

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 1. CORPORATE INFORMATION

Eicher Motors Limited ("the Company") is a public company domiciled and incorporated in India under the provisions of the Companies Act, 1956. The Company is engaged in the manufacturing and selling of motorcycles, spare parts and related services. The Company has its registered office at New Delhi, India and its corporate office at Gurugram, Haryana, India. The Company has its equity shares listed on the BSE Limited and National Stock Exchange of India Limited. The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 9, 2018.

### 2. BASIS OF PREPARATION AND PRESENTATION

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

#### 2.2 Accounting convention

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

#### 2.3 Operating cycle

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet on current / non-current classification. An asset is treated as current when it is:

- ♦ Expected to be realised or intended to be sold or consumed in normal operating cycle

- ♦ Held primarily for the purpose of trading
- ♦ Expected to be realised within twelve months after the reporting period, or
- ♦ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ♦ It is expected to be settled in normal operating cycle
- ♦ It is held primarily for the purpose of trading
- ♦ It is due to be settled within twelve months after the reporting period, or
- ♦ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### 3.2 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 Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ♦ the Company 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 Company; and
- ♦ the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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### Dividend and interest income

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time proportion 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.

### 3.3 Leases

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.

#### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

#### As a lessor

The Company has leased out certain assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

### 3.4 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Transactions in foreign currencies are initially recorded by the foreign operation at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operation, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for practical reasons, the Company uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are initially recognized in the financial statements of the Company in the other comprehensive income. These exchange differences are reclassified from equity (Foreign currency translation reserve) to profit or loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

### 3.5 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 recognized in profit or loss in the period in which they are incurred.

### 3.6 Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. When the grant

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relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grant of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e., by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

In the case of Export Promotion Capital Goods ('EPCG') grant, the company recognise the grant in the statement of profit and loss on a systematic basis over the useful life of the assets.

### 3.7 Employee benefits

#### Provident fund

The Company operates two plans for its employees to provide employee benefits in the nature of provident fund.

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the "Eicher Executive Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The cost of providing benefits under above mentioned defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The employees who are not covered under the above scheme, their portion of provident fund is contributed to the government administered provident fund which is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service

#### Gratuity

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized 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 categorized 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 Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

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

### Short-term and other long-term employee benefits

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

### 3.8 Share-based payment arrangements

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 48.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments

that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### 3.9 Taxation

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

#### Current tax

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

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ◆ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ◆ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is

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probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ♦ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ♦ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

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

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

### Current and deferred tax for the year

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

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

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act as provided below and except in respect of moulds and dies which are depreciated over their estimated useful life of 1 to 7 years, wherein, the life of the said assets has been assessed based on technical advice, taking

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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.

An item of property, plant and equipment is derecognized 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 recognized in profit or loss. The useful lives for various property, plant and equipment are given below:

Particulars	Useful life (in years)
Buildings	30-60
Plant and equipment	5-15
Furniture and fixtures	10
Office equipment	5
Vehicles	5

In the previous year, as part of transition from the previous GAAP, the Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets recognized in the previous GAAP as deemed cost at the transition date.

#### 3.11 Intangible assets

##### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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 recognized 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 recognized 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;
- ◆ 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 recognized 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 recognized, development expenditure is recognized in the statement of profit and loss in the period in which it is incurred.

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

##### Derecognition of intangible assets

An intangible asset is derecognized 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 recognized in profit or loss when the asset is derecognized.

##### Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally

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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 3 years or less depending on the estimated useful life of asset. The useful lives for intangible assets are given below:

Particulars	Useful life (in years)
Product designs, prototypes, etc.	10
Computer software	3

### 3.12 Impairment of non-financial assets

At the end of each reporting period, the Company assesses, whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

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

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 recognized 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are

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

### 3.13 Investment property

Investment property is a property held to earn rentals and capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model. The company depreciates building component of investment property over 30 years from the date of capitalisation.

### 3.14 Inventories

Inventories comprising Raw materials, work-in-progress, and finished goods are stated at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to its present location. Cost of inventories is determined on a moving weighted average.

Finished goods and work-in-progress include appropriate proportion of overheads and where applicable, duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3.15 Provisions

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

The amount recognized 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

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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.

### 3.16 Financial instruments

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

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

### 3.17 Financial assets

All recognized 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 recognized 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.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized 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 Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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



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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 recognized in profit or loss. The net gain or loss recognized 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 recognized when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investment in subsidiaries and joint ventures is carried at cost in the separate financial statements.

### Impairment of financial assets

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

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

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

### Derecognition of financial assets

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

### 3.18 Financial liabilities and equity instruments Classification as debt or equity

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

### Equity instruments

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

### Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in the other comprehensive income. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

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

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

### **Derecognition of financial liabilities**

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

### **3.19 Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and

short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **3.20 Cash flow statement**

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

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

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## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
<b>Cost</b>							
<b>At March 31, 2016</b>	85.95	177.30	663.15	10.53	51.11	18.52	1,006.56
Additions	-	52.59	133.02	3.77	17.01	10.82	217.21
Disposals	-	0.49	1.38	0.38	0.35	1.70	4.30
<b>At March 31, 2017</b>	<b>85.95</b>	<b>229.40</b>	<b>794.79</b>	<b>13.92</b>	<b>67.77</b>	<b>27.64</b>	<b>1,219.47</b>
Additions	-	254.40	510.34	6.72	41.72	18.70	831.88
Disposals	-	-	3.30	0.07	0.04	1.86	5.27
<b>At March 31, 2018</b>	<b>85.95</b>	<b>483.80</b>	<b>1,301.83</b>	<b>20.57</b>	<b>109.45</b>	<b>44.48</b>	<b>2,046.08</b>
<b>Accumulated depreciation</b>							
<b>At March 31, 2016</b>	-	18.95	197.06	3.02	18.83	9.24	247.10
Charge for the year	-	9.15	113.87	2.99	13.22	4.11	143.34
Disposals	-	0.35	1.23	0.18	0.34	1.30	3.40
<b>At March 31, 2017</b>	<b>-</b>	<b>27.75</b>	<b>309.70</b>	<b>5.83</b>	<b>31.71</b>	<b>12.05</b>	<b>387.04</b>
Charge for the year	-	16.87	163.34	3.20	17.32	6.40	207.13
Disposals	-	-	1.34	0.03	0.04	1.44	2.85
<b>At March 31, 2018</b>	<b>-</b>	<b>44.62</b>	<b>471.70</b>	<b>9.00</b>	<b>48.99</b>	<b>17.01</b>	<b>591.32</b>
<b>Carrying amount</b>							
At March 31, 2017	85.95	201.65	485.09	8.09	36.06	15.59	832.43
<b>At March 31, 2018</b>	<b>85.95</b>	<b>439.18</b>	<b>830.13</b>	<b>11.57</b>	<b>60.46</b>	<b>27.47</b>	<b>1,454.76</b>

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

### 5. CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2018	As at March 31, 2017
Capital work-in-progress	<b>141.89</b>	265.01
	<b>141.89</b>	265.01

Capital work in progress as at March 31, 2018 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed. It includes the following other direct expenditure amounting to Rs. Nil (March 31, 2017 Rs. 0.64 crore).

