


**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2007**

(Rs. in Million)

|  | <b>NINE MONTHS ENDED 31.12.2006</b> | <b>QUARTER ENDED 31.03.2007</b> | <b>QUARTER ENDED 31.03.2006</b> | <b>YEAR ENDED 31.03.2007 (Audited)</b> | <b>YEAR ENDED 31.03.2006 (Audited)</b> |
|--|-------------------------------------|---------------------------------|---------------------------------|--|--|
| <b>Sales in numbers</b>  | <b>2,093,437</b>                    | <b>628,387</b>                  | <b>619,330</b>                  | <b>2,721,824</b>                       | <b>2,281,230</b>                       |
| Gross Sales & Income from Operations                                     | 82072.0                             | 26270.7                         | 24737.6                         | 108342.7                               | 87483.8                                |
| Less: Excise duty  | 10003.4                             | 3135.2                          | 3079.0                          | 13138.6                                | 10804.8                                |
| Net Sales & Income from Operations                                       | 72068.6                             | 23135.5                         | 21658.6                         | 95204.1                                | 76679.0                                |
| Other Income   | 3979.4                              | 1577.0                          | 1030.9                          | 5556.4                                 | 4384.5                                 |
| <b>TOTAL INCOME</b>  | <b>76048.0</b>                      | <b>24712.5</b>                  | <b>22689.5</b>                  | <b>100760.5</b>                        | <b>81063.5</b>                         |
| <b>TOTAL EXPENDITURE :</b>   |                                     |                                 |                                 |  |  |
| a) (Increase)/decrease in stock-in-trade                                 | 245.6                               | (236.6)                         | (429.5)                         | 9.0                                    | (490.1)                                |
| b) Materials   | 51845.9                             | 17155.2                         | 15291.0                         | 69001.1                                | 53736.1                                |
| c) Staff Cost  | 2327.0                              | 688.2                           | 681.6                           | 3015.2                                 | 2741.3                                 |
| d) Other expenditure   | 6922.6                              | 2407.0                          | 1929.8                          | 9329.6                                 | 7377.1                                 |
| e) Expenses capitalised  | (179.3)                             | (141.2)                         | (64.0)                          | (320.5)                                | (248.1)                                |
| Interest   | 29.5                                | 23.9                            | 0.6                             | 53.4                                   | 3.4                                    |
| <b>GROSS PROFIT AFTER INTEREST BUT BEFORE DEPRECIATION AND TAXATION</b>  | <b>14856.7</b>                      | <b>4816.0</b>                   | <b>5280.0</b>                   | <b>19672.7</b>                         | <b>17943.8</b>                         |
| Export incentives accrued in previous year written off                   | 103.9                               | -                               | -                               | 103.9                                  | -                                      |
| Compensation paid under Voluntary Retirement Schemes                     | 261.0                               | 124.7                           | 118.5                           | 385.7                                  | 226.4                                  |
| Depreciation   | 1445.0                              | 457.6                           | 467.5                           | 1902.6                                 | 1910.0                                 |
| <b>PROFIT BEFORE TAX</b>   | <b>13046.8</b>                      | <b>4233.7</b>                   | <b>4694.0</b>                   | <b>17280.5</b>                         | <b>15807.4</b>                         |
| Provision for Taxation (Including Deferred Taxes and Fringe Benefit Tax) | 3750.0                              | 1150.9                          | 1476.1                          | 4900.9                                 | 4791.1                                 |
| <b>NET PROFIT</b>  | <b>9296.8</b>                       | <b>3082.8</b>                   | <b>3217.9</b>                   | <b>12379.6</b>                         | <b>11016.3</b>                         |
| Prior period adjustments   |                                     |                                 |                                 |  |  |
| Tax credits pertaining to earlier years                                  | -                                   | -                               | 225.1                           | -                                      | 225.1                                  |
| Others (net)   | (8.9)                               | 0.3                             | 26.7                            | (8.6)                                  | (8.7)                                  |
| <b>Profit after prior period adjustments</b>                             | <b>9287.9</b>                       | <b>3083.1</b>                   | <b>3469.7</b>                   | <b>12371.0</b>                         | <b>11232.7</b>                         |
| Paid up Equity Share Capital (Face value of Rs                           | 1011.8                              | 1011.8                          | 1011.8                          | 1011.8                                 | 1011.8                                 |

