

INDEPENDENT AUDITOR'S REPORT

To the Members of Royal Enfield UK Limited

Report on Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Royal Enfield UK Limited ("the Company"). These special purpose financial statements comprise the Balance sheet as at March 31, 2025, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements as at and for the year ended March 31, 2025 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to those special purpose financial statements have been prepared solely for submitting to Holding Company to be used by them in preparation of their consolidated financial statements and to assist the Holding Company in filing Annual Performance Report with the Authorized dealers category – I bank in accordance with the RBI Master direction – Reporting under FEMA Act, 1999 (as amended) issued by the RBI.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Emphasis of matter – Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to assist the Holding Company in preparing their consolidated financial statements and to assist the Holding Company in filing Annual Performance Report with the Authorized dealers category – I bank in accordance with the RBI Master direction – Reporting under FEMA Act, 1999 (as amended) by the RBI as at and for the year ended March 31, 2025. As a result, these special purpose financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibility of Management for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance which comprise the Statement of Profit and Loss including other comprehensive income, cash flows and changes in equity of the Company in accordance with the basis of accounting described in Note 2 of the special purpose financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to

cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

Our auditor's report on Special Purpose Financial Statements is intended and has been prepared solely for the purpose of submitting to Holding Company to be used by them in preparation of their consolidated financial statements and to assist the Holding Company in filing Annual Performance Report with the Authorized dealers category – I bank in accordance with the RBI Master direction – Reporting under FEMA Act, 1999 (as amended) issued by the RBI. It is not to be used for any other purpose, or referred to in any other document, or distributed to anyone other than to the Company and Holding Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sonika Loganey

Partner

Membership Number: 502220

UDIN: XXX

Place of Signature: Chennai

Date: May 09, 2025

ROYAL ENFIELD UK LIMITED
BALANCE SHEET AS AT MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	316,850	404,048
(b) Capital work in Progress	5	21,118	-
(c) Right-of-use Assets	6	1,020,016	1,310,472
(d) Deferred tax assets (net)	7	-	605,084
(e) Financial Assets			
(i) Other financial assets	12	17,777	17,777
Total Non-Current Assets		1,375,761	2,337,381
Current assets			
(a) Inventories	8	6,132,213	7,585,476
(b) Financial assets			
(i) Trade receivables	9	2,099,897	2,555,688
(ii) Cash and cash equivalents	10	141,327	312,088
(iii) Other financial assets	12	920,061	1,058,104
(c) Other current assets	11	91,945	225,834
Total Current Assets		9,385,443	11,737,190
Total Assets		10,761,204	14,074,571
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	3,100,000	3,100,000
(b) Other equity	14	(4,194,635)	(2,241,428)
Total Equity		(1,094,635)	858,572
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	40	663,817	1,016,750
Total non-current liabilities		663,817	1,016,750
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	40	419,054	337,440
(ii) Trade payables	16	9,144,403	11,204,315
(iii) Other financial liabilities	15	428,923	204,872
(b) Contract Liability	18	113,819	-
(c) Other current liabilities	17	1,085,823	452,622
Total current liabilities		11,192,022	12,199,249
Total liabilities		11,855,839	13,215,999
Total equity and liabilities		10,761,204	14,074,571
Summary of material accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
FRN : 301003E/E300005

For and on Behalf of Board of Directors
of Royal Enfield UK Limited

Sonika Loganey
Partner
Membership No.: 502220

Samantha King
Director

Arun Gopal
Director

Place: Gurugram
Date: May 9, 2025

Place: Leicestershire, UK
Date: May 9, 2025

Place: London, UK
Date: May 9, 2025

ROYAL ENFIELD UK LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

Particulars	Note No.	For the Year ended March 31, 2025	For the Year ended March 31, 2024
INCOME			
Revenue from operations	19	12,931,035	7,604,871
Other income	20	1,334,463	938,854
Total Income		14,265,498	8,543,725
EXPENSES			
Purchases of traded goods	21	7,387,220	9,062,353
Changes in inventories of traded goods	22	1,453,263	(3,382,020)
Employee benefit expenses	23	2,997,942	2,334,111
Finance costs	24	384,157	189,596
Depreciation and amortisation expense	25	547,736	453,816
Other expenses	26	2,843,302	2,815,716
Total expenses		15,613,620	11,473,572
Profit/(loss) before tax		(1,348,122)	(2,929,847)
Tax expense			
Current tax		-	-
Deferred tax	27	605,084	(624,311)
Total tax expense / (Credit)		605,084	(624,311)
Profit/(loss) for the year		(1,953,206)	(2,305,536)
Other comprehensive income		-	-
Total comprehensive income/(expense) for the year		(1,953,206)	(2,305,536)
Earning per share			
(a) Basic	30	(0.63)	(1.04)
(b) Diluted	30	(0.63)	(1.04)
Summary of material accounting policies	3		

