

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.

BALANCE SHEET

AS AT

31 March 2020

AND

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 March 2020

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.

BALANCE SHEET AS AT 31 MARCH 2020

Euros

Rs in Crores

Particulars	Note No.	Euros		Rs in Crores	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
ASSETS					
Non-current assets					
Financial assets					
Investments	2	198,109,356.60	198,109,356.60	1,639.75	1,639.75
		198,109,356.60	198,109,356.60	1,639.75	1,639.75
Current assets					
Financial assets					
Cash and cash equivalents	3	914,149.89	1,228,376.01	7.57	10.17
Other current assets	4	7,603.11	7,410.46	0.06	0.06
		921,753.00	1,235,786.47	7.63	10.23
Total		199,031,109.60	199,345,143.07	1,647.38	1,649.98
EQUITY AND LIABILITIES					
Equity					
Equity share capital	5	198,000,000.00	198,000,000.00	1,638.85	1,638.85
Other equity	6	1,026,109.60	1,337,245.63	8.49	11.06
		199,026,109.60	199,337,245.63	1,647.34	1,649.91
Current liabilities					
Other current liabilities	7	5,000.00	7,897.44	0.04	0.07
		5,000.00	7,897.44	0.04	0.07
Total		199,031,109.60	199,345,143.07	1,647.38	1,649.98

Summary of significant accounting policies followed by the Company 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & Co LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

On behalf of the Board of Directors
IQEQ Management (Neth Mark Arends
Managing Director A Managing Director A

per Arvind Sethi
Partner
Membership Number: 89802

S. Ravikumar R.J. Knunz
Managing Director B Managing Director B

Pune: 20th May 2020

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Note No.	Euros		Rs in Crores	
		Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Other operating revenue		26,024,320.00	11,710,944.00	215.40	96.93
Revenue from operations		26,024,320.00	11,710,944.00	215.40	96.93
Total income	8	26,024,320.00	11,710,944.00	215.40	96.93
Expenses					
Other expenses	9	100,456.03	75,786.92	0.83	0.62
Total expenses		100,456.03	75,786.92	0.83	0.62
Profit before tax		25,923,863.97	11,635,157.08	214.57	96.31
Total tax expense		-	-	-	-
Profit after tax for the year		25,923,863.97	11,635,157.08	214.57	96.31
Total comprehensive income for the year		25,923,863.97	11,635,157.08	214.57	96.31
Basic and diluted Earnings per share (in Euro) (Nominal value per share Euro 100)	10	13.09	5.88	1,083.69	486.36

Summary of significant accounting policies followed by the Company

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & Co LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

On behalf of the Board of Directors
IQEQ Management (Netherlands) B.V Mark Arends
Managing Director A Managing Director A

per Arvind Sethi
Partner
Membership Number: 89802

S. Ravikumar
Managing Director B

R.J. Knunz
Managing Director B

Pune: 20th May 2020

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

A. Equity share capital

Particulars	Note No.	Euros		Rs in Crores	
		Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
At the beginning of the year		198,000,000.00	198,000,000.00	1,638.85	1,638.85
Changes in equity share capital during the year		-	-	-	-
At the end of the year	5	198,000,000.00	198,000,000.00	1,638.85	1,638.85

B. Other equity

Particulars	Note No.	EUROS			
		Reserves and surplus	Total other equity	Reserves and surplus	Total other equity
		Retained earnings		Retained earnings	
Balance as at 31 March 2018	6	1,582,088.55	1,582,088.55	13.08	13.08
Profit for the year		11,635,157.08	11,635,157.08	96.31	96.31
Total comprehensive income for the year ended 31 March 2019		11,635,157.08	11,635,157.08	96.31	96.31
Interim dividend		(11,880,000.00)	(11,880,000.00)	(98.33)	(98.33)
Balance as at 31 March 2019	6	1,337,245.63	1,337,245.63	11.06	11.06
Profit for the year	6	25,923,863.97	25,923,863.97	214.57	214.57
Total comprehensive income for the year ended 31 March 2020		25,923,863.97	25,923,863.97	214.57	214.57
Interim dividend		(26,235,000.00)	(26,235,000.00)	(217.14)	(217.14)
Balance as at 31 March 2020	6	1,026,109.60	1,026,109.60	8.49	8.49