|   |             |             |             |              |              |
|---|-------------|-------------|-------------|--------------|--------------|
| 10/-)   |             |             |             |              |              |
| Reserves excluding Revaluation Reserves   |             |             |             | 54331.4      | 46695.5      |
| <b>Basic and Diluted Earnings per Share of Rs. 10/- each (not annualised) (Rs).</b> | <b>91.8</b> | <b>30.5</b> | <b>34.3</b> | <b>122.3</b> | <b>111.0</b> |
| Aggregate of Public Shareholding :  |             |             |             |              |              |
| No. of shares   |             |             |             | 68,986,672   | 68,727,147   |
| Percentage of Shareholding  |             |             |             | 68.18%       | 67.92%       |

CONSOLIDATED FINANCIAL AND SEGMENT-WISE RESULTS OF BAJAJ AUTO LIMITED AND ITS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

**AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2007**

(Rs. in Million)

|   | <b>NINE MONTHS ENDED 31.12.2006</b> | <b>QUARTER ENDED 31.03.2007</b> | <b>QUARTER ENDED 31.03.2006</b> | <b>YEAR ENDED 31.03.2007 (Audited)</b> | <b>YEAR ENDED 31.03.2006 (Audited)</b> |
|---|-------------------------------------|---------------------------------|---------------------------------|--|--|
| <b>Net Sales / Income from operations</b>                                 | <b>75291.7</b>                      | <b>25895.0</b>                  | <b>22975.2</b>                  | <b>101186.7</b>                        | <b>81037.4</b>                         |
| <b>TOTAL EXPENDITURE :</b>  |                                     |                                 |                                 |  |  |
| a) Materials  | 52036.4                             | 16954.1                         | 14873.5                         | 68990.5                                | 53281.5                                |
| b) Staff Cost   | 2352.9                              | 706.6                           | 691.1                           | 3059.5                                 | 2763.6                                 |
| c) Other expenditure  | 6909.7                              | 2518.6                          | 1966.3                          | 9428.3                                 | 7391.4                                 |
| d) Expenses capitalised   | (179.3)                             | (141.2)                         | (64.0)                          | (320.5)                                | (248.1)                                |
| Interest  | 29.5                                | 25.9                            | 0.6                             | 55.4                                   | 3.4                                    |
| <b>Gross Profit after Interest but before Depreciation &amp; Taxation</b> | <b>14142.5</b>                      | <b>5831.0</b>                   | <b>5507.7</b>                   | <b>19973.5</b>                         | <b>17845.6</b>                         |
| Export incentives accrued in previous year written off                    | 103.9                               | -                               | -                               | 103.9                                  | -                                      |
| Compensation paid under Voluntary Retirement Schemes                      | 261.0                               | 124.7                           | 118.8                           | 385.7                                  | 227.8                                  |
| Depreciation  | 1447.1                              | 458.8                           | 468.3                           | 1905.9                                 | 1912.8                                 |
| <b>Profit before Tax and share of profit on Investments in Associates</b> | <b>12330.5</b>                      | <b>5247.5</b>                   | <b>4920.6</b>                   | <b>17578.0</b>                         | <b>15705.0</b>                         |
| Add: Share of Profit after tax on Investments in Associates               | 109.8                               | 94.1                            | 37.9                            | 203.9                                  | 93.1                                   |
| <b>Profit before Tax</b>  | <b>12440.3</b>                      | <b>5341.6</b>                   | <b>4958.5</b>                   | <b>17781.9</b>                         | <b>15798.1</b>                         |
| Provision for Taxation (Including Deferred Taxes & Fringe Benefit Tax)    | 3949.4                              | 1330.1                          | 1628.6                          | 5279.5                                 | 5093.7                                 |
| <b>Net Profit</b>   | <b>8490.9</b>                       | <b>4011.5</b>                   | <b>3329.9</b>                   | <b>12502.4</b>                         | <b>10704.4</b>                         |

