

Transcript of the proceedings of 41st Annual General Meeting of Eicher Motors Limited held through Video Conferencing on Wednesday, August 23, 2023 at 01:00 p.m. IST

Swati (Moderator): A very good afternoon. I welcome all shareholders and the directors and officers of the Company to the 41st Annual General Meeting of Eicher Motors Limited.

Mr. S. Sandilya, Chairman of the Board will chair the meeting today and Mr. Atul Sharma, Company Secretary will assist the Chairman in conducting the proceedings of this meeting from a secretarial perspective. I now hand over the call to Atul to set the agenda for the afternoon please.

Atul Sharma (Company Secretary): Thank you Swati and welcome everyone to the 41st Annual General Meeting of Eicher Motors Limited. We have 44 members who are present and attending this meeting through video conferencing [116 members, in total, attended the meeting], so we have the required quorum for the meeting. All the directors and the Chief Financial Officer are present and we also have with us Mr. Sanjay Vij and Mr. Virinchi Nandula from M/s. S. R. Batliboi & Co., Statutory Auditors of the Company [*Ms. Sonika Loganey was also present at the meeting representing the Statutory Auditors of the Company*], Mr. Amit Gupta from AGSB & Associates, Secretarial Auditors of the Company and Mr. Vijay Gupta, Scrutinizer for the meeting. I would request Mr. S. Sandilya, Chairman to proceed with the formal agenda of the meeting.

S. Sandilya (Chairman): Thank you Atul. I welcome the members to the 41st Annual General Meeting of the Eicher Motors Limited.

The AGM is being held through video conferencing in compliance with the circulars issued by the Ministry of Corporate Affairs and SEBI in this regard. As confirmed by the Company Secretary, the quorum for the meeting is present and I call the meeting to order. All directors of the Company are present. Now introducing the directors and officers who are present, Mr. Siddhartha Lal, Managing Director, may acknowledge the same.

Siddhartha Lal (Managing Director): Namaskar.

S. Sandilya: Mr. B. Govindarajan, Whole Time Director and CEO of Royal Enfield.

B. Govindarajan (Whole Time Director and CEO of Royal Enfield): Namaskar.

S. Sandilya: Mr. Vinod Aggarwal, Non-Executive Director.

Vinod Aggarwal (Non-Executive Director): Namaskar.

S. Sandilya: Ms. Manvi Sinha, Independent Director.

Manvi Sinha (Independent Director): Namaskar.

S. Sandilya: Mr. Inder Mohan Singh, Independent Director.

Inder Mohan Singh (Independent Director): Good afternoon, everyone.

S. Sandilya: Ms. Vidhya Srinivasan, Chief Financial Officer.

Vidhya Srinivasan (Chief Financial Officer): Namaskar.

S. Sandilya: I will now talk about the performance of the Company for the year 2022-23 and briefly cover the financial and business performance, new products introduction and geographical expansion among other highlights.

The Indian automotive industry has seen a healthy revival in the financial year 2022-23 i.e. year ending March 2023, aided by a recovery in the economic activities and recovery in mobility post COVID impacted period i.e. financial year 2021-22. However, the two-wheeler segment is yet to reach the pre-pandemic levels as the industry navigates through high inflation, supply chain hurdles, sharp increase in input costs, and the rising cost of ownership due to regulatory changes. The long-term two-wheeler growth potential in India is robust and backed by the relatively young population, rising incomes, wide availability of credit and financing options, and boost to the local manufacturing ecosystem.

The global two-wheeler industry faced multiple macro-economic headwinds in 2022 such as supply chain disruptions, inflationary pressures, higher interest rates and dampening consumer sentiments. The semiconductor shortage has led to a production shortfall, especially in the premium segment of motorcycles. As a result of the above factors, the export of motorcycles from India saw a decline of approximately 18% in the financial year 2022-23 as compared to the previous financial year.

The Company has created its own differentiated approach that has given the brand its character and a distinct positioning in people's minds, guiding the Company to create unique products, services, and experiences that have helped it deliver 'Pure Motorcycling' experience. During the year, your Company launched Hunter 350 and Super Meteor 650, which will be discussed in detail at the latter part.

In spite of the external constraints, your Company has seen significant growth in the

financial year 2022-23 in the domestic market and outpaced the Indian Motorcycle market by over 3 times in financial year 2022-23.

I will commence with the performance of Eicher Motors Limited at a consolidated level. On a consolidated basis, Eicher Motors recorded a total revenue from operations of Rs. 14,442.2 crores, an increase of 40% over the previous year.

Consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) was Rs. 3,443.6 crores, an increase of 59% over the previous year.

EBITDA percentage increased to 23.8% in the current year, from 21.1% in the previous year. Your Company registered its highest ever revenues, EBITDA and Profit after Tax. This, we believe, is a strong testament to your Company's vision, its direction and the capability of its people.

Eicher Motors' consolidated net revenue and EBITDA do not include the financials of its joint ventures - VE Commercial Vehicles Limited and Eicher Polaris Private Limited. The profit/loss of the joint ventures are accounted for under the equity method as per the relevant accounting standard and are included in Eicher Motors' consolidated total comprehensive income.

Eicher Motors' share of profit from the joint venture - VE Commercial Vehicles Limited was Rs. 315.2 crores, a significant growth of 424%, as compared to the previous year.

Total Comprehensive Income, excluding the share of loss from the discontinued operations of Eicher Polaris Private Limited, was Rs. 2,922.5 crores, which is 76% higher compared to the previous year.

Royal Enfield sales volume: Company's total sales volume was 8,24,066 motorcycles in financial year 2022-23, a growth of 38% from 5,95,474 motorcycles in 2021-22. Your Company registered its highest ever sales volume beating its previous high of 2018-19.

Despite the macro backdrop in the international markets, your Company recorded a 20% growth over the previous year. The total export volume was at 89,226 motorcycles in 2022-23, as against 74,238 motorcycles in 2021-22.

North America and Latin America witnessed a significant growth of 58% in the sales volumes for the financial year 2022-23. Asia Pacific, and Europe and the Middle East region have also witnessed a growth of 33% and 6%, respectively, during the financial year 2022-23. Through your Company's focus on growing international business, it has taken really giant strides in its international business, and have crossed a milestone of 1,00,000 mark in export shipments (standalone numbers). This is a very positive

inflection point for us, and we believe we have a virtuous cycle now in international markets.

Your Company has reported a sharp 34% year on year growth from non-motorcycle business such as spare parts, accessories, apparels and services. The revenue from non-motorcycles business for the financial year 2022-23 accounted for over 14% of the overall revenue.

With a focus on delivering best-in-class service experience and bolstering its digital capabilities, Royal Enfield took multiple initiatives during the year. Some of which are:

- a. The Company's genuine motorcycle accessories product range has been expanded in the financial year 2022-23 with a wide range of new products launched with the Hunter and the Super Meteor.
- b. Auto replenishment: Royal Enfield ensured 100% auto replenishment of spare parts across all its dealers and distributors who are associated with the brand. After the success of auto replenishment in the domestic market, the Company extended it to the international markets as well.
- c. In terms of support in Leh, Company started providing spare parts support in Leh through a channel partner to enhance the availability and reduce the turnaround time for customers.
- d. Now talking about customer centricity, a QR code was implemented for spares and oil to enable the customers to check the genuineness and introduced a mechanism of loyalty points.

Company has also partnered with various sales and service front. 3,050 new authorised mechanics and 1,856 new retailers were added in the financial year 2022-23.

