

# CORPORATE GOVERNANCE REPORT

## 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance continues to be a strong focus area for the Company.

Our philosophy on Corporate Governance in Eicher emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working - workplace management, marketplace responsibility, community engagement and business decisions.

The Code of Conduct and the governance are based on the corporate principles and strong emphasis laid on transparency, accountability, integrity and compliance.

The governance processes of the Company include creation of empowered sub-committees of the Board to oversee the functions of executive management. These sub-committees of the Board mainly comprise Non-Executive Directors and Independent Directors, which meet and deliberate regularly to discharge their obligations.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015]. The Company has adopted best practices mandated in SEBI (LODR) Regulations, 2015.

## 2. BOARD OF DIRECTORS

### 2.1 Composition, Meetings, Attendance, Other Directorship, Chairmanship and Membership

The Board is responsible for the management of the affairs of the Company's businesses. As on March 31, 2017, the Board strength consists of Six Directors comprising Five Non-Executive Independent Directors of which one is a Woman Director and One Executive Director. Six Board Meetings were held during the financial year ended March 31, 2017, on April 27, 2016, May 5, 2016, July 28, 2016, October 28, 2016, February 1, 2017 and March 27, 2017. Attendance and other details of the Directors are given below:

Sl. No.	Name of the Director	Category	No. of Board Meetings attended	Whether attended the 34th AGM held on June 18, 2016	Number of Directorship held in other Companies#	Number of Committee Memberships / Chairmanships held in other Companies#	
						Memberships*	Chairmanships*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr S. Sandilya DIN: 00037542	Chairman - Non-Executive Independent Director	6	Yes	5	1	4
2.	Mr Siddhartha Lal DIN: 00037645	Promoter - Managing Director	5	No	1	-	-
3.	Mr Priya Brat DIN: 00041859	Non-Executive Independent Director	6	Yes	3	3	1
4.	Mr M. J. Subbaiah DIN: 00044799	Non-Executive Independent Director	5	Yes	-	-	-
5.	Mr Prateek Jalan DIN: 02170139	Non-Executive Independent Director	5	No	1	1	-
6.	Ms Manvi Sinha DIN: 07038675	Non-Executive Independent Director	5	Yes	-	-	-

None of the Directors hold Chairmanship of the Board Committees in excess of the maximum ceiling of five and membership in excess of the maximum ceiling of ten as specified under Regulation 26 of SEBI (LODR) Regulations, 2015. No Director of the Company is related to any other Director on the Board.

No Independent Director serves as a Whole-time Director in any other listed company. Further, none

of the Independent Director of the Company serve as Independent Director in more than seven listed companies as required under Regulation 25 of SEBI (LODR) Regulations, 2015.

#For the purpose of this disclosure, Listed Companies and public limited companies, whether listed or not, are included and all other companies including private

limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 or Section 25 of the Companies Act, 1956 are excluded.

\*For the purpose of reckoning the limit under this sub-clause, Chairmanship(s)/ membership(s) of the Audit Committee and the Stakeholders' Relationship Committee alone are considered.

Your Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Director, as per the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015. The composition of the Board is as per the requirements of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. The Independent Directors of the Company meet all the criteria mandated by SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

## 2.2 Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment. The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website [www.eicher.com](http://www.eicher.com).

While formulating and approving policies concerning appointment of directors and other senior officers, board diversity, remuneration and evaluation, the Board seeks to ensure business continuity with due weightage to succession planning.

## 2.3 Information supplied to the Board

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI (LODR) Regulations, 2015 is made available to the Board of Directors, for discussions and consideration at the Board Meetings.

## 2.4 Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on May 5, 2016 without the attendance of non-independent Director and members of management to:

- (a) review the performance of non-independent Director and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;

- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 2.5 Shareholding of Non-Executive Directors

As on March 31, 2017, Mr S. Sandilya, Chairman and Non-Executive Independent Director of the Company holds 11,766 equity shares of the Company. Other Non-Executive Directors viz. Mr Priya Brat, Mr M.J. Subbaiah, Mr Prateek Jalan and Ms Manvi Sinha do not hold any shares in the Company. The Company has not issued any convertible instruments.

## 2.6 Induction and Familiarisation Programme for Independent Directors

The Company has a programme to familiarise Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the weblink <http://www.eicher.in/corporate-governance>.

## 3. AUDIT COMMITTEE

Composition and terms of Reference of the Audit Committee of Directors of the Company are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, with all members being financially literate and most having accounting or related financial management expertise. As on March 31, 2017, Audit Committee consists of four Non-Executive Independent Directors and one Executive Director. The role of the Audit Committee is, inter alia, to provide directions to and oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and carry out such other matters as are required in terms of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### 3.1 Major terms of reference

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services;
- (iii) Reviewing with the management the quarterly, half yearly and annual financial statements

and auditors' report thereon before submission to the Board for approval;

- (iv) Reviewing the Company's financial and risk management policies;
- (v) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- (vi) Approval or any subsequent modification of transactions of the Company with related parties;
- (vii) Scrutiny of inter-corporate loans and investments;
- (viii) Valuation of assets of the Company, whenever it is necessary;
- (ix) Evaluation of internal financial controls and risk management systems;
- (x) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xi) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xii) Discussion with internal auditors of any significant findings and follow-up thereon;
- (xiii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xiv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xv) To review the functioning of the whistle blower mechanism;
- (xvi) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Company has systems and procedures in place to ensure that the audit committee mandatorily reviews:

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of related party transactions submitted by management;

(iii) internal audit reports relating to internal control weaknesses;

(iv) management letters / letters of internal control weaknesses issued by the statutory auditors.

