

PT BAJAJ AUTO INDONESIA

FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

AND INDEPENDENT AUDITORS' REPORT

PT BAJAJ AUTO INDONESIA
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The financial statements have been prepared in Indonesian Rupiah. Also, the audit report is based on figures in Indonesian Rupiah. For the purpose of user, the financial statements and notes as on 31 March 2024 & 2023 have been converted in Indian Rupees at following exchange rate as on 31 March 2024.

1 USD = Indonesian Rupiah 15853

1 USD = Rs. 83.405

Hence, Rs. 1 = Indonesian Rupiah 190.07

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Arteri Kelapa Dua
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Jakarta Barat 11550

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**DIRECTORS' STATEMENT
RELATING TO THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024
PT BAJAJ AUTO INDONESIA**

We, the undersigned:

Name : **Kulkarni Dinesh Anantrao**
Office address : Jalan Panjang No. 11D-E Arteri Kelapa Dua
Kebon Jeruk – Jakarta 11550
Domicile : C/O BAJAJ AUTO LTD,
Akurdi, Pune 411 035
Maharashtra state
India
Phone number : (+91) 9561112752
Position : President Director

State that:

1. We are responsible for the preparation and presentation of the financial statements for the year ended March 31, 2024;
2. The financial statements have been prepared and presented in accordance with the Indonesian Financial Accounting Standards;
3. a. All information contained in the financial statements is complete and correct;
b. The financial statements do not contain misleading material information or facts, and do not omit material information or facts;
4. We are responsible for the Company's internal control system.

This statement is made truthfully.

Jakarta, April 3, 2024

PT BAJAJ AUTO INDONESIA



Kulkarni Dinesh Anantrao
President Director



Independent Auditors' Report

No. 00004/3.0222/AU.1/05/0548-12/1/IV/2024

The Commissioners and Directors
PT BAJAJ AUTO INDONESIA

Opinion

We have audited the accompanying financial statements of PT Bajaj Auto Indonesia (the Company), which comprise of the statement of financial position as of March 31, 2024, and the statements of comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bajaj Auto Indonesia as of March 31, 2024, and its financial performance, and cash flows for the year then ended in accordance with the Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with the Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard 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 Standard on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

TRISNO, ADAMS & REKAN

Patrick Henry Adam, M.Com., CPA of Indonesia
License No. AP .0548

April 3, 2024



PT BAJAJ AUTO INDONESIA
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2024 AND 2023
(Expressed in Indonesian Rupiah, unless otherwise stated)

	Notes	2024 IDR	2023 IDR	2024 Rs (crore)	2023 Rs (crore)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	2b,2d,3	1,788,860,698	1,902,213,020	0.94	1.00
Other receivable	4	4,520,548	6,731,507	-	0.01
Prepaid expense	2h	5,000,000	-	0.01	-
Total Current Assets		1,798,381,246	1,908,944,527	0.95	1.01
TOTAL ASSETS		1,798,381,246	1,908,944,527	0.95	1.01
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Taxes payable	2o,5a	-	100,000	-	-
Other payables	6	999,600	29,232,933	-	0.02
Accrued expenses	2n	51,500,000	55,000,000	0.03	0.03
Total Current Liabilities		52,499,600	84,332,933	0.03	0.05
EQUITY					
Capital stock - par value per share USD 3 (IDR 28,065) in 2024 and 2023.					
Authorized, subscribed and paid-up - 415,000 shares in 2024 and 2023.	7	11,646,975,000	11,646,975,000	6.13	6.13
Foreign exchange difference on paid-up capital		528,695,625	528,695,625	0.28	0.28
Deficit		(10,429,788,979)	(10,351,059,031)	(5.49)	(5.45)
Total Equity		1,745,881,646	1,824,611,594	0.92	0.96
TOTAL LIABILITIES AND EQUITY		1,798,381,246	1,908,944,527	0.95	1.01

See accompanying notes to financial statements which are an integral part of the financial statements

