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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 2023, 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 2023 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 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: 15 March 2024

Bajaj Auto (Thailand) Ltd.

Statement of financial position

As at 31 December 2023

	(Unit: Baht)	(Unit: Baht)	(Unit: INR)	(Unit: INR)
	31 December 2023	31 Dec 2022	31 December 2023	31 Dec 2022
Assets				
Non - current assets				
Equipment - net	5,111,401	7,778,856	11,760,827	17,898,374
Intangible assets	4,229,106	6,628,712	9,730,752	15,252,007
Security Deposit	1,486,889	1,486,889	3,421,183	3,421,184
Total Non - current assets	10,827,396	15,894,457	24,912,762	36,571,565
Current assets				
Cash and Bank Balances	25,987,216	18,072,564	59,794,002	41,583,173
Amount due from a parent company	3,917,619	4,374,811	9,014,051	10,066,005
Other current assets	1,818,992	936,998	4,185,319	2,155,939
Total current assets	31,723,827	23,384,373	72,993,372	53,805,117
Total assets	42,551,223	39,278,830	97,906,134	90,376,682
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	2,566,028	2,592,265	5,904,176	5,964,544
Total current liabilities	2,566,028	2,592,265	5,904,176	5,964,544
Non-current liabilities				
Provision for long-term employee benefits	653,095	466,490	1,502,706	1,073,347
Total Non-current liabilities	653,095	466,490	1,502,706	1,073,347
Shareholders' equity				
Share capital				
Registered				
450,000 ordinary shares of Baht 100 each	45,000,000	45,000,000	103,540,526	103,540,526
Issued and fully paid-up				
450,000 ordinary shares of Baht 100 each	45,000,000	45,000,000	103,540,526	103,540,526
Opening Reserves	(8,779,925)	(11,545,178)	(20,201,735)	(26,564,307)
Profit and (loss) for the period	3,112,025	2,765,253	7,160,461	6,362,572
Total shareholders' equity	39,332,100	36,220,075	90,499,252	83,338,791
Total liabilities and shareholders' equity	42,551,223	39,278,830	97,906,134	90,376,682

Bajaj Auto (Thailand) Ltd.**Profit & Loss Account for the period ended 31 December 2023**

	(Unit: Baht)	(Unit: Baht)	(Unit: INR)	(Unit: INR)
	For the period	For the period	For the period	For the period
	Jan- Dec 23	Jan- Dec 22	Jan- Dec 23	Jan- Dec 22
Revenue				
Service income	48,305,800	42,925,016	111,146,844	98,766,194
Other income	139	-	319	-
Total revenue	48,305,939	42,925,016	111,147,163	98,766,194
Expenses				
Cost of services	30,487,928	27,038,484	70,149,691	62,212,864
Administrative expenses	14,705,986	13,121,279	33,837,011	30,190,758
Total expenses	45,193,914	40,159,763	103,986,702	92,403,622
Net profit for the period	3,112,025	2,765,253	7,160,461	6,362,572

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

For the period ended 31 December 2023

(Unit: Baht)

	Issued and fully paid-up share capital	Deficit	Total
Balance as at 1 January 2022	45,000,000	(11,545,178)	33,454,822
Net profit for the year	-	2,765,253	2,765,253
Balance as at 31 December 2022	<u>45,000,000</u>	<u>(8,779,925)</u>	<u>36,220,075</u>
Balance as at 1 January 2023	45,000,000	(8,779,925)	36,220,075
Net profit for the period	-	3,112,025	3,112,025
Balance as at 31 December 2023	<u>45,000,000</u>	<u>(5,667,900)</u>	<u>39,332,100</u>

(Unit: INR)

	Issued and fully paid-up share capital	Deficit	Total
Balance as at 1 January 2022	103,540,526	(26,564,307)	76,976,219
Net profit for the year	-	6,362,572	6,362,572
Balance as at 31 December 2022	<u>103,540,526</u>	<u>(20,201,735)</u>	<u>83,338,791</u>
Balance as at 1 January 2023	103,540,526	(20,201,735)	83,338,791
Net profit for the period	-	7,160,461	7,160,461
Balance as at 31 December 2023	<u>103,540,526</u>	<u>(13,041,274)</u>	<u>90,499,252</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 2023

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 have been converted in Indian Rupees at following exchange rate as on 31 March 2024:

1 USD = THB 36.2489

1 USD = Rs. 83.4050

Hence, 1 Rs. = THB 2.3009

1. General information

Bajaj Auto (Thailand) Ltd. ("the Company") is a limited company incorporated 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 Standard 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. New financial reporting standard

During the year, the Company has adopted the revised Thai Financial Reporting Standard for Non-Publicly Accountable Entities which is effective for fiscal years beginning on or after 1 January 2023. The standard was revised in order to provide a more complete scope and to provide more options on accounting treatments while maintaining simplicity in application.

