

Volkswagen Finance Private Limited

Address: Silver Utopia, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri East, Mumbai 400099
CIN - U65999MH2009FTC189640

Statement of audited financial results for the half year and year ended March 31, 2020

Statement of Profit and Loss

(Rs. in Lakhs except per share data)

Sr No	Particulars	Half year ended		Year ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Revenue From Operations				
(i)	Interest income	17,097.85	25,926.28	42,183.85	52,612.28
(ii)	Fees and commission income	2,372.84	2,944.66	4,512.84	5,501.66
(iii)	Other operating income	707.51	558.07	918.78	778.07
(iv)	Recoveries from financial assets written off	348.92	115.68	367.65	115.68
I	Total Revenue from operations	20,527.12	29,544.69	47,983.12	59,007.70
II	Other Income	66.28	104.24	246.28	256.24
III	Total Income (I + II)	20,593.40	29,648.93	48,229.40	59,263.94
IV	Expenses				
(i)	Finance Costs	10,274.23	14,516.67	22,595.23	29,346.67
(ii)	Fees and Commissions expense	1,164.66	3,659.85	3,260.72	3,659.85
(iii)	Impairment on financial instruments	3,560.86	10,184.78	5,166.86	19,995.78
(iv)	Employee Benefits Expenses	2,406.70	2,253.48	4,972.70	5,184.48
(v)	Depreciation and amortization expenses	465.30	140.36	854.30	364.36
(vi)	Other Expenses	6,056.92	1,563.24	9,605.86	6,557.24
	Total Expenses	23,928.67	32,318.40	46,455.67	65,108.39
V	(Loss) / Profit before Tax (III-IV)	(3,335.27)	(2,669.47)	1,773.73	(5,844.44)
VI	Tax Expense	3,601.16	(908.54)	4,220.16	(2,030.55)
	(1) Current Tax	(294.98)	2,076.41	51.02	4,138.41
	(2) Deferred Tax	3,896.14	(2,984.96)	4,169.14	(6,168.96)
VII	(Loss) / Profit after Tax (V-VI)	(6,936.43)	(1,760.91)	(2,446.43)	(3,813.89)
VIII	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss	(27.10)	31.16	(11.10)	31.16
	(ii) Income tax relating to items that will not be reclassified to profit or loss	7.79	(10.78)	2.79	(10.78)
	Subtotal (A)	(19.31)	20.38	(8.31)	20.38
	B (i) Items that will be reclassified to profit or (loss)	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Income tax on total remeasurements for gratuity included in OCI	-	-	-	-
	Subtotal (B)	-	-	-	-
	Other Comprehensive Income (A + B)	(19.31)	20.38	(8.31)	20.38
IX	Total Comprehensive Income for the period (Comprising (Loss) / Profit and other Comprehensive Income for the year) (VII+VIII)	(6,955.75)	(1,740.53)	(2,454.74)	(3,793.51)
X	Earnings per Equity Share of Rs.10 each Basic and Diluted				
	Category 'A' Equity Shares of Rs.10 each	(0.59)	(0.15)	(0.21)	(0.32)
	Category 'B' Equity Shares of Rs.10 each	(0.59)	(0.15)	(0.21)	(0.32)

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Statement of audited financial results for the year ended March 31, 2020

Balance sheet

(Rs. In Lakhs)

Sr No	Particulars	Year ended	
		March 31, 2020	March 31, 2019
		(Audited)	(Audited)
	ASSETS		
	Financial assets		
(a)	Cash and cash equivalents	349.98	670.08
(b)	Bank balances other than cash and cash equivalents	1.15	1.00
(c)	Receivables	-	-
	(I) Trade receivables	730.57	2,586.45
	(II) Other receivables	-	-
(d)	Loans	343,901.53	491,311.88
(e)	Investment	2,449.84	-
(f)	Other Financial assets	600.36	617.02
	Total financial assets	348,033.43	495,186.43
	Non-financial assets		
(a)	Deferred Tax Asset (net)	8,848.73	13,017.87
(b)	Property, Plant and Equipments	672.33	706.18
(c)	Right of use assets	674.60	
(d)	Other Intangible Assets	240.61	300.06
(e)	Capital work-in-progress	-	28.46
(f)	Intangible Assets under Development	7.00	1,921.96
(g)	Other non financial assets	4,440.32	3,361.45
(h)	Assets Held for Sale	134.30	493.23
	Total non financial assets	15,017.89	19,829.21
	TOTAL ASSETS	363,051.32	515,015.64
	LIABILITIES AND EQUITY		
	Liabilities		
	Financial liabilities		
(a)	Payables		
	(I) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	25.72	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,405.02	18,724.96
	(II) Other payables	-	-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(b)	Debt securities	152,048.12	146,730.78
(c)	Borrowings (Other than debt securities)	70,670.82	207,319.94
(d)	Lease liability	644.92	
(e)	Other financial liabilities	944.99	1,288.87
	Total financial liabilities	227,739.59	374,064.55
	Non-financial liabilities		
(a)	Current Tax Liabilities (Net)	1,085.22	2,863.12
(b)	Provision for Expenses	1,889.73	2,853.74
(c)	Other Non Financial Liabilities	667.49	1,110.21
	Total non financial liabilities	3,642.44	6,827.07
	Equity		
(a)	Equity Share Capital	116,880.21	116,880.21
(b)	Other Equity	14,789.08	17,243.82
	Total equity	131,669.29	134,124.02
	TOTAL LIABILITIES AND EQUITY	363,051.32	515,015.64

