

ROYAL ENFIELD CANADA LIMITED  
BALANCE SHEET AS AT MARCH 31, 2018  
ALL AMOUNTS ARE IN USD UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Inventories	3	25,703	40,261
(b) Financial assets			
(i) Trade receivables	4	37,780	73,934
(ii) Cash and cash equivalents	5	22,312	16,341
<b>Total Current Assets</b>		<b>85,795</b>	<b>1,30,536</b>
<b>Total Assets</b>		<b>85,795</b>	<b>1,30,536</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	6	13,280	13,280
(b) Other Equity	7	18,561	11,107
<b>Total Equity</b>		<b>31,841</b>	<b>24,387</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	8	47,493	97,429
(ii) Other financial liabilities	9	2,882	4,818
(b) Liabilities for current tax (net)	10	3,579	3,902
<b>Total Current Liabilities</b>		<b>53,954</b>	<b>1,06,149</b>
<b>Total Equity and Liabilities</b>		<b>85,795</b>	<b>1,30,536</b>
See accompanying notes forming part of the financial statements	1 to 29		

In terms of our report attached

For **S.R. Batliboi & Co LLP**  
Chartered Accountants  
FRN : 301003E/E300005

For and on Behalf of Board of Directors

per **Sanjay Vij**  
Partner  
Membership No.: 095169

**Lalit Malik**  
Director  
Royal Enfield Canada Limited

Place: Gurugram  
Date: May 09, 2018

Place: Gurugram  
Date: May 09, 2018

ROYAL ENFIELD CANADA LIMITED  
 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018  
 ALL AMOUNTS ARE IN USD UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2018	For the period April 19, 2016 to March 31, 2017
<b>INCOME</b>			
Revenue from operations	11	3,48,180	2,40,550
Other income	12	473	-
<b>Total Income</b>		<b>3,48,653</b>	<b>2,40,550</b>
<b>EXPENSES</b>			
Purchases of traded goods	13	3,09,215	2,63,363
(Increase)/decrease in inventories of traded goods	14	14,557	(40,261)
Finance costs	15	6,955	1,003
Other expenses	16	8,664	1,436
<b>Total expenses</b>		<b>3,39,391</b>	<b>2,25,541</b>
<b>Profit before tax</b>		<b>9,262</b>	<b>15,009</b>
<b>Tax expense</b>			
Current tax	17	1,808	3,902
Deferred tax		-	-
<b>Total tax expense</b>		<b>1,808</b>	<b>3,902</b>
<b>Profit for the year/period</b>		<b>7,454</b>	<b>11,107</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year/period</b>		<b>7,454</b>	<b>11,107</b>
<b>Earning per share in USD</b>			
Basic	19	74.54	116.91
Diluted	19	74.54	116.91
(No Face value of shares defined as such)			
See accompanying notes forming part of the financial statements	1 to 29		

In terms of our report attached  
 For S.R. Batliboi & Co LLP  
 Chartered Accountants  
 FRN : 301003E/E300005

For and on Behalf of Board of Directors

per Sanjay Vij  
 Partner  
 Membership No.: 095169

Lalit Malik  
 Director  
 Royal Enfield Canada Limited

Place: Gurugram  
 Date: May 09, 2018

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 Date: May 09, 2018

ROYAL ENFIELD CANADA LIMITED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018  
ALL AMOUNTS ARE IN USD UNLESS OTHERWISE STATED

a. Equity share capital

Particulars	Number of shares	Amount
Balance at March 31, 2017	100	13,280
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	100	13,280

b. Other Equity

Particulars	Retained earnings
Balance at March 31, 2017	11,107
Profit for the year	7,454
Balance at March 31, 2018	18,561

