INDEPENDENT AUDITOR'S REPORT

To the Members of Volkswagen Finance Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Volkswagen Finance Private Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of its consolidated net loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Mumbai

If, based on the work we have performed or based on audit report of the auditors of the subsidiary company ('the Other Auditors'), we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

The Holding Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management and Board of Directors of the respective companies are responsible for assessing the respective 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 respective Board of Directors either intends to liquidate the companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the respective company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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.

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- Obtain an understanding of internal financial controls 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 internal financial controls with respect to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of Directors.

- 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 Group'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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by Other Auditors, such Other Auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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Other Matters

a. The audit of the figures for the year ended March 31, 2021, was conducted by the predecessor auditors who had expressed an unmodified opinion in their report dated June 28, 2021.

b. We did not audit the financial statements of one subsidiary included in the consolidated financial statements whose Ind AS financial statements include total assets of Rs. 5,037 lakhs as at March 31, 2022 and total income of Rs. 2,245 lakhs and net loss of Rs. 2,935 lakhs (including other comprehensive income) for the year ended March 31, 2022 as considered in the consolidated annual financial statements. These Financial Statements have been audited by the Other Auditors whose report has been furnished to us by the Management, and our opinion on the Consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of section 143(3) of the Act insofar as it relates to the aforesaid subsidiary is based solely on the report of the Other Auditors. Our opinion on the consolidated Ind As financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the audit report of the Other Auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained by the Holding Company and its subsidiary including the relevant records relating to the preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 and taken on record by the Board of Directors of the Holding Company and the report of the Other Auditors, none of the directors of the Group is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of such controls.

g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its subsidiary company for the year ended March 31, 2022.

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h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 35 of the consolidated financial statements).

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company.

iv. (a) The Management has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium orany other sources or kind of funds) by the Holding Company or the subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaryshall, directly or indirectly lend or invest in other persons or entities identified inany manner whatsoever by or on behalf of the Holding Company or the subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalfof the Ultimate Beneficiaries.

(b) The Management has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or the subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or the subsidiary shall,directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that therepresentations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company or its subsidiary has not declared or paid any dividend during the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "the CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and by Other Auditors for the subsidiary company included in the consolidated financial statements of the Group, certain remarks included in respective CARO reports, have been reproduced below as per the requirements of the Guidance Note on CARO:

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Name of the entity	CIN	Relationship	Clause number of the respective CARO reports
Volkswagen Finance Private Limited	U65999MH2009FTC189640	Holding Company	Clause iii(c), Clause iii(d), Clause vii(b), Clause xvi(a) and Clause xvii
Kuwy Technology Service Private Limited	U74999TN2017PTC118209	Subsidiary Company	Clause vii(a), Clause xvii

Footnotes to above table:

1. Clause iii(c) and Clause iii(d) of the Order pertains to irregularities in repayment and overdue status of the interest and principal amount of loans and advances made and reasonability of the steps taken for recovery.
2. Clause vii (a) of the Order pertains to delays in deposit of undisputed statutory dues.
3. Clause vii (b) of the Order pertains to disputed statutory dues.
4. Clause xvi(a) pertains to Registration with RBI under section 45-IA.
5. Clause xvii of the Order pertains to cash losses incurred during current or immediately preceding financial year.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS * Mumbai

Janak Mehta
Partner
Membership No. 116976
ICAI UDIN: 22116976AMAENB3215
Place: Mumbai
Date: June 30, 2022

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of **Volkswagen Finance Private Limited** ("the Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting with respect of the Consolidated Financial Statements of the Holding Company and its subsidiary as of that date.

In our opinion, and to the best of our information and according to the explanations given to us the Holding Company and its subsidiary incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI').

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the respective company considering the essential components of Internal Control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiary Company incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's

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Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and Subsidiary Company's Internal Financial Controls system over Financial Reporting with reference to the Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company incorporated in India, whose financial statements have been audited by the Other Auditors is based on the report of the Other Auditors of the said subsidiary. Our opinion is not modified in respect of this matter.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

BATLIBOI & PUROHIT * Mumbai * CHARTERED ACCOUNTANTS

Janak Mehta
Partner
Membership No. 116976
ICAI UDIN: 22116976AMAENB3215
Place: Mumbai
Date: June 30, 2022

Volkswagen Finance Private Limited
Consolidated Balance Sheet as at March 31, 2022

	Particulars	Note	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
	ASSETS			
	Financial assets			
(a)	Cash and cash equivalents	2	56,577.79	5,312.47
(b)	Bank balances other than cash and cash equivalents	3	8,626.41	2,056.54
(c)	Receivables	4		
	(I) Trade receivables		998.19	830.14
	(II) Other receivables		1,400.35	-
(d)	Loans	5	15,634.50	250,602.55
(e)	Other Financial assets	6	741.64	645.71
	Total financial assets		**83,978.88**	**259,447.41**
	Non-financial assets			
(a)	Deferred Tax Asset (net)		-	8,409.30
(b)	Property, Plant and Equipments	7a	644.75	642.00
(c)	Right of use assets	7a	1,525.44	1,925.06
(d)	Goodwill on consolidation	38	4,753.42	4,753.42
(e)	Intangible Assets	7a	2,232.45	2,693.89
(f)	Other non financial assets	8a	5,941.05	6,710.34
(g)	Assets held for sale	8b	130.41	130.41
	Total non financial assets		**15,227.52**	**25,264.42**
	TOTAL ASSETS		**99,206.40**	**284,711.83**
	LIABILITIES AND EQUITY			
	Liabilities			
	Financial liabilities			
(a)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	9	11.95	23.40
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9	1,770.32	4,853.40
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	9	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9	723.43	-
(b)	Debt securities	10		15,732.33
(c)	Borrowings (Other than debt securities)	11	-	122,250.00
(d)	Lease liability	12	1,325.00	1,799.53
(e)	Other financial liabilities	12	2,076.06	1,621.43
	Total financial liabilities		**5,906.76**	**146,280.09**
	Non-financial liabilities			
(a)	Current Tax Liabilities (Net)	13	1,997.48	2,011.57
(b)	Deferred Tax Liabilities	13	364.39	-
(c)	Provision for Expenses	13	1,530.95	1,451.95
(d)	Other Non Fiancial Liabilities	13	816.12	990.95
	Total non financial liabilities		**4,708.94**	**4,454.47**
	Equity			
(a)	Equity Share Capital	14	116,880.21	116,880.21
(b)	Other Equity	15	(28,688.86)	15,750.65
(c)	Non-controlling interest	15	399.35	1,346.40
	Total equity		**88,590.70**	**133,977.26**
	TOTAL LIABILITIES AND EQUITY		**99,206.40**	**284,711.83**

Significant Accounting Policies 1

The Notes to the Financial Statements form an integral part of the Financial Statements.
This is the Balance Sheet referred to in our report of even date.

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976

Mumbai
June 30, 2022

BATLIBOI & PUROHIT
Mumbai
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

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

Christian Rosswag
Chief Financial Officer & Managing Director
DIN No -09382572

Jinal Visrodia
Company Secretary
Membership No. A53806

VOLKSWAGEN FINANCE PVT. LTD.
MUMBAI

Volkswagen Finance Private Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

	Particulars	Note	Year Ended March 31, 2022 (Rs. In Lakhs)	Year Ended March 31, 2021 (Rs. In Lakhs)
1	**Items pertaining to Continued operations**			
	Revenue From Operations			
(i)	Interest income	16	-	12.46
(ii)	Fees and commission income	17	1,933.00	290.63
(iii)	Other operating income	18	217.00	-
I	**Total Revenue from operations**		**2,150.00**	**303.09**
II	Other Income	19	95.00	1,371.50
III	**Total Income (I + II)**		**2,245.00**	**1,674.59**
IV	**Expenses**			
(i)	Finance Costs	20	3.01	2.46
(ii)	Fees and Commissions expense	21	2,366.00	874.04
(iii)	Impairment on financial instruments	22	79.00	-
(iv)	Employee Benefits Expenses	23	1,404.00	424.07
(v)	Depreciation and amortization expenses	7a	504.08	117.16
(vi)	Other Expenses	24	857.42	452.52
	Total Expenses		**5,213.51**	**1,870.25**
V	Profit/Loss before exceptional items and tax (III - IV)		(2,968.51)	(195.65)
VI	Exceptional Items		-	-
VII	**Profit / (Loss) before Tax**		(2,968.51)	(195.68)
VIII	**Tax Expense**		40.08	(12.00)
	(1) Current Tax		-	-
	(2) Deferred Tax (Credit) / Charge		40.08	(12.00)
IX	**Profit / (Loss) after tax (VII-VIII)**		**(3,008.59)**	**(183.68)**
	Earnings per equity share of Rs.10 each (Continued Business) I			
	Basic and Diluted			
	Category 'A' Equity Shares of Rs.10 each		**(0.26)**	**(0.02)**
	Category 'B' Equity Shares of Rs.10 each		**(0.26)**	**(0.02)**
2	**Items pertaining to Discontinued operations**			
	Revenue From Operations			
(i)	Interest income	16	12,489.78	30,292.15
(ii)	Fees and commission income	17	3,950.49	3,532.01
(iii)	Other operating income	18	269.38	763.38
(iv)	Recoveries from financial assets written off		60.34	267.59
I	**Total Revenue from operations**		**16,769.99**	**34,855.13**
II	Other income	19	638.51	379.05
III	**Total Income (I + II)**		**17,408.50**	**35,234.18**
IV	**Expenses**			
(i)	Finance costs	20	3,635.61	13,118.21
(ii)	Fees and commissions expense	21	3,088.86	2,389.43
(iii)	Impairment on financial instruments	22	(14,119.44)	6,205.43
(iv)	Employee benefits expenses	23	2,720.70	3,818.81
(v)	Depreciation and amortization expenses	7a	682.48	775.29
(vi)	Other expenses	24	6,518.95	5,775.88
	Total Expenses		**2,527.16**	**32,083.05**
V	Profit before exceptional items and tax (III - IV)		14,881.34	3,155.68
VI	Exceptional Items(Loss)	24A	48,530.15	-
VII	**Profit / (Loss) before tax**		**(33,648.81)**	**3,155.68**
VIII	**Tax expense**		8,733.61	926.75
	(1) Current tax		-	809.09
	(2) Deferred tax (credit) / charge		8,733.61	117.66
IX	Profit / (Loss) after tax (VII-VIII)		**(42,382.42)**	**2,228.93**
	Earnings per equity share of Rs.10 each (Discontinued Business) II			
	Basic and Diluted			
	Category 'A' Equity Shares of Rs.10 each		**(3.63)**	**0.19**
	Category 'B' Equity Shares of Rs.10 each		**(3.63)**	**0.19**
3	**Profit / (Loss) before Tax (Continued + Discontinued Operation)**		**(36,617.32)**	**2,960.03**
4	**Profit / (Loss) after tax (Continued + Discontinued Operation)**		**(45,391.01)**	**2,045.25**

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

MUMBAI PVT. LTD.

	Particulars	Note	Year Ended March 31, 2022 (Rs. In Lakhs)	Year Ended March 31, 2021 (Rs. In Lakhs)
X	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss		4.43	1.03
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(0.26)
	Subtotal (A)		4.43	0.77
	Other Comprehensive Income (A + B)		4.43	0.77
XI	**Total Comprehensive Income for the year (IX+X) (Comprising Profit (Loss) and other Comprehensive Income for the year)**		**(45,386.58)**	**2,046.02**
XII	**Profit/loss is attributable to:**			
	Owners of the Company		(44,443.64)	**2,555.52**
	Non-controlling interest		(947.37)	**(510.27)**
XIII	**Other comprehensive Income is attributable to:**			
	Owners of the Company		4.11	**0.77**
	Non-controlling interest		0.32	-
XIV	**Total comprehensive Income is attributable to:**			
	Owners of the Company		(44,439.53)	2,556.29
	Non-controlling interest		(947.05)	(510.27)
XV	Earnings per Equity Share of Rs.10 each	25		
	Basic and Diluted			
	Category 'A' Equity Shares of Rs.10 each	Total	(3.89)	0.22
	Category 'B' Equity Shares of Rs.10 each	Total	(3.89)	0.22

This is the Statement of Profit and Loss referred to in our report of even date.