Rakesh Sharma
President Commissioner

Dinesh Thapar
Commissioner

Teguh Boentoro
Commissioner

Kulkarni Dinesh Anantrao
Director

PT BAJAJ AUTO INDONESIA
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023
(Expressed in Indonesian Rupiah, unless otherwise stated)

	Notes	2024 IDR	2023 IDR	2024 Rs (crore)	2023 Rs (crore)
REVENUE	2n	-	-	-	-
COST OF REVENUE	2c,2n	-	-	-	-
GROSS PROFIT		-	-	-	-
OPERATING EXPENSES	2n,8				
Selling		-	-	-	-
General and administrative		(171,882,137)	(144,032,318)	(0.09)	(0.08)
Total Operating Expenses		(171,882,137)	(144,032,318)	(0.09)	(0.08)
LOSS FROM OPERATIONS		(171,882,137)	(144,032,318)	(0.09)	(0.08)
OTHER INCOME (EXPENSES)	2b,9				
Gain (loss) on foreign exchange - net		7,818,719	56,487,720	-	0.03
Interest income		62,000,137	6,731,507	0.03	-
Miscellaneous income		23,333,333	30,000,000	0.01	0.02
Other Income - Net		93,152,189	93,219,227	0.04	0.05
LOSS BEFORE INCOME TAX		(78,729,948)	(50,813,091)	(0.05)	(0.03)
INCOME TAX	2o,5b	-	-	-	-
LOSS FOR THE YEAR		(78,729,948)	(50,813,091)	(0.05)	(0.03)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL NET LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR		(78,729,948)	(50,813,091)	(0.05)	(0.03)

See accompanying notes to financial statements
which are an integral part of the financial statements.

Rakesh Sharma
President Commissioner

Dinesh Thapar
Commissioner

Teguh Boentoro
Commissioner

Kulkarni Dinesh Anantrao
Director

PT BAJAJ AUTO INDONESIA
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023
(Expressed in Indonesian Rupiah, unless otherwise stated)

	Paid-up capital stock IDR	Foreign exchange difference on paid-up capital IDR	Deficit IDR	Total equity IDR
Balance as of April 1, 2022	11,646,975,000	528,695,625	(10,300,245,940)	1,875,424,685
Total net loss for the year	-	-	(50,813,091)	(50,813,091)
Balance as of March 31, 2023	11,646,975,000	528,695,625	(10,351,059,031)	1,824,611,594
Total net loss the year	-	-	(78,729,948)	(78,729,948)
Balance as of March 31, 2024	11,646,975,000	528,695,625	(10,429,788,979)	1,745,881,646

*See accompanying notes to financial statements
which are an integral part of the financial statements*

	Paid-up capital stock Rs (crore)	Foreign exchange difference on paid-up capital Rs (crore)	Deficit Rs (crore)	Total equity Rs (crore)
Balance as of April 1, 2022	6.13	0.28	(5.41)	1.00
Total net loss for the year	-	-	(0.03)	(0.03)
Balance as of March 31, 2023	6.13	0.28	(5.44)	0.97
Total net loss the year	-	-	(0.05)	(0.05)
Balance as of March 31, 2024	6.13	0.28	(5.49)	0.92

*See accompanying notes to financial statements
which are an integral part of the financial statements*

Rakesh Sharma
President Commissioner

Dinesh Thapar
Commissioner

Teguh Boentoro
Commissioner

Kulkarni Dinesh Anantrao
Director

PT BAJAJ AUTO INDONESIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023
(Expressed in Indonesian Rupiah, unless otherwise stated)

	2024 IDR	2023 IDR	2024 Rs (crore)	2023 Rs (crore)
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash paid to suppliers and employees	(113,352,322)	(87,544,598)	(0.06)	(0.05)
Net Cash Used in Operating Activities	(113,352,322)	(87,544,598)	(0.06)	(0.05)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(113,352,322)	(87,544,598)	(0.06)	(0.05)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,902,213,020	1,989,757,618	1.00	1.05
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,788,860,698</u>	<u>1,902,213,020</u>	<u>0.94</u>	<u>1.00</u>

