

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, 2016, 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.

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INDEPENDENT AUDITORS' REPORT

To the Members of Volkswagen Finance Private Limited

Report on the Financial Statements for the year ended March 31, 2016

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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, 2016, 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;
 - (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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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

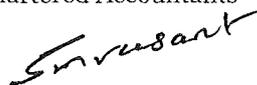
To the Members of Volkswagen Finance Private Limited

Report on the Financial Statements for the year ended March 31, 2016

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- (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, 2016 on its financial position in its financial statements – Refer Note 29(a);
 - ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts – Refer Note 5 and 10. The Company did not have any derivative contracts as at March 31, 2016;
 - 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, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Vasant
Partner
Membership Number: 101119

Mumbai
May 30, 2016

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, 2016

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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, 2016 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, 2016

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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

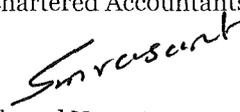
7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 2016, 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.

Mumbai
May 30, 2016

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


Sharad Vasant
Partner
Membership Number 101119

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, 2016

- 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 is a Non-Banking Finance Company registered with the Reserve Bank of India and engaged in the business of financing. Also the company has not made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Accordingly the provisions of section 185 and 186 are not applicable to the company.
- 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 and other material statutory dues, as applicable, with the appropriate authorities.
 - (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, 2016 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. 253,776,169 (Rs. 180,742,237 paid under protest. Also refer Note 29(a)) | Financial Years 2012-2013 2013-2014 2014-2015 | Assistant Commissioner of Service Tax |
| The Income Tax Act, 1961 | Income Tax | Rs. 4,460,139 (Rs. 2,230,070 paid under protest) | Financial Year 2014-15 | Commissioner of Income Tax (Appeals) |



Price Waterhouse

Chartered Accountants

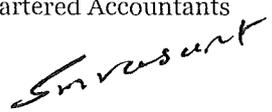
Annexure B to Independent Auditors' Report

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, 2016

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- 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) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 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 such 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.
- 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 Vasant
Partner
Membership Number 101119

Mumbai
May 30, 2016

| | Note | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|------|----------------------------|----------------------------|
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders' Fund | | | |
| (a) Share Capital | 2 | 11,688,021,440 | 11,688,021,440 |
| (b) Reserves and Surplus | 3 | 901,129,778 | 74,570,067 |
| Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 4 | 12,250,000,000 | 8,000,000,000 |
| (b) Long Term Provisions | 5 | 1,207,303,268 | 1,192,983,736 |
| (c) Other Long Term Liabilities | 6 | 150,527,892 | 206,900,334 |
| Current Liabilities | | | |
| (a) Short Term Borrowings | 7 | 24,613,336,373 | 21,237,386,028 |
| (b) Trade Payables | 8 | | |
| Total outstanding dues of micro enterprises and small enterprises, and | 27 | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 2,354,928,973 | 1,894,246,882 |
| (c) Other Current Liabilities | 9 | 5,045,183,763 | 5,398,208,055 |
| (d) Short Term Provisions | 10 | 522,817,437 | 498,347,403 |
| TOTAL | | 58,733,248,924 | 50,190,663,945 |
| <u>II ASSETS</u> | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11 | 91,138,254 | 97,837,789 |
| (ii) Intangible Assets | 11 | 47,224,292 | 37,967,183 |
| (iii) Capital work-in-progress | | 30,853 | 1,227,649 |
| (iv) Intangible Assets under Development | | 4,981,000 | 16,046,413 |
| (b) Deferred Tax Asset | 24 | 651,942,476 | 656,335,896 |
| (c) Long Term Loans and Advances | 12 | 29,895,699,245 | 23,917,571,961 |
| Current Assets | | | |
| (a) Trade Receivables | 13 | 90,056,703 | 92,823,905 |
| (b) Cash and Bank Balances | 14 | 38,575,608 | 3,083,790 |
| (c) Short Term Loans and Advances | 15 | 27,665,948,499 | 25,170,557,797 |
| (d) Other Current Assets | 16 | 247,651,994 | 197,211,562 |
| TOTAL | | 58,733,248,924 | 50,190,663,945 |

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 Price Waterhouse
Firm Registration No 301112E
Chartered Accountants

Sharad Vasant

Sharad Vasant
Partner
Membership No 101119

For and on behalf of the Board of Directors

Andreas Kutzner

Andreas Kutzner
Chief Executive Officer &
Managing Director

Pieter Griep

Pieter Griep
Chief Finance Officer &
Managing Director

Harshada Pathak

Harshada Pathak
Company Secretary

Mumbai
May 30, 2016

Mumbai
May 30, 2016

Volkswagen Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2016

| | Note | Year Ended March 31, 2016 (Rupees) | Year Ended March 31, 2015 (Rupees) |
|--|------|--|--|
| I. Revenue From Operations | 17 | 5,850,225,903 | 5,173,656,766 |
| II Other Income | 18 | 335,700,073 | 465,626,032 |
| III Total Revenue(I + II) | | 6,185,925,976 | 5,639,282,798 |
| IV Expenses | | | |
| Employee Benefits Expenses | 19 | 506,641,492 | 475,382,545 |
| Finance Costs | 20 | 3,271,970,473 | 2,903,666,487 |
| Depreciation and amortization expenses | 11 | 49,473,479 | 65,969,216 |
| Other Expenses | 21 | 1,222,936,138 | 1,255,275,208 |
| Total Expenses | | 5,051,021,582 | 4,700,293,456 |
| Profit before exceptional and extraordinary items and | | | |
| V tax (III - IV) | | 1,134,904,394 | 938,989,342 |
| VI Prior period income | | 78,591,574 | - |
| VII Profit before Tax | | 1,213,495,968 | 938,989,342 |
| VIII Tax Expense | | | |
| (1) Current Tax | | 382,542,837 | 290,299,300 |
| (2) Deferred Tax Charge | | 4,393,420 | 14,928,820 |
| IX Profit for the year (VII-VIII) | | 826,559,711 | 633,761,222 |
| X Earnings per Equity Share of Rs.10 each Basic and Diluted | 28 | | |
| Category 'A' Equity Shares of Rs.10 each | | 1.79 | 0.54 |
| Category 'B' Equity Shares of Rs.10 each | | 0.60 | 0.54 |

Significant Accounting Policies

1

The Notes to the Financial Statements form an integral part of the Financial Statements

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

For Price Waterhouse

Firm Registration No 301112E
Chartered Accountants

Sm vasant

Sharad Vasant
Partner
Membership No. 101119

For and on behalf of the Board of Directors

Andreas Kutzner

Andreas Kutzner
Chief Executive Officer &
Managing Director

Pieter Griep

Pieter Griep
Chief Finance Officer
Managing Director

Harshada Pathak

Harshada Pathak
Company Secretary

Mumbai
May 30, 2016

Mumbai
May 30, 2016

Volkswagen Finance Private Limited
Cash Flow Statement for the year ended March 31, 2016

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| A Cash flow from operating activities | | |
| Net Profit/(loss) before taxation | 1,213,495,968 | 938,989,342 |
| Adjustments for | | |
| Depreciation / amortisation | 49,473,479 | 65,969,216 |
| Interest on Fixed Deposit | - | (1,706,849) |
| Discount on Commercial Papers | (60,517,691) | 20,489,656 |
| Loss on Sale of Fixed Assets (net) | 1,633,622 | 254,329 |
| Contingent Provision Against Standard Assets | 106,349,052 | 11,798,817 |
| Provision for Future Potential Losses | 131,444,163 | 396,752,904 |
| Bad Debts Written Off | 113,285,365 | 294,720,160 |
| Provision for Non Performing Assets | (152,927,142) | (526,805,534) |
| Provision for Leave Encashment | 3,109,920 | 940,116 |
| Provision for Lease Equalisation | (2,072,000) | (2,486,400) |
| Provision for Gratuity | 6,130,167 | 3,484,757 |
| Operating Profit/ (Loss) before working capital changes | 1,409,404,903 | 1,202,400,514 |
| changes in working capital | | |
| Increase / (decrease) in Other Long Term Liabilities | (56,372,442) | (13,359,603) |
| Increase / (decrease) in Trade Payables | 460,682,091 | (620,360,348) |
| Increase / (decrease) in Other Current Liabilities | 147,895,738 | 33,021,395 |
| Increase / (decrease) in Provisions | (3,006,737) | (2,192,231) |
| (Increase) / decrease in Long Term Loans and Advances | (6,056,380,770) | (2,074,007,850) |
| (Increase) / decrease in Trade Receivable | 2,767,202 | 69,025,337 |
| (Increase) / decrease in Short Term Loans and Advances | (2,495,390,702) | (1,515,449,730) |
| (Increase) / decrease in Other Current Assets | (50,440,432) | (38,199,913) |
| Cash used in Operations | (6,640,841,149) | (2,959,122,429) |
| Taxes paid | (467,812,573) | (226,858,569) |
| Net cash used in operating activities | (7,108,653,722) | (3,185,980,998) |
| B Cash flow from Investing Activities | | |
| Purchase of tangible/intangible assets including Capital work-in-progress | (47,290,395) | (50,451,388) |
| Sale of tangible/intangible assets | 4,967,897 | 147,259 |
| Interest received | - | 1,706,849 |
| Net cash used in investing activities | (42,322,498) | (48,597,280) |
| C. Cash flow from Financing Activities | | |
| Proceeds from Long Term Borrowings (including current maturities of Long Term Borrowings) | 8,250,000,000 | 4,000,000,000 |
| Redemption of Current maturities of Long Term Borrowings | (4,500,000,000) | (1,500,000,000) |
| Net proceeds from Bank Overdraft | 1,207,002,733 | 1,160,977,105 |
| Proceeds from issue of Commercial Papers | 43,070,532,402 | 63,049,136,500 |
| Repayment of Commercial Papers | (47,141,067,097) | (59,616,689,498) |
| Proceeds from Working Capital Demand Loan (including current maturities of Long Term Loans) | 23,330,000,000 | 5,590,000,000 |
| Repayment of Working Capital Demand Loan | (17,030,000,000) | (9,450,000,000) |
| Net cash from financing activities | 7,186,468,038 | 3,233,424,107 |
| Net Increase / (Decrease) in Cash and cash equivalents (A)+(B)+(C) | 35,491,818 | (1,154,171) |
| Cash and cash equivalents, beginning of the year | 3,083,790 | 4,237,961 |
| Cash and cash equivalents, end of the year | 38,575,608 | 3,083,790 |

Notes to the statement of cash flow

1) Cash and cash equivalents comprise of

| | | |
|-------------------------------|-------------------|------------------|
| Cash on hand | 15,769 | 23,913 |
| Balances with scheduled banks | 38,559,839 | 3,059,877 |
| TOTAL | 38,575,608 | 3,083,790 |

2) The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 " Cash Flow Statement " as specified under section 133 of Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014

3) Figures in bracket indicate cash outflow

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse
Firm Registration No 301112E
Chartered Accountants

Sm Vasant
Sharad Vasant
Partner
Membership No 101119

Mumbai
May 30, 2016

For and on behalf of the Board of Directors

Andreas Kutzner
Andreas Kutzner
Chief Executive Officer &
Managing Director

Harshada Pathak
Harshada Pathak
Company Secretary

Mumbai
May 30, 2016

Prieter Grieb
Prieter Grieb
Chief Finance Officer &
Managing Director

Volkswagen Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2016

1) Background and Significant Accounting Policies:

A) Background

Volkswagen Finance Private Limited (VWFPL) has been setup in India as a captive Non-Banking Financial Company (NBFC). 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 loan financing, dealer financing, term loans, used cars financing and insurance solutions to the customers for purchase of VW Group brand vehicles i.e. Volkswagen, Skoda, Audi, Porsche, Lamborghini, MAN, Ducati and Scania.