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT
Mumbai
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

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

Christian Rosswag
Chief Financial Officer &
Managing Director
DIN No - 09382572

Jinal Visrodia
Company Secretary
Membership No. A53806

VOLKSWAGEN FINANCE PVT. LTD.
MUMBAI

Mumbai
June 30, 2022

Volkswagen Finance Private Limited

Consolidated Statement of Cash flow for the year ended March 31, 2022

Particulars	Year Ended March 31, 2022 (Rs. In Lakhs)	Year Ended March 31, 2021 (Rs. In Lakhs)
A.Cash flow from operating activities		
Net (Loss) / Profit before taxation	(36,617.32)	2,960.03
Adjustments for :		
Depreciation / amortisation	1,186.56	892.45
Interest on Fixed Deposit	(799.31)	(212.84)
Loss on Sale of Fixed Assets (net)	(10.31)	8.37
Expected credit loss on financial assets	(14,506.37)	662.27
Bad Debts Written Off	465.93	5,543.16
Provision for Gratuity	50.47	63.25
Provision for Leave Encashment	79.60	31.54
Payment for Gratuity & Leave Encashment	(211.79)	-
Interest on Debt Securities and Borrowings other than debt securities	3,358.46	12,808.64
Interest paid on Debt Securities and Borrowings other than debt securities	-	(19,124.43)
Interest on Lease liability	112.73	-
Loss on Sale of Financial Assets	(48,530.15)	-
Mis Income adjustment	(44.00)	-
Operating Profit before working capital changes	**(95,465.52)**	**3,632.44**
Changes in working capital :		
(Decrease) in Payables	(2,371.10)	1,446.05
(Decrease)/increase in Other financial liabilities	454.63	1,832.15
Increase in Other non financial liabilities	(316.56)	(209.49)
Increase (decrease) in Receivable	(1,568.40)	(99.56)
(Increase) / decrease in Other non financial assets	769.28	(660.92)
(Increase) in Other Financial assets	95.94	(45.35)
Decrease in Bank balances other than cash and cash equivalents	(5,443.40)	
Increase/decrease in Other Assets	-	-
Lease	4.71	-
Other Adjustment:	1,475.96	-
Increase/Decrease in Loans	293,992.78	87,093.55
Cash used in Operations	**191,628.32**	**92,988.87**
Taxes paid	(70.00)	(1,487.70)
Net cash inflow from operating activities	**191,558.32**	**91,501.17**
Purchase of tangible/intangible assets excluding Capital work-in-progress	(314.14)	(2,051.51)
Sale of tangible/intangible assets	112.63	7.00
Investment in Fixed Deposits	-	(332.59)
Interest received on fixed deposit	799.31	-
Increase in bank deposits	930.00	212.84
Investment In Subsidiary	-	(2,055.40)
Payment to Non-Controlling Interest	-	(3,989.53)
Net cash outflow from investing activities	**1,527.80**	**(8,209.18)**
C.Cash flow from Financing Activities		
Interest on Debt Securities and Borrowings other than debt securities	(3,358.46)	
Repayment / Redemption of Non convertible debentures	(15,732.33)	(130,000.00)
Repayment of Term loans	(122,250.00)	(6,300.00)
Repayment of Lease Liability	(480.02)	-
Net proceeds / (repayment) from / of overdraft	-	17,450.00
Proceeds from issue of Commercial Papers	-	89,380.46
Repayment of Commercial Papers	-	(89,380.46)
Proceeds from Working Capital Demand Loan	-	678,223.81
Repayment of Working Capital Demand Loan	-	(637,794.63)
Net cash outflow from financing activities	(141,820.81)	(78,420.83)
Net Increase in Cash and cash equivalents (A)+(B)+(C)	**51,265.32**	**4,871.16**
Cash and cash equivalents, beginning of the year*	**5,312.47**	**441.31**
Cash and cash equivalents, end of the year	**56,577.79**	**5,312.47**

Notes to the statement of cash flow :

1) Cash and cash equivalents comprise of:

Cash on hand		12.43
Deposits with original maturity of upto 3 months	54,425.00	-
Balances with scheduled banks	2,152.79	5,300.04
TOTAL	**56,577.79**	**5,312.47**

The above statement of cash flow has been prepared under the 'indirect method' as set out in Ind AS 7 - 'Statement of Cash Flow'

This is the statement of cash flow referred to in our report of even date.

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976

Mumbai
June 30, 2022

For and on behalf of the Board of Directors

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

Christian Rosswag
Chief Financial Officer &
Managing Director
DIN No - 09382572

Jinal Visrodia
Company Secretary
Membership No. A53806

BATLIBOI & PUROHIT * CHARTERED ACCOUNTANTS * Mumbai

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Volkswagen Finance Private Limited
Statement of Changes in Equity for the year ended March 31, 2022

(Rs. In Lakhs)

Equity Share Capital

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
116,880.21	-	116,880.21	-	116,880.21

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
116,880.21	-	116,880.21	-	116,880.21

Other equity

Particulars	Reserves and Surplus				
	Special Reserves under section 45-IC of the Reserve Bank of India Act, 1934.	Retained Earnings	Other items of Other Comprehens ive Income - Acturial Gain/loss for defined benefit plans	Non Controlling Interest	Total
Balance at the beginning of the current reporting period	6,242.63	9,493.26	14.77	1,346.40	17,097.06
Changes in accounting g policy or prior period errors	-	-			-
Restat ed balance at the beginn ing of the current reporti ng period	6,242.63	9,493.26	14.77	1,346.40	17,097.06
Total Comprehensive Income for the current year	-	(44,443.64)	4.11	(947.05)	(45,386.58)
Dividends	-	-	-		-
Transfer to retained earnings	-	-	-		-
Any other change (to be specified)	-	-	-		-
Balance at the end of the current reporting period	6,242.63	(34,950.38)	18.88	399.35	(28,289.51)

Particulars	Reserves and Surplus				
	Special Reserves under section 45-IC of the Reserve Bank of India Act, 1934.	Retained Earnings	Other items of Other Comprehens ive Income - Acturial Gain/loss for defined benefit plans	Non Controlling Interest	Total
Balance at the beginning of the previous reporting period	5,796.84	8,768.88	14.00		14,579.73
Changes in accounting policy or prior period errors	-	-			
Restated balance at the beginn ing of the previous reporting period	5,796.84	8,768.88	14.00		14,579.73
Total Comprehensive Income for the previous year	445.78	1,170.16	0.77	586.69	1,616.72
Dilution on further purchase of shares from NCI	-	-	-	(354.40)	
Transfer to retained earnings	-	(445.78)	-	(510.27)	(445.77)
NCI at date of Acquizion	-	-	-	1,624.38	-
Balance at the end of the previous reporting period	6,242.62	9,493.26	14.77	1,346.40	17,097.05

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976

Mumbai
June 30, 2022

For and on behalf of the Board of Directors

Ashish Deshpande
Chief Executive Officer &
Managing Director
DIN 08314277

Jinal Visrodia
Company Secretary
Membership No. A53806

Christian Rosswag
Chief Financial Officer &
Managing Director
DIN No -09382572

39 Disclosure pursuant to Circular No. DNBS.PD.CC.No 256 /03.10.42 / 2011-12 dated March 02, 2012 on Monitoring of frauds, the frauds detected and reported for the year amounted to 0 (Previous year Rs. 341 Lakhs).

40 The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

41 The COVID–19 pandemic has affected several countries across the world, including India. The pandemic and consequent lockdown imposed by the Government considerably impacted the Group's business operations during the year ended 31 March 2022. Apart from other adverse effects, the pandemic resulted in a significantly lower business acquisition and constrained recovery of over dues from customers for the large part of the year.

42 **Going Concern**

2022 and has made an application to RBI for surrender of NBFC license. The Holding Company holds a Corporate Agency License for its insurance business till March 31, 2022 and does not propose to renew the same. However based on maturity pattern of assets and liabilities, projections for next year and adequate liquidity, no material uncertainty exists indicating that the Holding Company is not capable of meeting its liabilities. Considering the above factors financial statements have been prepared on going concern basis.

43 **Discontinued Operations**

The Holding Company sold its Retail portfolio during the year. Further the Holding Company discontinued its Wholesale business with effect from January 1, 2022 and has made an application to RBI for surrender of NBFC license.Pursuant to the above the financial assets of the Holding Company (excluding fixed deposits)are less than 50% of the total assets of the Holding Company . The Holding Company also holds a Corporate Agency License for its insurance business till March 31, 2022 and does not propose to renew the same. Consequently the Holding Company does not have any continuing business and therefore all income and expenses of the current and previous year are disclosed as "Discontinued Operations".

44 **Regulatory Disclosures**

1) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

2) The Group does not have any transactions with companies struck off.

3) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries);
b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

6) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate
b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

7) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

8) The Group has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

9) The Group does not have any immovable property (other than properties where the Group is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the Group.

10) The Group has not made any Loans or Advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand or
(b) without specifying any terms or period of repayment

45 Previous year figure have been audited by Erstwhile Auditor. Further previous year figures have been regrouped wherever necessary.

46 **Subsequent Events**

In its meeting held on June 01,2022, the Board of Directors of Holding Holding Company have resolved to not carry on the NBFC business as its principal business and to surrender its license issued by RBI. Further they have in principal approved the reduction of equity share capital of the Group not exceeding

Notes to the Financial Statements referred to herein above form an integral part of the financial statements.

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

Janak Mehta
Partner
Membership No. 116976

Mumbai
June 30, 2022

For and on behalf of the Board of Directors

Ashish Deshpande
Chief Executive Officer &
Managing Director
DIN 08314277

Christian Rosswag
Chief Financial Officer &
Managing Director
DIN No -09382572

Jinal Visrodia
Group Secretary
Membership No. A53806

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

2) Cash and Cash Equivalents

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Cash on Hand	-	12.43
Bank Balance in		
Current Account	2,152.79	5,300.04
Deposits(upto 3 months)	54,425.00	
Total	**56,577.79**	**5,312.47**

There are no repatriation restriction with regards to cash and cash equivalents as at the end of reporting period and prior period.

3) Bank balances other than cash and cash equivalents

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Bank deposits (due to mature upto 12 months from the reporting date)	8,625.00	2,055.07
Deposits for issuing Bank Guarantee in favour of VAT authorities	1.41	1.47
Total	**8,626.41**	**2,056.54**

4) Receivables

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Trade Receivables		
Unsecured, considered good	998.19	551.82
Sub total	**998.19**	**551.82**
Other receivables	-	
Unsecured, considered good	1,400.35	278.32
Total	**2,398.54**	**830.14**

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. In Lakhs)
Ageing of trade receivables		
i) Undisputed trade receivables – considered good		
Less than 6 months	905.32	548.12
6 Months to 1 year	55.87	3.70
1 year to 2 years	37.00	-
2 year to 3 years	-	-
More than 3 years		
Total	998.19	551.82

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

5) Loans

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. In Lakhs)
(A)		
Classification		
Amortised cost:		
(i) Vehicle Finance #	28,126.32	267,117.92
(ii) Term Loans	9,768.37	20,330.18
Fair Value:		
- through profit & Loss	-	-
- designated at fair value through OCI	-	-
Total Gross (A)	37,894.69	287,448.10
Less:		
Less: Impairment allowance	(22,260.19)	(36,845.55)
Total Net (A)	**15,634.50**	**250,602.55**
(B)		
(i) Secured by tangible assets*	10,786.00	180,364.33
(ii) Unsecured	27,108.69	107,083.77
Total Gross (B)	**37,894.69**	**287,448.10**
Less: Impairment allowance	(22,260.19)	(36,845.55)
Total Net (B)	**15,634.50**	**250,602.55**
(C)		
(I) Loans in India		
(i) Public Sector	-	-
(ii) Others	37,894.69	287,448.10
(II) Loans outside India		
Less: Impairment allowance	(22,260.19)	(36,845.55)
Total Net (C) (II)	**15,634.50**	**250,602.55**
Total (C) (I) and (II)	**15,634.50**	**250,602.55**

* Vehicle finance is secured by hypothecation of vehicles and / or undertaking to create security. Term Loans are secured against hypothecation of immovable properties

#Loans include repossessed cars having book value Rs. 1,746.14 Lakhs (March 31, 2021: Rs.2,951.76 Lakhs)

6) Other Financial Assets

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Deposits	455.58	419.62
Advances recoverable in cash or in kind or for value to be received	3.06	28.46
Unbilled revenue	283.00	197.62
Total	**741.64**	**645.71**

BATLIBOI & PUROHIT
Mumbai
CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD.

