.94)	-
Total Non-Current Liabilities		**329.05**	**(288.74)**	**40.31**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	(o)	58.36	(58.36)	-
(ii) Trade payables	(k), (o)	1,512.67	(1,030.46)	482.21
(iii) Other financial liabilities	(o)	191.26	(157.67)	33.59
(b) Provisions	(e), (o)	248.47	(232.91)	15.56
(c) Other current liabilities	(k), (o)	466.84	(191.41)	275.43
Total Current Liabilities		**2,477.60**	**(1,670.81)**	**806.79**
Total Equity and Liabilities		**6,407.57**	**(2,804.92)**	**3,602.65**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

55.2 Reconciliation of total equity as at March 31, 2016 and January 1, 2015

	Refer Notes in 55.6	As at March 31, 2016	As at January 1, 2015
Total equity under previous GAAP		3,464.29	2,515.86
Impact of accounting VECVL as per Equity method under Ind AS instead of line by line consolidation method hitherto followed	(o)	-	8.16
Reversal of dividend and dividend tax	(e)	-	154.46
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(j)	196.36	91.70
Deferral of revenue on future performance	(k)	(5.22)	(4.36)
Impact of discounting of provisions as per Ind AS 37	(d), (o)	7.18	1.91
Impact of change in estimated useful lifes of property, plant and equipment		-	(11.64)
Tax adjustments	(b), (j), (d), (k), (o)	(9.52)	(0.54)
Total equity under Ind AS		**3,653.09**	**2,755.55**

55.3 Effect of Ind AS Adoption on the statement of profit and loss for the fifteen months ended March 31, 2016

	Refer Notes in 55.6	Fifteen months ended March 31, 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS statement of profit and loss
Income				
Revenue from operations (gross)	(k), (p)	17,188.36	(10,217.23)	6,971.13
Less: Excise duty	(f), (p)	1,499.70	(1,499.70)	-
Revenue from operations (net)		15,688.66	(8,717.53)	6,971.13
Other income	(j), (c), (p)	111.98	66.11	178.09
Total Income		**15,800.64**	**(8,651.42)**	**7,149.22**
Expenses				
Cost of raw materials consumed	(p)	8,568.83	(5,145.68)	3,423.15
Purchases of stock-in-trade	(p)	1,840.71	(1,766.67)	74.04
Change in inventories of finished goods, work-in-progress and stock-in-trade	(p)	(288.31)	226.26	(62.05)
Excise duty on sale of goods	(f), (p)	-	797.67	797.67
Employee benefits expenses	(m), (g), (p)	1,057.48	(707.27)	350.21
Finance costs	(d), (p)	9.04	(6.92)	2.12
Depreciation and amortisation expenses	(a), (p)	451.66	(315.06)	136.60
Other expenses	(a), (c), (d), (p)	2,062.73	(1,364.23)	698.50
Total Expenses		**13,702.14**	**(8,281.90)**	**5,420.24**
Share of profit/(loss) of joint ventures	(p)	**-**	**147.94**	**147.94**
Profit before tax		**2,098.50**	**(221.58)**	**1,876.92**
Tax expense				
Current tax		650.41	(125.72)	524.69
Minimum alternate tax (MAT) credit entitlement		(108.39)	108.39	-
Deferred tax	(j), (d), (k)	104.54	(90.35)	14.19
Total Tax Expense	(p)	**646.56**	**(107.68)**	**538.88**
Profit for the period		**1,451.94**	**(113.90)**	**1,338.04**
Minority interest	(p)	**174.06**	**(174.06)**	**-**
Net profit after taxes and share of profit/(loss) of joint ventures		**1,277.88**	**60.16**	**1,338.04**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Refer Notes in 55.6	Fifteen months ended March 31, 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS statement of profit and loss
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Exchange differences in translating the financial statements of foreign operations		-	(0.09)	(0.09)
Income tax effect	(n), (p)	-	0.03	0.03
Share of other comprehensive income in joint ventures (net of tax)	(p)	-	0.23	0.23
		-	**0.17**	**0.17**
Items that will not be reclassified to profit or loss:				
Re-measurement gains (losses) on defined benefit plans	(g)	-	(0.71)	(0.71)
Income tax effect	(g)	-	0.25	0.25
Share of other comprehensive income in joint ventures (net of tax)	(p)	-	(0.10)	(0.10)
		-	**(0.56)**	**(0.56)**
Total comprehensive income for the year, net of tax		**1,277.88**	**59.77**	**1,337.65**