B) Summary of Significant Accounting Policies:

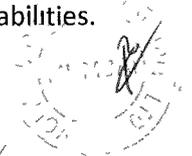
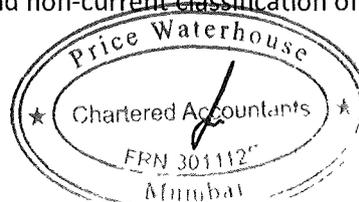
i. Basis for preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultant and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules , 2006, as amended] and other relevant provisions of the Companies Act, 2013 and the guidelines issued by Reserve Bank of India for Non-Banking Financial Companies. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the provision of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.



Volkswagen Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2016 (Continued)

ii. Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided from the month in which the asset is capitalised on straight-line method over the estimated useful life of the assets determined by the management (which is same as the rates prescribed under Schedule II to the Companies Act, 2013) as mentioned below

| | <u>Estimated Useful Life</u> | |
|------------------------|------------------------------|-----------------------|
| | <u>March 31, 2016</u> | <u>March 31, 2015</u> |
| Office Equipments | 5 years | 5 years |
| Building | 30 years | 30 years |
| <u>Computers</u> | | |
| - Servers and Networks | 6 years | 6 years |
| - Laptops and Desktops | 3 years | 3 years |
| Furniture and Fixtures | 10 years | 10 years |
| Leasehold Improvements | Over the lease period | Over the lease period |
| Vehicles | 8 years | 8 years |

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

iii. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful lives determined by the management (which is in line with Schedule II to the Companies Act, 2013) as mentioned below:

Cost of software is amortised over the license period or 4 years whichever is earlier.



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iv. 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.

v. Revenue Recognition

Standard Assets

Interest on standard loans is accrued on a daily basis as determined by the amount outstanding and the rate applicable. Processing Fees is accrued at the time of limit sanction. Any other fees and commission income towards penalty or charges for servicing customer requests is recognized when there is no uncertainty regarding the collection of such revenue.

Interest Subvention Income

Interest Subvention income is amortized on a daily basis based on the proportionate amount of principal outstanding on a contractual basis.

Loan Acquisition Expenses

Loan Acquisition Expenses such as dealer commission, credit verification charges, risk containment unit charges, field investigation charges, telephone verification expenses, etc are expensed off upfront.

Non-Performing Assets (NPAs)

As per the prudential norms for income recognition issued by the RBI for NBFCs and Accounting Standard 9 (Revenue Recognition) no income is recognized on non-performing assets. Accordingly, Interest income on such assets is recognized on receipt basis.

Impairment of Loans

Loan loss provision in respect of non-performing loans is made based on management's assessment of the degree of impairment of the loans and estimates of recoverability / realisation of the loans, subject to minimum provisioning level prescribed in accordance with prudential norms of the Reserve Bank of India.

A standard provision is also made by the Company @ 0.40% on the standard assets outstanding and disclosed under "Provisions" in the Note 5 and Note 10 to the financial statements as required by the Reserve Bank of India.



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Brand Support Fees

Brand support fee is accrued over the credit free period of loan

Income on Fixed Deposit

Income on Fixed Deposit is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

Service Income

Service income in respect of insurance mediation is recognized based on the statement of insurance services provided by the insurance company, as per the terms of arrangement.

vi. Employee Benefits

Long Term Employee Benefits

a) Defined Contribution Plan

The Company contributes to Employee's Provident Fund and Employee Pension Scheme towards post employment benefits, all of which are administered by respective Government authorities and has no further obligation beyond making its contribution which is expensed to the Statement of Profit and Loss in the period to which it pertains.

b) Defined Benefit Plan

Gratuity

The Company has a defined benefit plan namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the period end, which is calculated using Projected Unit Credit Method. Actuarial gains/losses are recognized in the Statement of Profit and Loss in the year in which they arise.

Short Term Employee Benefits

Employee Leave Entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on the salary as at March 31 every year.



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vii. Current and Deferred Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax adjustments comprise of changes in the deferred tax assets and liabilities. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on account of timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted before the balance sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the Statement of Profit and Loss in the period of the change. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized.

viii. Impairment of assets

The Company assesses at each Balance Sheet date whether there is an indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

ix. Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.



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Volkswagen Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2016 (Continued)

x. Borrowing Costs:

All borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

xi. Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 is adjusted for the effects of all dilutive potential equity shares.

xii. Segment Reporting:

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated".

Geographical segment is segregated on the basis of operations of the company within India and Outside India.

xiii. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks with original maturities of less than 3 months and current investments readily convertible to known amounts of cash and subject to insignificant risk of change in value.

xiv. Operating Lease

The Company leases certain tangible assets and such leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as Operating Leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of lease.

xv. Transfer to special reserve

As per section 45-IC of the Reserve Bank of India Act, 1934 (the RBI Act), the company 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.



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2) Share Capital

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Authorised. | | |
| 146,610,000 (Previous Year 146,610,000) Category 'A' Equity Shares of Rs 10 each | 1,466,100,000 | 1,466,100,000 |
| 1,482,390,000 (Previous Year 1,482,390,000) Category 'B' Equity Shares of Rs 10 each | 14,823,900,000 | 14,823,900,000 |
| | 16,290,000,000 | 16,290,000,000 |
| Issued, Subscribed and Paid up | | |
| 105,192,207 (Previous Year 105,192,207) Category 'A' Equity Shares of Rs 10 each, fully paid up | 1,051,922,070 | 1,051,922,070 |
| 1,063,609,937 (Previous Year 1,063,609,937) Category 'B' Equity Shares of Rs 10 each, fully paid up | 10,636,099,370 | 10,636,099,370 |
| | 11,688,021,440 | 11,688,021,440 |

(a) Reconciliation of number of shares

| | March 31, 2016 | | March 31, 2015 | |
|---|----------------|----------------|----------------|----------------|
| | No of shares | Amount | No of shares | Amount |
| Balance at the beginning and end of the year | | | | |
| Category 'A' Equity Shares | 105,192,207 | 1,051,922,070 | 105,192,207 | 1,051,922,070 |
| Category 'B' Equity Shares | 1,063,609,937 | 10,636,099,370 | 1,063,609,937 | 10,636,099,370 |

(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 whereas Category 'B' equity shares don't have any voting rights and dividend rights not exceeding 6%. 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.

(c) Shares held by holding company and subsidiary of holding company

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Equity Shares: | | |
| 1,063,609,937 Category 'B' equity shares (Previous Year 1,063,609,937) held by Volkswagen Financial Services A G, Germany, the holding company | 10,636,099,370 | 10,636,099,370 |
| 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 | 1,051,922,070 | 1,051,922,070 |



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(d) List of shareholders holding more than 5% equity shares

| | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Equity Shares: | | |
| Category 'A' | | |
| Volkswagen Finance Overseas B V , Netherland, the Subsidiary of Volkswagen Financial Services A G , Germany | 105,192,207 | 105,192,207 |
| Percentage holding | (100%) | (100%) |
| Category 'B' | | |
| Volkswagen Financial Services A G , Germany, the Holding Company. | 1,063,609,937 | 1,063,609,937 |
| Percentage holding | (100%) | (100%) |

3) Reserves and Surplus

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Special Reserves under section 45-IC of the Reserve Bank of India Act, 1934. | | |
| Balance at the beginning of the year | 199,829,592 | 73,077,347 |
| Transferred from Surplus in the Statement of Profit and Loss | 165,311,942 | 126,752,245 |
| Balance at the end of the year | 365,141,534 | 199,829,592 |
| Surplus/(Deficit) in Statement of Profit and Loss | | |
| Balance at the beginning of the year | (125,259,525) | (632,268,502) |
| Profit for the year | 826,559,711 | 633,761,222 |
| Less Transfer to Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934 | (165,311,942) | (126,752,245) |
| Balance at the end of the year | 535,988,244 | (125,259,525) |
| Total Reserves and Surplus | 901,129,778 | 74,570,067 |

4) Long-Term Borrowings

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------------------|----------------------------|
| Secured (Refer Note below and Note 9) | | |
| Non-Convertible Debentures | 11,000,000,000 | 7,000,000,000 |
| Unsecured: | | |
| Term Loan from banks | 1,250,000,000 | 1,000,000,000 |
| | 12,250,000,000 | 8,000,000,000 |



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

Note

Debentures are secured by way of Mortgage of specific Immovable property and specific receivables of the Company arising out of loan

| Debenture | Allotment Date | Interest Rate | Redemption Date | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------|---------------|-----------------|----------------------------|----------------------------|
| 2000 (Previous Year Nil), VWFPL NCD A 02 FY 2015-16, face value of Rs 10 lacs each | 29-May-15 | 8.65% | 29-May-20 | 2,000,000,000 | - |
| 1500 (Previous Year Nil), VWFPL NCD 'B' 02 FY 2015-16, face value of Rs 10 lacs each | 28-Dec-15 | 8.63% | 28-Dec-18 | 1,500,000,000 | - |
| 2000 (Previous Year Nil), VWFPL NCD A 01 FY 2015-16, face value of Rs 10 lacs each | 29-May-15 | 8.65% | 30-Jul-18 | 2,000,000,000 | - |
| 1500 (Previous Year Nil), VWFPL NCD 'B' 01 FY 2015-16, face value of Rs 10 lacs each | 28-Dec-15 | 8.63% | 28-Jun-18 | 1,500,000,000 | - |
| 4000 (Previous Year 4000), VWFPL NCD 'A' FY 2014-15, face value of Rs 10 lacs each | 01-Dec-14 | 8.85% | 01-Dec-17 | 4,000,000,000 | 4,000,000,000 |
| Nil (Previous Year 2000), VWFPL NCD 'E' FY 2013-14, face value of Rs 10 lacs each | 28-Jan-14 | 9.78% | 27-Jan-17 | - | 2,000,000,000 |
| Nil (Previous Year 1000), VWFPL NCD 'B' FY 2013-14, face value of Rs 10 lacs each | 09-Dec-13 | 9.85% | 09-Dec-16 | - | 1,000,000,000 |
| | | | | 11,000,000,000 | 7,000,000,000 |