#### Other direct expenditure

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries, wages and bonus	<b>1.89</b>	0.78
Contribution to provident and other funds	<b>0.06</b>	0.03
	<b>1.95</b>	0.81
Add: Balance brought forward from previous year	<b>0.64</b>	0.32
	<b>2.59</b>	1.13
Less: Capitalized during the year	<b>2.59</b>	0.49
	<b>-</b>	0.64

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 6. INVESTMENT PROPERTY

Particulars	Building	Total
<b>Cost</b>		
<b>At March 31, 2016</b>	10.12	10.12
Additions	-	-
Disposals	-	-
<b>At March 31, 2017</b>	<b>10.12</b>	<b>10.12</b>
Additions	-	-
Disposals	-	-
<b>At March 31, 2018</b>	<b>10.12</b>	<b>10.12</b>
<b>Accumulated depreciation</b>		
<b>At March 31, 2016</b>	5.56	5.56
Charge for the year	0.35	0.35
Disposals	-	-
<b>At March 31, 2017</b>	<b>5.91</b>	<b>5.91</b>
Charge for the year	0.35	0.35
Disposals	-	-
<b>At March 31, 2018</b>	<b>6.26</b>	<b>6.26</b>
<b>Carrying amount</b>		
At March 31, 2017	4.21	4.21
<b>At March 31, 2018</b>	<b>3.86</b>	<b>3.86</b>

#### FAIR VALUE OF THE INVESTMENT PROPERTY

The fair value of the Company's investment properties as at March 31, 2017 and March 31, 2018 have been arrived at on the basis 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 March 31, 2017 and March 31, 2018 was determined based on S.O. No.X-3/2015 dated 15/07/2015 of State P.W.D.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.

**Detail of the investment properties and information about the fair value hierarchy as at March 31, 2018 and March 31, 2017 are as follows :-**

Particulars	Level 2	
	Fair value as at March 31, 2018	Fair value as at March 31, 2017
Building located at Jaipur, India	4.41	4.50

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### Information regarding income and expenditure of Investment property

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental income derived from investment properties	2.92	2.78
Direct operating expenses	-	-
Profit arising from investment properties before depreciation and indirect expenses	2.92	2.78
Less: Depreciation	0.35	0.35
Profit arising from investment properties before indirect expenses	2.57	2.43

### 7. INTANGIBLE ASSETS

Particulars	Product designs, prototypes etc.	Computer softwares	Total
<b>Cost</b>			
<b>At March 31, 2016</b>	24.71	28.30	53.01
Additions	1.55	12.54	14.09
Disposals	1.06	3.73	4.79
<b>At March 31, 2017</b>	<b>25.20</b>	<b>37.11</b>	<b>62.31</b>
Additions	5.63	14.48	20.11
Disposals	-	0.02	0.02
<b>At March 31, 2018</b>	<b>30.83</b>	<b>51.57</b>	<b>82.40</b>
<b>Accumulated amortization</b>			
<b>At March 31, 2016</b>	7.70	16.27	23.97
Charge for the year	2.53	7.12	9.65
Disposals	1.03	3.69	4.72
<b>At March 31, 2017</b>	<b>9.20</b>	<b>19.70</b>	<b>28.90</b>
Charge for the year	3.80	11.06	14.86
Disposals	-	0.02	0.02
<b>At March 31, 2018</b>	<b>13.00</b>	<b>30.74</b>	<b>43.74</b>
<b>Carrying amount</b>			
At March 31, 2017	16.00	17.41	33.41
<b>At March 31, 2018</b>	<b>17.83</b>	<b>20.83</b>	<b>38.66</b>

### 8. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2018	As at March 31, 2017
Intangible assets under development	191.32	108.76
	<b>191.32</b>	108.76

Intangible assets under development mainly consists of cost of new products under development.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 9. INVESTMENTS IN SUBSIDIARIES & JOINT VENTURES

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
<b>Unquoted Investments</b>				
<b>(a) Investment in equity instruments of subsidiary companies (at cost)</b>				
47,13,569 (March 31, 2017 : 47,13,569) shares of BRL 1 each fully paid up of Royal Enfield Brasil Comércio de Motocicletas Ltda	9.82	-	9.82	-
1,00,000 (March 31, 2017 : 1,00,000) shares of Royal Enfield North America Limited (no face value)	34.17	-	18.26	-
<b>Sub-total (A)</b>	<b>43.99</b>	<b>-</b>	<b>28.08</b>	<b>-</b>
<b>(b) Investment in equity instruments of joint venture companies (at cost)</b>				
54,40,000 (March 31, 2017 : 54,40,000) Equity shares of Rs. 10 each fully paid up of VE Commercial Vehicles Limited	5.44	-	5.44	-
29,45,00,000 (March 31, 2017 : 26,69,00,000) Equity shares of Rs. 10 each fully paid up of Eicher Polaris Private Limited	294.50	-	266.90	-
Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013)*	-	-	-	-
<b>Sub-total</b>	<b>299.94</b>	<b>-</b>	<b>272.34</b>	<b>-</b>
Less: Impairment in value of investments in Eicher Polaris Private Limited (refer note 36)	(294.50)	-	-	-
<b>Sub-total (B)</b>	<b>5.44</b>	<b>-</b>	<b>272.34</b>	<b>-</b>
<b>Total (A+B)</b>	<b>49.43</b>	<b>-</b>	<b>300.42</b>	<b>-</b>

\*Cost of investment is stated as Rs. Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of Rs. 2,50,000 has been charged to the Statement of Profit and Loss in the financial year 2015-16.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### FINANCIAL ASSETS :

#### 10. INVESTMENTS

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
<b>Unquoted Investments</b>				
(a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL) 4,750 (March 31, 2017 : Nil) Equity shares of Suryadev Alloys and Power Private Limited	0.09	-	-	-
<b>Sub-total (A)</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Quoted Investments</b>				
(b) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	3,139.13	633.40	2,313.76	883.61
<b>Sub-total (B)</b>	<b>3,139.13</b>	<b>633.40</b>	<b>2,313.76</b>	<b>883.61</b>
(c) Investment in bonds carried at amortized cost	43.94	-	43.94	-
<b>Sub-total (C)</b>	<b>43.94</b>	<b>-</b>	<b>43.94</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>3,183.16</b>	<b>633.40</b>	<b>2,357.70</b>	<b>883.61</b>
<b>Aggregate carrying value of quoted investments</b>	<b>3,183.07</b>	<b>633.40</b>	<b>2,357.70</b>	<b>883.61</b>
<b>Aggregate market value of quoted investments</b>	<b>3,185.80</b>	<b>633.40</b>	<b>2,360.46</b>	<b>883.61</b>
<b>Aggregate carrying value of unquoted investments</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Category-wise investments - as per Ind AS 109 Classifications</b>				
<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>				
<b>Unquoted</b>				
Investment in equity instruments	0.09	-	-	-
<b>Quoted</b>				
Investment in mutual funds	3,139.13	633.40	2,313.76	883.61
<b>Financial assets carried at amortized cost</b>				
<b>Quoted</b>				
Investment in bonds	43.94	-	43.94	-

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 11. LOANS

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
Unsecured, considered good		
Loans to employees	0.28	0.34
<b>Total</b>	<b>0.28</b>	0.34

### 12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	22.44	16.44
Others	2.44	-
<b>Total</b>	<b>24.88</b>	16.44
<b>Current</b>		
<b>Unsecured, considered good</b>		
Insurance claim receivable	1.02	5.80
Lease rent receivable	0.05	0.05
Interest accrued on fixed deposits and bonds	29.68	2.34
Others	2.96	0.51
<b>Total</b>	<b>33.71</b>	8.70

### 13. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials	143.44	122.03
(Includes goods in transit of Rs. 28.74 crores (March 31, 2017 : Rs. 18.47 crores))		
Work in progress	18.01	14.90
Finished goods	188.68	156.63
Traded goods	16.63	20.32
Stores and spares	10.22	6.98
Loose tools	2.25	1.59
<b>Total</b>	<b>379.23</b>	322.45

Write-downs of inventories to net realisable value resulted in net loss of Rs. 3.84 crores (March 31, 2017 : Rs. 5.60 crores). These were recognized as an expense during the year in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 3.14.



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 14. TRADE RECEIVABLES

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
Secured, considered good	0.07	0.26
Unsecured - considered good	77.95	48.68
- considered doubtful	0.25	0.25
	78.27	49.19
Less: Provision for doubtful receivables	(0.25)	(0.25)
<b>Total</b>	<b>78.02</b>	48.94

All domestic sales are on advance payment basis, except for certain institutional sales which carries credit period of 50 to 60 days.

