

Independent Auditor's Report

To the Shareholders of Royal Enfield (Thailand) Ltd.

Opinion

I have audited the accompanying financial statements of Royal Enfield (Thailand) Ltd. (the Company), which comprise the statement of financial position as at 31 March 2025, and the related statements of income and changes in shareholders' equity for the year then ended, and notes to the financial statements, including material accounting policy information (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Royal Enfield (Thailand) Ltd. as at 31 March 2025, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am responsible for the audit resulting in this independent auditor's report.

A handwritten signature in black ink, appearing to read 'Kosum Cha-em'.

Kosum Cha-em

Certified Public Accountant (Thailand) No. 6011

EY Office Limited

Bangkok: 6 May 2025

ROYAL ENFIELD (THAILAND) LIMITED
BALANCE SHEET AS AT MARCH 31, 2025
ALL AMOUNTS ARE IN THAI BAHT 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	62,217,448	49,823,770
(b) Right to use Asset	6	29,885,281	7,094,456
(c) Capital Work-in-Progress	5	8,941,357	6,351,083
(e) Financial assets			
(i) Others financial assets	7	5,214,814	847,764
Total Non-Current Assets		106,258,900	64,117,073
Current assets			
(a) Inventories	8	90,829,485	139,527,525
(b) Financial assets			
(i) Trade receivables	9	11,039,864	8,784,968
(ii) Cash and cash equivalents	10	23,337,449	41,776,049
(c) Other current assets	11	12,194,182	6,000,178
Total Current Assets		137,400,980	196,088,719
Total Assets		243,659,880	260,205,791
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	184,750,000	184,750,000
(b) Other equity	13	(138,370,906)	(74,223,330)
Total Equity		46,379,094	110,526,670
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	14	23,361,608	8,550,001
Total non-current liabilities		23,361,608	8,550,001
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	10,000,000	-
(ii) Trade payables	16	112,500,891	113,353,925
(iii) Other financial liabilities	14	32,346,252	14,408,547
(b) Other current liabilities	17	19,072,035	13,366,649
Total Current Liabilities		173,919,178	141,129,121
Total Equity and Liabilities		243,659,880	260,205,791

ROYAL ENFIELD (THAILAND) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN THAI BAHT UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from contract with customers	18	486,320,164	574,113,599
Other income	19	18,846,999	875,303
Total Income		505,167,163	574,988,902
EXPENSES			
Cost of Material Consumed	20	110,449,859	207,906,376
Purchases of traded goods	21	202,481,743	268,007,576
(Increase)/decrease in inventories of traded goods	22	19,883,264	(11,956,900)
Employee benefit expenses	23	96,992,155	70,953,134
Finance costs	24	1,660,922	403,211
Depreciation and amortisation expense	25	30,913,986	13,518,071
Other expenses	26	106,932,810	107,522,047
Total expenses		569,314,738	656,353,514
Profit/(Loss) before tax		(64,147,575)	(81,364,612)
Tax expense		-	-
Profit/(Loss) for the year		(64,147,575)	(81,364,612)
Other Comprehensive Income			-
Total comprehensive income for the year, net of tax		(64,147,575)	(81,364,612)
Earning per share			
(a) Basic		(1.74)	(3.55)
(b) Diluted		(1.74)	(3.55)
(No Face value of shares defined as such)			
Summary of Significant accounting policies			

ROYAL ENFIELD (THAILAND) LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025****ALL AMOUNTS ARE IN THAI BAHT UNLESS OTHERWISE STATED****a. Equity share capital**

Particulars	Number of shares	Amount
Balance at March 31, 2023	22,950,000	114,750,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2024	22,950,000	114,750,000
Changes in equity share capital during the year	14,000,000	70,000,000
Balance at March 31, 2025	36,950,000	184,750,000

b. Other Equity

Particulars	Retained earnings
Balance at March 31, 2023	(39,964,800)
Profit / (Loss) for the period	(81,364,612)
Balance at March 31, 2024	(121,329,412)
Profit / (Loss) for the period	(64,147,575)
Balance at March 31, 2025	(185,476,988)