The company has taken unsecured Term Loan from Bank which is guaranteed by corporate guarantee issued by Volkswagen Financial Services A G , Germany, the holding company
i) Rs 1,250,000,000 taken on March 11, 2016 which carry interest rate of 8.83% p a payable Monthly. The Term Loan is maturing at the end of 1 year 27 days from loan taken

5) Long-Term Provisions

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| (a) Employee Benefits - Gratuity (Refer Note 19B) | 14,699,080 | 11,750,841 |
| (b) Contingency Provision against Standard Assets | 112,532,725 | 54,274,103 |
| (c) Provision for Non Performing Assets | 715,970,967 | 868,898,109 |
| (d) Contingency Provision for Future Potential Losses | 364,100,496 | 258,060,683 |
| | 1,207,303,268 | 1,192,983,736 |

6) Other Long Term Liabilities

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|----------------------------|----------------------------|----------------------------|
| Income Received in Advance | 150,527,892 | 206,900,334 |
| | 150,527,892 | 206,900,334 |

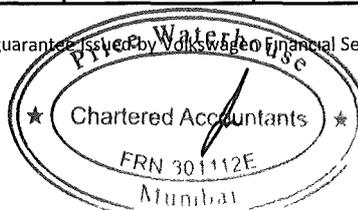
7) Short-Term Borrowings

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Unsecured | | |
| (a) Bank overdraft repayable on demand - from banks (Rate of interest ranging from 8.75% to 10.75%) | 6,489,551,718 | 5,282,548,984 |
| (b) Other Loans and advances | | |
| Commercial Papers (Maximum balance outstanding during the year Rs 22,000,000,000 (Previous year Rs 22,841,000,000)) | 10,383,784,655 | 14,514,837,044 |
| Working Capital Demand Loans | 7,740,000,000 | 1,440,000,000 |
| | 24,613,336,373 | 21,237,386,028 |



| Schedule of Other Loans and advances | Rate of Interest | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|------------------|----------------------------|----------------------------|
| Schedule of Commercial Papers | | | |
| Commercial Paper repayable on February 09, 2017 | 8.60% | 931,874,904 | - |
| Commercial Paper repayable on September 16, 2016 | 8.43% | 1,205,801,932 | - |
| Commercial Paper repayable on July 13, 2016 | 8.55% | 52,797,673 | - |
| Commercial Paper repayable on July 13, 2016 | 8.57% | 449,753,588 | - |
| Commercial Paper repayable on July 08, 2016 | 8.57% | 117,454,025 | - |
| Commercial Paper repayable on July 07, 2016 | 8.55% | 1,467,303,497 | - |
| Commercial Paper repayable on June 24, 2016 | 8.55% | 3,433,902,556 | - |
| Commercial Paper repayable on May 26, 2016 | 8.68% | 1,481,947,644 | - |
| Commercial Paper repayable on April 27, 2016 | 8.60% | 1,242,948,836 | - |
| Commercial Paper repayable on January 12, 2016 | 8.87% | - | 933,913,934 |
| Commercial Paper repayable on January 14, 2016 | 8.87% | - | 701,764,165 |
| Commercial Paper repayable on January 14, 2016 | 8.87% | - | 701,785,841 |
| Commercial Paper repayable on December 09, 2015 | 8.80% | - | 944,145,308 |
| Commercial Paper repayable on December 09, 2015 | 8.79% | - | 472,095,686 |
| Commercial Paper repayable on October 09, 2015 | 9.40% | - | 477,513,423 |
| Commercial Paper repayable on October 09, 2015 | 9.39% | - | 477,535,199 |
| Commercial Paper repayable on September 10, 2015 | 9.44% | - | 1,442,574,107 |
| Commercial Paper repayable on August 31, 2015 | 9.44% | - | 481,996,992 |
| Commercial Paper repayable on August 12, 2015 | 9.40% | - | 1,210,863,839 |
| Commercial Paper repayable on July 27, 2015 | 9.40% | - | 972,254,886 |
| Commercial Paper repayable on July 21, 2015 | 8.55% | - | 243,752,882 |
| Commercial Paper repayable on July 21, 2015 | 8.55% | - | 243,752,882 |
| Commercial Paper repayable on May 14, 2015 | 9.20% | - | 989,365,421 |
| Commercial Paper repayable on May 07, 2015 | 9.52% | - | 991,426,574 |
| Commercial Paper repayable on April 30, 2015 | 9.20% | - | 992,802,855 |
| Commercial Paper repayable on April 28, 2015 | 9.23% | - | 496,637,150 |
| Commercial Paper repayable on April 28, 2015 | 9.20% | - | 993,295,900 |
| Commercial Paper repayable on April 16, 2015 | 8.70% | - | 747,360,000 |
| Total Commercial Papers (a) | | 10,383,784,655 | 14,514,837,044 |
| Schedule of Working Capital Demand Loans | | | |
| Working capital demand loan repayable on May 31, 2016 | 9.10% | 1,350,000,000 | - |
| Working capital demand loan repayable on May 03, 2016 | 9.00% | 1,590,000,000 | - |
| Working capital demand loan repayable on May 03, 2016 | 9.10% | 500,000,000 | - |
| Working capital demand loan repayable on April 29, 2016 | 9.20% | 1,500,000,000 | - |
| Working capital demand loan repayable on April 28, 2016 | 9.25% | 500,000,000 | - |
| Working capital demand loan repayable on April 11, 2016 | 9.35% | 1,500,000,000 | - |
| Working capital demand loan repayable on April 07, 2016 | 8.90% | 800,000,000 | - |
| Working capital demand loan repayable on April 10, 2015 | 9.25% | - | 1,440,000,000 |
| Total Working Capital Demand Loans (b) | | 7,740,000,000 | 1,440,000,000 |
| Total (a) and (b) | | 18,123,784,655 | 15,954,837,044 |

Working Capital Demand Loans and Bank overdraft are guaranteed by corporate guarantee issued by Volkswagen Financial Services A G, Germany, the holding company



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8) Trade Payables

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------------------|----------------------------|
| Payable for Vehicle Finance | 2,240,698,337 | 1,877,583,856 |
| Dues to Micro and Small Enterprise (Refer Note 27) | - | - |
| Other Trade Payables | 114,230,636 | 16,663,026 |
| | 2,354,928,973 | 1,894,246,882 |

9) Other Current Liabilities

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------------------|----------------------------|
| (a) Interest accrued but not due on borrowings | 569,605,991 | 298,648,011 |
| (b) Other Payables | | |
| -Income Received in Advance | 207,114,504 | 233,967,763 |
| -Creditors for Fixed Assets | 5,614,406 | 6,534,437 |
| -Creditors for Expenses | 6,764,074 | 89,440,927 |
| -Provision for Expenses | 125,436,014 | 131,712,606 |
| -Dues to Employees | 115,768,806 | 127,253,766 |
| -Other Liabilities (including statutory dues) | 14,879,968 | 10,650,545 |
| (c) Current Maturities of Long Term Borrowings | 4,000,000,000 | 4,500,000,000 |
| | 5,045,183,763 | 5,398,208,055 |
| (There is no amount due for payment to the Investor Education and Protection Fund under section 205C of Companies Act 1956 as at year end Section 125 of Companies Act 2013 which corresponds to section 205C of Companies Act, 1956 has not yet been enforced) | | |

Note

1) These debentures are secured by way of Mortgage of specific immovable property and specific receivables of the Company arising out of loan

| Debenture | Allotment Date | Interest Rate | Redemption Date | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------|---------------|-----------------|----------------------------|----------------------------|
| 2000 (Previous Year Nil), VWFPL NCD 'E' FY 2013-14, face value of Rs 10 lacs each | 28-Jan-14 | 9.78% | 27-Jan-17 | 2,000,000,000 | - |
| 1000 (Previous Year Nil), VWFPL NCD 'B' FY 2013-14, face value of Rs 10 lacs each | 09-Dec-13 | 9.85% | 09-Dec-16 | 1,000,000,000 | - |
| Nil (Previous Year 2000), VWFPL NCD 'C' FY 2013-14 & VWFPL NCD 'D' FY 2013-14, face value of Rs 10 lacs each | 28-Jan-14 | 9.72% | 28-Jan-16 | - | 2,000,000,000 |
| Nil (Previous Year 1500), VWFPL NCD 'A' 02 FY 2012-13, face value of Rs 10 lacs each | 21-Nov-12 | 9.70% | 23-Nov-15 | - | 1,500,000,000 |
| Nil (Previous Year 1000), VWFPL NCD 'A' FY 2013-14, face value of Rs 10 lacs each | 09-Dec-13 | 9.85% | 09-Jun-15 | - | 1,000,000,000 |
| | | | | 3,000,000,000 | 4,500,000,000 |

| Particulars | Rate of Interest | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|------------------|----------------------------|----------------------------|
| Schedule of Working Capital Demand Loans | | | |
| Working capital demand loan repayable on October 24, 2016 (Guaranteed by corporate guarantee issued by Volkswagen Financial Services A G , Germany, the holding company) | 9.50% | 1,000,000,000 | - |

10) Short-Term Provisions

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| (a) Employee Benefits | | |
| - Gratuity (Refer Note 19 B) | 1,995,796 | 352,597 |
| - Leave Encashment | 4,257,693 | 2,316,499 |
| (b) Contingency Provision against Standard Assets | 111,375,368 | 63,284,938 |
| (c) Lease Equalisation Reserve | - | 2,072,000 |
| (d) Contingency Provision for Future Potential Losses | 341,797,804 | 316,393,454 |
| (e) Provision for Tax and Provision for Wealth Tax (Net of Advance Tax and Tax Deducted at Source Rs 602,309,224 (Previous Year Rs 460,086,189)) | 63,390,776 | 113,927,915 |
| | 522,817,437 | 498,347,403 |