Export sales carries credit period of 0 to 180 days, depending on the contractual terms with respective customers.

For terms and condition for related party sales refer note 45

### 15. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	0.04	0.01
Cheques/drafts on hand	0.06	0.12
<b>Balances with banks:</b>		
In current accounts	89.18	12.66
<b>Total</b>	<b>89.28</b>	12.79

#### Changes in liabilities arising from financing activities

Particulars	April 1, 2017	Net cash flows	Others	March 31, 2018
Short term borrowings	67.44	18.54	-	85.98
Interest accrued but not due	-	(1.35)	1.35	-
Dividend payable including tax on dividend	-	(317.12)	317.12	-
<b>Total liabilities from financing activities</b>	67.44	(299.93)	318.47	85.98

### 16. OTHER BANK BALANCES

Particulars	As at March 31, 2018	As at March 31, 2017
In unpaid dividend accounts	10.60	7.82
On deposit accounts		
- Original maturity between three and twelve months	538.94	-
- Original maturity greater than twelve months	570.00	-
<b>Total</b>	<b>1,119.54</b>	7.82

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

#### 17. OTHER ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	66.22	133.74
Share application money pending allotment	-	11.10
Balance with government authorities	7.49	7.71
Prepayment land leases	88.25	89.14
Other prepayments	1.89	1.41
<b>Total</b>	<b>163.85</b>	<b>243.10</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Advance to suppliers	45.41	28.62
Advance to employees	4.81	2.03
Prepaid expenses	11.06	6.47
Balance with government authorities		
Considered good	119.28	28.64
Considered doubtful	1.11	1.11
	120.39	29.75
Less: Provision for doubtful advances	(1.11)	(1.11)
	119.28	28.64
Gratuity fund (net)	0.47	0.35
Prepayment land leases	0.89	0.96
Government grant receivable	8.36	7.94
Other prepayments	0.68	0.70
<b>Total</b>	<b>190.96</b>	<b>75.71</b>

#### 18. SHARE CAPITAL

##### (a) Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorized Equity share capital</b>		
3,00,00,000 (March 31, 2017 : 3,00,00,000) Equity shares of Rs. 10 each	30.00	30.00
<b>Total</b>	<b>30.00</b>	<b>30.00</b>
<b>Issued, subscribed and fully paid up</b>		
2,72,55,549 (March 31, 2017 : 2,72,10,249) Equity shares of Rs. 10 each	27.26	27.21
<b>Total</b>	<b>27.26</b>	<b>27.21</b>

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.

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

**(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, 2018		For the year ended March 31, 2017	
	Nos.	Rs. in Crores	Nos.	Rs. in Crores
At the beginning of the year	2,72,10,249	27.21	2,71,61,183	27.16
Issued during the year - ESOP (refer note 48)	45,300	0.05	49,066	0.05
Outstanding at the end of the year	2,72,55,549	27.26	2,72,10,249	27.21

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust	1,20,30,648	44.14%	1,20,30,648	44.21%

**(iii)** Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in note 48.

**(b) Preference share capital**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorized Preference share capital</b>		
1,01,000 (March 31, 2017 : 1,01,000) Redeemable preference shares of Rs. 100 each	1.01	1.01
<b>Total</b>	<b>1.01</b>	1.01

The Company has not issued any preference shares.

## 19. OTHER EQUITY

Particulars	As at March 31, 2018	As at March 31, 2017
Capital reserves	0.25	0.25
Capital redemption reserve	1.41	1.41
Securities premium reserve	60.37	32.09
General reserves	339.89	339.89
Share based payments reserve	59.80	45.13
Foreign currency translation reserve	11.99	-
Retained earnings	4,871.26	3,476.61
	<b>5,344.97</b>	3,895.38

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A Capital reserve</b>		
Opening balance	0.25	0.25
Add / Less: Movement during the year	-	-
<b>Closing balance</b>	<b>0.25</b>	0.25

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>B Capital redemption reserve</b>		
Opening balance	1.41	1.41
Add / Less: Movement during the year	-	-
<b>Closing balance</b>	<b>1.41</b>	1.41

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C Securities premium reserve</b>		
Opening balance	32.09	25.80
Add: Proceeds from issue of equity shares@	19.44	5.69
Add: Transferred from share options outstanding account	8.84	0.60
<b>Closing balance</b>	<b>60.37</b>	32.09

@ Represents premium @ Rs. 452 per equity share on 500 (March 31, 2017 : 2,500) equity shares, @ Rs. 685 per equity share on 29,000 (March 31, 2017 : 11,000) equity shares, @ Rs. 1,152 per equity share on Nil (March 31, 2017 : 32,100) equity shares, @ Rs. 1,760 per equity share on 1,800 (March 31, 2017 : 1,800) equity shares, and @ Rs. 4,905 per equity share on 1,000 (March 31, 2017 : 1,666) equity shares, and @ Rs. 8,467.50 per equity share on 3,830 (March 31, 2017 : Nil) equity shares, and @ Rs. 12,983.65 per equity share on 800 (March 31, 2017 : Nil) equity shares, and @ Rs. 14,729 per equity share on 8,370 (March 31, 2017 : Nil) equity shares issued and allotted during the year under Employee Stock Option Scheme. The Company can utilize the same for the purpose of buy back of share or issue of fully paid bonus shares.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>D General reserves</b>		
Opening balance	339.89	339.89
Add: Amount transferred from retained earnings	-	-
<b>Closing balance</b>	<b>339.89</b>	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.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>E Share based payments reserve</b>		
Opening balance	45.13	25.23
Add : ESOP expense during the year	18.11	20.50
Add : ESOP expense transferred to subsidiary company	5.40	-
Less : Transferred to securities premium on issue of shares	8.84	0.60
<b>Closing balance</b>	<b>59.80</b>	<b>45.13</b>

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share-based payments to employees is set out in note 48

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>F Foreign currency translation reserve</b>		
Opening balance	-	-
Add : Exchange differences in translation of foreign operations	11.99	-
<b>Closing balance</b>	<b>11.99</b>	<b>-</b>

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>G Retained earnings</b>		
Opening balance	3,476.61	1,916.67
Add: Profit for the year	1,712.91	1,560.02
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	(1.14)	(0.08)
Less: Dividend (amount per share Rs. 100 (March 31, 2017 : Rs. Nil))	272.22	-
Less: Tax on dividend	44.90	-
<b>Total appropriations</b>	<b>317.12</b>	<b>-</b>
<b>Balance at end of year</b>	<b>4,871.26</b>	<b>3,476.61</b>

## FINANCIAL LIABILITIES :

### 20. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Security deposits received	8.88	7.16
<b>Total</b>	<b>8.88</b>	<b>7.16</b>
<b>Current</b>		
Employee dues	59.16	49.17
Capital creditors	69.15	70.29
Unpaid dividend *	10.60	7.82
Book overdraft	-	2.66
Provision for constructive obligation towards the discontinued operations of a joint venture (refer note 36)	17.48	-
Others	10.31	10.31
<b>Total</b>	<b>166.70</b>	<b>140.25</b>

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

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 21. BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unsecured</b>		
- From bank		
Short-term Loan	<b>85.98</b>	67.44
<b>Total</b>	<b>85.98</b>	67.44

### 22. TRADE PAYABLES

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 41)	<b>27.15</b>	13.41
<b>Sub-total (A)</b>	<b>27.15</b>	13.41
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	<b>110.12</b>	90.78
Other trade payables	<b>1,033.20</b>	660.30
<b>Sub-total (B)</b>	<b>1,143.32</b>	751.08
<b>Total (A+B)</b>	<b>1,170.47</b>	764.49