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As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
FRN : 301003E/E300005

For and on Behalf of Board of Directors
of Royal Enfield UK Limited

Sonika Loganey
Partner
Membership No.: 502220

Samantha King
Director

Arun Gopal
Director

Place: Gurugram
Date: May 9, 2025

Place: Leicestershire, UK
Date: May 9, 2025

Place: London, UK
Date: May 9, 2025

ROYAL ENFIELD UK LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Tax	(1,348,122)	(2,929,847)
Adjustments for:		
Depreciation and amortisation expenses	547,736	453,816
Loss/(Gain) on disposal of property, plant and equipment	(41,086)	(13,812)
Finance costs	384,157	189,596
Operating profit/(loss) before changes in working capital	(457,315)	(2,300,246)
Changes in working capital:		
Adjustments for (increase)/decrease in current assets:		
Trade receivables	455,791	(1,368,090)
Inventories	1,453,263	(3,382,020)
Other financial assets	138,043	
Other current assets	133,889	186,433
Adjustments for increase/(decrease) in current liabilities:		
Trade payables	(2,059,913)	408,589
Other financial liabilities	224,051	59,912
Contract liabilities	113,819	-
Other current liabilities	633,201	443,513
Net cash flow from / (used in) operating activities (A)	634,829	(5,951,910)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, plant and equipment (Including Capital Advances)	(195,436)	(290,214)
Proceeds from disposal of property, plant and equipment	174,430	22,102
Net cash flow from / (used in) investing activities (B)	(21,006)	(268,112)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	3,000,000
Interest paid on lease liabilities	(65,833)	(74,380)
Interest paid on Bills discounting	(318,324)	(115,216)
Payment of principal portion of lease liabilities	(400,427)	(321,320)
Net cash flow from / (used in) financing activities (C)	(784,584)	2,489,084
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	(170,761)	(3,730,938)
Cash and cash equivalents at the beginning of the period	312,088	4,043,026
Cash and cash equivalents at the end of the period	141,327	312,088

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks:		
In current accounts	141,327	312,088
Total cash and cash equivalents as per balance sheet (refer note 10)	141,327	312,088
Summary of material accounting policies	3	

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
FRN : 301003E/E300005

For and on Behalf of Board of Directors
of Royal Enfield UK Limited

Sonika Loganey
Partner
Membership No.: 502220

Samantha King
Director

Arun Gopal
Director

Place: Gurugram
Date: May 9, 2025

Place: Leicestershire, UK
Date: May 9, 2025

Place: London, UK
Date: May 9, 2025

ROYAL ENFIELD UK LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

a. Equity share capital

Particulars	Number of shares	Amount
Balance at April 01, 2023	100,000	100,000
Changes in equity share capital during the year	3,000,000	3,000,000
Balance at March 31, 2024	3,100,000	3,100,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2025	3,100,000	3,100,000

b. Other Equity

Particulars	Retained earnings
Balance at April 01, 2023	64,108
Profit/(loss) for the year	(2,305,536)
Balance at March 31, 2024	(2,241,429)
Profit/(loss) for the year	(1,953,206)
Balance at March 31, 2025	(4,194,635)

Summary of material accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
FRN : 301003E/E300005

For and on Behalf of Board of Directors of Royal Enfield UK Limited

Sonika Loganey
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Place: Gurugram
Date: May 9, 2025

Place: Leicestershire, UK
Date: May 9, 2025

Place: London, UK
Date: May 9, 2025

ROYAL ENFIELD UK LIMITED

NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

1. Corporate Information

Royal Enfield UK Limited (“the Company”) was incorporated on August 20th, 2019, the Company, a wholly owned subsidiary of Eicher Motors Limited (Holding Company). The Company is into trading of two wheelers, Spares, Gears and Accessories in United Kingdom. The special purpose financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 09, 2025.