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

Note 11 Fixed Assets

Amount in Rupees

As at March 31, 2016

| Particulars | GROSS BLOCK (At Cost) | | | | DEPRECIATION / AMORTISATION | | | | NET BOOK VALUE | |
|---------------------------------|--------------------------|------------------------------|--------------------------|-------------------------|-----------------------------|-------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | As at April 01, 2015 | Additions during the year | Sales during the year | As at March 31, 2016 | As at April 01, 2015 | For the year | Deduction for the year | As at March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 |
| Tangible Assets | | | | | | | | | | |
| Office Equipments | 17,682,337 | 399,901 | 329,014 | 17,753,224 | 9,100,262 | 2,917,590 | 284,549 | 11,733,303 | 6,019,921 | 8,582,075 |
| Building | 3,331,810 | - | - | 3,331,810 | 653,296 | 97,994 | - | 751,290 | 2,580,520 | 2,678,514 |
| Computers | 79,022,548 | 7,372,849 | 18,486,623 | 67,908,774 | 52,772,767 | 9,700,631 | 17,289,232 | 45,184,166 | 22,724,608 | 26,249,781 |
| Furniture and Fixtures | 9,528,339 | 2,633,683 | - | 12,162,022 | 6,582,087 | 390,249 | - | 6,972,336 | 5,189,686 | 2,946,252 |
| Leasehold Improvements | 45,839,001 | - | - | 45,839,001 | 18,707,410 | 9,160,020 | - | 27,867,430 | 17,971,571 | 27,131,591 |
| Vehicles | 40,365,370 | 17,178,522 | 9,394,477 | 48,149,415 | 10,115,794 | 5,416,486 | 4,034,813 | 11,497,467 | 36,651,948 | 30,249,576 |
| Total (A) | 195,769,405 | 27,584,955 | 28,210,114 | 195,144,246 | 97,931,616 | 27,682,970 | 21,608,594 | 104,005,992 | 91,138,254 | 97,837,789 |
| Intangible Assets | | | | | | | | | | |
| Software | 139,927,249 | 31,047,618 | - | 170,974,867 | 101,960,066 | 21,790,509 | - | 123,750,575 | 47,224,292 | 37,967,183 |
| Total (B) | 139,927,249 | 31,047,618 | - | 170,974,867 | 101,960,066 | 21,790,509 | - | 123,750,575 | 47,224,292 | 37,967,183 |
| Total Fixed Assets (A+B) | 335,696,654 | 58,632,573 | 28,210,114 | 366,119,113 | 199,891,682 | 49,473,479 | 21,608,594 | 227,756,567 | 138,362,546 | 135,804,972 |

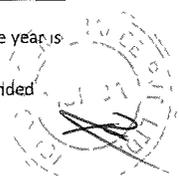
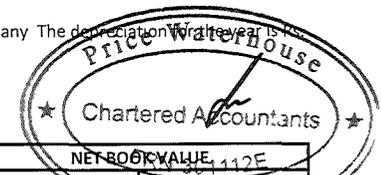
* Building is mortgaged against the non-convertible debentures. Building includes value of shares in the co-operative society, aggregating to Rs 250 (Previous Year Rs 250) registered in the name of the Company. The depreciation written down value is Rs 97,994 (Previous Year Rs 97,994) and the written down value of the asset as on 31st March, 2016 is Rs 2,580,520 (Previous Year Rs 2,776,508).

As at March 31, 2015

| Particulars | GROSS BLOCK | | | | DEPRECIATION / AMORTISATION | | | | NET BOOK VALUE | |
|---------------------------------|-------------------------|------------------------------|--------------------------|-------------------------|-----------------------------|-------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | As at April 01, 2014 | Additions during the year | Sales during the year | As at March 31, 2015 | As at April 01, 2014 | For the year | Deduction for the year | As at March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 |
| Tangible Assets | | | | | | | | | | |
| Office Equipments | 17,188,327 | 1,385,148 | 891,138 | 17,682,337 | 6,829,357 | 3,050,370 | 779,465 | 9,100,262 | 8,582,075 | 10,358,970 |
| Building | 3,331,810 | - | - | 3,331,810 | 555,302 | 97,994 | - | 653,296 | 2,678,514 | 2,776,508 |
| Computers | 65,499,840 | 13,653,102 | 130,394 | 79,022,548 | 36,116,542 | 16,724,794 | 68,569 | 52,772,767 | 26,249,781 | 29,383,298 |
| Furniture and Fixtures | 10,145,043 | 2,170,201 | 2,786,905 | 9,528,339 | 6,866,767 | 2,274,135 | 2,558,815 | 6,582,087 | 2,946,252 | 3,278,276 |
| Leasehold Improvements | 45,728,728 | 110,273 | - | 45,839,001 | 9,558,417 | 9,148,993 | - | 18,707,410 | 27,131,591 | 36,170,311 |
| Vehicles | 35,501,966 | 4,863,404 | - | 40,365,370 | 5,781,763 | 4,334,031 | - | 10,115,794 | 30,249,576 | 29,720,203 |
| Total (A) | 177,395,714 | 22,182,128 | 3,808,437 | 195,769,405 | 65,708,148 | 35,630,317 | 3,406,849 | 97,931,616 | 97,837,789 | 111,687,566 |
| Intangible Assets | | | | | | | | | | |
| Software | 117,251,606 | 22,675,643 | - | 139,927,249 | 71,621,167 | 30,338,899 | - | 101,960,066 | 37,967,183 | 45,630,439 |
| Total (B) | 117,251,606 | 22,675,643 | - | 139,927,249 | 71,621,167 | 30,338,899 | - | 101,960,066 | 37,967,183 | 45,630,439 |
| Total Fixed Assets (A+B) | 294,647,320 | 44,857,771 | 3,808,437 | 335,696,654 | 137,329,315 | 65,969,216 | 3,406,849 | 199,891,682 | 135,804,972 | 157,318,005 |

* Building is mortgaged against the non-convertible debentures. Building includes value of shares in the co-operative society, aggregating to Rs 250 (Previous Year Rs 250) registered in the name of the Company. The depreciation for the year is Rs 97,994 (Previous Year Rs 333,181) and the written down value of the asset as on 31st March, 2014 is Rs 2,678,514 (Previous Year Rs 2,776,508).

With effect from April 1, 2014, the estimated useful life of fixed assets has been revised as per schedule II to Companies Act, 2013. Had the company continued with the previously assessed useful lives, charge for depreciation for the year ended March 31, 2015 would have been higher by Rs 4,694,884 and profit for the year would have been lower by the same amount.



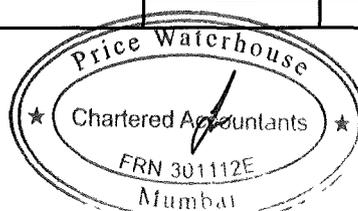
12) Long-Term Loans and Advances

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Loans* | | |
| Secured , Considered good | | |
| Standard Asset | | |
| Vehicle Finance (Secured by way of hypothecation of vehicles and / or undertaking to create security) | 21,565,753,506 | 15,428,681,225 |
| Term Loans (Secured against hypothecation of immovable properties) | 890,532,189 | 552,801,313 |
| Secured , Considered doubtful | | |
| Substandard | | |
| Vehicle Finance (Secured by way of hypothecation of vehicles and / or undertaking to create security) | 345,811,924 | 391,934,376 |
| Term Loans (Secured against hypothecation of immovable properties) | 390,480,109 | 856,244,928 |
| Loss Asset | | |
| Vehicle Finance (Secured by way of hypothecation of vehicles and / or undertaking to create security) | - | 4,484,207 |
| Unsecured, considered good | | |
| Standard Asset | | |
| Vehicle Finance | 5,394,493,866 | 5,545,476,483 |
| Term Loans | 282,401,633 | 182,681,916 |
| Unsecured , Considered doubtful | | |
| Substandard | | |
| Vehicle Finance | 449,110,617 | 462,389,676 |
| Term Loans | 12,169,462 | 303,596,910 |
| Loss Asset | | |
| Vehicle Finance | 122,734,231 | 5,322,733 |
| Other Loans and Advances (Unsecured, Considered good) | | |
| Deposits | 44,572,638 | 50,965,988 |
| Advance Tax and Tax Deducted at Source (Net of provision for taxation and provision for wealth tax Rs 435,229,909 (Previous Year Rs 145,000,000)) | 166,960,112 | 131,928,234 |
| Service Tax Receivable (Refer note 29(a)(ii)) | 223,381,608 | - |
| Advances recoverable in cash or in kind or for value to be received | 7,297,350 | 1,063,972 |
| | 29,895,699,246 | 23,917,571,961 |

*Loans include repossessed cars having book value Rs 28,283,859 (Previous Year Rs 8,338,491)

13) Trade Receivables

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| (Unsecured, considered good) | | |
| (a) Outstanding for a period exceeding six months from the date they were due for payment | 780,519 | 12,795,945 |
| (b) Outstanding for a period less than six months from the date they were due for payment | | |
| -Processing Fees Receivables | 18,890,238 | 24,922,527 |
| -Brand Support Fees Receivable | 43,304,085 | 27,392,153 |
| -Brand Interest Subvention Income Receivable | 6,544,000 | 15,518,979 |
| -Other Trade Receivables | 20,537,861 | 12,194,301 |
| | 90,056,703 | 92,823,905 |



14) Cash and Cash Equivalents

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| (a) Cash on Hand | 15,769 | 23,913 |
| (b) Bank Balance in -Current Account | 38,559,839 | 3,059,877 |
| | 38,575,608 | 3,083,790 |

15) Short -Term Loans and Advances

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Loans | | |
| Secured , Considered good | | |
| Vehicle Finance (Secured by way of hypothecation of vehicles and / or undertaking to create security) | 22,019,453,998 | 19,496,499,454 |
| Term Loans (Secured against hypothecation of immovable properties) | 175,663,920 | 93,888,552 |
| Unsecured, considered good | | |
| Vehicle Finance | 5,262,992,167 | 5,412,118,500 |
| Term Loans | 42,014,396 | 22,658,635 |
| Interest Receivable - Vehicle Finance | 94,432,162 | 91,598,226 |
| Others (Unsecured, Considered good) | | |
| Deposits | 10,860,000 | 4,439,352 |
| Advances recoverable in cash or in kind or for value to be received | 60,531,856 | 49,355,078 |
| | 27,665,948,499 | 25,170,557,797 |

16) Other Current Assets

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Interest Accrued Not Due- Vehicle Finance | 233,960,624 | 188,843,244 |
| Interest Accrued Not Due- Term Loans | 13,691,370 | 8,368,318 |
| | 247,651,994 | 197,211,562 |



