



### **Board of Directors**

S. Sandilya, Chairman  
Siddhartha Lal, Managing Director & CEO  
Priya Brat, Non-executive and Independent Director  
M.J. Subbaiah, Non-executive and Independent Director  
Prateek Jalan, Non-executive and Independent Director  
Manvi Sinha, Non-executive and Independent Director

### **Company Secretary & Compliance Officer**

Manhar Kapoor

### **Auditors**

Deloitte Haskins & Sells,  
Chartered Accountants

### **Bankers**

HDFC Bank Limited  
ICICI Bank Limited

### **Registered Office**

3rd Floor- Select Citywalk  
A-3 District Centre, Saket  
New Delhi – 110 017  
Tel No.: (011) 29563722  
Website: [www.eicher.in](http://www.eicher.in)

### **Corporate Office**

#96, Sector 32,  
Gurgaon – 122 001, Haryana  
Tel No.: (0124) 4415600  
Website: [www.eicher.in](http://www.eicher.in)

### **Plant Locations**

Thiruvottiyur High Road,  
Thiruvottiyur, Chennai – 600 019  
Tamil Nadu

A-19/1, SIPCOT Industrial Growth Centre,  
Oragadam, Kanchipuram – 602 105  
Tamil Nadu

### **Registrar & Share Transfer Agent MCS Limited**

F-65, 1st Floor, Okhla Industrial Area,  
Phase I, New Delhi – 110 020  
Tel No.: (011) 41406149-52  
Fax No.: (011) 41709881  
E-mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)

## **CONTENTS**

Letter to the Shareholders	1
Performance Over the Years	3
Directors' Report to the Shareholders	7
Report on Corporate Governance	19
Financial Statements	34
Auditors' Report	35
Balance Sheet and Statement of Profit & Loss	38-39
Cash Flow Statement	40
Statement of Subsidiary Company pursuant to Section 212 of the Companies Act, 1956	69
Auditors' Report/Consolidated Accounts	71
Overview of performance of VE Commercial Vehicles Limited, a subsidiary of the Company	103
Notice of the Annual General Meeting	111
Proxy Form/Attendance Slip	123



## LETTER TO THE SHAREHOLDERS



It gives me great pleasure to present to you the Annual Report for Eicher Motors Limited (EML) for the year 2014. Our businesses – Royal Enfield in the motorcycle space and VE Commercial Vehicles (VECV) in the commercial vehicle space – delivered a solid performance in 2014 despite the headwinds experienced by the industry. Royal Enfield sold more than 3,00,000 motorcycles in 2014, a growth of 70% over last year, while VECV's sales volume of 40,783 was a shade lower than 2013 sales volume, quite creditable given the adverse market conditions. As a result, on consolidated basis, EML recorded its highest ever net income from operations at Rs. 8,738 crores and a record operating profit (EBIT) of Rs. 895 crores; EML's EBIT margin at 10.2%, was also the highest ever.

We are proud to be one of the most profitable companies in the automotive business with no debt and a consistently growing top line. At 22.5%, Royal Enfield's 2014 EBIT margin is better than that of any other motorcycle company in the world, and possibly the highest level compared to any automotive brand globally as well. VECV's EBIT margin at 3.7% was the best amongst Indian CV companies in 2014; and VECV's lean business model gives it the distinction of being the only CV company to remain profitable in every quarter during the longest downturn in the recent decades for the Indian commercial vehicle industry. In both our businesses, we continue our drive to make a breakthrough via challenging the status quo and shifting the market to a different place, rather than competing in the stronghold of the established players. We do this via a sharp product-market offering and a great focus on nurturing our brands, backed by a lean and agile business model.

