

Auditor's report to the Group Auditor on the audit of financial information for group audit purposes

To	S. R. Batliboi & Associates LLP
From	BDO RCS Auditores Associados Ltda. ("BDO Brazil")
Date	May 3 rd , 2024
Subject	Work on the special purpose financial information (reporting package) of Royal Enfield Brasil Comércio de Motocicletas Ltda. ('REBRA') for period ending 31 March 2024

As requested in your instructions dated April 04, 2024, we have audited, for the purpose of your audit of the group financial statements of Eicher Motors Limited, the accompanying special purpose financial information of Royal Enfield Brasil Comércio de Motocicletas Ltda. (the component or REBRA), a Subsidiary of Eicher Motors Limited, as of March 31, 2024 and for the year then ended (the specified forms). This special purpose financial information has been prepared solely to enable Eicher Motors Limited to prepare its group financial statements.

Management's responsibility for the specified forms

Management is responsible for the preparation and presentation of the specified forms in accordance with policies and instructions contained in Eicher Motors Limited Group accounting manual and for such internal control as management determines is necessary to enable the preparation of specified forms that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the specified forms based on our audit. We conducted our audit in accordance with International Standards on Auditing. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the specified forms are free of material misstatement. As requested by you, we planned and performed our audit using the component materiality specified in your instructions, which is different from the materiality level that we would have used, had we been designing the audit to express an opinion on the financial statements of the component alone.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the specified forms. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the specified forms, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the component's preparation and presentation of the specified forms in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the component's internal control. An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the specified forms.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusions reached in forming our opinion are based on the component materiality specified by you in the context of the audit of the group financial statements.

Opinion

In our opinion, the accompanying specified forms of REBRA as of March 31, 2024 and for the year then ended have been prepared, in all material respects, in accordance with the policies and instructions contained in Eicher Motors Limited Group accounting manual.

Restriction on Use and Distribution

The specified forms have been prepared for purposes of providing information to Eicher Motors Limited Group to enable it to prepare the group financial statements. As a result, the specified forms are not a complete set of financial statements of REBRA in accordance with group applicable financial reporting framework underlying the group's accounting policies and are not intended to present fairly, in all material respects the financial position of REBRA as of March 31, 2024 and of its financial performance, and its cash flow for the year then ended in accordance with group applicable financial reporting framework underlying the group's accounting policies. The specified forms may, therefore, not be suitable for another purpose.

This report is intended solely for the information and use of S. R. Batliboi & Associates LLP in conjunction with the audit of the group financial statements of Eicher Motors Limited Group and should not be used by or distributed to anyone for any other purpose. If you have any questions on this report, please contact me.

May 3rd, 2024.

Viviane Alves Bauer

São Paulo - SP, Brasil

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
BALANCE SHEET AS AT MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	1	95,22,515	91,63,150
(b) Right of Use Asset		37,94,447	2,81,922
(c) Intangibles	1	8,79,436	14,40,713
(d) Capital work in Progress		61,489	9,48,743
(e) Other Non current assets	2	28,043	50,712
(f) Non-current tax assets	3	8,66,773	21,09,684
(g) Financial assets			
(i) Other financial assets	7	36,759	73,518
Total non-current assets		1,51,89,462	1,40,68,442
Current assets			
(a) Inventories	4	8,65,02,982	9,38,01,547
(b) Financial assets			
(i) Trade receivables	5	51,13,657	21,92,080
(ii) Cash and cash equivalents	6	2,00,38,002	54,95,093
(c) Other current assets	2	4,15,67,292	4,47,61,849
Total current assets		15,32,21,933	14,62,50,569
Total assets		16,84,11,395	16,03,19,011
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	15,25,56,570	7,90,41,570
(b) Other equity	9	(7,35,40,116)	(7,10,50,923)
Total equity		7,90,16,454	79,90,647
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	10	27,66,523	1,21,545
Total non-current liabilities		27,66,523	1,21,545
Current liabilities			
(a) Financial liabilities			
(i) Lease liability	10	12,03,656	1,71,321
(ii) Trade payables	11	6,46,68,988	14,41,22,675
(iii) Other financial liabilities	12	16,93,484	14,40,985
(b) Contract Liability	13	1,76,839	61,987
(c) Other current liabilities	14	1,88,85,451	64,09,851
Total current liabilities		8,66,28,418	15,22,06,819
Total equity and liabilities		16,84,11,395	16,03,19,011