### 3.2 Meetings and Attendance

Six Meetings of the Audit Committee of Directors were held during the Financial Year 2016-17 on April 27, 2016, May 5, 2016, July 28, 2016, October 28, 2016, February 1, 2017 and March 27, 2017. The attendance details are as under:

Sl. No.	Name	Chairman/ Member	No. of meetings held	No. of meetings attended
1.	Mr M.J. Subbaiah	Chairman	6	5
2.	Mr S. Sandilya	Member	6	6
3.	Mr Siddhartha Lal	Member	6	5
4.	Mr Priya Brat	Member	6	6
5.	Mr Prateek Jalan	Member	6	5

The Chief Financial Officer, the Head of Internal Audit and the Statutory Auditors are invited for the Audit Committee meetings as required.

Mr Manhar Kapoor, General Counsel & Company Secretary acts as the Secretary to the Audit Committee.

## 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of Regulation 20 of the SEBI (LODR) Regulations, 2015, the Company has a Stakeholders' Relationship Committee which consists of two Non-Executive Independent Directors. The Committee looks into the redressal of Shareholders' and Investors' complaints relating to transfer of shares, Non-receipt of Annual Report and Non-receipt of declared dividends, etc.

### 4.1 Meetings and Attendance

Four Meetings of the Stakeholders' Relationship Committee of Directors were held during the Financial Year 2016-17 on May 5, 2016, July 28, 2016, October 28, 2016 and February 1, 2017. The attendance details are as under:

Sl. No.	Name	Chairman/ Member	No. of meetings held	No. of meetings attended
1.	Mr Priya Brat	Chairman	4	4
2.	Mr S. Sandilya	Member	4	4

The Managing Director and the Chief Financial Officer are invited at the Stakeholders' Relationship Committee meetings as required.

Mr Manhar Kapoor, General Counsel & Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee. He is the compliance officer of the Company.

#### 4.2 Status of Complaints

Sl. No.	Particulars	Numbers
1.	No. of complaints received	163
2.	No. of complaints resolved	160
3.	No. of pending complaints	3

### 5. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee comprising three Directors, all being Non-Executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

#### 5.1 Major terms of Reference

- (i) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal.
- (ii) Laying down the evaluation criteria for performance evaluation of Independent Directors.
- (iii) Carrying out evaluation of every Director's performance.
- (iv) To decide on whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.
- (v) Devising a policy on diversity of Board of Directors.
- (vi) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to the Remuneration of the Directors, Key Managerial Personnel and other employees.
- (vii) To undertake and perform all such functions, powers for administration and superintendence of Employees Stock Option Plan – 2006 (ESOP), inter alia as contained under SEBI (Share Based Employee Benefits) Regulations, 2014 including any amendments thereof.
- (viii) The Nomination & Remuneration Committee shall meet at least once a year.

- (ix) To review and approve any other matter relating to the aforesaid ESOP which may be considered necessary and incidental thereto.

#### 5.2 Meetings and Attendance

Six Meetings of the Nomination & Remuneration Committee of Directors of the Company were held during the Financial Year 2016-17 on April 27, 2016, May 5, 2016, July 28, 2016, October 28, 2016, February 1, 2017 and March 27, 2017. The attendance details are as under:

Sl. No.	Name	Chairman/ Member	No. of meetings held	No. of meetings attended
1.	Mr Prateek Jalan	Chairman	6	5
2.	Mr S. Sandilya	Member	6	6
3.	Mr M J Subbaiah	Member	6	5

Mr Manhar Kapoor, General Counsel & Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

#### 5.3 Performance Evaluation Criteria for Independent Directors

The Company has adopted an Evaluation policy to evaluate performance of individual Directors, the Board as a whole and its committees. Evaluation of Individual Directors including Independent Directors is carried out by the entire Board as well as by the Nomination and Remuneration Committee in accordance with the provisions of Code for Independent Directors as outlined under Schedule IV and Section 178 of the Companies Act, 2013. Such evaluation factors includes various criteria including thought contribution, business insight, applied knowledge, etc.

During the financial year under review, formal annual evaluation of the Board, its committees, the Chairman and individual Directors was carried out pursuant to the Board Performance Evaluation Policy on May 5, 2016.

### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility Committee of Directors comprising two Non-Executive Independent Directors and one Executive Director. The composition and the role of the Committee are in conformity with the provisions of Section 135 of Companies Act, 2013

#### 6.1 Major terms of Reference

- (i) Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

- (ii) Recommending the amount of expenditure to be incurred on the activities referred to in CSR policy.
- (iii) Monitoring the CSR Policy of the Company from time to time.

