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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 2022, 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 2022 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 including Independence Standards as 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 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'.

Vilailak Laohasrisakul
Certified Public Accountant (Thailand) No. 6140

EY Office Limited
Bangkok: 9 March 2023

Bajaj Auto (Thailand) Ltd.

Statement of financial position

As at 31 December 2022

	(Unit: Baht)	(Unit: Baht)	(Unit: INR)	(Unit: INR)
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Assets				
Non - current assets				
Equipment - net	7,778,855	8,735,504	18,862,603	21,182,338
Intangible assets	6,628,712	-	16,073,671	-
Asset work-in-progress	-	1,694,477	-	4,108,863
Security Deposit	1,486,889	1,486,889	3,605,492	3,605,492
Total Non- current assets	15,894,456	11,916,870	38,541,766	28,896,693
Current assets				
Cash and Bank Balances	18,072,564	12,462,482	43,823,363	30,219,723
Trade and other receivables	-	-	-	-
Amount due from a parent company	4,374,811	9,419,681	10,608,286	22,841,369
Other current assets	936,998	2,419,630	2,272,085	5,867,254
Total current assets	23,384,373	24,301,793	56,703,734	58,928,346
Total assets	39,278,829	36,218,663	95,245,500	87,825,039
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	2,592,265	2,561,466	6,285,869	6,211,186
Other current liabilities	-	-	-	-
Total current liabilities	2,592,265	2,561,466	6,285,869	6,211,186
Non-current liabilities				
Provision for long-term employee benefits	466,490	202,375	1,131,171	490,730
Total Non-current liabilities	466,490	202,375	1,131,171	490,730
Shareholders' equity				
Share capital				
Registered				
450,000 ordinary shares of Baht 100 each	45,000,000	45,000,000	109,118,515	109,118,515
Issued and fully paid-up				
450,000 ordinary shares of Baht 100 each	45,000,000	45,000,000	109,118,515	109,118,515
Deficit	(8,779,926)	(11,545,178)	(21,290,055)	(27,995,392)
Foreign Currency Translation Reserve	-	-	-	-
Total shareholders' equity	36,220,074	33,454,822	87,828,460	81,123,123
Total liabilities and shareholders' equity	39,278,829	36,218,663	95,245,500	87,825,039

Bajaj Auto (Thailand) Ltd.**Profit & Loss Account for the period ended 31 December 2022**

	(Unit: Baht)	(Unit: Baht)	(Unit: INR)	(Unit: INR)
	For the period	For the period	For the period	For the period
	Jan- Dec 22	Jan- Dec 21	Jan- Dec 22	Jan- Dec 21
Revenue				
Service income	42,925,015	36,540,137	104,086,975	88,604,566
Other income	-	-	-	-
Total revenue	42,925,015	36,540,137	104,086,975	88,604,566
Expenses				
Cost of services	27,038,484	21,853,475	65,564,427	52,991,527
Administrative expenses	13,121,279	12,332,510	31,817,211	29,904,559
Total expenses	40,159,763	34,185,985	97,381,638	82,896,086
Net profit for the period	2,765,252	2,354,152	6,705,337	5,708,480

Bajaj Auto (Thailand) Ltd.**Statement of changes in shareholders' equity****For the period ended 31 December 2022**

	(Unit: Baht)		
	Issued and fully paid-up share capital	Deficit	Total
Balance as at 1 January 2021	45,000,000	(13,899,330)	31,100,670
Net profit for the period	-	2,354,152	2,354,152
Balance as at 31 December 2021	<u>45,000,000</u>	<u>(11,545,178)</u>	<u>33,454,822</u>
Balance as at 1 January 2022	45,000,000	(11,545,178)	33,454,822
Share capital issued and called-up	-	-	-
Net profit for the period	-	2,765,252	2,765,252
Balance as at 31 December 2022	<u>45,000,000</u>	<u>(8,779,926)</u>	<u>36,220,074</u>

