ROYAL ENFIELD UK LIMITED
BALANCE SHEET AS AT MARCH 31, 2026
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	470,223	316,850
(b) Capital work-in-progress	5	5,708	21,118
(c) Right-of-use assets	6	612,192	1,020,016
(d) Financial assets			
(i) Other financial assets	12	42,371	17,777
Total Non-Current Assets		**1,130,494**	**1,375,761**
Current assets			
(a) Inventories	8	4,115,384	6,132,213
(b) Financial assets			
(i) Trade receivables	9	2,587,875	2,099,897
(ii) Cash and cash equivalents	10	710,025	141,327
(iii) Other financial assets	12	942,990	920,061
(c) Other current assets	11	415,491	91,945
Total Current Assets		**8,771,765**	**9,385,443**
Total Assets		**9,902,259**	**10,761,204**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	6,100,000	3,100,000
(b) Other equity	14	(6,089,208)	(4,194,632)
Total Equity		**10,792**	**(1,094,632)**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	37	292,084	663,817
Total non-current liabilities		**292,084**	**663,817**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	37	371,735	419,054
(ii) Trade payables	16	7,483,950	9,144,399
(iii) Other financial liabilities	15	522,220	428,923
(b) Contract liabilities	18	227,938	113,819
(c) Other current liabilities	17	993,540	1,085,823
Total current liabilities		**9,599,383**	**11,192,019**
Total liabilities		**9,891,467**	**11,855,836**
Total equity and liabilities		**9,902,259**	**10,761,204**
Summary of material accounting policies	**3**		

See accompanying notes forming part of the financial statements

As per our report of even date

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

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

For and on Behalf of Board of Directors
of Eicher Motors Limited

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026

ROYAL ENFIELD UK LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

Particulars	Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
INCOME			
Revenue from contract with customers	19	13,073,748	12,931,035
Other income	20	1,636,479	1,334,463
Total Income		**14,710,227**	**14,265,498**
EXPENSES			
Purchases of traded goods	21	7,972,114	7,387,220
Changes in inventories of traded goods	22	2,016,829	1,453,263
Employee benefit expenses	23	3,210,430	2,997,942
Finance costs	24	540,066	384,157
Depreciation and amortisation expense	25	541,527	547,736
Other expenses	26	2,323,837	2,843,302
Total expenses		**16,604,803**	**15,613,620**
Profit/(Loss) before tax		**(1,894,576)**	**(1,348,122)**
Tax expense			
Current tax		-	-
Deferred tax	27	-	605,084
Total tax expense / (Credit)		**-**	**605,084**
Profit/(Loss) for the year		(1,894,576)	(1,953,206)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year, net of tax		(1,894,576)	(1,953,206)
Earnings per equity share of GBP 1 each (March 31, 2025: GBP 1)			
(a) Basic	30	(0.45)	(0.63)
(b) Diluted	30	(0.45)	(0.63)
Summary of material accounting policies	**3**		

See accompanying notes forming part of the financial statements

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

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

For and on Behalf of Board of Directors
of Eicher Motors Limited

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026

ROYAL ENFIELD UK LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
A. OPERATING ACTIVITIES		
Proft/ (Loss) before Tax	(1,894,576)	(1,348,122)
Adjustments for:		
Depreciation and amortisation expenses	541,527	547,736
Loss/(Gain) on disposal of property,plant and equipment	(25,265)	(41,086)
Finance costs	540,066	384,157
Operating profit/(loss) before changes in working capital	**(838,248)**	**(457,315)**
Changes in working capital:		
Adjustments for (increase)/decrease in current assets:		
Trade receivables	(487,978)	455,791
Inventories	2,016,829	1,453,263
Other financial assets	(47,523)	138,043
Other current assets	(323,546)	133,889
Adjustments for increase/(decrease) in liabilities:		
Trade payables	(1,660,447)	(2,059,913)
Other financial liabilities	93,297	224,051
Contract liabilities	114,119	113,819
Other current liabilities	(92,284)	633,201
Net cash flows from/(used in) operating activities (A)	**(1,225,781)**	**634,829**
B. INVESTING ACTIVITIES		
Purchase of Property, plant and equipment (including capital advances)	(307,333)	(195,436)
Proceeds from disposal of property, plant and equipment	60,932	174,430
Net cash flows from/(used in) investing activities (B)	**(246,401)**	**(21,006)**
C. FINANCING ACTIVITIES		
Proceeds from issue of share capital	3,000,000	-
Interest paid on lease liabilities	(43,848)	(65,833)
Interest paid on bills dicounting	(496,218)	(318,324)
Payment of principal portion of lease liabilities	(419,052)	(400,427)
Net cash flows from/(used in) financing activities ©	**2,040,882**	**(784,584)**
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	568,700	(170,761)
Cash and cash equivalents at the beginning of the period	141,327	312,088
Cash and cash equivalents at the end of the period	**710,027**	**141,327**

