

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.

BALANCE SHEET

AS AT

31 March 2017

AND

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 March 2017

**BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.
BALANCE SHEET AS AT 31 MARCH 2017**

EUROS

Rs in Crores

Particulars	Note No.	EUROS			Rs in Crores		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS							
Non-current assets							
Financial assets							
Investments	2	198,109,356.60	198,109,356.60	198,109,356.60	1,372.75	1,372.75	1,372.75
		198,109,356.60	198,109,356.60	198,109,356.60	1,372.75	1,372.75	1,372.75
Current assets							
Financial assets							
Cash and cash equivalents	3	428,633.16	258,607.90	182,703.82	2.97	1.79	1.27
Loans	4	10,000,000.00	-	5,000,000.00	69.29	-	34.64
Other financial assets	5	16,666.67	-	42,025.00	0.12	-	0.29
Other current assets	6	4,908.37	4,523.58	4,523.44	0.03	0.03	0.03
		10,450,208.20	263,131.48	5,229,252.26	72.41	1.82	36.23
Total		208,559,564.80	198,372,488.08	203,338,608.86	1,445.16	1,374.57	1,408.98
EQUITY AND LIABILITIES							
Equity							
Equity share capital	7	198,000,000.00	198,000,000.00	198,000,000.00	1,371.99	1,371.99	1,371.99
Other equity	8	10,547,487.79	368,465.38	5,337,363.86	73.09	2.55	36.98
		208,547,487.79	198,368,465.38	203,337,363.86	1,445.08	1,374.54	1,408.97
Current liabilities							
Financial liabilities							
Other financial liabilities	9	-	104.36	-	-	-	-
Other current liabilities	10	12,077.01	3,918.34	1,245.00	0.08	0.03	0.01
		12,077.01	4,022.70	1,245.00	0.08	0.03	0.01
Total		208,559,564.80	198,372,488.08	203,338,608.86	1,445.16	1,374.57	1,408.98

Summary of significant accounting policies followed by the Company

1

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For Dalal & Shah LLP

Firm Registration Number: 102021W/W100110

Chartered Accountants

SGG Management (Netherlands) B.V.
Managing Director

J. Hol
Managing Director A

Anish P Amin
Partner
Membership Number: 40451

S. Ravikumar
Managing Director

R.J. Knunz
Managing Director B

Pune: 18 May 2017

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

Particulars	Note No.	EUROS		Rs in Crores	
		Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Other operating revenue		10,438,688.87	7,807,475.65	72.33	54.10
Revenue from operations	11	10,438,688.87	7,807,475.65	72.33	54.10
Total income		10,438,688.87	7,807,475.65	72.33	54.10
Expenses					
Other expenses	12	259,666.46	104,374.13	1.79	0.72
Total expenses		259,666.46	104,374.13	1.79	0.72
Profit before tax		10,179,022.41	7,703,101.52	70.54	53.38
Total tax expense		-	-	-	-
Profit after tax for the year		10,179,022.41	7,703,101.52	70.54	53.38
Total comprehensive income for the year		10,179,022.41	7,703,101.52	70.54	53.38
Basic and diluted Earnings per share (in Euro/INR) (Nominal value per share Euro 100)	13	5.14	3.89	356.26	269.60

Summary of significant accounting policies followed by the Company

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BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

A. Equity share capital

Particulars	Note No.	EUROS		Rs in Crores	
		Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
At the beginning of the year		198,000,000.00	198,000,000.00	1,371.99	1,371.99
Changes in equity share capital during the year		-	-	-	-
At the end of the year	7	198,000,000.00	198,000,000.00	1,371.99	1,371.99