	(Unit: INR)		
	Issued and fully paid-up share capital	Deficit	Total
Balance as at 1 January 2021	109,118,515	(33,703,872)	75,414,643
Net profit for the period	-	5,708,480	5,708,480
Balance as at 31 December 2021	<u>109,118,515</u>	<u>(27,995,392)</u>	<u>81,123,123</u>
Balance as at 1 January 2022	109,118,515	(27,995,392)	81,123,123
Net profit for the period	-	6,705,337	6,705,337
Balance as at 31 December 2022	<u>109,118,515</u>	<u>(21,290,055)</u>	<u>87,828,460</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 2022

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 2023:

1 USD = THB 33.8866

1 USD = Rs. 82.17

Hence, 1 Rs. = THB 2.4249

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 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. New financial reporting standard

The Federation of Accounting Professions has issued 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 management of the Company believes that adoption of the revised standard will 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 a 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 a 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 Provisions

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 2022 and 2021, 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 2021	11,669	-	11,669
Additions	-	1,694	1,694
31 December 2021	11,669	1,694	13,363
Additions	-	-	-
Transfer completed assets installation	1,899	(1,694)	205
31 December 2022	13,568	-	13,568
Accumulated depreciation			
1 January 2021	362	-	362
Depreciation for the year	2,571	-	2,571
31 December 2021	2,933	-	2,933
Depreciation for the year	2,856	-	2,856
31 December 2022	5,789	-	5,789
Net book value			
31 December 2021	8,736	1,694	10,430
31 December 2022	7,779	-	7,779

(Unit: Thousand INR)

	Machinery and equipment	Assets under installation	Total
Cost			
1 January 2021	28,296	-	28,296
Additions	-	4,108	4,108
31 December 2021	28,296	4,108	32,404
Additions	-	-	-
Transfer completed assets installation	4,605	(4,108)	497
31 December 2022	32,901	-	32,901
Accumulated depreciation			
1 January 2021	878	-	878
Depreciation for the year	6,234	-	6,234
31 December 2021	7,112	-	7,112
Depreciation for the year	6,926	-	6,926
31 December 2022	14,038	-	14,038

	(Unit: Thousand Baht)		
	Machinery and equipment	Assets under installation	Total
Net book value			
31 December 2021	21,184	4,108	25,292
31 December 2022	18,863	-	18,863

8. Intangible assets

	(Unit: Thousand Baht)	(Unit: Thousand INR)
	2022	2022
Computer software - cost	7,508	18,206
<u>Less: Accumulated amortisation</u>	(879)	(2,132)
Net book value	6,629	16,074
Net book value at beginning year	-	-
Additions	7,508	18,206
Amortisation	(879)	(2,132)
Net book value at end of year	6,629	16,074

9. Provision for long-term employee benefits

	(Unit: Thousand Baht)		(Unit: Thousand INR)	
	2022	2021	2022	2021
Balance at beginning of year	202	-	490	-
Increase during the year	264	202	641	491
Balance at end of year	466	202	1,131	491

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 2022 and 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 certificates 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	
	2022	2021	2022	2021	2022	2021
Promoted operations						
International Business Centre	-	-	217	229	217	229
Engineering design service	-	-	42,708	36,311	42,708	36,311
Non-promoted operations	-	-	-	-	-	-
Total	-	-	42,925	36,540	42,925	36,540

(Unit: Thousand INR)

	Domestic		Export		Total	
	2022	2021	2022	2021	2022	2021
Promoted operations						
International Business Centre	-	-	526	555	526	555
Engineering design service	-	-	103,563	88,051	103,563	88,051
Non-promoted operations	-	-	-	-	-	-
Total	-	-	104,089	88,606	104,089	88,606

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)	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Payable:				
In up to 1 year	4	9	10	22
In over 1 and up to 3 years	-	4	-	10

13. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 09 March 2023.