55.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

Profit and Loss reconciliation	Refer Notes in 55.6	For the fifteen months ended March 31, 2016
Profit as per previous GAAP		1,277.88
Impact of accounting VECVL as per Equity method under Ind AS instead of line by line consolidation method hitherto followed	(o)	(21.31)
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(j)	104.66
Impact of discounting of provisions as per Ind AS 37	(d), (p)	5.27
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to "Other Comprehensive Income"	(g)	0.87
Deferral of revenue on future performance	(k)	(0.86)
Impact of recognising the cost of the employee stock option scheme at fair value	(m)	(23.29)
Tax adjustments	(j), (d), (k), (p)	(5.18)
Profit after tax as reported under Ind AS		**1,338.04**
Other comprehensive income/(expense) (net of tax)	(g), (n), (p)	(0.39)
Total comprehensive income as reported under Ind AS		**1,337.65**

Note : Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

55.5 Cash flow statements

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS other than following cash flows of VE Commercial Vehicles Limited and Eicher Polaris Private Limited for the period ended March 31, 2016 which were fully/proportionately consolidated under previous GAAP @100% and @50% respectively, whereas in Ind AS, these are not consisdered for the consolidated cash flow statement as equity method is applied on the jointly controlled entities.

Particulars	VECV For the fifteen months ended March 31, 2016	EPPL For the fifteen months ended March 31, 2016
Cash flow from operating activities	854.90	(79.23)
Cash flow from investing activities	(412.01)	(136.32)
Cash flow from financing activities	(2.69)	(0.01)

55.6 Notes to the reconciliations

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
(a) Leasehold land being considered as operating lease opposed to fixed assets under IGAAP				
On Balance sheet				
Property, plant and equipment	Decrease	(87.33)	(86.25)	
Other non-current assets	Increase	86.21	85.34	
Other current assets	Increase	1.12	0.91	
On Statement of profit and loss				
Depreciation expense	Decrease			(1.12)
Rent expense	Increase			1.12
(b) Providing depreciation on fixed assets over estimated useful life which generally is in accordance with the useful life specified in schedule II to the Companies Act, 2013				
On Balance sheet				
Property, plant and equipment	Decrease	(5.80)		
Deferred tax liability on accelerated depreciation	Decrease	(2.01)		
On equity	Decrease	(3.79)		
(c) Recognition of financial instruments comprising of security deposits, employee loan, etc. at their fair value as opposed to transition values as considered under IGAAP				
On Balance sheet				
Non-current				
Financial assets				
Other financial assets (security deposits)	Decrease	(2.49)	(2.66)	
Other non-current assets (Prepayment security deposits)	Increase	2.11	2.12	
Other current assets (Prepayment security deposits)	Increase	0.38	0.54	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
On statement of profit and loss				
Interest income	Increase			0.59
Rent expense	Increase			0.59
(d) Recognising provision for warranty at present value as opposed to without discounting under IGAAP				
On Balance sheet				
Non-current				
Long-term provisions				
Provisions for warranties	Decrease		(2.21)	
Deferred tax liability	Increase		0.76	
On equity	Increase		1.45	
On statement of profit and loss				
Interest expense	Increase			0.71
Warranty expense	Decrease			(2.92)
Profit before tax	Increase			2.21
Tax expense	Increase			0.76
Profit after tax	Increase			1.45
(e) Dividends including tax thereon are recognised when declared by the members in a general meeting as opposed to recognition on recommendation by the board of directors under IGAAP				
On Balance sheet				
Current				
Short-term provisions	Decrease	(154.46)		
On equity	Increase	154.46		
(f) Excise duty on sale of products to be presented separately on the face of statement of profit and loss as opposed to netting it off from revenue from operations under IGAAP				
On statement of profit and loss				
Revenue from operations	Increase			797.67
Excise duty on sale of products	Increase			797.67