## 6.2 Meetings and Attendance

Two Meetings of the Corporate Social Responsibility Committee of the Company were held during the Financial Year 2016-17 on May 5, 2016 and October 28, 2016. The names of the members, chairperson and attendance details are as under:

Sl. No.	Name	Chairman/Member	No. of meetings held	No. of meetings attended
1.	Mr S. Sandilya	Chairman	2	2
2.	Mr Siddhartha Lal	Member	2	2
3.	Mr Prateek Jalan	Member	2	2

Mr Manhar Kapoor, General Counsel & Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

## 7. RISK MANAGEMENT COMMITTEE

In terms of Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company has a Risk Management Committee. The constitution of the Risk Management Committee is in compliance with the above provisions. As on March 31, 2017, the Risk Management Committee consists of two Directors and the Chief Financial Officer.

## 9. REMUNERATION OF DIRECTORS

### 9.1 Remuneration to Managing Director

The remuneration of the Managing Director is fixed by the Board of Directors and approved by shareholders in the Annual General Meeting. The details of remuneration of Managing Director for the financial year ended March 31, 2017 is as under:

Name of the Director	Salary	Commission	Perquisites	Service Contract	
				Tenure	Notice period
Mr Siddhartha Lal Managing Director	3.29	4.20	1.71	5 years (Members at their AGM held on June 18, 2016, approved re-appointment of Mr Siddhartha Lal as Managing Director w.e.f. May 1, 2016 up to April 30, 2021)	3 months' notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months

Total remuneration paid as Salary, Allowances, Perquisites and Commission does not exceed 5% of the net profits computed in the manner provided under Section 197 read with Section 198 of the Companies Act, 2013.

Factors such as industry standards, responsibilities and performance assessment are considered while determining the Quantum of Commission to be paid to the Managing Director.

### 7.1 Major Terms of Reference

- (i) To assist the Board in formulating the Risk Management Plan and practices.
- (ii) To monitor and review risk management plan and practices of the Company as approved by the Board.

### 7.2 Members of the Committee

Sl. No.	Name	Chairman/Member
1.	Mr Siddhartha Lal (Managing Director & Chief Executive Officer)	Chairman
2.	Mr S. Sandilya (Chairman and Non-Executive Independent Director)	Member
3.	Mr Lalit Malik (Chief Financial Officer)	Member

## 8. SHARES COMMITTEE

The Shares Committee of the Company consists of three members i.e. Mr Siddhartha Lal - Managing Director & Chief Executive Officer, Mr Lalit Malik - Chief Financial Officer and Mr Manhar Kapoor - General Counsel & Company Secretary to look after and approve transfer/transmission of equity shares, dematerialisation, issue of duplicate certificates, etc. All valid requests for transfer & transmission of shares in physical form, duplicate issue of share certificate were processed in time.

During the financial year ended March 31, 2017, 21 meetings of the Committee were held to approve requests for transfer of 3,911 shares, 66,763 shares for dematerialisation, 19,953 shares for issue of duplicate certificates, 3,983 shares for name deletion and 4,702 shares for transmission of securities.

No sitting fee has been paid to Mr Siddhartha Lal and no stock option have been granted to him under the Company's Employees Stock Option Plan, 2006, during the financial year ended March 31, 2017.

### 9.2 Remuneration to Non-Executive and Independent Directors

The members of the Company in their 33rd Annual General Meeting held on March 20, 2015 had

approved payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 2013, for a period of five years with effect from the financial year ended December 31, 2014.

The remuneration comprising sitting fee and commission to Non-Executive and Independent Directors for the financial year ended March 31, 2017 is as under:

Name of the Director	(Amount in Rs. lacs)	
	Sitting fee*	Commission#
Mr S. Sandilya - Chairman and Non-Executive Independent Director	3.40	48.40
Mr Priya Brat - Non-Executive Independent Director	2.60	9.07
Mr M. J. Subbaiah - Non-Executive Independent Director	2.30	9.07
Mr Prateek Jalan - Non-Executive Independent Director	2.70	20.62
Ms Manvi Sinha - Non-Executive Independent Director	1.00	9.07
<b>Total</b>	<b>12.00</b>	<b>96.23</b>

\* Remuneration paid to Non-Executive Independent Directors represents sitting fee as approved by the Board of Directors for attending the Board and Committee Meetings.

# Annual commission payable to Non-Executive Independent Directors is subject to approval of annual financial statements by the shareholders at the forthcoming Annual General Meeting of the Company.

#### Notes:

The Non-Executive and Independent Directors are paid sitting fees @ Rs. 20,000/- for attending each meeting of the Board of Directors and Audit Committee.

The Non-Executive and Independent Directors are paid sitting fees @ Rs. 10,000/- for attending each meeting of Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Independent Directors are not entitled to any stock options.

Further, there has been no other material pecuniary relationship or business transactions by the Company with any of the Non-Executive and Independent Director of the Company.

