

VOLKSWAGEN FINANCE PRIVATE LIMITED

26th October, 2018

To,
The General Manager - Debt Listing
Wholesale Debt Segment,
BSE Limited,
1st Floor, P. J. Towers,
Dalal Street,
Mumbai – 400001

REGISTERED OFFICE

VOLKSWAGEN FINANCE PRIVATE LTD.

CIN - U65999MH2009FTC189640

3rd Floor, A wing, Silver Utopia

Cardinal Gracious Road, Chakala,

Andheri (East), Mumbai 400 099

Email ID: vwfpcompliance.india@vwfs.com

Website: www.volkswagen-finance-india.co.in

TEL: +91 22 39521000

FAX +91 22 39521001

Dear Sir,

Sub: Submission of the Un-audited Financial Results for the Half Year ended September 30, 2018

We wish to inform you that the Board of Directors of the Company at its Meeting held on 25th October, 2018 has approved the Un-audited Financial Results for the Half Year ended September 30, 2018. In terms of the regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), we enclose the following –

1. A copy of the Un-audited Financial Results for the Half Year ended September 30, 2018 along with applicable disclosures as required under regulation 52(4) of the Regulations;
2. A copy of Limited Review Report issued by M/s Price Waterhouse, Statutory Auditors;
3. Certificate as required under regulation 52(5) of the regulations from M/s Vistra ITCL (India) Limited (formerly known as IL&FS Trust Company Limited), Debenture Trustees.

You are requested to take the same on your records.

Thanking you,

For Volkswagen Finance Private Limited



**Harshada Pathak
Company Secretary & Compliance Officer**



Encl : as above

Volkswagen Finance Private Limited
Statement of Unaudited Financial Results for the Half year ended September 30, 2018

		(Amount in Rs.)	
Particulars		Half Year Ended September 30, 2018 (Unaudited)	Half Year Ended September 30, 2017 (Unaudited)
	Revenue from operations		
(i)	Interest Income	2,452,841,534	2,608,462,682
(ii)	Fees and commission Income	468,372,873	342,458,142
(iii)	Others	22,023,326	16,847,216
(I)	Total Revenue from operation	2,943,237,733	2,967,768,040
(II)	Other Income	18,242,935	27,226,048
(III)	Total Income (I+II)	2,961,480,668	2,994,994,088
	Expenses		
(i)	Finance Costs	1,483,045,275	1,629,447,224
(ii)	Fees and commission expense	180,647,865	14,202,372
(iii)	Employee Benefits Expenses	293,095,600	275,756,873
(iv)	Depreciation, amortization and impairment	22,448,033	20,883,888
(v)	Other expenses		
	Rent	39,534,161	34,974,896
	Repairs and Maintenance	15,342,653	18,638,706
	Information Technology Support Charges	113,024,814	52,807,262
	Legal, Professional and Consultancy Fees	39,362,307	51,522,360
	Provision for Future Potential Losses	18,333,728	182,659,462
	Provision for Non Performing Assets	891,162,345	78,928,304
	Bad Debts Written Off	71,590,429	90,392,893
	Collection Agency Charges	33,292,234	28,057,479
	Traveling and Conveyance	15,750,308	16,600,137
	Business Promotion	16,642,699	14,362,857
	Corporate Social Responsibility Spending	12,651,563	14,063,924
	Other Expenditure	33,175,703	43,453,404
(IV)	Total Expenses (IV)	3,279,099,717	2,566,752,041
(V)	Profit/(loss) before tax (III-IV)	(317,619,049)	428,242,047
(VI)	Exceptional items	-	-
(VII)	Profit/(loss) before tax (V -VI)	-	-
(VI)	Tax Expense:		
	(1) Current Tax	206,220,376	245,800,000
	(2) Deferred Tax	(318,447,081)	(82,512,940)
	(3) Short / (Excess) tax provisions for earlier years	-	-
(VII)	Profit/(loss) for the period (V-VI)	(205,392,343)	264,954,987
(X)	Profit/(loss) from discontinued operations	-	-
(XI)	Tax Expense of discontinued operations	-	-
(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)	-	-
(XIII)	Profit/(loss) for the period (IX+XII)	(205,392,343)	264,954,987
(VIII)	Other Comprehensive Income		
	(A) (i) Items that will not be reclassified to profit or loss	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
	Subtotal (A)	-	-
	(B) (i) Items that will be reclassified to profit or loss	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	122,391	147,617
	Subtotal (B)	(42,357)	(51,087)
	Other Comprehensive Income (A + B)	80,034	96,529
(IX)	Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)	(205,312,310)	265,051,516
(X)	Earnings per equity share (not annualised)		
	Basic and Diluted		
	Category 'A' Equity Shares of Rs. 10 each	(0.18)	0.23
	Category 'B' Equity Shares of Rs. 10 each	(0.18)	0.23



Volkswagen Finance Private Limited

Statement of Unaudited Financial Results for the Half year ended September 30, 2018

Balance Sheet

(Amount in Rs.)