1

Summary of significant accounting policies followed by the Company

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & Co LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

On behalf of the Board of Directors
IQEQ Management (Netherlands) B. Mark Arends
Managing Director A
J. Hol
Managing Director A

per Arvind Sethi
Partner
Membership Number: 89802

S. Ravikumar
Managing Director B
R.J. Knunz
Managing Director B
R.J. Knunz
Managing Director B

Pune: 20th May 2020

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	EUROS				Rs in Crores
	For the year ended		For the year ended		
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	
A. Operating activities					
Profit before tax	25,923,863.97	11,635,157.08	214.57	96.31	
Adjustments:					
Less:					
i) Investment income included in above:					
Dividend income on investments in associates	26,024,320.00	11,710,944.00	215.40	96.93	
	<u>26,024,320.00</u>	<u>11,710,944.00</u>	<u>215.40</u>	<u>96.93</u>	
	(26,024,320.00)	(11,710,944.00)	(215.40)	(96.93)	
	<u>(100,456.03)</u>	<u>(75,786.92)</u>	<u>(0.83)</u>	<u>(0.62)</u>	
Change in assets and liabilities					
i) Other current assets	(192.65)	(387.73)	-	-	
ii) Liabilities and provisions	<u>(2,897.44)</u>	<u>3,722.90</u>	<u>(0.03)</u>	<u>0.02</u>	
	(3,090.09)	3,335.17	(0.03)	0.02	
Net cash from operating activities before income-tax	<u>(103,546.12)</u>	<u>(72,451.75)</u>	<u>(0.86)</u>	<u>(0.60)</u>	
Net cash used in operating activities	<u>(103,546.12)</u>	<u>(72,451.75)</u>	<u>(0.86)</u>	<u>(0.60)</u>	
B. Investing activities					
i) Investment income					
Dividend income on investments in associates	26,024,320.00	11,710,944.00	215.40	96.93	
Net cash from investing activities	<u>26,024,320.00</u>	<u>11,710,944.00</u>	<u>215.40</u>	<u>96.93</u>	
C. Financing activities					
i) Dividend paid	(26,235,000.00)	(11,880,000.00)	(217.14)	(98.33)	
Net cash used in financing activities	<u>(26,235,000.00)</u>	<u>(11,880,000.00)</u>	<u>(217.14)</u>	<u>(98.33)</u>	
A+B+C Net change in cash and cash equivalents	<u>(314,226.12)</u>	<u>(241,507.75)</u>	<u>(2.60)</u>	<u>(2.00)</u>	
Cash and cash equivalents at the beginning of the year	1,228,376.01	1,469,883.76	10.17	12.17	
Cash and cash equivalents at the end of the year (refer note no. 3)	914,149.89	1,228,376.01	7.57	10.17	
	-	-	-	-	

As per our report of even date

For S R B C & Co LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

On behalf of the Board of Directors
IQEQ Management (Netherlands) B.V.
Managing Director A

Mark Arends
Managing Director A

per Arvind Sethi
Partner
Membership Number: 89802

S. Ravikumar
Managing Director B

R.J. Knunz
Managing Director B

Pune: 20th May 2020

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 2020 & 2019 have been converted in Indian Rupees at following exchange rate as on 31 March 2020.

1 Euro = Rs. 82.7700

Background

Bajaj Auto International Holdings B.V. 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 2020, the Company's equity in Austria based KTM AG remained at 47.99% (as at 31 March 2019 - 47.99%). The registered office of the company is located at Sluisweg 20, 6581 Ka, Malden, The Netherlands.

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) read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in EUROS, which is also the Company's functional currency and all values are rounded to the nearest Euro except when otherwise indicated.

