

VOLKSWAGEN FINANCE PRIVATE LIMITED

30th May, 2018

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: vwplcompliance.india@vwfs.com
Website: www.volkswagen-finance-india.co.in
TEL: +91 22 39521000
FAX +91 22 39521001

Dear Sir,

Sub: Submission of Audited Financial Results for the Financial Year ended March 31, 2018

We wish to inform you that the Board of Directors of the Company at its Meeting held on 29th May, 2018 has approved the Audited Financial Results for the Financial Year ended March 31, 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 Audited Financial Results for the Financial Year ended March 31, 2018 along with applicable disclosures as required under regulation 52(4) of the regulations;
2. A copy of Audit Report issued by M/s Price Waterhouse, Statutory Auditors for the Financial Year ended March 31, 2018;
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.

Further, as required under proviso to regulation 52 (3) (a), we hereby declare that the Audit Report submitted along with Audited Financial Results for the Financial Year ended March 31, 2018 is an unmodified opinion, hence statement on Impact of Audit qualification is not required to be submitted.

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

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

CIN - U65999MH2009FTC189640

Statement of audited / unaudited financial results for the year ended / half year ended March 31, 2018

(Rs. In Crores)

Sr No	Particulars	Half year ended		Year ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
I.	Revenue From Operations	311.72	309.22	611.01	617.32
II	Other Income	21.53	24.37	23.20	31.98
III	Total Revenue(I + II)	333.25	333.59	634.21	649.30
IV	Expenses				
	Employee Benefits Expenses	26.33	27.10	53.89	51.41
	Finance Costs	159.95	171.32	322.80	350.22
	Depreciation and amortisation expenses	2.42	2.15	4.72	4.36
	Provisions (other than tax) and Contingencies	31.40	30.13	49.17	36.89
	Other Expenses	77.37	72.74	118.03	118.96
	Total Expenses	297.47	303.44	548.61	561.84
V	Profit before Tax	35.78	30.15	85.60	87.46
VI	Tax Expense				
	(1) Current Tax	16.45	17.14	41.03	36.44
	(2) Deferred Tax Charge / (Credit)	0.31	(5.37)	(5.77)	(4.51)
	(3) Tax for earlier years	(2.00)	0.58	(2.00)	0.59
VII	Profit for the period (V-VI)	21.02	17.80	52.34	54.95
VIII	Paid-up equity share capital (Face Value Rs. 10)	1,168.80	1,168.80	1,168.80	1,168.80
IX	Reserves (excluding revaluation reserves)			197.38	145.06
X	Earnings per Equity Share (not annualized)				
	Basic and Diluted				
	Category 'A' Equity Shares of Rs.10 each	0.18	0.15	0.45	0.47
	Category 'B' Equity Shares of Rs.10 each	0.18	0.15	0.45	0.47



RR

Volkswagen Finance Private Limited

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

Statement of Assets and Liabilities as at March 31, 2018

(Rs. In Crores)

Sr. No	Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,168.80	1,168.80
	(b) Reserves and surplus	197.39	145.07
	Sub-total - Shareholders' funds	1,366.19	1,313.87
2	Non-current liabilities		
	(a) Long-term borrowings	1,600.00	1,400.00
	(b) Other long-term liabilities	6.77	11.86
	(c) Long-term provisions	141.74	113.78
	Sub-total - Non-current liabilities	1,748.51	1,525.64
3	Current liabilities		
	(a) Short-term borrowings	1,576.70	2,402.72
	(b) Trade payables		
	Total outstanding dues of micro, small & Medium enterprises, and	-	0.02
	Total outstanding dues of creditors other than micro enterprises and small enterprises	220.58	267.63
	(c) Other current liabilities	967.86	644.09
	(d) Short-term provisions	71.75	70.18
	Sub-total - Current liabilities	2,836.89	3,384.64
	TOTAL - EQUITY AND LIABILITIES	5,951.59	6,224.15
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Property, Plant & Equipments (Tangible Assets)	9.23	8.63
	(ii) Intangible Assets	3.18	3.18
	(iii) Capital work-in-progress	0.07	0.84
	(iv) Intangible Assets under Development	10.70	0.78
	(b) Deferred tax assets (net)	75.47	69.70
	(c) Long-term loans and advances	2,852.31	3,090.56
	Sub-total - Non-current assets	2,950.96	3,173.69
2	Current assets		
	(a) Trade receivables	14.86	9.10
	(b) Cash and cash equivalents	3.14	3.34
	(c) Short-term loans and advances	2,953.93	3,006.43
	(d) Other current assets	28.70	31.59
	Sub-total - Current assets	3,000.63	3,050.46
	TOTAL - ASSETS	5,951.59	6,224.15