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	15	23,24,91,981	16,04,10,565
Other income	16	14,23,903	2,54,442
Total Income		23,39,15,884	16,06,65,007
Expenses			
Purchases of traded goods	17	17,40,15,254	17,75,20,971
(Increase)/Decrease in inventories of traded goods	18	71,10,317	(4,98,88,282)
Employee benefits expense	19	93,92,177	74,90,497
Depreciation expense	21	46,19,730	12,07,192
Finance costs	20	64,23,840	29,45,638
Other expenses	22	3,48,06,942	3,23,23,320
Total expenses		23,63,68,260	17,15,99,336
Profit before tax		(24,52,376)	(1,09,34,329)
Tax expense			
Current tax	23	36,817	4,56,506
Deferred tax		-	-
Total tax expense		36,817	4,56,506
Loss for the period / year		(24,89,193)	(1,13,90,835)
Other comprehensive income		-	-
Total Comprehensive income for the period / year		(24,89,193)	(1,13,90,835)
Earnings Per Share on net profit after tax (of BRL 1 each) (not annualised) in BRL:			
Basic		(0.02)	(0.14)
Diluted		(0.02)	(0.14)

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

1. Property, plant and equipment

Particulars	Vehicles	Furniture and fixtures	Office equipment	Plant & Machinery	Intangible Assets	Total
At Cost						
At 31 March 2022	43,192	76,189	1,49,488	13,575	22,37,048	25,19,492
Additions	-	1,28,950	1,46,979	92,70,056	6,92,011	1,02,37,996
Disposals	-	-	-	-	2,43,400	2,43,400
At 31 March 2023	43,192	2,05,139	2,96,467	92,83,631	26,85,659	1,25,14,088
Additions	20,460	-	43,800	20,69,602	-	21,33,862
Disposals	20,460	-	-	3,88,759	-	4,09,219
At Mar 31,2024	43,192	2,05,139	3,40,267	1,09,64,474	26,85,659	1,42,38,731
Accumulated depreciation						
At 31 March 2022	25,195	30,572	66,625	5,402	6,55,663	7,83,457
Charge for the year	8,638	61,216	53,445	4,14,186	5,96,616	11,34,101
Disposals	-	-	-	-	7,333	7,333
At 31 March 2023	33,833	91,788	1,20,070	4,19,588	12,44,946	19,10,225
Charge for the year	8,638	58,392	62,389	12,76,255	5,61,277	19,66,951
Disposals	-	-	-	40,346	-	40,346
At Mar 31,2024	42,471	1,50,180	1,82,459	16,55,497	18,06,223	38,36,830
Net block						
At 31 March 2023	9,359	1,13,351	1,76,397	88,64,043	14,40,713	1,06,03,863
At Mar 31,2024	721	54,959	1,57,808	93,08,977	8,79,436	1,04,01,901

[The space below has been intentionally left blank]

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

2. Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Balance with government authorities	28,043	50,712
Current		
Other advances		
Advance to employees	58,781	52,730
Balance with government authorities	1,04,07,721	65,42,607
Other Receivables	-	1,70,474
Advance to Suppliers	2,83,61,744	3,64,30,665
Prepaid expenses	27,39,046	15,65,373
Total	4,15,67,292	4,47,61,849

3. Tax liabilities / assets

Particulars	As at March 31, 2024	As at March 31, 2023
Tax Liabilities		
Provision for Income Tax	-	-
	-	-
Tax assets		
Advance income tax	8,66,773	21,09,684
Total	8,66,773	21,09,684

4. Inventories

(At lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Traded goods		
Two wheelers	7,31,44,541	7,75,58,440
Spare parts, accessories and other allied products	1,23,81,139	1,50,77,558
Other Tools and consumables	9,77,302	11,65,549
Total	8,65,02,982	9,38,01,547

5. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured - considered good	51,13,657	21,92,080
Total	51,13,657	21,92,080

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

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

6. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	903	903
Balances with banks:		
In current accounts	2,00,37,099	54,94,190
Total	2,00,38,002	54,95,093

7. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
Security deposits	36,759	73,518
Total	36,759	73,518

8. Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
7,90,41,570 (March 31, 2023 : 7,90,41,570) Equity shares of BRL 1 each	15,25,56,570	7,90,41,570
Total	15,25,56,570	7,90,41,570
Issued, Subscribed and fully paid up		
7,90,41,570 (March 31, 2023 : 7,90,41,570) Equity shares of BRL 1 each	15,25,56,570	7,90,41,570
Issued during the period	-	-
Outstanding at the end of the period	15,25,56,570	7,90,41,570

9. Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Surplus in the statement of profit and loss	(7,35,40,116)	(7,10,50,923)
	(7,35,40,116)	(7,10,50,923)
Deficit in the statement of profit and loss		
Opening balance	(7,10,50,923)	(5,96,60,088)
Profit/(Loss) for the year	(24,89,193)	(1,13,90,835)
Net deficit in the statement of profit and loss	(7,35,40,116)	(7,10,50,923)

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

10. Lease liability

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease liability as per Ind AS 116	27,66,523	1,21,545
Total	27,66,523	1,21,545
Current		
Lease liability as per Ind AS 116	12,03,656	1,71,321
Total	12,03,656	1,71,321

11. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables to related parties	-	-
Trade payables to others	6,46,68,988	14,41,22,675
Total	6,46,68,988	14,41,22,675

12. Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Employee dues	16,93,484	14,40,985
Total	16,93,484	14,40,985

13. Contract Liability

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	1,76,839	61,987
Total	1,76,839	61,987

14. Other Current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Statutory remittances (Payroll State tax, Municipal tax and others tax)	1,88,85,451	64,09,851
Total	1,88,85,451	64,09,851

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

15. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Sale of goods		
Two wheelers	20,62,77,735	13,21,49,323
Spare parts, accessories and other allied products	1,07,72,877	1,24,52,318
Other Operating Revenue		
Freight Recovery	1,54,41,369	1,58,08,924
Total	23,24,91,981	16,04,10,565

16. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Interest income		
Bank deposits	3,77,299	2,54,442
Sub-total (A)	3,77,299	2,54,442
Other non-operating income		
Exchange gain (net)	10,46,604	-
Sub-total (C)	10,46,604	-
Total (A+B+C)	14,23,903	2,54,442

17. Purchases of traded goods

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Two wheelers	16,88,27,611	17,13,39,484
Spare parts, accessories and other allied products	51,87,643	61,81,487
Total	17,40,15,254	17,75,20,971

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

18. Change in inventories of stock-in-trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Inventories at the end of the year		
Traded goods	8,55,25,681	9,26,35,998
	A	9,26,35,998
Inventories at the beginning of the year		
Traded goods	9,26,35,998	4,27,47,716
	B	4,27,47,716
Net change (B-A)	71,10,317	(4,98,88,282)

19. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Salaries, wages and bonus	57,56,934	47,82,626
Contribution to social security	21,29,696	15,23,474
Staff welfare expenses	15,05,547	11,84,397
Total	93,92,177	74,90,497

20. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Interest expense		
On borrowings	64,23,840	29,45,638
Total	64,23,840	29,45,638

21. Depreciation

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Depreciation & Amortisation	46,19,730	12,07,192
Total	46,19,730	12,07,192

22. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Insurance	45,422	1,30,303
Repairs and maintenance - others	2,09,597	82,833
Rates and taxes	9,95,312	6,81,492
Advertisement	-	25,968
Freight and handling charges	95,55,235	77,42,099
Warranty cost	31,551	5,39,475
Other selling and distribution expenses	97,31,721	62,26,357
Rent	57,89,718	58,53,386
Legal and professional charges	49,93,062	35,67,063
Travelling expenses	11,07,535	7,83,666
Inspection and testing Charges	1,39,077	94,788
Exchange loss (net)	-	25,11,954
Miscellaneous expenses	21,77,316	38,47,869
Loss on sale of fixed assets	31,396	2,36,067
Total	3,48,06,942	3,23,23,320

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2024
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

23. Income tax recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2022
Current tax		
In respect of the current year	36,817	4,56,506
Total	36,817	4,56,506

The Company has not recognised deferred tax asset on unused tax losses in the absence of the foreseeable future taxable profit.