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For and on Behalf of Board of Directors

per Sanjay Vij  
Partner  
Membership No.: 095169

Lalit Malik  
Director  
Royal Enfield Canada Limited

Place: Gurugram  
Date: May 09, 2018

Place: Gurugram  
Date: May 09, 2018

ROYAL ENFIELD CANADA LIMITED  
 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018  
 ALL AMOUNTS ARE IN USD UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2018	For the period April 19, 2016 to March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year/ Period	7,454	11,107
Adjustments for:		
Provision for tax	1,808	3,902
Interest expense	6,955	1,003
<b>Operating profit before changes in working capital</b>	<b>16,217</b>	<b>16,012</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase)/decrease in current assets:</b>		
Inventories	14,558	(40,261)
Trade receivables	36,154	(73,934)
<b>Adjustments for increase/(decrease) in current liabilities:</b>		
Trade payables	(49,936)	97,429
Other financial liabilities	(1,936)	4,818
<b>Cash generated from operating activities</b>	<b>15,057</b>	<b>4,064</b>
Direct taxes paid	2,131	-
<b>Net cash flow from operating activities (A)</b>	<b>12,926</b>	<b>4,064</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Net cash flow from investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(6,955)	(1,003)
Proceeds from issue of equity share capital	-	13,280
<b>Net cash flow from financing activities (C)</b>	<b>(6,955)</b>	<b>12,277</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>5,971</b>	<b>16,341</b>
<b>Cash and cash equivalents at the beginning of the year / period</b>	<b>16,341</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year / period</b>	<b>22,312</b>	<b>16,341</b>

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	-
<b>Balances with banks:</b>		
In current accounts	22,312	16,341
<b>Total cash and cash equivalents</b>	<b>22,312</b>	<b>16,341</b>
See accompanying notes forming part of the financial statements 1 to 29		

In terms of our report attached  
 For **S.R. Batliboi & Co LLP**  
 Chartered Accountants  
 FRN : 301003E/E300005

For and on Behalf of Board of Directors

per **Sanjay Vij**  
 Partner  
 Membership No.: 095169

**Lalit Malik**  
 Director  
 Royal Enfield Canada Limited

Place: Gurugram  
 Date: May 09, 2018

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*Rb*

**Royal Enfield Canada Limited**  
**Notes forming part of the financial statements**  
**All amounts are in USD unless otherwise stated**

## **1. Corporate Information**

Royal Enfield Canada Limited ("RECA") was incorporated on April 19, 2016 under the Business Corporation Act. The Company is principally engaged in trading of two wheelers in Canada.

The accompanying financial statements have been prepared for enabling Eicher Motors Limited, the ultimate Holding Company, to prepare its consolidated financial statements.

## **2. Significant Accounting Policies**

### **2.1 Basis of Preparation**

The financial statements have been prepared in accordance with IND-AS's notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements are presented in USD.

### **2.2 Summary of Significant Accounting Policies**

#### **a. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

##### Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **b. Foreign currencies**

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**Royal Enfield Canada Limited**  
**Notes forming part of the financial statements**  
**All amounts are in USD unless otherwise stated**

**c. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is recognised, subject to the consideration of prudence on timing differences, being the Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**d. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**e. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition and Measurement**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Royal Enfield Canada Limited**  
**Notes forming part of the financial statements**  
**All amounts are in USD unless otherwise stated**

**f. Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

De recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**g. Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

De recognition of financial liabilities -

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

**h. Cash and cash equivalents:**

In the Statement of cash flow, cash and cash equivalents include balances in current accounts with bank.

**Royal Enfield Canada Limited**  
**Notes forming part of the financial statements**  
**All amounts are in USD unless otherwise stated**

**i. Current and non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

ROYAL ENFIELD CANADA LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
ALL AMOUNTS ARE IN USD UNLESS OTHERWISE STATED

**3. Inventories**

(At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Goods in transit: Traded goods	25,703	40,261
<b>Total</b>	<b>25,703</b>	<b>40,261</b>

**4. Trade receivables**

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables from related parties (refer note 21)	300	-
Trade receivables Unsecured, considered good	37,480	73,934
<b>Total</b>	<b>37,780</b>	<b>73,934</b>

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non interest bearing and are generally on terms of 30-60 days.