For terms and condition pertaining to related party dues, refer note 45

### 23. PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Employee benefits - refer note (i) below		
Other employee benefits	<b>3.88</b>	2.96
Warranties - refer note (ii) below	<b>25.24</b>	23.17
<b>Total</b>	<b>29.12</b>	26.13
<b>Current</b>		
Employee benefits - refer note (i) below		
Compensated absences	<b>8.06</b>	10.40
Other employee benefits	<b>0.04</b>	0.07
<b>Sub-total (A)</b>	<b>8.10</b>	10.47
Warranties - refer note (ii) below	<b>39.11</b>	32.04
<b>Sub-total (B)</b>	<b>39.11</b>	32.04
<b>Total (A+B)</b>	<b>47.21</b>	42.51

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

- (i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.  
(ii) Movement in warranties provision

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	55.21	46.15
Additions during the year	47.30	47.80
Amount utilised during the year	39.85	40.27
Unwinding of discount	1.69	1.53
Closing balance	64.35	55.21

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

## 24. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax liabilities on</b>		
Property, plant and equipment and intangible assets	150.48	81.67
Investments measured at FVTPL	11.88	8.01
Others	0.97	1.09
<b>Sub-total (A)</b>	<b>163.33</b>	90.77
<b>Less: Deferred tax assets on</b>		
Accrued expenses deductible on payment	2.80	3.26
Deferred revenue	10.08	-
Provision for compensated absences and other employee benefits	2.79	3.60
Provision for doubtful debts and advances	0.47	0.47
Others	4.22	4.22
<b>Sub-total (B)</b>	<b>20.36</b>	11.55
<b>Total (A-B)</b>	<b>142.97</b>	79.22

### Movement of deferred tax liabilities/assets

#### For the year ended March 31, 2018

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
<b>Deferred tax liabilities on</b>				
Property, plant and equipment and intangible assets	81.67	68.81	-	150.48
Investments measured at FVTPL	8.01	3.87	-	11.88
Others	1.09	(0.12)	-	0.97
<b>Sub-total (A)</b>	90.77	72.56	-	163.33

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
<b>Less: Deferred tax assets on</b>				
Accrued expenses deductible on payment	3.26	(0.46)	-	2.80
Deferred revenue	-	10.08	-	10.08
Provision for compensated absences and other employee benefits	3.60	(0.81)	-	2.79
Exchange differences in translating the financial statements of foreign operations	-	6.33	(6.33)	-
Remeasurement of defined benefit obligation	-	(0.60)	0.60	-
Provision for doubtful debts and advances	0.47	-	-	0.47
Others	4.22	-	-	4.22
<b>Sub-total (B)</b>	11.55	14.54	(5.73)	20.36
<b>Total (A-B)</b>	79.22	58.02	5.73	142.97

### For the year ended March 31, 2017

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
<b>Deferred tax liabilities on</b>				
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	0.33	-	1.09
<b>Sub-total (A)</b>	51.25	39.52	-	90.77
<b>Less: Deferred tax assets on</b>				
Accrued expenses deductible on payment	2.26	1.00	-	3.26
Provision for gratuity	-	(0.04)	0.04	-
Provision for compensated absences and other employee benefits	2.89	0.71	-	3.60
Provision for doubtful debts and advances	0.53	(0.06)	-	0.47
Others	4.75	(0.53)	-	4.22
<b>Sub-total (B)</b>	10.43	1.08	0.04	11.55
<b>Total (A-B)</b>	40.82	38.44	(0.04)	79.22

### 25. CURRENT TAX LIABILITY / (ASSETS)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Tax liabilities</b>		
Provision for current tax (net)	108.01	37.74
<b>Total</b>	108.01	37.74
<b>Tax assets</b>		
Advance income tax (net)	18.44	18.42
<b>Total</b>	18.44	18.42



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 26. OTHER LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Deferred revenue arising from Government grant - refer note (i) below	46.84	23.20
<b>Total</b>	<b>46.84</b>	23.20
<b>Current</b>		
Advance from customers	420.61	292.06
Deferred revenue arising from Government grant - refer note (i) below	10.13	-
Deferred revenue	29.13	18.82
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	145.42	113.78
Others	10.97	4.87
<b>Total</b>	<b>616.26</b>	429.53

(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.
- Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant.

These grants will be recognized in statement of profit and loss on a systematic basis over the useful life of the assets after capitalization of the related fixed assets.

### 27. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue from operations</b>		
Sale of products		
Manufactured goods (including excise duty)*	8,846.02	7,695.33
Traded goods	321.71	218.38
<b>Sub-total (A)</b>	<b>9,167.73</b>	7,913.71
<b>Other operating revenue</b>		
Government grant (Export incentives)**	17.58	6.25
Scrap sale	22.15	19.01
Excess liability no longer required written back	-	0.18
Income from other operating revenues	4.35	4.91
<b>Sub-total (B)</b>	<b>44.08</b>	30.35
<b>Total (A+B)</b>	<b>9,211.81</b>	7,944.06

\*Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Excise Duty, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duty, levies like GST is not considered as part of Revenue. Accordingly the figures of previous year ended March 31, 2017 and first three months of the current period, i.e., April 2017 to June 2017, includes Excise duty on sales. Excise duty on sales has been disclosed separately in the Statement of Profit and Loss.

\*\*Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Details of products sold</b>		
<b>Manufactured goods</b>		
Two wheelers	8,314.17	7,279.23
Spare parts and other components	531.85	416.10
<b>Total</b>	<b>8,846.02</b>	<b>7,695.33</b>
<b>Traded goods</b>		
Accessories and other allied products	321.71	218.38
<b>Total</b>	<b>321.71</b>	<b>218.38</b>

### 28. OTHER INCOME

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest income on financial assets carried at amortised cost</b>		
Bank deposits and bonds	37.61	2.03
Others	1.71	1.90
	<b>39.32</b>	<b>3.93</b>
<b>Dividend income</b>		
Dividend from joint venture company	51.68	-
	<b>51.68</b>	<b>-</b>
<b>Net gain on financial instruments at fair value through profit or loss</b>		
	<b>235.02</b>	<b>219.74</b>
<b>Other non-operating income</b>		
Rent income (refer note 6)	2.92	2.80
Other income	1.75	0.72
Profit on sale of property, plant and equipment	0.17	0.12
Exchange gain (net)	1.57	-
	<b>6.41</b>	<b>3.64</b>
<b>Total</b>	<b>332.43</b>	<b>227.31</b>

### 29. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	122.03	113.93
Add: Purchases	4,597.63	3,647.56
	<b>4,719.66</b>	<b>3,761.49</b>
Less: Inventory at the end of the year	143.44	122.03
Less: Material cost of vehicles capitalised	1.71	1.64
	<b>4,574.51</b>	<b>3,637.82</b>
Less: Sale of raw materials to suppliers on cost to cost basis	58.91	22.37
<b>Total</b>	<b>4,515.60</b>	<b>3,615.45</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 30. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Accessories and other allied products	154.97	105.62
<b>Total</b>	<b>154.97</b>	<b>105.62</b>

### 31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventories at the end of the year</b>		
Finished goods	188.68	156.63
Work-in-progress	18.01	14.90
Traded goods	16.63	20.32
<b>A</b>	<b>223.32</b>	<b>191.85</b>
<b>Inventories at the beginning of the year/period</b>		
Finished goods	156.63	148.44
Work-in-progress	14.90	9.43
Traded goods	20.32	19.48
<b>B</b>	<b>191.85</b>	<b>177.35</b>
<b>Net change (B-A)</b>	<b>(31.47)</b>	<b>(14.50)</b>

### 32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	454.50	329.37
Contribution to provident and other funds (refer note 42)	22.11	18.93
Share-based payments (refer note 48)	18.11	20.50
Staff welfare expenses	53.14	40.17
<b>Total</b>	<b>547.86</b>	<b>408.97</b>