B. Other equity

Particulars	Note No.	EUROS		Rs in Crores	
		Reserves and surplus	Total other equity	Reserves and surplus	Total other equity
		Retained earnings		Retained earnings	
Balance as at 1 April 2015	8	5,337,363.86	5,337,363.86	36.98	36.98
Profit for the year		7,703,101.52	7,703,101.52	53.38	53.38
Other comprehensive income (net of tax)		-	-	-	-
Total comprehensive income for the year ended 31 March 2016		7,703,101.52	7,703,101.52	53.38	53.38
Interim dividend, declared and paid during the year		(12,672,000.00)	(12,672,000.00)	(87.81)	(87.81)
Balance as at 31 March 2016	8	368,465.38	368,465.38	2.55	2.55
Profit for the year		10,179,022.41	10,179,022.41	70.54	70.54
Other comprehensive income (net of tax)		-	-	-	-
Total comprehensive income for the year ended 31 March 2017		10,179,022.41	10,179,022.41	70.54	70.54
Balance as at 31 March 2017	8	10,547,487.79	10,547,487.79	73.09	73.09

Summary of significant accounting policies followed by the Company

1

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In terms of our report of even date

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Pune: 18 May 2017

The financial statements have been prepared in Euro. Also the audit report is based on figures in Euro. For the purpose of user, the financial statements and notes as on 31 March 2017 & 2016 have been converted in Indian Rupees at following exchange rate as on 31 March 2017.

1 Euro = Rs. 69.2925

Background

Bajaj Auto International Holdings BV. is a Netherlands based wholly owned subsidiary of Bajaj Auto Limited incorporated on 25 October 2007 with the object, inter alia, of carrying out investments in ventures abroad . During the year ended 31 March 2017, the company's equity in Austria based KTM AG remained at 47.99% (as at 31 March 2016 - 47.99%). The Financial Statements have been drawn up in conformity with the generally accepted accounting principles (Indian GAAP) and standards applicable in India.

1. First time adoption and summary of significant accounting policies followed by the company

1A. Basis of preparation

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 1B for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

1B. First-time adoption of Ind AS

Transition to Ind AS

These are the company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1C have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously prepared in accordance with applicable GAAP and accounting standards in India. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material or significant by the Company.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for investment in associate

Ind AS 101 provides a one time option to a first-time adopter either to measure its investment in associate as per previous GAAP carrying value or at fair value on the date of transition.

The Company has elected to measure its investment in associate as per previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. There are no adjustment of transition from GAAP to Ind AS Hence, no reconciliation has been provided.

1C. Summary of significant accounting policies followed by the Company

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1) System of accounting

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- ii) Financial Statements are prepared under the Historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.

- iii) Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date.

2) Revenue recognition:

The Company recognises income on accrual basis. However where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

Dividend is accrued in the year in which it is declared whereby a right to receive is established.

Interest is accrued over the period of Loan / Investment.

3) Investments

Investments made by the Company are of a long-term nature, hence diminutions in value of unquoted Investments are generally not considered to be of a permanent nature.

4) Foreign currency transactions

Current Assets and Liabilities in foreign currency outstanding at the close of the year are revalored at the appropriate exchange rate prevailing at the close of the year. The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of current assets and liabilities in foreign currency, are recognised in the profit and loss account.

5) Taxation

Provision for Taxation if required is made on the basis of the taxable profits computed in accordance with the applicable laws.

6) Provisions

Necessary provisions are made for present obligations that arise out of events prior to the balance sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