Particulars	As at March 31, 2026	As at March 31, 2025
Components of cash and cash equivalents		
Balances with banks:		
In current accounts	710,025	141,327
Total cash and cash equivalents as per balance sheet (refer note 10)	**710,025**	**141,327**
Summary of material accounting policies (refer note 3)		

See accompanying notes forming part of the financial statements

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

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

For and on Behalf of Board of Directors
of Eicher Motors Limited

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026

ROYAL ENFIELD UK LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026
ALL AMOUNTS ARE IN GBP UNLESS OTHERWISE STATED

a. Equity share capital

Particulars	Number of shares	Amount
Equity shares of GBP 1 each issued, subscribed and fully paid		
Balance at April 01, 2024	100,000	100,000
Changes in equity share capital during the year	3,000,000	3,000,000
Balance at March 31, 2025	3,100,000	3,100,000
Changes in equity share capital during the year	3,000,000	3,000,000
Balance at March 31, 2026 (refer note 13)	**6,100,000**	**6,100,000**

b. Other Equity

Particulars	Retained earnings
Balance at April 01, 2024	(2,241,429)
Profit/(loss) for the year	(1,953,206)
Other comprehensive income / (expense) for the year, net of income tax	-
Total comprehensive income / (expense) for the year	(4,194,635)
Balance at March 31, 2025	**(4,194,635)**
Profit/(loss) for the year	**(1,894,576)**
Other comprehensive income / (expense) for the year, net of income tax	**-**
Total comprehensive income / (expense) for the year	(6,089,211)
Balance at March 31, 2026 (refer note 14)	**(6,089,211)**

Summary of material accounting policies (refer note 3)

See accompanying notes forming part of the financial statements

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

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

For and on Behalf of Board of Directors
of Eicher Motors Limited

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026

1. Corporate Information

Royal Enfield UK Limited ("the Company") was incorporated on August 20th, 2019, the Company, a wholy owned subsidiary of Eicher Motors Limited (Holding Company). The Company is into trading of two wheelers, Spares, Gears and Accessories in United Kingdom. The Company has its registered office at number Bruntingthorpe,Proving Ground, Bath Lane, Leicester, Leicestershire, United Kingdom LE17 5QS

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 are prepared to assist the Holding Company in preparing their consolidated financial statements and filing Annual Performance Report by the holding company with respect to company with the Authorized dealers category – I bank in accordance with the RBI Master direction –Reporting under FEMA Act, 1999 updated as at December 03,2025 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 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.

b. Revenue from contract with customers

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).

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 (m) Financial instruments – initial recognition and subsequent measurement.

Provision

Trade receivables are monitored based on their ageing from the due date. Allowance for impairment will be recorded for receivables aged more than 180 days.

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.

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.

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.

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 current tax 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.

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.

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.

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.

o. 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.

p. New and amended standards

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

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

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(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees-after the reporting period but before the financial statements are approved for issue-not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments have resulted in additional disclosures in Note 15 but have not had an impact on the classification of Company's liabilities.

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Company has provided additional disclosures about its supplier finance arrangement.

(iv) International Tax Reform-Pillar Two Model Rules - Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's consolidated financial statements as the Company is not in scope of the Pillar Two model rules.

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4. Property, plant and equipment

Particulars	Tools and electrical fittings	Furniture and fixtures	Office equipments#	Vehicles	Total
Cost					
At April 01, 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**
Additions	50,684	2,871	27,749	241,439	**322,743**
Disposals	-			66,977	**66,977**
At March 31, 2026	**141,426**	**17,387**	**213,395**	**423,886**	**796,094**
Accumulated depreciation					
At April 01, 2024	**70,576**	**826**	**22,917**	**86,008**	**180,327**
Charge for the year	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**
Charge for the year	5,632	1,691	42,439	83,941	**133,703**
Disposals	-	-	-	31,310	**31,310**
At March 31, 2026	**96,373**	**3,954**	**102,231**	**123,313**	**325,871**
Net book Value					
At March 31, 2026	**45,053**	**13,433**	**111,164**	**300,573**	**470,223**
At March 31, 2025	1	12,253	125,854	178,742	316,850

Cost and net carrying amount of office equipments include computers and information systems of GBP 46,302 as at March 31, 2026 (GBP 42,332 as at March 31, 2025) and GBP 11,015 as at March 31, 2026 (GBP 21,521 as at March 31, 2025), respectively.