2. Basis of Preparation

2.1 Statement of Compliance

The special purpose financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These special purpose financial statements have been prepared for the purpose of submitting to the Holding Company to be used in the preparation of the Holding Company's consolidated financial statements and filing Annual Performance Report with the Authorized dealers category – I bank in accordance with the RBI Master direction –Reporting under FEMA Act, 1999 (as amended), issued by the RBI. As a result, the special purpose financial statements may not be suitable for any other purpose. Consequently, these financial statements do not purport to be, and are not prepared to comply with the requirements of the Companies Act, 2013 and include only those disclosures prescribed under the Companies Act, 2013 as the management deems relevant.

2.2 Accounting convention

The special purpose 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. The financial statements are presented in GBP, which is the company's functional currency.

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. Material Accounting Policies

a. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****b. Revenue from operations**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Sale of goods and services

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, at the time of dispatch from the point of sale.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance, Free Service Coupons, etc.). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Contract balances**Trade Receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

c. Leases

The Company assesses at the contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

• Buildings 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

d. 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 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.

e. 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.

f. Share-based payment arrangements

Employees (including senior executives) of the Company receive remuneration under the scheme of the holding company, Eicher Motors Limited, in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

That cost is recognised, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****g. Pensions**

Pension fund

The Company provide employee benefits in the nature of pension fund.

The portion of pension fund is contributed to the government administered pension fund which is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service.

h. 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
Equipment and Electrical Fittings	3 years
Office Equipment	3-5 years
Furniture & fixtures	5 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.

i. Impairment of non-financial assets

At the end of each reporting period, the Company assesses, whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods/years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****j. Inventories**

Inventories comprising traded goods are stated at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to its present location and condition. Cost of inventories is determined on a moving average.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

k. 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).

l. 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. Taxable profit differs from profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. 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 provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED**

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

m. 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.

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.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****Financial assets at fair value through profit or loss (FVTPL)**

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

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.

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.

Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in the other comprehensive income. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

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.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

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

ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****Derecognition of financial liabilities**

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

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand.

For the purpose of the Standalone statement of cash flows, cash and cash equivalents consist of cash at banks and on hand, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period/year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q. New and amended standards**(i) Ind AS 117 Insurance Contracts**

The Ministry of Corporate Affairs (MCA) - India notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024 India, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have material impact on the financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendments to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Company's financial statements.

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ROYAL ENFIELD UK LIMITED
NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

4. Property, plant and equipment

Particulars	Tools and electrical fittings	Furniture and fixtures	Office equipments#	Vehicles	Total
Cost					
At April 01, 2023	90,742	-	22,001	195,652	308,395
Additions	-	14,167	84,923	191,124	290,214
Disposals	-	-	-	14,234	14,234
At March 31, 2024	90,742	14,167	106,924	372,542	584,375
Additions	-	349	78,722	95,247	174,318
Disposals	-	-	-	218,365	218,365
At March 31, 2025	90,742	14,516	185,646	249,424	540,328
Accumulated depreciation					
At April 01, 2023	40,329	-	6,168	36,053	82,550
Charge for the year	30,247	826	16,749	55,899	103,721
Disposals	-	-	-	5,944	5,944
At March 31, 2024	70,576	826	22,917	86,008	180,327
Additions	20,165	1,437	36,875	69,696	128,173
Disposals	-	-	-	85,022	85,022
At March 31, 2025	90,741	2,263	59,792	70,682	223,478
Net book Value					
At March 31, 2025	1	12,253	125,854	178,742	316,850
At March 31, 2024	20,166	13,341	84,007	286,534	404,048

Cost and net carrying amount of office equipments include computers and information systems of GBP 42,332 as at March 31, 2025 (GBP 26,740 as at March 31, 2024) and GBP 21,521 as at March 31, 2025 (GBP 18,561 as at March 31, 2024), respectively.

5. Capital Work in Progress

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Work in Progress	21,118	-

As at March 31, 2025

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total	Total
Projects in progress	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-
Other Capital work-in-progress	21,118	-	-	-	-	21,118
Total	21,118	-	-	-	-	21,118

There are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2025.

