

VOLKSWAGEN FINANCE PRIVATE LIMITED

November 10, 2020

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.vwfs.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, 2020

We wish to inform you that the Board of Directors of the Company at its Meeting held on November 09, 2020 has approved the Un-audited Standalone and Consolidated Financial Results for the Half Year ended September 30, 2020. 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 Standalone and Consolidated Financial Results for the Half Year ended September 30, 2020 along with applicable disclosures as required under regulation 52(4) of the Regulations;
2. A copy of Limited Review Report issued by M/s S.R. Batliboi & Co. LLP, Statutory Auditors;

A 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 would be submitted in due course.

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 unaudited Standalone financial results as at September 30, 2020

Balance sheet

(Rs. In Lakhs)

Sr No	Particulars	As at		
		September 30, 2020 (Reviewed)	September 30, 2019 (Reviewed)	March 31, 2020 (Audited)
	ASSETS			
	Financial assets			
(a)	Cash and cash equivalents	8,659.71	1,746.94	349.98
(b)	Bank balances other than cash and cash equivalents	1.47	1.00	1.15
(c)	Receivables	-	-	-
	(I) Trade receivables	609.37	1,279.62	730.57
	(II) Other receivables	-	-	-
(d)	Loans	333,049.33	442,672.52	343,901.53
(e)	Investment	2,449.84	-	2,449.84
(f)	Other Financial assets	618.19	567.45	600.36
	Total financial assets	345,387.91	446,267.53	348,033.43
	Non-financial assets			
(a)	Deferred Tax Asset (net)	9,242.06	12,739.46	8,848.73
(b)	Property, Plant and Equipments	569.03	1,580.91	672.33
(c)	Right of use assets	410.94	-	674.60
(d)	Other Intangible Assets	185.74	240.56	240.61
(e)	Capital work-in-progress	-	7.24	-
(f)	Intangible Assets under Development	10.06	2,101.22	7.00
(g)	Other non financial assets	4,844.46	4,203.34	4,440.32
(h)	Assets Held for Sale	134.30	139.87	134.30
	Total non financial assets	15,396.59	21,012.60	15,017.89
	TOTAL ASSETS	360,784.50	467,280.13	363,051.32
	LIABILITIES AND EQUITY			
	Liabilities			
	Financial liabilities			
(a)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	0.71	-	25.72
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,294.11	16,003.00	3,405.02
	(II) Other payables	-	-	-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(b)	Debt securities	46,150.97	148,550.00	152,048.12
(c)	Borrowings (Other than debt securities)	168,181.69	155,717.45	70,670.82
(d)	Lease liability	401.36	-	644.92
(e)	Other financial liabilities	649.42	700.00	944.99
	Total financial liabilities	222,678.26	320,970.45	227,739.59
	Non-financial liabilities			
(a)	Current Tax Liabilities (Net)	1,691.45	2,957.13	1,085.22
(b)	Provision for Expenses	1,977.82	2,888.59	1,889.73
(c)	Other Non Financial Liabilities	593.77	1,839.39	667.49
	Total non financial liabilities	4,263.04	7,685.11	3,642.44
	Equity			
(a)	Equity Share Capital	116,880.21	116,880.22	116,880.21
(b)	Other Equity	16,962.99	21,744.35	14,789.08
	Total Equity	133,843.20	138,624.57	131,669.29
	TOTAL LIABILITIES AND EQUITY	360,784.50	467,280.13	363,051.32

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Statement of unaudited Standalone financial results for the half year ended September 30, 2020

Statement of Profit and Loss

(Rs. in Lakhs except per share data)