Company unveiled the new models and variants. The Hunter 350 was launched in August 2022. The refreshingly new and stylish roadster, Hunter 350, has opened a new chapter in Royal Enfield's iconic history, successfully delivering newer experiences to newer audiences. The motorcycle has and continues to meet the aspirations and desires of passionate motorcyclists who love the Royal Enfield brand and are seeking the right kind of attitude within the portfolio. The Hunter 350 has been immensely popular among young Indians, and in just six months since its launch in August 2022 more than a hundred thousand motorcycles are on the roads. It is all set to propel Royal Enfield's growth to the next level.

Your Company launched the Super Meteor 650 in January 2023. Built on the highly acclaimed 648cc twin platform, the Super Meteor 650 takes ahead of Royal Enfield's legacy of building superlative cruisers perfectly suited to long-distance riding. The

motorcycle captures the essence of British cruisers and has a design language influenced by the 1950s, but comes with a contemporary twist. Delivering an absolutely enjoyable and ergonomic riding experience, it encourages even the non-believers to break free from daily routines, and go on long journeys to cherish the open road, big skies and vast landscapes.

During the year, your Company was recognized with 18 awards and accolades towards new product launches. The major awards received were “Indian Motorcycle of the Year - IMOTY 2023”; “Top Gear Roadster of the year 2023”; “Bike India - Two-Wheeler of the year and Motorcycle of the year up to 350cc” for the Hunter 350; and “Top Gear Motorcycle of the year 2023” for the Super Meteor 650.

Now talking about the brand, Your Company’s brand being the oldest motorcycle brand in continuous production, continues to nurture the spirit of pure motorcycling through a host of unique motorcycling experiences and programmes.

In the financial year 2022-23, your Company returned with the 18th edition of the Himalayan Odyssey after a hiatus of three years. The ride was flagged-off from Delhi amidst thunderous roaring of Royal Enfield motorcycles and contrasting chants of the lamas. Taking 70 riders on a 2,700-km long, 18-day journey to Umling La, the highest motorable pass in the world. Traversing through some of the roughest terrains and highest mountain passes in the world, the Himalayan Odyssey contingent continued to promote the concept of reasonable, responsible traveling through various efforts.

Your Company hosted the 11th edition of One Ride which drew over 15,000 riders from 500 Indian cities and 50 countries around the world. The Ride promoted responsible traveling and commemorating motorcycling enthusiasts from diverse locations and social identities.

Talking about the Clean up Ride- On the occasion of the World Environment Day, Company organized a pan-India Clean-up ride. More than 2,000 Royal Enfield riders, citizen volunteers and NGO partners came together to promote environmental awareness and facilitate discussions on efficient waste management, with focus on the Himalayas.

Royal Enfield launched the limited edition of 1:3 Classic Collectible scale models in eight colourways, these are really beautiful and I have personally seen the way it's been packed & sent to the customer and really a nice experience to even watch it being unpacked. Featuring authentic parts resembling Classic, one of the most successful motorcycles in the Royal Enfield line-up, it gave Classic fans an opportunity to own a masterpiece.

Now talking about Motoverse. Motoverse is a Royal Enfield's quest to forge a fascinating new-age, pop-cultural space, providing an exciting and kaleidoscopic gateway into the vibrant world of motorcycling. By working constantly with people and institutions that share the same values that Royal Enfield does - of self-expression, self-exploration and the social-self, it enables showcasing the power of motorcycling as a catalyst for self-discovery and a vibrant community experience.

The Company has opened new completely knocked down (CKD) parts assembly facilities in Brazil. The rising demand for Royal Enfield motorcycles in international markets along with long-term prospects necessitates expanding capacities. The brand is meeting the same with its CKD assembly units. Adding to the existing network of the three CKD facilities across Argentina, Colombia and Thailand, during the financial year 2022-23, a fourth unit was opened in Manaus, Brazil. It is a significant step forward in Royal Enfield's plans in Latin America, and is a testament of its commitment to the Brazilian market which holds significant growth potential.

Your Company has 3 state-of-the-art production and allied facilities in Chennai, India at Oragadam, Vallam Vadagal, and Thiruvottiyur as well as 2 technical centres in Leicestershire, UK and in Chennai, India, housing the best teams from across the world. Together they conceptualize and manufacture motorcycles for India and international markets. Your Company has expanded its reach to over 60+ countries through 1,157 retail outlets.

Now moving to global operations. Your Company has established a widespread presence in 60+ countries across North America, Latin America, Europe, and the Middle East and Africa, South Asia, and Asia Pacific. While India has been the primary market where Royal Enfield has established three manufacturing plants, it has strategically established subsidiaries and CKD assembly units in major global markets to power global ambitions. Your Company also has an extensive distribution network including 206 exclusive stores across the global markets and 2,050+ dealerships and stores in India.

During the year, your Company has registered sales of 89,226 units in the International Markets, which marks a significant growth of over 20% year-over-year.

Americas, including North and South America is amongst the fastest growing overseas markets for Royal Enfield. Sales of Royal Enfield motorcycles have clocked a growth of 58% year-on-year, and accounted for around 46% of the international business volumes.

In the European markets, Royal Enfield accounts for 36% of the total international volumes in the financial year 2022-23 and reported a growth of over 6% year-on-year.

Your Company's presence in the Asia Pacific known as APAC markets has increased significantly over the last 4 years and has started operations in Singapore during the year. The region accounts for 16% of overall volumes and holds immense potential for middleweight motorcycles and in particular, Royal Enfield.

Now let me move to VE Commercial Vehicles Limited ('VECV'), the joint venture and subsidiary of Eicher Motors Limited .

VECV's consolidated net revenue from operations for the financial year 2022-23 was Rs. 18,952.3 crores, an increase of 49% over the previous year. EBITDA increased by 92% over the previous year. There was an increase in the EBITDA percentage from 5.6% in the previous year to 7.3% in the financial year 2022-23. The total comprehensive income increased to Rs. 572.1 crores compared with Rs. 108.3 crores in the previous year, an increase of 428%.

VECV outperformed the market in 2022-23 and is well positioned to continue to grow, backed by its focus on customer centricity, strengthened product range, industrial infrastructure, improved market presence, future ready technology programs and customer satisfaction.

With meticulous execution strategies and good coordination between various teams, several actions as highlighted below were implemented:

Company transitioned the entire product range to latest Bharat Stage VI on-board diagnostics II or also known as BS VI OBD II emission standards and introduced a 13.5 m bus, as a first in industry.

- Progress on emerging technologies: Production and delivery of first batch of 40 units of 9 meter Electric Vehicles for Chandigarh Transport Undertaking.
- Introduced Volvo FMX 500 off-dump truck enabled tapping of emerging opportunities in mining and making inroads into cement segment.
- The successful launch of Volvo 9600 coach created a benchmark in luxury and comfort.
- Introduction of Pro-2000 Left-Hand Drive and Right-Hand Drive range in the export markets.
- A Bhopal facility developed into a "Centre of Excellence" for the Pro 2000 range of trucks. In a commercial vehicle industry first, Bhopal is enabled with "Connected factory" Industry 4.0 concept ensuring lean and efficient material supply.
- Addition of capacities with installation of superior manufacturing capabilities at Eicher Engineering Components units at Dewas, Madhya Pradesh.

With 18,965 units of Eicher Heavy Duty Trucks sold, VECV achieved the highest ever market share of 7.7% in this segment.

Combined Light Duty and Light Medium Duty range of Eicher trucks achieved a new peak with highest ever volumes of 38,938 units and 30.9% market share.

VECV's bus sales recorded 15,077 units in the financial year 2022-23 as compared to 3,768 units in the previous year, registering a growth of 300% and reaching No. 2 position in the Indian Bus Industry. The Company successfully launched its new 13.5 m heavy duty bus chassis.