Our motorcycle business has experienced a decade of tremendous evolution. From manufacturing and selling less than 40,000 units for most of the first decade of this century to making 50,000 units in 2010 to over 3,00,000 motorcycles in 2014. As I had mentioned in my last year's letter to you, our intent is to create a new category in motorcycling globally; one that heralds a return to fun and evocative mid-size motorcycling (where motorcycling refers to owning, riding, caring, and living with a motorcycle). These motorcycles are built to be timeless, uncomplicated, engaging, and accessible bikes for the city, as well as great touring/adventure/sporty bikes. They are not extreme in any way, which means that each of the motorcycles is good to use in a variety of occasions and nearly all conditions. It also means that the motorcycles are built to give maximum pleasure at regular road-going speeds, and that they are fun for novices as well as experienced riders. Royal Enfield motorcycles are intended to bring back values that many people yearn for in the modern sterile context – authenticity, tactility, interaction, craftsmanship, physical experience and active pursuit. We will deliver that by firstly ensuring that the company itself is authentic in its approach and interactions; the motorcycles we make will be timeless in sensibility and appeal, yet approachable and relatively affordable and will encourage the owner to be hands-on. We will serve all relevant areas around the motorcycle – products and services with the same approach, in order to make the whole experience of motorcycling pleasurable – thereby, delivering a 'Pure Motorcycling' experience.

Royal Enfield believes that with upgrading customers in developing markets and more urban customers in developed markets, the potential of the mid-size motorcycle market globally is many times its current size. Our vision is to create exciting and engaging motorcycles and its related eco-system in the mid-size market, and to rekindle and grow the market globally – similar to how we have been able to do so in India.

With over 95% market share in this market segment in India that is growing at more than 50% each year, Royal Enfield has created this category in India; we are now working towards taking this to the next level with new products, retail and service excellence, and a riding culture and eco-system. At the same time, we have commenced our strategic foray into international markets where we have been selling motorcycles for decades, but with considerably low support from our side. Markets such as USA, UK and Europe are highly influential, and success in these markets are crucial for us to gain currency and credibility as we work towards achieving global leadership in the mid-sized segment. In Latin America and South East Asia, motorcycles, like in India, are popular as the favourite means of daily commute. The size of these markets is much larger than in the developed countries, and similar to India in the enormous potential to upgrade to mid-sized motorcycles. Royal Enfield with its evocative and engaging products is very well placed to catalyse the shift to mid-size motorcycles in such markets. The Continental GT is particularly paving the way for us in these markets. However, these are early days for our international thrust, and we are now in the process of learning what it would take to be successful in different markets. Our first step is to create a strong distribution and brand salience – which is under way in a lot of markets currently; with that we will set the ground for the introduction of our new motorcycles in the coming years – which have been specifically designed to have global appeal.

This also means building the capacity at home to meet the growing demand for our motorcycles worldwide. In 2013, we produced just over 1,70,000 motorcycles and in 2014 we hit the 3,00,000 mark. While we continue to ramp up capacity at our current facilities, we have recently acquired 50 acres of land in Vallam Vadagal, near Chennai, Tamil Nadu, to set up our third manufacturing facility and would commence capacity creation here as and when we have a sight of demand that is beyond the combined capacity of our existing two facilities. Our plan is to reach a capacity of 4,50,000 units in 2015 and over 6,00,000 in 2016 from current manufacturing facilities in Thiruvottiyur and Oragadam.

In addition to capacity expansion, we are also investing in upgrading our capabilities in product development with two new technology centres on the anvil. The larger one will be at a new 4.5 acre property that we have acquired on Old Mahabalipuram Road in Chennai, and will be operational by Q2 2016; a smaller satellite center is being set up in UK, and will be operational by the end of 2015. These new centres will be responsible for creating a robust and beautiful range of new motorcycles from the two new platforms that we are currently developing.

At Royal Enfield, we have also been enhancing our people capabilities and bandwidth by adding global expertise to the team. Some of the key hires include Rudratej 'Rudy' Singh who has joined us as President, Royal Enfield. Rudy joins us from Unilever where he was Vice President and on its South Asia Board running the marketing operations for the entire cluster of Unilever markets. With over 18 years of experience across emerging as well as developed markets, Rudy has had a proven track record in leading global brands and businesses in gaining market share both by challenging competition as well as expanding the market. After leading Harley Davidson's geographic expansion across emerging markets, industry veteran Rod Copes has recently joined our team to drive Royal Enfield's growth in the North America. We also now have on-board one of the most prolific industrial designers for motorcycles, Pierre Terblanche, who has created some extraordinary motorcycles as the head of design for Ducati for over a decade. He brings this experience to our industrial design team in mentoring our future design directions. With their worldwide expertise and perspective, the global team will be instrumental in our domestic-cum-export expansion strategy; taking our products to new markets while bringing global designs and technology to India.