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17) Revenue From Operations

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------------------|----------------------------|
| Interest On Loans | | |
| Interest On Loans - Vehicle Finance and Term Loans | 4,836,254,034 | 4,020,777,571 |
| Interest Subvention Income | 316,816,359 | 327,498,046 |
| Other Financial Services | | |
| Service Income | 195,669,139 | 128,305,981 |
| Processing Fees | 158,106,435 | 136,554,378 |
| Brand Support Fees | 236,598,916 | 431,894,593 |
| Penalty Interest - Income | 44,792,408 | 73,922,299 |
| Other Operating Income | 61,988,612 | 54,703,898 |
| | 5,850,225,903 | 5,173,656,766 |

18) Other Income

| | March 31, 2016 (Rupees) | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Interest on Fixed Deposits | | - | | 1,706,849 |
| Foreign Exchange Gain (net) | | - | | 14,361,944 |
| Liabilities Written Back as no longer required | | 536,523 | | 58,658,366 |
| Provision for Non Performing Assets Written Back as no longer required | 437,702,266 | | 675,655,502 | |
| Less Bad Debts Written Off | 113,285,365 | 324,416,901 | 294,720,160 | 380,935,342 |
| Miscellaneous Income | | 10,746,649 | | 9,963,531 |
| | | 335,700,073 | | 465,626,032 |

19) Employee Benefits Expenses

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Salaries, Bonus and Allowances (Refer Note 22(ii) below) | 471,322,514 | 443,144,459 |
| Contribution to Provident Fund and Other Funds (Refer Note 19(A) below) | 11,972,985 | 10,992,783 |
| Gratuity (Refer Note 19(B) below) | 6,130,167 | 3,484,757 |
| Leave Encashment | 3,109,920 | 940,116 |
| Staff Welfare | 6,770,715 | 8,358,880 |
| Training and Recruitment Expenses | 7,335,191 | 8,461,550 |
| | 506,641,492 | 475,382,545 |



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

- A) During the year, the Company has recognised the following amounts in the Statement of Profit and Loss towards defined contribution employees benefit scheme

| | Year Ended March 31, 2016 (Rupees) | Year Ended March 31, 2015 (Rupees) |
|--|--|--|
| - Employers' Contribution to Provident Fund | 7,588,009 | 7,326,010 |
| - Employers' Contribution to Pension Fund | 4,372,340 | 3,652,913 |
| - Employers' Contribution to Labour Welfare Fund | 12,636 | 13,860 |
| Total | 11,972,985 | 10,992,783 |

- B) Defined Benefit Plan

Gratuity (unfunded)

The Company has a defined benefit plan namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using Projected Unit Credit Method.

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|------------------------------------|------------------------------------|
| a) Major Assumptions | | |
| Discount Rate | 7.72% | 7.89% |
| Salary Escalation Rate | 10.00% | 10.00% |
| Attrition Rate | 16.00% | 16.00% |
| b) Change in the Present Value of Obligation | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
| Opening Present Value of Obligation | 12,103,438 | 7,786,548 |
| Current Service Cost | 3,300,269 | 2,553,178 |
| Interest Cost | 954,961 | 723,370 |
| Benefit paid | (532,077) | - |
| Liability transferred Out / Divestments | (1,006,652) | - |
| Liability transferred In / Acquisitions | - | 832,133 |
| Past Service Cost | - | - |
| Actuarial Loss/ (gain) on Obligations | 1,874,937 | 208,209 |
| Closing Present Value of Obligation | <u>16,694,876</u> | <u>12,103,438</u> |
| c) Change in Fair Value of Plan Assets | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
| Opening Fair Value of Plan Assets | - | - |
| Expected Return on Plan Assets | - | - |
| Actuarial (loss)/gain on Plan Assets | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Closing Fair Value of Plan Assets | <u>-</u> | <u>-</u> |



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Notes to the Financial Statements for the year ended March 31, 2016 (continued)

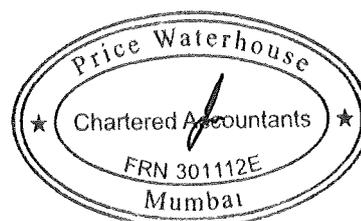
| d) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Present Value of Funded Obligation | - | - |
| Fair Value of Plan Assets | - | - |
| Funded Status | - | - |
| Present Value of Unfunded Obligation | 16,694,876 | 12,103,438 |
| Assets recognised in the Balance Sheet | - | - |
| Unfunded Net Liability Recognised in the Balance Sheet | 16,694,876 | 12,103,438 |

| e) Amount recognised in the Balance Sheet | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Present Value of Obligation | 16,694,876 | 12,103,438 |
| Fair Value of Plan Assets | - | - |
| Liability recognised in the balance Sheet | 16,694,876 | 12,103,438 |
| - Current | 1,995,796 | 352,597 |
| - Non Current | 14,699,080 | 11,750,841 |

| f) Expenses Recognised in the Statement of Profit and Loss | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Current Service Cost | 3,300,269 | 2,553,178 |
| Past Service Cost | - | - |
| Interest Cost | 954,961 | 723,370 |
| Expected Return on Plan Assets | - | - |
| Curtailment cost/ (credit) | - | - |
| Settlement Cost /(Credit) | - | - |
| Benefit paid | - | - |
| Net Actuarial Loss/(gain) recognised in the period | 1,874,937 | 208,209 |
| Total expenses Recognised in the Statement of Profit and Loss | 6,130,167 | 3,484,757 |

| g) Amount recognised in current year and previous year | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------------------|----------------------------|
| Defined Benefit Obligation | 16,694,876 | 12,103,438 |

| h) Experience Adjustments for the current annual year and previous two years | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) | March 31, 2014 (Rupees) | March 31, 2013 (Rupees) | March 31, 2012 (Rupees) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Defined Benefit Obligation | 16,694,876 | 12,103,438 | 7,786,548 | 7,527,966 | 3,127,436 |
| Plan Assets | - | - | - | - | - |
| Surplus / (Deficit) | 16,694,876 | 12,103,438 | 7,786,548 | 7,527,966 | 3,127,436 |
| Experience Adjustment on Plan Liabilities | 1,723,295 | (95,972) | 993,530 | 941,423 | - |
| Experience Adjustment on Plan Assets | - | - | - | - | - |



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20) Finance Cost

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--------------------------------------|----------------------------|----------------------------|
| Interest Expenses: | | |
| -Bank Overdraft | 259,247,060 | 129,842,276 |
| -Commercial Papers | 1,348,415,212 | 1,644,800,159 |
| -Non Convertible Debentures | 1,281,288,071 | 942,171,233 |
| -Working Capital Demand Loan | 339,410,695 | 150,531,370 |
| Interest on Shortfall of Advance Tax | 3,135,212 | 2,665,000 |
| Other Borrowing Cost | 40,474,223 | 33,656,449 |
| | 3,271,970,473 | 2,903,666,487 |

21) Other Expenses

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Rent (Refer Note 22) | | |
| -Building | 58,523,742 | 52,375,628 |
| -Car | - | 373,610 |
| -IT Equipments Lease Rent | 1,200,000 | - |
| Legal, Professional and Consultancy Fees | 109,167,845 | 65,330,970 |
| Commission to Dealers | 234,156,920 | 180,454,368 |
| Loan Acquisition Expenses | 15,871,045 | 20,995,093 |
| Auditor's Remuneration | | |
| - Statutory Audit | 6,500,000 | 5,500,000 |
| - Tax Audit | 300,000 | 300,000 |
| - Other Services | 1,700,000 | 1,700,000 |
| - Reimbursement of expenses | 174,070 | 132,467 |
| Information Technology Support Charges | 84,177,473 | 132,170,493 |
| Repairs and Maintenance - Others | 17,159,080 | 9,783,647 |
| Traveling and Conveyance | 50,230,905 | 54,622,895 |
| Business Promotion | 17,684,829 | 103,554,983 |
| Insurance Charges | 1,629,046 | 1,899,199 |
| Electricity | 5,513,560 | 4,505,037 |
| Rates and Taxes | 426,836 | 245,418 |
| Contingent Provision Against Standard Assets | 106,349,052 | 11,798,817 |
| Provision for Future Potential Losses | 131,444,163 | 396,752,904 |
| Provision for Non Performing Assets | 284,775,124 | 148,849,968 |
| Exchange Loss (net) | 10,788,304 | - |
| Loss on Sale of Fixed Assets (net) | 1,633,622 | 254,329 |
| Directors Sitting Fees | 2,000,000 | 600,000 |
| Event Management Fees | 2,589,375 | 4,929,806 |
| Collection Agency Charges | 29,557,039 | 20,308,493 |
| Corporate Social Responsibility (Refer note 36) | 10,006,272 | - |
| Miscellaneous | 39,377,836 | 37,837,083 |
| | 1,222,936,138 | 1,255,275,208 |



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

22) Operating Leases

- i. The Company has taken various office and residential premises under operating lease or leave and license agreements. These are generally non-cancellable for a initial lock in period The company has paid refundable Interest free Security Deposit of Rs.51,529,230 (Previous Year: Rs 52,019,688) in respect of certain leases
- ii. Lease Payments recognized in Statement of Profit and Loss with respect to all operating leases is Rs.73,277,518 (Previous Year. Rs. 58,612,163) included under Rent expenses of Rs 52,080,642 (Previous Year: Rs 37,334,020) and under Salaries, Bonus and Allowances Rs. 21,196,876 (Previous Year: Rs 21,278,143).
- iii. With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

| Minimum Lease Payments | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|---|----------------------------|----------------------------|
| Not later than one year | 20,731,536 | 54,521,614 |
| Later than one year but not later than five years | 32,240,063 | 29,557,894 |
| Later than five years | - | 246,378 |

23) Foreign Currency transactions

| | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|--|------------------------------|------------------------------|
| (a) Reimbursement of Expatriate Salaries* | 57,827,863 | 31,800,429 |
| (b) Purchase of Software | 12,512,204 | 5,113,205 |
| (c) Information Technology Support Charges | 81,419,170 | 78,062,467 |
| (d) Corporate Gaurantee Fee | 4,835,776 | 2,424,040 |
| (e) Reimbursement of Expenses | 656,206 | 649,417 |
| (f) Travelling Expenses | 4,189,923 | 1,756,391 |

* Reimbursement of Expatriate Salaries excludes prior years' reversal of incentives of Rs. Nil (Previous Year : Rs 17,073,228)

The details of unhedged foreign currency exposure as at the year-end are as follows:

| | Foreign Currency | Indian Rupees equivalent | Amount in Foreign Currency |
|---------|------------------|--------------------------|-------------------------------|
| Payable | EURO | 57,612,478 | 769,009 |
| | | (87,540,194) | (1,065,037) |
| | MXN | 952,531 | 249,628 |
| | | (NIL) | (NIL) |
| | GBP | 861,939 | 9,045 |
| | | (NIL) | (NIL) |

Note: Figures shown in brackets are in respect of previous year.