|   |               |               |               |                |                |
|---|---------------|---------------|---------------|----------------|----------------|
| Prior period adjustments                                    |               |               |               |                |                |
| Tax credits/ (debits) pertaining to earlier years           | -             | 4.9           | 228.2         | 4.9            | 228.2          |
| Others (net)  | (8.9)         | 0.3           | 26.7          | (8.6)          | (8.7)          |
| <b>Profit after prior period adjustments</b>                | <b>8482.0</b> | <b>4016.7</b> | <b>3584.8</b> | <b>12498.7</b> | <b>10923.9</b> |
| Less: Minority Interest in Net Income of subsidiaries       | (226.9)       | 232.1         | 11.4          | 5.2            | (122.1)        |
|   | <b>8708.9</b> | <b>3784.6</b> | <b>3573.4</b> | <b>12493.5</b> | <b>11046.0</b> |
| Adjustments on account of write down of deferred tax assets | -             | 10.7          | -             | 10.7           | -              |
| <b>Income attributable to consolidated group</b>            | <b>8708.9</b> | <b>3773.9</b> | <b>3573.4</b> | <b>12482.8</b> | <b>11046.0</b> |

### SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Million)

|  | <b>NINE MONTHS ENDED 31.12.2006</b> | <b>QUARTER ENDED 31.03.2007</b> | <b>QUARTER ENDED 31.03.2006</b> | <b>YEAR ENDED 31.03.2007 (Audited)</b> | <b>YEAR ENDED 31.03.2006 (Audited)</b> |
|--|-------------------------------------|---------------------------------|---------------------------------|--|--|
| <b>Segment Revenue</b>                               |                                     |                                 |                                 |  |  |
| Automotive   | 71999.9                             | 23255.7                         | 21674.2                         | 95255.6                                | 76728.2                                |
| Insurance  | 34709.1                             | 31522.4                         | 17593.1                         | 66231.5                                | 38440.4                                |
| Investment & Others                                  | 4007.6                              | 1584.9                          | 1066.4                          | 5592.5                                 | 4470.7                                 |
| <b>Total</b>   | <b>110716.6</b>                     | <b>56363.0</b>                  | <b>40333.7</b>                  | <b>167079.6</b>                        | <b>119639.3</b>                        |
| Less: Inter segment Revenue                          | 273.1                               | 246.9                           | 42.9                            | 520.0                                  | 254.5                                  |
| <b>Net Sales/Income from operations</b>              | <b>110443.5</b>                     | <b>56116.1</b>                  | <b>40290.8</b>                  | <b>166559.6</b>                        | <b>119384.8</b>                        |
| <b>Segment Profit/(Loss) before Tax and Interest</b> |                                     |                                 |                                 |  |  |
| Automotive   | 9293.8                              | 2723.8                          | 3759.9                          | 12017.6                                | 11826.9                                |
| Insurance  | (667.3)                             | 1120.6                          | 196.5                           | 453.3                                  | (167.4)                                |
| Investment & Others                                  | 3843.3                              | 1523.1                          | 1002.7                          | 5366.4                                 | 4142.0                                 |
| <b>Total</b>   | <b>12469.8</b>                      | <b>5367.5</b>                   | <b>4959.1</b>                   | <b>17837.3</b>                         | <b>15801.5</b>                         |
| Less: Interest                                       | 29.5                                | 25.9                            | 0.6                             | 55.4                                   | 3.4                                    |
| <b>Total Profit Before Tax</b>                       | <b>12440.3</b>                      | <b>5341.6</b>                   | <b>4958.5</b>                   | <b>17781.9</b>                         | <b>15798.1</b>                         |
| <b>Capital Employed</b>                              |                                     |                                 |                                 |  |  |
| Automotive   | 10029.0                             | 10108.5                         | 6839.9                          | 10108.5                                | 6839.9                                 |
| Insurance  | 5119.6                              | 7968.2                          | 5640.1                          | 7968.2                                 | 5640.1                                 |
| Investment & Others                                  | 62387.3                             | 66061.0                         | 60325.7                         | 66061.0                                | 60325.7                                |