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Notes:

- 1 Volkswagen Finance Private Limited (the 'Company') has prepared audited financial results (the 'Statement') for the financial year ended March 31, 2020 in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.
- 2 During the year ended March 31, 2020, the Company acquired a shareholding of 25.1% in Kuwy Technologies Services Private Limited. The investment has been consolidated using the equity method as per Ind AS 28 (Investment in Associates).
- 3 The Company has adopted IND As 116 Leases with effect from April 1, 2019 and capitalised assets taken on operating lease using the modified retrospective approach with right of use asset recognised at an amount equal to the adjusted lease liability. Accordingly comparative figures for the corresponding periods, for the year ended and as at March 31, 2019 have not been retrospectively adjusted.
- 4 COVID-19 pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Government of India announced a strict nation-wide lockdown to contain the spread of the virus till May 31, 2020. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 22, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy.

In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. The Company has carried out provisions for ECL after factoring management overlay allowance, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. However, the full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio) will depend on future developments including governmental and regulatory measures and the Company's responses thereto, which are highly uncertain at this time.
- 5 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the Company has recognised Provision for Taxation and remeasured its Deferred Tax Assets. The impact of this change arising out of the revaluation of its Deferred Tax Assets as on March 31, 2019 has been considered in the Statement of Profit and Loss for the year ended March 31, 2020.
- 6 The financial results of the Company for the year ended March 31, 2020 have been reviewed by the Audit Committee and have been taken on record and approved by the Board of Directors at its meeting held on July 30, 2020.
- 7 The figures for the current half year ended March 31, 2020 and for the previous half year ended March 31, 2019 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures for first six months ended of the respective financial year.
- 8 These financial results have been prepared in accordance with the requirement of regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by circular number CIR/CFD/FAC/52/2016 dated July 05, 2016 read with EIR/IMD/DF1/69/2016 dated August 10, 2016

For Volkswagen Finance Private Limited

Date: July 30, 2020

Place: Mumbai

Sd/-
Ashish Deshpande

Chief Executive Officer &
Managing Director
DIN No - 08314277

Sd/-
Gokhan Cinar
Chief Finance Officer
&
Managing Director
DIN No - 07649354

Independent Auditor's Report on the Standalone Ind AS Financial Results of Volkswagen Finance Private Limited pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To
The Board of Directors of
Volkswagen Finance Private Limited**

Opinion

We have audited the accompanying statement of standalone Ind AS financial results of Volkswagen Finance Private Limited (the "Company"), for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 4 these standalone Ind AS financial results, which describes the impact of the COVID-19 pandemic on the Company's business, results of operations, and financial position as a consequence of the Company's estimates of impairment of loans to customers, and that such estimates are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 SAs 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 the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

S.R. BATLIBOI & Co. LLP

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The comparative Ind AS financial information of the Company for the year ended March 31, 2019 included in these standalone Ind AS financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 30, 2019 expressed an unmodified opinion.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAACIW9908

Place: Mumbai
Date: July 31, 2020

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CIN - U65999MH2009FTC189640

Statement of audited consolidated financial results for the half year and year ended March 31, 2020

Statement of Profit and Loss

(Rs. in Lakhs except per share data)

