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PLEASE RETURN THIS COPY TO  
EY OFFICE LIMITED  
AFTER HAVING  
THE FINANCIAL STATEMENTS SIGNED

## 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 2021, 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 2021 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.

A handwritten signature in black ink, appearing to read 'V. Laohasrisakul', with a stylized flourish at the end.

Vilailak Laohasrisakul

Certified Public Accountant (Thailand) No. 6140

EY Office Limited

Bangkok: 5 April 2022

**Bajaj Auto (Thailand) Ltd.**

**Statement of financial position**

**As at 31 December 2021**

	(Unit: Baht)	(Unit: Baht)	(Unit: INR)	(Unit: INR)
	31 Dec 2021	31 Dec 2020	31 Dec 2021	30 Dec 2020
<b>Assets</b>				
<b>Non - current assets</b>				
Equipment - net	8,735,504	11,306,699	20,007,969	25,897,084
Asset work-in-progress	1,694,477	-	3,881,063	-
Advance payment for purchase of equipment	-	1,322,811	-	3,029,792
Security Deposit	1,486,889	1,486,889	3,405,600	3,405,600
<b>Total Non- current assets</b>	<b>11,916,870</b>	<b>14,116,399</b>	<b>27,294,632</b>	<b>32,332,476</b>
<b>Current assets</b>				
Cash and Bank Balances	12,462,482	13,746,395	28,544,312	31,485,011
Trade and other receivables	-	-	-	-
Amount due from a parent company	9,419,681	-	21,575,021	-
Other current assets	2,419,630	4,278,304	5,541,968	9,799,111
<b>Total current assets</b>	<b>24,301,793</b>	<b>18,024,699</b>	<b>55,661,301</b>	<b>41,284,122</b>
<b>Total assets</b>	<b>36,218,663</b>	<b>32,141,098</b>	<b>82,955,933</b>	<b>73,616,598</b>
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables	2,561,466	1,040,428	5,866,833	2,383,017
Other current liabilities	-	-	-	-
<b>Total current liabilities</b>	<b>2,561,466</b>	<b>1,040,428</b>	<b>5,866,833</b>	<b>2,383,017</b>
<b>Non-current liabilities</b>				
Provision for long-term employee benefits	202,375	-	463,524	-
<b>Total Non-current liabilities</b>	<b>202,375</b>	<b>-</b>	<b>463,524</b>	<b>-</b>
<b>Shareholders' equity</b>				
Share capital				
Registered				
450,000 ordinary shares of Baht 100 each	45,000,000	45,000,000	103,068,877	103,068,877
Issued and fully paid-up				
450,000 ordinary shares of Baht 100 each	45,000,000	45,000,000	103,068,877	103,068,877
Deficit	(11,545,178)	(13,899,330)	(26,443,301)	(31,835,296)
Foreign Currency Translation Reserve	-	-	-	-
<b>Total shareholders' equity</b>	<b>33,454,822</b>	<b>31,100,670</b>	<b>76,625,576</b>	<b>71,233,581</b>
<b>Total liabilities and shareholders' equity</b>	<b>36,218,663</b>	<b>32,141,098</b>	<b>82,955,933</b>	<b>73,616,598</b>

Bajaj Auto (Thailand) Ltd.

Profit & Loss Account for the period ended 31 December 2021

	(Unit: Baht)	(Unit: Baht)	(Unit: INR)	(Unit: INR)
	For the period	For the period	For the period	For the period
	Jan- Dec 21	Jan- Dec 20	Jan- Dec 21	Jan- Dec 20
<b>Revenue</b>				
Service income	36,540,137	-	83,692,242	-
Other income	-	40,470	-	92,693
<b>Total revenue</b>	<b>36,540,137</b>	<b>40,470</b>	<b>83,692,242</b>	<b>92,693</b>
<b>Expenses</b>				
Cost of services	21,853,475	-	50,053,625	-
Administrative expenses	12,332,510	13,718,671	28,246,621	31,421,511
<b>Total expenses</b>	<b>34,185,985</b>	<b>13,718,671</b>	<b>78,300,246</b>	<b>31,421,511</b>
<b>Net loss for the period</b>	<b>2,354,152</b>	<b>(13,678,201)</b>	<b>5,391,996</b>	<b>(31,328,818)</b>

**Bajaj Auto (Thailand) Ltd.****Statement of changes in shareholders' equity**

For the period ended 31 December 2021

(Unit: Baht)

	<b>Issued and fully paid-up share capital</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance as at 20 December 2019</b>	-	-	-
Share capital issued and called-up during the period	45,000,000	-	45,000,000
Net loss for the period	-	(221,129)	(221,129)
<b>Balance as at 31 December 2019</b>	<u>45,000,000</u>	<u>(221,129)</u>	<u>44,778,871</u>
<b>Balance as at 1 January 2020</b>	45,000,000	(221,129)	44,778,871
Net loss for the year	-	(13,678,201)	(13,678,201)
<b>Balance as at 31 December 2020</b>	<u>45,000,000</u>	<u>(13,899,330)</u>	<u>31,100,670</u>
<b>Balance as at 1 January 2021</b>	45,000,000	(13,899,330)	31,100,670
Net loss for the period	-	2,354,152	2,354,152
<b>Balance as at 31 December 2021</b>	<u>45,000,000</u>	<u>(11,545,178)</u>	<u>33,454,822</u>