Amidst all this, we have also been engaged in revamping our retail experience and expanding our footprint. In February 2014 we opened our first concept store in Select City Walk, Saket, New Delhi that has been designed as a motorcycling enthusiast's living room. This brand new retail format showcases the brand's philosophy of "Pure Motorcycling" in the retail context where the prospective customer is guided by the outstanding, yet 'honest' store design and by the sales person to discover the legacy and timelessness of Royal Enfield, and to discover each motorcycle in detail, in order to get immersed deeper in our brand and to make an educated choice about which motorcycle he or she would like to buy. Our second such store opened in May 2014 in London and more recently in February 2015 we opened a couple of similar stores in Colombia as well. We have already opened 100 stores in this format in India, and over the next two years, our aim is

to convert all our stores across the globe to this format. Along with showcasing Royal Enfield's motorcycles, these stores also offer our entire range of Royal Enfield gear, including helmets, jackets, riding trousers, t-shirts, etc.

Towards accomplishing all of this and more, we will be investing Rs. 500 crores in the Royal Enfield business in 2015.

As the commercial vehicle industry emerges out of a long slump, VECV has been persistently working towards building its strengths, drawing from the Eicher Motors and Volvo Group lineage. VECV outpaced the industry in both 5-14 tonne Light and Medium Duty (LMD) and Buses segments. In LMD, VECV recorded its highest ever market share of 32.6% for the year. In the Buses segment as well VECV posted its best ever market share of 14.9%. This was despite the overall market for both LMD and Buses declining in 2014. VECV's Volvo Trucks division also saw an impressive growth of 27% with sales of almost 900 units for the year. VECV also had a tremendous year in international sales having sold more than 5,800 units, a growth of 77% over 2013. This is a reflection of VECV's growing acceptance in export markets.

In December 2013, we had unveiled the Pro series of trucks and buses. This next generation of Eicher trucks and buses represents the future of Indian trucking. The Pro series offers innovative products with higher power and durability, greater comfort and value-added enhanced features at economical costs, tapping into the surging demand for such products in the emerging mid-premium market segment. In 2014 we began commercialising the Pro series range in a phased manner, starting with the LMD segment— Pro 1000 and Pro 3000 trucks. We have also launched the Pro series trucks in Heavy Duty segments — Pro 6000 and Pro 8000. These have met with a very encouraging response. By end of 2015, the Pro series range will be available across all our distribution points in the country. The most modern medium duty engine manufacturing facility that was commercialised in mid-2013 is ramping up its production. In 2014, we made and sold ~12,000 units. These meet Volvo's exacting standards of quality and performance and have been very well received. In VECV, we will invest Rs. 500 crores in 2015, mainly towards commercialising new products.

Our 50:50 joint venture with Polaris Industries, Eicher Polaris Private Limited (EPPL), is in its advanced stage of project completion, with the launch of the four-wheeled personal vehicle planned for the second half of this year.

There are significant growth opportunities that lie ahead of us. We have long-term strategies to seize these opportunities and we will be working relentlessly and creatively over the next many months and years to make Royal Enfield and Eicher Trucks and Buses truly global brands.

Yours sincerely,

*Siddhartha Lal*

**Siddhartha Lal**  
Managing Director & CEO  
Eicher Motors Limited



**PERFORMANCE  
OVER THE  
YEARS**

Eicher Motors Limited (EML) is a leading player in the Indian automotive space. Eicher Motors also owns the iconic Royal Enfield motorcycle business, which leads the premium motorcycle segment in India. The oldest motorcycle company in continuous production world-wide, Royal Enfield has witnessed a huge surge in demand in the recent past, and is charting its course to be the leading player in the mid-size motorcycle segment globally. Its 50-50 joint venture with the Volvo Group, VE Commercial Vehicles Limited, designs, manufactures and markets reliable, fuel-efficient trucks and buses; and is leading the path in driving modernisation in commercial transportation in India and other developing markets. EML's 50:50 strategic joint venture with the US-based Polaris Industries Inc., Eicher Polaris Private Ltd., is in the start-up phase, and is currently designing and developing, and will soon manufacture and sell a full new range of personal vehicles.