|              |                |                |                |                |                |
|--------------|----------------|----------------|----------------|----------------|----------------|
| Unallocable  | 1201.4         | (3867.7)       | (3828.9)       | (3867.7)       | (3828.9)       |
| <b>Total</b> | <b>78737.3</b> | <b>80270.0</b> | <b>68976.8</b> | <b>80270.0</b> | <b>68976.8</b> |
|              |                |                |                |                |                |

**NOTE:**

The consolidated financial results include results of the following companies:

| <b>Name Of The Company</b>                         | <b>% shareholding and voting power of Bajaj Auto Limited and Subsidiaries</b> | <b>Segment</b>           | <b>Consolidated as</b> |
|--|---|--------------------------|------------------------|
| a) Bajaj Auto Holdings Limited                     | 100%  | Investment               | Subsidiary             |
| b) Bajaj Allianz General Insurance Company Limited | 74%   | Insurance - general      | Subsidiary             |
| c) Bajaj Allianz Life Insurance Company Limited    | 74%   | Insurance - life         | Subsidiary             |
| d) PT. Bajaj Auto Indonesia                        | 95%   | Automotive               | Subsidiary             |
| e) Maharashtra Scooters Limited                    | 24%   | Automotive & Investments | Joint venture          |
| f) Bajaj Auto Finance Limited                      | 44.42%  | Hire Purchase Financing  | Associate              |

**NOTES:**

1. Gross Written Premium (GWP) for the quarter and year ended March 31, 2007 of general insurance business is Rs. 5,018.2 million and Rs. 18,033.4 million respectively. The corresponding figure for the quarter and year ended March 31, 2006 was Rs. 3,292.9 million and Rs. 12,845.7 million respectively.

Gross Written Premium (GWP) for the quarter and year ended March 31, 2007 of life insurance business is Rs. 26,012.4 million and Rs. 53,100 million respectively. The corresponding figure for the quarter and year ended March 31, 2006 was Rs. 15,496.6 million and Rs. 31,335.8 million respectively.

2. For the purpose of consolidated financials the net result of the insurance business revenue accounts together with shareholders income and transfers to policyholders revenue account in accordance with the reporting framework of IRDA, amounting to a net surplus of Rs. 528.1 million prior to elimination of inter segment revenue of Rs. 189.5 million for the year ended March 31, 2007, has been included in a manner consistent with the parent's reporting format as was done for the previous periods. However, for reporting segment information, segment revenues for both insurance businesses represent the premiums earned and other income.
3. The Consolidated Financial Statements exclude Bajaj Allianz Financial Distributors Ltd, an Indian Company which is a joint venture between Bajaj Auto Ltd. and Allianz SE, Germany as the first financial year of the company will be from the date of incorporation of the company i.e. 16th March 2007 till 31st March 2008.
4. Directors recommend a dividend of Rs. 40 per share (400 %) subject to approval of shareholders.

5. Figures for previous year / period have been regrouped wherever necessary.
6. The company did not have any investor complaints pending as on 1 January 2007 and as on 31 March 2007. There were five investors' complaints received and disposed of during the quarter ended 31 March 2007.
7. The above results have been reviewed by the Audit Committee and taken on record in the meeting of Board of Directors held on May 17, 2007.

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR BAJAJ AUTO LIMITED  
RAHUL BAJAJ  
CHAIRMAN**

MUMBAI

DATE : May 17, 2007

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