Sr No	Particulars	Half year ended		Year ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Revenue From Operations				
(i)	Interest income	17,097.85	25,926.28	42,183.85	52,612.28
(ii)	Fees and commission income	2,372.84	2,944.66	4,512.84	5,501.66
(iii)	Other operating income	707.51	558.07	918.78	778.07
(iv)	Recoveries from financial assets written off	348.92	115.68	367.65	115.68
I	Total Revenue from operations	20,527.12	29,544.69	47,983.12	59,007.70
II	Other Income	66.28	104.24	246.28	256.24
III	Total Income (I + II)	20,593.40	29,648.93	48,229.40	59,263.94
IV	Expenses				
(i)	Finance Costs	10,274.23	14,516.67	22,595.23	29,346.67
(ii)	Fees and Commissions expense	1,164.66	3,659.85	3,260.72	3,659.85
(iii)	Impairment on financial instruments	3,560.86	10,184.78	5,166.86	19,995.78
(iv)	Employee Benefits Expenses	2,406.70	2,253.48	4,972.70	5,184.48
(v)	Depreciation and amortization expenses	465.30	140.36	854.30	364.36
(vi)	Other Expenses	6,056.92	1,563.24	9,605.86	6,557.24
	Total Expenses	23,928.67	32,318.40	46,455.67	65,108.39
V	Profit before tax (III - IV)	(3,335.27)	(2,669.47)	1,773.73	(5,844.44)
VI	Share of loss of investment accounted using equity method	(209.36)	-	(209.36)	-
VII	(Loss) / Profit before Tax (V - VI)	(3,544.63)	(2,669.47)	1,564.37	(5,844.44)
VI	Tax Expense	3,601.16	(908.54)	4,220.16	(2,030.55)
	(1) Current Tax	(294.98)	2,076.41	51.02	4,138.41
	(2) Deferred Tax	3,896.14	(2,984.96)	4,169.14	(6,168.96)
VII	(Loss) / Profit after Tax (V-VI)	(7,145.79)	(1,760.91)	(2,655.79)	(3,813.89)
VIII	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss	(27.10)	31.16	(11.10)	31.16
	(ii) Income tax relating to items that will not be reclassified to profit or loss	7.79	(10.78)	2.79	(10.78)
	Subtotal (A)	(19.31)	20.38	(8.31)	20.38
	B (i) Items that will be reclassified to profit or (loss)	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Income tax on total remeasurements for gratuity included in OCI	-	-	-	-
	Subtotal (B)	-	-	-	-
	Other Comprehensive Income (A + B)	(19.31)	20.38	(8.31)	20.38
IX	Total Comprehensive Income for the period (Comprising (Loss) / Profit and other Comprehensive Income for the year) (VII+VIII)	(7,165.10)	(1,740.53)	(2,664.10)	(3,793.51)
X	Earnings per Equity Share of Rs.10 each				
	Basic and Diluted				
	Category 'A' Equity Shares of Rs.10 each	(0.61)	(0.15)	(0.23)	(0.32)
	Category 'B' Equity Shares of Rs.10 each	(0.61)	(0.15)	(0.23)	(0.32)

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Balance sheet

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		(Audited)	(Audited)
	ASSETS		
	Financial assets		
(a)	Cash and cash equivalents	349.98	670.08
(b)	Bank balances other than cash and cash equivalents	1.15	1.00
(c)	Receivables	-	-
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	(II) Other receivables	-	-
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(e)	Investment	2,240.48	-
(f)	Other Financial assets	600.36	617.02
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(a)	Deferred Tax Asset (net)	8,848.73	13,017.87
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(e)	Capital work-in-progress	-	28.46
(f)	Intangible Assets under Development	7.00	1,921.96
(g)	Other non financial assets	4,440.32	3,361.45
(h)	Assets Held for Sale	134.30	493.23
	Total non financial assets	15,017.89	19,829.22
	TOTAL ASSETS	362,841.96	515,015.64
	LIABILITIES AND EQUITY		
	Liabilities		
	Financial liabilities		
(a)	Payables		
	(I) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	25.72	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,405.02	18,724.96
	(II) Other payables	-	-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(b)	Debt securities	152,048.12	146,730.78
(c)	Borrowings (Other than debt securities)	70,670.82	207,319.94
(d)	Lease liability	644.92	
(e)	Other financial liabilities	944.99	1,288.87
	Total financial liabilities	227,739.59	374,064.55
	Non-financial liabilities		
(a)	Current Tax Liabilities (Net)	1,085.22	2,863.12
(b)	Provision for Expenses	1,889.73	2,853.74
(c)	Other Non Financial Liabilities	667.49	1,110.21
	Total non financial liabilities	3,642.44	6,827.07
	Equity		
(a)	Equity Share Capital	116,880.21	116,880.21
(b)	Other Equity	14,579.72	17,243.81
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	TOTAL LIABILITIES AND EQUITY	362,841.96	515,015.64

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- 5 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the Company has recognised Provision for Taxation and remeasured its Deferred Tax Assets. The impact of this change arising out of the revaluation of its Deferred Tax Assets as on March 31, 2019 has been considered in the Statement of Profit and Loss for the year ended March 31, 2020.
- 6 The financial results of the Company for the year ended March 31, 2020 have been reviewed by the Audit Committee and have been taken on record and approved by the Board of Directors at its meeting held on July 30, 2020.
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For Volkswagen Finance Private Limited

Date: July 30, 2020

Place: Mumbai

Sd/-
Ashish Deshpande

Chief Executive Officer &
Managing Director
DIN No - 08314277

Sd/-
Gokhan Cinar
Chief Finance Officer
&
Managing Director
DIN No - 07649354

Independent Auditor's Report On the Consolidated Ind AS Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To
The Board of Directors of
Volkswagen Finance Private Limited**