	Particulars	September 30, 2018 (Unaudited)
	ASSETS	
	Financial Assets	
(a)	Cash and cash equivalents	49,213,525
(b)	Receivables	
	(I) Trade Receivables	143,937,329
	(II) Other Receivables	-
(c)	Loans	56,813,239,303
(d)	Other Financial assets	
	Deposits	37,881,794
	Advances recoverable in cash or in kind or for value to be received	23,753,898
	Assets Held for Sale	57,171,000
	Interest Accrued Not Due- Vehicle Finance	227,537,532
	Interest Accrued Not Due- Term Loans	16,731,511
	Sub Total (A)	57,369,465,892
	Non-financial Assets	
(a)	Current tax assets (Net)	23,232,173
(b)	Deferred tax Assets (Net)	1,253,506,359
(c)	Property, Plant and Equipment	77,868,290
(d)	Capital work-in-progress	633,992
(e)	Intangible assets under development	121,077,550
(f)	Other Intangible assets	25,901,124
(g)	Other non-financial assets	
	Service Tax Receivable	253,408,872
	Others	62,034,717
	Sub Total (B)	1,817,663,077
	Total Assets	59,187,128,969
	LIABILITIES AND EQUITY	
	LIABILITIES	
	Financial Liabilities	
(a)	Payables	
	(I) Trade Payables	-
	(i) total outstanding dues of micro enterprises and small enterprises	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,286,446,783
	(II) Other Payables	-
(b)	Debt Securities	24,536,900,600
(c)	Borrowings (Other than Debt Securities)	13,973,082,275
(d)	Other financial liabilities	1,268,071,120
	Sub Total (A)	42,064,500,778
	Non-Financial Liabilities	
(a)	Provisions	3,261,571,144
	Sub Total (B)	3,261,571,144
	EQUITY	
(a)	Equity Share capital	11,688,021,440
(b)	Other Equity	2,173,035,607
	Sub Total (C)	13,861,057,047
	Total Liabilities and Equity	59,187,128,969



Notes:

1 The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2017 and the corresponding figures presented in these results have been restated/ reclassified.

The comparative results for the half year ended September 30, 2017 have been restated by the Management as per Ind AS and have not been subjected to limited review or audit. The management has exercised necessary due diligence to ensure that the said comparative results provide a true and fair view of its affairs.

2 As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under previous GAAP and Ind AS is as under:

(Amount in Rs.)	
Half Year ended	
September 30, 2018	
Net Profit after tax as reported under previous GAAP	313,210,425
<u>Adjustment increasing/ decreasing net profit after tax as reported under previous GAAP</u>	
Adoption of EIR* for amortisation of income and expense- financial assets at amortised cost	7,270,724
Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	(965,263)
Expected credit loss	(76,192,418)
Actuarial loss on employee defined benefit plan recognised in 'Other Comprehensive Income' as per Ind AS 19	(96,529)
Fair valuation of financial assets at fair value through profit and loss	-
Deferred Tax	21,728,048
Net profit after tax as per Ind AS	264,954,987
Other comprehensive income, net of tax	96,529
Total comprehensive income	265,051,516

* EIR = Effective Interest Rate

- 3 Financial Results for the Half Year ended September 30, 2018 include a provision of Rs. 6,601 lakhs on account of an event with a borrower. This has resulted into classification of one borrower into Non Performing Assets Category. If the Company would not have made this provision, the profit before tax for the period would have been Rs. 3,425 Lakhs (Previous half year ended September 30, 2017 : Rs. 4,282 Lakhs).
- 4 The significant accounting policies used in preparation of the Financial Results are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 01, 2017 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.
- 5 The financial results of the Company for the half year ended September 30, 2018 have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on October 25, 2018.
- 6 The figures for the previous periods have been regrouped, reclassified wherever necessary to correspond to the current period.