6. Right to use asset:

Particulars	Right to use Asset
Cost	
At April 01, 2023	-
Additions	1,746,656
Disposals	-
At March 31, 2024	1,746,656
Additions	140,846
Disposals/adjustments	(11,738)
At March 31, 2025	1,875,764
Accumulated amortisation	
At April 01, 2023	86,089
Additions	350,095
Disposals	-
At March 31, 2024	436,184
Charge for the year	419,564
Disposals	-
At March 31, 2025	855,748
Net book Value	
At March 31, 2025	1,020,016
At March 31, 2024	1,310,472

ROYAL ENFIELD UK LIMITED
NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED
7. Deferred tax Assets (net)

Non-current	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	101,012	706,096
-Carry forward Losses		
Deferred tax Liabilities	101,012	101,012
-Property, plant and equipment		
Deferred tax Asset/(Liability), net	-	605,084

8. Inventories

(At lower of cost and net realizable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Traded goods		
Two Wheelers [includes in transit GBP 764,999 (March 31, 2024 GBP	5,462,147	6,725,404
Spares and Accessories [includes in transit GBP 34,846 (March 31, 2024	670,066	860,072
Total	6,132,213	7,585,476

Inventories are net of non-moving/slow-moving provisions. During the year GBP 306,754 (March 31, 2024 : GBP 330,065) was recognised as an expense in the Statement of Profit and Loss.

9. Trade Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Related parties (refer note 32)		
Considered good - unsecured	502,629	1,041,347
Others		
Considered good - unsecured	1,597,268	1,514,341
Receivables-Credit impaired	16,309	-
Sub-total	2,116,206	2,555,688
Less : Provision for credit impaired receivables	(16,309)	-
Total	2,099,897	2,555,688

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ROYAL ENFIELD UK LIMITED
NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED
As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						
	Not due	> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	Total
Undisputed trade receivables - considered good	2,044,065	19,120	20,026	16,685	-	-	2,099,897
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	5,965	10,344	-	-	16,309
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	2,044,065	19,120	25,991	27,029	-	-	2,116,206

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						
	Not due	> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	Total
Undisputed trade receivables - considered good	1,157,066	494,311	509,634	394,677	-	-	2,555,688
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	494,311	509,634	394,677	-	-	2,555,688

Notes:

- (a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- (b) Trade receivables are non interest bearing and are generally on terms of 30-60 days.
- (c) For terms and conditions for related party refer Note 32
- (d) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule

ROYAL ENFIELD UK LIMITED
NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED
10. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks:		
In current accounts	141,327	312,088
Total	141,327	312,088

11. Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured, considered good		
Advance to suppliers	17,067	119,772
Advance to employees	14,164	-
Warranty claim	42,511	85,924
Prepaid expenses	18,203	20,138
Total	91,945	225,834

12. Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non - Current		
Unsecured, considered good		
Security deposits (carried at amortised cost)	17,777	17,777
Current		
Unsecured, considered good		
Security deposits (carried at amortised cost)	24,594	16,757
Receivable from Holding company (also refer note 32)	888,031	1,041,347
Receivable from related party (also refer note 32)	7,436	-
Total	920,061	1,058,104

13. Equity Share Capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
31,00,000 Equity shares at 1 GBP each	3,100,000	3,100,000
Total	3,100,000	3,100,000
Issued, Subscribed and fully paid up		
31,00,000 Equity shares at 1 GBP each		
At the beginning of the year	3,100,000	100,000
Issued during the year	-	3,000,000
Outstanding at the end of the year	3,100,000	3,100,000

ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
At the beginning of the year	3,100,000	100,000
Issued during the year	-	3,000,000
Oustanding at the end of the year (March 31 2025: 31,00,000 and March 31, 2024: 31,00,000 Equity shares)	3,100,000	3,100,000

The Company has only one class of equity shares having face value of 1 GBP each.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

% holding by Eicher Motors Limited as at March 31, 2025: 100% (March 31, 2024: 100%).

14. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Retained Earnings		
Opening balance	(2,241,428)	64,108
Add: Profit/(loss) for the year	(1,953,206)	(2,305,536)
Net Surplus/(deficit) in the statement of profit and loss	(4,194,635)	(2,241,428)

15. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Employee dues	235,859	204,872
Employee stock option plan payable (refer note 32 and Note 36)	193,064	-
Total	428,923	204,872

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ROYAL ENFIELD UK LIMITED

NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

16. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables to related parties (refer note 32)	7,518,629	8,632,276
Trade payables to others	1,625,774	2,572,039
Total	9,144,403	11,204,315

As at March 31, 2025

Particulars	Unbilled/ Not due*	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,964,942	7,170,735	8,726	-	-	9,144,403
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	1,964,942	7,170,735	8,726	-	-	9,144,403

As at March 31, 2024

Particulars	Unbilled/ Not due*	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,467,444	7,736,871	-	-	-	11,204,315
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	3,467,444	7,736,871	-	-	-	11,204,315

* Includes trade payables not due of GBP 12,09,808 as at March 31, 2025 (GBP 22,53,102 as at March 31, 2024).

Notes:

(a) For terms and conditions with related parties refer Note 32.

(b) 'Trade payables are non-interest bearing and are normally settled on 30-180 day terms.

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ROYAL ENFIELD UK LIMITED
NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED
17. Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory remittances (Contribution to Pension fund and VAT)	697,816	439,384
Others - Payable to employees	-	13,238
Advances from Holding Company	388,007	-
	1,085,823	452,622

18. Contract Liability

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customers	113,819	-
	113,819	-

19. Revenue from operations

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Sale of traded goods (recognised at a point in time)		
Two-Wheelers & Spares	12,931,035	7,604,871
	12,931,035	7,604,871

Reconciling the amount of revenue recognised in the statement off profit & loss with the contracted price

Revenue as per contracted price	13,064,043	8,529,031
Adjustments :		
- Trade Discount	133,008	924,160
	12,931,035	7,604,871

Contract balances

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade receivables(refer note 9)	2,099,897	2,555,688
Contract liabilities (refer note 18)	113,819	

20. Other income

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Income on Sales and marketing support (refer note 32)	1,261,711	825,826
Profit on sale of fixed assets	41,086	13,812
Miscellaneous income	31,666	99,216
	1,334,463	938,854

ROYAL ENFIELD UK LIMITED

NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

21. Purchases of traded goods

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Two wheelers & Spares	7,387,220	9,062,353
Total	7,387,220	9,062,353

22. Changes in inventories of traded goods

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Inventories at the end of the year		
Traded goods	6,132,213	7,585,476
Sub-total (A)	6,132,213	7,585,476
Inventories at the beginning of the year		
Traded goods	7,585,476	4,203,456
Sub-total (B)	7,585,476	4,203,456
Net change (B-A)	1,453,263	(3,382,020)

23. Employee benefits expenses

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries and wages	2,415,845	2,072,819
Employee stock option plan expense (refer note 32)	193,064	-
Contribution to Pension funds	340,669	259,954
Staff welfare expenses	48,364	1,338
Total	2,997,942	2,334,111

24. Finance Cost

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest on lease liabilities (refer note 40)	65,833	74,380
Interest Expense on Bills Discounting	318,324	115,216
Total	384,157	189,596

25. Depreciation and amortisation expense

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Depreciation on property, plant and equipment (refer note 4)	128,172	103,721
Depreciation on right to use asset (refer note 6)	419,564	350,095
Total	547,736	453,816

ROYAL ENFIELD UK LIMITED

NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

26. Other expenses

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Insurance	74,403	49,537
Advertisement	121,235	156,241
Freight and handling charges	499,003	482,271
Other selling and distribution expenses	862,778	728,990
Expense related to short term leases	676,031	916,003
Legal and professional charges	95,368	167,120
Travelling expenses	273,555	274,524
Rates & taxes	71	3,192
Miscellaneous expenses	240,858	37,838
Total	2,843,302	2,815,716

27. Income tax recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2024
Current tax		
In respect of the current year	-	-
Deferred tax		
In respect of the current year	605,084	(624,311)
Total income tax expense recognised in the current year	605,084	(624,311)

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ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****28. Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for GBP 6,782 (March 31, 2024 : GBP 8,940).