Opinion

We have audited the accompanying statement of consolidated Ind AS financial results of Volkswagen Finance Private Limited (the "Holding Company") and an associate, for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the separate audited financial statements and on the other financial information of the associate, the Statement:

- i. includes the results of Kuwy Technology Service Private Limited (the "Associate");
- ii. is presented in accordance with the requirements of the Listing Regulations in this regard;
and
- iii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Holding Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Results" section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 4 of these Consolidated Ind AS financial results which describes the impact of the COVID-19 pandemic on the Holding Company's business, results of operations, and financial position as a consequence of the Holding Company's estimates of impairment of loans to customers, and that such estimates are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Ind AS Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Board of Directors of the Holding Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Holding Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Holding Company and of an associate are responsible for assessing the ability of Holding Company and of the associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Holding Company and of an associate are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 SAs 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 the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Consolidated Ind AS financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

S.R. BATLIBOI & Co. LLP

the comparative financial information of the Holding Company for the year ended March 31, 2019, included in these financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 30, 2019 expressed an unmodified opinion.

Further, we report that the figures for the half year ended March 31, 2020 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2020 and the published unaudited figures for the half year ended September 30, 2019, which were subjected to a limited review by us, as required under the Listing Regulations.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAACIV4995

Place: Mumbai
Date: July 31, 2020

Volkswagen Finance Private Limited

Address: Silver Utopia, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri East, Mumbai 400099

Additional information required to be submitted in terms of Regulation 52(4) of SEBI Listing Obligations And Disclosure Requirements Regulations, 2015

a) Ratings assigned by credit rating agencies and changes in credit rating

Products	Rating*
Commercial Paper	IND A1+
Debentures	IND AAA (Long Term) & IND A1+ (Short Term)
Others (Bank Borrowing)	IND AAA (Long Term) & IND A1+ (Short Term)

* There has been no change in credit rating during April 2019 to March 2020

b) Debt Equity ratio:

1.69 times

c) Previous due date for the payment of interest / repayment of principal of non convertible debentures and whether the same has been paid or not are given in **Annexure A**

d) The Company do not have any non-convertible redeemable preference shares / non-convertible preference shares / redeemable preference shares.

e) Asset cover, Debt service coverage ratio & Interest service coverage ratio is not applicable as the Company is registered with Reserve Bank of India as Non Banking Finance Company.

f) Capital redemption reserve: Nil

g) Debenture redemption reserve: Not Applicable

h) Net Worth (Issued Share Capital plus Reserves and Surplus) (Rs. In Lakhs): 131,669.29

i) Net profit after tax (Rs. In Lakhs): (2,446.43)

j) Earnings per share `:

Category A equity shares: Rs. per share (0.21)

Category B equity shares: Rs per share (0.21)

k) There was not material deviation in the use of proceeds of issue of Non Convertible debt securities.

Annexure A: Non Convertible Debentures

Sr No	Series under which the NCDs are held	ISIN No	Previous due date for payment of interest	Whether previous interest payment has been paid or not	Next due date for payment of interest	Next due date for payment of Principal	Next redemption amount (Rs. in lakhs)
1	VWFPL NCD A 02 FY 2015-16	INE851M07093	29-May-19	Paid	29-May-20	29-May-20	20,000.00
2	VWFPL NCD A 02 FY 2016-17	INE851M07135	20-Sep-19	Paid	NA	NA	NA
3	VWFPL NCD A FY 2017-18	INE851M07150	12-Jun-19	Paid	NA	NA	NA
4	VWFPL NCD B FY 2017-18	INE851M07168	12-Jun-19	Paid	12-Jun-20	19-Jun-20	10,000.00
5	VWFPL NCD C FY 2017-18	INE851M07176	11-Jul-19	Paid	13-Jul-20	13-Jul-20	30,000.00
6	VWFPL NCD D FY 2017-18	INE851M07184	11-Sep-19	Paid	11-Sep-20	11-Sep-20	25,000.00
7	VWFPL NCD E FY 2017-18	INE851M07192	5-Dec-19	Paid	31-Aug-20	31-Aug-20	15,000.00
8	VWFPL NCD F FY 2017-18	INE851M07200	5-Dec-19	Paid	4-Dec-20	4-Dec-20	15,000.00
9	VWFPL NCD A FY 2019-20	INE851M07218	NA	NA	28-Aug-20	18-Feb-21	15,000.00
10	VWFPL NCD B FY 2019-20	INE851M07226	NA	NA	28-Aug-20	27-May-21	15,000.00

For Volkswagen Finance Private Limited

Sd/-
Ashish Deshpande
Chief Executive Officer & Managing Director
DIN No - 08314277

Sd/-
Gokhan Cinar
Chief Finance Officer & Managing Director
DIN No - 07649354