2	Investments	Non-Current			Non-Current		
		31 March 2017	As at 31 March 2016	1 April 2015	31 March 2017	As at 31 March 2016	1 April 2015
		EUROS	EUROS	EUROS	Rs in Crores	Rs in Crores	Rs in Crores
	In Equity Shares						
	5,204,864 equity Shares of Euro 1 each						
	in KTM AG	198,109,356.60	198,109,356.60	198,109,356.60	1,372.75	1,372.75	1,372.75
		198,109,356.60	198,109,356.60	198,109,356.60	1,372.75	1,372.75	1,372.75
3	Cash and cash equivalents	Current			Current		
		31 March 2017	As at 31 March 2016	1 April 2015	31 March 2017	As at 31 March 2016	1 April 2015
		EUROS	EUROS	EUROS	Rs in Crores	Rs in Crores	Rs in Crores
	Balances with banks						
	In current accounts	428,633.16	258,607.90	182,703.82	2.97	1.79	1.27
		428,633.16	258,607.90	182,703.82	2.97	1.79	1.27
4	Loans	Current			Current		
		31 March 2017	As at 31 March 2016	1 April 2015	31 March 2017	As at 31 March 2016	1 April 2015
		EUROS	EUROS	EUROS	Rs in Crores	Rs in Crores	Rs in Crores
	(Unsecured, good, unless stated otherwise)						
	Loan to KTM AG	10,000,000.00	-	-	69.29	-	-
	Loan to KTM Motorrad AG	-	-	5,000,000.00	-	-	34.64
		10,000,000.00	-	5,000,000.00	69.29	-	34.64
5	Other financial assets	Current			Current		
		31 March 2017	As at 31 March 2016	1 April 2015	31 March 2017	As at 31 March 2016	1 April 2015
		EUROS	EUROS	EUROS	Rs in Crores	Rs in Crores	Rs in Crores
	Interest receivable on loans, deposits	16,666.67	-	42,025.00	0.12	-	0.29
		16,666.67	-	42,025.00	0.12	-	0.29
6	Other current assets	Current			Current		
		31 March 2017	As at 31 March 2016	1 April 2015	31 March 2017	As at 31 March 2016	1 April 2015
		EUROS	EUROS	EUROS	Rs in Crores	Rs in Crores	Rs in Crores
	(Unsecured, good, unless stated otherwise)						
	Prepaid expenses	4,908.37	4,523.58	4,523.44	0.03	0.03	0.03
		4,908.37	4,523.58	4,523.44	0.03	0.03	0.03

7 Equity share capital

	31 March 2017 EUROS	As at 31 March 2016 EUROS	1 April 2015 EUROS	31 March 2017 Rs in Crores	As at 31 March 2016 Rs in Crores	1 April 2015 Rs in Crores
Authorised						
2,000,000 equity shares of Euro 100 each	200,000,000.00	200,000,000.00	200,000,000.00	1,385.85	1,385.85	1,385.85
Issued, subscribed and fully paid-up shares						
1,980,000 equity shares of Euro 100 each	198,000,000.00	198,000,000.00	198,000,000.00	1,371.99	1,371.99	1,371.99
	198,000,000.00	198,000,000.00	198,000,000.00	1,371.99	1,371.99	1,371.99

Details of shareholders holding more than 5% shares in the Company

Equity shares of Euro 100 each fully paid	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Nos.	% Holding	Nos.	% Holding	Nos.	% Holding
Bajaj Auto Limited	1,980,000	100.00%	1,980,000	100.00%	1,980,000	100.00%

8 Other equity

	31 March 2017 EUROS	As at 31 March 2016 EUROS	1 April 2015 EUROS	31 March 2017 Rs in Crores	As at 31 March 2016 Rs in Crores	1 April 2015 Rs in Crores
Retained earnings						
Balance as at the beginning of the year	368,465.38	5,337,363.86	180,684.39	2.55	36.98	1.25
Profit for the year	10,179,022.41	7,703,101.52	5,156,679.47	70.54	53.38	35.73
Less: Appropriations						
Interim dividend	-	12,672,000.00	-	-	87.81	-
Total appropriations	-	12,672,000.00	-	-	87.81	-
Balance in retained earnings	10,547,487.79	368,465.38	5,337,363.86	73.09	2.55	36.98
	10,547,487.79	368,465.38	5,337,363.86	73.09	2.55	36.98