### 33. FINANCE COSTS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
On other borrowings	1.35	1.26
Unwinding of discount on provisions	1.69	1.53
<b>Total</b>	<b>3.04</b>	<b>2.79</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 34. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (refer note 4)	207.13	143.34
Depreciation of investment property (refer note 6)	0.35	0.35
Amortization of intangible assets (refer note 7)	14.86	9.65
<b>Total</b>	<b>222.34</b>	<b>153.34</b>

### 35. OTHER EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of Stores and machinery spares (including loose tools and packing material)	149.10	115.42
Increase/decrease of excise duty on finished goods	(8.34)	2.37
Loss on sale of property, plant and equipment and intangible assets	1.00	0.36
Property, plant and equipment discarded	-	0.03
Power and fuel	52.37	45.99
Insurance	10.51	8.75
Repairs and maintenance		
Buildings	3.30	2.30
Plant and equipment	37.53	34.16
Others	28.41	18.08
Rates and taxes	5.76	11.68
Advertisement	11.84	17.64
Freight and handling charges	134.01	103.86
Incentives	16.46	15.20
Warranty	47.30	47.80
Other selling and distribution expenses	173.68	103.51
Rent	36.50	28.40
Legal and professional charges*	27.48	25.67
Travelling expenses	70.35	39.22
Development expenses	10.40	7.18
Corporate social responsibility expenditure (refer note 51)	30.85	18.33
Exchange loss (net)	-	11.80
Miscellaneous expenses	78.84	58.87
<b>Total</b>	<b>917.35</b>	<b>716.62</b>

\*Including payment to auditors as below (excluding GST & Service tax):

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>As auditors:</b>		
a) For Audit	0.25	0.25
b) For Limited reviews of unaudited financial results	0.15	0.19
c) For other services	0.07	0.07
d) For reimbursement of expenses	0.03	0.01
<b>Total</b>	<b>0.50</b>	<b>0.52</b>
<b>In other capacity:</b>		
a) For other services	0.06	0.09
<b>Total</b>	<b>0.06</b>	<b>0.09</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 36. EXCEPTIONAL ITEMS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Impairment loss in the value of investments		
- Eicher Polaris Private Limited	<b>311.98</b>	-
<b>Total</b>	<b>311.98</b>	-

Pursuant to the decision of the Board of Directors of the joint venture company, Eicher Polaris Private Limited at their meeting held on March 09, 2018 to wind down the operations with immediate effect, the Company has recorded an impairment loss of Rs. 294.50 crores on the investment. Further, the Company has also recorded an amount of Rs. 17.48 crores towards its share of cost to wind down the operations (refer note no 20). Accordingly, the Company has recorded a cumulative loss of Rs. 311.98 crores as exceptional item in statement of profit & loss during the year.

### 37. INCOME TAX RECOGNIZED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current tax</b>		
In respect of the current year	<b>877.34</b>	678.53
<b>Sub-total (A)</b>	<b>877.34</b>	678.53
<b>Deferred tax charge</b>		
In respect of the current year	<b>58.02</b>	38.44
<b>Sub-total (B)</b>	<b>58.02</b>	38.44
<b>Total (A+B)</b>	<b>935.36</b>	716.97

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	<b>2,648.27</b>	2,276.99
Income tax expense calculated at 34.608% (2016-17 : 34.608%)	<b>916.51</b>	788.02
Effect of lower tax on long-term capital gain from investment in mutual funds	<b>(58.27)</b>	(68.15)
Effect of additional deduction of research and product development cost	<b>(6.54)</b>	(11.77)
Effect of additional deduction for investment allowance under Section 32AC of the Income tax Act, 1961	-	(6.10)
Effect of ESOP expenses not deductible in determining taxable profits	<b>6.27</b>	7.09
Effect of income exempt from taxation	<b>(18.92)</b>	(0.52)
Effect of non creation of deferred tax asset on exceptional item	<b>107.97</b>	-
Others	<b>(11.66)</b>	8.40
	<b>935.36</b>	716.97
Income tax expense recognized in statement of profit and loss	<b>935.36</b>	716.97

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

#### Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Deferred tax charge/(benefit)</b>		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	<b>6.33</b>	-
Remeasurement of defined benefit obligation	<b>(0.60)</b>	(0.04)
<b>Total</b>	<b>5.73</b>	(0.04)
Bifurcation of the income tax recognized in other comprehensive income into:		
Items that may be reclassified to profit or loss	<b>6.33</b>	-
Items that will not be reclassified to profit or loss	<b>(0.60)</b>	(0.04)
<b>Total</b>	<b>5.73</b>	(0.04)

#### 38. CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 273.00 crores (March 31, 2017 : Rs. 397.57 crores).

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

#### 39. RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 31.38 crores (March 31, 2017 : Rs. 36.78 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 206.18 crores (March 31, 2017 : Rs. 91.29 crores).

#### 40. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2018	As at March 31, 2017
a) In respect of the following:		
- Excise duty matters	<b>1.72</b>	1.74
- Sales tax matters	<b>6.38</b>	6.75
- Service tax matters	<b>0.39</b>	0.39
- Customs duty matters	<b>3.48</b>	3.48
b) Claims against the Company not acknowledged as debts	<b>5.23</b>	3.86
c) Guarantees given:	<b>101.66</b>	75.41
to bank/others for credit facility granted to 100% subsidiary Company		
- Dues outstanding	<b>64.86</b>	44.41

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

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

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

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	<b>26.95</b>	13.27
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	<b>9.89</b>	5.00
(iv) The amount of interest due and payable for the year	<b>0.07</b>	0.07
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	<b>0.20</b>	0.14
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

### 42. EMPLOYEE BENEFIT PLANS

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

#### A. Defined Contribution Plans

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Detail of amount recognized as expense for defined contribution plans is given below:		
a) Provident fund*	<b>15.56</b>	15.73
b) Superannuation fund	<b>0.49</b>	0.43
c) Employees' State Insurance Corporation	<b>4.77</b>	2.22
d) Other funds	<b>7.57</b>	3.92

\*includes Rs. 0.10 crore (March 31, 2017 : Rs. 0.06 crore) capitalized during the year and Rs. 6.18 crores (March 31, 2017 : Rs. 3.31 crores) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 3.55 crores (March 31, 2017 : Rs. 2.59 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government administered provident fund.

#### B. Defined benefit plans:

The Defined benefit plan of the Company includes entitlement of gratuity and provident fund scheme.

This plan typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

#### Provident fund :

Under the defined benefit plan, the Company contributes to the "Eicher Executive Provident Fund Trust". The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Company does not have additional obligation as at March 31, 2018.

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

Principal assumptions	Provident fund	
	As at March 31, 2018	As at March 31, 2017
Discount rate	7.91%	7.50%
Expected statutory interest rate on the ledger balance	8.55%	8.65%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Retirement age	58 years	58 years
Rate of withdrawal	3.00%	3.00%
In service mortality	IALM (2006-08)	IALM (2006-08)

#### Gratuity:

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

Principal assumptions	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Discount rate	7.90%	7.50%
Future salary increase	7.50%	7.00%
Retirement age	58 years	58 years
Rate of withdrawal	2.00%	2.00%
In service mortality	IALM (2006-08)	IALM (2006-08)

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

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Service cost:		
Current service cost	2.66	1.96
Net Interest expense	(0.02)	(0.01)
<b>Components of defined benefit costs recognized in profit or loss</b>	<b>2.64</b>	<b>1.95</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	1.74	0.12
<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>1.74</b>	<b>0.12</b>
<b>Total</b>	<b>4.38</b>	<b>2.07</b>



## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

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

Particulars	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	17.13	13.32
Fair value of plan assets	17.60	13.67
<b>Net liability arising from defined benefit obligation</b>	<b>(0.47)</b>	(0.35)

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

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening defined obligation	13.32	11.34
Current service cost	2.66	1.96
Interest cost	1.00	0.85
Actuarial (gains)/ losses	1.54	0.53
Benefits paid	(1.39)	(1.36)
Closing defined benefit obligation	17.13	13.32

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

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening fair value of plan assets@	13.67	11.65
Interest income	1.02	0.86
Actuarial gains/ (losses)	(0.20)	0.41
Contribution	4.50	1.00
Benefit paid	(1.39)	(0.25)
Closing fair value of plan assets@	17.60	13.67

@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, 2018	As at March 31, 2017
Government securities	5.67	4.64
Debt instruments categorized by issuers credit rating:		
AAA	8.84	7.25
AA+	1.78	0.82
AA	0.91	0.55
Cash, deposits, etc.	0.40	0.41

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. 0.83 crore for the year ended March 31, 2018.