All assets and liabilities, other than deferred tax assets and liabilities if any, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for current and non-current classification of assets and liabilities.

1. 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 recognizes income and expenditure on an accrual basis except in case of significant uncertainties.

- ii) Financial Statements are prepared on a historical cost basis.
- iii) The financial statements are presented in Euro, which is also the company's functional currency.
- iv) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.
- vi) 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 recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, the Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of dividend can be measured reliably.

Interest is accrued over the period of Loan.

The Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

3) Investments

Investment in associate is recognized at cost. Cost represents the amount paid for the acquisitions of said investments.

The company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the company estimates the recoverable value / amount of the investments and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

4) Foreign currency transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). On initial recognition, all foreign currency transactions are recorded at the foreign exchange rate on the date of the transaction. Monetary 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 monetary assets and liabilities in foreign currency, are recognized in the Statement of Profit and Loss.

5) Taxation

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.
- b) Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- c) Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences.

6) Provisions

The Company creates a provision when there is a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

7) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events such as bonus shares, other than conversion of potential equity shares that have changed the number of equity shares outstanding without corresponding change in resources.

2 Investments

	Non-Current		Non-Current	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	EUROS	EUROS	Rs in Crores	Rs in Crores
In Equity Shares "at cost, unquoted" 5,204,864 equity Shares of Euro 1 each in KTM AG	198,109,356.60	198,109,356.60	1,639.75	1,639.75
	198,109,356.60	198,109,356.60	1,639.75	1,639.75

3 Cash and cash equivalents

	Current		Current	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	EUROS	EUROS	Rs in Crores	Rs in Crores
Balances with banks In current accounts	914,149.89	1,228,376.01	7.57	10.17
	914,149.89	1,228,376.01	7.57	10.17

4 Other current assets

(Unsecured, good, unless stated otherwise)

	Current		Current	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	EUROS	EUROS	Rs in Crores	Rs in Crores
Prepaid expenses	7,603.11	7,410.46	0.06	0.06
	7,603.11	7,410.46	0.06	0.06

5 Equity share capital

	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	EUROS	EUROS	Rs in Crores	Rs in Crores
Authorised 2,000,000 equity shares of Euro 100 each	200,000,000.00	200,000,000.00	1,655.40	1,655.40
Issued, subscribed and fully paid-up shares 1,980,000 equity shares of Euro 100 each	198,000,000.00	198,000,000.00	1,638.85	1,638.85
	198,000,000.00	198,000,000.00	1,638.85	1,638.85

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

	As at		As at	
	31 March 2020		31 March 2019	
	Nos.	% Holding	Nos.	% Holding
Equity shares of Euro 100 each fully paid				
Bajaj Auto Limited	1,980,000	100.00%	1,980,000	100.00%

Notes to financial statements for the year ended 31 March 2020

6 Other equity

	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
Retained earnings				
Balance as at the beginning of the year	1,337,245.63	1,582,088.55	11.06	13.08
Profit for the year	25,923,863.97	11,635,157.08	214.57	96.31
Less: Appropriations				
Interim dividend	26,235,000.00	11,880,000.00	217.14	98.33
Total appropriations	26,235,000.00	11,880,000.00	217.14	98.33
Balance in retained earnings	1,026,109.60	1,337,245.63	8.49	11.06
	1,026,109.60	1,337,245.63	8.49	11.06

7 Other current liabilities

	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
Other payables	5,000.00	7,897.44	0.04	0.07
	5,000.00	7,897.44	0.04	0.07

8 Revenue from operations

	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
Other operating revenue				
Dividend income on investments	26,024,320.00	11,710,944.00	215.40	96.93
	26,024,320.00	11,710,944.00	215.40	96.93

9 Other expenses

	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
Legal & Professional charges	24,984.33	11,346.14	0.21	0.09
Bank Charges	4,584.35	4,657.70	0.04	0.04
Directors Fees	7,574.58	7,413.12	0.06	0.06
Management Fees	63,312.77	52,369.96	0.52	0.43
	100,456.03	75,786.92	0.83	0.62

10 Earnings Per Share (EPS)

	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
a. Profit for the year (Euro)	25,923,864	11,635,157.08	214.57	96.30
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]	13.09	5.88	1,083.69	486.36
Face value per share (Euro)	100.00	100.00		

Bajaj Auto International Holdings B.V.