9 Other financial liabilities

	31 March 2017 EUROS	As at 31 March 2016 EUROS	1 April 2015 EUROS	31 March 2017 Rs in Crores	As at 31 March 2016 Rs in Crores	1 April 2015 Rs in Crores
Book overdraft [Credit Balance in RBS Bank Account]	-	104.36	-	-	-	-
	-	104.36	-	-	-	-

10 Other current liabilities

	31 March 2017 EUROS	As at 31 March 2016 EUROS	1 April 2015 EUROS	31 March 2017 Rs in Crores	As at 31 March 2016 Rs in Crores	1 April 2015 Rs in Crores
Other payables	12,077.01	3,918.34	1,245.00	0.08	0.03	0.01
	12,077.01	3,918.34	1,245.00	0.08	0.03	0.01

11 Revenue from operations

	For the year ended		For the year ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	EUROS	EUROS	Rs in Crores	Rs in Crores
Other operating revenue				
Dividend income on investments	10,409,728.00	7,807,296.00	72.13	54.10
Interest - others	2.53	14.60	-	-
Interest received on Loan to KTM AG	28,958.34	-	0.20	-
Provision no longer required	-	165.05	-	-
	<u>10,438,688.87</u>	<u>7,807,475.65</u>	<u>72.33</u>	<u>54.10</u>
	10,438,688.87	7,807,475.65	72.33	54.10

12 Other expenses

	For the year ended		For the year ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	EUROS	EUROS	Rs in Crores	Rs in Crores
Legal & Professional charges	119,077.60	10,081.42	0.83	0.07
Bank Charges	418.29	3,007.32	-	0.02
Custody Fees	22,000.00	48,000.00	0.15	0.33
Directors Fees	4,556.44	4,364.11	0.03	0.03
ANT Management Fees	71,346.85	38,849.48	0.49	0.27
Difference in Exchange rate	-	71.11	-	-
Extra ordinary Expenses	41,547.96	-	0.29	-
Interest paid	-	0.69	-	-
Travelling expenses	719.32	-	-	-
	<u>259,666.46</u>	<u>104,374.13</u>	<u>1.79</u>	<u>0.72</u>
	259,666.46	104,374.13	1.79	0.72

13 Earnings Per Share (EPS)

	For the year ended		For the year ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
a. Profit for the year (Euro)	10,179,022.41	7,703,101.52	70.54	53.38
Weighted average number of shares outstanding during the year (Nos)	1,980,000	1,980,000	1,980,000	1,980,000
b. Earnings per share (Basic and Diluted) [Euro] [Rupees]	5.14	3.89	356.26	269.60
Face value per share (Euro)	100.0	100.0		

Bajaj Auto International Holdings B.V.

Notes to financial statements for the year ended 31 March 2017

14 Disclosure of transactions with related parties as required by the Indian Accounting Standard 24										
			2016-17		2015-16		2016-17		2015-16	
	Name of related party and Nature of relationship	Nature of transaction	Transaction value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet	Transaction value	Outstanding amounts carried in the Balance Sheet
			Euro	Euro	Euro	Euro	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores
A	Holding Company									
	Bajaj Auto Limited	Contribution to equity (1,980,000 shares of Euro 100 each)	-	198,000,000	-	198,000,000	-	1,371.99	-	1,371.99
		Dividend Paid	-	-	12,672,000	-	-	-	87.81	-
B	Associates and investing parties:									
	KTM AG	Dividend Received	10,409,728	-	7,807,296	-	72.13	-	54.10	-
		Loan given	20,000,000	10,000,000	-	-	138.59	69.29	-	-
		Interest on Loan	28,958	16,667	-	-	0.20	0.12	-	-
	KTM Motorrad AG (Subsidiary of associate)	Loan refunded	-	-	5,000,000	-	-	-	34.65	-
		Interest on Loan	-	-	42,025	-	-	-	0.29	-

15 In absence of taxable profits as per applicable law, no provision for tax has been made

16 Previous year figures

Previous year figures have been regrouped wherever necessary to make them comparable with

In terms of our report of even date

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