## 10. SUBSIDIARY COMPANIES

Subsidiary companies of the Company are managed by their respective Board/authorised representative having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of unlisted subsidiary companies, inter alia, by the following means:

- (i) Financial statements, in particular, the investments made by the subsidiary companies are periodically reviewed by the Audit Committee of the Company.

- (ii) Minutes of Board meetings of subsidiary companies are periodically placed before the Company's Board.
- (iii) All significant transactions and arrangements entered into by the subsidiary companies are reviewed periodically by the Board of the Company.
- (iv) Mr Prateek Jalan, a Non-Executive Independent Director of the Company is a Director on the Board of VE Commercial Vehicles Limited, an unlisted material subsidiary company of the Company, incorporated in India.\*

The Company has also formulated a policy for determining material subsidiary as required under Regulation 16 of the SEBI (LODR) Regulations, 2015, and the same is disclosed on the Company's website and the web link for the same is [http://www.eicher.in/uploads/1454671647\\_policy-for-determining-material-subsidiaries.pdf](http://www.eicher.in/uploads/1454671647_policy-for-determining-material-subsidiaries.pdf)

\*As per Indian Accounting Standards, VE Commercial Vehicles Limited is considered as a Joint Venture Company for the purpose of preparation of financial statements of the Company.

## 11. OTHER DISCLOSURES

### 11.1 Related Party Transactions

In terms of Indian Accounting Standard-24 on "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013 the Company has identified the related parties and suitable disclosures relating to details of transactions with such related parties have been disclosed in Note No. 44 to the Standalone Accounts forming part of this Annual Report.

All contracts/arrangements/transactions entered into by the Company during the financial year with the Related Parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and do not have potential conflicts with the interest of the Company. Related Party Transactions are also placed in the Audit Committee Meeting(s) for its prior approval or omnibus approval, as the case may be. Audit Committee also reviews related party transactions entered into by the Company on quarterly basis. There are no materially significant related party transactions during the financial year ended March 31, 2017.

The Company has also formulated a policy on materiality of and dealing with Related Party Transactions (RPT Policy). This RPT Policy is available on the website of the Company and the weblink for the same is [http://www.eicher.in/uploads/1427720283\\_PMDRPT.pdf](http://www.eicher.in/uploads/1427720283_PMDRPT.pdf). All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013, Regulation 23 of the SEBI (LODR) Regulations, 2015 and the Company's RPT Policy.



**11.2 Compliances by the Company**

The Company has complied with the requirements of the Stock Exchanges, Regulations of SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

**11.3 Code of Conduct for Directors and Senior Management**

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management which is strictly adhered to and the same is available on Company's website at [www.eichermotors.com](http://www.eichermotors.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Managing Director & Chief Executive Officer.

Further, there are no material, financial and commercial transactions, where the Senior Management have personal interest that may have a potential conflict with the interest of the Company at large.

**11.4 Prevention of Insider Trading Code**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company, inter alia, adopted a Code of Conduct for Regulating, Monitoring and Reporting trading by an Insider. All the Directors, employees and connected persons such as auditors, consultants, etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window for dealing in securities of the Company is closed as per the provisions of the above code.

**11.5 CEO / CFO Certification**

The CEO and the CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015 and that the certificate forms part of the Annual Report.

**11.6 Status of Compliance of Non-Mandatory requirements under Regulation 27(1) of SEBI (LODR) Regulations, 2015 read with Part E of Schedule II thereto**

The Company complies with the following non-mandatory requirements:

1. The Non-Executive Chairman of the Company is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
2. The Auditors have expressed no qualification in their report.
3. The Company has appointed separate persons to the post of the Chairman and the Chief Executive Officer. Mr S. Sandilya is the

Chairman of the Board of Directors and Mr Siddhartha Lal is the Managing Director and Chief Executive Officer of the Company.

4. The Internal Auditor reports directly to the Audit Committee on quarterly basis.

**11.7 Accounting treatment in preparation of the financial statements**

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

**11.8 Vigil Mechanism/Whistle Blower Policy**

The Board of Directors of the Company has adopted a Whistle Blower Policy to establish a vigil mechanism for the Directors and employees to report genuine concerns or grievances and the same is available on Company's website at [www.eichermotors.com](http://www.eichermotors.com). No person has been denied access to the Audit Committee.

**11.9 Dividend Distribution Policy**

In compliance with Regulation 43A of the SEBI (LODR) Regulations, 2015, the Board at its meeting held on March 27, 2017, approved a Dividend Distribution Policy of the Company. The Dividend Distribution Policy, inter alia, includes the following:

**(i) The circumstances under which the shareholders may or may not expect dividend**

The Company firmly believes in the philosophy of payment of Dividend at regular intervals, whenever the financial position and other factors permit, in addition to creating long-term value for the shareholders of the Company. The Board shall strive to strike a balance between payment of dividend at regular interval and long-term wealth creation for the shareholders.

The Company may decide not to recommend any Dividend during a financial year in circumstances where there are losses or inadequacy of profits, where other suitable means are available to reward the shareholders instead of dividend, where the Company needs to conserve its profits/surplus funds for business plans and other exigencies, where surplus cash and liquid funds are not available, among others.