**5. Cash and cash equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Balances with banks:</b> On current accounts	22,312	16,341
<b>Total</b>	<b>22,312</b>	<b>16,341</b>

**6. Share capital**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised</b> 100 Equity shares of no face value	13,280	13,280
<b>Total</b>	<b>13,280</b>	<b>13,280</b>
<b>Issued, Subscribed and fully paid up</b> At the beginning of the year / period	13,280	-
Issued during the year / period	-	13,280
<b>Outstanding at the end of the period</b>	<b>13,280</b>	<b>13,280</b>

100% Equity Share Capital is held by Royal Enfield North America Limited, the Holding Company. The ultimate Holding Company is Eicher Motors Limited.

**7. Other equity**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Surplus in the statement of profit and loss</b> Opening balance	11,107	-
Add: Profit for the year / period	7,454	11,107
<b>Net surplus in the statement of profit and loss</b>	<b>18,561</b>	<b>11,107</b>

ROYAL ENFIELD CANADA LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
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8. Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables to related parties (refer note 21)	47,188	95,949
Trade Payables - Others	305	1,480
<b>Total</b>	<b>47,493</b>	<b>97,429</b>

9. Financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
Statutory remittances	2,882	4,818
<b>Total</b>	<b>2,882</b>	<b>4,818</b>

10. Liabilities for current tax (net)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current tax liabilities</b>		
Provision for Income tax	3,579	3,902
<b>Total</b>	<b>3,579</b>	<b>3,902</b>

11. Revenue from operations

Particulars	For the year ended March 31,2018	For the period April 19, 2016 to March 31,2017
<b>Sale of goods</b>		
Two-Wheelers	3,48,180	2,40,550
<b>Total</b>	<b>3,48,180</b>	<b>2,40,550</b>

12. Other income

Particulars	For the year ended March 31,2018	For the period April 19, 2016 to March 31,2017
Liabilities no longer required, writtten back	473	-
<b>Total</b>	<b>473</b>	<b>-</b>

13. Purchases of traded goods

Particulars	For the year ended March 31,2018	For the period April 19, 2016 to March 31,2017
Two wheelers (Refer note no 21)	3,09,215	2,63,363
<b>Total</b>	<b>3,09,215</b>	<b>2,63,363</b>

ROYAL ENFIELD CANADA LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
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14. (Increase)/decrease in inventories of traded goods

Particulars	For the year ended March 31,2018	For the period April 19, 2016 to March 31,2017
<b>Inventories at the end of the period</b>		
Traded goods (Two Wheelers)	25,704	40,261
<b>Sub-total (A)</b>	<b>25,704</b>	<b>40,261</b>
<b>Inventories at the beginning of the period</b>		
Traded goods (Two Wheelers)	40,261	-
<b>Sub-total (B)</b>	<b>40,261</b>	<b>-</b>
<b>Net change (B-A)</b>	<b>14,557</b>	<b>(40,261)</b>

15. Finance costs

Particulars	For the year ended March 31,2018	For the period April 19, 2016 to March 31,2017
Interest expense on Bills Discounting	6,955	1,003
<b>Total</b>	<b>6,955</b>	<b>1,003</b>

16. Other expenses

Particulars	For the year ended March 31,2018	For the period April 19, 2016 to March 31,2017
Repairs and maintenance		
Others	231	60
Selling and distribution expenses	1,110	-
Legal and professional charges	5,985	1,292
Exchange differences (net)	602	70
Miscellaneous expenses	736	14
<b>Total</b>	<b>8,664</b>	<b>1,436</b>

17. Income tax recognised in Statement of profit and loss

Particulars	For the year ended March 31,2018	For the period April 19, 2016 to March 31,2017
<b>Current tax</b>		
In respect of the current period	1,808	3,902
<b>Deferred tax</b>		
In respect of the current period	-	-
<b>Total income tax expense recognised in the current period</b>	<b>1,808</b>	<b>3,902</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31,2018	For the period April 19, 2016 to March 31,2017
Profit before tax	9,262	15,009
Income tax expense calculated @ 26 %	2,408	3,902
Adjustments in respect of current income tax of previous year	(600)	-
Income tax expense recognised in profit or loss	<b>1,808</b>	<b>3,902</b>

**ROYAL ENFIELD CANADA LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
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**18. Commitments**

The Company has commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services in normal course of business. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

**19. Earnings per share**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly the basic earnings per share and diluted earnings per share is the same.