Segment wise Revenue / Results / Assets / Liabilities for the year ended March 31, 2018

Sr. No	Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
1	Segment Revenue		
	(a) Retail Finance	396.15	418.84
	(b) Dealer Finance	206.06	210.13
	(c) Unallocated	32.00	20.35
	Total Revenue	634.21	649.32
2	Segment Results (Profit before tax and after Interest cost)		
	(a) Retail Finance	32.24	49.56
	(b) Dealer Finance	48.85	30.42
	(c) Unallocated	4.50	7.48
	Less: Other finance cost	-	-
	Total Profit before Tax	85.59	87.46
3	Segment Assets		
	(a) Retail Finance	3,721.80	3,990.97
	(b) Dealer Finance	2,115.04	2,225.56
	(c) Unallocated	114.75	7.62
	Total Segment Assets	5,951.59	6,224.15
4	Segment Liabilities		
	(a) Retail Finance	2,778.32	3,021.27
	(b) Dealer Finance	1,735.50	1,824.65
	(c) Unallocated	71.58	64.37
	Total Segment Liabilities	4,585.40	4,910.29



Volkswagen Finance Private Limited

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

CIN - U65999MH2009FTC189640

Notes:

1. Volkswagen Finance Private Limited (the 'Company') has prepared audited financial results (the 'Statement') for the financial year ended March 31, 2018 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as updated by the Companies (Accounting Standards) Amendments Rule, 2016 and the relevant provision of the Companies Act, 2013 / Companies Act 1956, as applicable. There has been no change in significant accounting policies during the financial year ended March 31, 2018 as compared to financial year ended March 31, 2017.
2. The financial results of the Company for the year ended March 31, 2018 have been reviewed by the Audit Committee of the Board and have been approved and taken on record by the Board of Directors at its meeting held on May 29, 2018.
3. The figures for the current half year ended and for the previous half year ended are the balancing figures between the audited figures in respect of full financial year and the published year to date figures for period upto September of respective financial year which was subject to limited review by the statutory auditors.
4. Provisions (other than tax) and contingencies represents general and specific provisions on loan assets as per guidelines issued by the Reserve Bank of India.
5. Claims against the Company not acknowledge as debt by the Company Rs. 1.55 crores. (Year ended March 31, 2017 - Rs. 0.84 crores).
6. Service Tax matter, in respect of which assessment is pending, is Rs. 50.72 crores (Year ended March 31, 2017 - Rs. 50.34 crores). The Company has disputed the order passed by the Commissioner of Service Tax and and has filed an appeal before The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) in the current financial year and hence not provided for.
7. 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 Commissioner of Income Tax (Appeal) had passed order dated December 08, 2016 confirming the stand taken by the department to pay withholding tax along with interest and penalty. The Company had disputed the said order and filed an appeal dated March 29, 2017 with the Income Tax Appellate Tribunal (ITAT). The Company has received penalty order under section 271C of The Income Tax Act, 1961 in the current financial year. The Company has disputed the said order and filed an appeal against the same with Commissioner of Income Tax (Appeal).

Accordingly, Income tax matter in respect of which assessment pending is Rs. 0.89 crores (Previous year Rs. 0.45 crores) and Rs. 0.45 crores (Previous year Rs. 0.45 crores) had been paid under protest. This is being disputed by the Company and hence not provided for.

8. The figures for the previous periods have been regrouped, reclassified wherever necessary to correspond to the current period.

For Volkswagen Finance Private Limited



 **Hans Patrik Riese**
Chief Executive Officer &
Managing Director
DIN No - 07823008


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

Date: May 29, 2018

Place: Mumbai



Volkswagen Finance Private Limited

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

CIN - U65999MH2009FTC189640

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

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

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

* There has been no change in credit rating during April 2017 to March 2018

b) Debt Equity ratio: 2.99 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. 1,366.19 crores

i) Net profit after tax: Rs. 52.33 crores

j) Earnings per share

Category A equity shares: Rs 0.45 per share

Category B equity shares: Rs 0.45 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

(Rs.in Crs.)