Notes to financial statements for the year ended 31 March 2020

Bajaj Auto International Holdings B.V.

11 Disclosure of transactions with related parties as required by the Indian Accounting Standard 24

Sr. No	Name of related party and Nature of relationship	Nature of transaction	Euros						Rs in Crores	
			2019-20		2018-19		2019-20		2018-19	
			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
A	Holding Company Bajaj Auto Limited	Contribution to equity (1,980,000 shares of Euro 100 each)		198,000,000.00		198,000,000.00		1,638.85		1,638.85
		Interim Dividend Paid	26,235,000.00		11,880,000.00		217.15		98.33	
B	Associate KTM AG	Investment [5,204,864 Shares of Euro 1 each]		198,109,357.00		198,109,357.00		1,639.75		1,639.75
		Dividend Received	26,024,320.00		11,710,944.00		215.40		96.93	

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

As per our report of even date

For S R B C & Co LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

On behalf of the Board of Directors
IQEQ Management (Netherlands) B.V.
Managing Director A

Mark Arends
Managing Director A

per Arvind Sethi
Partner
Membership Number: 89802

S. Ravikumar
Managing Director B

R.J. Knunz
Managing Director B

Pune: 20th May 2020

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

Particulars	Note No.	Euros		Rs in Crores	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
ASSETS					
Non-current assets					
Financial assets					
Investments	2	277,518,117.22	264,265,031.29	2,297.02	2,187.32
		277,518,117.22	264,265,031.29	2,297.02	2,187.32
Goodwill on investment in associates		78,998,488.00	78,998,488.00	653.87	653.87
Current assets					
Financial assets					
Cash and cash equivalents	3	914,149.89	1,228,376.01	7.57	10.17
Other current assets	4	7,603.11	7,410.46	0.06	0.06
		921,753.00	1,235,786.47	7.63	10.23
Total		357,438,358.22	344,499,305.76	2,958.52	2,851.42
EQUITY AND LIABILITIES					
Equity					
Equity share capital	5	198,000,000.00	198,000,000.00	1,638.85	1,638.85
Other equity	6	159,433,358.22	146,491,408.32	1,319.63	1,212.50
		357,433,358.22	344,491,408.32	2,958.48	2,851.35
Current liabilities					
Financial liabilities					
Other current liabilities	7	5,000.00	7,897.44	0.04	0.07
		5,000.00	7,897.44	0.04	0.07
Total		357,438,358.22	344,499,305.76	2,958.52	2,851.42

Summary of significant accounting policies followed by the Company

1

The accompanying notes are an integral part of the consolidated financial statements

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Note No.	Euros		Rs in Crores	
		Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Total income		-	-	-	-
Expenses					
Other expenses	8	100,456.03	75,786.92	0.83	0.62
Total expenses		100,456.03	75,786.92	0.83	0.62
Profit before tax		(100,456.03)	(75,786.92)	(0.83)	(0.62)
Tax expense		-	-	-	-
Profit after tax		(100,456.03)	(75,786.92)	(0.83)	(0.62)
Share of profits from Associates		40,645,452.48	43,054,231.87	336.42	356.36
Profit for the year		40,544,996.45	42,978,444.95	335.59	355.74
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains/(losses) of defined benefit plans - share of associate		(988,594.00)	(400,716.50)	(8.18)	(3.32)
Items that will be reclassified to profit or loss					
Other adjustments - share of associate		(379,452.55)	(643,015.91)	(3.14)	(5.32)
Other comprehensive income (net of tax)		(1,368,046.55)	(1,043,732.41)	(11.32)	(8.64)
Total comprehensive income for the year		39,176,949.90	41,934,712.54	324.27	347.10
Basic and diluted Earnings per share (in Euro) (Nominal value per share Euro 100)	9	20.48	21.71	1,694.90	1,796.62