VECV recorded exports of 4,933 units of trucks and buses during the financial year 2022-23 as against 8,426 vehicles in the previous year. South Asia saw a sharp decline in industry volumes owing to macro-economic stressors in these markets, largely linked to foreign exchange reserves.

Now talking about the Transition to BS VI OBD II as mentioned earlier, the Bharat Stage VI on-board diagnostics II emission standards and E-mobility solutions offered: During the financial year 2022-23, VECV successfully and seamlessly transitioned its entire range of vehicles to the more stringent BS VI OBD II standard which went into effect from April 1, 2023.

The new emission standard mandates in-use emission compliance. VECV is also actively engaged in the ongoing transition to alternate fuels and electromobility in India. As a part of this, VECV delivered 40 electric buses to the prestigious city of Chandigarh. These buses have now been in operation for almost a year. During the financial year 2022-23, VECV was also awarded a contract by Kerala State Road Transport Undertaking. 60 buses have been delivered under this contract during the current financial year.

Moving to the non-financial highlights of Eicher Motors. Your Company has achieved greater heights in various non-financial metrics. The notable highlights are as follows:

- Achieved top 10 in the Dow Jones Sustainability Emerging Markets Index in the Autos category.
- Achieved top 10 among global Automakers in Morgan Stanley Capital International.
- The Company is at number 8 position out of 89 automakers in Sustainalytics for low Environment sustainability and Governance Risk Rating known as ESG Risk Rating.
- Water intensity reduction per motorcycle produced brought down by 36%.
- Emission intensity per motorcycle produced was brought down by 22%.

- 4 times increase in renewable energy utilisation.
- 16% of input materials used are recycled materials.
- 13,900+ lives positively impacted through community initiatives.
- 18 awards won for the new product launches in the financial year 2022-23.

Now turning to Corporate Social Responsibility or ‘CSR’ as is popularly known as and EML's efforts and initiatives in that direction:

At Eicher Motors, the welfare and development of communities is an integral part of the operations. Supported by the CSR committee and a dedicated CSR and sustainability arm, Eicher Group Foundation, the Company undertakes meaningful efforts towards creating livelihood opportunities, developing local areas and promoting sports, education, healthcare and safety. A substantial focus on the iconic Himalayan landscape towards making it environmentally, socially and economically sustainable.

Eicher Motors continued to contribute to:

- skill development and livelihood creation across various parts of India;
- promoting responsible travel through sustainable ecotourism in Ladakh; Himachal Pradesh and various parts in North East India;
- road safety;
- education and healthcare;
- marine conservation; and
- various other social causes.

Moving to some interesting aspects in terms of the dividend announcement. The Board of Directors of Eicher Motors Limited decided to reward its shareholders for their commitment and confidence in your Company. The Board at its meeting held on May 11, 2023 recommended the highest ever dividend payment of 3700% i.e. Rs. 37 per Equity Share of Re. 1 each, subject to Shareholders’ approval, for the financial year 2022-23 and the same will be treated as final dividend. Last year, your Company had paid a final dividend of 2100% i.e. Rs. 21 per Equity Share of Re. 1 each to the shareholders of Eicher Motors.

Moving to your Company’s electric vehicles journey. Royal Enfield remains committed to creating innovative and sustainable motorcycle experiences as part of its strategic approach. In recent years, your Company has made significant progress in its electric vehicle (EV) programme with robust development of in-house design, development and testing capabilities. Royal Enfield’s EV programmes are focused on consumer requirements and are aimed at creating differentiated, high performance, and fun to ride electric motorcycles with Royal Enfield DNA.

A strong team of electric vehicle and powertrain development experts, led by the Chief Technology Officer, has been put in place and is supplemented with deep investments

in development and testing capabilities. The long-term product and technology roadmap is in place and the development work on key projects have been started.

Speaking about the Eicher Motors' strategic investment in Stark Future S.L. During the financial year 2022-23, your Company has made a strategic investment in Stark Future S. L., a Spanish electric mobility company that is focused on and passionate about disrupting the EV mobility space. Eicher Motors sees immense synergies in the partnership and its plan is to co-develop and leverage each other's strengths.

Stark Future recently commenced commercial production and sale of its first high-performance electric motocross bike, the Stark VARG, which received an exceptional response from global media, professional riders and dealers.

To conclude, I wish to convey my thanks and acknowledgement for the cooperation and assistance extended by the Central Government, State Government, Financial Institutions, your Company's Bankers, dealers, customers and suppliers all across the world.

Your Company is strongly positioned to ride through changes through robust business models for both Royal Enfield and VECV. Both companies have made immense progress on their own EV plans, and are even working on alternative fuel powered vehicles. Most importantly, both companies are led by strong, and focused leaders who are backed by very competent teams that will continue to push forward with the long-term strategic plans.

I would like to congratulate each and every member of the Eicher Family for their sincere and committed contribution to the financial performance for the year 2022-23. I look forward to their continued support and encouragement as your Company embarks on another exciting year. My best wishes to all of you.

The Management of the Company has made necessary arrangements for conducting the 41st Annual General Meeting through Video Conferencing and for voting by the shareholders on the items being considered in this meeting through e-voting platform and I have satisfied myself that all efforts feasible under the present circumstances have been made by the Company in this regard.

Six business items are to be transacted in this AGM. First three items are ordinary business as follows:

Audited Financial Statements, including Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors are required to be adopted by the shareholders at

the AGM. There are no qualifications, observations or adverse remarks in the report of the Statutory Auditor which have any adverse effect on the functioning of the Company and the report of the Statutory Auditors is self-explanatory. There are no qualifications or adverse remarks in the report of Secretarial Auditors and the report is self-explanatory. The observations provided by the Secretarial Auditors are suitably incorporated in the Director's Report of the Company.

Second item of the agenda is related to the declaration of dividend of Rs. 37/- per equity share of face value of Rs. 1/- each for the Financial Year ended March 31, 2023.

Third item of the agenda is related to re-appointment of Mr. Siddhartha Vikram Lal, who retires by rotation and being eligible offers himself for reappointment as a director liable to retire by rotation.

The remaining items are special business as follows:

Item No. 4 relates to ratification of remuneration of Rs. 5,00,000/- (Rupees Five Lakhs only) for M/s. Jyothi Satish & Co., Cost Auditor of the Company, payable for the financial year 2022-23. This is an ordinary resolution.

Item No. 5 relates to reappointment of Mr. Vinod Kumar Aggarwal as Non-executive Non-Independent Director of the Company for a period of five years with effect from April 01, 2024. This is an ordinary resolution.

Item No. 6 relates to approval of Material Related Party Transactions between VE Commercial Vehicles Limited, subsidiary of the Company, and Volvo Group India Private Limited, a related party of VECV. This is an ordinary resolution.

Further details relating to each of the above business items have been provided in the notice convening this AGM read with the Explanatory Statement. The Board recommends all the above business items for approval of the shareholders. Now we will take the questions from shareholders. Thank you.

Swati: Thank you so much, Mr. Chairman. I will now invite speaker shareholders who have registered themselves with the Company in advance to ask their questions.

I would request all of you to please keep your mobile phones on mute and if possible, also turn on your video. Please state your name and your DP/Client ID or your Folio Number when you are asking your question. Given we have a time constraint, I would also request you to please keep your question between one and a half to two minutes please and also do keep your questions in relevance to the Annual Report and the financial performance of the Company, for the last year.

I will now invite our first speaker shareholder.

Our first speaker shareholder is Mrs. Celestine Elizabeth Mascarenhas. Ma'am, if you can hear me, please unmute your line and ask your question.