Sr No	Particulars	Half year ended		Year ended
		September 30, 2020	September 30, 2019	March 31, 2020
		(Reviewed)	(Reviewed)	(Audited)
	Revenue From Operations			
(i)	Interest income	17,106.22	25,086.18	42,183.85
(ii)	Fees and commission income	1,658.66	2,139.61	4,512.84
(iii)	Other operating income	259.24	211.57	918.78
(iv)	Recoveries from financial assets written off	68.53	18.73	367.65
I	Total Revenue from operations	19,092.65	27,456.09	47,983.12
II	Other Income	61.22	180.08	246.28
III	Total Income (I + II)	19,153.87	27,636.17	48,229.40
IV	Expenses			
(i)	Finance Costs	7,892.89	12,321.46	22,595.23
(ii)	Fees and Commissions expense	933.89	1,708.62	3,260.72
(iii)	Impairment on financial instruments	2,583.84	1,606.13	5,166.86
(iv)	Employee Benefits Expenses	2,142.66	2,566.00	4,972.70
(v)	Depreciation and amortization expenses	394.81	389.32	854.30
(vi)	Other Expenses	2,261.64	3,935.95	9,605.86
	Total Expenses	16,209.73	22,527.48	46,455.67
V	(Loss) / Profit before Tax (III-IV)	2,944.14	5,108.69	1,773.73
VI	Tax Expense	770.23	618.54	4,220.16
	(1) Current Tax	1,163.56	345.58	51.02
	(2) Deferred Tax	(393.33)	272.96	4,169.14
VII	(Loss) / Profit after Tax (V-VI)	2,173.91	4,490.15	(2,446.43)
VIII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss	5.60	16.48	(11.10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.41)	(5.44)	2.79
	Subtotal (A)	4.19	11.04	(8.31)
	B (i) Items that will be reclassified to profit or (loss)	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
	Income tax on total remeasurements for gratuity included in OCI	-	-	-
	Subtotal (B)	-	-	-
	Other Comprehensive Income (A + B)	4.19	11.04	(8.31)
IX	Total Comprehensive Income for the period (Comprising (Loss) / Profit and other Comprehensive Income for the year) (VII+VIII)	2,178.10	4,501.19	(2,454.74)
X	Earnings per Equity Share of Rs.10 each Basic and Diluted			
	Category 'A' Equity Shares of Rs.10 each	0.19	0.38	(0.21)
	Category 'B' Equity Shares of Rs.10 each	0.19	0.38	(0.21)

Volkswagen Finance Private Limited

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Notes:

- Volkswagen Finance Private Limited (the 'Company') has prepared unaudited standalone financial results (the 'Statement') for the half year ended September 30, 2020 in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.
- In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of standalone financial results for the half year ended 30 September 2020 and 30 September 2019 have been carried out by the Statutory Auditors of the Company.
- The financial results of the Company for the half year ended September 30, 2020 have been reviewed by the Audit Committee have been taken on record and approved by the Board of Directors at its meeting held on November 9, 2020.
- Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 22, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy.
In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. The Company has carried out provisions for ECL after factoring management overlay allowance, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.
- Reserve Bank of India ('RBI') issued guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on EMI moratorium dated 17 April 2020 and 23 May 2020. The Company had offered moratorium in accordance with its Board approved policies to its customers based on requests as well as on a suo-moto basis between 1 March 2020 to 31 August 2020. For such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

Disclosures as required by RBI circular dated 17 April 2020 'COVID-19 Regulatory Package- Asset Classification and Provisioning' are given below:

Particulars	Rs.in lakhs	
	As of 30 September 2020	As of 31 March 2020
Respective amounts in SMA/overdue categories where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of 31 March 2020)	35,507	34,565
Respective amount where asset classification benefit is extended (as of 30 September 2020 /31 March 2020)#	36,788	4,172
Provision made in terms of paragraph 5 of the circular (As per para 4 applicable to NBFC's covered under Ind AS)*#	3,645	1,073
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions as of 30 September 2020/31 March 2020 in terms of paragraph 6 of the circular	3,645	1,073

*Above provisions does not include management overlay provision of INR 1,820.14 lakhs and INR 1,820.14 lakhs on overall assets on account or COVID-19 as of 30 September 2020 and 31 March 2020 respectively.