The adoption of the revised standard does not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Rendering of services

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

Expense

Expense is recognised on an accrual basis.

4.2 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.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable 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.

4.4 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.

4.5 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and allowance for diminution in value (if any).

Intangible assets, which are computer software, are amortised as expenses in the income statements on the straight-line basis over the economic useful life of 3 years.

4.6 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 the straight-line basis over the lease term.

4.7 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.

4.8 Provisfons

Provisions are recognised 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.

4.9 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.

5. 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.

6. Amount due from parent company

As at 31 December 2023 and 2022, amount due from parent company represented billed and unbilled receivables from rendering of services.

7. Equipment

(Unit: Thousand Baht)

	Machinery and equipment	Assets under installation	Total
Cost			
1 January 2022	11,669	1,694	13,363
Additions	205	-	205
Transfer in (Transfer out)	1,694	(1,694)	
31 December 2022	13,568	-	13,568
Additions	100	-	100
31 December 2023	13,668	-	13,668
Accumulated depreciation			
1 January 2022	2,933		2,933
Depreciation for the year	2,856		2,856
31 December 2022	5,789		5,789
Depreciation for the year	2,768		2,768
31 December 2023	8,557		8,557
Net book value			
31 December 2022	7,779		7,779
31 December 2023	5,111		5,111

(Unit: Thousand INR)

	Machinery and equipment	Assets under installation	Total
Cost			
1 January 2022	26,849	3,898	30,747
Additions	471	-	471
Transfer in (Transfer out)	3,898	(3,898)	
31 December 2022	31,218	-	31,218
Additions	232	-	232
31 December 2023	31,450	-	31,450
Accumulated depreciation			
1 January 2022	6,749		6,749
Depreciation for the year	6,571		6,571
31 December 2022	13,320		13,320
Depreciation for the year	6,369		6,369
31 December 2023	19,689		19,689

Net book value

31 December 2022	17,898	17,898
31 December 2023	11,761	11,761

8.Intangible assets

(Unit: Thousand Baht)

	2023
Computer software - cost	7,632
<u>Less:</u> Accumulated amortisation	(3,403)
Net book value	4,229
Net book value at beginning year	6,629
Additions	125
Amortisation	(2,525)
Net book value at end of year	4,229

(Unit: Thousand INR)

	2023
Computer software - cost	17,561
<u>Less:</u> Accumulated amortisation	(7,830)
Net book value	9,731
Net book value at beginning year	15,252
Additions	288
Amortisation	(5,809)
Net book value at end of year	9,731

9. Provision for long-term employee benefits

	(Unit: Thousand Baht)	
	2023	2022
Balance at beginning of year	466	202
Increase during the year	187	264
Balance at end of year	653	466

	(Unit: Thousand INR)	
	2023	2022
Balance at beginning of year	1,073	465
Increase during the year	430	608
Balance at end of year	1,503	1,073

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 2023 and 2022 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 certificates as below.

<u>Promotion certificate no.</u>	<u>Issued date</u>	<u>Promoted operations</u>	<u>Significant corporate income tax privileges</u>
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	
	2023	2022	2023	2022	2023	2022
Promoted operations						
International Business Centre	-	-	214	217	214	217
Engineering design service	-	-	48,092	42,708	48,092	42,708
Non-promoted operations						
Total	-	-	48,306	42,925	48,306	42,925

(Unit: Thousand INR)

	Domestic		Export		Total	
	2023	2022	2023	2022	2023	2022
Promoted operations						
International Business Centre	-	-	492	499	492	499
Engineering design service	-	-	110,655	98,267	110,655	98,267
Non-promoted operations						
Total	-	-	111,147	98,766	111,147	98,766

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)

	2023	2022
Payable:		
In up to 1 year	13	4
In over 1 and up to 3 years	18	-

	(Unit: Million INR)	
	<u>2023</u>	<u>2022</u>
Payable:		
In up to 1 year	30	9
In over 1 and up to 3 years	41	-

13. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 15 March 2024.