

Independent Auditor's Report

To the Shareholders of Bajaj Auto (Thailand) Ltd.

Opinion

I have audited the accompanying financial statements of Bajaj Auto (Thailand) Ltd. (“the Company”), which comprise the statement of financial position as at 31 December 2020, and the related statements of income and changes in shareholders’ equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bajaj Auto (Thailand) Ltd. as at 31 December 2020 and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards 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 as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 Standards 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 the 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.



Vilailak Laohasrisakul
Certified Public Accountant (Thailand) No. 6140

EY Office Limited
Bangkok: 9 February 2021

Bajaj Auto (Thailand) Ltd.
Statement of financial position
As at 31 December 2020

	(Unit: Baht)	(Unit: Baht)	(Unit: INR)	(Unit: INR)
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets				
Current assets				
Cash and cash equivalents	1,37,46,395	-	3,18,99,462	-
Amount due from a parent company	-	4,50,00,000	-	10,44,25,619
Other current assets	42,78,304	13,871	99,28,101	32,189
Total current assets	1,80,24,699	4,50,13,871	4,18,27,563	10,44,57,808
Non-current assets				
Equipment	1,13,06,699	-	2,62,37,979	-
Advance payment for purchase of equipment	13,22,811	-	30,69,675	-
Other non-current assets	14,86,889	-	34,50,429	-
Total non-current assets	1,41,16,399	-	3,27,58,083	-
Total assets	3,21,41,098	4,50,13,871	7,45,85,646	10,44,57,808
Liabilities and shareholders' equity				
Current liabilities				
Other payables	10,40,428	2,35,000	24,14,385	5,45,334
Total current liabilities	10,40,428	2,35,000	24,14,385	5,45,334
Total liabilities	10,40,428	2,35,000	24,14,385	5,45,334
Shareholders' equity				
Share capital				
Registered				
450,000 ordinary shares of Baht 100 each	4,50,00,000	4,50,00,000	10,44,25,619	10,44,25,619
Issued and fully paid-up				
450,000 ordinary shares of Baht 100 each	4,50,00,000	4,50,00,000	10,44,25,619	10,44,25,619
Deficit	(1,38,99,330)	(2,21,129)	(3,22,54,358)	(5,13,145)
Foreign Currency Translation Reserve			-	-
Total shareholders' equity	3,11,00,670	4,47,78,871	7,21,71,261	10,39,12,474
Total liabilities and shareholders' equity	3,21,41,098	4,50,13,871	7,45,85,646	10,44,57,808

The accompanying notes are an integral part of the financial statements.

Bajaj Auto (Thailand) Ltd.

Income statement

For the period as from 01 January 2020 to 31 December 2020

	(Unit: Baht)	(Unit: Baht)	(Unit: INR)	(Unit: INR)
	For the period as from 01 January 2020 to 31 December 2020	For the period as from 20 December 2019 to 31 December 2019	For the period as from 01 January 2020 to 31 December 2020	For the period as from 20 December 2019 to 31 December 2019
Revenue				
Other income	40,470	20,188	93,913	46,848
Total revenue	40,470	20,188	93,913	46,848
Expenses				
Administrative expenses	1,37,18,671	2,41,317	3,18,35,127	5,59,993
Total expenses	1,37,18,671	2,41,317	3,18,35,127	5,59,993
Net loss for the period	(1,36,78,201)	(2,21,129)	(3,17,41,214)	(5,13,145)

Bajaj Auto (Thailand) Ltd.**Statement of changes in shareholders' equity****For the period as from 01 January 2020 to 31 December 2020****(Unit: Baht)**

	Issued and fully paid-up share capital	Deficit	Total
Balance as at 20 December 2019	-	-	-
Share capital issued and called-up during the period (Note 5)	4,50,00,000	-	4,50,00,000
Net loss for the period	-	(2,21,129)	(2,21,129)
Balance as at 31 December 2019	<u>4,50,00,000</u>	<u>(2,21,129)</u>	<u>4,47,78,871</u>
Balance as at 1 January 2020	4,50,00,000	(2,21,129)	4,47,78,871
Net loss for the year	-	(1,36,78,201)	(1,36,78,201)
Balance as at 31 December 2020	<u>4,50,00,000</u>	<u>(1,38,99,330)</u>	<u>3,11,00,670</u>

The accompanying notes are an integral part of the financial statements.