The standalone results of Eicher Motors Limited relate entirely to Royal Enfield motorcycle operations.

The consolidated results of Eicher Motors Limited include the standalone results of Eicher Motors Limited, VE Commercial Vehicles Limited and Eicher Polaris Private Limited. The principles of consolidation have been detailed in Note # 1 on page #76.

## FINANCIAL POSITION AT A GLANCE - EML CONSOLIDATED

Rs. in crores

Balance Sheet	31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008 *	31.03.2008	31.03.2007	31.03.2006
Gross Fixed Assets (including CWIP and Pre-operative Expenditure)	3556.16	2762.86	2030.35	1341.01	881.61	755.92	730.06	630.60	556.90	523.30
Net Fixed Assets	2728.13	2119.73	1496.17	856.71	454.71	375.75	380.98	334.20	310.20	313.60
Investments	917.09	825.41	638.45	512.62	458.59	294.11	6.24	261.20	261.30	258.00
Inventories	645.52	526.80	488.84	427.96	326.52	218.96	338.07	210.40	168.90	161.20
Debtors	562.17	512.50	445.87	344.58	260.93	232.53	180.19	148.20	195.00	123.10
Cash and Bank Balances	480.58	682.56	803.50	1191.51	1245.68	1170.65	1260.14	51.90	48.10	27.50
Other Current Assets	1074.08	669.59	598.65	460.00	216.89	189.99	122.65	229.20	207.30	177.40
Current Liabilities and Provisions	2567.30	2061.00	1644.94	1397.56	933.21	697.75	503.16	544.40	536.80	392.80
Net Current Assets	195.05	330.45	691.92	1026.49	1116.81	1114.38	1397.89	95.30	82.50	96.40
Deferred Tax Assets (net)	-	-	-	-	-	-	14.72	-	-	-
Miscellaneous expenditure	-	-	-	-	-	-	-	-	0.60	2.10
<b>Total</b>	<b>3840.27</b>	<b>3275.59</b>	<b>2826.54</b>	<b>2395.82</b>	<b>2030.11</b>	<b>1784.24</b>	<b>1799.83</b>	<b>690.70</b>	<b>654.60</b>	<b>670.10</b>
Share Capital	27.10	27.04	27.00	26.99	26.94	26.69	28.09	28.10	28.10	28.10
Reserves & Surplus	2488.76	2028.38	1727.89	1466.14	1205.20	1042.35	1075.60	407.80	372.20	412.20
<b>Net Worth</b>	<b>2515.86</b>	<b>2055.42</b>	<b>1754.89</b>	<b>1493.13</b>	<b>1232.14</b>	<b>1069.04</b>	<b>1103.69</b>	<b>435.90</b>	<b>400.30</b>	<b>440.30</b>
<b>Minority Interest</b>	<b>1085.06</b>	<b>1039.72</b>	<b>948.46</b>	<b>837.65</b>	<b>677.41</b>	<b>574.67</b>	<b>530.53</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred Tax Liability (net)	239.35	180.45	123.19	64.46	24.92	14.16	-	35.30	36.60	42.60
Borrowings	-	-	-	0.58	95.64	126.37	165.61	219.50	217.70	187.20
<b>Total</b>	<b>3840.27</b>	<b>3275.59</b>	<b>2826.54</b>	<b>2395.82</b>	<b>2030.11</b>	<b>1784.24</b>	<b>1799.83</b>	<b>690.70</b>	<b>654.60</b>	<b>670.10</b>
No. of Shares	27104783	27038883	27000983	26992583	26937783	26692881	28093950	28093950	28093950	28093950
<b>Book Value per Share (Rs.)</b>	<b>807.10</b>	<b>742.87</b>	<b>639.93</b>	<b>547.59</b>	<b>451.96</b>	<b>395.02</b>	<b>384.58</b>	<b>145.67</b>	<b>132.70</b>	<b>142.94</b>
<b>Market Value per Share (Rs.)</b>	<b>15075.00</b>	<b>4975.85</b>	<b>2906.60</b>	<b>1488.00</b>	<b>1235.25</b>	<b>655.00</b>	<b>234.95</b>	<b>250.50</b>	<b>247.70</b>	<b>302.35</b>
<b>Market Value to Book Value per Share</b>	<b>18.7:1</b>	<b>6.7:1</b>	<b>4.5:1</b>	<b>2.6:1</b>	<b>2.7:1</b>	<b>1.6:1</b>	<b>0.6:1</b>	<b>1.7:1</b>	<b>1.9:1</b>	<b>2.1:1</b>
<b>Market Capitalisation</b>	<b>40860.46</b>	<b>13454.14</b>	<b>7848.11</b>	<b>4016.50</b>	<b>3327.49</b>	<b>1748.38</b>	<b>660.07</b>	<b>703.80</b>	<b>695.80</b>	<b>849.40</b>
<b>Debt Equity Ratio</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1:1</b>	<b>0.1:1</b>	<b>0.4:1</b>	<b>0.4:1</b>	<b>0.4:1</b>