Note 7a : Property, Plant and Equipment and Intangibles Assets

Rs in lacs

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BOOK VALUE
	As at Apr 01, 2021	Additions during the year	Additions related to acquisition	Sales during the year	As at March 31, 2022	As at Apr 01, 2021	For the year	Deduction for the year	As at March 31, 2022	As at March 31, 2022
Tangible Assets										
Own Assets										
Office Equipment	130.85	11.74		(29.44)	113.15	94.97	19.67	(26.26)	88.38	24.76
Building*	24.83	-		-	24.83	3.92	0.98	-	4.90	19.93
Computers	492.19	186.10	-	(195.69)	482.60	244.80	95.67	(190.35)	150.12	332.47
Furniture and Fixtures	56.32	4.00	-	-	60.32	28.77	7.86	-	36.63	23.69
Vehicle	443.29	71.32	-	(180.88)	333.74	133.17	43.75	(87.09)	89.83	243.90
Leasehold Improvements	85.92	-		-	85.92	85.92	-	-	85.92	-
Total	**1,233.41**	**273.17**	**0.01**	**(406.00)**	**1,100.57**	**591.56**	**167.95**	**(303.69)**	**455.80**	**644.75**
Right of Use Asset	**2,128.28**	**126.47**	-	**(11.45)**	**2,243.30**	**201.65**	**516.21**	-	**717.86**	**1,525.44**
					-					
Total (A)	**3,361.69**	**399.64**	**0.01**	**(417.45)**	**3,343.87**	**793.21**	**684.16**	**(303.69)**	**1,173.66**	**2,170.19**
Intangible Assets										
Software	2,785.31	40.98	-	(2.76)	2,823.53	690.95	441.01	(2.76)	1,129.20	1,694.32
Trade Name	614.00		-	-	614.00	14.47	61.40	-	75.87	538.13
Total (B)	**3,399.31**	**40.98**	-	**(2.76)**	**3,437.53**	**705.42**	**502.41**	**(2.76)**	**1,205.07**	**2,232.45**
Total Fixed Assets (A+B)	**6,761.00**	**440.62**	**0.01**	**(420.21)**	**6,781.39**	**1,498.63**	**1,186.57**	**(306.45)**	**2,378.73**	**4,402.64**

Rs in lacs

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BOOK VALUE
	As at Apr 01, 2020	Additions during the year	Additions related to acquisition	Sales during the year	As at March 31, 2021	As at Apr 01, 2020	For the year	Deduction for the year	As at March 31, 2021	As at March 31, 2021
Tangible Assets										
Own Assets										
Office Equipment	129.20	4.40	0.83	4.94	129.49	80.17	21.99	9.43	92.73	36.75
Building	24.83	-		-	24.83	2.94	0.98	-	3.92	20.91
Computers	403.17	97.13	33.62	62.66	471.26	222.63	64.61	62.69	224.55	246.71
Furniture and Fixtures	58.40	-	1.65	3.73	56.32	22.92	7.90	2.03	28.79	27.53
Leasehold Improvements	85.92	-	-	-	85.92	85.92	-	-	85.92	-
Vehicle	496.29	77.54	-	130.54	443.29	131.50	55.06	53.38	133.18	310.11
Total (A)	**1,197.81**	**179.07**	**36.10**	**201.87**	**1,211.10**	**546.08**	**150.55**	**127.53**	**569.09**	**642.00**
Right of Use Asset	1,195.94	1,808.20	89.30	946.86	2,146.58	521.34	537.78	837.60	221.52	1,925.06
				-	-			-	-	
Assets given on Operating Lease				-	-			-	-	
Vehicles on Lease	41.80	-	-	41.80	(0.00)	21.17	-	21.17	0.00	(0.00)
Total (A)	**2,393.75**	**1,987.26**	**125.40**	**1,148.73**	**3,357.68**	**1,067.43**	**688.33**	**965.14**	**790.61**	**2,567.06**
Intangible Assets										
Software	741.90	2,043.41	-	-	2,785.31	501.29	189.66	-	690.95	2,094.36
Trade Name	-	614.00	-	-	614.00	-	14.47	-	14.47	599.53
Total (B)	**741.90**	**2,657.41**	-	-	**3,399.31**	**501.29**	**204.13**	-	**705.42**	**2,693.89**
Total Fixed Assets (A+B)	**3,177.45**	**4,644.67**	**125.40**	**1,190.53**	**6,757.00**	**1,589.88**	**892.45**	**986.30**	**1,496.04**	**5,260.95**

7(b) Capital work in progress and Intangible Assets under Development

Particulars	Capital work-in-progress	Intangible Assets under Development
Opening balance as on April 01, 2020	-	7.00
Additions during the year	182.01	127.71
Capitalized during the year	(182.01)	(127.71)
Expensed during the year*	-	(7.00)
Closing balance as on March 31, 2021	**0.00**	**0.00**
Opening balance as on April 01, 2021	-	-
Additions during the year	-	-
Capitalized during the year	-	-
Expensed during the year	-	-
Closing balance as on March 31, 2022	-	-

8 (a) Other Non Financial Assets

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Advance Tax and TDS & TCS (Net of provision)	1,792.23	3,097.10
Other Current Assets	1,614.73	1,079.15
Service Tax Receivable	2,534.09	2,534.09
Total	**5,941.05**	**6,710.34**

8(b) Assets held for sale

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Assets Held for Sale (Assets held for sale includes the properties acquired in settlement of loans. The asset is being actively marketed and is expected to be sold in a due course)	130.41	130.41
Total	**130.41**	**130.41**

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

9) Payables

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
(I) Trade payables	-	
(i) total outstanding dues of micro enterprises and small enterprises	11.95	23.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	
-Payable for Vehicle Finance	448.02	4,408.12
-Other Trade Payables	1,322.30	445.28
Subtotal	1,770.32	4,853.40
Total (i)	1,782.27	4,876.80
(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	723.43	
Total (ii)	723.43	
Total	**2,505.70**	**4,876.80**

Refer to note 35for details for micro enterprises, small and medium enterprises
(There are no amounts due for payment to the investor education and protection fund under Section 125 of the Companies Act 2013)

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. In Lakhs)
Ageing of Trade Payables		
i) Undisputed trade payables		
less than 1 year	1,303.27	**4,728.92**
1 year to 2 years	5.00	**137.02**
2 year to 3 years	-	**10.86**
More than 3 years	-	**-**
Not due	474.00	
Total	**1,782.27**	**4,876.80**

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

10) Debt Securities

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Classification:		
Amortised Cost		
Non Convertible Debentures	-	15,732.33
Fair Value:		
- through profit & Loss	-	
- designated at fair value through OCI		
Total (A)	-	**15,732.33**
Debt securities in India	-	15,732.33
Debt securities outside India	-	-
Total (B)	-	**15,732.33**

Note 10 (a):NCDs repayment details

Debentures	Issue Date	Redemption Date	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
1500 units (Previous Year: 1500 units) VWFPL NCD F FY 2017-18, face value of Rs. 1,000,000 each	5-Dec-17	4-Dec-20	-	-
2500 units(Previous Year: 2500 units) VWFPL NCD D FY 2017-18, face value of Rs. 1,000,000 each	11-Sep-17	11-Sep-20	-	-
1500 units(Previous Year: 1500 units) VWFPL NCD E FY 2017-18, face value of Rs. 1,000,000 each	5-Dec-17	31-Aug-20	-	-
3000 units (Previous Year: 3000 units) VWFPL NCD C FY 2017-18, face value of Rs. 1,000,000 each	11-Jul-17	13-Jul-20	-	-
1000 units(Previous Year: 1000 units) VWFPL NCD B FY 2017-18, face value of Rs. 1,000,000 each	12-Jun-17	19-Jun-20	-	-
2000 units (Previous Year: 2000 units), VWFPL NCD A 02 FY 2015-16, face value of Rs. 1,000,000 each	29-May-15	29-May-20	-	-
1,500 units (Previous Year: Nil), VWFPL NCD A FY 2019-20, face value of Rs. 1,000,000 each	30-Aug-19	18-Feb-21	-	-
1,500 units (Previous Year: Nil), VWFPL NCD B FY 2019-20, face value of Rs. 1,000,000 each	30-Aug-19	27-May-21	-	15,000.00
(These debentures are secured by way of Mortgage of specific immovable property and specific receivables of the Company arising out of loan.)				
Add: Adjustment for interest accured and transaction costs as per EIR			-	732.33
			-	**15,732.33**

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VOLKSWAGEN FINANCE PVT. LTD. MUMBAI ★

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

11) Borrowings other than debt securities

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
(a) Term loans*		48,800.00
(b) Bank overdraft*	-	17,450.00
(c) Working capital demand loans*		56,000.00
(d) Commercial papers	-	-
Total (A)	-	**122,250.00**
Borrowings in India	-	122,250.00
Borrowings outside India	-	-
Total (B)	-	**122,250.00**
Secured Borrowings	-	-
Unsecured Borrowings	-	122,250.00
Total (C)	-	**122,250.00**

*These are guaranteed by corporate guarantee issued by Volkswagen Financial Services A.G., Germany, the holding company.

Note 11 (a): Term loan details

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Term loans		
From Banks	-	48,800.00
From Financial Institutions	-	-
Add: Adjustment for interest accured and transaction costs as per EIR		
(Terms loans are guaranteed by corporate guarantee issued by Volkswagen Financial Services A.G., Germany) (As per terms of agreement, loans from banks are repayable at maturity ranging between 19 to 33 months from the date of respective loans. Rate of interest payable on term loans varies between 7.37% to 7.99% (Previous Year: 7.37% to 7.99%))		
Total	-	**48,800.00**

Note 11 (b): Working capital details

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Working Capital Demand Loans from Banks	-	56,000.00
Add: Adjustment for interest accured and transaction costs as per EIR	-	
Total Working Capital Demand Loans from Banks	-	**56,000.00**
(Working Capital Demand Loans are guaranteed by corporate guarantee issued by Volkswagen Financial Services A.G., Germany) (As per terms of agreement, loans from banks are repayable at maturity ranging between 7 – 92 days from the date of respective loans. Rate of interest payable on working capital term loans varies between 3.60% to 6% (Previous Year: 3.80% to 5.72%))		

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Volkswagen Finance Pvt. Ltd. Mumbai

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

12) Other Financial Liabilities

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Dues to Employees	601.52	698.08
Others	1,325.00	923.35
Subtotal	**1,926.52**	**1,621.43**
Lease Liabilities	1,474.54	1,799.53
Total	**3,401.06**	**3,420.97**

13) Other non financial liabilities

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Employee Benefits	-	
Gratuity	137.85	193.39
Leave Encashment	96.47	125.80
Other Liabilities (including statutory dues)	581.80	671.76
Subtotal	816.12	990.95
Provision for Expenses	1,530.95	1,451.95
Provision for Tax (Net of Advance Tax and Tax Deducted at Source)	1,997.48	2,011.57
Deferred Tax Liabilities	364.39	
Total	**4,708.94**	**4,454.47**

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

14) Equity Share Capital

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. In Lakhs)
Authorised:		
146,610,000 (Previous Year: 146,610,000) Category 'A' Equity Shares of Rs.10 each	14,661.00	14,661.00
1,482,390,000 (Previous Year: 1,482,390,000) Category 'B' Equity Shares of Rs.10 each	148,239.00	148,239.00
	162,900.00	**162,900.00**
Issued, Subscribed and Paid up		
105,192,207 (Previous Year: 105,192,207) Category 'A' Equity Shares of Rs.10 each, fully paid up	10,519.22	10,519.22
1,063,609,937 (Previous Year: 1,063,609,937) Category 'B' Equity Shares of Rs.10 each, fully paid up	106,360.99	106,360.99
Total	**116,880.21**	**116,880.21**

(a) Reconciliation of number of shares

Particulars	March 31, 2022		March 31, 2021	
	No of shares	Amount	No of shares	Amount
Balance at the beginning				
Category 'A' Equity Shares	105,192,207	10,519.22	105,192,207	10,519.22
Category 'B' Equity Shares	1,063,609,937	106,360.99	1,063,609,937	106,360.99
Add: Shares Issued during the year				
Category 'A' Equity Shares	-		-	-
Category 'B' Equity Shares	-		-	-
Balance at the end of the year				
Category 'A' Equity Shares	**105,192,207**	**10,519**	**105,192,207**	**10,519**
Category 'B' Equity Shares	**1,063,609,937**	**106,361**	**1,063,609,937**	**106,361**

(b) Rights, preferences and restrictions attached to shares

The Company's authorised share capital is divided into Category 'A' equity shares and Category 'B' equity shares having par value of Rs. 10 each. Category 'A' equity shares carry voting rights and dividend rights. Type "B" Equity Shares of Rs.10/- carrying no voting rights and no dividend rights. Category 'B' equity shares are non participating, non-cumulative and shall not be entitled to any surplus on winding up or other distribution such as bonus shares etc. together with rights, privileges and conditions attaching thereto as may be determined by the Board of Directors from time to time.

14 (c) Shares held by holding company #

Particulars	March 31, 2022 (Rupees)	March 31, 2022 (Rupees)
Equity Shares:		
105,192,207 Category 'A' equity shares (Previous Year: 105,192,207) held by Volkswagen Finance Overseas B.V., Netherland, the subsidiary of Volkswagen Financial Services AG, Germany.	10,519.22	10,519.22
1,063,609,937 Category 'B ' equity shares (Previous Year: 1,063,609,937) held by Volkswagen Financial Services A.G., Germany.	106,360.99	106,360.99
# Based on the Companies (Amendment) Act, 2017, The Company has considered Volkswagen Finance Overseas B.V,Netherlands as its Holding Company.		

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

(d) Details of shares held by each shareholders holding more than 5% shares in the Company

Particulars	March 31, 2022 (No. of shares)	Percentage holding
Equity Shares:		
105,192,207 Category 'A' equity shares (Previous Year 2020: 105,192,207) held by Volkswagen Finance Overseas B.V., Netherland, the subsidiary of Volkswagen Financial Services AG, Germany.	105,192,207	100%
1,063,609,937 Category 'B ' equity shares (Previous Year 2020: 1,063,609,937) held by Volkswagen Financial Services A.G., Germany.	1,063,609,937	100%

14 (e) Details of shares held by Promoters

Shares held by promoters at the end of the year				% Change during the year
S. No	Promotername	No. of Shares	%of total shares	
1	Volkswagen Finance Overseas B.V., Netherland,	105,192,207	100%	Nil
2	Volkswagen Financial Services A.G., Germany	1,063,609,937	100%	Nil

14(f) For the period of five years immediately preceding 31.03.2022

Particulars	No of shares
Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash	-
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	-
Aggregate number and class of shares bought back	-

15) Other Equity

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. In Lakhs)
Special Reserves under section 45-IC of	6,242.63	6,242.62
Retained earnings	(34,950.38)	9,493.26
Other Comprehensive Income	18.88	14.77
Non Controlling Interest	399.35	1,346.40
TOTAL RESERVES	**(28,289.52)**	**17,097.05**

Nature and purpose of other equity

(i) Special Reserve under section 45-IC(1) of the Reserve Bank of India Act, 1934

According to section 45-IC(1) of the Reserve Bank of India Act, 1934 every Non Banking Financial Company is to create a reserve fund and transfer a sum not less than 20% of the net profit every year before declaration of dividend. For preventing the defaults by the Non Banking Financial Companies, this is an added measure of protection created by the statute. It is created in order to give the entities and its creditors protection from the effect of losses.