*See accompanying notes to financial statements
which are an integral part of the financial statements*

Rakesh Sharma
President Commissioner

Dinesh Thapar
Commissioner

Teguh Boentoro
Commissioner

Kulkarni Dinesh Anantrao
Director

1. GENERAL

PT Bajaj Auto Indonesia (the Company) was established within the framework of the Foreign Capital Investment Law No. 1 year 1967 as amended by Law No. 11 year 1970, based on notarial Deed No. 9 dated July 3, 2006 of Sutjipto, S.H., M.Kn., notary public in Jakarta. The deed of establishment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia with decision letter No. C-22753 HT.01.01.TH.2006 dated August 3, 2006, and was published in State Gazette No. 83 dated October 17, 2006, Supplement No. 11137. Based on Decision Letter No. 631//PMA/2006, Project Code No. 3591/5030-31/32-19262 dated June 8, 2006 and No. 1119//III/PMA/08 dated July 10, 2008, the Company obtained approval for foreign investment from Foreign Investment Coordinating Board (BKPM). The articles of association have been amended several times, most recently are:

- Notarial deed No. 82 dated April 18, 2013 by Mala Mukti, S.H., LL.M., a notary public in Jakarta, concerning in increasing paid up capital based on circular of shareholders. These changes has been approved by the Minister of Law and Human Rights of the Republic of Indonesia with decision letter No. AHU-27579-AH.01.02-Tahun 2013 dated May 22, 2013.
- Notarial deed No. 09 dated September 9, 2013 by Mala Mukti, S.H., LL.M., a notary public in Jakarta, concerning in changes of the management structure of the board of directors and company's head office address. These changes has been approved by the Minister of Law and Human Rights of the Republic of Indonesia with decision letter No. AHU-65799.AH.01.02.Tahun 2013 dated December 16, 2013.
- Notarial deed No. 92 dated Januari 30, 2014 by Mala Mukti, S.H., LL.M., a notary public in Jakarta, concerning in increasing paid up capital based on circular meeting of shareholders. These changes has been approved by the Minister of Law and Human Rights of the Republic of Indonesia with decision letter No. AHU-08665.AH.01.02.Tahun 2014 dated February 28, 2014.
- The Company has obtained the approval letter from Foreign Investment Coordinating Board (BKPM) regarding increase in paid in capital as stated in BKPM's approval No. 671/A.8/PMA/2013, dated April 11, 2013 and No.175//IP-PB/PMA/2014 dated January 24, 2014.
- Notarial deed No. 47 dated April 17, 2017 by Mala Mukti, S.H., LL.M., a notary public in Jakarta, concerning in decreasing the par value of the share based on circular meeting of shareholders. These changes has been approved by the Minister of Law and Human Rights of the Republic of Indonesia with decision letter No. AHU-0009917.AH.01.02.Tahun 2017 dated May 3, 2017.
- The Company has obtained the approval letter from Foreign Investment Coordinating Board (BKPM) regarding decrease in paid in capital as stated in BKPM's approval No. 3003/1//IP-PB/PMA/2017, dated August 22, 2017.
- Notarial deed No. 75 dated October 18, 2019 by Mala Mukti, S.H., LL.M., a notary public in Jakarta, concerning changes in management structure of commissioners. These changes has been approved by the Minister of Law and Human Rights of the Republic of Indonesia with decision letter No. AHU-AH.01.03-0352897 dated October 30, 2019.
- Notarial deed No. 43 dated February 16, 2023, by Mala Mukti, S.H., LL.M., a notary public in Jakarta, concerning changes in the management structure of commissioners. These changes has been approved by the Minister of Law and Human Rights of the Republic of Indonesia with decision letter No. AHU-AH.01.09-00099960 dated March 13, 2023.

The Company is domiciled in Jalan Panjang N0. 11D-E Arteri Kelapa Dua, Kebon Jeruk - Jakarta.

In accordance with article 3 of the Company's articles of association, the scope of its activities is to engage in the trading and manufacturing of two-wheelers, three-wheelers, and spare parts thereof. The Company started commercial operations in 2006. Since April 1, 2015, there is no commercial operations.