Date: October 25, 2018
Place: Mumbai

For and on behalf of Board of Directors

Gokhan Cinar
Managing Director & Chief Financial Officer

Volkswagen Finance Private Limited

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

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

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

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

b) Debt Equity ratio: 2.82 times

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

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

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

f) Capital redemption reserve: Nil

g) Debenture redemption reserve: Not Applicable

h) Net Worth (Issued Share Capital plus Reserves and Surplus): Rs. 138,611 lakhs

i) Net loss after tax: Rs. 2,053 lakhs

j) Earnings per share (Not annualised for Half Year period):

Category A equity shares: Rs (0.18) per share

Category B equity shares: Rs (0.18) per share

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

Annexure A: Non Convertible Debentures

Sr No	Series under which the NCDs are held	ISIN No	Previous due date for payment of interest	Whether previous interest payment has been paid or not	Next due date for payment of interest	Next due date for payment of Principal	Next redemption amount (Rs. in lakhs)
1	VWFPL NCD A 02 FY 2015-16	INE851M07093	29-May-18	Paid	29-May-19	29-May-20	20,000
2	VWFPL NCD 'B' 02 FY 2015-16	INE851M07119	28-Dec-17	Paid	28-Dec-18	28-Dec-18	15,000
3	VWFPL NCD A 02 FY 2016-17	INE851M07135	21-Sep-18	Paid	20-Sep-19	20-Sep-19	20,000
4	VWFPL NCD B FY 2016-17	INE851M07143	10-Oct-17	Paid	10-Oct-18	10-Oct-18	10,000
5	VWFPL NCD A FY 2017-18	INE851M07150	12-Jun-18	Paid	12-Jun-19	12-Jun-19	5,000
6	VWFPL NCD B FY 2017-18	INE851M07168	12-Jun-18	Paid	12-Jun-19	19-Jun-20	10,000
7	VWFPL NCD C FY 2017-18	INE851M07176	11-Jul-18	Paid	11-Jul-19	13-Jul-20	30,000
8	VWFPL NCD D FY 2017-18	INE851M07184	11-Sep-18	Paid	11-Sep-19	11-Sep-20	25,000
9	VWFPL NCD E FY 2017-18	INE851M07192	N.A.	N.A.	5-Dec-18	31-Aug-20	15,000
10	VWFPL NCD F FY 2017-18	INE851M07200	N.A.	N.A.	5-Dec-18	4-Dec-20	15,000



Price Waterhouse


Chartered Accountants

The Board of Directors
Volkswagen Finance Private Limited
3rd Floor, Wing A, Silver Utopia,
Cardinal Gracious Road, Chakala,
Andheri, Mumbai - 400099

1. We have reviewed the statement of unaudited financial results (the "Statement") of Volkswagen Finance Private Limited (the "Company") for the half year ended September 30, 2018. The Statement has been prepared by the Company pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and SEBI Circular dated August 10, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 01, 2017 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, 2015 and SEBI circular dated August 10, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
 - a. Note 1 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2018, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
 - b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the half year ended on September 30, 2017 and accordingly, we do not express any conclusion on the results in the Statement for the half year ended September 30, 2017. As set out in note 1 to the Statement, these figures have been furnished by the Management. Our conclusion is not modified in respect of these matters.

Place: Mumbai
Date: October 25, 2018

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


Sharad Agarwal
Partner
Membership Number: 118522

Price Waterhouse, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex, Gate No. 3
Western Express Highway, Goregaon East, Mumbai - 400 063
T: +91 (22) 61198000, F: +91 (22) 61198799



October 26, 2018

To,
Mr. Goekhan Cinar
Chief Finance Officer & Managing Director
Volkswagen Finance Private Limited,
Unit No. 301, A-Wing, 3rd Floor,
Silver Utopia, Cardinal Gracious Road,
Off Andheri Kurla Road, Chakala,
Andheri (E), Mumbai – 400 099

Dear Sir,

Sub: Certificate of Debenture Trustee under Regulation 52(5) of SEBI (LODR) Regulations, 2015 for September 30, 2018.

In compliance of the requirements of Chapter V, Regulation 52, Sub – Regulation (4) and (5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Non – Convertible Debt Securities we would like to state as under:

We, Vistra ITCL (India) Limited, are acting as a Debenture Trustee for the Secured, Rated, Listed, Redeemable, Non-Convertible Debenture issue aggregating to Rs. 4000 crore of Volkswagen Finance Private Limited. ('Company')

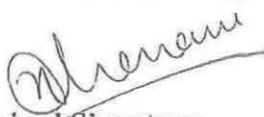
With reference to above, we have received the following documents from the Company and have noted its contents:

1. Half yearly communication as specified in sub-regulation (4) and (5) of Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Debt Securities.
2. Unaudited Financial Results for the half year ended September 30, 2018.
3. Credit Rating Letter (India Ratings and Research) dated November 20, 2017.

This certificate has been signed and issued by us based on documents (mentioned above) provided by you.

Thanking You.

Sincerely,
For Vistra ITCL (India) Limited



Authorized Signatory

Place: Mumbai