Summary of significant accounting policies followed by the Company

1

The accompanying notes are an integral part of the consolidated financial statements

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

A. Equity share capital

Particulars	Note No.	Euros		Rs in Crores	
		Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
At the beginning of the year		198,000,000.00	198,000,000.00	1,638.85	1,638.85
Changes in equity share capital during the year		-	-	-	-
At the end of the year	5	198,000,000.00	198,000,000.00	1,638.85	1,638.85

B. Other equity

Particulars	Note No.	Euros			Rs in Crores		
		Reserves and surplus		Total other equity	Reserves and surplus		Total other equity
		General Reserve	Retained earnings		General Reserve	Retained earnings	
Balance as at 31 March 2018	6	2,134,847.19	114,301,848.59	116,436,695.78	17.67	946.07	963.74
Profit for the year		-	42,978,444.95	42,978,444.95	-	355.74	355.74
Other comprehensive income (net of tax)		(1,043,732.41)	-	(1,043,732.41)	(8.64)	-	(8.64)
Total comprehensive income for the year ended 31 March 2019		(1,043,732.41)	42,978,444.95	41,934,712.54	(8.64)	355.74	347.10
Interim dividend, declared and paid during the year		-	(11,880,000.00)	(11,880,000.00)	-	(98.33)	(98.33)
Balance as at 31 March 2019	6	1,091,114.78	145,400,293.54	146,491,408.32	9.03	1,203.48	1,212.51
Profit for the year		-	40,544,996.45	40,544,996.45	-	335.59	335.59
Other comprehensive income (net of tax)		(1,368,046.55)	-	(1,368,046.55)	(11.32)	-	(11.32)
Total comprehensive income for the year ended 31 March 2020		(1,368,046.55)	40,544,996.45	39,176,949.90	(11.32)	335.59	324.27
Interim dividend, declared and paid during the year		-	(26,235,000.00)	(26,235,000.00)	-	(217.14)	(217.14)
Balance as at 31 March 2020	6	(276,931.77)	159,710,289.99	159,433,358.22	(2.29)	1,321.93	1,319.64

Summary of significant accounting policies followed by the Company 1

The accompanying notes are an integral part of the consolidated financial statements

BAJAJ AUTO INTERNATIONAL HOLDINGS B.V.
STATEMENT OF CASH FLOWS

Particulars	Euros				Rs. in Crores	
	For the year ended		For the year ended			
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
A. Operating activities						
Profit for the year	40,544,996.45	42,978,444.95	335.59	355.74		
Adjustments:						
Less:						
i) Investment income included in above:						
Share of profits from associates	40,645,452.48	43,054,231.87	336.42	356.36		
	<u>40,645,452.48</u>	<u>43,054,231.87</u>	<u>336.42</u>	<u>356.36</u>		
	(40,645,452.48)	(43,054,231.87)	(336.42)	(356.36)		
	(100,456.03)	(75,786.92)	(0.83)	(0.62)		
Change in assets and liabilities						
i) Other current assets	(192.65)	(387.73)	-	-		
ii) Liabilities and provisions	(2,897.44)	3,722.90	(0.03)	0.02		
	(3,090.09)	3,335.17	(0.03)	0.02		
Net cash from operating activities before income-tax	(103,546.12)	(72,451.75)	(0.86)	(0.60)		
Net cash from operating activities	(103,546.12)	(72,451.75)	(0.86)	(0.60)		
B. Investing activities						
i) Investment income						
Dividend received from KTM AG	26,024,320.00	11,710,944.00	215.40	96.93		
Net cash from investing activities	26,024,320.00	11,710,944.00	215.40	96.93		
C. Financing activities						
i) Dividend paid	(26,235,000.00)	(11,880,000.00)	(217.14)	(98.33)		
Net cash from financing activities	(26,235,000.00)	(11,880,000.00)	(217.14)	(98.33)		
A+B+C Net change in cash and cash equivalents	(314,226.12)	(241,507.75)	(2.60)	(2.00)		
Cash and cash equivalents at the beginning of the year	1,228,376.01	1,469,883.76	10.17	12.17		
Cash and cash equivalents at the end of the year	914,149.89	1,228,376.01	7.57	10.17		
	-	-	-	-		

Bajaj Auto International Holdings B.V.