\* The accounting year changed to January to December w.e.f 01.04.2008.

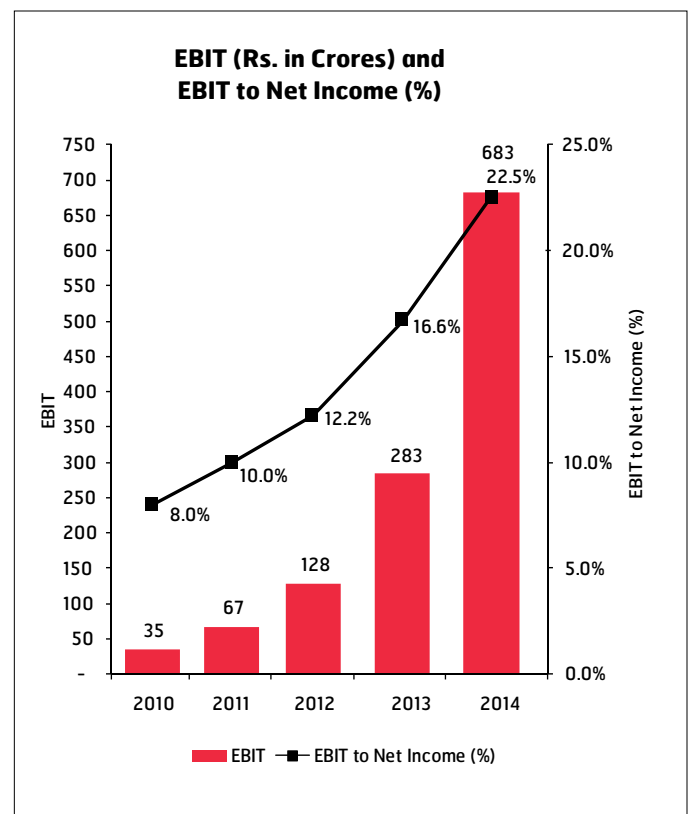
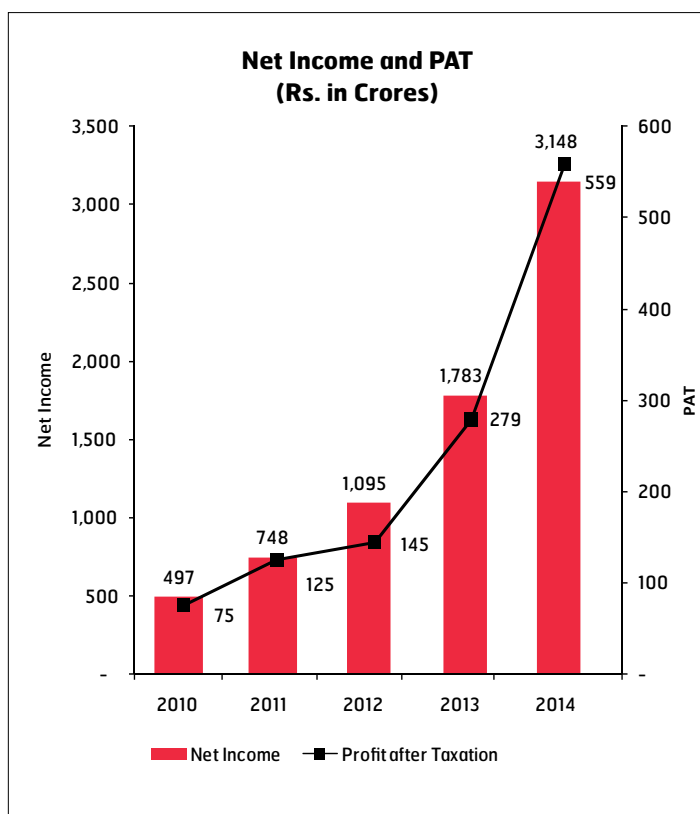
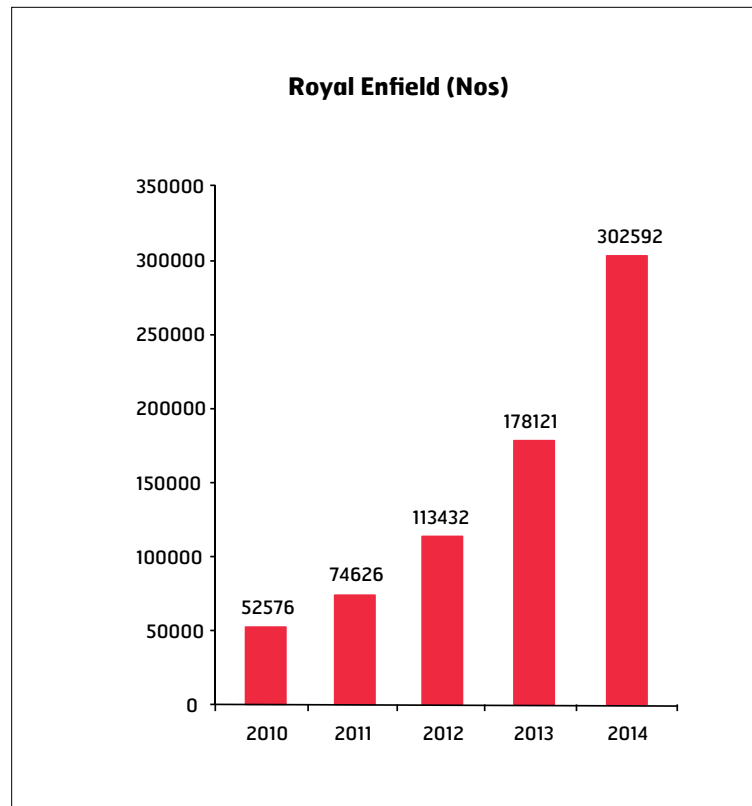
## OPERATIONAL HIGHLIGHTS AT A GLANCE - EML CONSOLIDATED