**(ii) The financial parameters and internal factors that shall be considered while declaring dividend**

Amongst others, major financial parameters and internal factors that shall be considered are Net Profits for the Current financial year, surplus in the Profit & Loss account, availability of Free Reserves, Cash Flow and

liquidity projections for next three financial years, further Capital infusion requirement in Company's subsidiaries/Joint Ventures, other investment plans, Company/Brand acquisitions and declaration of dividend by Company's subsidiaries.

**(iii) The external factors that shall be considered while declaring dividend**

External factors that shall be considered are Economic Environment, Industry outlook and performance of manufacturing and other sectors having a bearing on Company's performance, Government policies and regulatory provisions, Industry's average Dividend payout and shareholder's expectation.

**(iv) Utilisation of retained earnings by the Company**

Retained earnings may be utilised by the Company inter alia for business expansion and upgradation (expansion and modernisation of production facilities, product development, market expansions etc.), payment of Dividend, Buy back of shares, etc. Investments and new business opportunities, meeting financial emergencies and other contingencies.

**(v) Classes of shares in the Company**

Issued, subscribed and paid-up share capital of the Company consist of only Equity Shares of face value of Rs. 10/- each. There is no other class of shares.

The said Policy is available on the Company's website [www.eichermotors.com](http://www.eichermotors.com).

- (ii) The Standalone and Consolidated quarterly and annual results are promptly filed with the Stock Exchanges in terms of Regulation 33 of SEBI (LODR) Regulations, 2015.
- (iii) Official news releases are also available on the Company's website. Schedule of Analyst or institutional investor meetings and/or conference call information, presentations made to them, if any, and the transcripts are promptly displayed on the website of the Company.
- (iv) The Company also discloses on its website all disclosures filed with the stock exchanges under Regulation 30 of SEBI (LODR) Regulations, 2015 and all other information and documents that are required to be placed on the website of the Company.
- (v) The following are displayed on the Website of the Company i.e. [www.eichermotors.com](http://www.eichermotors.com):
  - ◆ Business of the Company
  - ◆ Terms and conditions of appointment of Independent Directors
  - ◆ Composition of various committees of the Board
  - ◆ Whistle Blower Policy
  - ◆ Annual Report of the Company
  - ◆ Policy on materiality of and dealing with related party transactions
  - ◆ Policy for determining material subsidiaries
  - ◆ Details of familiarisation programmes for Independent Directors
  - ◆ Standalone and Consolidated Quarterly and Annual Financial Results of Company
  - ◆ Shareholding Pattern
  - ◆ Company Profile
  - ◆ Press Releases
  - ◆ Schedule of analyst or institutional investor meet and presentations made to them
  - ◆ Code of Conduct for the Directors and Senior Management
  - ◆ Investors/analysts conference call information and transcripts
  - ◆ Contact information - for solving any investor's queries
  - ◆ Other information as required under Regulation 46 of SEBI (LODR) Regulations, 2015

## 12. MEANS OF COMMUNICATION

- (i) The consolidated quarterly and annual results are generally published in the Business Standard (English) - All Editions and Business Standard (Hindi), Delhi edition, having wide circulation. The Standalone and Consolidated quarterly and annual results of the Company along with limited review reports of the Auditors thereon and/or Auditors' Report are available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com).

## 13. GENERAL SHAREHOLDER INFORMATION

**13.1 Day, date, time and venue of the Annual General Meeting** : Tuesday, August 8, 2017 at 10:00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003

### 13.2 Financial Year

The financial year under review is of 12 (twelve) months from April 1, 2016 to March 31, 2017.

### 13.3 General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
January 1, 2015- March 31, 2016	18.06.2016 (AGM)	Saturday	10.00 A.M.	Shri Ram Centre, 4, Safdar Hashmi Marg, New Delhi - 110001	No
January 1, 2014 - December 31, 2014	20.03.2015 (AGM)	Friday	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003	Yes
January 1, 2013 - December 31, 2013	21.03.2014 (AGM)	Friday	10.00 A.M.	LTG Auditorium, Copernicus Marg, New Delhi - 110 001	No



**Notes:**

1. The Company in its AGM held on March 20, 2015, passed two special resolutions for the following:
  - (a) Approval of payment of remuneration by way of commission not exceeding one percent of the net profits of the Company in every financial year for five years, effective from the financial year ended on December 31, 2014 to the Directors of the Company (other than the managing director(s) or whole-time director(s), if any).
  - (b) Approval for increase in limit of investment by FIIs in the Company to 49% of Company's total capital.
2. No Special Resolution was passed through postal ballot last year. Also, no Special Resolutions are proposed to be conducted through postal ballot.