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### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

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. 0.87 crore (increase by Rs. 0.95 crore) ( as at March 31, 2017: Decrease by Rs. 0.62 crore (increase by Rs. 0.68 crore)).
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 0.95 crore (decrease by Rs. 0.87 crore) ( as at March 31, 2017: Increase by Rs. 0.68 crore (decrease by Rs. 0.62 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 recognized in the balance sheet.

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

#### Other disclosures

##### Maturity profile of defined benefit obligation

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Average duration of the defined benefit obligation (in years)</b>	<b>19.67</b>	19.27

The estimated contribution during next year is Rs. 3.18 crores (March 31, 2017 : Rs. 2.36 cores) to the defined benefit plan.

### 43. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Basic earnings per share</b>	<b>629.07</b>	573.75
<b>Diluted earnings per share</b>	<b>627.88</b>	572.17
<b>Basic earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
Profit for the year, per statement of profit and loss (Rs. in crores)	<b>1,712.91</b>	1,560.02
Weighted average number of equity shares for the purposes of basic earnings per share	<b>2,72,29,364</b>	2,71,89,996
<b>Diluted earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.		
Profit for the year, per statement of profit and loss (Rs. in crores)	<b>1,712.91</b>	1,560.02
Weighted average number of equity shares for the purposes of basic earnings per share	<b>2,72,29,364</b>	2,71,89,996
Shares deemed to be issued for no consideration in respect of :		
- employee options	<b>51,448</b>	74,974
Weighted average number of equity shares for the purposes of diluted earnings per share	<b>2,72,80,812</b>	2,72,64,970

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 44. SEGMENT REPORTING DISCLOSURE

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

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

#### Geographical information

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

Particulars	Domestic	Overseas	Total
<b>Revenue from operations</b>			
<b>For the year ended March 31, 2018</b>	<b>8,938.43</b>	<b>273.38</b>	<b>9,211.81</b>
For the year ended March 31, 2017	7,722.28	221.78	7,944.06
<b>Non-current segment assets</b>			
<b>As at March 31, 2018</b>	<b>1,752.73</b>	<b>309.48</b>	<b>2,062.21</b>
As at March 31, 2017	1,641.37	164.39	1,805.76

- Domestic segment includes sales and services to customers located in India.
- Overseas segment includes sales and services rendered to customers located outside India.
- Non-current segment assets include property, plant and equipment, investments in subsidiaries & joint ventures and other non-current assets.
- The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

#### Information about major customers

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

### 45. RELATED PARTY DISCLOSURES UNDER IND AS 24

#### a. Related party disclosures:

Name of related parties and their relationship:

Name of related party		Nature of Relationship
Royal Enfield North America Ltd.	(RENA)	Subsidiary company
Royal Enfield Canada Ltd.	(RECA)	100% subsidiary company of RENA
Royal Enfield Brasil Comercio de Motocicletas Ltda	(RE Brasil)	Subsidiary company
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation	(EGF)	Joint venture company
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
Eicher Goodearth India Private Limited #	(EGIPL)	Entity under the control of the key management personnel
Eicher Executive Provident Fund	(EEPF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETESSF)	Post employment benefit plan
Eicher Motors Limited Employees Gratuity Trust	(EMLEGT)	Post employment benefit plan
The Simran Siddhartha Tara Benefit Trust	(SSTBT)	Shareholders holding more than 5% equity shares in the Company

#Incorporated on January 01, 2018

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

#### b. Key management personnel:

Mr. Siddhartha Lal	Managing Director & Chief Executive Officer
Mr. S. Sandilya	Chairman
Mr. Priya Brat	Non-executive and independent director (Resigned w.e.f. June 16, 2017)
Mr. M.J. Subbaiah	Non-executive and independent director (Resigned w.e.f. March 31, 2018)
Mr. Prateek Jalan	Non-executive and independent director
Ms. Manvi Sinha	Non-executive and independent director
Mr. Lalit Malik	Chief Financial Officer
Mr. Manhar Kapoor	Company Secretary

#### c. Transactions with the key management personnel during the year

Particulars	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
Mr. Siddhartha Lal	<b>Managerial remuneration</b>		
	Short-term benefits	10.12	9.20
	Post-employment benefits	0.14	0.33
	Other long-term benefits	0.05	0.17
		<b>10.31</b>	9.70
Mr. S. Sandilya	Sitting fees	0.03	0.03
	Commission	0.53	0.48
Mr. Priya Brat	Sitting fees	0.01	0.03
	Commission	-	0.09
Mr. M.J. Subbaiah	Sitting fees	0.02	0.02
	Commission	0.10	0.09
Mr. Prateek Jalan	Sitting fees	0.03	0.03
	Commission	0.23	0.21
Ms. Manvi Sinha	Sitting fees	0.02	0.01
	Commission	0.10	0.09
Mr. Lalit Malik	<b>Remuneration</b>		
	Short-term benefits	2.06	2.51
	Post-employment benefits	0.04	0.05
	Other long-term benefits	-	0.05
		<b>2.10</b>	2.61
Mr. Manhar Kapoor	<b>Remuneration</b>		
	Short-term benefits	0.88	0.82
	Post-employment benefits	0.01	0.02
	Other long-term benefits	0.01	0.01
		<b>0.90</b>	0.85

The above remuneration to key managerial personnel does not include employee stock compensation expense

#### d. Transactions with the related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
VE Commercial Vehicles Limited	Purchase of raw materials and components / services	160.14	145.74
	Expenses reimbursed	0.35	0.43
	Corporate service charges paid	2.43	2.60
	Dividend income	51.68	-
Eicher Polaris Private Limited	Investment in equity share capital (including advance given in previous year)	27.60	45.60
	Advance given for subscription of equity shares	-	11.10

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

Name of related party	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
	Expenses recovered	0.05	1.07
	Rent income	2.92	2.78
Eicher Goodearth Private Limited	Expenses reimbursed	-	6.28
	Corporate service charges paid	0.88	0.83
	Rent	3.42	3.33
	Brand fees paid	16.02	17.55
Eicher Goodearth India Private Limited	Brand fees paid	6.31	-
Royal Enfield North America Ltd	Investment in shares capital of subsidiary company	15.90	2.72
	Guarantee given	-	51.33
	Sale of products	12.84	18.99
	Expenses recovered	5.58	-
	Expenses reimbursed	0.66	0.65
Royal Enfield Brasil Comercio de Motocicletas Ltda	Investment in shares capital of subsidiary company	-	8.29
	Guarantee given	26.02	-
	Sale of products	10.88	1.73
Eicher Group Foundation	Corporate social responsibility expenditure	25.08	18.09
Eicher Executive Provident Fund	Contribution	3.55	2.59
Eicher Tractors Executive Staff Superannuation Fund	Contribution	0.31	0.25
Eicher Motors Limited Employees Gratuity Trust	Contribution	4.50	1.00
	Benefits paid	(1.39)	(0.25)

### Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2018	As at March 31, 2017
VE Commercial Vehicles Limited	Trade payables	45.63	32.68
Eicher Polaris Private Limited	Advance given for subscription of equity shares (at cost)	-	11.10
Eicher Goodearth Private Limited	Trade payables	0.27	0.23
	Security deposits receivable	1.09	1.09
Royal Enfield North America Ltd	Trade receivables	8.22	0.88
	Share based payments receivables	5.40	-
	Trade payables	0.14	0.13
	Guarantee given	75.65	75.41
Royal Enfield Brasil Comercio de Motocicletas Ltda	Trade receivables	4.21	1.73
	Guarantee given	26.02	-
Mr. Siddhartha Lal	Commission payable	4.80	4.20
Non-executive and independent directors	Commission payable	0.96	1.02

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017 : Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company provides a credit period of 90 days and 180 days with respect to receivables from RENA and RE Brasil, respectively.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 46. FINANCIAL INSTRUMENTS

#### Capital Management

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

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

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

The following table summarizes the capital of the Company:

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings (refer note 21)	85.98	67.44
Less: cash and cash equivalents (refer note 15)	(89.28)	(12.79)
<b>Net debt*</b>	-	54.65
Share capital	27.26	27.21
Other equity	5,344.97	3,895.38
<b>Total Equity</b>	<b>5,372.23</b>	<b>3,922.59</b>
<b>Gearing ratio</b>	-	1.39%

\*Cash and cash equivalents for the current year is greater than borrowings, hence net debt is considered as Nil.

#### 46.1 Categories of financial instruments

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Financial assets at fair value through profit or loss</b>		
<b>Non-current</b>		
Investments in equity	0.09	-
Investments in mutual funds	3,139.13	2,313.76
<b>Current</b>		
Investments in mutual funds	633.40	883.61
<b>Financial assets at amortized cost</b>		
<b>Non-current</b>		
Investments in bonds	43.94	43.94
Other financial assets	24.88	16.44
<b>Current</b>		
Trade receivables	78.02	48.94
Cash and bank balances	1,208.82	20.61
Loans	0.28	0.34
Other financial assets	33.71	8.70
<b>Financial liabilities at amortized cost</b>		
<b>Non-current</b>		
Other financial liabilities	8.88	7.16
<b>Current</b>		
Borrowings	85.98	67.44
Trade payables	1,170.47	764.49
Other financial liabilities	166.70	140.25

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 46.2 Fair value measurements

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

The following is the basis of categorizing the financial instruments measured at fair value into Level 1 to Level 3 :-

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

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

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

#### 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 at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

Particulars	Fair value as at March 31, 2018		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in equity	-	-	0.09
Investments in mutual funds	3,139.13	-	-
<b>Current</b>			
Investments in mutual funds	633.40	-	-

Particulars	Fair value as at March 31, 2017		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	2,313.76	-	-
<b>Current</b>			
Investments in mutual funds	883.61	-	-

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

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

Particulars	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at amortised cost</b>				
<b>Non-current</b>				
Investments in bonds	43.94	46.67	43.94	46.70

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

Particulars	Fair value hierarchy	
	March 31, 2018	March 31, 2017
	Level 1	Level 1
<b>Financial assets at amortised cost</b>		
<b>Non-current</b>		
Investments in bonds	<b>46.67</b>	46.70

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

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

### 47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial risk management objectives

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

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

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

#### Market risk

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

#### Foreign currency risk management

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



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

Foreign currency exposure	As at March 31, 2018		As at March 31, 2017	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.35	0.23	0.19	0.10
EURO	0.35	0.03	0.27	0.04
GBP	0.09	0.08	0.11	0.07
JPY	-	12.16	-	7.44
Others	-	0.17	-	0.60

### Foreign currency sensitivity

The company uses the sensitivity rate of 5% when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. In the opinion of the management, the sensitivity of increase or decrease of Rs. against the relevant foreign currencies is not material to the financial statement.

### Credit risk management

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

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

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

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

### Movement in the expected credit loss allowance of financial assets

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at beginning of the year	0.25	0.43
Less: Reversals of provision	-	0.18
Balance at end of the year	0.25	0.25

### Other price risks including interest rate risk

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

### NAV price sensitivity analysis

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

- profit for the year ended March 31, 2018 would increase/decrease by Rs. 37.73 crores (for the year ended March 31, 2017: increase/decrease by Rs. 31.97 crores).

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

#### Interest rate risk

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

#### Liquidity risk

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

#### Maturity profile of financial liabilities:

Particulars	As at March 31, 2018			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current Other financial liabilities	-	-	8.88	8.88
<b>Current</b>				
(i) Borrowings	85.98	-	-	85.98
(ii) Trade payables	1,170.47	-	-	1,170.47
(iii) Other financial liabilities	166.70	-	-	166.70

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
<b>Current</b>				
(i) Borrowings	67.44	-	-	67.44
(ii) Trade payables	764.49	-	-	764.49
(iii) Other financial liabilities	140.25	-	-	140.25

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

#### 48. SHARE-BASED PAYMENTS

##### Employee share option plan of the Company

Pursuant to the approval accorded by shareholders at their Annual General Meeting held on 5th July 2006, the Nomination and Remuneration Committee of the Company formulated 'Eicher Employee Stock Option Plan 2006' (ESOP Scheme 2006).

Eicher Employee Stock Option Plan is applicable to all permanent and full-time employees (as defined in the Plan), excluding promoters of the Company. 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.

Vesting of the options shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant provided the vesting period shall not be more than 5 (five) years and not less than 1 year from the date of grant.

Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under Company's Employee Stock Option Plan, 2006.

The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant, provided that the Exercise Price shall not be less than the closing market price of the shares of the Company on NSE/BSE on the day preceding the date of grant of Options.

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### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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The options granted can be exercised at any time until completion of seven years from the date of vesting. Any options remaining unexercised at the end of the exercise period shall lapse. At the time of exercise the participant may pay the exercise price in the form of payment as approved by the Compensation Committee.

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
(xxii)	1,350	9-Aug-17	3-5 Years	8-Aug-27	32,121.00	14,973.54
(xxiii)	1,500	14-Nov-17	3-5 Years	13-Nov-27	30,585.00	14,520.88
(xxiv)	2,100	7-Feb-18	3-5 Years	6-Feb-28	27,579.25	12,729.74

#### 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. 29,728.74 (March 31, 2017 : Rs. 22,751.61). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

#### Inputs into the Black Scholes options pricing model model

Particulars	Option series			
	(xvii)	(xviii)	(xix)	(xx)
<b>Grant date share price</b>	20,148	20,340	24,492	23,028
Exercise price	20,148	20,340	24,492	23,028
Expected volatility	33.65%-39.83%	32.04%-37.36%	31.91%-33.37%	31.34%-32.78%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.94%	0.94%	0.89%	0.89%
Risk-free interest rate	7.52%-7.60%	7.3%-7.38%	6.96%-7.01%	6.69%-6.85%

Particulars	(xxi)	(xxii)	(xxiii)	(xxiv)
	<b>Grant date share price</b>	24,350	32,121	30,585
Exercise price	24,350	32,121	30,585	27,579.25
Expected volatility	30.73%-32.54%	29.99%-31.89%	30.06%-31.37%	30.23%-30.97%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.89%	0.83%	0.83%	0.83%
Risk-free interest rate	6.07%-6.28%	6.79%-6.88%	7.21%-7.29%	7.78%-7.96%