Celestine Elizabeth Mascarenhas: Hello, am I audible? *[there was some network issue with the internet connection of this shareholder]*

S. Sandilya: I think there is some problem with her audio. Swati, can we proceed to the next person? We will come back to her in case we are able to get her back to the line.

Swati: Our second speaker shareholder is Ms. Vasudha Vikas Dakwe.

Vasudha Vikas Dakwe: I support all the resolutions.

Swati: She does not have any questions. Next speaker shareholder that we have is Mr. Mayank Jain.

Mayank Jain: Thank you, my only question is how will you compete with Jawa, Harley Davidson, Yezdi and other similar types of motorcycles. Thank you.

Swati: Thank you very much. Our next speaker shareholder is Mr. Aspi Bhesania.

Aspi Bhesania: Sir, I am Aspi from Bombay. Thanks for giving me an opportunity to talk at the meeting. I would request the Company to continue with hybrid AGMs even when physical AGMs starts. Sir, our officials attended the investor conference of Motilal Oswal, Avenders Park and others, my suggestion is for you to also have a physical analyst meet/ conference call which everybody can attend at the same time.

Sir, all my friends in Mumbai have Royal Enfield. Even when I had been to Char Dham Yatra in the Himalayas, I could only see Royal Enfield motorcycles. Sir, I would also like to congratulate the management on excellent results. Every quarter is better than the previous quarter. Sir, what about hydrogen? Now Mukesh Ambani is putting a lot of money in hydrogen. So how do you see hydrogen going in the future because now hydrogen powered two-wheelers and four-wheelers will be coming shortly. So, do not waste much money on EVs if hydrogen is going to be the future.

Sir, in August 2020, Company's each share of face value of Rs. 10 was split into share of face value of Re. 1 each. However, the RTA does not want to release my share certificate of face value of Re. 1 each, without surrendering my Rs. 10 face value share certificate and have also asked for various KYC documents like PAN, Aadhar, original

cheque and many other documents. Sir, this is unnecessary harassment to the shareholders. In Mumbai, not a single company ever insists for all these documents while sending the split share certificate. I don't know why your RTA is only insisting on all these. Sir, I would request you to please prevail upon the RTA to send subdivided share certificate.

Further, I would like to know how many sub-divided share certificates are still lying with the RTA and of how many shareholders because that will give an idea that how much they are harassing the shareholders. Sir, thank you very much and all the best for the future.

Swati: Our next speaker shareholder is Mr. K. Sadananda Sastry. Mr. Sastry, if you can hear me, please go ahead.

K. Sadananda Sastry: Thank you. Good afternoon Sir. I am K. Sadananda Sastry from Bangalore. My Folio No. is IN30611411*****. Chairman sir, I will go according to Annual Report only and none other than that.

Page No. 10 to 65: Recently the government has taken a stand to reduce petrol vehicles gradually and switch over to electric vehicles to reduce pollution level. Therefore, what is the stand for production and marketing of Royal Enfield motorcycles. Page No. 20, 21: The history of the Company and brands are very impressive and recordable. Thank you very much.

Page No. 67, Natural capital: You have said that 12% and 4% aluminum and steel, respectively, are being recycled, does it dilute the quality of products? Page No. 69: Some automobile companies are offering four-wheelers for a minimum cost of Rupees 2 to 3 lacs, in such case marketing of motorcycles will naturally be lower. What is our strategy to face this competition? Page No. 75: Government is planning to reduce the lifetime of vehicles to 15 years and treating the vehicles as scrap after 20 years, then how the Company's principles of vehicle life, vehicle analysis works out. Page No. 85: Company has received Rs. 131 crores from government, whether this process is regular? Page No. 163, Directors' Report: Financial figures shown in this report proved the efficiency of the Company during FY 2022-23. I congratulate the Board and the employees of the Company. Page No. 167: Company has six subsidiaries, almost generating revenue but not profit. Whether all these are viable and profitable? Page No. 3 Note 6, Consolidated Balance Sheet: Company's property and plant increased by Rs. 89 Crores but depreciation is also getting increased by Rs. 75 Crores; instead of decreasing. Why is this depreciation disproportionately incurred? Under trade receivables, though outstandings are small, the unsecured portions are more. How do the Company monitor it to restrict this becoming bad?

Equity capital is very tiny compared to other equity. Why cannot the Company utilize these reserves for capitalizing by declaring bonus shares in order to reduce borrowing, liabilities and finance cost? Company has borrowed fresh Rs. 63 crores, while last year it was Nil. Why is the Company resorting to borrowings and keeping the liabilities of Rs. 1,780 crores intact while the Company has its own reserves? Other Expenses: When there is sufficient demand for the product and Eicher being a global company, what is the necessity of spending Rs. 12 crores more towards advertisement expenses. Bad debts are increasing without limit, which are hurdles for the profit growth. Company has to take some measures to minimize other expenses also. Investments in financial assets increased by Rs. 4,535 crores this year, why the Company has invested in liquid assets for cheaper rate of interest instead of using these funds for Company's main activity? Whether the Company is experiencing excess liquidity? Thank you very much, sir.

Swati: Thank you. Our next speaker shareholder is Mr. Yash Pal Chopra.

Yash Pal Chopra: Honorable Chairman sir, and the members of the Board, I am very much proud of the Company because this Company is now on the international map. It is not restricted just only to our country, even worldwide, there are 60 countries which recognize Company's products. So, this is a matter of prestige for us. As regards to the performance of the Company for the last year, I would like to congratulate the management that in spite of the turbulent global economy, having a shade of that on our economy as well. Instead of this, our Company made the highest ever revenue, i.e. 40% above of the previous year. This is a very big achievement. There has been all round growth in the revenue PBT, PAT, ROC, EPS, EBITDA and the dividend declared is investor friendly. You have just declared the dividend, raised it from Rs. 21 to Rs. 37. This shows your concern towards the investor. This is a matter of pride for us.

You can call the Company as one of the best companies as per the reputation because its system of principal strategy is based on ITC, where 'I' stands for integrity, 'T' stands for transparency, 'C' stands for the concern, concern for the employees, investors, clients, government, regulatory bodies and concern for the communities. So, because of all of these good features, we are very much proud of the management. Future of the Company is very bright because as per the demographic data, 40% of the population of the country is between the age group of 20 to 40 and these people are very much fond of our motorcycles specially Himalayan. This is a very big and prestigious variant which generally the young man like to possess.

As regards the other auto sectors i.e. our buses, commercial vehicles and the light vehicles, these are also gaining ground. I would like to know rank of our Company in competition with Tata Motors and Ashok Leyland in commercial vehicles, passenger vehicles and buses. The second thing I want to know is that our supply is in 60

countries, so what is the ratio of the foreign exchange in earnings and revenue of the Company. Further, we are having six subsidiaries and we are incurring expenditure on that, why should we not consolidate and save our expenditure and that will indirectly strengthen the differential position of our Company.

I will pray to God for positivity for all of you because positivity is the strength of the Company and the strength of my Company is the strength of my investment. Best of luck to you and for the coming festivals, Thank you.

Swati: Our next speaker shareholder is Mr. Sanjay Banik. Mr. Banik, you should be able to unmute your line and ask your question.

