

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
BALANCE SHEET AS AT MARCH 31, 2018
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

Particulars		Note	As at March 31, 2018	As at March 31, 2017
ASSETS				
1	Non-current assets			
	(a) Property, plant and equipment	4	7,87,966	3,35,421
	(b) Financial assets			
	(i) Others financial assets	5	43,691	-
	(c) Other non-current assets	6	4,266	31,846
	Total Non-Current Assets		8,35,923	3,67,267
2	Current assets			
	(a) Inventories	7	51,79,990	8,04,872
	(b) Financial assets			
	(i) Trade receivables	8	2,93,150	-
	(ii) Cash and cash equivalents	9	10,98,719	13,71,076
	(iii) Others financial assets	5	-	17,930
	(c) Other current assets	6	18,34,714	4,58,065
	Total Current Assets		84,06,573	26,51,943
Total Assets (1+2)			92,42,496	30,19,210
EQUITY AND LIABILITIES				
1	Equity			
	(a) Equity share capital	10	47,13,570	47,13,570
	(b) Other equity	11	(1,00,41,959)	(27,40,021)
	Total Equity		(53,28,389)	19,73,549
2	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12	1,15,16,967	-
	(ii) Trade payables	13	23,01,899	8,38,710
	(iii) Other financial liabilities	14	5,85,597	1,46,163
	(b) Other current liabilities	15	1,66,422	60,788
	Total Current Liabilities		1,45,70,885	10,45,661
Total Equity and Liabilities (1+2)			92,42,496	30,19,210
See accompanying notes to the financial statements		1 to 35		

In terms of our report attached
For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

For and on behalf of the Company

per Sanjay Vij
Partner

M No : 095169

Place: Gurugram
Date: May 09, 2018

Lalit Malik
Representative of Eicher Motors Limited, a shareholder
of the Company

Place: Gurugram
Date: May 09, 2018

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
 ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

Particulars	Note	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Income			
Revenue from operations	16	55,37,907	-
Other income	17	73,436	11,210
Total Income		56,11,343	11,210
Expenses			
Purchases of traded goods	18	89,17,889	8,04,872
Change in inventories of traded goods	19	(43,75,118)	(8,04,872)
Employee benefits expense	20	29,70,811	11,67,733
Depreciation	1	97,665	9,277
Finance cost	21	2,24,713	-
Other expenses	22	50,77,321	8,73,039
Total expenses		1,29,13,281	20,50,049
Loss before tax		(73,01,938)	(20,38,839)
Tax expense			
Current tax	23	-	-
Deferred tax charge/(benefit)	23	-	2,33,109
Total tax expense		-	2,33,109
Loss for the year		(73,01,938)	(22,71,948)
Other comprehensive income		-	-
Total Comprehensive income for the year, net of tax		(73,01,938)	(22,71,948)
Earnings per share			
Basic	24	(1.55)	(0.98)
Diluted	24	(1.55)	(0.98)
(Face value of BRL 1 per share) (in BRL)			
See accompanying notes to the financial statements	1 to 35		

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ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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Statement of changes in equity for the year ended March 31, 2018

A. Equity share capital

	Number of Shares	Amount
Balance as at March 31, 2017	47,13,570	47,13,570
Changes in equity share capital during the year		
Issue of equity shares	-	-
Balance as at March 31, 2018	<u>47,13,570</u>	<u>47,13,570</u>

B. Other Equity

Particulars	Retained Earnings
Balance as at March 31, 2017	(27,40,021)
Profit for the year	(73,01,938)
Total Comprehensive Income for the year	(73,01,938)
Balance as at March 31, 2018	(1,00,41,959)