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
1	VWFPL NCD 'A' 01 FY 2015-16	INE851M07085	29-May-17	Paid	29-May-18	July 30, 2018	200
2	VWFPL NCD 'A' 02 FY 2015-16	INE851M07093	29-May-17	Paid	29-May-18	29-May-20	200
3	VWFPL NCD 'B' 01 FY 2015-16	INE851M07101	28-Dec-17	Paid	28-Jun-18	28-Jun-18	150
4	VWFPL NCD 'B' 02 FY 2015-16	INE851M07119	28-Dec-17	Paid	28-Dec-18	28-Dec-18	150
5	VWFPL NCD A 01 FY 2016-17	INE851M07127	20-Sep-17	Paid	20-Sep-18	20-Sep-18	200
6	VWFPL NCD A 02 FY 2016-17	INE851M07135	20-Sep-17	Paid	20-Sep-18	20-Sep-19	200
7	VWFPL NCD B FY 2016-17	INE851M07143	10-Oct-17	Paid	10-Oct-18	10-Oct-18	100
8	VWFPL NCD A FY 2017-18	INE851M07150	NA	NA	12-Jun-18	12-Jun-19	50
9	VWFPL NCD B FY 2017-18	INE851M07168	NA	NA	12-Jun-18	19-Jun-20	100
10	VWFPL NCD C FY 2017-18	INE851M07176	NA	NA	11-Jul-18	13-Jul-20	300
11	VWFPL NCD D FY 2017-18	INE851M07184	NA	NA	11-Sep-18	11-Sep-20	250
12	VWFPL NCD E FY 2017-18	INE851M07192	NA	NA	05-Dec-18	31-Aug-20	150
13	VWFPL NCD F FY 2017-18	INE851M07200	NA	NA	05-Dec-18	04-Dec-20	150



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VOLKSWAGEN FINANCE PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Volkswagen Finance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

Price Waterhouse, 252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400 028
T: +91 (22) 6669 1000, F: +91 (22) 6654 7800, +91 (22) 6654 7801



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Volkswagen Finance Private Limited

Report on the Financial Statements

Page 2 of 3

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A;



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Volkswagen Finance Private Limited

Report on the Financial Statements

Page 3 of 3

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note 29 (a);
 - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts in its financial statements - Refer Notes 5, 10 and 36. The Company did not have any long term derivative contracts as at March 31, 2018;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Agarwal
Partner
Membership Number 118522

Place : Mumbai
Date: May 29, 2018

Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Volkswagen Finance Private Limited on the financial statements for the year ended March 31, 2018

Page 1 of 2

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Volkswagen Finance Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Volkswagen Finance Private Limited on the financial statements for the year ended March 31, 2018

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

6. 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.

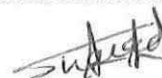
Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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.

Opinion

8. In our opinion, the Company has, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Agarwal
Partner
Membership Number 118522

Mumbai
May 29, 2018

Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Volkswagen Finance Private Limited on the financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as a Non-Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except sub-section (1) of Section 186, of the Act are not applicable to the Company. Further, the Company has not made any investment to the parties covered under Section 186 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iv) of the said Order in respect of Section 186 (1) is not applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.



Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Volkswagen Finance Private Limited on the financial statements for the year ended March 31, 2018

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (In Rupees.)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Service Tax	Rs. 507,185,041 (Rs. 253,408,872 paid under protest. Also refer Note 29(a))	Financial Years 2012-18	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Income Tax Act, 1961	Income Tax	Rs. 8,920,278 (Rs. 4,460,139 paid under protest)	Financial Year 2014-15	Income Tax Appellate Tribunal (ITAT).

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). The moneys raised by way of term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.



Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Volkswagen Finance Private Limited on the financial statements for the year ended March 31, 2018

Page 3 of 3

- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Institution.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Agarwal
Partner
Membership Number 118522

Mumbai
May 29, 2018

May 30, 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 March 31, 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 (formerly known as IL&FS Trust Company 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. Audited Financial Results for the year ended March 31, 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
(Formerly known as IL&FS Trust Company Limited)



Authorized Signatory

Place: Mumbai.