ROYAL ENFIELD (THAILAND) LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
ALL AMOUNTS ARE IN THAI BAHT UNLESS OTHERWISE STATED

4. Property, plant and equipment

Particulars	Leasehold Improvements	Plant & Machinery	Furniture and fixtures	Office equipments	Vehicles	Total
Cost						
At 31 March 2023	4,273,276	47,363,259	597,812	3,985,060	14,756,786	70,976,194
Additions	206,730	9,410,770	-	367,077	3,792,245	13,776,822
Disposals	-	-	-	-	2,919,707	2,919,707
At 31 March 2024	4,480,006	56,774,029	597,812	4,352,138	15,629,324	81,833,309
Additions	7,799,929	12,686,997	911,586	3,147,409	2,625,581	27,171,502
Disposals	-	47,077	-	8,990	4,106,319	4,162,386
At 31 March 2025	12,279,935	69,413,949	1,509,398	7,490,558	14,148,586	104,842,426
Accumulated depreciation						
At 31 March 2023	147,151	8,720,604	19,927	2,099,444	6,370,991	17,358,118
Charge for the year	1,486,431	11,335,812	59,781	763,261	3,006,098	16,651,383
Disposals	-	-	-	-	2,143,449	2,143,449
At 31 March 2024	1,633,582	20,056,417	79,708	2,862,705	7,233,640	31,866,052
Charge for the year	2,155,329	7,653,348	125,137	1,203,368	2,653,885	13,791,066
Disposals	-	23,824	-	8,091	3,000,226	3,032,141
At 31 March 2025	3,788,911	27,685,941	204,845	4,057,981	6,887,298	42,624,977
Net book Value						
At 31 March 2024	2,846,424	36,717,612	518,104	1,489,434	8,395,684	49,967,258
At 31 March 2025	8,491,024	41,728,008	1,304,553	3,432,575	7,261,288	62,217,448

5. Capital Work in Progress

	As at 31st March 2025	As at 31st March 2024
Capital Work in Progress	8,941,357	6,207,596

6. Right to use asset:

Particulars	Right to use asset
Cost	
At 31 March 2023	19,893,836
Additions	-
Disposals	-
At 31 March 2024	19,893,836
Additions	39,913,744
Disposals	-
At 31 March 2025	59,807,580
Accumulated depreciation	
At 31 March 2023	8,458,867
Charge for the year	4,340,513
Disposals	-
At 31 March 2024	12,799,379
Charge for the year	17,122,920
Disposals	-
At 31 March 2025	29,922,299
Net book Value	
At 31 March 2024	7,094,457
At 31 March 2025	29,885,281

7. Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Security deposits	5,214,814	847,764
Total	5,214,814	847,764

8. Inventories

(At lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	883,255	29,698,031
Finished Goods	46,547,918	67,528,651
Traded goods		
-Two Wheelers	9,181,806	16,763,840
-Spares, Gears & Accessories	34,216,506	25,537,003
Total	90,829,485	139,527,526

9. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Considered good - unsecured	11,039,864	8,784,968
Total	11,039,864	8,784,968

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other
Trade receivables are non interest bearing and are generally on terms of 30-60 days.

10. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks:		
In current accounts	23,337,450	41,776,049
Total	23,337,450	41,776,049

11. Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured, considered good		
Advance to Vendors	3,041,781	2,024,884
Prepaid expenses	3,025,256	2,271,613
TDS Receivable	2,921	6,324
VAT credit	4,990,759	804,024
Custom Duty	1,133,464	893,334
Total	12,194,182	6,000,178

12. Equity Share Capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
3,69,50,000 Equity shares at 5 Thai baht each	114,750,000	114,750,000
Total	114,750,000	114,750,000
Issued, Subscribed and fully paid up		
3,69,50,000 Equity shares at 5 Thai baht each		
At the beginning	114,750,000	114,750,000
Issued during the period	70,000,000	70,000,000
Outstanding at the end of the period	184,750,000	184,750,000