24) Deferred Tax Asset

| | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------------------|----------------------------|
| Deferred Tax Asset | | |
| Depreciation | 2,921,556 | 1,313,093 |
| Provision for Gratuity | 5,789,495 | 4,189,000 |
| Contingent provision for standard assets | 77,494,591 | 40,687,184 |
| Provision for Future Potential Losses | 244,311,402 | 198,818,577 |
| Provision for Non-Performing Assets | 247,797,552 | 300,725,636 |
| Provision for Bonus | 13,866,847 | 12,056,986 |
| Interest Reversed on NPA cases | 25,059,843 | - |
| Interest Subvention Income | 34,701,190 | 98,545,420 |
| Deferred Tax Asset | 651,942,476 | 656,335,896 |

25) Related Party Disclosures

I Related Parties and nature of relationship

i. Where control exists

- a. Ultimate Holding Company Porsche Automobil Holding SE*
- b. Holding Company Volkswagen Financial Services A.G

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

- a. Fellow Subsidiaries
- i Volkswagen Group Sales India Private Limited, India
 - ii Volkswagen Finance Overseas B V., Netherland*
 - iii Skoda Auto India Private Limited, India
 - iv Volkswagen D'leteren Finance, Belgium
 - v Volkswagen Pon Financial Services B.V , Netherlands
 - vi Volkswagen India Private Limited, India
 - vii Man Trucks India Private Limited, India
 - viii Skofin, Czech Republic*
 - ix Volkswagen Procurement Services GMBH, Wolfsburg
 - x Volkswagen Services S.A DE C V
 - xi Ducati India Private Ltd.*
 - xii Scania Commercial Vehicles India Pvt. Ltd
 - xiii VW New Mobility Services Consulting (Beijing) Co Ltd
 - xiv Volkswagen IT Services India Private Limited
 - xv Audi (China) Enterprise Management Co Ltd
- b. Key Management Personnel
- i Mr. Guy Broekmans, Chief Executive Officer and Managing Director (upto July 01, 2015)
 - ii Mr. Andreas Kutzer, Chief Executive Officer and Managing Director (w.e f September 01, 2015)
 - iii Mr. Pieter Griep, Chief Finance Office and Managing Director
 - iv Mr. Reinhard Walter Fleger, Non-Executive Director*
 - v Mr. Sanjay Mundade, Executive Director (appointed w.e f May 06, 2015 and resigned w.e.f January 28, 2016)

*Parties with whom no transactions during the year.



ii) Transactions with related parties as mentioned above

(Rupees)

| Particulars | Holding Company | | Fellow Subsidiaries | | Key Management Personnel | | Total | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | April 1 2015 to March 31, 2016 | April 1 2014 to March 31, 2015 | April 1 2015 to March 31, 2016 | April 1 2014 to March 31, 2015 | April 1 2015 to March 31, 2016 | April 1 2014 to March 31, 2015 | April 1 2015 to March 31, 2016 | April 1 2014 to March 31, 2015 |
| 1 Expenditure | | | | | | | | |
| a) Rent | | | | | | | | |
| Volkswagen Group Sales India Private Limited | - | - | 2,797,914 | 9,058,167 | - | - | 2,797,914 | 9,058,167 |
| Total | - | - | 2,797,914 | 9,058,167 | - | - | 2,797,914 | 9,058,167 |
| b) Reimbursement of expenses | | | | | | | | |
| Volkswagen Financial Services A G* | 105,459,111 | 96,622,647 | - | - | - | - | 105,459,111 | 96,622,647 |
| Volkswagen D'leteren Finance# | - | - | 11,735,781 | 6,495,767 | - | - | 11,735,781 | 6,495,767 |
| Volkswagen Pon Financials Services | - | - | 12,970,458 | 7,261,898 | - | - | 12,970,458 | 7,261,898 |
| Volkswagen Services S A DE C V | - | - | 9,419,559 | 1,325,277 | - | - | 9,419,559 | 1,325,277 |
| Volkswagen Group Sales India Private Limited | - | - | 179,408 | 30,000 | - | - | 179,408 | 30,000 |
| Skofin | - | - | - | 138,200 | - | - | - | 138,200 |
| Volkswagen India Private Limited | - | - | 3,589,238 | 1,575,765 | - | - | 3,589,238 | 1,575,765 |
| Scania Commercial Vehicles India Pvt Ltd | - | - | 1,500,000 | - | - | - | 1,500,000 | - |
| VW New Mobility Services Consulting (Beijing) Co Ltd | - | - | 146,814 | - | - | - | 146,814 | - |
| Total | 105,459,111 | 96,622,647 | 39,541,258 | 16,826,907 | - | - | 145,000,369 | 113,449,554 |
| c) Purchase of Software | | | | | | | | |
| Volkswagen Financial Services A G | 12,349,876 | 1,313,799 | - | - | - | - | 12,349,876 | 1,313,799 |
| Volkswagen Procurement Services GMBH | - | - | 162,328 | 3,799,406 | - | - | 162,328 | 3,799,406 |
| Volkswagen Group Sales India Private Limited | - | - | 2,359,464 | - | - | - | 2,359,464 | - |
| Skoda Auto India Private Limited | - | - | 1,931,865 | - | - | - | 1,931,865 | - |
| Total | 12,349,876 | 1,313,799 | 4,453,657 | 3,799,406 | - | - | 16,803,533 | 5,113,205 |
| d) Commission | | | | | | | | |
| Volkswagen Group Sales India Private Limited | - | - | - | 270,532 | - | - | - | 270,532 |
| Total | - | - | - | 270,532 | - | - | - | 270,532 |
| 2 Income | | | | | | | | |
| a) Pre Received Interest Subvention Income | | | | | | | | |
| Skoda Auto India Private Limited | - | - | 29,929,000 | 144,295,000 | - | - | 29,929,000 | 144,295,000 |
| Volkswagen Group Sales India Private Limited | - | - | - | 6,452,812 | - | - | - | 6,452,812 |
| Total | - | - | 29,929,000 | 150,747,812 | - | - | 29,929,000 | 150,747,812 |
| b) Brand Support Fees | | | | | | | | |
| Skoda Auto India Private Limited | - | - | 65,559,254 | 58,058,790 | - | - | 65,559,254 | 58,058,790 |
| Volkswagen Group Sales India Private Limited | - | - | 162,249,534 | 364,608,921 | - | - | 162,249,534 | 364,608,921 |
| Man Trucks India Private Limited | - | - | - | 553,286 | - | - | - | 553,286 |
| Total | - | - | 227,808,788 | 423,220,997 | - | - | 227,808,788 | 423,220,997 |
| c) Fees for Consultancy | | | | | | | | |
| Skoda Auto India Private Limited | - | - | 534,098 | 527,100 | - | - | 534,098 | 527,100 |
| Volkswagen Group Sales India Private Limited | - | - | 266,982 | 264,707 | - | - | 266,982 | 264,707 |
| Volkswagen India Private Limited | - | - | 765,312 | 765,312 | - | - | 765,312 | 765,312 |
| Volkswagen IT Services India Private Limited | - | - | - | - | - | - | - | - |
| Total | - | - | 1,566,392 | 1,557,119 | - | - | 1,566,392 | 1,557,119 |
| d) Reimbursement of Expenses | | | | | | | | |
| Volkswagen Group Sales India Private Limited | - | - | 140,177 | 22,201,895 | - | - | 140,177 | 22,201,895 |
| Volkswagen India Private Limited | - | - | 3,665,091 | - | - | - | 3,665,091 | - |
| Skoda Auto India Private Limited | - | - | - | - | - | - | - | - |
| Audi (China) Enterprise Management Co Ltd | - | - | - | - | - | - | - | - |
| Total | - | - | 3,805,268 | 22,201,895 | - | - | 3,805,268 | 22,201,895 |
| 3. Managerial Remuneration \$ | | | | | | | | |
| Guy Broekmans^ | - | - | - | - | 21,847,374 | 23,171,662 | 21,847,374 | 23,171,662 |
| Pieter Griep | - | - | - | - | 33,116,705 | 24,616,862 | 33,116,705 | 24,616,862 |
| Andreas Kutzner | - | - | - | - | 17,793,996 | - | 17,793,996 | - |
| Sanjay Mundade | - | - | - | - | 6,607,400 | - | 6,607,400 | - |
| Total | - | - | - | - | 79,365,475 | 47,788,524 | 79,365,475 | 47,788,524 |

\$ Incentives are considered on payment basis

*Excludes reversal of reimbursement towards incentives of prior year of Rs Nil (Previous Year Rs 3,895,153) and excludes reimbursement towards provision for incentives for the current year

Excludes reversal of reimbursement towards incentives of prior year of Rs Nil (Previous Year Rs 13,178,076) and excludes reimbursement towards provision for incentives for the current year.