Sanjay Banik: I am Sanjay Banik from Kolkata, the city of joy. I am thankful for giving me the opportunity to speak at this AGM of our Company, having a renowned and experienced management team. I have some suggestions as well as some queries. First are the queries as follows:

1. In the annual report of the Company it was stated the Company has recently deployed 40 EV buses in Chandigarh. What is the order book size of our Company of EV buses at present?
2. Our Company has collaborated with various entities in order to strengthen the grip on the EV market. When will we see Eicher's EV in the market in recent times?
3. Several auto players like TVS, Hero, Bajaj, all are contemplating to launch premium bikes to compete with our Company. How can our Company prevent itself from loss of market share?
4. What is the percentage of imported raw material in value terms of our Company used to manufacture one motorcycle?
5. What is the minimum and maximum price of the export of motor bikes of our Company model-wise in INR terms?
6. Financial Capital on Page No. 66 of Integrated Report Section: It was stated that Rs. 10,794.57 crores net worth as on 31.03.2022. Is it a printing mistake or if it is printed for 31.03.2022 then what is the figure for 31.03.2023.

I have some suggestions also: In the Himalayan Motorcycle Model of our Company, the charging port and GPS system is not there. Requesting the Company to look into this.

Sir, to bring more customer engagement, the Company should engage celebrities and

famous faces across different fields like Asian Paints does through its YouTube channel, the program called 'Where the heart is'. The Company should also have a YouTube channel like this.

Last point but not the least, the Annual Report should not be in black and white, it should be printed in color. There are many avenues to save the cost. So, you should make it colorful next year. Thank you, sir.

Swati: I will now invite our next speaker shareholder, Mr. Krishan Lal Chadha and Chetan Chadha, joint owners.

Chetan Chadha:

- For registering as a speaker shareholder, our Secretarial Department insists on submitting a copy of PAN card from the shareholder. There is no legal provision requiring submission of a copy of PAN card for registering as a speaker shareholder. As the details of the shareholders are already available with NSDL, therefore the requirement of submission of a copy of the PAN card should not be there. Concerns were raised regarding the corporate governance practices followed by the Secretarial Department.
- Declaration of Rs. 37 dividend is a very good prospective.
- Speaking about the joint ventures and subsidiaries of the Company which are not profitable, the Company should merge all these joint ventures and subsidiaries.
- In the last 15 years, the Company has not issued bonus shares and rights shares to the shareholder. The Company should consider issuing bonus shares and rights shares to increase equity of the shareholders.
- The Company has sold 8,24,066 motorcycles during the financial year and earned Rs. 107 EPS, but the shareholders are not getting any discount on the motorcycles sold.
- The Company has doubled its operating cash flow, but the Company's investments have not increased in the same proportion.
- There should be an explanation on the Board's salary in the Annual Report of the Company.
- The Company should have a mobile number, apart from the fixed landline number, for the shareholders.

- The Company has increased its net worth to Rs. 12,887 crores in the last 15 years and our other income has also increased by Rs.~ 200 crores during the last financial year as mentioned on Page No. 223. But I am not able to understand the negative dividend payout of Rs. ~40 crores from joint ventures as mentioned on Page No. 225 of the Annual Report.
- The AGM should be conducted on a hybrid model so that shareholders can also attend in physical mode.

S. Sandilya: We should move to our next speaker, please. Thank you so much. Mr. Chadha, we have listened to your opinions and appropriate answers would be provided to you.

Swati: The next speaker is Mr. Mahesh Ambalal Kuvadia. Sir, you should be able to unmute your line and speak now.

Mahesh Ambalal Kuvadia: Good afternoon Sir. My name is Mahesh Kuvadia, my Demat Account no. is 1208880002*****.

- I congratulate all of you for the best performance and also on non-promoter shareholding getting a good dividend.
- Nil complaint is shown in Annual Return and in Stock exchange filing, although I am complaining since 2000. Concerns were raised regarding the practices followed by the Secretarial Department.
- You have sent Company' authorized official to the banker for verification for the purpose of deleting the name of the second holder in shares held by me, whereas the details of the first holder remain the same. Despite giving everything twice, people visited my residence for verification.
- I want to know where is the Registered office of the Company? Is it belonging to any director or his/her relative. Please provide whom I should contact to inspect the Statutory documents of the Company.
- I was not allowed to attend the AGM without registering for the meeting. Nothing is provided in the Annual Report of the Company that a shareholder cannot attend the AGM without registering.
- Statutory Registers of the Company are not complete.
- Statutory Auditors/Secretarial Auditors does not qualify or provide any remarks

in their respective reports.

Swati: Thank you Mr. Kuvadia, we will respond to your questions sir. Our next speaker shareholder is Mr. Anand Parkash Jindal.

Anand Parkash Jindal: Good afternoon, everyone. Myself Anand Parkash Jindal from Delhi. I will be quick in my words. As a proud shareholder of Eicher Motor, we are convinced to reflect on a transformative year. Eicher's commitment to excellence has fortified our standing in the industry, evident through the global regiments of Royal Enfield. Navigating the dynamic market, our foreign intellectual mobility, particularly through Eicher collaboration, for example, recently, we collaborated with Amazon for a leg of 5000 e-buses in the next five years. I commend management foresighted employee engagement, which is pivotal to our achievements, yet I am curious. I have two questions, first one, India is committed to get carbon-neutral by 2070, and what measures Eicher is taking to monitor its carbon emission. The second question is when the whole industry is going from a transition and financial investment is going to be increased drastically, how Eicher is looking to sustain innovation by upholding the physical resilience. At the end let's stride into the future unified. I am confident that faith in Eicher Motor will propel us to greater miracles. Thank you.

Swati: Thank you very much. Our next speaker shareholder is Mr. Ashok Kumar Jain.

Ashok Kumar Jain: Good afternoon Mr. Chairman, esteemed Board of Directors and my co-fellow shareholders, joined the AGM on VC portal. I am Ashok Kumar Jain, DP ID IN30011810*****. First of all, I congratulate the Chairman sir, management staff and other staff, who gave us a great performance during the financial year 2022-23. Summary of the conversation with Mr. Ashok Kumar Jain:

- The main product of the Company, Royal Enfield is a dream motorcycle for the young man. I like it very much. The coming generation feels proud to have a Royal Enfield.
- I want to know Company's expansion plans for commercial vehicles.
- Is there any plan of the Company to bring any Rights Issue.
- How much unclaimed dividend is lying with the Company. The unclaimed dividend and shares are transferred to IEPF Account. The Company should take more steps for transferring unclaimed dividend and shares to the shareholders' account before transferring it to IEPF Account.
- The Company should think about declaration of bonus shares out of the Reserve Funds.
- I support all the resolutions.
- The AGM should be held through hybrid or physical mode in the future so that maximum number of shareholders could attend the meeting.

Swati: Thank you very much, Mr. Ashok. Our next speaker shareholder is Mr. Sarvjeet Singh.

Mr. Sarvjeet Singh seems to have dropped off the call. I will go to the next speaker shareholder, Mr. Praveen Kumar, if you can hear me, please go ahead.

Praveen Kumar: A very good afternoon to respected Chairman Sir.

S. Sandilya: Your voice is breaking. Can you speak a little slow?

Praveen Kumar: Sir, myself Praveen Kumar and I am speaking from New Delhi. I hope I am audible.

Swati: Mr. Praveen Kumar, I think you are in a bad network zone. I am not able to hear you clearly. I will go to the next speaker shareholder, we can request our team to get in touch with him and seek questions from him.

Ms. Celestine Elizabeth Mascarenhas, the First Speaker, is now back with us.

Celestine Elizabeth Mascarenhas: Respected Chairman, Mr. Sandilya, Mr. Siddhartha Lal, MD and CEO and other members on the Board, my fellow shareholders in this VC, I am Mrs. C. E. Mascarenhas, speaking from Mumbai.

First of all, I thank the Company Secretary, Mr. Atul Sharma, and his team for sending me the annual report and also registering me as a speaker and also giving me this platform to talk.