5. Capital work-in-progress*

Particulars	As at March 31, 2026	S March 31, 2025
Capital work-in-progress	5,708	21,118

						As at March 31, 2026
Particulars	**< 1 year**	**1 - 2 years**	**2 - 3 years**	**> 3 years**	**Total**	**Total**
Projects in progress	-	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-	-
Other Capital work-in-progress	5,708	-	-	-	-	5,708
Total	**5,708**	**-**	**-**	**-**	**-**	**5,708**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026.

						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 projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2025.

* Capital work in progress comprises office equipment yet to be fully installed.

6. Right to use asset:

Particulars	**Right to use Asset**
Cost	
At April 01, 2024	1,746,656
Additions	140,846
Disposals/adjustments	(11,738)
At March 31, 2025	**1,875,764**
Additions	-
Disposals	-
At March 31, 2026	**1,875,764**
Accumulated amortisation	
At April 01, 2024	436,184
Charge for the year	419,564
Disposals	-
At March 31, 2025	**855,748**
Charge for the year	407,824
Disposals	-
At March 31, 2026	**1,263,572**
Net book Value	
At March 31, 2026	**612,192**
At March 31, 2025	1,020,016

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7. Deferred tax assets (net)

Non-current	As at March 31, 2026	As at March 31, 2025
Deferred tax assets -Carry forward losses	118,493	101,012
Deferred tax Liabilities -Property,plant and equipment	118,493	101,012
Deferred tax Asset/(Liability), net	-	-

8. Inventories
(At lower of cost and net realizable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Traded goods		
Two Wheelers [includes in transit GBP 865,475 (March 31, 2025 GBP 764,999)]	3,725,906	5,462,147
Spares and Accessories [includes in transit GBP 52,906 (March 31, 2025 GBP 34,846)]	389,478	670,066
Total	**4,115,384**	**6,132,213**

Inventories are net of non-moving/slow-moving provisions. During the year GBP 330,332 (March 31, 2025 : GBP 306,754) was recognised as an expense in the Statement of Profit and Loss.

9. Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Related parties (refer note 32)		
Considered good - unsecured	20,611	37,176
Others		
Considered good - unsecured	2,567,264	2,062,721
Receivables-Credit impaired	-	16,309
Sub-total	**2,587,875**	**2,116,206**
Less : Provision for credit impaired receivables	-	(16,309)
Total	**2,587,875**	**2,099,897**

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ROYAL ENFIELD UK LIMITED
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Trade receivables ageing **As at March 31, 2026**

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	2,587,105	769	-	-	-	-	2,587,875
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	**2,587,105**	**769**	**-**	**-**	**-**	**-**	**2,587,875**

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	19,121	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**	**19,121**	**25,991**	**27,029**	**-**	**-**	**2,116,206**

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
(e) The Company discounts certain trade receivables with banks on a non-recourse basis. As substantially all risks and rewards relating to such receivables are transferred to the banks, the receivables are derecognized when the criteria for derecognition under Ind AS 109 have been met.

10. Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
In current accounts	710,025	141,327
Total	**710,025**	**141,327**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
In current accounts	710,025	141,327
Cash and cash equivalents for the purpose of statement of cash flows	**710,025**	**141,327**

Changes in liabilities arising from financing activities, non-cash financing and investing activities

Particulars	April 1, 2025	Net cash flows	Others*	March 31, 2026
Obligation under lease (refer note 37)	1,082,871	(375,204)	43,848	663,819
Total liabilities from financing activities	**1,082,871**	**(375,204)**	**43,848**	**663,819**

Particulars	April 1, 2024	Net cash flows	Others*	March 31, 2025
Obligation under lease (refer note 37)	1,354,190	(334,594)	(63,275)	1,082,871
Total liabilities from financing activities	**1,354,190**	**(334,594)**	**(63,275)**	**1,082,871**

Non-cash financing and investing activities

Particulars	As at March 31, 2026	As at March 31, 2025
Acquisition of Right-of-use assets (refer note 37)	-	140,846
	-	**140,846**

11. Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good		
Advance to suppliers	197,300	17,067
Advance to employees	3,702	14,164
Warranty claim	61,066	42,511
Prepaid expenses	153,423	18,203
Total	**415,491**	**91,945**

12. Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025	
Non - Current			
Unsecured, considered good			
Security deposits (carried at amortised cost)	42,371	17,777	
Current			
Unsecured, considered good			
Security deposits (carried at amortised cost)	-	24,594	
Receivable from Holding company (also refer note 32)	516,885	888,031	925,207
Receivable from related party (also refer note 32)	426,105	7,436	
Total	**942,990**	**920,061**	

13. Equity Share Capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
61,00,000 Equity shares at 1 GBP each	6,100,000	3,100,000
Total	**6,100,000**	3,100,000
Issued, Subscribed and fully paid up		
61,00,000 Equity shares at 1 GBP each	6,100,000	3,100,000
Total	**6,100,000**	**3,100,000**

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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, 2026	For the Year ended March 31, 2025
At the beginning of the year	3,100,000	3,100,000
Issued during the year	3,000,000	-
Oustanding at the end of the year	6,100,000	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
% holding by Eicher Motors Limited as at March 31, 2026: 100% (March 31, 2025: 100%).

14. Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Retained Earnings		
Opening balance	(4,194,632)	(2,241,426)
Add: Profit/(loss) for the year	(1,894,576)	(1,953,206)
Net Surplus/(deficit) in the statement of profit and loss	**(6,089,208)**	**(4,194,632)**

15. Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Employee dues	270,269	235,859
Employee stock option plan payable (refer note 32 and Note 36)	251,951	193,064
Total	**522,220**	**428,923**

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16. Trade payables

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Trade payables to related parties (refer note 32)	6,408,728	7,518,629
Trade payables to others	1,075,222	1,625,770
Total	**7,483,950**	**9,144,399**

Trade payables ageing

As at March 31, 2026

Particulars	**Unbilled/ Not due***	**< 1 year**	**1 - 2 years**	**2 - 3 years**	**> 3 years**	**Total**
Undisputed outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	7,346,033	137,569	346	-	-	7,483,948
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**7,346,033**	**137,569**	**346**	**-**	**-**	**7,483,948**

As at March 31, 2025

Particulars	**Unbilled/ Not due***	**< 1 year**	**1 - 2 years**	**2 - 3 years**	**> 3 years**	**Total**
Undisputed outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	1,964,938	7,170,735	8,726	-	-	9,144,399
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**1,964,938**	**7,170,735**	**8,726**	**-**	**-**	**9,144,399**

* Includes trade payables not due of GBP 6,588,617 as at March 31, 2026 (GBP 1,209,808 as at March 31, 2025).

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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17. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Statutory remittances (Contribution to pension fund and VAT)	855,477	697,816
Advances from holding company (refer note 32)	-	388,007
Others (includes discounts/ incentives)	138,063	-
	993,540	**1,085,823**

18. Contract liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customers	81,848	113,819
Deferred revenue	146,090	-
	227,938	**113,819**

19. Revenue from contract with customers

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Sale of traded goods (recognised at a point in time)		
Two wheelers	11,833,531	12,206,203
Spare parts, accessories and other allied products	1,240,217	724,832
	13,073,748	**12,931,035**

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

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Revenue as per contracted price	14,529,949	13,064,043
Adjustments :		
- Trade Discount	1,456,201	133,008
	13,073,748	**12,206,203**

Contract balances

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables(refer note 9)	2,587,875	2,099,897
Contract liabilities (refer note 18)	227,938	113,819

20. Other income

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Non-operating income		
Income on Sales and marketing support (refer note 32)	1,532,369	1,261,711
Profit on sale of fixed assets	25,265	41,086
Miscellaneous income	78,845	31,666
	1,636,479	**1,334,463**

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21. Purchases of traded goods

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Two wheelers	7,241,492	6,900,810
Spare parts, accessories and other allied products	730,622	486,410
Total	**7,972,114**	**7,387,220**

22. Changes in inventories of traded goods

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Inventories at the end of the year		
Traded goods	4,115,384	6,132,213
Sub-total (A)	**4,115,384**	**6,132,213**
Inventories at the beginning of the year		
Traded goods	6,132,213	7,585,476
Sub-total (B)	**6,132,213**	**7,585,476**
Net change (B-A)	**2,016,829**	**1,453,263**