For figures as of 30 September 2020, any customer who has been given moratorium for any specific period & was in SMA/overdue categories as of 29 February 2020 has been benefitted in asset classification.

- Hon'ble Supreme Court in a public interest litigation (Gajendra Sharma vs. Union of India & Anr) vide an interim order dated 3 September 2020 (interim order) has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further order. Basis the said interim order, the Company has not classified any account as NPA, as per RBI norms, after 31 August 2020 which was not NPA as of 31 August 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post 31 August 2020 have not been and will not be classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.
- The commercial paper have been listed on the Bombay Stock Exchange (BSE) in accordance with SEBI circular SEBI/HO/DDHS/DDHS/CIR /P/2019/115, as amended.
- The Company is digitizing its business model in order to generate greater value for customers, dealer partners and the brands of the Volkswagen Group. The Company will leverage on its association with Kuwy Technology Service Private Limited (Kuwy). The new Retail business of the Company would be taken forward on the Kuwy platform in a phased manner and the Company would continue being finance partner to the wholesale business and as a Corporate Insurance agent. The existing retail customers would be continued to be supported by the Company.

For Volkswagen Finance Private Limited

Date: November 9, 2020

Sd/-
Ashish Deshpande

Sd/-
Gokhan Cinar

Place: Mumbai

Chief Executive Officer &
Managing Director
DIN No - 08314277

Chief Finance Officer &
Managing Director
DIN No - 07649354

Volkswagen Finance Private Limited

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

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

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

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

b) Debt Equity ratio: 1.60 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) Previous due date for the payment of interest / repayment of principal of commercial paper and whether the same has been paid or not are given in **Annexure B**

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

f) 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.

g) Capital redemption reserve: Nil

h) Debenture redemption reserve: Not Applicable

i) Net Worth (Issued Share Capital plus Reserves and Surplus) (Rs. In Lakhs): 133,843.20

j) Net profit after tax (Rs. In Lakhs): 2,173.91

k) Earnings per share `:

Category A equity shares: Rs. per share 0.19

Category B equity shares: Rs per share 0.19

l) 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-20	Paid	NA	NA	NA
2	VWFPL NCD B FY 2017-18	INE851M07168	19-Jun-20	Paid	NA	NA	NA
3	VWFPL NCD C FY 2017-18	INE851M07176	13-Jul-20	Paid	NA	NA	NA
4	VWFPL NCD E FY 2017-18	INE851M07192	31-Aug-20	Paid	NA	NA	NA
5	VWFPL NCD D FY 2017-18	INE851M07184	11-Sep-20	Paid	NA	NA	NA
6	VWFPL NCD F FY 2017-18	INE851M07200	05-Dec-19	Paid	04-Dec-20	04-Dec-20	15,000
7	VWFPL NCD A FY 2019-20	INE851M07218	28-Aug-20	Paid	18-Feb-21	18-Feb-21	15,000
8	VWFPL NCD B FY 2019-20	INE851M07226	28-Aug-20	Paid	27-May-21	27-May-21	15,000

Annexure B: Commercial Paper

Sr. No	Series	ISIN No	Previous due date for payment of Interest	Whether previous interest payment has been made or not	Next due date for payment of Interest	Next due date for payment of Principal	Next redemption amount (in Lakhs)
1	VWFPL / CP / 01 - 2020	INE851M14GZ0	N.A.	N.A.	N.A.	24-Nov-20	10,000
2	VWFPL / CP / 02 - 2020	INE851M14HA1	N.A.	N.A.	N.A.	27-Nov-20	15,000
3	VWFPL / CP / 03 - 2020 - 01	INE851M14HB9	N.A.	N.A.	N.A.	16-Oct-20	10,000
4	VWFPL / CP / 03 - 2020 - 02	INE851M14HC7	N.A.	N.A.	N.A.	18-Dec-20	7,500
5	VWFPL / CP / 03 - 2020 - 03	INE851M14HD5	N.A.	N.A.	N.A.	24-Dec-20	7,500

