

**BAJAJ AUTO INTERNATIONAL HOLDINGS BV
BALANCE SHEET AS AT 31 MARCH 2016**

Particulars	Note No.	Euros		₹ In Crore	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	198,000,000.00	198,000,000.00	1,492.82	1,492.82
Reserves and surplus	4	368,465.38	5,337,363.86	2.78	40.24
		198,368,465.38	203,337,363.86	1,495.60	1,533.06
Current liabilities					
Other current liabilities	5	4,022.70	1,245.00	0.03	0.01
		4,022.70	1,245.00	0.03	0.01
		198,372,488.08	203,338,608.86	1,495.63	1,533.07
ASSETS					
Non-current assets					
Non-current investments	6	198,109,356.60	198,109,356.60	1,493.65	1,493.65
		198,109,356.60	198,109,356.60	1,493.65	1,493.65
Current assets					
Cash and bank balances	7	258,607.90	182,703.82	1.95	1.37
Short-term loans and advances	8	4,523.58	5,046,548.44	0.03	38.05
		263,131.48	5,229,252.26	1.98	39.42
		198,372,488.08	203,338,608.86	1,495.63	1,533.07
TOTAL					

Summary of significant accounting policies followed by the company

2

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 No. 102021W/W100110

Chartered Accountants

S. Ravikumar
Managing Director

Anish P Amin

Partner

Membership No. 40451

Place : Pune

Date : 25 May 2016

SGG Management(Netherlands) BV
Managing Director

BAJAJ AUTO INTERNATIONAL HOLDINGS BV
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

Particulars	Note No.	Euros		₹ In Crore	
		Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015
Revenue from operations	9	7,807,475.65	5,247,328.60	58.86	39.56
Total Revenue (I)		7,807,475.65	5,247,328.60	58.86	39.56
Expenses:					
Other expenses	10	104,374.13	90,649.13	0.78	0.68
Total expenses (II)		104,374.13	90,649.13	0.78	0.68
Profit before tax (I - II)		7,703,101.52	5,156,679.47	58.08	38.88
Tax expenses		-	-	-	-
Profit after Tax for the year		7,703,101.52	5,156,679.47	58.08	38.88
Basic & Diluted Earnings per share (in Euro) (Nominal value per share Euro 100)	11	3.89	2.60	293.33	196.36

Summary of significant accounting policies followed by the company

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Partner
Membership No. 40451
Place : Pune
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SGG Management(Netherlands) BV
Managing Director

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 2016 & 2015 have been converted in Indian Rupees at following exchange rate as on 31 March 2016.

1 Euro = Rs. 75.3950

1. 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 2016, the company's equity in Austria based KTM AG remained at 47.99% (as at 31 March 2015 - 47.99%). The Financial Statements have been drawn up in conformity with the generally accepted accounting principles (Indian GAAP) and standards applicable in India.

2. Statement of Significant Accounting Policies

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 quoted 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.

3 Share Capital

	As at		As at	
	31 March 2016 Euros	31 March 2015 Euros	31 March 2016 ₹ In Crore	31 March 2015 ₹ In Crore
Authorised :				
2,000,000 equity shares of Euro 100 each	200,000,000.00	200,000,000.00	1,507.90	1,507.90
Issued, subscribed and fully paid-up shares :				
1,980,000 equity shares of Euro 100 each	198,000,000.00	198,000,000.00	1,492.82	1,492.82
	198,000,000.00	198,000,000.00	1,492.82	1,492.82

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at		As at		As at		As at	
	31 March 2016		31 March 2015		31 March 2016		31 March 2015	
Equity shares	Nos.	Euros	Nos.	Euros	Nos.	₹ In Crore	Nos.	₹ In Crore
At the beginning of the year	1,980,000	198,000,000.00	1,980,000	198,000,000.00	1,980,000	1,492.82	1,980,000	1,492.82
Addition during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	1,980,000	198,000,000.00	1,980,000	198,000,000.00	1,980,000	1,492.82	1,980,000	1,492.82