23. Employee benefits expenses

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Salaries and wages	2,595,711	2,415,845
Employee stock option plan expense (refer note 32)	130,104	193,064
Contribution to pension funds	435,502	340,669
Staff welfare expenses	49,113	48,364
Total	**3,210,430**	**2,997,942**

24. Finance Cost

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Interest on lease liabilities (refer note 37)	43,848	65,833
Interest expense on bills discounting	496,218	318,324
Total	**540,066**	**384,157**

25. Depreciation and amortisation expense

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Depreciation on property, plant and equipment (refer note 4)	133,703	128,172
Depreciation on right to use asset (refer note 6)	407,824	419,564
Total	**541,527**	**547,736**

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26. Other expenses

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Insurance	31,408	74,403
Advertisement	31,095	121,235
Freight and handling charges	459,830	499,003
Other selling and distribution expenses	792,575	862,778
Expense related to short term leases	479,992	676,031
Legal and professional charges	120,787	95,368
Travelling expenses	304,255	273,555
Rates & taxes	3,089	71
Exchange loss (net)	4,431	-
Miscellaneous expenses	96,375	240,858
Total	**2,323,837**	**2,843,302**

27. Income tax recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
In respect of the current year	-	-
Deferred tax		
In respect of the current year	-	605,084
Total income tax expense recognised in the current year	**-**	**605,084**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/(Loss) Before Tax	(1,894,576)	(1,348,122)
Inocme tax expense calculated at 19% (previous year @ 19%)	(359,969)	(256,143)
Adjustment for deferred tax / reversal of DTA	-	605,084
Non recognition of Tax expense pertain to previous years	359,969	256,143
Income tax expenses recognized the staement of profit and loss	-	605,084

Brought forward losses for no deferred tax has been recognized are as follows

Particulars	As at March 31, 2026	As at March 31, 2025
Tax losses :		
Expiry in 5 years	-	-
No expiry	(4,419,907)	(3,335,508)
Total	**(4,419,907)**	**(3,335,508)**

28. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for GBP 15,390 (March 31, 2025 : GBP 6,782).

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, 2026	For the Year ended March 31, 2025
Detail of amount recognized as expense for defined contribution plans is given below:-		
Pension fund	435,502	340,669

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, 2026	For the Year ended March 31, 2025
a) Profit/(Loss) for the year as per statement of profit and loss	(1,894,576)	(1,953,206)
b) Weighted average number of equity shares (Nos.)	4,223,014	3,100,000
c) Earnings per share:		
- Basic/Diluted [(a)/(b)]	(0.45)	(0.63)

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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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 Europe B.V.	Fellow Subsidiary

b) Key Management Personnel:

Mr. Arun Gopal	Director
Ms. Vidhya Srinivasan	Director
Ms. Samantha King	Director

c) Transactions with the related parties:

Name of related party	Nature of transaction	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Eicher Motors Limited	Purchase of traded goods, packing materials	7,801,142	8,100,227
Eicher Motors Limited	Expenses recovered from EML	1,727,748	3,183,696
Eicher Motors Limited	Infusion of share capital by EML	3,000,000	-
Eicher Motors Limited	Employee stock option plan expense reimbursement	130,104	193,064
Eicher Motors Limited	Income on sales and marketing support	1,103,113	1,261,711
Eicher Motors Limited	Sale of motorcycle & spares to UK Branch	72,524	-
Eicher Motors Limited	Expenses recovered from UK Branch	5,341	-
Eicher Motors Limited	Expense reimbursement to UK Branch	13,789	-
Royal Enfield Europe B.V.	Sale of spares	3,305	78,061
Royal Enfield Europe B.V.	Income on sales and marketing support	429,256	-
Royal Enfield Europe B.V.	Expenses recovered from RE Europe B.V.	24,333	-

Balance outstanding at the year end

Name of related party	Nature of transaction	As at March 31, 2026	As at March 31, 2025
Eicher Motors Limited	Trade payables	6,407,597	7,518,629
Eicher Motors Limited	Trade payables (UK Branch)	1,131	-
Eicher Motors Limited	Trade receivables (UK Branch)	9,886	-
Eicher Motors Limited	Trade receivables	-	37,176
Eicher Motors Limited	Other financial assets	516,885	888,031
Royal Enfield Europe B.V.	Other financial assets	426,105	7,436
Royal Enfield Europe B.V.	Trade receivables	10,725	-
Eicher Motors Limited	Other current liabilities	-	388,007
Eicher Motors Limited	Other financial liabilities (ESOP)	251,951	193,064
Eicher Motors Limited	Guarantees taken	29,000,000	29,000,000

d) Transactions with key management personnel

Particulars	**Arun Gopal (Director)**	
	As at March 31, 2026	**As at March 31, 2025**
Short-term benefits	586,512	507,978

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, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025 : 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 270 days with respect to trade payables to EML.