For Volkswagen Finance Private Limited

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

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

Independent Auditor's Review Report on the Half-yearly Unaudited Standalone Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Volkswagen Finance Private Limited

1. We have reviewed the accompanying statement of unaudited Standalone financials results of Volkswagen Finance Private Limited (the "Company") for the half year ended September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

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

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Sd/-

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 20102102AAAEJJ3532

Mumbai

November 9, 2020

Volkswagen Finance Private Limited

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CIN - U65999MH2009FTC189640

Statement of unaudited Consolidated financial results as at September 30, 2020 Balance sheet

(Rs. In Lakhs)

Sr No	Particulars	As at		
		September 30, 2020	September 30, 2019	March 31, 2020
		(Reviewed)	(Reviewed)	(Audited)
	ASSETS			
	Financial assets			
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	(II) Other receivables	-	-	-
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(e)	Investment	2,131.96	-	2,240.48
(f)	Other Financial assets	618.19	567.45	600.36
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(e)	Capital work-in-progress	-	7.24	-
(f)	Intangible Assets under Development	10.06	2,101.22	7.00
(g)	Other non financial assets	4,844.46	4,203.34	4,440.32
(h)	Assets Held for Sale	134.30	139.87	134.30
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	TOTAL ASSETS	360,466.62	467,280.13	362,841.96
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	Liabilities			
	Financial liabilities			
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	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,294.11	16,003.00	3,405.02
	(II) Other payables	-	-	-
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(b)	Debt securities	46,150.97	148,550.00	152,048.12
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(c)	Other Non Financial Liabilities	593.77	1,839.39	667.49
	Total Non Financial Liabilities	4,263.04	7,685.11	3,642.44
	Equity			
(a)	Equity Share Capital	116,880.21	116,880.22	116,880.21
(b)	Other Equity	16,645.11	21,744.35	14,579.72
	Total Equity	133,525.32	138,624.57	131,459.93
	TOTAL LIABILITIES AND EQUITY	360,466.62	467,280.13	362,841.96

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Statement of unaudited Consolidated financial results for the half year ended September 30, 2020 Statement of Profit and Loss

(Rs. in Lakhs except per share data)

Sr No	Particulars	Half year ended		Year ended
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		(Reviewed)	(Reviewed)	(Audited)
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(ii)	Fees and commission income	1,658.66	2,139.61	4,512.84
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II	Other Income	61.22	180.08	246.28
III	Total Income (I + II)	19,153.87	27,636.17	48,229.40
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(ii)	Fees and Commissions expense	933.89	1,708.62	3,260.72
(iii)	Impairment on financial instruments	2,583.84	1,606.13	5,166.86
(iv)	Employee Benefits Expenses	2,142.66	2,566.00	4,972.70
(v)	Depreciation and amortization expenses	394.81	389.32	854.30
(vi)	Other Expenses	2,261.64	3,935.95	9,605.86
	Total Expenses	16,209.73	22,527.48	46,455.66
V	Profit before tax (III - IV) Before tax and Share of profit of invested companies using Equity method	2,944.14	5,108.69	1,773.73
VI	Share of Profits of investment accounted using equity method	(108.51)	-	(209.36)
VII	(Loss) / Profit before Tax (V-VI)	2,835.63	5,108.69	1,564.38
VIII	Tax Expense	770.23	618.54	4,220.16
	(1) Current Tax	1,163.56	345.58	51.02
	(2) Deferred Tax	(393.33)	272.96	4,169.14
IX	(Loss) / Profit after Tax (VII-VIII)	2,065.40	4,490.15	(2,655.79)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss	5.60	16.48	(11.10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.41)	(5.44)	2.79
	Subtotal (A)	4.19	11.04	(8.31)
	B (i) Items that will be reclassified to profit or (loss)	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
	Income tax on total remeasurements for gratuity included in OCI	-	-	-
	Subtotal (B)	-	-	-
	Other Comprehensive Income (A + B)	4.19	11.04	(8.31)
XI	Total Comprehensive Income for the period (Comprising (Loss) / Profit and other Comprehensive Income for the year) (X-XI)	2,069.59	4,501.19	(2,664.10)
XII	Earnings per Equity Share of Rs.10 each			
	Basic and Diluted			
	Category 'A' Equity Shares of Rs.10 each	0.18	0.38	(0.23)
	Category 'B' Equity Shares of Rs.10 each	0.18	0.38	(0.23)