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For S.R. BATLIBOI & CO. LLP
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ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss after tax	(73,01,938)	(22,71,948)
Adjustments for:		
Depreciation	97,665	9,277
Finance costs recognized in profit or loss	2,24,713	-
Gain on disposal of property, plant and equipment	(52,741)	-
Deferred tax charge/(benefit)	-	2,33,109
Operating profit/(loss) before changes in working capital	(70,32,301)	(20,29,562)
Movements in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	(43,691)	-
Other assets	(4,266)	-
Adjustments for (increase) / decrease in current assets:		
Inventories	(43,75,118)	(8,04,872)
Trade receivables	(2,93,150)	-
Other financial assets	17,930	(9,574)
Other assets	(13,76,649)	(4,53,031)
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	14,63,189	8,17,548
Other financial liabilities	2,78,227	91,019
Other liabilities	1,05,634	24,315
Cash generated / (used in) by operating activities	(1,12,60,194)	(23,64,157)
Direct taxes paid	-	-
Net cash generated / (used in) by operating activities (A)	(1,12,60,194)	(23,64,157)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, plant and equipment (including capital advances)	(9,16,044)	(3,73,632)
Proceeds from disposal of property, plant and equipment	4,50,422	-
Net cash generated / (used in) by investing activities (B)	(4,65,622)	(3,73,632)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (decrease) in short term borrowings (net)	1,15,16,967	-
Interest paid	(63,507)	-
Proceeds from issue of equity share capital	-	39,03,221
Net cash generated from financing activities (C)	1,14,53,460	39,03,221
Net Increase in cash and cash equivalents (A) + (B) + (C)	(2,72,356)	11,65,432
Cash and cash equivalents at the beginning of the year	13,71,076	2,05,644
Cash and cash equivalents at the end of the year	10,98,720	13,71,076

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Components of cash and cash equivalents		
Balances with banks:		
In current accounts	10,98,719	13,71,076
Total cash and cash equivalents (Refer Note 8)	10,98,719	13,71,076
See accompanying notes to the financial statements	1 to 35	

In terms of our report attached
For S.R. BATLIBOI & CO. LLP
Chartered Accountants
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Company

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ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General Information

Royal Enfield Brasil Comercio De Motocicletas Ltda was acquired on August 18, 2014, a corporation set up under the Laws of Brazil. The Company is into trading of two wheelers, spares and accessories in the Brazil.

The accompanying financial statements have been prepared for enabling Eicher Motors Limited, Holding Company, to prepare its consolidated financial statements.

2. Basis of preparation and presentation

2.1 Statement of Compliance

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

2.2 Accounting convention

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

2.3 Operating Cycle

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

3. Significant Accounting Policies

3.1 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.2 Leasing

Rental expense from operating leases is generally recognised on a straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.3 Foreign currencies

In preparing the financial statements of the Company transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.5 Employee benefits

Employee benefits include social security and medicare contribution. All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

3.6 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is recognised, subject to the consideration of prudence on timing differences, being the Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

3.7 Property, plant and equipment

Property, plant and equipment and Furniture are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset	Useful life
Office Equipment	5 years
Computers-End user devices	3 years
Vehicles	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.9 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.10 Financial instruments

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

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

3.11 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

Derecognition of financial assets

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

3.12 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

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

Derecognition of financial liabilities

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

3.13 Cash flow statement

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

3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly the basic earnings per share and diluted earnings per share is the same.

3.15 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. However, there are no areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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4. Property, plant and equipment

Particulars	Leashold Improvements	Vehicles	Furniture and fixtures	Office equipment	Total
At Cost					
At 31 March 2017	-	3,23,484	-	21,599	3,45,083
Additions	2,34,927	6,12,090	53,555	47,318	9,47,890
Disposals	-	4,44,533	-	8,780	4,53,313
At 31 March 2018	2,34,927	4,91,041	53,555	60,137	8,39,659
Accumulated depreciation					
At 31 March 2017	-	7,536	-	2,126	9,662
Charge for the year	16,949	71,883	1,847	6,986	97,665
Disposals	-	55,584	-	48	55,633
At 31 March 2018	16,949	23,834	1,847	9,064	51,694
Net block					
At 31 March 2017	-	3,15,948	-	19,473	3,35,421
At 31 March 2018	2,17,978	4,67,207	51,707	51,073	7,87,966

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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5. Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured, considered good		
Security deposits	43,691	-
Total	43,691	-
Current		
Unsecured, considered good		
Security deposits	-	17,930
Total	-	17,930

6. Other assets

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured, considered good		
Capital advances	-	31,846
Other prepayment	4,266	-
Total	4,266	31,846
Current		
Unsecured, considered good		
Advances to suppliers	74,651	63,749
Other advances		
Prepaid expenses	1,607	17,383
Advance to employees	13,995	12,006
Balance with government authorities	17,41,418	3,64,927
Prepayment security deposits	3,043	-
Total	18,34,714	4,58,065

7. Inventories

(At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Stock-in-trade		
Two wheelers	43,35,888	6,70,985
(Includes goods in transit of BRL Nil (March 31, 2017: BRL 1,58,974))		
Spare parts and other allied products	8,44,102	1,33,887
(Includes goods in transit of BRL 31,114 (March 31, 2017: BRL 6,666))		
Total	51,79,990	8,04,872

8. Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured - considered good	2,93,150	-
Total	2,93,150	-

Trade receivables are non interest bearing and are generally on terms of 90 days.

9. Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	-	-
Balances with banks:		
In current accounts	10,98,719	13,71,076
Total	10,98,719	13,71,076

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
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10. Share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised 47,13,569 (21,01,655) Equity shares of BRL 1 each	47,13,569	21,01,655
Total	47,13,569	21,01,655
Issued, Subscribed and fully paid up		
At the beginning of the year	47,13,570	8,10,349
Issued during the year	-	39,03,221
Outstanding at the end of the year	47,13,570	47,13,570

Note : 100% share capital is held by Eicher Motors Limited, the holding company and its nominee.

11. Other equity

Particulars	As at March 31, 2018	As at March 31, 2017
Deficit in the statement of profit and loss		
Opening balance	(27,40,021)	(4,68,073)
Add: Loss for the year	(73,01,938)	(22,71,948)
Net deficit in the statement of profit and loss	(1,00,41,959)	(27,40,021)

12. Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
Short term Loan from banks	1,15,16,967	-
Total	1,15,16,967	-

Unsecured Short Term loans are against Corporate Guarantee given by the Holding Company, Eicher Motors Limited and carries interest @ 3.39%.

13. Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables to related parties (also refer note 28)	21,67,035	8,25,014
Trade payables to others	1,34,864	13,696
Total	23,01,899	8,38,710

14. Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Employee dues	4,24,390	1,46,163
Interest accrued but not due	1,61,207	-
Total	5,85,597	1,46,163

15. Other liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Statutory remittances (Payroll State tax and others tax)	1,66,422	60,788
Total	1,66,422	60,788

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16. Revenue from operations

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sale of goods		
Two wheelers	52,61,316	-
Spare parts and other allied products	2,76,591	-
Total	55,37,907	-

17. Other income

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest income earned on financial assets carried at amortised cost		
Bank deposits	17,117	7,948
Others	748	-
Sub-total (A)	17,865	7,948
Miscellaneous income		
	2,830	1,685
Sub-total (B)	2,830	1,685
Other gains and losses		
Profit on sale of fixed assets	52,741	-
Exchange gain (net)	-	1,577
Sub-total (C)	52,741	1,577
Total (A+B+C)	73,436	11,210

18. Purchases of traded goods

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Two wheelers	79,69,115	6,70,985
Spare parts and other allied products	9,48,774	1,33,887
Total	89,17,889	8,04,872

19. Change in inventories of stock-in-trade

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Inventories at the end of the year		
Stock-in-trade	51,79,990	8,04,872
A	51,79,990	8,04,872
Inventories at the beginning of the year		
Stock-in-trade	8,04,872	-
B	8,04,872	-
Net change (B-A)	(43,75,118)	(8,04,872)

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20. Employee benefits expenses

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries and wages	20,17,905	8,18,925
Contribution to social security	6,41,611	2,85,682
Staff welfare expenses	3,11,295	63,126
Total	29,70,811	11,67,733

21. Finance cost

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest expense		
On borrowings	1,61,207	-
On others	63,506	-
Total	2,24,713	-

22. Other expenses

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Insurance	78,495	317
Repairs and maintenance - others	1,68,669	15,597
Rates and taxes	1,66,692	30,636
Incentives	22,000	-
Freight and handling charges	1,76,780	15,160
Other selling and distribution expenses	16,59,053	1,68,900
Rent	2,84,078	1,56,986
Legal and professional charges	13,28,275	3,93,897
Travelling expenses	2,55,574	36,321
Development expenses	86,217	-
Exchange loss (net)	5,96,594	-
Miscellaneous expenses	2,54,894	55,225
Total	50,77,321	8,73,039

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23. Income tax recognised in Statement of profit and loss