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
(g) Actuarial gains and losses to be recognised in other comprehensive income instead of statement of profit and loss				
On statement of profit and loss				
Employee benefit expense	Decrease			(0.71)
Profit before tax	Increase			0.71
Tax expense	Increase			0.25
Profit after tax	Increase			0.46
On Other comprehensive income				
Remeasurement of the net defined liability/asset (Net of tax)	Decrease			(0.46)
(h) Plant and machinery given under lease were re-classified from investment property to property, plant and equipment				
On balance sheet				
Property, plant and equipment	Increase	0.38		
Investment property	Decrease	(0.38)		
(i) Leasehold land being considered as operating lease opposed to investment property under IGAAP				
On Balance sheet				
Investment property	Decrease	(4.84)	(4.79)	
Non-current other assets	Increase	4.78	4.73	
Current other assets	Increase	0.06	0.06	
On Statement of profit and loss				
Depreciation expense	Decrease			(0.06)
Rent expense	Increase			0.06
(j) Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)				
On Balance sheet				
Investments in mutual funds - Non-current	Increase	10.19	108.24	
Investments in mutual funds - current	Increase	81.51	88.12	
On equity	Increase	86.28	187.60	
Deferred tax liability	Increase	5.42	8.76	

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Impact under Ind AS on account off		Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
	On Statement of profit and loss				
	Net gain on financial instruments at fair value through profit or loss	Increase			104.66
	Profit before tax	Increase			104.66
	Tax impact	Increase			3.34
	Profit after tax	Increase			101.32
(k)	**Impact of deferral of revenue on future performances**				
	On Balance sheet				
	Trade payables	Decrease	(8.10)	(9.08)	
	Other current liabilities	Increase	12.46	14.30	
	Deferred tax liability	Decrease	(1.51)	(1.80)	
	On equity	Decrease	(2.85)	(3.42)	
	On Statement of profit and loss				
	Revenue from operation deferred	Decrease			(1.84)
	Other selling and distribution expenses	Decrease			(0.98)
	Profit before tax	Decrease			(0.86)
	Tax impact	Decrease			(0.29)
	Profit after tax	Decrease			(0.57)
(l)	**Impact of grant received recognised as deferred income opposed to deduction from cost of respective asset**				
	On Balance sheet				
	Intangible assets under development	Increase		9.55	
	Other non-current liabilities	Increase		9.55	
(m)	**Impact of recognising equity settled share based payments using the intrinsic value**				
	ESOP outstanding reserve	Increase		23.29	
	On Statement of profit and loss				
	Employee benefit expenses	Increase			23.29
	Profit before tax	Decrease			23.29
	Profit after tax	Decrease			23.29

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
(n) Foreign exchange difference on translation of foreign translation to be recognised in other comprehensive income instead of reserves				
On Balance sheet				
Deferred tax liability	Increase	0.03		
On Other comprehensive income				
Exchange differences in translating the financial statements of foreign operations	Increase			0.09
Deferred tax expense	Increase			0.03

(o) The following assets and liabilities of VE Commercial Vehicles Limited and Eicher Polaris Private Limited had been fully/proportionately consolidated under previous GAAP @100% and @50% respectively, whereas in Ind AS, these assets/liabilities are not consisdered for the consolidated financial statements as equity method is applied on the jointly controlled entities.

Particulars	VECV As at March 31, 2016	EPPL As at March 31, 2016	VECV As at January 1, 2015	EPPL As at January 1, 2015
Non-current assets				
(a) Property, plant and equipment	1,573.90	254.02	1,490.67	3.54
(b) Capital work-in-progress	82.37	4.46	124.43	138.49
(c) Other intangible assets	298.35	57.38	315.61	1.39
(d) Intangible assets under development	237.88	4.76	142.48	46.63
(e) Financial assets				
(i) Investments	0.05	-	0.05	-
(ii) Trade receivables	29.60	-	25.61	-
(iii) Loans	2.25	-	2.01	-
(iv) Other financial assets	74.71	12.07	119.14	0.54
(f) Tax assets	-	0.24	1.97	-
(g) Other non-current assets	133.03	26.97	129.82	50.91
Current assets				
(a) Inventories	694.72	22.40	441.56	-
(b) Financial assets				
(i) Trade receivables	798.27	0.09	540.26	-
(ii) Cash and cash equivalents	522.82	35.83	315.54	33.78
(iii) Bank balances other than above	-	3.08	-	-
(iv) Loans	2.61	-	1.47	-
(v) Other financial assets	36.96	0.11	70.86	0.13
(c) Other current assets	359.05	1.49	280.11	0.92
Total Assets	**4,846.57**	**422.90**	**4,001.59**	**276.33**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	VECV As at March 31, 2016	EPPL As at March 31, 2016	VECV As at January 1, 2015	EPPL As at January 1, 2015
Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	7.63	-	8.41	-
(b) Provisions	103.58	1.22	58.79	0.44
(c) Deferred tax liabilities (net)	11.13	-	28.78	-
(d) Other non-current liabilities	2.35	-	3.94	-
Current liabilities				
(a) Financial liabilities				
(i) Short-term borrowings	63.30	-	58.36	-
(ii) Trade payables	1,781.14	21.58	1,033.00	7.13
(iii) Other financial liabilities	121.09	8.99	149.24	17.51
(b) Provisions	56.00	0.17	153.43	0.02
(c) Income tax liabilites (net)	8.04	-	-	0.02
(d) Other current liabilities	155.53	4.34	203.28	1.19
Total Liabilities	**2,309.79**	**36.30**	**1,697.23**	**26.31**
Net Assets	**2,536.78**	**386.60**	**2,304.36**	**250.02**