(Unit: INR)

	Issued and fully paid-up share capital	Deficit	Total
Balance as at 20 December 2019	-	-	-
Share capital issued and called-up during the period (Note 5)	10,44,25,619	-	10,44,25,619
Net loss for the period	-	(5,13,145)	(5,13,145)
Balance as at 31 December 2019	<u>10,44,25,619</u>	<u>(5,13,145)</u>	<u>10,39,12,474</u>
Balance as at 1 January 2020	10,44,25,619	(5,13,145)	10,39,12,474
Net loss for the year	-	(3,17,41,213)	(3,17,41,213)
Balance as at 31 December 2020	<u>10,44,25,619</u>	<u>(3,22,54,358)</u>	<u>7,21,71,261</u>

The accompanying notes are an integral part of the financial statements.

Bajaj Auto (Thailand) Ltd.

Notes to financial statements

For the year ended 31 December 2020

The Financial statements have been prepared in Thai Baht. Also the audit report is based on figures in Thai Baht. For the purpose of user, the financial statement and notes as on 31 March 2021 & 2020 have been converted in Indian Rupees at following exchange rate as on 31 March 2021:

1 USD = THB 31.5052

1 USD = Rs. 73.1100

Hence, 1 Rs. = THB 2.3206

1. General information

Bajaj Auto (Thailand) Ltd. ("the Company") is a limited company incorporated on 20 December 2019 and domiciled in Thailand. Its parent company and the parent company of the Group is Bajaj Auto Ltd., which was incorporated in India. The Company is principally engaged in International Business Centre, trade and investment support offices, scientific laboratory and product design. The registered office of the Company is at No. 1687/1 Phahon19 Building, 2nd Floor, Phahonyothin Road, Lat Yao Sub-District, Chatuchak District, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. Significant accounting policies

3.1 Expense recognition

Expense is recognised on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and allowance for diminution in value (if any).

Depreciation of equipment is calculated by reference to its costs on the straight-line basis over the following estimated useful lives:

Machinery and equipment	-	5 years
Furniture, fixtures and office equipment	-	5 years
Computers	-	3 years

Depreciation is included in determining income.

3.4 Long-term leases

Leases of buildings which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

4. Amount due from a parent company

As at 31 December 2019, amount due from a parent company represented amount of share capital payment awaiting to be deposited into the Company's bank account, which was fully deposited on 16 January 2020.

5. Other current assets

	(Unit: Thousand Baht)		(Unit: Thousand INR)	
	2020	2019	2020	2019
Prepaid expenses	2,610	14	6,057	32
Creditable value added tax	1,659	-	3,850	-
Others	9	-	21	-
Total	<u>4,278</u>	<u>14</u>	<u>9,928</u>	<u>32</u>

6. Equipment

	(Unit: Thousand Baht)	(Unit: Thousand INR)
Cost		
20 December 2019	-	-
31 December 2019	-	-
Additions	11,669	27,079
31 December 2020	11,669	27,079

	(Unit: Thousand Baht)	(Unit: Thousand INR)
Accumulated depreciation		
20 December 2019	-	-
31 December 2019	-	-
Depreciation for the year	362	840
31 December 2020	362	840
Net book value		
31 December 2019	-	-
31 December 2020	11,307	26,239

7. Other non-current assets

	(Unit: Thousand Baht)		(Unit: Thousand INR)	
	2020	2019	2020	2019
Deposits	1,487	-	3,450	-
Total	1,487	-	3,450	-

8. Share capital

On 28 October 2019, a meeting of shareholders was held to establish the Company and passed a resolution approving registration of the Company's establishment and the issue of 450,000 ordinary shares with a par value of Baht 100 per share, or a total capital of Baht 45,000,000. The Company registered the establishment with the Ministry of Commerce on 20 December 2019 and fully called-up.

9. Promotional privileges

The Company has received tax promotional privileges from the Board of Investment subjecting to certain imposed conditions, pursuant to the promotion certificate as below.

Promotion certificate no.	Issued date	Promoted operations	Significant corporate income tax privileges
63-0456-1-00-0-0	16 April 2020	International Business Centre	Applying International Business Centre (IBC) tax rate
63-0455-1-00-2-0	16 April 2020	Engineering design service	Exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (currently yet to generate revenues)

10. Operating lease commitments

The Company has entered into a lease agreement in respect of the lease of office building with the term of 3 years. Future minimum lease payments required under the lease agreement were as follows.

	(Unit: Million Baht)		(Unit: Million INR)	
	2020	2019	2020	2019
Payable:				
In up to 1 year	9	-	21	-
In over 1 and up to 3 years	13	-	30	-

11. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 09 February 2021.