

C-5.1

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 12, 2025
Subject	Work on the special purpose financial information (reporting package) of Royal Enfield Brasil Comércio de Motocicletas Ltda. ('REBRA') for period ending 31 March 2025

As requested in your instructions dated March 29, 2025, 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, 2025 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, 2025 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, 2025 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 12, 2025.

A handwritten signature in blue ink, appearing to read "VAB", is written over a horizontal line.

Vivienne Alves Bauer
São Paulo - SP, Brasil

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
BALANCE SHEET AS AT MARCH 31, 2025
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	1	80,99,462	95,22,515
(b) Right of Use Asset		87,27,918	37,94,447
(c) Intangibles	1	3,90,580	8,79,436
(d) Capital work in Progress		81,81,560	61,489
(e) Other Non current assets	2	10,70,361	28,043
(f) Non-current tax assets	3	3,81,949	8,66,773
(g) Financial assets			
(i) Other financial assets	7	36,759	36,759
Total non-current assets		2,68,88,589	1,51,89,462
Current assets			
(a) Inventories	4	22,92,53,189	8,65,02,980
(b) Financial assets			
(i) Trade receivables	5	56,18,766	51,13,657
(ii) Cash and cash equivalents	6	4,50,27,624	2,00,38,001
(c) Other current assets	2	8,58,08,330	4,15,67,295
Total current assets		36,57,07,909	15,32,21,933
Total assets		39,25,96,498	16,84,11,395
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	15,25,56,570	15,25,56,570
(b) Other equity	9	(7,07,02,134)	(7,35,40,116)
Total equity		8,18,54,436	7,90,16,454
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	10	28,49,558	27,66,523
Total non-current liabilities		28,49,558	27,66,523
Current liabilities			
(a) Financial liabilities			
(i) Lease liability	10	59,43,888	12,03,656
(ii) Trade payables	11	29,47,80,868	6,46,68,988
(iii) Other financial liabilities	12	22,48,993	16,93,484
(b) Contract Liability	13	64,256	1,76,839
(c) Other current liabilities	14	48,54,499	1,88,85,451
Total current liabilities		30,78,92,504	8,66,28,419
Total equity and liabilities		39,25,96,498	16,84,11,395

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	15	37,74,03,410	23,24,91,981
Other income	16	2,00,62,086	14,23,903
Total Income		39,74,65,496	23,39,15,884
Expenses			
Purchases of traded goods	17	46,57,38,044	17,40,15,254
(Increase)/Decrease in inventories of traded goods	18	(14,29,21,943)	71,10,319
Employee benefits expense	19	1,22,24,043	93,92,177
Depreciation expense	21	52,48,247	46,19,730
Finance costs	20	61,56,016	64,23,840
Other expenses	22	4,73,86,059	3,48,06,942
Total expenses		39,38,30,465	23,63,68,260
Profit before tax		36,35,031	(24,52,376)
Tax expense			
Current tax	23	7,35,561	36,817
Deferred tax		-	-
Total tax expense		7,35,561	36,817
Loss for the period / year		28,99,470	(24,89,193)
Other comprehensive income		-	-
Total Comprehensive income for the period / year		28,99,470	(24,89,193)
Earnings Per Share on net profit after tax (of BRL 1 each) (not annualised) in BRL:			
Basic		0.02	(0.02)
Diluted		0.02	(0.02)

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2025
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 2023	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 2024	43,192	2,05,139	2,96,467	92,83,631	26,85,659	1,25,14,088
Additions	20,460	-	1,37,120	21,48,278	-	23,05,858
Disposals	20,460	18,000	-	3,90,639	-	4,29,099
At Mar 31,2025	43,192	1,87,139	4,33,587	1,10,41,270	26,85,659	1,43,90,847
<u>Accumulated depreciation</u>						
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 31 March 2024	42,472	1,50,180	1,82,459	16,55,497	18,06,223	38,36,830
Charge for the year	720	25,580	63,097	14,85,722	4,88,857	20,63,976
Disposals	-	-	-	-	-	-
At Mar 31,2025	43,191	1,75,760	2,45,556	31,41,219	22,95,080	59,00,806
<u>Net block</u>						
At 31 March 2024	721	54,959	1,14,008	76,28,134	8,79,437	86,77,259
At Mar 31,2025	1	11,379	1,88,031	79,00,051	3,90,579	84,90,042

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ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

2. Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current		
Balance with government authorities	10,70,361	28,043
Current		
Other advances		
Advance to employees	2,335	58,781
Balance with government authorities	3,79,30,807	1,04,07,721
Advance to Suppliers	4,41,33,675	2,83,61,744
Prepaid expenses	37,41,513	27,39,046
Total	8,58,08,330	4,15,67,295