(ii) Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(iii) Retained earnings

Retained earnings represents the surplus/accumulated earnings of the Company and are available for distribution to shareholders.

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VOLKSWAGEN FINANCE PVT. LTD. ★ MUMBAI

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

15 (a) Other equity: Movement

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. in Lakhs)
Special Reserves under section 45-IC of the Reserve Bank of India Act, 1934.		
Balance at the beginning of the year	6,242.63	5,796.84
Transfered from Surplus in the Statement of Profit and Loss		445.78
Balance at the end of the year	**6,242.63**	**6,242.63**
Surplus/(Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	9,493.26	8,768.88
Equity Adjustment on account of subsequent acquistion in subsidary	-	(1,215.00)
Share of loss of Investments accounted u	-	(170.37)
Profit / (Loss) for the year	(45,390.69)	-
Share of Profits of Investments accounted using equity method		2045.25
Less: Transfer to Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934.		-445.78
Transfer of loss attributable to Non-controlling interest	947.05	510.27
	(34,950.38)	**9,493.26**
Other Comprehensive Income		
Balance at the beginning of the year	14.77	14.00
Changes during the year	4.11	0.77
Balance at the end of the year	**18.88**	**14.77**
Non Controlling Interest		
Balance at the beginning of the year	1,346.40	1,624.38
		(354.40)
		586.69
Transfer of loss attributable to Non-controlling interest	(947.05)	(510.27)
Total B	**399.35**	**1,346.40**
TOTAL RESERVES	**(28,289.51)**	**17,097.06**

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VOLKSWAGEN FINANCE PVT. LTD.
MUMBAI

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

16) Interest income using effective interest rate

Particulars	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. in Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Classification:				
On Financial Assets measured:				
- at Amortised Cost				
(i) Interest on loans	-	-	11,741.47	30,091.77
(ii) Interest on deposits with banks	-	12.46	748.31	200.38
(iii) Other interest income				
- through profit and Loss				
- through OCI				
Total	**-**	**12.46**	**12,489.78**	**30,292.15**

17) Fees and commission income

Particulars	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. in Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Processing Fees	-	-	346.31	543.17
Service Income	1,933.00	290.63	3,604.18	2,988.84
Total	**1,933.00**	**290.63**	**3,950.49**	**3,532.01**

18) Other operating income

Particulars	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. in Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Income from Documentation Charges	217.00	-	-	-
Income from customer services	-		269.38	763.38
Total	**217.00**	**-**	**269.38**	**763.38**

19) Other Income

	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. in Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Foreign Exchange Gain (net)	-	-	18.20	40.01
Interest on deposits with banks	51.00	-	-	-
Miscellaneous Income	44.00	1,371.50	620.31	339.04
Total	**95.00**	**1,371.50**	**638.51**	**379.05**

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

20) Finance Cost

Particulars	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. In Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Interest Expenses:				
Classification:				
On Financial Assets measured :				
- at Amortised Cost				
(i) Interest on debt securities	-		189.86	5,483.90
(ii) Interest on other than debt securities:				
-Bank Overdraft	-		167.91	268.08
-Commercial Papers	-		-	618.45
-Working Capital Demand Loan	-		1,129.98	2,301.88
-Term Loans	-		1,870.71	4,136.33
(iii) Other borrowing costs	3.01	2.46	277.15	305.00
- through profit and Loss				-
- through OCI	-			-
Total	**3.01**	**2.46**	**3,635.61**	**13,113.64**

21) Fees and Commission Expenses

Particulars	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. In Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Commission to Dealers-Loans	2,366.00	874.04	-	21.43
Commission to Dealers - Insurance	-		3,088.86	2,368.00
				-
Total	**2,366.00**	**874.04**	**3,088.86**	**2,389.43**

22) Impairment on financial instruments

Particulars	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. In Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Classification:				
On Financial Assets measured at :				662.27
- at Amortised Cost	-		(14,585.37)	-
(i) Loans				
(ii) Trade Receivables	-			-
- through OCI	-			-
- through profit and Loss				
- through OCI	-			662.27
Expected credit loss - Loans			(14,585.37)	
Expected credit loss - Others	79.00			
Bad Debts Written Off	-	-	465.93	5,543.16
Total	**79.00**	**-**	**(14,119.44)**	**6,205.43**

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VOLKSWAGEN FINANCE PVT. LTD. ★ MUMBAI

23) Employee Benefits Expenses

Particulars	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. In Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Salaries, Bonus and Allowances	1,327.00	369.69	2,463.62	3,433.32
Contribution to Provident Fund and Other Funds	44.00	29.95	78.04	112.61
Expenses related to post-employment defined benefit plans - Gratuity	13.00	13.75	38.47	49.51
Expenses related to post-employment defined benefit plans - Leave Encashment	-	-	79.60	31.54
Staff Welfare	20.00	3.48	58.59	172.02
Training and Recruitment Expenses	-	7.20	2.37	19.82
Total	1,404.00	424.07	2,720.70	3,818.81

24) Other Expenses

Particulars	Continuing Operations March 31, 2022 (Rs. In Lakhs)	Continuing Operations March 31, 2021 (Rs. in Lakhs)	Discontinued Operations March 31, 2022 (Rs. In Lakhs)	Discontinued Operations March 31, 2021 (Rs. in Lakhs)
Rent	35.00	-	8.23	79.56
Legal, Professional and Consultancy Fees	279.00	124.09	1,370.05	1,123.23
Documentation Charges	10.00	98.91	-	
Loan Acquisition Expenses	-		-	-
Auditor's Remuneration	15.00	1.50	24.00	69.00
Information Technology Support Charges	-	80.55	1,844.31	2,287.67
Repairs and Maintenance - Others	29.00	2.32	451.57	326.76
Traveling and Conveyance	134.00	24.95	2.99	46.09
Printing and Stationery	4.00	1.45	5.48	6.18
Communication	29.00	4.79	38.62	57.86
Business Promotion	85.00	80.59	-	-
Facilities Management Charges	-	-	58.15	73.08
Electricity	-	-	32.92	28.60
Rates and Taxes	-	13.55	2,270.79	971.37
Internet Charges	133.00	-	-	-
Loss on Sale of Fixed Assets (net)	-	3.21	48,530.15	5.17
Directors Sitting Fees	-	-	31.00	23.00
Collection Agency Charges	-	-	170.87	436.74
Corporate Social Responsibility Spending	-	-	32.88	98.42
Miscellaneous	104.43	16.62	177.11	143.15
		-		
Total	857.42	452.52	6,518.95	5,775.88

Note 24A: Exceptional Items

Particulars	March 31, 2022 (Rs. In Lakhs)	March 31, 2021 (Rs. In Lakhs)
Total Sale Consideration	112,327.64	-
Net Sale Consideration forgone	29.54	-
Net Sale Consideration	112,298.10	-
Less: Book Value of Portfolio on the date of sale	160,828.25	-
Gross (Loss) from the sale of portfolio	(48,530.15)	-

*During the year the retail loan portfolio was sold to Kotak Mahindra Prime Ltd. and Kotak Mahindra Bank Ltd. vide agreement dated September 15,2021 as a strategic decision. The sale proceeds were used to repay borrowings and surplus funds were parked in Fixed Deposits in Banks.

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VOLKSWAGEN FINANCE PVT. LTD. * MUMBAI

26) Employee benefit obligations

The Company has following post-employment defined benefit plans in India.

A. Defined Contribution Plans:

In accordance with Indian regulations, employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Group contribute monthly at a determined rate. These contributions are made to a recognised provident fund. The employee contributes 12% of his or her basic salary and the Group contributes an equal amount. The Group recognized Rs. 122.04 Lakhs (Previous year. Rs. 142.56 Lakhs) for Provident Fund contribution in the Statement of Profit and Loss.

B. Defined Benefit Plan:

The Group offers the following employee benefit schemes to its employees:

In accordance with Payment of Gratuity Act, the Group provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Group subject to maximum of Rs. 20 lakhs. (Previous Year Rs. 20 lakhs).

The gratuity benefit of Group is provided through unfunded plan and annual expenses are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Group. Group accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Group's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

Particulars	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Non Current		
Gratuity	87.42	162.15
Total Non Current	**87.42**	**162.15**
Current		
Gratuity	50.43	31.24
Total Current	**50.43**	**31.24**

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(Rs. in Lakhs)

Particulars	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Defined Benefit Obligation at the beginning of the year	193.39	209.93
Current service cost	43.26	51.33
(Gain)/ Loss on settlements / curtailments	(0.65)	-
Interest expense/(income)	8.86	11.92
Total amount recognised in profit and loss	**51.47**	**63.25**
Remeasurements		
Return on plan assets, excluding amount included in interest expense/(income)	-	-
(Gain)/loss from change in demographic assumptions		
(Gain)/loss from change in financial assumptions	(2.72)	5.40
Experience (gains)/losses	(1.71)	(6.43)
Actual Return on Plan assets	-	-
Total amount recognised in other comprehensive income	(4.43)	(1.03)
Employer contributions	-	-
Benefit payments	(102.87)	(78.77)
Defined Benefit Obligations at the end of the year	**137.56**	**193.39**

Particulars	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Surplus/Deficit of funded plan	-	-
Unfunded plan	137.56	193.39
Surplus/Deficit of gratuity plan	**137.56**	**193.39**

Expected Future Cashflows

Particulars	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Year 1	23.42	39.20
Year 2	18.90	35.57
Year 3	17.36	31.84
Year 4	14.58	29.00
Year 5	12.10	24.75
Year 6-10	43.06	74.39
More than 10 Year	46.00	46.00

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	March 31, 2022		March 31, 2021
	Subsidiary	Parent	
Discount rate	7.41%	5.90%	5.50%
Salary escalation rate	7.00%	8.00%	8.00%
Mortality Rate	5%	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	Increase in assumption (100 bps)		*Decrease in assumption (100 bps)*	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	106.08	171.41	114.26	186.67
Salary escalation rate	114.42	186.35	106.12	171.53
Expected Return on plan assets	-	-	-	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated .

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

C. Accumulated Compensated Absences

The Holding Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Holding Company recognized Rs. 79.60 Lakhs (Previous year. Rs.31.54 Lakhs) for Compensated Absences in the Statement of Profit and Loss.

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VOLKSWAGEN FINANCE PVT. LTD.
MUMBAI

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

25) Earnings per share

Basic EPS amounts are calculated by dividing the profit / (loss) for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit / (loss) attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

	Continued Busienss		Discontinued Busienss	
Particulars	**March 31, 2022 (Rs. in Lakhs)**	**March 31, 2021 (Rs. in Lakhs)**	**March 31, 2022 (Rs. in Lakhs)**	**March 31, 2021 (Rs. in Lakhs)**
Net (loss) / profit from operation attributable to equity holders	**(3,008.59)**	**(183.68)**	**(42,382.42)**	**2,228.93**
Category 'A' shares	(270.77)	(16.53)	(3,814.42)	200.60
Category 'B' shares	(2,737.82)	(167.15)	(38,568.00)	2,028.33
Category 'A' shares				
Weighted average number of ordinary shares				
Opening equity share	105,192,207	105,192,207	105,192,207	105,192,207
Weighted average number of shares at year end	**105,192,207**	**105,192,207**	**105,192,207**	**105,192,207**
Weighted average number of shares at year end adjusted for the effect of dilution	**105,192,207**	**105,192,207**	**105,192,207**	**105,192,207**
Basic earnings / (loss) per share (INR) (Face value of Rs. 10 per share)	**(0.26)**	**(0.02)**	**(3.63)**	**0.19**
Diluted earnings / (loss) per share (INR) (Face value of Rs. 10 per share)	**(0.26)**	**(0.02)**	**(3.63)**	**0.19**
Category 'B' shares				
Weighted average number of ordinary shares				
Opening equity share	1,063,609,937	1,063,609,937	1,063,609,937	1,063,609,937
Weighted average number of shares at year end	**1,063,609,937**	**1,063,609,937**	**1,063,609,937**	**1,063,609,937**
Weighted average number of shares at year end adjusted for the effect of dilution	**1,063,609,937**	**1,063,609,937**	**1,063,609,937**	**1,063,609,937**
Basic earnings / (loss) per share (INR) (Face value of Rs. 10 per share)	**(0.26)**	**(0.02)**	**(3.63)**	**0.19**
Diluted earnings / (loss) per share (INR) (Face value of Rs. 10 per share)	**(0.26)**	**(0.02)**	**(3.63)**	**0.19**
Face value per share (INR)	**10**	**10**	**10**	**10**

For the purpose of calculating Earnings per share, dividend upto 6% of the total capital belongs to both Category 'A' Equity shares and Category 'B' Equity shares proportionate to their weighted average share holding and dividend over and above 6% belongs to Category 'A' Equity shares only (subject to approval from Board of Directors).