Rs. in crores

Profit & Loss Account	2014	2013	2012	2011	2010	2009	Apr'08 to Dec'08 *	2007-08	2006-07	2005-06
<b>Sales Volume:</b>										
Commercial Vehicles (Nos.)	40783	41251	48831	49042	39275	25164	15436	29828	28072	23604
Two Wheelers (Nos.)	302592	178121	113432	74626	52576	51955	32566	38528	32612	30777
Components (Including Inter Segment Sales)	380.04	303.33	283.72	281.09	203.82	130.87	105.88	113.05	128.78	99.60
Sales Revenue (Excluding Inter Segment Sales)	9351.74	7433.29	6995.04	6130.29	4701.63	3112.22	1882.48	2572.60	2252.80	1880.80
Other Income	107.44	95.29	136.64	142.48	127.57	105.44	65.75	30.20	26.60	31.20
<b>Total Income</b>	<b>9459.18</b>	<b>7528.58</b>	<b>7131.68</b>	<b>6272.77</b>	<b>4829.20</b>	<b>3217.66</b>	<b>1948.23</b>	<b>2602.80</b>	<b>2279.40</b>	<b>1912.00</b>
Less: Excise Duty	613.42	623.49	605.15	445.87	304.55	173.59	164.52	310.00	270.80	213.60
<b>Net Total Income</b>	<b>8845.76</b>	<b>6905.09</b>	<b>6526.53</b>	<b>5826.90</b>	<b>4524.65</b>	<b>3044.07</b>	<b>1783.71</b>	<b>2292.80</b>	<b>2008.60</b>	<b>1698.40</b>
Manufacturing and other expenses	7623.54	6096.61	5840.87	5095.07	4040.18	2794.21	1717.48	2146.60	1870.30	1602.30
Miscellaneous expenditure written off	-	-	-	-	-	-	-	0.60	1.50	2.10
<b>Profit before interest, depreciation, exceptional items &amp; tax (PBITD)</b>	<b>1222.22</b>	<b>808.48</b>	<b>685.66</b>	<b>731.83</b>	<b>484.47</b>	<b>249.86</b>	<b>66.23</b>	<b>145.60</b>	<b>136.80</b>	<b>94.00</b>
<b>PBITD to Net Income (%)</b>	<b>13.8%</b>	<b>11.7%</b>	<b>10.5%</b>	<b>12.6%</b>	<b>10.7%</b>	<b>8.2%</b>	<b>3.7%</b>	<b>6.4%</b>	<b>6.8%</b>	<b>5.5%</b>
Interest	9.78	7.88	3.79	7.67	9.50	8.67	9.93	19.00	14.80	16.90
Depreciation	219.82	130.04	82.17	63.96	57.30	53.88	36.89	50.80	45.10	50.19
<b>Profit before exceptional items and tax</b>	<b>992.62</b>	<b>670.56</b>	<b>599.70</b>	<b>660.20</b>	<b>417.67</b>	<b>187.31</b>	<b>19.41</b>	<b>75.80</b>	<b>76.90</b>	<b>26.91</b>