3. Tax liabilities / assets

Particulars	As at March 31, 2025	As at March 31, 2024
Tax Liabilities		
Provision for Income Tax	-	-
	-	-
Tax assets		
Advance income tax	3,81,949	8,66,773
Total	3,81,949	8,66,773

4. Inventories

(At lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Traded goods		
Two wheelers	20,91,13,369	7,31,44,541
Spare parts, accessories and other allied products	1,92,04,860	1,23,81,139
Other Tools and consumables	9,34,959	9,77,302
Total	22,92,53,189	8,65,02,980

5. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured - considered good	56,18,766	51,13,657
Total	56,18,766	51,13,657

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

6. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	903
Balances with banks:		
In current accounts	4,50,27,624	2,00,37,099
Total	4,50,27,624	2,00,38,001

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

7. Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non - Current		
Security deposits	36,759	36,759
Total	36,759	36,759

8. Share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
7,90,41,570 (March 31, 2023 : 7,90,41,570) Equity shares of BRL 1 each	15,25,56,570	15,25,56,570
Total	15,25,56,570	15,25,56,570
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	15,25,56,570
Issued during the period	-	-
Outstanding at the end of the period	15,25,56,570	15,25,56,570

9. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings		
Surplus in the statement of profit and loss	(7,07,02,134)	(7,35,40,116)
	(7,07,02,134)	(7,35,40,116)
Deficit in the statement of profit and loss		
Opening balance	(7,36,01,604)	(7,10,50,923)
Profit/(Loss) for the year	28,99,470	(24,89,193)
Net deficit in the statement of profit and loss	(7,07,02,134)	(7,35,40,116)

10. Lease liability

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Lease liability as per Ind AS 116	28,49,558	27,66,523
Total	28,49,558	27,66,523
Current		
Lease liability as per Ind AS 116	59,43,888	12,03,656
Total	59,43,888	12,03,656

11. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables to related parties	-	-
Trade payables to others	29,47,80,868	6,46,68,988
Total	29,47,80,868	6,46,68,988

12. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Employee dues	22,48,993	16,93,484
Total	22,48,993	16,93,484

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

13. Contract Liability

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customers	64,256	1,76,839
Total	64,256	1,76,839

14. Other Current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory remittances (Payroll State tax, Municipal tax and others tax)	48,54,499	1,88,85,451
Total	48,54,499	1,88,85,451

15. Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of goods		
Two wheelers	36,15,64,468	20,62,77,735
Spare parts, accessories and other allied products	1,58,26,742	1,07,72,877
Other Operating Revenue		
Freight Recovery	12,200	1,54,41,369
Total	37,74,03,410	23,24,91,981

16. Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income		
Bank deposits	2,18,598	3,77,299
Sub-total (A)	2,18,598	3,77,299
Other non-operating income		
Profit on sale of fixed assets	16,111	-
Exchange gain (net)	97,05,508	10,46,604
Other Income	1,01,21,869	-
Sub-total (C)	1,98,43,488	10,46,604
Total (A+B+C)	2,00,62,086	14,23,903

17. Purchases of traded goods

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Two wheelers	44,45,94,533	16,88,27,611
Spare parts, accessories and other allied products	2,11,43,511	51,87,643
Total	46,57,38,044	17,40,15,254

ROYAL ENFIELD BRASIL COMERCIO DE MOTOCICLETAS LTDA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN BRL UNLESS OTHERWISE STATED

18. Change in inventories of stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the end of the year		
Traded goods	22,84,47,623	8,55,25,681
A	22,84,47,623	8,55,25,681
Inventories at the beginning of the year		
Traded goods	8,55,25,681	9,26,35,998
B	8,55,25,681	9,26,35,998
Net change (B-A)	(14,29,21,943)	71,10,319

19. Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	75,16,224	57,56,934
Contribution to social security	25,05,686	21,29,696
Staff welfare expenses	22,02,133	15,05,547
Total	1,22,24,043	93,92,177

20. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense		
On borrowings	61,56,016	64,23,840
Total	61,56,016	64,23,840

21. Depreciation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation & Amortisation	52,48,247	46,19,730
Total	52,48,247	46,19,730

22. Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Insurance	16,033	45,422
Repairs and maintenance - others	2,24,937	2,09,597
Rates and taxes	32,21,267	9,95,312
Freight and handling charges	1,45,11,030	95,55,235
Warranty cost	-	31,551
Other selling and distribution expenses	1,32,32,264	97,31,721
Rent	64,35,541	57,89,718
Legal and professional charges	65,50,616	49,93,062
Travelling expenses	9,48,027	11,07,535
Inspection and testing Charges	21,303	1,39,077
Miscellaneous expenses	22,25,043	21,77,316
Loss on sale of fixed assets	-	31,396
Total	4,73,86,059	3,48,06,942

23. Income tax recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax		
In respect of the current year	7,35,561	36,817
Total	7,35,561	36,817

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