BATLIBOI & PUROHIT ★ Mumbai ★ CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE ★ MUMBAI ★ PVT. LTD.

27) Financial risk management

The Group has exposure to the following risks arising from financial instruments:
(i) Market risk
(ii) Credit risk
(iii) Liquidity risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(i) Market risk

Market risk is the risk that changes in market prices will affect the company's income and is exposed to risk such as-
a) Interest rate risk
b) Currency risk
The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value or cash flows of the financial assets and financial liabilities. Normally, the Group's business is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance-sheet instruments that mature or reprice in a given period. The Group manages this risk by matching the assets and liabilities through risk management strategies.

The table below details the exposure of the Group to interest rate risk

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Fixed rate		
Financial assets	13,115.89	244,732.53
Financial liabilities	-	120,532.33
Floating rate instruments		
Financial assets	24,803.65	42,715.58
Financial liabilities	-	17,450.00

The interest rate sensitivity of the income statement measures the effect of assumed changes in interest rates on the net interest income for one year, based on the interest bearing financial assets and liabilities held at year end. The interest rate sensitivity in the income statement is the impact of changes in interest rates on the fair value of floating rate loans (working capital demand loan and bank overdraft) and floating rate loans given (dealer funding) as at the year end.
The following table reflects the effects of 50 bps to 100 bps basis points change in interest rate curve on the income statement with all other variables held constant:

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Decrease by 50bps to 100 bps:		
- Impact on income statement	(246.73)	(253.74)
- Other Comprehensive Income		

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Volkswagen Finance Pvt. Ltd. Mumbai

b) Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign exchange rates on account of payables outstanding in the financial statements. Outstanding positions are monitored on a periodical basis to ensure that the positions are within established limits.

The Group's exposure to foreign currency risk at the end of reporting period expressed are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Financial Liabilities		
Payable to Related Parties		
EURO (net of receivables)	820.12	751.36
SEK	-	8.88
Other Payables		
Euro	14.74	
GBP		3.49

The Sensitivity of Profit and Loss and OCI to changes in the exchange rates are as follows:
The Group has considered the maximum price movement in the respective currency during the year as sensivity benchmark for the purpose of Foreign Currency Sensitivity Analysis

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Adverse change in foreign exchange rate based on previous 12 months movement in exchange rate		
- Impact on income statement		
EURO	(46.31)	(28.78)
SEK	-	(0.60)
GBP		
- Other Comprehensive Income		

ii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

(a) Expected Credit Loss measurement

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition wherein if a financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and if the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition and are taken to Stage 3

The general approach is used for financial assets measured at amortized cost, financial assets (debt instruments) whose changes in fair value are recognized in other comprehensive income and for irrevocable credit commitments unless there is already objective evidence of impairment on initial recognition. Financial assets are broken down into three stages in the general approach. Stage 1 consists of financial assets that are being recognized for the first time or that have not demonstrated any significant increase in probability of default since initial recognition. In this stage, the model requires the calculation of an expected credit loss for the next twelve months. Stage 2 consists of financial assets for which there is an significant increase in credit risk. Financial assets demonstrating objective indications of impairment are allocated to Stage 3. In Stages 2 and 3, an expected credit loss is calculated for the entire remaining maturity of the asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. For the wholesale portfolio, the credit risk is assumed to have been increased based on change in the risk class according to the master scale as of reporting date is compared with the risk class according to master scale as of initial recognition

The Group considers a financial asset to be in default when:
-the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
-the financial assets is 91 days or more past due
-For wholesale portfolio, it also depends on the risk class as per the master scale of the Group

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VOLKSWAGEN FINANCE PVT. LTD. ★ MUMBAI

In the case of financial assets already impaired on initial recognition and classified as purchase originated and impaired assets ("POCI") for the purposes of the disclosures, the provision for credit risks is recognized in subsequent measurement on the basis of the cumulative changes in the expected credit loss for the entire life of the asset concerned. Any financial instrument already classified as impaired on initial recognition remains in this stage until it is derecognized.
Both historical information, such as average historical default probabilities for each portfolio, and forward- looking information is used to determine the measurement parameters for calculating the provision for credit risks.
Reviews are regularly carried out to ensure that the credit risk provisions are appropriate. Uncollectible loans or receivables that are already subject to a workout process and for which all collateral has been recovered and all further options for recovering the loan or receivable have been exhausted are written off based on the management's decisions. Any provision allowances previously recognized are utilized. Income subsequently collected in connection with loans or receivables already written off is recognized in profit or loss.
Loans are reported in the balance sheet at the net carrying amount. The provision for credit risks relating to off-balance sheet revocable credit commitments is not recognized since the same are unconditionally cancellable commitments.
The Group does not recognize provision for credit risks for receivables and cash & cash equivalents since they carry low credit risk.

b) Collateral and other credit enhancements

The Group employs a range of tools to reduce credit risk. The Group seeks collateral coverage, assignment of contract proceeds and other forms of protection to secure lending and minimize credit risks wherever possible. The Group's borrowing agreements also include legally enforceable netting arrangements for loans and deposits enabling the Group to consolidate the customer's various accounts with the Group and either transfer credit balances to cover any outstanding borrowings or freeze the credit balances until the customer settles their outstanding obligations to the Group.

Collateral held varies, but may include:
- Underlying vehicles in case of retail portfolio
- Residential and commercial real estate property
- Land
- Bank guarantee

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

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VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

The below table provides quantitative information of collateral for credit impaired assets under Stage 3
(Collateral Coverage - Value of collateral available to mitigate the credit exposure)

(Rs. in Lakhs)

Loan To Value (LTV) range	Gross value of loan in stage 3	
	March 31, 2022	March 31, 2021
Upto 50% Coverage	29,800.56	39,160.22
51% - 70% Coverage	1,199.93	7,693.11
71% - 100% Coverage	4.71	3,065.75
Above 100% coverage	-	2,583.32
	31,005.20	**52,502.40**

c) Credit risk profile

March 31, 2022

(Rs. in Lakhs)

Retail Portfolio				
Rating	ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	298.58	-	3,024.09	3,322.67
Less: Loss allowance	9.19	-	2,510.13	2,519.32
Carrying amount	289.39	-	513.96	803.35

(Rs. in Lakhs)

Wholesale Portfolio				
Category	ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	3,587.92	3,002.99	27,981.11	34,572.02
Less: Loss allowance	9.30	76.29	19,655.28	19,740.87
Carrying amount	3,578.62	2,926.70	8,325.83	14,831.15

Movement in Gross Carrying Amount

(Rs. in Lakhs)

Particulars	ECL staging			
	Stage 1 12-month Exposure	Stage 2 Lifetime Exposure	Stage 3 Lifetime Exposure	Total
Gross carrying amount as at March 31, 2021	203,726.96	31,218.75	52,502.40	287,448.10
Transfers:				-
Transfer from Stage 1 to Stage 2	(451.75)	451.75	-	-
Transfer from Stage 2 to Stage 1	1,542.37	(1,542.37)	-	-
Transfer from Stage 2 to Stage 3	-	(240.94)	240.94	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	(948.87)	-	948.87	-
Transfer from Stage 3 to Stage 1	-	-	-	-
New facility added during the period	3,629.78	-		3,629.78
Increase in loan exposure in existing loan facility	-	-		-
Decrease in loan exposure in existing loan facility	(203,612.00)	(26,884.18)	(22,221.07)	(252,717.26)
Loans de-recognized during the period other than write-offs	-	-		-
Decrease in loan exposure due to write off	-	-	(465.93)	(465.93)
Gross carrying amount as at March 31, 2022	3,886.49	3,002.99	31,005.21	37,894.69

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Movement in Provision

(Rs. in Lakhs)

Particulars	ECL staging			
	Stage 1 12-month Exposure	Stage 2 Lifetime Exposure	Stage 3 Lifetime Exposure	Total
Provision amount as at March 31, 2021	2,215.12	3,598.09	31,032.35	36,845.56
Transfers:				-
Transfer from Stage 1 to Stage 2	(23.15)	23.15	-	-
Transfer from Stage 2 to Stage 1	3.87	(3.87)	-	-
Transfer from Stage 2 to Stage 3	-	(110.67)	110.67	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	(83.67)	-	83.67	-
Transfer from Stage 3 to Stage 1	-	-	-	-
New facility added during the period	-	162.39		162.39
Increase in loan exposure in existing loan facility	-	-		-
Decrease in loan exposure in existing loan facility	(2,253.47)	(3,430.41)	(8,597.96)	(14,281.83)
Loans de-recognized during the period other than write-offs				-
Decrease in loan exposure due to write off			(465.93)	(465.93)
Provision amount as at March 31, 2022	(141.30)	238.69	22,162.80	22,260.19

March 31, 2021

(Rs. in Lakhs)

Retail Portfolio				
Rating	ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	140,681.21	11,134.86	17,299.92	169,115.98
Less: Loss allowance	1,691.05	2,917.67	11,019.24	15,627.95
Carrying amount	138,990.16	8,217.19	6,280.68	153,488.03

(Rs. in Lakhs)

Wholesale Portfolio				
Category	ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	63,045.76	20,083.89	35,202.48	118,332.12
Less: Loss allowance	524.07	680.42	20,013.12	21,217.60
Carrying amount	62,521.69	19,403.47	15,189.36	97,114.51

Movement in Gross Carrying Amount

(Rs. in Lakhs)

Particulars	ECL staging			
	Stage 1 12-month Exposure	Stage 2 Lifetime Exposure	Stage 3 Lifetime Exposure	Total
Gross carrying amount as at March 31, 2020	277,150.13	52,002.98	50,931.70	380,084.82
Transfers:				-
Transfer from Stage 1 to Stage 2	(10,159.59)	9,193.31	-	(966.27)
Transfer from Stage 2 to Stage 1	8,610.63	(11,861.78)	-	(3,251.16)
Transfer from Stage 2 to Stage 3	-	(9,346.10)	9,472.68	126.58
Transfer from Stage 3 to Stage 2	-	286.25	(363.80)	(77.55)
Transfer from Stage 1 to Stage 3	(5,362.82)	-	5,327.15	(35.67)
Transfer from Stage 3 to Stage 1	122.49	-	(237.00)	(114.50)
New facility added during the period	38,422.29	7,189.11	107.86	45,719.25
Increase in loan exposure in existing loan facility	21.80	-	1,450.04	1,471.84
Decrease in loan exposure in existing loan facility	(55,078.92)	(3,243.80)	(701.62)	(59,024.34)
Loans de-recognized during the period other than write-offs	(49,140.40)	(12,530.33)	(2,303.16)	(63,973.88)
Decrease in loan exposure due to write off	(858.67)	(470.89)	(11,181.46)	(12,511.02)
Gross carrying amount as at March 31, 2021	203,726.96	31,218.75	52,502.40	287,448.10

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Movement in Provision

(Rs. in Lakhs)

Particulars	ECL staging			
	Stage 1 12-month Exposure	Stage 2 Lifetime Exposure	Stage 3 Lifetime Exposure	Total
Provision amount as at March 31, 2020	3,510.96	3,697.39	28,974.94	36,183.28
Transfers:				-
Transfer from Stage 1 to Stage 2	(399.27)	2,222.95	-	1,823.68
Transfer from Stage 2 to Stage 1	120.78	(518.78)	-	(398.00)
Transfer from Stage 2 to Stage 3	-	(1,360.62)	3,263.57	1,902.95
Transfer from Stage 3 to Stage 2	-	80.92	(144.47)	(63.55)
Transfer from Stage 1 to Stage 3	(201.81)	-	2,337.12	2,135.31
Transfer from Stage 3 to Stage 1	7.12	-	(105.50)	(98.38)
New facility added during the period	304.53	283.20	38.28	626.02
Increase in loan exposure in existing loan facility	436.75	81.32	3,541.85	4,059.92
Decrease in loan exposure in existing loan facility	(794.13)	(397.94)	(606.69)	(1,798.76)
Loans de-recognized during the period other than write-offs	(741.05)	(357.17)	(447.33)	(1,545.55)
Decrease in loan exposure due to write off	(28.76)	(133.18)	(5,819.43)	(5,981.37)
Provision amount as at March 31, 2021	2,215.12	3,598.09	31,032.35	36,845.56

BATLIBOI & PUROHIT
Mumbai
CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD.
MUMBAI

(iii) Liquidity risk

Liquidity Risk is the risk arising from the inability of the Group to meet its financial obligations on time without incurring significant costs. Liquidity risk is a sequential risk that may be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against the risk, management has diversified funding sources & assets are managed with liquidity in mind, maintaining sufficient un-utilized bank limits. Liquidity risk arises in the general funding of the company activities. Under the guidance of the Asset Liability Committee (ALCO), the Treasury manages the liquidity and funding of the Group to ensure that sufficient funds are available to meet the Group's known cash funding requirements and unanticipated needs that may arise. At all times, the Group holds what it considers to be adequate levels of liquidity to repay borrowings and fund new loans, even under stressed conditions.