(Unit: INR)

	<b>Issued and fully paid-up share capital</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance as at 20 December 2019</b>	-	-	-
Share capital issued and called-up during the period	103,068,877	-	103,068,877
Net loss for the period	-	(506,478)	(506,478)
<b>Balance as at 31 December 2019</b>	<u>103,068,877</u>	<u>(506,478)</u>	<u>102,562,399</u>
<b>Balance as at 1 January 2020</b>	103,068,877	(506,478)	102,562,399
Net loss for the year	-	(31,328,818)	(31,328,818)
<b>Balance as at 31 December 2020</b>	<u>103,068,877</u>	<u>(31,835,296)</u>	<u>71,233,581</u>
<b>Balance as at 1 January 2021</b>	103,068,877	(31,835,296)	71,233,581
Net loss for the period	-	5,391,995	5,391,995
<b>Balance as at 31 December 2021</b>	<u>103,068,877</u>	<u>(26,443,301)</u>	<u>76,625,576</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 2021**

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 2022 & 2021 have been converted in Indian Rupees at following exchange rate as on 31 March 2022:

1 USD = THB 33.0911

1 USD = Rs. 75.7900

Hence, 1 Rs. = THB 2.2904

#### **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, Chatuchak 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, 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 Revenue and expense recognition**

##### *Rendering of services*

Service income is recognized when services have been rendered taking into account the stage of completion.

##### *Expense*

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 Trade accounts receivable**

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **3.4 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. No depreciation is provided on assets under installation.

#### **3.5 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.

### 3.6 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

### 3.7 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

For long-term employee benefits, the Company calculates its long-term employee benefits obligation on the basis of its best estimate of its payment obligations as at the end of the reporting period.

### 3.8 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

## 4. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

## 5. Amount due from a parent company

As at 31 December 2021, amount due from parent company represented billed and unbilled receivables from rendering of services.

## 6. Other current assets

	(Unit: Thousand Baht)		(Unit: Thousand INR)	
	2021	2020	2021	2020
Prepaid expenses	1,679	2,610	3,846	5,978
Creditable value added tax	724	1,659	1,658	3,800
Others	17	9	38	21
Total	<u>2,420</u>	<u>4,278</u>	<u>5,542</u>	<u>9,799</u>

## 7. Equipment

(Unit: Thousand Baht)

	Machinery and equipment	Assets under installation	Total
<b>Cost</b>			
1 January 2020	-	-	-
Additions	11,669	-	11,669
31 December 2020	11,669	-	11,669
Additions	-	1,694	1,694
31 December 2021	11,669	1,694	13,363
<b>Accumulated depreciation</b>			
1 January 2020	-	-	-
Depreciation for the year	362	-	362
31 December 2020	362	-	362
Depreciation for the year	2,571	-	2,571
31 December 2021	2,933	-	2,933
<b>Net book value</b>			
31 December 2020	11,307	-	11,307
31 December 2021	8,736	1,694	10,430

(Unit: Thousand INR)

	Machinery and equipment	Assets under Installation	Total
<b>Cost</b>			
1 January 2020	-	-	-
Additions	26,727	-	26,727
31 December 2020	26,727	-	26,727
Additions	-	3,881	3,881
31 December 2021	26,727	3,881	30,608
<b>Accumulated depreciation</b>			
1 January 2020	-	-	-
Depreciation for the year	829	-	829
31 December 2020	829	-	829
Depreciation for the year	5,889	-	5,889
31 December 2021	6,718	-	6,718

**Net book value**

31 December 2020	25,898	-	25,898
31 December 2021	20,008	3,881	23,889

**8. Other non-current assets**

	(Unit: Thousand Baht)		(Unit: Thousand INR)	
	2021	2020	2021	2020
Deposits	1,487	1,487	3,406	3,406
Total	1,487	1,487	3,406	3,406

**9. Provision for long-term employee benefits**

	(Unit: Thousand Baht)		(Unit: Thousand INR)	
	2021	2020	2021	2020
Balance at the beginning of the year	-	-	-	-
Increase during the year	202	-	464	-
Total	202	-	464	-

The provision represents the Company's obligations payable to its employees when they reach a retirement age. They are determined based on the employee's age, length of employment services, salary increment rate and other things.

**10. Income tax expense**

The Company is not liable to corporate income tax for the year 2021 because profit was derived from promoted operations and the Company utilised unused tax loss brought forward from prior years.

## 11. 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 (7 June 2021)

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	Domestic		Export		Total	
	2021	2020	2021	2020	2021	2020
Promoted operations						
International Business Centre	-	-	229	-	229	-
Engineering design service	-	-	36,311	-	36,311	-
Non-promoted operations	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>36,540</b>	<b>-</b>	<b>36,540</b>	<b>-</b>

(Unit: Thousand INR)

	Domestic		Export		Total	
	2021	2020	2021	2020	2021	2020
Promoted operations						
International Business Centre	-	-	525	-	525	-
Engineering design service	-	-	83,167	-	83,167	-
Non-promoted operations	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>83,692</b>	<b>-</b>	<b>83,692</b>	<b>-</b>

## 12. 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)	
	2021	2021	2021	2020
Payable:				
In up to 1 year	9	9	21	21
In over 1 and up to 3 years	4	4	9	9

## 13. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 5 April 2022.