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
At the beginning of the year	114,750,000	114,750,000
Issued during the period	70,000,000	70,000,000
Outstanding at the end of the period	184,750,000	184,750,000

The Company has only one class of equity shares having face value of 5 Thai Baht 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: 99% (March 31, 2024: 99%)

13. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Retained Earnings		
Opening balance	(74,223,329)	(39,942,963)
Add: Profit/(Loss) for the period	(64,147,575)	(34,280,367)
Net deficit in the statement of profit and loss	(138,370,906)	(74,223,329)

14. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Lease liability as per Ind AS 116	13,532,658	2,865,377
Provision for Long term employee benefits	9,828,950	5,684,624
	23,361,608	8,550,001
Current		
Lease liability as per Ind AS 116	16,595,055	4,392,143
Employee dues	11,918,524	10,016,404
Employee stock option plan payable	3,832,673	-
	32,346,252	14,408,547

15. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
Working Capital loan from Banks	10,000,000	-
Total	10,000,000	-

16. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables to related parties	60,639,184	60,639,184
Trade payables to others	51,861,707	52,714,741
Total	112,500,891	113,353,925

17. Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory remittances	18,890,503	12,637,159
Payable to employees	(10,914)	56,283.41
Other Payables	192,446	673,207
Total	19,072,035	13,310,367

18. Revenue from contract with customers

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of traded goods		
Two-Wheelers	448,118,535	533,172,467
Spare parts,accessories and other allied products	38,201,629	32,613,666
Total	486,320,164	565,786,133

19. Other Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income	184,773	42,891
Exchange gain	-	-
Profit on Sale of Fixed asset	1,227,050	391,966
Others	17,435,177	1,045,481
Total	18,846,999	1,480,338

20. Cost of Materials Consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year	29,698,031	31,579,628
Add : Purchases	81,635,082	206,024,778
	111,333,114	237,604,406
Less : Inventories at the end of the year	883,255	29,698,031
Less : Material cost of Vehicle Capitalised	-	-
	-	-
Less : Sale of Raw Material to suppliers on cost to cost basis	-	-
Total	110,449,859	207,906,376

21. Purchases of traded goods

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Two wheelers	174,501,699	193,730,965
Spare parts,accessories and other allied products	27,980,044	27,902,167
Total	202,481,743	221,633,132

22. (Increase)/decrease 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	89,946,230	109,829,493
Sub-total (A)	89,946,230	66,015,203
Inventories at the beginning of the year		
Traded goods	109,829,493	66,015,203
Sub-total (B)	109,829,493	54,058,303
Net change (B-A)	19,883,264	(11,956,900)

23. Employee benefit expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries,wages and bonus	88,209,639	84,168,089
Employee stock option expense	3,981,334	-
Payroll Taxes	315,343	310,173
Gratuity	4,144,326	1,052,131
Staff welfare expenses	341,512	334,515
Total	96,992,155	85,864,908

24. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense		
- On loans	742,781	1,113,041
-On lease liability	918,141	186,243
Total	1,660,922	1,299,284

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)	13,791,066	16,794,870
Depreciation on Right to Use Asset	17,122,920	4,340,513
Total	30,913,986	21,135,383

26. Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	483,353	132,528
Insurance	3,041,811	2,405,944
Repairs and maintenance		
Buildings	3,909	3,033
Others	1,155,839	342,440
Rates and taxes	38,061	22,197
Advertisement	13,473,423	12,893,562
Freight and handling charges	14,083,741	27,195,303
Vehicle Hire Charges	445,631	491,782
Other selling and distribution expenses	47,232,064	45,628,647
Rent	12,554	731,384
Legal and professional charges	16,060,551	8,065,943
Testing & Inspection charges	2,938,144	1,910,652
Exchange loss (net)	720,385	1,357,700
Travel expenses	4,494,582	3,890,551
Miscellaneous expenses	2,748,763	2,450,380
Total	106,932,810	107,522,047