Notes to Financial statements for the year ended March 2020

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 2020 & 2019 have been converted in Indian Rupees at following exchange rate as on 31 March 2020.

1 Euro = Rs. 82.7700

Background

Bajaj Auto International Holdings B.V. ("the Company") is a Netherlands based wholly owned subsidiary of Bajaj Auto Limited (BAL) incorporated on 25 October 2007 with the object, inter alia, of carrying out investments in ventures abroad.

The consolidated financial statements comprise financial statements of the Company and its associates for the year ended 31 March 2020.

The consolidated financial statements include results of the associates of the Company, consolidated in accordance with Ind AS 28 "Investment in Associates and Joint Ventures".

Name of the company	Country of Incorporation	% Shareholding of the Company	Consolidated as
KTM AG	Austria	47.99%	Associate

1) Summary of significant accounting policies followed by the Company

Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Significant accounting policies

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) Investment in associates

Investments in associates are accounted for using the equity method. An associate is an entity over which the Company is in a position to exercise significant influence over operating and financial policies. The considerations made in determining whether significant influence is being exercised are similar to those necessary to determine control over the subsidiaries. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

The Company's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Company's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Company's reserves. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Company's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Company's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared with a three months' time lag for consolidation into the Company financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Company. The Company has not identified any material adjustments during the year; in regard to the alignment of accounting policies.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2) Other significant accounting policies

Other significant accounting policies followed by the company are exactly similar to the significant accounting policies of the parent i.e. the Company and hence have not been reproduced here. Refer note 1 of standalone financial statements of the Company for the year ended 31 March 2020 for details in regard to other significant accounting policies.

The Consolidated Financial Statements of Bajaj Auto International Holdings B.V. include 47.99 % [Previous year 47.99%] interest in KTM AG (acompany incorporated in Austria) as an associate.

2 Investments	Non-Current		Non-Current	
	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
In Equity Shares 5,204,864 equity Shares of Euro 1 each in KTM AG	119,110,868.60	119,110,868.60	985.88	985.88
Add: Share of Reserves of Associates- KTM AG	158,407,248.62	145,154,162.69	1,311.14	1,201.44
	277,518,117.22	264,265,031.29	2,297.02	2,187.32

3 Cash and cash equivalents	Current		Current	
	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
Balances with banks In current accounts	914,149.89	1,228,376.01	7.57	10.17
	914,149.89	1,228,376.01	7.57	10.17

4 Other current assets (Unsecured, good, unless stated otherwise)	Current		Current	
	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
Prepaid expenses	7,603.11	7,410.46	0.06	0.06
	7,603.11	7,410.46	0.06	0.06

5 Equity share capital	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
	Authorised 2,000,000 equity shares of Euro 100 each	200,000,000.00	200,000,000.00	1,655.40
Issued, subscribed and fully paid-up shares 1,980,000 equity shares of Euro 100 each	198,000,000.00	198,000,000.00	1,638.85	1,638.85
	198,000,000.00	198,000,000.00	1,638.85	1,638.85

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

Equity shares of Euro 100 each fully paid	As at 31 March 2020		As at 31 March 2019	
	Nos.	% Holding	Nos.	% Holding
Bajaj Auto Limited	1,980,000	100.00%	1,980,000	100.00%