Annual report is very good, self-explanatory, adhering to all the norms of corporate governance. This is the highest dividend paid, I am very happy, a very good dividend of Rs. 37 per share. But I would like to know about the bonus shares which can be given through capital and reserves. So, I would like to know when the last bonus was given.

I congratulate for all the awards and applauds as given in the Annual Report. Also, the Company has done very good CSR work. I would like to know whether we have rated our ESG and if rated, with which rating agency and have we listed on some dedicated ESG platform, whether in domestic or international, would you name that?

Now, my second question is that our total motorcycles sold is 8,24,066. I would like to know how much margin we enjoy in this. In this mid-size motorcycle segment our market share was 88.2%. I would like to know which is the next highest brand in the market share.

Third question is related to two state-of-art plants in Chennai, what is the capacity utilization there and do we use AI, ML blockchains, cloud computing, all these IT tools for better operation, and what is the spending on it?

Sir, we have 1,157 retail outlets in 60 plus foreign countries. How much margin we enjoy there. Domestically, we have 2059 retail outlets, which one of these is giving us more revenue and adding to our profits?

Lastly, but not the least, Royal Enfield is our most popular brand. Have we valued this brand? If so, would you share with us the valuation done? Rest, I wish our Company all the best. I have supported all the resolutions. I wish our Company strength to strength and may we come with the hydrogen motorcycle, which may be a great pride to us. With this, Mr. Mascarenhas will say a few words.

Aloysius Peter Mascarenhas: Hello, I am the next speaker shareholder, Respected Chairman sir, very distinguished members of the Board and my fellow shareholders, good afternoon to you all. At the outset, I thank the Management, Company Secretary and the team. I am a proud shareholder of this prestigious Company. It is really shining. I would like to know where we stand, our market share, both in the national and international market and how many EV motorcycles, bicycles we have manufactured and in which countries we are exporting. Most importantly, what revenue do we get by way of dollars? Because the dollar is rising day by day as against the rupee. So, I would like to know how much revenue we are getting from exports. Another personal question is about the unclaimed dividend and unclaimed shares. What is the unclaimed dividend amount which has gone to Investor Education & Protection Fund and also the number of shares. I would also like the Company to ensure that most of these unpaid shares and unpaid dividend goes to the shareholders, which is hard-earned and doesn't remain blocked with the Government Investor Education and Protection Fund. I wish personally, all the Board members and more importantly all the employees, all the very best in the days and years to come.

Swati: Thank you. Sir, we had one speaker shareholder Mr. Sarvjeet Singh who was unable to ask his questions earlier and who has rejoined now

Sarvjeet Singh: Chairman sir, first of all good afternoon to you, all the Board of Directors, all the staff of Eicher Motor Limited and my fellow shareholders. Summary of the conversation with Mr. Sarvjeet Singh:

- I want to ask why mutual funds are reducing their stake in our Company.

- My father, Mr. Manjeet Singh did not get the chance to speak in the AGM in the last three years and even today he did not get the chance. Concerns were raised regarding the service standards of the Secretarial Department.
- Requirement of submission of PAN Card for the purpose of registration as a speaker in the AGM should not be there as all details of the shareholders are already available with NSDL.
- I wish you all for the coming festival season.
- The AGM should be conducted in physical mode in the coming years.

Swati: I thank all speaker shareholders who have participated today and asking your questions. Mr. Chairman, that was the end of the list of the questions that we had today, I request you to please start with the responses.

Siddhartha Lal (Managing Director): While he is logging back in, maybe I can take one of the questions.

S. Sandilya: Sorry for the interruption. There was a bit of a network problem on this end, and now it is being sorted out. At the outset, let me thank all the shareholders who have participated in today's meeting and gave a lot of suggestions and also raised quite a few questions.

In a consolidated way, I will answer some of the generic questions and then leave it to Mr. Siddhartha Lal, Mr. Govindarajan, Ms. Vidhya and also Mr. Vinod Aggarwal to answer some specific questions.

I must thank the shareholders who have specifically talked about supporting all the resolutions and thank you very much for doing that. Quite a few of them have congratulated the Company on its performance and the highest ever dividend declaration.

Quite a few shareholders have raised their personal problems in this meeting. As we said in the beginning of this AGM, the questions should be on the annual report and any observations on the annual report. My recommendation would be, specific questions on individual grievances, please take it to the Company Secretary office, and he will ensure that they are attended to. To specifically mention shareholders like Mr. Kuvadiah, who raised questions about issues that he has faced, I must tell him and the other shareholders, that many of these questions which are addressed to me, I will personally look at them and ensure that the replies are sent to the shareholders and appropriate answers are given. Its been given the highest importance because we do look at shareholders' grievances and replies in a very systematic manner and the Secretarial Department takes a lot of pride in doing it, and we even monitor the speed of

responses. So, I think that's something which the Company does with the highest level of corporate governance.

Now, a lot of people have asked about IEPF. I must mention that the Company takes a lot of stress, a lot of attention to look at how we ensure that the dividends are paid in time to the shareholders. My request is that because we announce the dividend declaration in advance, and we also inform the shareholders by various means, if any one of them has not got the dividend in time, please feel free to write to us, and we will check what is the problem and ensure it is attended to. However, transfer to IEPF is a legal requirement. There is a seven years time period given and within which if the dividends and shares are not taken, they are transferred to IEPF, which is a reality which we cannot help. However, there is a process by which shareholders can file a Form IEPF-5 with MCA and the Company will facilitate with whatever possible efforts, to ensure that the dividends are retrieved back to the shareholders, depending on the procedures that are to be followed.

The Company follows all the procedures and people have talked about why companies insist on a lot of documentation, let me assure you that we do it only in the interest of shareholders. As you know, there have been many frauds that have taken place in terms of shares being transferred under different names. Therefore, the Company, unfortunately, does not even have the way to verify the signature. We have to depend on either the RTA doing the verification or we then personally take up with banks to verify the signatures to ensure that the shareholders' interests are protected. So, it is not to harass the shareholder, it is basically to protect the shareholders' interest that we take such steps for asking the documentation, which is to ensure that the shares have been transferred to the right owners and not by mistake, go to people who are not legitimate.

One normal suggestion which keeps coming about capitalization and why not bonus shares. Let me assure you that the Company keeps reviewing the structure on a regular basis, and at an appropriate time the Company will consider some of the corporate actions, but it is something which we do in the overall interests of the Company in terms of what is required, what kind of capital requirements are there for the future. Taking all this into consideration, the Board reviews it periodically to take appropriate decisions at a point of time.

Now, let me turn to the specific questions that have been asked about electric vehicles. I would request Mr. Siddhartha Lal to answer questions on electric vehicles and the kind of future direction that we have. There are questions with respect to the capacity utilization and the risk that Mr. Govindarajan could answer. The specific questions on the annual report on the financials, Ms. Vidhya could answer.

The last is on the commercial vehicles, there are questions on what we are doing, and that Mr. Vinod Aggarwal could answer.

I hope I have covered all the questions, if any of the questions I have missed out please let me know, then I will cover it later on with the general questions. Over to Siddhartha.

Siddhartha Lal: Thank you so much, Mr. Chairman. Thank you all once again to the shareholders for speaking freely and openly in this forum. We absolutely hear everyone, and we listen and respect every opinion that comes on this forum from shareholders. We exist because of the shareholders. We certainly want to continue to serve our shareholders, all of them, Of course, we do hear any dissenting voices which have come in, as the Chairman has said, and we will certainly take all precautions, all course of action and will make sure that on the one hand, we keep everything very clear and make sure of the security checks & precautions that we take due to various reasons that exists in terms of shares related matters. On the other hand, we try to remove as many barriers towards our service. So, thank you all very much.