**13.4 Financial Calendar – 2016-17**

Adoption of Quarterly/Annual Results for the quarter/year ended	Date of Board Meetings	Date of publication	Name of Newspapers
June 30, 2016 (Quarterly Results)	28/07/2016	29/07/2016	Business Standard - All Editions (English), and Business Standard (Hindi), Delhi Edition
September 30, 2016 (Quarterly Results)	28/10/2016	29/10/2016	Business Standard - All Editions (English), and Business Standard (Hindi), Delhi Edition
December 31, 2016 (Quarterly Results)	01/02/2017	02/02/2017	Business Standard - All Editions (English), and Business Standard (Hindi), Delhi Edition
March 31, 2017 (Annual Results)	05/05/2017	06/05/2017 (Proposed)	Business Standard - All Editions (English), and Business Standard (Hindi), Delhi Edition (Proposed)

**Tentative Financial Calendar – for the financial year ending March 31, 2018**

Quarterly results for the quarters ending June 30, 2017, September 30, 2017, December 31, 2017 and annual results for the year ending March 31, 2018 will be approved in the Board Meetings which will be tentatively held in the months of August 2017, November 2017, February 2018 and May 2018 respectively (subject to the finalisation of dates by the Board of Directors). Annual General Meeting for the Financial Year 2017-18 will be tentatively held in between July-September 2018. The Consolidated quarterly and annual results will likely be published in the Business Standard (English) in all Editions and in Business Standard (Hindi), Delhi Edition. The Standalone and Consolidated quarterly and annual results will be intimated to Stock Exchanges. Additionally, the same will be posted on Company's website at [www.eichermotors.com](http://www.eichermotors.com).

**13.5 Book Closure :** August 2, 2017 to August 8, 2017 (both days inclusive).

**13.6 Dividend payment date:** Dividend, if declared by the Members will be paid on or before September 6, 2017.

**13.7 Listing on Stock Exchanges:** The equity shares of the Company are listed on the following Stock Exchanges:

**BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001

**National Stock Exchange of India Ltd.**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051

The annual listing fees has been paid to both the stock exchanges for the financial year 2017-18.

**13.8 Name of Depositories for dematerialisation of equity shares**

Name of the depository	ISIN No.
National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL)	INE 066A 01013

The equity shares are quoted under the following Codes/Symbol:

Stock Exchanges	Code / Symbol
BSE Limited, Mumbai (BSE)	505200
National Stock Exchange of India Limited, Mumbai (NSE)	EICHERMOT

**13.9 Registrar and Share Transfer Agent:**

Share transfer and other communications regarding change of address, dividends, share certificates, investor complaints, etc. may be addressed to:

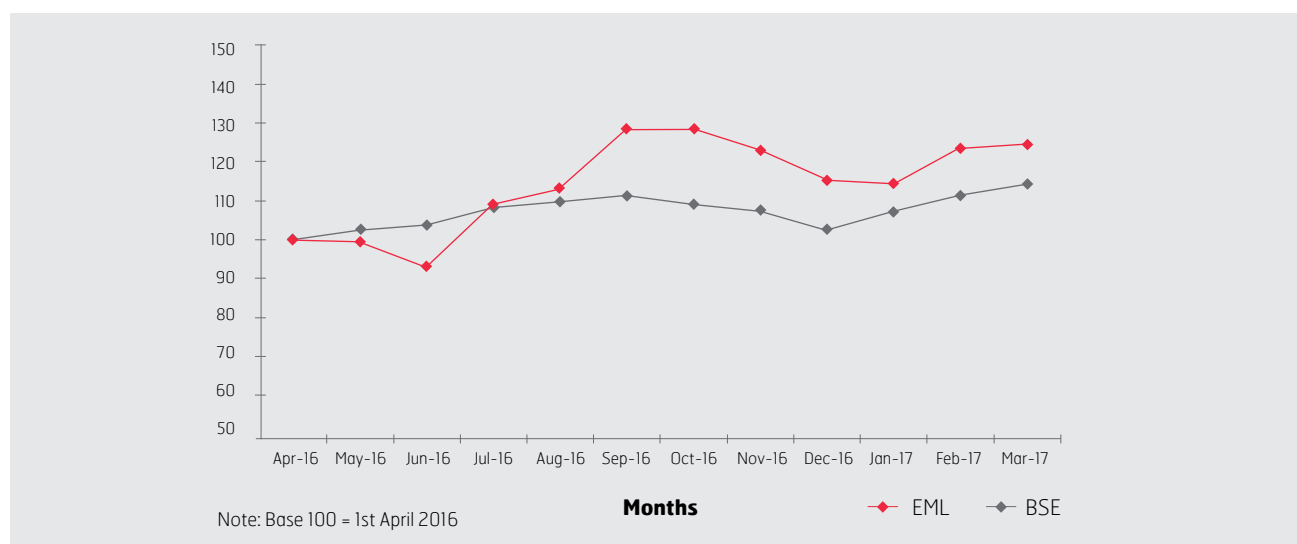
Link Intime India Pvt. Ltd.  
Registrar and Share Transfer Agent  
44, 2<sup>nd</sup> Floor, Community Centre, Narayana Industrial Area, Phase-I, New Delhi - 110 028  
Phone No: 011-41410592-94  
Fax No: 011-41410591  
E-Mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

Members may write for any queries / information to Mr Manhar Kapoor, General Counsel and Company Secretary at Eicher Motors Limited, 3<sup>rd</sup> Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi - 110 017, or at # 96, Sector 32, Gurugram - 122 001, Haryana, or any query can be sent by email to investors@eichermotors.com.