6 Other equity

	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
General reserve				
Balance as at the beginning of the year	1,091,114.78	2,134,847.19	9.03	17.67
Add/(Less): Adjustment on account of change in share of net assets of associate	(1,368,046.55)	(1,043,732.41)	(11.32)	(8.64)
Closing balance	(276,931.77)	1,091,114.78	(2.29)	9.03
Retained earnings				
Balance as at the beginning of the year	145,400,293.54	114,301,848.59	1,203.47	946.06
Profit for the year	40,544,996.45	42,978,444.95	335.59	355.74
Less: Appropriations				
Interim dividend	26,235,000.00	11,880,000.00	217.14	98.33
Total appropriations	26,235,000.00	11,880,000.00	217.14	98.33
Balance in retained earnings	159,710,289.99	145,400,293.54	1,321.92	1,203.47
	159,433,358.22	146,491,408.32	1,319.63	1,212.50

7 Other current liabilities

	As at		As at	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
Other payables	5,000.00	7,897.44	0.04	0.07
	5,000.00	7,897.44	0.04	0.07

8 Other expenses

	For the year ended		For the year ended	
	31 March 2020 EUROS	31 March 2019 EUROS	31 March 2020 Rs in Crores	31 March 2019 Rs in Crores
Legal & Professional charges	24,984.33	11,346.14	0.21	0.09
Bank Charges	4,584.35	4,657.70	0.04	0.04
Directors Fees	7,574.58	7,413.12	0.06	0.06
Management Fees	63,312.77	52,369.96	0.52	0.43
	100,456.03	75,786.92	0.83	0.62

9 Earnings Per Share (EPS)

	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
a. Profit for the year (Euro)	40,544,996.45	42,978,444.95	335.59	355.73
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]	20.48	21.71	1,694.90	1,796.62
Face value per share (Euro)	100.00	100.00		

10 Investment in an associate

The Company has a 47.99% interest in KTM AG, Austria which is engaged in the development, production and distribution of motorised vehicles under the "KTM" and "Husqvarna" brands; and holds equity interests in other entities engaging in development, production and distribution of such equipment. Major sale markets include the USA, Germany, France, Australia, the UK, Italy, Spain, Canada, Austria, Argentina and other European countries.

KTM AG is a private entity that is not listed on any public exchange. The Company's interest is in KTM AG.

The following table illustrates the summarised financial information of KTM AG (Euro, in Million, which is its functional currency) :

	Euro in Million		Rs. in crores	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Current assets	661.61	569.82	5,476.15	4,716.40
Non-current assets	830.60	732.03	6,874.88	6,059.01
Current liabilities	340.30	356.85	2,816.66	2,953.65
Non-current liabilities	546.00	394.30	4,519.24	3,263.62
Equity	605.91	550.70	5,015.13	4,558.14
Revenue	1,512.88	1,454.75	12,522.11	12,040.97
Cost of sales	(1,072.41)	(1,037.67)	(8,876.34)	(8,588.79)
Gross profit	440.47	417.08	3,645.77	3,452.18
Selling and racing expenses	(215.32)	(173.78)	(1,782.20)	(1,438.38)
Research and development expenses	(19.93)	(22.43)	(164.96)	(185.65)
Infrastructure and administration expenses	(82.81)	(56.92)	(685.42)	(471.13)
Other operating expenses	(1.42)	(30.68)	(11.75)	(253.94)
Other operating income	1.02	0.64	8.44	5.30
Share of profit of associates	(0.72)	(4.71)	(5.96)	(38.98)
Result from operating activities	121.29	129.20	1,003.92	1,069.40
Interest income	2.89	3.08	23.92	25.49
Interest expenses	(14.96)	(13.83)	(123.82)	(114.47)
Other financial result	(0.41)	(1.81)	(3.39)	(14.98)
Profit before tax	108.81	116.64	900.63	965.44
Tax expense	(24.16)	(26.87)	(199.97)	(222.40)
Profit for the year (continuing operations)	84.65	89.77	700.66	743.04
Total comprehensive income for the year (continuing operations)	82.82	87.31	685.50	722.66

The associate had no contingent liabilities or capital commitments.

11 Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures.

12 The accounting policies of the parent are best viewed in its independent financial statements. Differences in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not significant.