March 31, 2022 (Rs. in Lakhs)

Particulars	Upto 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	56,577.79								56,577.79
Bank balances other than cash and cash equivalents				8,626.41					8,626.41
Receivables	2,398.54								2,398.54
Loans	2,128.83	353.96	304.56	1,252.37	2,845.55	3,439.69	1,446.37	26,123.35	37,894.69
Other Financial assets						741.64			741.64
Total financial assets	**61,105.16**	**353.96**	**304.56**	**9,878.79**	**2,845.55**	**4,181.33**	**1,446.37**	**26,123.35**	**106,239.08**
									-
Financial liabilities #									-
Payables	2,505.70								2,505.70
Lease liability	1,474.54	-							1,474.54
Other financial liabilities	1,926.52								1,926.52
Total Financial Liabilities	**5,906.76**	-	-	-	-	-	-	-	5,906.76
									-

For financial liabilities, undiscounted cash flows have been provided in the above maturity bucketing

March 31, 2021 (Rs. in Lakhs)

Particulars	Upto 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,312.47								5,312.47
Bank balances other than cash and cash equivalents						2,055.07	1.47		2,056.54
Receivables	830.14								830.14
Loans	40,593.56	6,863.41	6,786.13	19,895.62	38,004.13	88,058.54	48,420.42	38,826.29	287,448.10
Investment									-
Other Financial assets				223.14	6.88	94.52	318.20	2.97	645.71
Total financial assets	**46,736.17**	**6,863.41**	**6,786.13**	**20,118.76**	**38,011.01**	**90,208.13**	**48,740.09**	**38,829.26**	**296,292.96**
									-
Financial liabilities #	-	-	-	-	-	-	-	-	
Payables	4,876.80								4,876.80
Debt securities		15,732.33							15,732.33
Borrowings (Other than debt securities)	59,450.00	18,500.00	-	11,100.00	26,800.00	6,400.00	-	-	122,250.00
Other financial liabilities	1,223.62				397.81				1,621.43
Total Financial Liabilities	**65,550.42**	**34,232.33**	-	**11,100.00**	**27,197.81**	**6,400.00**	-	-	**144,480.56**
									-

The above maturity pattern has been computed taking necessary assumptions regarding repayments on account of moratorium.

For financial liabilities, undiscounted cash flows have been provided in the above maturity bucketing

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VOLKSWAGEN FINANCE PVT. LTD. * MUMBAI *

28) Financial instruments - Fair value measurement

The fair value is the amount at which financial instruments could be sold on fair terms as of the reporting date. Where market prices (e.g. for marketable securities) were available, we have used these prices without modification for measuring fair value. If no market prices were available, the fair values for loans/receivables and liabilities were calculated by discounting using a maturity-matched discount rate appropriate to the risk.

28.1) Carrying amounts of the financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below:

(Rs. in Lakhs)

Particulars	March 31, 2022			March 31, 2021		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
Financial assets						
Cash and cash equivalents	56,577.79	-	-	5,312.47	-	-
Bank balances other than cash and cash equivalents	8,626.41	-	-	2,056.54	-	-
Receivables						
(I) Trade receivables	998.19	-	-	830.14	-	-
(II) Other receivables	1,400.35	-	-	-	-	-
Loans	15,634.50	-	-	250,602.54	-	-
Investment	-			-		
Other Financial assets	741.64	-	-	645.71	-	-
Total financial assets	**83,978.87**	-	-	**259,447.41**	-	-
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	11.95	-	-	23.40	-	-
(ii) total outstanding dues of creditors	1,770.32	-	-	4,853.40	-	-
(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	723.43	-	-	-	-	-
Lease Liabilities	1,474.54					
Debt securities	-	-	-	15,732.33	-	-
Borrowings (Other than debt securities)	-	-	-	122,250.00	-	-
Other financial liabilities	2,076.06	-	-	1,621.43	-	-
Total financial liabilities	**6,056.29**	-	-	**144,480.57**	-	-

28.2) Fair Value:

The Group does not have any financial assets and financial liabilities which are valued at fair value. Fair value of the the financial assets and financial liabilities which are not measured at fair value (including their levels in their fair value hierarchy, are presented below). When the carrying amount is a reasonable approximation of fair value, the fair value of the financial assets or liabilities have been not disclosed. For all financial instruments other than Loans, Investment and Debt securities, the carrying value and fair value are approximately close to each other.

(i) Fair value of financials assets and liabilities

March 31, 2022 (Rs. in Lakhs)

Particulars	Carrying amount			Fair value		
	Amotised Cost	FVTOCI	FVTPL	Level 1	Level 2	Level 3
Loans	15,634.50	-	-	-	-	16,124.81
Debt securities (Non convertible debentures)		-	-	-	-	

March 31, 2021 (Rs. in Lakhs)

Particulars	Carrying amount			Fair value		
	Amotised Cost	FVTOCI	FVTPL	Level 1	Level 2	Level 3
Loans	287,448.10	-	-	-	-	280,847.31
Debt securities (Non convertible debent	15,732.33	0	0	0	15732.33	

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Mumbai
CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD.
MUMBAI

Volkswagen Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

(i) Fair value of Statement of Financial Position is presented below:

(Rs. in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	56,577.79	56,577.79	5,312.47	5,312.47
Bank balances other than cash and cash equivalents	8,626.41	8,626.41	2,056.54	2,056.54
Receivables	-			
(I) Trade receivables	998.19	998.19	830.14	830.14
(II) Other receivables	1,400.35	1,400.35	-	
Loans	15,634.50	16,124.81	250,602.55	280,847.31
Investments	-			
Other Financial assets	741.64	741.64	645.71	645.71
Total financial assets	**83,978.87**	**84,469.20**	**259,447.40**	**289,692.17**
Financial liabilities				
Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	11.95	11.95	23.40	23.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,770.32	1,770.32	4,853.40	4,853.40
(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	-		-	
Lease Liabilities	1,474.54	1,474.54	1,799.53	1,799.53
Debt securities	-	-	15,732.33	15,732.33
Borrowings (Other than debt securities)	-	-	122,250.00	122,250.00
Other financial liabilities	2,076.06	2,076.06	1,621.43	1,621.43
Total financial liabilities	**5,332.87**	**5,332.87**	**146,280.10**	**146,280.10**

Valuation techniques used to determine fair value:

The Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a risk team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:
The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).
The hierarchies used are as follows:

Level 1: Financial instruments measured using quoted prices and that are traded in active market are categorized under level 1. The company has no financial instruments which are categorized as level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using observable market data and not the entity specific estimates. The Non Convertible debentures which are classified as debt securities have been categorized as level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The instruments are valued based on quoted prices for the similar instruments but for which significant observables adjustments are required to reflect the difference between the instruments. Loans have been included in level 3 category.

Loans

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on internal estimation and consequently for the purposes of level disclosures categorized under Level 3. The discount factor used for fair valuation is derived using a combination of interpolated risk-free interest rates, risk premium, service fee and interpolated funding spreads as on valuation date. Input data used to carry out the fair valuation covers portfolio data, expected future cashflows, provision data and live LAN level data for each product in the portfolio.

The Group has granted loans to certain borrowers which is secured by the guarantee/loss sharing arrangement with Scania Commercial Vehicles India Private Limited (Scania India). The Group has evaluated the worldwide financial strength of the Scania Group and the comfort imparted by the parent company to Scania India. Accordingly , the provision for expected credit loss on such loans has been carried out after considering expected recovery on account of such guarantee/loss sharing arrangement.

Debt securities

The fair values of the Group's non convertible debentures are calculated based on a discounted cash flow model. The discount factor used for fair valuation is derived using a combination of interpolated risk-free interest rates and credit-spreads of the Group as on valuation date. Input data used to carry out the fair valuation covers portfolio data and expected future cashflows for each product in the portfolio.

Transfers between Levels

There are no transfers between Level 1, 2 and 3 since there are no financial instruments at fair value under the category

BATLIBOI & PUROHIT * Mumbai * CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI *

29) Capital

Capital management

The primary objectives of the capital management policy is to ensure that the Group continuously complies with capital requirements required by regulator, maintains strong credit ratings and healthy debt to equity ratios in order to support its business and to maximize shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Group may adjust the amount of dividend payment to shareholders, return capital to shareholders.

The Parent Company uses the capital adequacy requirement as prescribed by the regulator as benchmark to monitor its capital requirements. The status of capital adequacy requirements are mentioned below:

Regulatory capital

(Information provided pertaining to the Parent Company)

(Rs. in Lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
Net Own Fund (Tier I)	87,742.12	124,708.74
Tier II	180.88	3,421.23
Total capital	**87,922.99**	**128,129.97**
Risk weighted assets	36,038.51	273,698.76
Tier I Capital ratio	**243.47%**	**45.56%**
Tier II Capital ratio	**0.50%**	**1.25%**

BATLIBOI & PUROHIT * Mumbai * CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. * MUMBAI *

30) Lease

Right to use of Asset

(Rs. in Lakhs)

Particulars	Property Rent
As at 1 April 2020	**674.60**
Additions (Note 7a)	1,808.20
Addition Related to Acquisition	89.30
Depreciation expense	537.78
Deletion	109.25
As at 31 March 2021	**1,925.07**
As at 1 April 2021	**1,925.07**
Additions (Note 7a) (net)	128.04
Additions related to acquisition	
Depreciation expense	516.21
Deletion	11.45
As at 31 March 2022	**1,525.44**

Lease Liability

(Rs. in Lakhs)

Particulars	**Amount**
As at 1 April 2020	792.86
Additions	1,665.91
Accretion of interest	45.53
Payments	597.23
Deletion	107.55
As at 31 March 2021	**1,799.53**
As at 1 April 2021	**1,799.53**
Additions	**119.73**
Accretion of interest	**115.31**
Payments	560.02
Deletion	-
As at 31 March 2022	**1,474.54**

Particulars	**March 31, 2022**	**March 31, 2021**
Depreciation expense of right-of-use assets	516.21	521.34
Interest expense on lease liabilities	126.76	71.42
Expense relating to short-term leases (included in other expenses)	-	-
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
Total amount recognised in profit or loss	**642.97**	**592.76**

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only. On this basis no such amounts included in the measurement of Lease liabilities as at 31 March 2022.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

31) Foreign Currency transactions

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a)Reimbursement of Expatriate Salaries	124.76	216.55
(b)Information Technology Support Charges	1,616.80	2,092.03
(c) Stock Audit Charges	10.32	33.68
(d) Corporate Gaurantee Fee	(9.62)	114.39
(e) Treasury Support Service	-	31.14
(f) Travelling Expenses	2.71	-
(g) Services/Consultancy Fees	191.60	87.40
(h) Purchase of software	-	-
(i) Investment expense	16.75	-
(j) Reimbursement of Impat Salaries	(94.43)	(55.01)

The details of unhedged foreign currency exposure as at the year-end are as follows:
Figures in () represent Income items

A) Payable (Rs. in Lakhs)

Foreign Currency	March 31, 2022		March 31, 2021	
	Indian Rupees equivalent	Amount in Foreign Currency	Indian Rupees equivalent	Amount in Foreign Currency
EURO	929.29	10.86	806.36	9.27
SEK	-	-	8.88	1.06

B) Receivable

Foreign Currency	March 31, 2022		March 31, 2021	
	Indian Rupees equivalent	Amount in Foreign Currency	Indian Rupees equivalent	Amount in Foreign Currency
EURO	94.43	1.12	55.01	0.64

* Note: The details of unhedged foreign currency exposure includes year end provisions

32) Related Party Disclosures

I Related Parties and nature of relationship

i. Where control exists

a. Ultimate Holding Company — Volkswagen AG, Germany
b. Holding Company — Volkswagen Finance Overseas B.V,Netherland
c. Intermediate Holding Company — Volkswagen Financial Services A.G, Germany

ii. Other Related Parties with whom transactions have taken place during the year

a. Fellow Subsidiaries

Skoda Auto Volkswagen India Private Limited, India
Scania Commercial Vehicles India Pvt. Ltd
Volkswagen IT Services India Private Limited
Volkswagen Bank GMBH
VWFS Digital Solutions GMBH
VW Software Asset Management GMBH
Volkswagen Dogus Finansman, Turkey

b. Directors and Key Management Personnel (KMP)

Dr. Christian Rosswag, Managing Director and CFO (from 1st November 2021)

Mr. Ashish Deshpande, Managing Director and Chief Executive Officer

Mr. Ralf Tiechmann, Non Executive Director (from April 1, 2021)
Mr. Jorg Thielemann, Additional Director(till October 29, 2021)
Mr. Subramanian Jambunathan, Independent Director
Ms. Rupa Rajul Vora, Independent Director
Ms. Minal Shah.Interim MD & CFO(from August 31 ,2021 to October 31, 2021)

c Entities controlled by KMP

Avejana Management And Advisory Services Private Limited
MatexNet Private Limited

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

ii) Transactions with related parties as mentioned above:

(Rs. in Lakhs)