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

29. Employee Benefit Plans

The details of employee benefits provided to employees are as under:

Defined Contribution Plans

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Detail of amount recognized as expense for defined contribution plans is given below:-		
Pension fund	92,316	67,831

30. 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.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Profit/(Loss) for the year as per statement of profit and loss	(1,953,206)	(2,305,536)
b) Weighted average number of equity shares (Nos.)	3,100,000	2,220,548
c) Earnings per share:		
- Basic/Diluted [(a)/(b)]	(0.63)	(1.04)

31. Segment reporting disclosure

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".

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ROYAL ENFIELD UK LIMITED
NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

32. Related party disclosures

a) Names of related parties and their relationship:

Name of related party	Nature of Relationship
Eicher Motors Limited (EML)	Holding Company
Royal Enfield Brasil Comercio De Motocicltas Ltda	Subsidiary of Holding company
Royal Enfield Thailand Ltd. (RETH)	Subsidiary of Holding company
Royal Enfield North America Limited (RENA)	Subsidiary of Holding company
Royal Enfield Canada Limited (RECA)	Subsidiary of Holding company
Royal Enfield Europe B.V.	Subsidiary of Holding company

b) Key Management Personnel:

Mr. Arun Gopal	Director (w.e.f June 30, 2023)
Ms. Vidhya Srinivasan	Director (w.e.f Sep 11, 2023)
Ms. Samantha King	Director (w.e.f March 22, 2024)

c) Transactions with the related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024
Eicher Motors Limited	Purchase of traded goods, packing materials	8,100,227	11,334,006
Eicher Motors Limited	Purchase return of traded goods	-	(2,701,730)
Eicher Motors Limited	Expenses recovered from EML	3,183,696	756,794
Eicher Motors Limited	Infusion of share capital by EML	-	3,000,000
Eicher Motors Limited	ESOP expense reimbursement	193,064	-
Eicher Motors Limited	Income on sales and marketing support	1,261,711	825,826
Royal Enfield Europe B.V.	Expenses recovered from RE Europe B.V.	78,061	-

Balance outstanding at the year end

Name of related party	Nature of transaction	As at March 31, 2025	As at March 31, 2024
Eicher Motors Limited	Payables	8,021,258	8,632,276
Eicher Motors Limited	Other Receivables	925,207	1,041,347
Royal Enfield Europe B.V.	Other Receivables	7,436	-
Eicher Motors Limited	Advances received	388,007	-
Eicher Motors Limited	ESOP payable	193,064	-
Eicher Motors Limited	Guarantees Taken	29,000,000	-

d) Transactions with key management personnel

Particulars	Arun Gopal (Director)	
	As at March 31, 2025	As at March 31, 2024
Salaries, wages and bonus	507,978	295,717

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024 : Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company has a credit period of 180 days with respect to trade payables to EML.

ROYAL ENFIELD UK LIMITED

NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

33. Critical Accounting Judgements and key resources of estimation uncertainty

Use of estimates

In the application of the Company's accounting policies, which are described in note 3, the management is 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.

The following are the 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:-

Useful lives of depreciable assets

Management reviews useful lives of depreciable assets at each reporting. As at March 31, 2025 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.

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ROYAL ENFIELD UK LIMITED
NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED
34. Financial instruments
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:

	As at March 31, 2025	As at March 31, 2024
Lease Liabilities	1,082,871	1,354,190
Less: cash and cash equivalents	(141,327)	(312,088)
Net debt	941,544	1,042,102
Equity Share Capital	3,100,000	3,100,000
Other equity	(4,194,635)	(2,241,428)
Total Equity	(1,094,635)	858,572
Gearing ratio (%)	-86%	121%

34.1. Categories of financial instruments

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets at amortized cost		
Non-current		
Other financial assets	17,777	17,777
Current		
Trade receivables	2,099,897	2,555,688
Cash and bank balances	141,327	312,088
Other financial assets	920,061	1,058,104
Financial liabilities at amortized cost		
Non Current		
Lease Liabilities	663,817	1,016,750
Current		
Lease Liabilities	419,054	337,440
Trade payables	9,144,403	10,162,968
Other financial liabilities	428,923	204,872

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ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****35. Financial risk management objectives and Policies**

The management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk relating to trading operations. Market risk exposures are measured using sensitivity analysis.

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.

