



ONWARDS AND INTEGRATED ANNUAL REPORT 2022-23 UPWARDS



SCAN THE CODE
TO SEE THIS
REPORT ONLINE
WWW.EICHER.IN

CONTENTS

CORPORATE OVERVIEW

06-63

Onwards and Upwards /06

Highlights of FY 2022-23 /08

Engineered By Excellence,
Powered by Creativity /10

Message to the Shareholders /14

Pure Motorcycling with Royal Enfield /18

Royal Enfield History /20

Quarterly Highlights /22

Hunter 350 /26

Super Meteor 650 /30

Elevating Experiences
with Motorcycle Upgrades /36

Elevating Pure Motorcycling
Experiences /40

The Great Himalayan Exploration /44

Collaborations /48

Widening Reach and Expanding
Global Footprint /50

Creating Brand-led Customer
Experiences /52

Igniting the Pure Motorcycling Spirit /56

Nurturing the Motorcycling
Subcultures /60

Unlocking Creativity with
Customisation /62



INTEGRATED REPORT

66-113

Business Model /66

Operating Environment /68

Strategy /70

Stakeholder Engagement /72

Materiality /74

Risk Management /78

Financial Capital /82

Manufactured Capital /86

Intellectual Capital /90

Human Capital /92

Social and Relationship Capital /96

Natural Capital /106

Governance /110



17

At Royal Enfield, we have a huge opportunity to redefine motorcycling in this new era as we continue to maintain razor-sharp focus on what is important to us – ensuring joy and excitement each time someone experiences our motorcycles.



MANAGEMENT REVIEW

114-135

Management Discussion and
Analysis /114



REVIEW OF SUBSIDIARY

385-395

Performance Highlights /386

Business Highlights and
Future Prospects /390

Notice /396

Independent Assurance Statement /419

GRI Index /424

STATUTORY REPORTS

136-209

Business Responsibility and
Sustainability Report /136

Directors' Report /163

Corporate Governance Report /187

FINANCIAL STATEMENTS

210-384

Standalone Financial
Statements /210

Consolidated Financial
Statements /297



ABOUT THE REPORT

FY 2022-23 marks Eicher Motors Limited's (EML) third year of integrated reporting, in line with the principles of International Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC), which is now a part of International Financial Reporting Standards.

Through such reporting, we intend to provide a holistic narrative of our value creation, strategic outlook and the key outcomes to our stakeholders. We provide this information using six capitals – Financial, Manufactured, Human, Intellectual, Natural, Social and Relationship, while also considering the externalities, material matters and risks in our operating environment. Such reporting highlights our commitment to sustainable development, towards which we have aligned our business objectives and strategies with the United Nations Sustainable Development Goals (SDGs).

REPORTING PRINCIPLE

This Report has been developed in accordance with the <IR> framework of the IIRC. It is a Global Reporting Initiative (GRI) referenced report and also aligns with the core criteria of the Business Responsibility and Sustainability Reporting (BRSR) requirements of the Securities and Exchange Board of India (SEBI). The financial and statutory data disclosed in the statutory sections of this Report meet the requirements of the Companies Act, 2013 including the rules made thereunder, Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Standards issued by the Institute of Company Secretaries of India, and other applicable regulations.

REPORTING PERIOD, SCOPE AND BOUNDARY

The quantitative and qualitative disclosures in this Report are for the financial year from April 1, 2022 to



March 31, 2023. It provides overview of EML's operations including the Headquarters in Chennai, its three domestic manufacturing locations in Thiruvottiyur, Oragadam and Vallam Vadagal as well as its technical centre in Bruntingthorpe, UK. The Company's joint ventures and subsidiaries are excluded from the scope of the Report.

APPROACH TO MATERIALITY

The contents of this Report and their presentation are based on issues that are material to EML and its stakeholders. Material ESG issues have been arrived at through a robust process of multi-channel engagement with internal stakeholders followed by prioritisation of topics of importance. EML undertook the last such exercise in FY 2020-21, however, it continues

to evaluate and update the material matters based on various internal analysis. These matters have been incorporated in long-term planning and strategy development to ensure sustainable growth.

EXTERNAL ASSURANCE

The British Standards Institution had been appointed to provide Independent third-party assurance for our Environmental data (waste, water, GHG emissions, energy) included in the Integrated Report. Our assurance report for Type 1 - moderate Assurance by BSI can be found on Page 419.

RESTATEMENTS

There have been a few restatements in the report and they have been adequately mentioned in the section as required.



MANAGEMENT RESPONSIBILITY

The contents of this Report have been reviewed by EML's management team. They ensure the integrity of the information, and to the best of their knowledge, they believe that the report provides a complete picture of the value creation and captures all relevant material issues transparently and accurately.