The Company's management as of March 31, 2024 and 2023 consist of the following:

	<u>2024 and 2023</u>
President Commissioner	: Rakesh Sharma
Commissioners	: Dinesh Thapar Teguh Boentoro
Director	: Kulkarni Dinesh Anantrao

The Company had total number of employees of nil person in 2024 and 2023 (unaudited).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Statement Presentation

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants. Such financial statements are an English translation of the Company's statutory report in Indonesia, and are not intended to present financial position and results of operations, changes in equity, and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

The financial statements, except for the statements of cash flows, are prepared under the accrual basis of accounting. The reporting currency used in the preparation of the financial statements is the Indonesian Rupiah, while the measurement basis used is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies.

The statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

b. Foreign Currency Transactions and Translation

The financial statements are presented in Rupiah, which is functional currency and reporting currency of the Company. Transactions denominated in a foreign currency are translated into Rupiah at the exchange rate prevailing at the date of the transaction. At the reporting dates, monetary assets and liabilities in foreign currencies are translated at the Central Bank of Indonesia middle rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

The exchange rates used as of March 31, 2024 and 2023 as follow:

	2024 IDR	2023 IDR
United States Dollar (USD 1)	15.853	15.062

c. Transaction with Related Parties

A related party is a person or entity that is related to the Company:

- 1) directly, or indirectly through one or more intermediaries, the party (1) controls, is controlled by, or is under common control with the Company; has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company.
- 2) the party is an associate of the Company;
- 3) the party is a joint venture in which the Company is a venturer;
- 4) the party is a member of the key management personnel of the Company;
- 5) the party is a close member of the family of any individuals referred to in (1) or (4);
- 6) the party is an entity that is controller, jointly controlled, significantly influenced by or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (4) or (5); or
- 7) The party is a post-employment benefit plan for the benefit employees of the Company, or of any entity that is a related party of the Company.

d. Cash and Cash equivalents

Cash and cash equivalents consist of cash on hand and in banks and all unrestricted investment with maturities of three months or less from the date of placement.

e. Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivable is established when there is objective evidence that the outstanding amounts of the Company's receivables will not be collected.

f. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Costs of vehicles and spare parts are determined using the moving weighted average method.

A provision for inventory loss is determined on the basis of estimated inventory losses since the date of the last physical inventory.

g. Impairment of Financial Assets

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognised only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The Company first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

i. Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Machinery	8
Computer and data processing equipment	4
Factory equipment	8
Home and office appliance	4
Transportation equipment	4-8

When the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its estimated recoverable amount, which is determined as the higher of net selling price of value in use.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Gain and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other gains (losses) – net in the profit and loss.

j. Trade Payables

Trade payable are stated at nominal values.

k. Employees' Benefits

The Company recognized the estimated liabilities for employees' benefits in accordance with the Labor Law No. 13/2003 dated March 25, 2003 and Job Creation Law No. 11/2020.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains and losses that exceed 10% of the greater of the present value of the Company's defined benefit obligation and the fair value of plan assets are recognized on straight-line basis over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The post-employment benefits obligation recognized in the statements of financial position represent the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost and as reduced by the fair value of plan assets.

In 2024 and 2023 there is no estimated employees benefit was calculated and reserved because the number of employees is nil persons in 2024 and 2023, hence the SFAS 24 (2013 Revision) "Employee Benefits" was not applied and the Company will be directly paid the benefit without provision when realization occurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Impairment of Non-Financial Assets

At reporting date, the Company reviews any indication of asset impairment.

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sales and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

m. Financial Assets and Liabilities

Financial Assets

Financial assets are classified in categories of (i) financial assets at fair value through profit and loss, (ii) loans and receivables, (iii) held-to-maturity financial assets, and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financials assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial Liabilities

Financial liabilities are classified in the following categories of (i) financial liabilities at fair value through profit and loss and (ii) financial liabilities measured at amortized cost. Financial liabilities are derecognized when they have redeemed or otherwise extinguished.