<b>PBT to Net Income (%)</b>	<b>11.2%</b>	<b>9.7%</b>	<b>9.2%</b>	<b>11.3%</b>	<b>9.2%</b>	<b>6.2%</b>	<b>1.1%</b>	<b>3.3%</b>	<b>3.8%</b>	<b>1.6%</b>
Exceptional Items	-	-	-	-	-	-	39.35	-	-	166.66
<b>Profit before tax for the year</b>	<b>992.62</b>	<b>670.56</b>	<b>599.70</b>	<b>660.20</b>	<b>417.67</b>	<b>187.31</b>	<b>58.76</b>	<b>75.80</b>	<b>76.90</b>	<b>193.57</b>
Provision for taxation	290.88	145.18	124.85	162.80	110.82	57.82	(8.53)	21.00	24.20	(18.30)
<b>Profit after taxation (PAT)</b>	<b>701.74</b>	<b>525.38</b>	<b>474.85</b>	<b>497.40</b>	<b>306.85</b>	<b>129.49</b>	<b>67.29</b>	<b>54.80</b>	<b>52.70</b>	<b>211.87</b>
<b>PAT to Net Income (%)</b>	<b>7.9%</b>	<b>7.6%</b>	<b>7.3%</b>	<b>8.5%</b>	<b>6.8%</b>	<b>4.3%</b>	<b>3.8%</b>	<b>2.4%</b>	<b>2.6%</b>	<b>12.5%</b>
<b>Minority Interest</b>	<b>86.38</b>	<b>131.44</b>	<b>150.59</b>	<b>188.63</b>	<b>117.93</b>	<b>46.10</b>	<b>4.69</b>	-	-	-
<b>Profit after taxation and minority interest</b>	<b>615.36</b>	<b>393.94</b>	<b>324.26</b>	<b>308.77</b>	<b>188.92</b>	<b>83.39</b>	<b>62.60</b>	<b>54.80</b>	<b>52.70</b>	<b>211.87</b>
<b>Dividend including Corporate Dividend Tax</b>	<b>162.62</b>	<b>94.92</b>	<b>62.76</b>	<b>50.20</b>	<b>34.55</b>	<b>21.87</b>	<b>16.44</b>	<b>16.44</b>	<b>92.90</b>	<b>12.82</b>
<b>Equity Dividend (%)</b>	<b>500%</b>	<b>300%</b>	<b>200%</b>	<b>160%</b>	<b>110%</b>	<b>70%</b>	<b>50%</b>	<b>50%</b>	<b>290%</b>	<b>40%</b>
<b>Basic Earnings per Share (Rupees)</b>	<b>227.22</b>	<b>145.84</b>	<b>120.11</b>	<b>114.48</b>	<b>70.54</b>	<b>30.78</b>	<b>16.23</b>	<b>19.49</b>	<b>18.77</b>	<b>12.11</b>
<b>Diluted Earnings per Share (Rupees)</b>	<b>226.11</b>	<b>145.04</b>	<b>119.41</b>	<b>114.03</b>	<b>70.28</b>	<b>30.69</b>	<b>16.23</b>	<b>19.46</b>	<b>18.74</b>	<b>12.11</b>