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, 2025			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liabilities (undiscounted)	-	692,475	-	692,475
Current				
(i) Lease liabilities (undiscounted)	462,900	-	-	462,900
(ii) Trade payables	9,144,403	-	-	9,144,403
(iii) Other financial liabilities	428,923	-	-	428,923

Particulars	As at March 31, 2024			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liabilities	-	1,088,175	-	1,088,175
Current				
(i) Lease liabilities (undiscounted)	395,700	-	-	395,700
(ii) Trade payables	11,204,315	-	-	11,204,315
(iii) Other financial liabilities	204,872	-	-	204,872

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. Trade receivables are non interest bearing and are generally on terms of 30-60 days.

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ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****36. Share based payments**

Pursuant to the approval accorded by shareholders of the holding company, Eicher Motors Limited ('EML'), at their Annual General Meeting held on 5th July 2006, the Nomination and Remuneration Committee of EML formulated 'Eicher Employee Stock Option Plan 2006' (ESOP Scheme 2006).

'Eicher Employee Stock Option Plan is applicable to all permanent and full-time employees (as defined in the Plan), excluding promoters of the Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion.

Vesting of the options shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant provided the vesting period shall not be more than 5 (five) years and not less than 1 year from the date of grant.

Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under EML's Employee Stock Option Plan, 2006.

The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant, provided that the Exercise Price shall not be less than the closing market price of the shares of the Company on National Stock Exchange of India ("NSE") / Bombay Stock Exchange ("BSE") on the day preceding the date of grant of Options.

The options granted can be exercised at any time until completion of seven years from the date of vesting. Any options remaining unexercised at the end of the exercise period shall lapse. At the time of exercise the participant may pay the exercise price in the form of payment as approved by the Compensation Committee.

Each employee share option converts into one equity share of EML on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following table summarises stock options for each of the years presented:

	Number of shares
	March 31, 2025
Outstanding at on Apr 01	21,500
Granted during the year	5,150
Forfeited during the year	-
Exercised during the year	5,000
Outstanding at on March 31	21,650
Exercisable at Mar 31	5,000

37. The Company did not have any long term contracts including derivative contracts for which there are material foreseeable losses.
38. The Company does not have any litigation during the year or any litigation pending/contingent liabilities not provided for at the year end.
39. There are no events that occurred after the reporting period.

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ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****40. Disclosures in respect of Ind AS 116 "Leases".****As a lessee**

The Company has lease contracts for buildings used in its operations. The leases of buildings generally have lease terms between 2 to 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options which are further discussed below.

The Company does not have any leases of office equipment with low value.

(i) Movement in the carrying value of the Right to Use Asset

Particulars - Buildings	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	1,310,472	1,660,567
Additions during the Period	140,846	-
Depreciation charge for the Period	(419,564)	(350,095)
Adjustment / Deletion	(11,738)	-
Closing Balance	1,020,016	1,310,472

(ii) Classification of current and non current liabilities of the lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current liabilities	419,054	337,440
Non Current Liabilities	663,817	1,016,750
Total Lease liabilities	1,082,871	1,354,190

(iii) Movement in the carrying value of the Lease Liability

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	1,354,190	1,675,510
Interest Expense	65,833	74,380
Lease Payments [Total Cash Outflow]	(466,260)	(395,700)
Additions during the year	140,846	-
Adjustments	(11,738)	-
Closing Balance	1,082,871	1,354,190

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ROYAL ENFIELD UK LIMITED**NOTES FORMING PART OF SPECIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED****(iv) Contractual Maturities of Lease liability outstanding**

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	462,900	395,700
One to five Years	692,475	1,088,175
More than Five years	-	-
Total	1,155,375	1,483,875

Lease expenses relating to short term leases aggregated to GBP 676,031 during the year ended March 31, 2025

Lease liabilities are recognised at weighted average incremental borrowing rate of 5% to 6.5%

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation expense of right-of-use assets	419,564	350,095
Interest expense on lease liabilities	65,833	74,380
Variable lease payments (included in other expenses)	676,031	916,003
Total	1,161,428	1,340,478

As per our report of even date

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

FRN : 301003E/E300005

**For and on Behalf of Board of Directors
of Royal Enfield UK Limited**

Sonika Loganey

Partner

Membership No.: 502220

Place: Gurugram

Date: May 9, 2025

Samantha King

Director

Place: Leicestershire, UK

Date: May 9, 2025

Arun Gopal

Director

Place: London, UK

Date: May 9, 2025