Volkswagen Finance Private Limited

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

CIN - U65999MH2009FTC189640

Notes:

- Volkswagen Finance Private Limited (the 'Company') has prepared unaudited Consolidated financial results (the 'Statement') for the half year ended September 30, 2020 in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The consolidated financial statements include the results of its associate Kuwy Technology Service Private Limited.
- In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of Consolidated financial results for the half year ended 30 September 2020 and 30 September 2019 have been carried out by the Statutory Auditors of the Company.
- The Consolidated financial results of the Company for the half year ended September 30, 2020 have been reviewed by the Audit Committee have been taken on record and approved by the Board of Directors at its meeting held on November 9, 2020.
- Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 22, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. The Company has carried out provisions for ECL after factoring management overlay allowance, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.
- Reserve Bank of India ('RBI') issued guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on EMI moratorium dated 17 April 2020 and 23 May 2020. the Company had offered moratorium in accordance with its Board approved policies to its customers based on requests as well as on a suo-moto basis between 1 March 2020 to 31 August 2020. For such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period

Disclosures as required by RBI circular dated 17 April 2020 'COVID-19 Regulatory Package- Asset Classification and Provisioning' are given below:

Particulars	As of 30 September 2020	As of 31 March 2020
Respective amounts in SMA/overdue categories where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of 31 March 2020)	35,507	34,565
Respective amount where asset classification benefit is extended (as of 30 September 2020 /31 March 2020)#	36,788	4,172
Provision made in terms of paragraph 5 of the circular (As per para 4 applicable to NBFC's covered under Ind AS)*#	3,645	1,073
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions as of 30 September 2020/31 March 2020 in terms of paragraph 6 of the circular	3,645	1,073

*Above provisions does not include management overlay provision of INR 1,820.14 lakhs and INR 1,820.14 lakhs on overall assets on account of COVID-19 as of 30 September 2020 and 31 March 2020 respectively.

For figures as of 30 September 2020, any customer who has been given moratorium for any specific period & was in SMA/overdue categories as of 29 February 2020 has been benefitted in asset classification.

- Hon'ble Supreme Court in a public interest litigation (Gajendra Sharma vs. Union of India & Anr) vide an interim order dated 3 September 2020 (interim order) has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further order. Basis the said interim order, the Company has not classified any account as NPA, as per RBI norms, after 31 August 2020 which was not NPA as of 31 August 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post 31 August 2020 have not been and will not be classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.
- The commercial paper have been listed on the Bombay Stock Exchange (BSE) in accordance with SEBI circular SEBI/HO/DDHS/DDHS/CIR /P/2019/115, as amended.
- The Company is digitizing its business model in order to generate greater value for customers, dealer partners and the brands of the Volkswagen Group. The Company will leverage on its association with Kuwy Technology Service Private Limited (Kuwy). The new Retail business of the Company would be taken forward on the Kuwy platform in a phased manner and the Company would continue being finance partner to the wholesale business and as a Corporate Insurance agent. The existing retail customers would be continued to be supported by the Company.