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Current tax		
In respect of the current year	-	-
Deferred tax		
Reversal during the year	-	2,33,109
Total income tax expense recognised in the current year relating to continuing operations	-	2,33,109

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

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Loss before tax	(73,01,938)	(20,38,839)
Income tax expense calculated at 34 %	(24,82,659)	(6,93,205)
Effect of unused tax losses and tax offset not recognised as deferred tax assets	(24,82,659)	(9,26,314)
Net Effect	-	2,33,109
Income tax expense recognised in profit or loss	-	2,33,109

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24. Earnings per share

Particulars	For the year ended March 31, 2018	For the Year ended March 31, 2017
Basic earnings per share	(1.55)	(0.98)
Diluted earnings per share	(1.55)	(0.98)

Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Profit/(loss) for the year, per statement of profit and loss (in BRL)	(73,01,938)	(22,71,948)
Weighted average number of equity shares for the purposes of basic/diluted earnings per share	47,13,570	23,13,888

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

26. Segment reporting:

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

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

27. Related party disclosures

a) Names of related parties and their relationship:

Name of related party	Nature of Relationship
Eicher Motors Limited (EML)	Holding Company

b) Transactions with the related parties

Particulars	For the year ended March 31, 2018	For the Year ended March 31, 2017
Issue of share capital	-	39,03,221
Guarantee given	1,32,95,200	-
Purchase of stock-in-trade	56,60,035	7,75,607
Reimbursement of Expenses	5,972	49,407
Aggregate balances outstanding as at the year end		
- Share capital	47,13,570	47,13,570
- Payables	21,67,035	8,25,014
- Guarantee taken	1,32,95,200	

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28. Critical Accounting Judgements and key resources of estimation uncertainty

Use of estimates

The preparation of the financial statements in conformity with IND AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Useful lives of depreciable assets

Management reviews useful lives of depreciable assets at each reporting. As at March 31, 2018 management assessed that the useful lives represent the expected utility of the assets to the company. Further, there is no significant change in useful lives as compared to the previous year.

29. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

30. The company does not have any litigation during the year or any litigation pending at the year end.

31. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in notes and offset by cash and bank balances) and total equity of the Company.

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

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital.

The following table summarizes the capital of the Company:

Particulars	As at	
	March 31, 2018	March 31, 2017
Equity Share Capital	47,13,570	47,13,570
Other equity	(1,00,41,959)	(27,40,021)
Total Equity	(53,28,389)	19,73,549

32. Financial instruments

32.1. Categories of financial instruments

Particulars	As at	
	March 31, 2018	March 31, 2017
Financial assets at amortised cost		
Current		
Trade receivables	2,93,150	-
Cash and bank balances	10,98,719	13,71,076
Loans	-	-
Other financial assets	-	17,930
Total	13,91,869	13,89,006
Financial liabilities at amortised cost		
Current - Financial liabilities		
Borrowings	1,15,16,967	-
Trade payables	23,01,899	8,38,710
Other financial liabilities	5,85,597	1,46,163
Total	1,44,04,463	9,84,874

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34. Financial risk management objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the management of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that affect market risk sensitive

Foreign currency risk

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

Foreign currency exposure	As at March 31, 2018		As at March 31, 2017	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	-	41,65,476	-	2,60,388

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management is responsible for liquidity, funding as well as settlement management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	As at March 31, 2018			Total
	Less than 1 year	1 to 5 years	>5 Years	
Borrowings	1,15,16,967	-	-	1,15,16,967
Trade payables	23,01,899	-	-	23,01,899
Other financial liabilities	5,85,597	-	-	5,85,597

Particulars	As at March 31, 2017			Total
	Less than 1 year	1 to 5 years	>5 Years	
Borrowings	-	-	-	-
Trade payables	8,38,710	-	-	8,38,710
Other financial liabilities	1,46,163	-	-	1,46,163

Credit risk management

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

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks. Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed below:

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	2,27,879	-
Upto 6 months	33,134	-
More than 6 months	32,136	-
Total	2,93,149	-

35. Previous year's figures have been regrouped and reclassified where necessary to confirm to the current year's classification.

For and on behalf of the Company

Lalit Malik
Representative of Eicher Motors Limited, a shareholder
of the Company

Place: Gurugram
Date: May 09, 2018