Determination of Fair Value

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the balance sheet date. Quoted market value used by the Company for the financial asset is bid price, while for the financial liabilities is ask price.

The fair value of financial instruments not traded in active markets is determined by using a specific valuation technique. The Company uses the discounted cash flow method by using assumptions based on market conditions existing at the date of financial position to determine the fair value of other financial instruments.

n. Revenue and Expense Recognition

Sales are recognized when the goods are delivered and title has passed or services already rendered. Expenses are recognized when incurred.

o. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Income Tax (Continued)

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the date of financial statements. Deferred tax is charged or credited in the statement of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also charged or credited directly to equity.

Deferred tax assets and liabilities are offset in the statements of financial position, except if these are for different legal entities, in the same manner the current tax assets and liabilities are presented.

Amendments to tax obligation are recorded when an assessment is received or, if appealed against by the Company and its subsidiaries, when the result of the appeal is determined.

p. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from these estimates.

3. CASH AND CASH EQUIVALENTS

	2024 IDR	2023 IDR	2024 IDR	2023 IDR
Cash in banks				
Citibank N.A.	288,860,698	402,213,020	0.15	0.21
Time deposit				
Citibank N.A. (interest rate 4.55% p.a.)	<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>0.79</u>	<u>0.79</u>
Total	<u>1,788,860,698</u>	<u>1,902,213,020</u>	<u>0.94</u>	<u>1.00</u>
By Currency				
	2024 IDR	2023 IDR	2024 Rs (crore)	2023 Rs (crore)
United States Dollar				
Cash in banks (USD 9,884.60 in 2024 and 2023)	156,700,564	148,881,845	0.08	0.08
Indonesian Rupiah				
Cash in banks	132,160,134	253,331,175	0.07	0.13
Time deposit	<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>0.79</u>	<u>0.79</u>
Total	<u>1,788,860,698</u>	<u>1,902,213,020</u>	<u>0.94</u>	<u>1.00</u>

4. OTHER RECEIVABLE

This account represent the interest income receivable from time deposit amounting to IDR 4,520,548 in 2024 and IDR 6,731,507 in 2023.

5. TAXATION

a. Taxes Payable

	2024	2023	
	IDR	IDR	
Income taxes:			
Article 23	-	100,000	-

b. Tax Benefit

A reconciliation between loss before tax per statements of income and fiscal loss is as follows:

	2024	2023	2024	2023
	IDR	IDR	Rs (crore)	Rs (crore)
Loss before tax per statements of income	(78,729,948)	(50,813,091)	(0.05)	(0.03)
Nondeductible expenses (income):				
Employees' benefit in kinds:				
Miscellaneous expense	14,935,286	10,653,671	0.01	0.01
Interest income	(62,000,137)	(6,731,507)	(0.03)	-
Total	(47,064,851)	3,922,164	(0.02)	0.01
Fiscal income (loss) for current year	(125,794,799)	(46,890,927)	(0.07)	(0.02)
Accumulated Fiscal loss:				
2024	(125,794,799)	-	(0.07)	-
2023	(46,890,927)	(46,890,927)	(0.02)	(0.02)
2022	(73,335,903)	(73,335,903)	(0.04)	(0.04)
2019	-	(4,273,770,389)	-	(2.25)
2018	-	(2,376,513,912)	-	(1.25)
Total accumulated fiscal loss	(246,021,629)	(6,770,511,131)	(0.13)	(3.56)

6. OTHER PAYABLES

	2024	2023	2024	2023
	IDR	IDR	Rs (crore)	Rs (crore)
PT Triangle Intense Services	999,600	999,600	-	-
PT Abdi Raharja	-	23,333,333	-	0.01
KAP Handoko & Suparmun	-	4,900,000	-	-
Total	999,600	29,232,933	-	0.01

PT BAJAJ AUTO INDONESIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023
(Expressed in Indonesian Rupiah, unless otherwise stated) (Continued)