Particulars	Holding Company@		Fellow Subsidiaries		Total	
	April 1 2021 to March 31, 2022	April 1 2020 to March 31, 2021	April 1 2021 to March 31, 2022	April 1 2020 to March 31, 2021	April 1 2021 to March 31, 2022	April 1 2020 to March 31, 2021
1. Expenditure						
a) Purchase of goods / receiving of services						
Volkswagen Financial Services A.G	35.06	246.78	-	-	35.06	246.78
Volkswagen Pon Financials Services	-	-		-	-	-
Skoda Auto Volkswagen India Private Limited	-		41.34	46.75	41.34	46.75
Volkswagen Dogus Finansman, Turkey	-		74.86	129.68	74.86	129.68
Volkswagen IT Services India Private Limited	-		31.65	18.83	31.65	18.83
VWFS Digital Solutions GMBH	-		1,500.01	1,922.28	1,500.01	1,922.28
Volkswagen Finans Sverige AB	-			8.94	-	8.94
Volkswagen Bank GmbH	-		27.57	31.14	27.57	31.14
VW Software Asset Management GMBH			65.47	167.68	65.47	167.68
Volkswagen AG	0.51	2.06			0.51	2.06
Volkswagen Software Asset Management			-	-	-	-
Total	**35.57**	**248.84**	**1,740.89**	**2,325.31**	**1,776.47**	**2,574.14**
b) Purchase of Assets						
Skoda Auto Volkswagen India Private Limited	-	-		38.48	-	38.48
VWFS Digital Solutions GMBH	-	-	-		-	-
Total	-	-	-	**38.48**	-	**38.48**
2. Income						
a) Pre Received Interest Subvention Income						
Skoda Auto Volkswagen India Private Limited	-	-	-	72.25	-	72.25
Total	-	-	-	**72.25**	-	**72.25**
b) Brand Support Fees						
Skoda Auto Volkswagen India Private Limited	-	-	645.12	1,532.37	645.12	1,532.37
Total	-	-	**645.12**	**1,532.37**	**645.12**	**1,532.36**
c) Other sale of goods / rendering of services						
Skoda Auto Volkswagen India Private Limited	-	-	338.42	57.82	338.42	57.82
Volkswagen IT Services India Private Limited	-	-		-	-	-
Scania Commercial Vehicles India Private Limited	-	-	(6.74)	25.95	(6.74)	25.95
VW Credit Canada, Inc			-	55.01	-	55.01
Total	-	-	**331.67**	**138.78**	**331.67**	**138.78**
d) Interest Income						
Total	-	-	-	-	-	-
3. Managerial Remuneration $						
Christian Rosswag #					-	-
Ashish Deshpande			-	-	-	-
Gokhan Cinar (Till Feb 28,2021)			-	-	-	-
Minal Shah (August 31,2021 to October 31,2021)					8.11	
Total	-	-	-	-	**8.11**	-
4. Director's Fees						
Rupa Vora	-	-	-	-	16.00	13.00
Jambunathan Subramanian	-	-	-	-	15.00	10.00
Total					**31.00**	**23.00**

Mr. Christian Rosswag was appointed as Managing Director and Chief Financial Offier on November 1, 2021

$ Incentives are considered on payment basis
@ Includes Parent Company of Holding Company

iii) Year end balances of related parties as mentioned above:

Particulars	Holding Company@		Fellow Subsidiaries		Total	
	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
Payables						
Volkswagen Financial Services A.G.	36.90	149.08	-	-	36.90	149.08
Skoda Auto Volkswagen India Private Limited			11.93	3,007	11.93	3,007.34
Volkswagen Pon Financials Services	-	-	-		-	-
Volkswagen Dogus Finansman	-	-	10.47	144.72	10.47	144.72
VW Financial Services Digital Solutions GMBH	-	-	837.13	387.61	837.13	387.61
Volkswagen Finans Sverige AB	-	-	-	8.88	-	8.88
Volkswagen Bank GmbH	-	-	37.11	12.39	37.11	12.39
Volkswagen IT Services India Private Limited	-	-	8.41	12.66	8.41	12.66
Volkswagen Software Asset Management GMBH	-	-	-	110.51	-	110.51
Volkswagen AG	2.57	2.06			2.57	2.06
Receivables					-	-
Skoda Auto Volkswagen India Private Limited	-	-	211.81	182.68	211.81	182.68
Volkswagen Financial Services A.G.	104.06	9.36			104.06	9.36
Scania Commercial Vehicles India Pvt. Ltd	-	-	763.07	23.14	763.07	23.14
VW Credit Canada, Inc			-	55.01	-	55.01

Volkswagen Financial Services A.G., Germany has given corporate guarantee for credit lines availed by the Holding Company from various banks.
The outstanding amount against such credit lines as at year end is Rs. NIL (Previous Year: Rs. 10,547,223,791).

As part of wholesale funding arrangement with dealer, the Parent Company makes payment to related parties on behalf of dealers. Accordingly, the amount of these transaction during the year has not been shown under the category of 'Transaction during the year'.

@ Includes Parent Company of Holding Company

During the year the Holding Company received INR 2190.12 lakh (Previous year:4,579.23) from Scania Commercial Vehicles India Private Limited towards the guaranty on the borrowers.

33) Segment Reporting

For management purposes, the Group is organised into business units based on its type of products and has two reportable segments, as follows:
- Retail Finance
- Dealer Finance

The Chief Operating Decision Maker ("CODM"), is the managing director of the Company who evaluates the performance and allocates resources based on an analysis of various performance indicators by operating segments. Operating profit or loss is reported as the primary key performance indicator to the chief operating decision-makers. The information made available to management for management purposes is based on the same accounting policies as those used for external financial reporting.

Retail Finance: Providing loans to customers for purchase of VW Group brand vehicles i.e. Volkswagen, Skoda, Audi, Porsche, Lambhorgini MAN and Scania.

Dealer Finance: providing New Car Unit Funding, Term Loans and Used Cars funding to the dealers of VW Group brand i.e. Volkswagen, Skoda, Audi,Porsche, Lamborghini and MAN .

(Rs. in Lakhs)

Particulars	March 31, 2022			
	Retail Finance	Dealer Finance	Unallocated	Total
Revenue				
External	7,099.86	5,467.48	7,236.00	19,803.35
Inter segment				
Total	**7,099.86**	**5,467.48**	**7,236.00**	**19,803.35**
Segment Expenses	(7,761.78)	3,797.97	11,933.86	7,970.05
Segment Result - profit / (loss)	**14,861.65**	**1,669.51**	**(4,697.87)**	11,833.29
Profit/(Loss) before Tax	-	-	-	-
Tax Expense (Including Deferred Tax)	-	-	8,733.61	8,733.61
Profit/(Loss) After Tax before extraordinary Items	-	-	-	3,099.68
Exceptional Items	48,530.15			48,530.15
Profit/(Loss) After Tax	-	-	-	**(45,430.48)**
Other Information				
Carrying Amount of Segment Assets	15,337.14	7,029.01	76,697.26	99,063.41
Carrying Amount of Segment Liabilities	923.70	504.88	9,148.03	10,576.60
Capital Expenditure	94.88	165.48	-	260.36
Depreciation / Amortisation			1,186.56	1,186.56

(Rs. in Lakhs)

Particulars	March 31, 2021			
	Retail Finance	Dealer Finance	Unallocated	Total
Revenue				
External	19,801.74	11,792.20	3,640.21	35,234.14
Inter segment				
Total	**19,801.74**	**11,792.20**	**3,640.21**	**35,234.14**
Segment Expenses	19,290.11	8,467.35	4,321.01	32,078.47
Segment Result - profit / (loss)	**1,672.71**	**1,297.35**	**(1,196.32)**	**3,155.67**
Share of Profits of Investments accounted using equity method				-
Profit/(Loss) before Tax	-	-	-	3,155.67
Tax Expense (Including Deferred Tax)	-	-	-	**926.75**
Profit/(Loss) After Tax before extraordinary Items	-	-	-	2,228.91
Extraordinary Items	-	-	-	-
Profit/(Loss) After Tax	-	-	-	2,228.91
Other Information				
Carrying Amount of Segment Assets	154,971.73	98,159.85	30,369.45	283,501.02
				-
Carrying Amount of Segment Liabilities	82,223.78	60,216.58	7,161.70	149,602.06
Capital Expenditure	1,178.88	824.87	-	2,003.75
Depreciation / Amortisation	456.13	319.16	-	775.29

(i) Unallocated revenue mainly consists of Income from Insurance business.

(ii) Unallocated expenses comprise of expenses towards corporate social responsibility, directors sitting fees, conveyance expenses, foreign expense loss and other administratative expenses.

(iii) Segment assets comprise mainly of retail loans, dealer finance loans, interest accrued on retail loans and dealer finance loans, receivable from interest subvention . Unallocated assets represent mainly other loans and advances, defered tax assets cash and cash equivalents, advance tax & TDS and security deposits. Segment liabilities include payable for retail finance and dealer finance, trade and other payables and borrowings. Unallocated liabilities mainly include outstanding expenses and statutory liabilities. Carrying value of Segment assets includes Asset held for sale of Rs. 130.41 Lakhs (Previous year: Rs. 130.41 Lakhs) under Dealer Finance segment.

(iv) The Group does not have revenue from its customer who individually contributes more than 10 percent of the Company's revenue.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

34) The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11.95	23.40
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.01	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

The above information regarding small scale industrial undertakings and micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.

35) Contingent Liabilities and other Capital Commitments

a. Contingent liabilities not provided for in respect of (Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Disputed claims not acknowledged as debt	194.00	196.56
Service tax matters under appeal	5,071.85	5,071.85
Income tax matters under appeal	673.55	673.55

i. The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense

ii. **Service Tax Matter**

Group received show cause notice from Office of the Assistant Commissioner of Service Tax demanding service tax of Rs. 2,537.76, Lakhs on certain transactions. The Group has disputed the said show cause notice and started paying the service tax on those transactions under protest. The Commissioner of Service Tax had passed order dated February 20, 2017 confirming the stand taken by the department to pay service tax along with interest and penalty.

The Group has disputed the order passed by the Commissioner of Service Tax and has filed appeal before The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) in the financial year 2017-18.

Accordingly, service tax matter in respect of which assessment pending is Rs. 5,071.85 Lakhs (March 31, 2021Rs. 5,071.85 Lakhs) and the amount paid under protest Rs. 2,534.08 Lakhs (March 31, 2021 Rs. 2,534.08 Lakhs). This is being disputed by the Company and not provided for.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

iii. **Income Tax Matter**

In respect of Income Tax matter, in FY 2015-16 the Company had received show cause notice for non deduction of withholding tax on payment to non-residents. The company has disputed the said show cause notice and paid the disputed liability under protest. The Income Tax Appellate Tribunal (ITAT) has passed order confirming the stand taken by the department to pay withholding tax along with interest and penalty. The Company is disputing the said order and has filed an appeal with the High Court. The Company has also received penalty order under section 271C of The Income Tax Act, 1961 which has been disputed by the Company and the appeal against the same has been filed with Commissioner of Income Tax (Appeal).

For FY 2015-16 and FY 2016-17, Transfer Pricing Officer / Assessing Officer had made an adjustment for Information Technology Support Services (ITSS) availed from its Associated Enterprise (AE). The assessment orders were passed for both years treating the arm's length price of ITSS transaction as Nil. The TPO / AO replying on OECD guidelines on Intra Group Services stated in the order that assessee did not satisfy the Need-Evidence-Benefit test and the arm's length price (ALP) was determined to be Nil. The Company is disputing the said order and has filed an appeal with the Commission of Income Tax (Appeals).

For FY 2015-16 and FY 2016-17, the Company has paid 20% of the total demand tax raised for each of the years. The tax on IT Support Services adjustment of Rs. 266.21 Lakhs (March 31, 2021 Rs. 266.21 lakhs) and Rs. 318.14 Lakhs (March 31, 2021 Rs. 318.14 lakhs) for FY 2015-16 and FY 2016-17 respectively are disputed by Company and hence not provided for.

Accordingly, Income tax matter in respect of which appeals have been filed is Rs. 673.55 Lakhs (March 31, 2021 Rs. 673.55 Lakhs) and Rs. 44.60 Lakhs (March 31, 2021 Rs. 44.60 Lakhs) had been paid under protest. This is being disputed by the Company and hence not provided for.

b. **Capital Commitments :**

Estimated value of contracts in capital account remaining to be executed is INR 14.45 lakhs (March 31, 2021: 40.38 Lakhs)

36) Corporate social responsibility expenses

(i) Gross amount required to be spent by the Company during the year: (Rs in Lakhs)

(ii) Amount spent during the year on: (Rs. In Lakhs)

Particulars	Paid	Yet to be paid	Total
Construction, acquisition of any asset	Nil	Nil	Nil
On purposes other than the above*	34.62	-	34.62

* .Includes INR 1.74 lakhs carried forward from previous year.