\* The accounting year changed to January to December w.e.f 01.04.2008. Thus accounting period is for nine months for the period ended December 31, 2008

## FINANCIAL HIGHLIGHTS - EML STANDALONE







# **DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Board of Directors has pleasure in presenting the Thirty Third Annual Report along with the Audited Accounts for the year ended December 31, 2014.

### FINANCIAL RESULTS

Your Company achieved an all-time high top-line growth during the financial year 2014 with total revenue from operations (net) at Rs. 3031.22 crores. The profit before depreciation and interest amounted to Rs. 733.56 crores, which is 24.2% of the total revenue. After accounting for interest and dividend income of Rs. 116.30 crores, interest expense of Rs. 1.67 crores and depreciation of Rs. 50.16 crores, profit before tax amounts to Rs. 798.03 crores. Profit after tax amounts to Rs. 558.92 crores after income tax provision of Rs. 239.11 crores.

### DIVIDEND

The Directors are pleased to recommend a dividend of 500% (Rs. 50/- per Equity Share of Rs. 10/- each) for the year ended December 31, 2014. Last year, your Company has paid dividend of 300% (Rs. 30/- per Equity Share of Rs. 10/- each) to the shareholders of the Company.

### BUSINESS PERFORMANCE

Your Company's Royal Enfield unit continues to grow strongly. It sold 3,02,592 motorcycles in the year 2014, 69.9% growth over 2013 sales volume of 1,78,121 motorcycles. Of 3,02,592 motorcycles sold in 2014, 6,221 were exported, a growth of 46.2% over 2013 volume of 4,256 motorcycles.

The financial results are summarized below:

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
<b>Gross sales</b>	<b>3303.72</b>	<b>1910.68</b>
Less: Excise duty	<b>289.01</b>	<b>215.29</b>
<b>Net sales</b>	<b>3014.71</b>	<b>1695.39</b>
Other operating revenue	<b>16.51</b>	<b>7.08</b>
<b>Total revenue from operations (net)</b>	<b>3031.22</b>	<b>1702.47</b>
<b>Profit before depreciation and interest</b>	<b>733.56</b>	<b>313.73</b>
Interest	<b>1.67</b>	<b>0.27</b>
Depreciation	<b>50.16</b>	<b>30.41</b>
<b>Profit before other income and tax</b>	<b>681.73</b>	<b>283.05</b>
Interest and dividend income	<b>116.30</b>	<b>80.10</b>
<b>Profit before tax</b>	<b>798.03</b>	<b>363.15</b>
Provision for tax (including Deferred tax)	<b>239.11</b>	<b>84.53</b>
<b>Net profit after tax</b>	<b>558.92</b>	<b>278.62</b>
Balance brought forward from previous year	<b>618.54</b>	<b>455.76</b>
Amount available for appropriation	<b>1177.46</b>	<b>734.38</b>
Proposed Dividend	<b>135.52</b>	<b>81.12</b>
Corporate Dividend Tax	<b>18.94</b>	<b>6.86</b>
Transfer to General Reserve Account	<b>55.89</b>	<b>27.86</b>
Balance carried to Balance Sheet	<b>967.11</b>	<b>618.54</b>
Earnings per share		
- Basic (Rs.)	<b>206.38</b>	<b>103.15</b>
- Diluted (Rs.)	<b>205.37</b>	<b>102.58</b>