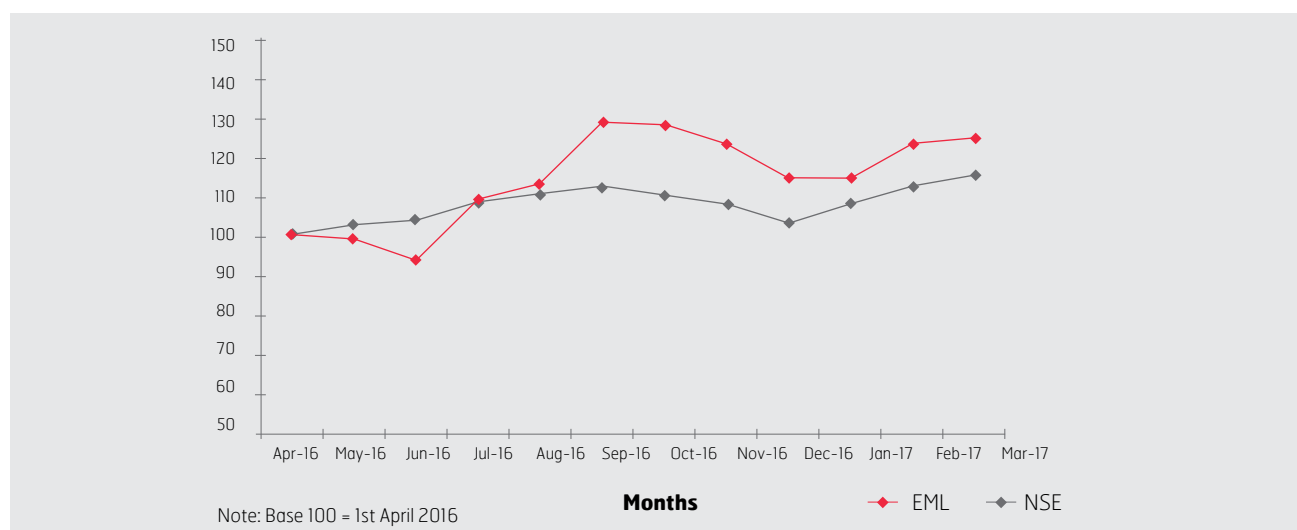
### 13.10 Market Price Data at BSE and NSE:

April 2016 to March 2017	BSE			NSE		
	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)
<b>April 2016</b>	20705.75	18664.50	60775	20699.80	18635.50	779802
<b>May 2016</b>	20500.00	18025.10	154893	20500.00	18010.00	2481896
<b>June 2016</b>	19330.00	18006.00	49908	19349.35	18000.00	641750
<b>July 2016</b>	22567.00	19020.05	91105	22520.00	19050.15	810870
<b>August 2016</b>	23390.95	20980.55	82876	23429.25	21005.00	972680
<b>September 2016</b>	26601.95	22296.55	79199	26641.30	22266.05	1147607
<b>October 2016</b>	26513.95	23700.00	56696	26505.00	23676.30	710106
<b>November 2016</b>	25500.00	19570.90	135525	25520.90	19530.00	1531683
<b>December 2016</b>	23779.90	20210.00	132746	23700.05	20228.00	1344870
<b>January 2017</b>	23699.95	22107.85	151487	23710.65	22088.85	882585
<b>February 2017</b>	25532.95	23088.80	66384	25550.00	23050.00	886112
<b>March 2017</b>	25797.85	22990.00	79270	25814.90	22997.50	933967

### Share Price Performance Eicher Motors Limited (EML) vs BSE Index



### Share Price Performance Eicher Motors Limited (EML) vs NSE Index



**13.11 Share transfer system**

Shares of the Company are transferred through Link Intime India Private Limited, the Registrar and Share Transfer Agents of the Company and the Shares Committee of the Company approves the said share transfers. All valid requests for transfer/transmission of Equity Shares held in physical form are processed within a period of 15 days from the date of receipt of complete documents/verification and the Share Certificates duly transferred are immediately returned to the transferee/lodger.

Total number of shares transferred/transmitted/ name deleted during the financial year ended March 31, 2017 were 12,596 shares.

**13.12 Dematerialisation of shares and liquidity**

As per SEBI's circular dated February 21, 2000, the Company's equity shares are under the Compulsory

Demat Category and can only be traded in the dematerialised form w.e.f. March 22, 2000.

Members are requested to avail the facility of the depository system by opening of Demat account with any of the Depository Participant (DP), namely, NSDL and CDSL. Members who hold shares in dematerialised form, should send all their communications concerning rematerialisation of shares, transfers/transmissions, dividends, change of address, change in mandate, nominations, etc. to the concerned DPs with whom they have opened Demat Account.