For Volkswagen Finance Private Limited

Date: November 9, 2020

Place: Mumbai

Sd/-

Ashish Deshpande

Chief Executive Officer &

Managing Director

DIN No - 08314277

Sd/-

Gokhan Cinar

Chief Finance Officer &

Managing Director

DIN No - 07649354

Volkswagen Finance Private Limited

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

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

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

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

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

b) Debt Equity ratio: 1.60 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) Previous due date for the payment of interest / repayment of principal of commercial paper and whether the same has been paid or not are given in **Annexure B**

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

f) 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.

g) Capital redemption reserve: Nil

h) Debenture redemption reserve: Not Applicable

i) Net Worth (Issued Share Capital plus Reserves and Surplus) (Rs. In Lakhs): 133,525.32

j) Net profit after tax (Rs. In Lakhs): 2,065.40

k) Earnings per share :

Category A equity shares: Rs. per share 0.18

Category B equity shares: Rs per share 0.18

l) 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-20	Paid	NA	NA	NA
2	VWFPL NCD B FY 2017-18	INE851M07168	19-Jun-20	Paid	NA	NA	NA
3	VWFPL NCD C FY 2017-18	INE851M07176	13-Jul-20	Paid	NA	NA	NA
4	VWFPL NCD E FY 2017-18	INE851M07192	31-Aug-20	Paid	NA	NA	NA
5	VWFPL NCD D FY 2017-18	INE851M07184	11-Sep-20	Paid	NA	NA	NA
6	VWFPL NCD F FY 2017-18	INE851M07200	05-Dec-19	Paid	04-Dec-20	04-Dec-20	15,000
7	VWFPL NCD A FY 2019-20	INE851M07218	28-Aug-20	Paid	18-Feb-21	18-Feb-21	15,000
8	VWFPL NCD B FY 2019-20	INE851M07226	28-Aug-20	Paid	27-May-21	27-May-21	15,000

Annexure B: Commercial Paper

Sr. No	Series	ISIN No	Previous due date for payment of Interest	Whether previous interest payment has been made or not	Next due date for payment of Interest	Next due date for payment of Principal	Next redemption amount (In Lakhs)
1	VWFPL / CP / 01 - 2020	INE851M14GZ0	N.A.	N.A.	N.A.	24-Nov-20	10,000
2	VWFPL / CP / 02 - 2020	INE851M14HA1	N.A.	N.A.	N.A.	27-Nov-20	15,000
3	VWFPL / CP / 03 - 2020 - 01	INE851M14HB9	N.A.	N.A.	N.A.	16-Oct-20	10,000
4	VWFPL / CP / 03 - 2020 - 02	INE851M14HC7	N.A.	N.A.	N.A.	18-Dec-20	7,500
5	VWFPL / CP / 03 - 2020 - 03	INE851M14HD5	N.A.	N.A.	N.A.	24-Dec-20	7,500

For Volkswagen Finance Private Limited

Sd/-
Ashish Deshpande
Chief Executive Officer & Managing Director

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

Independent Auditor's Review Report on the Half-yearly Unaudited Consolidated Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Volkswagen Finance Private Limited

1. We have reviewed the accompanying statement of unaudited Consolidated financial results of Volkswagen Finance Private Limited (the "Holding Company") and an associate, for the half year ended September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the results of Kuwy Technology Service Private Limited (the "Associate").
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:

- an associate, whose interim financial results includes the Holding Company's share of net loss of Rs. 108.51 lakhs and Holding company's share of total comprehensive loss of Rs 108.51 Lakhs for the half year ended September 30, 2020, as considered in the Statement whose interim financial results and other financial information have not been reviewed by their auditor.

These unaudited financial results of the said associate have been approved and furnished to us by the Management. According to the information and explanations given to us by the Management, these interim financial results are not material to the Holding Company.

Our conclusion on the Statement in respect of matter stated in para 6 above is not modified.

Emphasis of Matter

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

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Sd/-

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 20102102AAAEJK3839

Mumbai

November 09, 2020