7. CAPITAL STOCK

Name of stockholder	Series	2024 and 2023		Total Paid-Up Capital	
		Number of Share	Percentage of Ownership %	USD	IDR
Bajaj Auto Limited	A	408,750	98.50%	1,226,250	11,471,568,750
	B	3,125	0.75%	9,375	87,703,125
Teguh Boentoro	B	3,125	0.75%	9,375	87,703,125
Total		415,000	100%	1,245,000	11,646,975,000

The balance of foreign exchange difference on paid-up capital represents funds received by the Company over the par value of shares issued, as a result of differences in exchange rates between the rate used in the articles of association and the actual rate ruling on the date the foreign currency capital was contributed by the shareholders.

8. OPERATING EXPENSES

General and Administrative Expenses

	2024	2023	2024	2023
	IDR	IDR	Rs (crore)	Rs (crore)
Consultancy and legalisation	105,450,775	75,000,000	0.05	0.04
Professional fee	50,000,000	50,000,000	0.03	0.03
Miscellaneous	14,935,286	10,653,671	0.01	0.01
Courier and communication	705,476	8,343,847	-	-
Bank charges	40,600	34,800	-	-
Other	750,000	-	-	-
Total	171,882,137	144,032,318	0.09	0.08

9. OTHER INCOME

	2024	2023	2024	2023
	IDR	IDR	Rs (crore)	Rs (crore)
Gain on foreign exchange - net	7,818,719	56,487,720	-	0.03
Miscellaneous income	23,333,333	30,000,000	0.01	0.02
Interest income	62,000,137	6,731,507	0.03	-
Total	93,152,189	93,219,227	0.04	0.05

10. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

As of March 31, 2024 and 2023, the Company had monetary assets and liabilities in foreign currency as follows:

	2024		2023		2024		2023	
	Balance in USD	Equivalent in IDR	Balance in USD	Equivalent in IDR	Equivalent in Rs (crore)	Equivalent in Rs (crore)	Equivalent in Rs (crore)	Equivalent in Rs (crore)
<u>Assets</u>								
Cash on hand and in banks	9,884.60	156,700,564	9,884.60	148,881,845	0.08		0.08	
Total Assets	9,884.60	156,700,564	9,884.60	148,881,845	0.08		0.08	
Net Assets	9,884.60	156,700,564	9,884.60	148,881,845	0.08		0.08	

The conversion rate used by the Company is IDR 15,853 and IDR 15,062 for USD 1 as of March 31, 2024 and 2023, respectively.

11. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's treasury policies are designed to mitigate the financial impact of fluctuations in interest rates and foreign exchanges rates and to minimize potential adverse effects on the Company's financial risk.

(i) Market Risk

Foreign Exchange Risk

The Company is exposed to foreign exchange risk primarily arise from recognized monetary assets and liabilities that are denominated in a currency that is not the Company's functional currency.

The Company closely monitors the foreign exchange rate fluctuation and market expectation so it can take necessary actions benefits to the Company in due time. The management currently considers no need to make any forward/swaps currency transaction.

(ii) Credit Risk

Credit risk refers to the risk that customers will default on its contractual obligation resulting in loss to the Company.

The Company's credit risk is primarily attributed to its cash in banks and trade receivables. The credit risk on the bank balance is limited because the Company place their bank balances with credit worthy financial institutions. The Company minimizes credit risk exposure on trade receivables arising from customers by limiting the amount of credit to any particular customer and by monitoring receivables aging and managing ongoing collection.

(iii) Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its obligations when due. The management evaluates and monitors cash-in flows and cash-out flows to ensure the availability of fund to settle the due obligation. In general, fund needed to settle the current and longterm liabilities are obtained from sales activities to customers.

12. BUSINESS PLAN

The Company continues trying to be prudent in their management and operations, by implementing the following strategies:

The Company intends to study and evaluate the relevant market with reference to its product line and the general economic scenario to decide an appropriate time frame for it to enter the Indonesian and other surrounding geographies and finetune the business plan.

Given the current economic scenario, the Company maintains a cautious approach.

13. COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of these financial statements that were completed on April 3, 2024.