Under Ind AS, the investment in VE Commercial Vehicles Limited and Eicher Polaris Private Limited has been recognised at Rs. 1,383.14 crores and Rs. 175.30 crores respectively as at March 31, 2016 and Rs. 1,299.96 crores and Rs. 100.01 crores respectively as at January 1, 2015. Reconciliation on investment as per Ind AS and previous GAAP for VE Commercial Vehicles Limited is as below:

Particulars	VECV As at March 31, 2016	EPPL As at March 31, 2016	VECV As at January 1, 2015	EPPL As at January 1, 2015
Share of net assets as per previous GAAP	1,380.01	193.30	1,253.57	125.01
Investment as per Ind AS	1,383.14	175.30	1,299.96	100.01
Difference	**(3.13)**	**18.00**	**(46.39)**	**25.00**
Dividend	-	-	40.80	-
Dividend tax	-	-	8.16	-
Discounting of warranty provision	3.25	-	1.25	-
Impact of change in useful life	-	-	(3.82)	-
Impact of tax on foreign currency translation on foreign operations	(0.12)	-		-
Advances given for shares	-	(18.00)	-	(25.00)
Net Difference	**-**	**-**	**-**	**-**

(p) The following are the income and expenses of VE Commercial Vehicles Limited and Eicher Polaris Private Limited for the period ended March 31, 2016. These had been fully/proportionately consolidated under previous GAAP @100% and @50% respectively, whereas in Ind AS, these items of statement of profit and loss are not consisdered for the consolidated financial statements as equity method is applied on the jointly controlled entities.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	VECV For the fifteen months ended March 31, 2016	EPPL For the fifteen months ended March 31, 2016
Income		
Revenue from operations (net)	9,623.94	18.62
Other income	41.42	3.21
Total Income	**9,665.36**	**21.83**
Expenses		
Cost of materials consumed	6,795.57	16.70
Employee benefits expenses	717.01	25.68
Finance costs	7.63	0.00
Depreciation and amortisation expenses	302.38	23.00
Other expenses	1,349.41	37.28
Tax expenses	111.64	0.19
Total expenses	**9,283.64**	**102.85**
Profit for the period	**381.72**	**(81.02)**
Other comprehensive income	-	-
Total comprehensive income/loss	**381.72**	**(81.02)**

Under Ind AS the share of profit/(loss) of VE Commercial Vehicles Limited and Eicher Polaris Private Limited has been recognised at Rs. 188.47 crores and Rs. (40.53) crores respectively for the fifteen months ended March 31, 2016. Reconciliation as per Ind AS and previous GAAP for VE Commercial Vehicles Limited and Eicher Polaris Private Limited is as below:

Particulars	VECV For the fifteen months ended March 31, 2016	EPPL For the fifteen months ended March 31, 2016
Share of profits/(loss) as per previous GAAP	207.66	(40.51)
Share of profits/(loss) as per Ind AS	188.47	(40.53)
Difference	**19.19**	**0.02**
Impact of accounting VECVL as per Equity method under Ind AS instead of line by line consolidation method	(21.31)	-
Discounting of provisions (net of tax)	2.00	-
Reclassification of actuarial (gain)/loss in respect of defined benefit plan to other comprehensive income	0.12	(0.02)
Net Difference	**-**	**-**

For and on behalf of Board of Directors

Manhar Kapoor
Company Secretary
M No: FCS 5564

Lalit Malik
Chief Financial Officer
M No: 92890

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

M. J. Subbaiah
Director
DIN: 00044799

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

Priya Brat
Director
DIN: 00041859

Place: Gurugram
Date: May 5, 2017