On electric vehicles, there were some questions and there were also a couple of comments on hydrogen. So, we will club all that as alternative propulsion, buses, let's call it as internal combustion engine or petrol engines that we use in our motorcycles, but then diesel that we use in our trucks and buses. So, on the one hand we expect that for years to come and maybe even for decades to come, one or two decades at least, that internal combustion engine will continue to hold strong, if not in every segment, in quite a few segments. Therefore, we continue our development on the internal combustion engine front, strongly both in our motorcycle business and in our truck business.

Having said that, we are doing a lot of work on alternative propulsion. In motorcycles, the lead for that is electric vehicles. We have on the motorcycle front, a 100-plus team, Chief Technology Officer and a Growth Officer. So, we are looking at it holistically, end to end. We have been riding our own prototype bikes for a long time and doing a lot of work.

Again, as Royal Enfield, our objective is to thrive the market like we have always done to create something extremely special, which is extremely distinctive and creates a really interesting alternative for the consumers which compels them to buy it right, because it is of such a high standard and so well thought through. So, we don't just jump into the market with a decent product. That's not our approach. We take our time and really develop a product, a service, a brand, a thought process, distribution, everything extremely well needed and that's what we are doing with our EV strategy in Royal Enfield, that's very much the plan.

In commercial vehicles, maybe Vinod can talk about that subsequently. But we also have a very strong plan for commercial vehicles. We are in the market, we are on the road in bus segment and in truck segment and while we are considering various other alternative propulsions, even in the motorcycle segment like hydrogen, as you said, that kind of propulsion is, in our opinion, even better suited actually for commercial vehicles. So, while we already have electric vehicles on the road, we are also experimenting with hydrogen vehicles and other such vehicles on the commercial vehicle side at this point.

So that's the overview on EV. We have recently or previously said that we would like to come to market in around two years from now in EV, so that still holds. But, you know, these things are all subject to all the development and testing and all that which is going on right now, but also the entire commercial plan, which is extremely important in EV because it may not have the exact same commercial situation as petrol motorcycles in terms of how you sell, how you service, how you support, it could be quite different. But again, we're extremely positive in terms of what we are creating, and we believe that we can create a very distinctive product, which can really grow the markets for EVs as we have done to grow the market for mid-sized motorcycles, which brings me to the next point, which a lot of you have asked, and very rightfully so, about competition.

There are new competitors in the market in our mid-size space that we have created over the last 15 years. We have always faced competition and we always take competition very seriously in terms of understanding what they are doing, what their product is, what their offering is, what their thought process is, what their brand distribution is, we understand it is threadbare. Having said that, it is not that we respond immediately, we cannot and we do not. That is not even our approach. For example, a new product typically takes 3 to 5 years in development.

So, it is not that one can respond to the new product straight away or anything, but that's the strength of Royal Enfield and that's the strength of our approach. We have considered what could be competition three years from now, five years from now and that's what a new product process, that is one of the inputs that a new product process takes into consideration previously.

So, the new products that are already in the market today with the Royal Enfield and the ones that are coming in the near future, we understand consumers look at them very closely, but we also look at competition, we also look at trends, we also look at technology, and we also look at all sorts of different things across the world. As you know, most of our products, actually all of our products, are available in all of our markets. So, we do not make market specific products because we want to have the same products everywhere in the world. That is why we are in the mid-size market. That is why we have scale.

One of the questions was around market share, we continue to, despite all the competition that has come in, grown the mid-size market in India. I am talking about first 50,000 units 15 years ago and the market size for mid-size is nearly ten lacs units. So, we have been propelling it with 20 x growth, approximately over the last 15 years, but we continue to hold a 90% plus market share. Now, of course, in the very long term or in the medium term, that market share may come down. We are not desperate to hold on to 90 plus percent of market share. But we honestly, really, and deeply believe that we can continue to grow the market tremendously and that new competition will also propel to grow this market. So, our expectation is that over the medium term, long term, this mid-size market, which is approximately 10 lacs in India today will grow to 15 and 20 lacs. Also in that, if we can maintain 80 or 85% share or somewhere in that region, I think we will be extremely well off. In fact, we'll be much better served with the increasing competition because that will propel the market to grow a lot more.

We have a huge number of advantages at Royal Enfield which will continue to help us to grow in the segment. We have an absolutely tremendous product range, and it is extremely wide and its continuing to flow, as we have new products coming out. You may have seen announcements that we have a new product coming out in a week's time, we have a new product coming out at the end of this year again and so on and so forth. So, we have continued new products coming out based on very thoughtful work that we do.

We have an outstanding brand which every young person in India who is interested in motorcycles says okay one day I will have a Royal Enfield bike.

We have by far the best distribution network and a premium distribution network, in India without a shadow of doubt. Other things like residual value and resale price of our motorcycles is tremendous. Our service network, our support, our community, we have millions of riders who ride in together as Royal Enfield, individuals or clubs or friends and the community that we have built is also extremely strong.

So, we have a lot of little protections also on our market share, and we certainly plan to use all of those. We have grown all sorts of side-related businesses. Our spare parts business is doing extremely well, our accessories business, Genuine Motorcycle Accessories is absolutely by far the best in India. If you look at our selection, you look at our quality, it is streets ahead of everybody else.

Same reputation is with our apparel, we have various other lines of business, continuous lines of business, to support this motorcycling ecosystem that we have created. We certainly pay respect to the competition, but we have continued to have a lot of growth opportunities within India, in international markets, as I discussed earlier, tremendous growth opportunities in different product lines, in non-motorcycle lines.

So, overall, I am absolutely optimistic about Royal Enfield's future. The strong margins that we have, the growth opportunities we have, the team we have, I think all of it is really pointing to the right direction, and we are really excited about the future.

S. Sandilya : I have a few observations which I will cover again.

Thank you very much Siddhartha for covering the entire spectrum and providing very detailed answers to some of the questions, and now I request Mr. B Govindarajan to step in, to answer some of the questions which were raised on capacity utilization and something about the product and the plan. So, I thought he would cover that and then will switch over to Ms. Vidhya for the financials and then give it to Mr. Vinod Aggarwal.

B. Govindarajan: Royal Enfield has two world-class technology manufacturing plants at Oragadam and Vallam, supported by the best-in-class chrome plating operations. All these plants combined together have an installed capacity of almost 1.2 million in which we are manufacturing all our best quality 350cc motorcycles and 650cc motorcycles which are getting exported to almost 60 plus countries. That's the same place. This sustainability is the core of the entire operation in all of our manufacturing plants.

We ensure this, all manufacturing plants, are on the green operations. With the zero-discharge manufacturing, there will be no water discharge outside the plant where the motorcycles are being manufactured. There will be zero landfill, so nothing will go as non-biodegradable substances which will be used in these areas.

All our manufacturing plants are also heavily on renewable energy now and almost for 40% of our power requirements for all the manufacturing facilities in those areas, we are actually using solar power.

So, it is a greener operation and that's the focus. We are now manufacturing all these products out of these two manufacturing plants supported by the Thiruvottiyur plant, which is of the same global standards, one quality level across the globe. As we mentioned, about 60 plus countries, which we actually export into, ably supported by almost 200 odd supplier base, which is also there, co-located around our manufacturing plant. As I was mentioning, even the electric vehicle will also be manufactured in these manufacturing plants and some of the expansions are also continuing in those areas.

Some of you are asking about hybrid technology. Hybrid technology in the two-wheeler space is not much of an exploration which is being done at this stage. However, in the commercial vehicle area, it has a lot more relevance. Probably, Chairman with your permission, I can request Mr. Vinod Aggarwal to talk about the hybrid commercial vehicles.