FEEDBACK

We are deeply committed to listening to the feedback and viewpoints of all our stakeholders. Your comments, enquiries and recommendations on all aspects of our sustainability journey are welcome as these help us improve our performance as well as the reporting of the same.

We look forward to hearing from you and invite you to write to us with your feedback, questions and suggestions at: investors@eichermotors.com

Further, details of EML's sustainability performance are available on the corporate website: www.eichermotors.com

FORWARD-LOOKING STATEMENT

The report makes use of certain statements related to the Company's business operations, industry, objectives, business strategy, management plans and expectations. These forward-looking statements can be denoted by usage of words such as 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'outlook',

'plans', 'will' and other similar words that imply future operating or financial performance of the Company. Since forward-looking statements are reliant on assumptions, there is a probability of incorrect data or methods with little potential of being fulfilled. These statements are intended to establish our current expectations according to logical assumptions and not act as a guarantee of future outcomes. The Company's actual results could be affected by various factors, risks and uncertainties and could vary materially from the projections indicated by the forward-looking statements. The Company is not under any obligation nor has any intention to update or revise any forward-looking statements in case of future events.





CORPORATE OVERVIEW



ONWARDS AND UPWARDS

Eicher Motors Limited (EML) is a globally acclaimed automotive company. For many years, the Company has been revolutionising the Mid-size motorcycle segment and the commercial vehicles (CV) space with its world-class engineering, innovations and differentiated approach. It has successfully established its unique brand proposition, and a global riding culture that is reflective of its vision and philosophies, and has scaled its presence across markets.

The world economy is currently experiencing a momentous era of transformation. Economic, social, environmental and political challenges are on the rise, demanding attention and necessitating adapting strategies by businesses across the world.

At EML, this was a time to reflect and take inspiration from its 122-year enduring legacy of withstanding the test of time. It was a moment to REBALANCE together with the entire ecosystem, to power its next phase of growth while addressing the challenges of the world.

With this strategic intent, the Company is now embracing a broader perspective that extends beyond profit and profitability. It is focussing on balancing social and commercial objectives, the existing portfolio of traditional mobility and the future portfolio of electric vehicles, and elevating the brand-led customer experiences to the next level.

In FY 2022-23, EML made tangible progress towards this mission. Royal Enfield launched the all-new Hunter 350 motorcycle in a different format

to look beyond existing customers and tap into newer set of consumers. Its pursuit of advancing on the e-mobility journey also gathered considerable pace with a strategic investment in a prominent global electric mobility firm, Stark Future. This has set the momentum for the many initiatives EML intends to undertake towards driving incremental growth and progress in the coming years.

Rooted in strong business fundamentals and guided by a long-term strategic approach, EML is set to propel forward by an ambitious vision and an unwavering passion of its team. United in purpose, it is ready to embark an onward and upward journey, that will drive value creation for the communities and stakeholders and catalyse positive change in the broader economy. Embracing the ethos of REBALANCE, EML stands confidently, equipped to navigate the evolving landscape and continue its legacy in the new era of mobility.



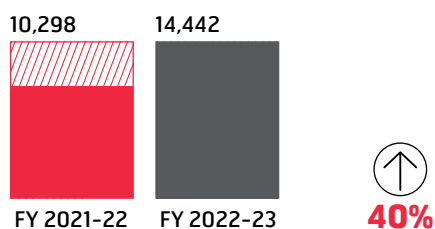


HIGHLIGHTS OF FY 2022-23

CONSOLIDATED FINANCIAL HIGHLIGHTS

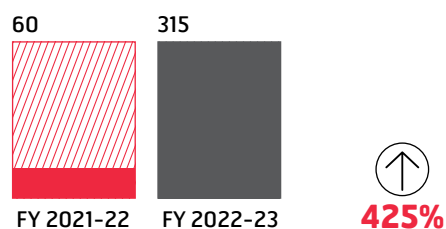
Revenue from Operations

(Rs. Crores)



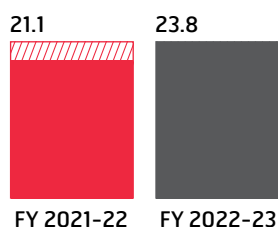
Share of Profit of JV

(Rs. Crores)



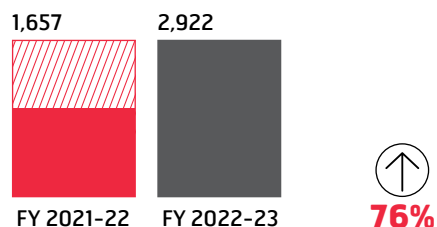
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) before share of profit of Joint Ventures

(%)



Total Comprehensive Income including share of profits of Joint Ventures

(Rs. Crores)



Operating Margin (EBIT) before share of profit of Joint Ventures

(%)