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, 2026 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.

[The space below has been intentionally left blank]

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 (lease liabilities as detailed in notes and offset by cash and cash equivalents) 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, 2026	As at March 31, 2025
Lease liabilities	663,819	1,082,871
Less: cash and cash equivalents	(710,025)	(141,327)
Net debt	**(46,206)**	**941,544**
Equity Share Capital	6,100,000	3,100,000
Other equity	(6,089,208)	(4,194,632)
Total Equity	**10,792**	**(1,094,632)**
Gearing ratio (%)	**-428%**	**-86%**

34.1. Categories of financial instruments

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
Non-current		
Other financial assets	42,371	17,777
Current		
Trade receivables	2,587,875	2,099,897
Cash and bank balances	710,025	141,327
Other financial assets	942,990	920,061
Financial liabilities at amortized cost		
Non Current		
Lease liabilities	292,084	663,817
Current		
Lease liabilities	371,735	419,054
Trade payables	7,483,950	9,144,399
Other financial liabilities	522,220	428,923

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.

Foreign currency risk

The Company undertakes transactions denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the

Foreign currency exposure	As at March 31, 2026		As at March 31, 2025	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	-	357	-	-

Foreign currency sensitivity

The company uses the sensitivity rate of 5% when reporting foreign currency risk internally to key management personnel and represents management's assessment of the

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Change in rate	Effect on profit before tax	Change in rate	Effect on profit before tax
USD	5%	18	5%	-
	-5%	(18)	-5%	-

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, 2026			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liabilities (undiscounted)	-	296,775	-	296,775
Current				
(i) Lease liabilities (undiscounted)	395,700	-	-	395,700
(ii) Trade payables	7,483,950	-	-	7,483,950
(iii) Other financial liabilities	522,220	-	-	522,220

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	9,144,399	-	-	9,144,399
(iii) Other financial liabilities	428,923	-	-	428,923

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, trade receivables, other current assets. 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.

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, 2026	March 31, 2025
Outstanding at on Apr 01	21,650	21,500
Granted during the year	4,022	5,150
Forfeited during the year	-	-
Exercised during the year	8,000	5,000
Outstanding at on March 31	17,672	21,650
Exercisable at Mar 31	2,500	5,000

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37. 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, 2026	For the Year ended March 31, 2025
Opening Balance	1,020,016	1,310,472
Additions during the year	-	140,846
Depreciation charge for the year	(407,824)	(419,564)
Adjustment / Deletion	-	(11,738)
Closing Balance	**612,192**	**1,020,016**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Current liabilities	371,735	419,054
Non Current liabilities	292,084	663,817
Total Lease liabilities	**663,819**	**1,082,871**

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

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Opening Balance	1,082,871	1,354,190
Interest Expense	43,848	65,833
Lease Payments [Total Cash Outflow]	(462,900)	(466,260)
Additions during the year	-	140,846
Adjustments	-	(11,738)
Closing Balance	**663,819**	**1,082,871**

(iv) Contractual Maturities of Lease liability outstanding

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	395,700	462,900
One to five Years	296,775	692,475
More than Five years	-	-
Total	**692,475**	**1,155,375**

Lease expenses relating to short term leases aggregated to GBP 479,992 during the year ended March 31, 2026 (GBP 676,031 during the year
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.

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The following are the amounts recognised in statement of profit or loss:

Particulars	As at March 31, 2026	As at March 31, 2025
Depreciation expense of right-of-use assets	407,824	419,564
Interest expense on lease liabilities	43,848	65,833
Variable lease payments (included in other expenses)	479,992	676,031
Total	**931,664**	**1,161,428**

38. The Company does not have any long term contracts including derivative contracts for which there are material forseeable losses.

39. The Company does not have any litigation during the year or any litigation pending/contingent liabilities not provided for at the year end.

40. The Company does not have any deferred tax liability and has not recognised any deferred tax asset as at March 31, 2026 on its tax losses as currently there is no reasonable certainty in realisation of deferred tax assets.

41. There are no events that occurred after the reporting period.

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

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

For and on Behalf of Board of Directors
of Eicher Motors Limited

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026