4 Reserves and surplus

	As at		As at	
	31 March 2016 Euros	31 March 2015 Euros	31 March 2016 ₹ In Crore	31 March 2015 ₹ In Crore
Surplus in the statement of profit and loss				
Balance as per last financial statements	5,337,363.86	180,684.39	40.24	1.36
Profit for the year	7,703,101.52	5,156,679.47	58.08	38.88
Less: Appropriations				
Interim dividend	12,672,000.00	-	95.54	-
Total appropriations	12,672,000.00	-	95.54	-
Balance in the statement of profit and loss	368,465.38	5,337,363.86	2.78	40.24
Total reserves and surplus	368,465.38	5,337,363.86	2.78	40.24

5 Other current liabilities

	As at		As at	
	31 March 2016 Euros	31 March 2015 Euros	31 March 2016 ₹ In Crore	31 March 2015 ₹ In Crore
Outstanding Liability for Expenses	3,918.34	1,245.00	0.03	0.01
Credit balance in RBS Bank Account	104.36	-	-	-
	4,022.70	1,245.00	0.03	0.01

6 Non-current investments

	As at		As at	
	31 March 2016 Euros	31 March 2015 Euros	31 March 2016 ₹ In Crore	31 March 2015 ₹ In Crore
Long Term Investments In Equity Shares Quoted:-				
5,204,864 equity shares of Euro 1 each in KTM AG	198,109,356.60	198,109,356.60	1,493.65	1,493.65
	198,109,356.60	198,109,356.60	1,493.65	1,493.65

7 Cash and bank balances

	As at Current		As at Current	
	31 March 2016 Euros	31 March 2015 Euros	31 March 2016 ₹ In Crore	31 March 2015 ₹ In Crore
Cash and cash equivalents				
Balances with banks:				
On current accounts	258,607.90	182,703.82	1.95	1.37
	258,607.90	182,703.82	1.95	1.37

8 Short-term loans & advances

	As at		As at	
	31 March 2016 Euros	31 March 2015 Euros	31 March 2016 ₹ In Crore	31 March 2015 ₹ In Crore
Loan to KTM Motorrad AG	-	5,000,000.00	-	37.70
Interest receivable	-	42,025.00	-	0.32
Prepaid Expenses	4,523.58	4,523.44	0.03	0.03
	4,523.58	5,046,548.44	0.03	38.05

9 Revenue from operations

	For the year ended		For the year ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Euros	Euros	₹ In Crore	₹ In Crore
Dividend received	7,807,296.00	5,204,864.00	58.86	39.24
Interest received	14.60	42,044.86	-	0.32
Difference in exchange rate	-	419.74	-	-
Provision no longer required	165.05	-	-	-
Revenue from operations	7,807,475.65	5,247,328.60	58.86	39.56

10 Other expenses

	For the year ended		For the year ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Euros	Euros	₹ In Crore	₹ In Crore
Legal & professional charges	10,081.42	7,472.94	0.08	0.06
Directors' fees	4,364.11	4,492.33	0.03	0.03
Custody fees	48,000.00	48,000.00	0.36	0.36
Bank charges	3,007.32	2,412.33	0.02	0.02
Subscription & fees	-	12.00	-	-
ANT Trust fees	38,849.48	28,259.53	0.29	0.21
Interest paid	0.69	-	-	-
Difference in exchange rate	71.11	-	-	-
	104,374.13	90,649.13	0.78	0.68

11 Earning per share (EPS)

	For the year ended		For the year ended	
	31 March 2016	31 March 2015	31-Mar-16	31-Mar-15
Earnings per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below :				
a Profit for the year after taxation	7,703,101.52	5,156,679.47	58.08	38.88
b Weighted average number of shares outstanding during the year	1,980,000	1,980,000	1,980,000	1,980,000
c Basic & Diluted Earnings per share (Euro/₹)	3.89	2.60	293.33	196.36
Face value per share Euro	100	100		

Bajaj Auto International Holdings BV
Notes to financial statements for the year ended 31 March 2016

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

13 Exchange differences on account of fluctuations in foreign currency rates recognized in the Profit & Loss Account are as under –

	For the year ended		For the year ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	<u>Euros</u>	<u>Euros</u>	<u>₹ In Crore</u>	<u>₹ In Crore</u>
On settlement of other transactions as a part of “Income / (Expenditure)”	(71.11)	419.74	-	-

14 Previous year figures

Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year.

In terms of our report of even date

For Dalal & Shah LLP

Firm Registration No. 102021W/W100110

Chartered Accountants

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Managing Director

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Partner

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