As on March 31, 2017, 2,65,89,013 shares constituting 97.72% of the total paid-up equity share capital of the Company have been dematerialised with NSDL and CDSL.

**13.13 Distribution of shareholding as on March 31, 2017**

Category	No. of shareholders	% holders	No. of shares of face value of Rs. 10/- each	% Shareholding
1-500	80,760	98.64	21,44,304	7.88
501-1,000	378	0.46	2,78,702	1.02
1,001-2,000	233	0.29	3,38,067	1.24
2,001-3,000	87	0.11	2,17,005	0.80
3,001-4,000	56	0.07	1,97,491	0.73
4,001-5,000	39	0.05	1,75,221	0.64
5,001-10,000	109	0.13	7,97,153	2.93
10,001-50,000	157	0.19	32,27,183	11.86
50,001-1,00,000	27	0.03	19,52,624	7.18
1,00,001 and above	26	0.03	1,78,82,499	65.72
	<b>81,872</b>	<b>100.00</b>	<b>2,72,10,249</b>	<b>100.00</b>

The Company has not issued any GDRs / ADRs and there are no outstanding warrants or any convertible instruments.

**13.14 Transfer of Unclaimed / Unpaid Dividend**

The Company shall be transferring the unclaimed / unpaid dividends as mentioned hereunder to the Investor Education and Protection Fund, established by the Central Government, in terms of the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The tentative schedule for unclaimed dividend to be transferred to Investor Education and Protection Fund is as under:

For the Financial Year	Due date for transfer to the Central Government
2010 (January to December)	April 25, 2018
2011 (January to December)	April 25, 2019
2012 (January to December)	April 25, 2020
2013 (January to December)	April 25, 2021
2014 (January to December)	April 25, 2022
2015-2016 (January to March)*	April 18, 2023

\*Interim Dividend declared by the Board of Directors on March 12, 2016.

Members who have not encashed their Dividend Warrants for the above financial years/period may approach the Company's registrar for obtaining duplicate Dividend Warrants/Revalidation of Dividend Warrants.

### 13.15 Unclaimed shares suspense account

In compliance with Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has maintained Eicher Motors Limited - Unclaimed Suspense Account, in which unclaimed shares lying with the Company have been credited after dematerialisation thereof.

The details with respect to the unclaimed shares of the Company for the financial year ended March 31, 2017 are as under:

Sl. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year	864	21,640
(ii)	Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	6	362
(iii)	Number of shareholders to whom shares were transferred from the Suspense Account during the year	6	362
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	858	21,278

The voting rights on shares in Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

### 13.16 Nomination facility

Your Company is pleased to offer the facility of nomination to members. Pursuant to Section 72 of the Companies Act, 2013, the Members, who hold shares in the physical form and wish to avail nomination facility, are requested to send the duly complete nomination form to the Registrar and Share Transfer Agent of the Company. The Members, who hold shares in the electronic form and wish to avail nomination facility, are requested to send separate request to their respective Depository Participant(s) only.

### 13.17 Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Share Transfer Agent at the address given at Para 13.9, indicating the folio numbers to be consolidated.

### 13.18 National Electronic Clearing Services (NECS) Mandate

Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrar and Transfer Agent.

### 13.19 Registered Office

3<sup>rd</sup> Floor-Select Citywalk  
A-3 District Centre, Saket  
New Delhi - 110 017  
Tel. No. (011) - 29563722  
Website: www.eichermotors.com

### 13.20 Corporate Office

#96, Sector 32,  
Gurugram - 122 001, Haryana.  
Tel. No. (0124) - 4415600  
Website: www.eichermotors.com

### 13.21 Plant locations

- (i) Thiruvottiyur High Road,  
Thiruvottiyur, Chennai - 600 019  
(Tamil Nadu)
- (ii) A-19/1, SIPCOT Industrial Growth Centre,  
Oragadam, Kanchipuram - 602 105  
(Tamil Nadu)

This Corporate Governance Report of the Company for the financial year ended March 31, 2017 is in compliance with the requirements of Corporate Governance under SEBI (LODR) Regulations, 2015. Further, the Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation 2 of Regulation 46 of the said Regulations.

This is to certify that the information given above is true and correct.

For **Eicher Motors Limited**

**Siddhartha Lal**  
Managing Director  
& Chief Executive Officer  
DIN: 00037645

**S. Sandilya**  
Chairman  
DIN: 00037542

Place: Gurugram  
Date: May 5, 2017

## **DECLARATION**

As per Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year ended March 31, 2017.

For **Eicher Motors Limited**

**Siddhartha Lal**

Managing Director

ξ Chief Executive Officer

DIN: 00037645

Place: Gurugram

Date: May 5, 2017

# **INDEPENDENT AUDITORS' CERTIFICATE TO THE MEMBERS OF EICHER MOTORS LIMITED**

## **TO THE MEMBERS OF EICHER MOTORS LIMITED**

### **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 8, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of **EICHER MOTORS LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### **Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### **Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)

**Jaideep Bhargava**  
Partner  
(Membership No. 090295)

Place: Gurugram  
Date: May 5, 2017