* The above information are only pertains to Parent company

* The above expenditure relates to donation into PM Cares Fund and on the Water Shed Organisation Project.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

37) Tax expense

(i) Amounts recognised in profit and loss

Particulars	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Current tax expense		
Current period	-	809.09
Changes in estimated related to prior years	-	-
Total current tax expense (A)	-	809.09
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	8,773.69	105.69
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	-	-
Deferred tax expense (B)	8,773.69	105.69
Tax expense for the year (A)+(B)	8,773.69	914.77

(ii) Amounts recognised in other comprehensive income

(Rs. in lakhs)

Particulars	Year ended March 31,2022			Year ended March 31,2021		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	4.43	-	4.43	1.03	(0.26)	0.77
Total	4.43	-	4.43	1.03	(0.26)	0.77

(iii) Movement in deferred tax balances

(Rs. in Lakhs)

Particulars	March 31, 2022					
	Opening balance March 31, 2021	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Property, plant and equipment	88.07	(88.07)	-	-	-	-
Loans	200.42	(200.42)	-	(0.00)	-	
Security deposits	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Employee benefits	111.32	(111.32)	-	-	-	-
Equity-settled share-based payments	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-
Provisions	9,273.29	(9,273.29)	-	-	-	-
Unabsorbed Depreciation	-	-	-	-	-	-
Other items	(1,263.80)	899.42	-	(364.39)	-	(364.39)
Total	8,409.30	(8,773.69)	-	(364.39)	-	(364.39)

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

(Rs. in Lakhs)

Particulars	March 31, 2022					
	Opening balance March 31, 2021	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Property, plant and equipment	92.64	(4.83)		(4.83)	87.80	-
Indexation benefit on land and shares	-	-	-	-	-	-
Loans	307.84	(107.41)	-	(107.41)	200.42	
Security deposits	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Employee benefits	320.33	(209.01)	-	(209.01)	111.32	-
Equity-settled share-based payments	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-
Provisions	9,106.61	166.68	-	166.68	9,273.29	-
Unabsorbed Depreciation	-	-	-	-	-	-
Other items	(975.89)	76.74	-	76.74	-	(899.15)
Total	**8,851.52**	**(77.84)**	**-**	**(77.84)**	**9,672.83**	**(899.15)**
			0	0	0	0

(iv) **Effective Tax Rate**

Particulars	March 31, 2022 (Rs. in Lakhs)	March 31, 2021 (Rs. in Lakhs)
Profit before tax		
Profit Before Tax	(36,617.32)	3,155.67
Tax rate	25.17%	25.17%
Tax on profits	(9,215.85)	794.22
Tax effect of:		
CSR expenses		24.77
Interest on Late Payment of TDS		1.15
Reassessment of DTA	17,989.54	-
Prior Period Expenses		3.58
tax on perquisits u/s 10(10CC)		103.03
Others		
Total income tax expenses	**8,773.69**	**926.75**
	-	0
Effective tax rate	**0.00%**	**29.37%**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(v) **Tax Balances**

Particulars	As at March 31,2022	As at March 31,2021
Current Tax Assets (Net) **(Net of Provision of March 31, 2022 Rs. 4919.67 lakhs March 31, 2021 Rs. 4919.67 lakhs)**	**1792.23**	**3096.88**
Current Tax Liabilities (Net) **(Net of Advance Tax of March 31, 2022 Rs. 15351.05 lakhs March 31, 2021 Rs.15336.96 lakhs)**	1997.48	2011.57
Total		
Total	205.25	(1,085.31)

38 **Calculation of Goodwill**

Particulars	Amount (Rs. In Lakhs)
Purchase consideration	6,433.21
Non-controlling interest in the acquired entity	1,624.38
Less: Net identifiable assets acquired	(3,304.17)
Goodwill	**4,753.42**

Goodwill on consolidation

Particulars	March 31, 2021 (Rs. In Lakhs)
Cost as at beginning of the year	-
Addition relating to acquisition of subsidiary	4,753.42
Cost as at end of the year	4,753.42
Impairment as at beginning of year	-
Charge for the year	-
Impairment as at end of the year	-
Net carrying value as at beginning of the year	-
Net carrying value as at end of the year	4,753.42

BATLIBOI & PUROHIT * Mumbai * CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. * MUMBAI

1.1. CORPORATE INFORMATION

Volkswagen Finance Private Limited (VWFPL), (the "Parent Company") has been incorporated on January 16, 2009. The Company received NBFC license from the Reserve Bank of India (RBI) on March 17, 2011 and commenced NBFC business from March 24, 2011. VWFPL is providing retail car financing, dealer car financing, term loans, used cars financing, operating lease and insurance solutions to the customers for purchase of VW Group brand vehicles i.e. Volkswagen, Skoda, Audi, Porsche, Lamborghini, MAN and Scania. The Parent Company together with its subsidiary (hereinafter collectively referred to as the 'Group') is engaged in the business of lending.

1.2. BASIS OF PREPARATION

A. Statement of compliance

The consolidated financial statements have been prepared 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 as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other relevant provision of the act.

The financial statements have been prepared on a historical cost basis except for:

- Certain financial assets and liabilities - measured at fair value
- Assets held for sale- Measured at fair value less cost to sell.
- Defined benefit plans (Employee benefit provisions) – measured at fair value.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to the financial years presented in the financial statements, These financial statements were authorized for issue by the **Group**'s Board of Directors on July 28, 2021.

B. Principles of Consolidation

The Consolidated Financial Statements relate to Volkswagen Finance Private Limited (the Company) and its subsidiary. The Company obtained a controlling share in its associate, Kuwy Technology Services Private Limited on January 5, 2021. The consolidated financial statement include the results of the subsidiary consolidated in accordance with IND AS 110 "Consolidated Financial Statements".

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Kuwy Technology Service Private Limited	India	67.73%	Subsidiary

- The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Mumbai

CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD.

MUMBAI

- The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
- Non-Controlling Interest's share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet.

C. Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates and assumptions are required in particular for:

I. Determination of estimated useful lives of property, plant, equipment

Useful lives of property, plant and equipment are based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

II. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in note 26.

III. Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, depreciation carry-forwards and unused tax credits could be utilized.

IV. Recognition and measurement of provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

V. Discounting of long-term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/liabilities which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

VI. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 28.

VII. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

VIII. Effective Interest Rate (EIR) method

The Grpup's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the contractual life of loans given/ taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle.

IX. Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Group assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

D. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

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VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

1.3. SIGNIFICANT ACCOUNTING POLICIES

A. REVENUE RECOGNITION

I. Interest income on financial assets is recognized on an accrual basis using effective interest method. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.
Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under stages 1 and 2 as against on amortised cost net of impairment allowance for the assets falling under impairment stage 3.

II. Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Fees and commission that are not integral to effective interest rate are recognised on accrual basis over the life of instrument.

III. All other fees, commissions and other income and expense are generally recognised on an accrual basis by reference to completion of the specific transaction assessed based on the actual service provided as a proportion of the total services to be provided except for penalty interest income and other service fee are recognized when there is reasonable certainty of receiving the same.

IV. The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Groupallocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue from contracts with customers based on a five step model as set out below.

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VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

B. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The Group classifies its financial assets in the following measurement categories;

- those to be subsequently measured at (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset unless otherwise specifically mentioned in the accounting policies.

The Group recognises the financial assets at trade date on initial recognition.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

— the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

— the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

— the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

Mumbai

CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD.

MUMBAI

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

— reset terms
— contingent events that would change the amount and timing of cash flows;
— prepayment and extension terms; and
— features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

— it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
— the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Statement of Profit and Loss. The losses if any, arising from impairment are recognised in the Statement of Profit and Loss.

Financial asset at fair value through Other Comprehensive Income (FVOCI)

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, on such instrument is recognized through Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost except when designated to be measured at FVTPL.

C. IMPAIRMENT OF FINANCIAL ASSETS

The provision for credit risks, which is recognized in accordance with the expected credit loss model specified by Ind AS 109 and in accordance with uniform standards applied, encompasses all financial assets measured at amortized cost. The calculation of the provision for credit risks generally takes into account the exposure at default, the probability of default and the loss given default.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Financial assets are subject to credit risks, which are taken into account by recognizing the amount of the expected loss; such allowances are recognized for both financial assets with objective evidence of impairment and non-impaired financial assets.

The general approach is used for financial assets measured at amortized cost on initial recognition. Financial assets are broken down into three stages in the general approach. Stage 1 consists of financial assets that are being recognized for the first time or that have not demonstrated any significant increase in probability of default since initial recognition. In this stage, the model requires the calculation of an expected credit loss for the next twelve months. Stage 2 consists of financial assets for which there is a significant increase in credit risk. Financial assets demonstrating objective indications of impairment are allocated to Stage 3. In Stages 2 and 3, an expected credit loss is calculated for the entire remaining maturity of the asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. For the wholesale portfolio, the credit risk is assumed to have been increased based on change in the risk class according to the master scale as of reporting date is compared with the risk class according to master scale as of initial recognition

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due
- For wholesale portfolio, it also depends on the risk class as per the master scale of the Group

In the case of financial assets already impaired on initial recognition and classified as purchase originated and impaired assets ("POCI") for the purposes of the disclosures, the provision for credit risks is recognized in subsequent measurement on the basis of the cumulative changes in the expected credit loss for the entire life of the asset concerned. Any financial instrument already classified as impaired on initial recognition remains in this stage until it is derecognized.

Both historical information, such as average historical default probabilities for each portfolio, and forward- looking information is used to determine the measurement parameters for calculating the provision for credit risks.

Impairment arises in a number of situations, such as delayed payment over a certain period, the initiation of enforcement measures, the threat of insolvency or over indebtedness, application for or the initiation of insolvency proceedings, or the failure of restructuring measures.

Reviews are regularly carried out to ensure that the allowances are appropriate. Uncollectible loans or receivables that are already subject to a workout process and for which all collateral has been recovered and all further options for recovering the loan or receivable have been exhausted are written off directly. Any valuation allowances previously recognized are utilized. Income subsequently collected in connection with loans or receivables already written off is recognized in profit or loss.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Loans and receivables are reported in the balance sheet at the net carrying amount. The provision for credit risks relating to off-balance sheet irrevocable credit commitments is recognized with- in other liabilities.

D. **WRITE-OFFS**

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in Statement of Profit and Loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

E. **DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

BATLIBOI & PUROHIT ★ Mumbai ★ CHARTERED ACCOUNTANTS

MUMBAI

F. MODIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the Statement of Profit and Loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses, in other cases, it is presented as interest income.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

G. MEASUREMENT OF FAIR VALUES

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

BATLIBOI & PUROHIT ★ Mumbai ★ CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI ★

H. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

I. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Foreign currency monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing on the balance sheet date. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of foreign currency monetary assets and liabilities are recognized in the statement of profit and loss.

J. TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore, measures them subsequently at amortised cost using the effective interest rate method, less allowance.

K. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

L. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Gain or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and recognized as income or expense in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of property, plant and equipment at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of property, plant and equipment. The estimates of useful lives of property, plant and

Batliboi & Purohit Mumbai Chartered Accountants

Volkswagen Finance Pvt. Ltd. Mumbai

equipment, based on a technical evaluation, are reviewed periodically, including at each financial year end. Estimated useful lives over which assets are depreciated are as follows:

Asset Type	Useful life in years
Building	30
Leasehold Improvements	Over the lease period
Office Equipment	5
Computers - Servers and Networks	6
Computers - Laptops and Desktops	3
Furniture and Fixtures	10
Vehicles	8
Vehicles given on operating lease	Over the lease period

Used property, plant and equipment purchased are depreciated over the residual useful life from the date of original purchase. For property, plant and equipment purchased and sold during the year, depreciation is provided on pro rata basis by the Group.

Property, plant and equipment costing less than Rs.5,000 are fully depreciated in the year of purchase.

M. **INTANGIBLE ASSETS AND IMPAIRMENT OF GOODWILL**

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their estimated useful lives on a straight line basis, from the date they are available for use. Estimated useful life over which intangible assets are amortised are as follows:

Asset Type	Useful life in years
Software (Holding Company)	4
Software-Mobile application	6
Software (Subsidiary Company)	3
Trade Name	10

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the groups cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

N. INTANGIBLE ASSETS UNDER DEVELOPMENT

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the intangible assets under development include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

O. BORROWING COST

Borrowing costs other than those directly attributable to qualifying Property, Plant and Equipment are recognised as an expense in the period in which they are incurred.

P. INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit

Batliboi & Purohit Mumbai Chartered Accountants

Volkswagen Finance Pvt. Ltd. Mumbai

will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if:

a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Q. EMPLOYEE BENEFITS

I. Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to the Statement of Profit and Loss when due.

II. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Group accounts for liability for future gratuity benefits based on actuarial valuation. The net present value of the Group's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

III. Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in other comprehensive income in the year they are incurred. Remeasurements are not reclassified to profit or loss in subsequent period. Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

IV. The Group accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Group's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

R. **SEGMENTAL REPORTING**

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Managing Director (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

Group has three principal operating and reporting segments viz
- Retail finance
- Dealer finance
- Platform for loan facilitation

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to the Groupas a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

S. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

T. **PROVISIONS AND CONTINGENT LIABILITIES**

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but disclosed in the notes. Contingent assets are neither recognised nor disclosed in financial statements.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE MUMBAI

U. OPERATING LEASES

The Group has applied IND AS 116 using the modified retrospective approach.
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less.

i. Right to use of Asset

The Group recognises right-of-use assets at the commencement date (i.e., the date of adoption of Ind As 116). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the Ind As 116 adoption date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

V. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Groupy are segregated based on the available information.

BATLIBOI & PUROHIT Mumbai CHARTERED ACCOUNTANTS

VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

W. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

X. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand and balances with banks. It also comprises of short-term deposits with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Y. CONTRIBUTED EQUITY

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Z. NON-CURENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets that are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet

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MUMBAI

AB. Transfer to special reserve

As per section 45-IC of the Reserve Bank of India Act, 1934 (the RBI Act), the Group is transferring an amount not less than 20 per cent of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purpose specified by RBI.

AC. Goods and service tax

Expenses and assets are recognised net of the goods and services tax paid, except:

(i) when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

(ii) when receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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