^ Excludes reversal of incentives of prior year of Rs Nil (Previous Year Rs 19,071,021) and excludes provision for incentives for the current year made on an overall company basis



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| Balances | Holding Company | | Fellow Subsidiaries | | Key Management Personnel | | Total | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | As on March 31, 2016 | As on March 31, 2015 | As on March 31, 2016 | As on March 31, 2015 | As on March 31, 2016 | As on March 31, 2015 | As on March 31, 2016 | As on March 31, 2015 |
| Payables | | | | | | | | |
| Volkswagen Financial Services A G | 38,860,504 | 69,773,578 | - | - | - | - | 38,860,504 | 69,773,578 |
| Volkswagen Group Sales India Private Limited# | - | - | 1,680,044,067 | 1,308,080,138 | - | - | 1,680,044,067 | 1,308,080,138 |
| Volkswagen D'leteren Finance | - | - | - | 11,678,434 | - | - | - | 11,678,434 |
| Volkswagen Pon Financials Services | - | - | 15,785,980 | 10,033,284 | - | - | 15,785,980 | 10,033,284 |
| Volkswagen India Private Limited | - | - | 979,200 | 383,850 | - | - | 979,200 | 383,850 |
| Skoda Auto India Private Limited# | - | - | 317,675,863 | 369,184,303 | - | - | 317,675,863 | 369,184,303 |
| Man Trucks India Private Limited# | - | - | 7,122,923 | 4,112 | - | - | 7,122,923 | 4,112 |
| Volkswagen Procurement Services GMBH | - | - | 2,965,994 | 2,525,031 | - | - | 2,965,994 | 2,525,031 |
| Volkswagen Services S A DE C V | - | - | 952,531 | 1,290,317 | - | - | 952,531 | 1,290,317 |
| Scania Commercial Vehicles India Pvt Ltd | - | - | 1,567,500 | - | - | - | 1,567,500 | - |
| Guy Broekmans (Travelling) | - | - | - | - | - | 1,100 | - | 1,100 |
| Pieter Griep (Travelling) | - | - | - | - | - | 441 | - | 441 |
| Receivables | | | | | | | | |
| Volkswagen Group Sales India Private Limited | - | - | 30,958,505 | 32,179,079 | - | - | 30,958,505 | 32,179,079 |
| Skoda Auto India Private Limited | - | - | 19,320,707 | 24,155,657 | - | - | 19,320,707 | 24,155,657 |
| Man Trucks India Private Limited | - | - | 74,816 | 204,474 | - | - | 74,816 | 204,474 |
| Volkswagen India Private Limited | - | - | 2,032,774 | - | - | - | 2,032,774 | - |
| VW IT Service India Pvt Ltd | - | - | 130,626 | - | - | - | 130,626 | - |

Volkswagen Financial Services A G , Germany has given corporate guarantee for credit lines availed by the Company from various banks. The outstanding amount against such credit lines as at year end is Rs 16,530,744,494 (Previous Year Rs 7,724,194,776). For this guarantee, Company has paid commission to Volkswagen Financial Services A G , Germany amounting to Rs 4,148,103 (Previous Year Rs 2,424,040)

As part of wholesale funding arrangement with dealer, the 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'



26) Segment Reporting

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company are primarily determined by the nature of products and services. Consequently, the geographical segment has been considered as a secondary segment.

The Company has identified two primary reportable business segments namely 'Retail Finance', and 'Dealer Finance'

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

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

| Primary Segment : Business Segment | (Rupees) | | | |
|--|-----------------------|-----------------------|--------------------|-----------------------|
| | March 31, 2016 | | | |
| | Retail Finance | Dealer Finance | Unallocated | Total |
| Revenue | | | | |
| External | 3,908,805,581 | 2,165,412,224 | 190,299,745 | 6,264,517,550 |
| Previous Year | 3,198,162,658 | 2,297,632,720 | 143,487,420 | 5,639,282,798 |
| Total | 3,908,805,581 | 2,165,412,224 | 190,299,745 | 6,264,517,550 |
| Previous Year | 3,198,162,658 | 2,297,632,720 | 143,487,420 | 5,639,282,798 |
| Segment Result - profit / (loss) | 428,876,865 | 686,994,079 | 97,625,024 | 1,213,495,968 |
| Previous Year | 282,526,457 | 977,182,636 | (320,719,751) | 938,989,342 |
| Profit/(Loss) before Tax | - | - | - | 1,213,495,968 |
| Previous Year | | | | 938,989,342 |
| Tax Expense | - | - | - | 386,936,257 |
| Previous Year | | | | 305,228,120 |
| Profit/(Loss) After Tax before extraordinary Items | - | - | - | 826,559,711 |
| Previous Year | | | | 633,761,222 |
| Profit/(Loss) After Tax | - | - | - | 826,559,711 |
| Previous Year | | | | 633,761,222 |
| Other Information | | | | |
| Carrying Amount of Segment Assets | 39,076,766,376 | 18,992,759,575 | 663,722,972 | 58,733,248,923 |
| Previous Year | 31,628,563,427 | 17,729,991,189 | 832,109,329 | 50,190,663,945 |
| Carrying Amount of Segment Liabilities | 29,525,053,005 | 15,774,368,420 | 844,676,280 | 46,144,097,705 |
| Previous Year | 23,134,143,349 | 14,413,986,270 | 879,942,819 | 38,428,072,438 |
| Capital Expenditure | 27,164,001 | 25,082,859 | 6,385,713 | 58,632,573 |
| Previous Year | 12,220,002 | 4,162,055 | 28,475,714 | 44,857,771 |
| Depreciation / Amortisation | 10,961,725 | 12,084,681 | 26,427,075 | 49,473,481 |
| Previous Year | 14,255,140 | 10,486,345 | 41,227,731 | 65,969,216 |



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

(i) Unallocated revenue mainly consists of Income from Insurance business Rs 179,016,573 (Previous Year Rs 125,619,850)

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

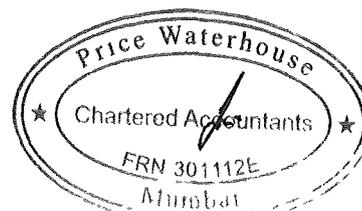
(iii) Segment assets comprise mainly of retail loans, dealer finance loans, interest accrued on retail loans and dealer finance loans, receivable from interest subvention. Unallocated assets represent mainly other loans and advances, deferred tax assets cash and cash equivalents, advance tax & TDS and 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

(iv) The company operates in single geographical segment, accordingly the reporting requirements of secondary segment disclosure prescribed under paragraph 39 to 51 of Accounting Standard 17 as specified under section 133 of Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 on 'Segment Reporting' have not been provided in the financial statements

27) The Company 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

| Particulars | March 31, 2016 (Rupees) | March 31, 2015 (Rupees) |
|--|----------------------------|----------------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| 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



28) Earnings per share (Basic and Diluted)

| Particulars | March 31, 2016 | | | March 31, 2015 | | |
|---|--|---|---------------|--|---|---------------|
| | Category A Equity Shares with dividend Rights | Category B Equity Shares with 6% cap on dividend | Total | Category A Equity Shares with dividend Rights | Category B Equity Shares with 6% cap on dividend | Total |
| Profit / (Loss) after tax (Rupees) | 188,393,749 | 638,165,962 | 826,559,711 | 57,038,518 | 576,722,704 | 633,761,222 |
| Weighted Average Number of Equity Shares | 105,192,207 | 1,063,609,937 | 1,168,802,144 | 105,192,207 | 1,063,609,937 | 1,168,802,144 |
| Earnings Per Share (Basic and Diluted) (Rupees) | 1.79 | 0.60 | | 0.54 | 0.54 | |
| Nominal value of an Equity Share (Rupees) | 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)

29) Contingent Liabilities and other Capital Commitments

a. Contingent Liabilities :

- i. Claims against the Company not acknowledge as debts by the Company Rs 28,608,324 (Previous Year Rs 29,098,661)
- ii. Company received show cause notice from Office of the Assistant Commissioner of Service Tax demanding service tax of Rs 253,776,169 on certain transactions. The Company has disputed the same. Meanwhile the company is paying the service tax on those transactions under protest. Accordingly, service tax matter in respect of which assessment is pending Rs 296,307,758 (Previous year Rs 253,776,169) and the amount paid under protest Rs 223,273,826 (previous year Rs. 180,742,237). This is being disputed by the Company and not provided for.
- iii. Income Tax matter in respect of which assessment is pending Rs 4,460,139 (Previous Year: Rs NIL). 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 Rs 402,000 (Previous Year: Rs 4,518,233)

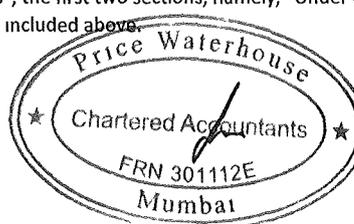


30) Disclosure on Restructured Advances

For Financial Year 2015-16

| SI No | Type of Restructuring → Asset Classification → Details ↓ | | Others | | | | Total |
|-------|--|--------------------|----------|--------------|------------|------|---------------|
| | | | Standard | Sub Standard | Doubtful | Loss | |
| | | | | | | | |
| 1 | Restructured Accounts as on April 1 of the FY (opening figures) | No of borrowers | | 31 | 1 | - | 32 |
| | | Amount outstanding | | 998,408,361 | 70,159,764 | - | 1,068,568,125 |
| | | Provision thereon | | 379,810,264 | 18,238,001 | - | 398,048,265 |
| 2 | Fresh restructuring during the year | No of borrowers | | 1 | - | - | 1 |
| | | Amount outstanding | | 362,177 | - | - | 362,176 |
| | | Provision thereon | | 362,176 | - | - | 362,176 |
| 3 | Recovery | No of borrowers | | - | - | - | - |
| | | Amount outstanding | | 136,513 | - | - | 136,513 |
| | | Provision thereon | | -339,429 | - | - | -339,429 |
| 4 | Upgradations to restructured standard category during the FY | No of borrowers | | 27 | - | - | 27 |
| | | Amount outstanding | | 283,086,026 | - | - | 283,086,026 |
| | | Provision thereon | | 97,103,787 | - | - | 97,103,787 |
| 5 | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY | No of borrowers | | - | - | - | - |
| | | Amount outstanding | | - | - | - | - |
| | | Provision thereon | | - | - | - | - |
| 6 | Downgradations of restructured accounts during the FY | No of borrowers | | - | 1 | - | 1 |
| | | Amount outstanding | | - | - | - | - |
| | | Provision thereon | | - | 6,928,719 | - | 6,928,719 |
| 7 | Write-offs of restructured accounts during the FY | No of borrowers | | 2 | - | - | 2 |
| | | Amount outstanding | | 714,335,099 | - | - | 714,335,099 |
| | | Provision thereon | | 282,558,392 | - | - | 282,558,392 |
| 8 | Restructured Accounts as on March 31 of the FY (closing figures) | No. of borrowers | | 3 | 1 | - | 4 |
| | | Amount outstanding | | 1,212,900 | 70,159,764 | - | 71,372,664 |
| | | Provision thereon | | 849,690 | 25,166,720 | - | 26,016,410 |

Note: Since the disclosure of restructured advance accounts pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.