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
a) Profit for the Period, as per statement of profit and loss	7,454	11,107
b) Weighted average number of equity shares (Nos.)	100	95
c) Earnings per share:		
- Basic/Diluted [(a)/(b)]	74.54	116.91

**20. Segment reporting**

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to sale of two-wheelers. As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

**21. Related party disclosures**

a) Names of related parties and their relationship:

Name of related party	Nature of Relationship
Eicher Motors Limited (EML)	Ultimate Holding Company
Royal Enfield North America Limited (RENA)	Holding Company

b) Key Management Personnel:

Mr. Rodney James Copes	Director
Mr. Lalit Malik	Director

c) Transactions with the related parties

Particulars	RENA	
	For the year ended March 31,2018	For the period April 19,2016 to March 31, 2017
Share capital	-	13,280
Purchase of traded goods	3,09,215	2,63,363
Expenses reimbursed	22,964	10,910
Money received on behalf of Company	4,04,341	1,97,724
<b>Aggregate balances outstanding as at the year end</b>		
- Share capital	13,280	13,280
- Payables	47,188	95,949
- Receivables	300	10,615

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**22. Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders. The Capital structure of the Company consists of total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital.

The following table summarizes the capital of the Company:

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Equity Share Capital	13,280	13,280
Other equity	18,561	11,107
<b>Total Equity</b>	<b>31,841</b>	<b>24,387</b>

**23. Financial instruments**

**Categories of financial instruments**

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>Financial assets at amortised cost</b>		
<b>Current</b>		
Trade receivables	37,780	73,934
Cash and cash equivalents	22,312	16,341
<b>Total</b>	<b>60,092</b>	<b>90,275</b>

**Financial liabilities at amortised cost**

**Current - Financial liabilities**

Trade payables	47,493	97,429
Other financial liabilities	2,882	4,818
<b>Total</b>	<b>50,376</b>	<b>1,02,247</b>

**24. Financial risk management objectives and Policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the management of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings.

**Liquidity risk**

The Company manages liquidity risk through banking and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Maturity profile of financial liabilities:**

Particulars	As at March 31, 2018			Total
	Less than 1 year	1 to 5 years	>5 Years	
Trade payables	47,493	-	-	47,493
Other financial liabilities	2,882	-	-	2,882

Particulars	As at March 31, 2017			Total
	Less than 1 year	1 to 5 years	>5 Years	
Trade payables	97,429	-	-	97,429
Other financial liabilities	4,818	-	-	4,818

**ROYAL ENFIELD CANADA LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
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**25. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company accounting policies described above, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. However, there are no areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

26. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

27. The Company is incorporated in Canada. However, functional currency of the Company is USD which is used for the presentation for the financial statements of the Company.

28. The company does not have any litigation during the year or any litigation pending at the year end.

29. The figures for the current year are for twelve months from April 1, 2017 to March 31, 2018, whereas the corresponding previous period figures are for April 19, 2016 to March 31, 2017. As such corresponding figures for the previous period are not directly comparable with those of current year.

In terms of our report attached  
For **S.R. Batliboi & Co LLP**  
Chartered Accountants  
FRN : 301003E/E300005

**For and on Behalf of Board of Directors**

**per Sanjay Vij**  
Partner  
Membership No.: 095169

**Lalit Malik**  
Director  
Royal Enfield Canada Limited

Place: Gurugram  
Date: May 09, 2018

Place: Gurugram  
Date: May 09, 2018