#### Movements in share options during the year

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	<b>1,56,674</b>	<b>12,236.35</b>	2,03,490	9,032.69
Granted during the year	<b>4,950</b>	<b>29,728.74</b>	12,800	22,751.61
Forfeited during the year	<b>(2,100)</b>	<b>16,894.00</b>	(10,550)	14,662.45
Exercised during the year	<b>(45,300)</b>	<b>4,298.37</b>	(49,066)	1,171.37
<b>Balance at end of the year</b>	<b>1,14,224</b>	<b>16,056.89</b>	1,56,674	12,236.35
Exercisable at the end of the year	<b>4,694</b>	<b>8,039.57</b>	36,634	1,895.41

#### Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Share-based payments	<b>18.11</b>	20.50

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### Share options exercised during the year

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

Option series	Number exercised	Exercise date	Exercise Price Rs.
<b>For the year ended March 31, 2018</b>			
(vi) Granted on February 11, 2012	1,800	5-May-17	1,770
(iii) Granted on April 29, 2010	10,000	5-May-17	695
(ii) Granted on October 22, 2007	500	7-Aug-17	462
(iii) Granted on April 29, 2010	10,000	14-Nov-17	695
(viii) Granted on August 11, 2014	3,830	14-Nov-17	8,478
(ix) Granted on November 12, 2014	329	14-Nov-17	12,994
(iii) Granted on April 29, 2010	9,000	7-Feb-18	695
(vii) Granted on December 16, 2013	1,000	7-Feb-18	4,915
(x) Granted on January 12, 2015	2,000	7-Feb-18	14,739
(xi) Granted on January 12, 2015	6,370	7-Feb-18	14,739
(ix) Granted on November 12, 2014	471	7-Feb-18	12,994
<b>Total</b>	<b>45,300</b>		
<b>Weighted average exercise price</b>	<b>4,288.37</b>		
<b>For the year ended March 31, 2017</b>			
(vi) Granted on February 11, 2012	1,800	5-May-16	1,770
(iii) Granted on April 29, 2010	3,000	28-Jul-16	695
(v) Granted on May 06, 2011	32,100	28-Jul-16	1,162
(ii) Granted on October 22, 2007	2,500	28-Oct-16	462
(iii) Granted on April 29, 2010	3,000	28-Oct-16	695
(iii) Granted on April 29, 2010	5,000	1-Feb-17	695
(vii) Granted on December 16, 2013	1,666	1-Feb-17	4,915
<b>Total</b>	<b>49,066</b>		
<b>Weighted average exercise price</b>	<b>1,161.37</b>		

### Share options outstanding at end of the year

Option series		Options outstanding		Remaining contractual life		Exercise Price Rs.
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	
(ii)	22-Oct-07	-	500	-	0.56	462
(iii)	29-Apr-10	-	29,000	-	1.08	695
(iv)	8-Nov-10	-	-	-	3.61	1,411
(v)	6-May-11	-	-	-	4.10	1,162
(vi)	11-Feb-12	-	1,800	-	4.87	1,770
(vii)	16-Dec-13	<b>2,334</b>	3,334	<b>5.71</b>	6.71	4,915
(viii)	11-Aug-14	<b>12,170</b>	16,000	<b>6.37</b>	7.37	8,478
(ix)	12-Nov-14	<b>1,600</b>	2,400	<b>6.62</b>	7.62	12,994
(x)	12-Jan-15	-	2,000	<b>6.79</b>	7.79	14,739
(xi)	12-Jan-15	<b>13,930</b>	20,300	<b>6.79</b>	7.79	14,739
(xii)	20-Mar-15	<b>1,500</b>	1,500	<b>6.98</b>	7.98	16,112
(xiii)	8-May-15	<b>48,450</b>	48,450	<b>7.11</b>	8.11	14,807
(xiv)	21-Jul-15	<b>6,590</b>	6,590	<b>7.31</b>	8.31	21,248
(xv)	6-Nov-15	<b>7,800</b>	7,800	<b>7.61</b>	8.61	17,678
(xvi)	5-Feb-16	<b>2,100</b>	4,200	<b>7.85</b>	8.85	16,894
(xvii)	27-Apr-16	<b>2,400</b>	2,400	<b>8.08</b>	9.08	20,148
(xviii)	28-Jul-16	<b>2,100</b>	2,100	<b>8.33</b>	9.33	20,340
(xix)	28-Oct-16	<b>3,000</b>	3,000	<b>8.58</b>	9.58	24,492
(xx)	1-Feb-17	<b>1,800</b>	1,800	<b>8.84</b>	9.84	23,028
(xxi)	27-Mar-17	<b>3,500</b>	3,500	<b>8.99</b>	9.99	24,350
(xxii)	9-Aug-17	<b>1,350</b>	-	<b>9.36</b>	-	32,121
(xxiii)	14-Nov-17	<b>1,500</b>	-	<b>9.63</b>	-	30,585
(xxiv)	7-Feb-18	<b>2,100</b>	-	<b>9.86</b>	-	27,579
		<b>1,14,224</b>	1,56,674			

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

#### 49. DISCLOSURE IN RESPECT OF OPERATING LEASES

##### (A) Assets taken on lease:

The Company has taken certain premises under various operating lease agreements. The total lease rental recognize as expense aggregate to Rs. 36.50 crores (March 31, 2017 : Rs. 28.40 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, 2018	As at March 31, 2017
Not later than one year	5.16	6.67
Later than one year and not later than five years	5.06	3.46

##### (B) Assets given on lease:

The Company has given assets under operating lease agreement to its joint venture company "Eicher Polaris Private Limited". The total lease rental recognize as income aggregate to Rs. 2.92 crores (March 31, 2017 : Rs. 2.78 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, 2018	As at March 31, 2017
Not later than one year	0.24	2.92
Later than one year and not later than five years	-	13.20
Later than five years	-	3.72

Note : Lease agreement with Eicher Polaris Private Limited has been terminated with effect from April 30, 2018.

#### 50. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

##### Recoverability of intangible asset

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 Company's management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### Provision and contingent liability

On an ongoing basis, Company 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 financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized 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, 2018 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

### Investment in equity instruments of subsidiary and joint venture companies

During the year, the Company assessed the investment in equity instrument of subsidiary and joint venture companies carried at cost for impairment testing. Some of these companies are at early stage of their operations and are expected to generate positive cash flows in the future years. For subsidiary and joint ventures, where the operations has been discontinued, the company provides for impairment loss wherever considered necessary.

### Share-based payments

The Company initially measures the cost of cash-settled transactions with employees using a Black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 48.

### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

## 51. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Gross amount required to be spent	30.85	18.33
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	29.80	18.09
(c) Administrative expenses	1.05	0.24

52. Previous year's figures have been recast/regrouped, wherever necessary to conform with the current period's presentation.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

### 53. STANDARDS ISSUED BUT NOT YET EFFECTIVE

#### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services.

The company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements.

#### Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Asset Held for Sale and Discontinued Operations.

The amendments are effective for annual periods beginning on or after 1 April 2018. The company will apply amendments when they become effective.

#### Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

The amendments are effective for annual periods beginning on or after 1 April 2018. The company will apply amendments when they become effective. However, since company current practice is in line with the clarifications issued, the company does not expect any effect on its standalone financial statements

#### Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN Rs. CRORES UNLESS OTHERWISE STATED

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognized on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The company is analysing the changes and impact as applicable from financial year 2018-19.

### 54. EVENTS AFTER THE REPORTING PERIOD

The Board of directors at their meeting held on May 09, 2018, considered and recommended a final dividend aggregating Rs. 299.81 crores @ Rs. 110 per share (nominal value Rs. 10 per share) for the financial year 2017-18 (final dividend paid for March 31, 2017 : Rs. 272.22 crores @ Rs. 100 per share).

As per our report of even date  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

For and on behalf of Board of Directors of Eicher Motors Limited

**per Sanjay Vij**  
Partner  
Membership No : 095169

**Manhar Kapoor**  
Company Secretary

**Lalit Malik**  
Chief Financial Officer

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 9, 2018

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**S. Sandilya**  
Chairman  
DIN: 00037542