S. Sandilya: Thank you Govind. Mr. Sadananda Sastry and a couple of others have raised questions on the annual report, which is the focus of the AGM. May I request Ms. Vidhya to answer some of the questions raised please.

Vidhya Srinivasan: One query was raised on the borrowing of Rs. 62.96 crores. We have received a soft loan of 131 crores from SIPCOT for a ten-year period, at an interest rate of 0.1%. So, Rs. 62.96 crores reflects the present value of that particular loan.

Another query that was raised was around the disproportionate increase in fixed assets as well as the depreciation. It is really not possible to compare the two. The additions are based on whatever is the CapEx plans, and we have incremental depreciation based on the net block. So that's how it is calculated.

There was one more query, which is around measures to reduce other expenses. Obviously, we have a combination of fixed as well as various expenses as far as other expenses are concerned. The Company is continuously monitoring, and we are looking at initiatives, what we can do to optimize the cost base.

Another query was around financial investments and investment in liquid funds. So currently we have invested about Rs. 650 crores in CapEx last financial year 2023. Another Rs. 443 crores were invested as far as the stock acquisitions are concerned. In the financial year 2024 we have planned a CapEX close to Rs. 1000 crores. Apart from that, any surplus cash that is generated from business, we are keeping it in low-risk liquid funds and also in other fixed deposits. So, we are constantly looking to make sure that we are adopting the safest practices possible as far as investments are concerned.

Another query was around subsidiaries viability and what we are doing from a subsidiary standpoint and also the export realizations and subsidies. So, currently we have about Rs. 2,080 crores worth of export revenues, and we are present in multiple geographies as reflected in the presentation. We have five subsidiaries, which are essentially across Brazil, Canada, North America, Thailand as well as the UK. We have robust business plans for all of the subsidiaries and the businesses are ramping up well, the market share growth has been effective. So, we believe that all the markets, potential and the subsidiaries are extremely viable.

There was another query which is around receivable provision of Rs. 5.39 crores. Please note that your Company has received about Rs. 1.36 crores out of this overdue provision, which was made in April 2023. So, we are continuously monitoring and we do not believe that there is any significant risk as far as the receivables are concerned.

S. Sandilya: Thank you. There have been questions on the commercial vehicles and one is specifically on competition that is coming from Tata and Ashok Leyland, how are we facing it and second is about the alternative fuels and hydrogen-based vehicles. May I request Mr. Vinod Aggarwal to kindly cover the aspects of commercial vehicles.

Vinod Aggarwal: Thank you Chairman. I think the first question was with respect to our position vis-à-vis competition. I think that you would have seen the graphs that were shown as part of the Chairman's presentation. We have consistently improved in all the market shares. For example, in light and medium duty trucks, we have grown from 29.5% in 2020 to 30.9% and this year also we are continuing to grow. In heavy-duty trucks, we have grown from 5.1% in 2020 to 7.7% last year and this year we continue to grow. In buses, we have grown from 14.1% in 2020 to 24.1% last year, and we are continuing to grow in buses as well. Therefore, vis-à-vis competition, our relative position is continuously improving, and we are expecting that we have more potential to grow, and we will continue to make efforts to grow in all these segments.

The second question was with respect to the capacity expansion plans in the commercial vehicle segment. As you know, in December, 2020, we started a new plant, in Bhopal, our second truck plant and that plant is fully in operation now. As of now, we have enough capacity and we do not have immediate plans to add further capacities in the commercial vehicle segment.

Another question was with respect to our order book position, with respect to the electric vehicles, electric buses. As you know, 40 buses we have already supplied till last year to Chandigarh Transport Undertaking. After that we have supplied another 60 vehicles to Kerala State Transport Undertaking and we have further orders in hand of around 100 plus electric buses. Apart from that, you would have seen in the press, recently we have signed an MOU with Amazon for supply of 1,000 electric trucks in the next 2 to 3 years and for that also supplies will start soon. Therefore, you can see that we are ready with the electric buses and electric trucks as well.

Then on the alternate fuels, as you know, we are already one of the market leaders in the CNG trucks. We are already supplying vehicles with CNG fuel. Right now, we are working on the LNG fuel for the heavy-duty trucks. We are going to supply the LNG trucks in the Volvo brand, and we are also going to supply electric trucks in the Volvo brand as well. Then we are working on hydrogen fuel, we are working on hydrogen ICE engine, and we are also working on hydrogen fuel cells. So, as and when the hydrogen fuel is available in the country, I am sure we will be ready with our products with the hydrogen fuel. That's it from my side.

S. Sandilya: Thank you very much Vinod for covering, and I think we have covered almost all the questions, some specific ones as well as general ones. Just two

observations I want to make. There were suggestions about conducting a physical meeting and why are we having this meeting through video conference. As all of you know, with the COVID that took place a couple of years ago, the Government has granted permission to arrange this facility.

We find that it is at the moment cost-effective and we have been able to have maximum participation, a lot of people attend through video conferencing mode. But yes, there is a suggestion that came in to conduct AGM through hybrid mode. We will definitely explore the possibility going forward, whether we can do something because there are challenges when you do a hybrid meeting as then there would be a clash between the people who participate through video conferencing as well as those who participate through physical mode. So, we will see in case it is possible.

Another question was that we have not had a chance to participate in the AGM for many years, but I will say that our Secretarial Department provides an offer to participate. If you register in time, then you will definitely get the opportunity to participate. This year we have 17 participants, our maximum number of participants. Likewise, we will try to accommodate a maximum number of participants in the coming years also.

Thank you very much once again all the shareholders for having participated in the meeting. You have asked a lot of relevant questions and given your suggestions. Let me assure you that we will take all the suggestions. At the best possible time, we will try and answer them.

If any of the questions of shareholders have not been answered specifically because of the network not being okay, please feel free to write to our Secretarial Department. We will provide the answers going forward. Once again I thank all and I will hand it over to Mr. Atul Sharma to do the other statutory matters, including the additional 15 minutes available for e-voting, for people who have not been able to vote till yesterday 5:00 o'clock, which is the official time given for the e-voting and after conclusion of these proceedings it will be open.

With that, I think I hand over to Atul Sharma for making the concluding remarks. Thank you.

Atul Sharma: Thank you, Mr. Sandilya. Some of the statutory disclosures are as follows:

- Mr. Vijay Gupta, Managing Partner VKGN & Associates, has been appointed to scrutinize the e-voting relating to this AGM in a fair and transparent manner.

- Remote e-voting commenced on August 20, 2023 at 9 a.m. and concluded on August 22, 2023 at 5 p.m.
- Company's registers and other documents, as mentioned in the AGM notice, have been made available for inspection by the shareholders basis the e-mail request received by the Company.
- Certificate of the Secretarial Auditors confirming that Company's Employees Stock Options Plan 2006 and Restricted Stock Unit Plan 2019 have been implemented in accordance with SEBI Regulations is available on the website of the Company.
- The results of the e-voting will be announced within 24 hours from the conclusion of the meeting. Now, I request all the shareholders who are attending this AGM and who have not cast their vote to exercise their voting rights on NSDL e-voting platform, using the same login credentials as used for attending this AGM.
- The voting window is open for another 15 minutes from now, after which the voting window shall stand closed.

On behalf of the management and the shareholders attending the meeting, I would like to thank the Chairman. With this we come to the end of this session and thank you everyone for your participation.

S. Sandilya: I thank all the shareholders for having participated in this meeting today and we are signing off while the shareholders have the right of 15 minutes to vote on the resolutions.

[E-voting at the AGM continued till 3:11 P.M. and thereafter the meeting stand concluded]