For Financial Year 2014-15

| Sl No | Type of Restructuring → | | Others | | | | |
|-------|---|--------------------|----------|---------------|-------------|------|---------------|
| | Asset Classification → | | Standard | Sub Standard | Doubtful | Loss | Total |
| | Details ↓ | | | | | | |
| 1 | Restructured Accounts as on April 1 of the FY (opening figures) | No of borrowers | | 5 | | - | 5 |
| | | Amount outstanding | | 1,975,975,305 | | - | 1,975,975,305 |
| | | Provision thereon | | 869,955,732 | | - | 869,955,732 |
| 2 | Fresh restructuring during the year | No of borrowers | | 30 | - | - | 30 |
| | | Amount outstanding | | 284,485,190 | - | - | 284,485,190 |
| | | Provision thereon | | 97,313,661 | - | - | 97,313,661 |
| 3 | Recovery | No of borrowers | | - | - | - | - |
| | | Amount outstanding | | 98,093,335 | - | - | 98,093,335 |
| | | Provision thereon | | 2,765,497 | - | - | 2,765,497 |
| 4 | Upgradations to restructured standard category during the FY | No of borrowers | | 1 | - | - | 1 |
| | | Amount outstanding | | 158,157,247 | - | - | 158,157,247 |
| | | Provision thereon | | 78,981,029 | - | - | 78,981,029 |
| 5 | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at | No of borrowers | | - | - | - | - |
| | | Amount outstanding | | - | - | - | - |
| | | Provision thereon | | - | - | - | - |
| 6 | Downgradations of restructured accounts during the FY | No of borrowers | | - | - | - | - |
| | | Amount outstanding | | - | 3,499,341 | - | 3,499,341 |
| | | Provision thereon | | - | -10,872,091 | - | -10,872,091 |
| 7 | Write-offs of restructured accounts during the FY | No of borrowers | | 2 | - | - | 2 |
| | | Amount outstanding | | 932,142,447 | - | - | 932,142,447 |
| | | Provision thereon | | 498,346,692 | - | - | 498,346,692 |
| 8 | Restructured Accounts as on March 31 of the FY (closing figures) | No of borrowers | | 31 | 1 | - | 32 |
| | | Amount outstanding | | 998,408,361 | 70,159,764 | - | 1,068,568,125 |
| | | Provision thereon | | 379,810,264 | 18,238,001 | - | 398,048,265 |

Note: Since the disclosure of restructured advance accounts pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.



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31) Disclosures under Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015

I Capital

| Particulars | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| a) CRAR (%) | 21.07% | 22.93% |
| b) CRAR – Tier I Capital (%) | 20.78% | 22.69% |
| c) CRAR – Tier II Capital (%) | 0.29% | 0.24% |
| d) Amount of subordinated debt raised as Tier-II capital | - | - |
| e) Amount raised by issue of Perpetual Debt Instrument | - | - |

II Additional Disclosures

Provisions and Contingencies

| Under the head Expenditure in Statement of Profit and Loss | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| a) Provisions for depreciation on Investment | - | - |
| b) Provision towards NPA | 284,775,124 | 148,849,968 |
| c) Provision made towards Income tax (including Deferred Tax) | 386,936,257 | 305,228,120 |
| d) Other Provision and Contingencies (provision for gratuity and leave encashment) | 9,240,087 | 4,424,873 |
| e) Provision for Standard Assets | 237,793,215 | 408,551,721 |

Concentration of Advances, Exposures and NPAs

Concentration of Advances

| Particulars | March 31, 2016 | | March 31, 2015 | |
|--|----------------|------------------------------|----------------|------------------------------|
| | Amount | Percentage to Total Advances | Amount | Percentage to Total Advances |
| Total Advances to twenty largest borrowers | 10,154,758,345 | 17.80% | 10,545,459,401 | 21.59% |

Concentration of Exposures

| Particulars | March 31, 2016 | | March 31, 2015 | |
|--|----------------|------------------------------|----------------|------------------------------|
| | Amount | Percentage to Total Exposure | Amount | Percentage to Total Exposure |
| Total Exposure to twenty largest borrowers / customers | 12,563,778,000 | 54.19% | 12,256,140,000 | 23.55% |

Concentration of NPAs

| Particulars | March 31, 2016 | | March 31, 2015 | |
|---|----------------|------------------------------|----------------|------------------------------|
| | Amount | Percentage to Total Advances | Amount | Percentage to Total Advances |
| Total Exposure to top four NPA accounts | 523,258,413 | 0.92% | 1,201,656,503 | 2.46% |

Sector-wise NPAs

| Sector | March 31, 2016 | | March 31, 2015 | |
|------------------------------------|----------------|------------------------------|----------------|------------------------------|
| | Amount | Percentage to Total Advances | Amount | Percentage to Total Advances |
| a) Agriculture & allied activities | - | - | - | - |
| b) MSME | - | - | - | - |
| c) Corporate borrowers | - | - | - | - |
| d) Services | - | - | - | - |
| e) Unsecured personal loans | - | - | - | - |
| f) Auto loans | 1,320,306,343 | 2.31% | 2,023,972,831 | 4.14% |
| g) Other personal loans | - | - | - | - |



Movement of NPAs

| Particulars | March 31, 2016 | March 31, 2015 |
|--|-----------------|-----------------|
| a) Net NPAs to Net Advances (%) | 1.07% | 2.02% |
| b) Movement of NPAs (Gross) | | |
| i) Opening balance | 2,023,972,831 | 3,248,822,031 |
| ii) Additions during the year | 857,103,236 | 2,924,098,112 |
| iii) Reduction during the year | (1,560,769,723) | (4,148,947,313) |
| iv) Closing balance | 1,320,306,344 | 2,023,972,830 |
| b) Movement of Net NPAs | | |
| i) Opening balance | 1,155,074,722 | 1,853,118,388 |
| ii) Additions during the year | 572,328,112 | 2,480,527,984 |
| iii) Reduction during the year | (1,123,067,457) | (3,178,571,651) |
| iv) Closing balance | 604,335,377 | 1,155,074,721 |
| c) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| i) Opening balance | 868,898,109 | 1,395,703,643 |
| ii) Provisions made during the year # | 284,775,124 | 443,570,128 |
| iii) Write-off | (113,285,365) | (294,720,160) |
| iv) write-back of excess provisions # | (324,416,901) | (675,655,502) |
| v) Closing balance | 715,970,967 | 868,898,109 |
| # Net of write-offs | | |

iii Customer Complaints

| Particulars | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| a) No of complaints pending at the beginning of the | 2 | 4 |
| b) No of complaints received during the year | 42 | 83 |
| c) No of complaints redressed during the year | 42 | 85 |
| d) No of complaints pending at the end of the year | 2 | 2 |

iv Registration obtained from other financial sector regulators

The Company has obtained Licence No BAG 5287012 to act as a Corporate Agent under the Insurance Act 1938 (IV of 1938) from Insurance Regulatory and Development Authority (IRDA)

v Disclosure of Penalties imposed by RBI and other regulators

No penalties imposed by RBI or any other Regulator

vi Ratings assigned by credit rating agencies and migration of ratings during the year

Rating Agency: India Ratings & Reaserch Private Limited

During the year, Company has obtained below mentioned credit rating on different dates for different products

Rating Agency: India Ratings & Reaserch Private Limited

| Date of rating | Commercial Paper | Others |
|-------------------|----------------------------|--|
| April 17, 2015 | IND A1+ | IND AAA (Long Term) & IND A1+ (Short Term) |
| May 22, 2015 | IND A1+ | IND AAA (Long Term) & IND A1+ (Short Term) |
| July 9, 2015 | IND A1+ | IND AAA (Long Term) & IND A1+ (Short Term) |
| September 8, 2015 | IND A1+ | IND AAA (Long Term) & IND A1+ (Short Term) |
| December 16, 2015 | IND A1+ | IND AAA (Long Term) & IND A1+ (Short Term) |
| February 5, 2016 | IND A1+ | IND AAA (Long Term) & IND A1+ (Short Term) |
| Date of rating | Non-Convertible Debentures | Others |
| May 22, 2015 | IND AAA (Long Term) | IND AAA (Long Term) |
| November 18, 2015 | IND AAA (Long Term) | IND AAA (Long Term) |
| December 16, 2015 | IND AAA (Long Term) | IND AAA (Long Term) |



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

vii Maturity pattern of certain items of assets and liabilities

As on March 31, 2016

| | 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 |
|---|--------------------------------|-----------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|------------------------------|--------------|----------------|
| Liabilities | | | | | | | | | |
| Borrowings from banks | | | | - | - | - | - | - | |
| Working capital Demand | 4,300,000,000 | 3,440,000,000 | - | - | - | - | - | - | 7,740,000,000 |
| Bank Overdraft | - | - | - | - | 6,489,551,718 | - | - | - | 6,489,551,718 |
| Long Term Loans | - | - | - | - | 1,000,000,000 | 1,250,000,000 | - | - | 2,250,000,000 |
| Market borrowings | | | | | | | | | |
| Commercial Papers | 1,250,000,000 | 1,500,000,000 | 3,500,000,000 | 3,384,000,000 | 1,000,000,000 | - | - | - | 10,634,000,000 |
| Non Convertible Debentures | - | - | - | - | 3,000,000,000 | 9,000,000,000 | 2,000,000,000 | - | 14,000,000,000 |
| Assets | | | | | | | | | |
| Advances*@ - Retail Std Asset(Including Principal Recievable) | 891,153,751 | 1,021,511,689 | 1,022,475,795 | 3,084,155,751 | 5,672,477,885 | 17,556,656,273 | 7,483,748,754 | 897,206,196 | 37,629,386,094 |
| Advances* - Retail Sub Std Asset (net of provisions) | - | - | - | - | - | - | 161,876,341 | 44,781,720 | 206,658,061 |
| Advances* - Retail Doubtful and Loss Asset (net of provisions) | - | - | - | - | - | - | - | 20,114,687 | 20,114,687 |
| Advances*# - Wholesale Std (Including Principal Recievable) | 5,543,461,111 | 5,574,002,155 | 980,547,937 | 655,082,398 | 927,688,851 | 1,361,254,437 | 601,457,918 | 235,624,864 | 15,879,119,672 |
| Advances* - Wholesale Sub Std (net of provisions) | - | - | - | - | - | - | 131,319,486 | 80,950,842 | 212,270,328 |
| Advances* - Wholesale Doubtful and Loss Asset (net of provisions) | - | - | - | - | - | - | - | 165,292,301 | 165,292,301 |
| Investments - Fixed Deposits | - | - | - | - | - | - | - | - | - |

* Excludes advance income tax/ tax deducted at source (net of provisions) and other advances (not related to lending activity)

@ Net off Rs 128,226,255 payable for retail finance

Net off Rs 1,996,573,653 payable for dealer finance

Maturity Pattern of Assets and Liabilities has been compiled by the Management, based on estimations and are not on contractual payment basis.



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

As on March 31, 2015

(Rupees)

| | 1 day to 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 |
|---|---------------------------------|--------------------------|-----------------------------|-----------------------------|---------------------------|--------------------------|---------------------------|--------------|----------------|
| Liabilities | | | | | | | | | |
| Borrowings from banks | | | | | | | | | |
| Working capital Demand Loans | 1,440,000,000 | - | - | - | - | - | - | - | 1,440,000,000 |
| Bank Overdraft | - | - | - | - | 5,282,548,984 | - | - | - | 5,282,548,984 |
| Long Term Loans | - | - | - | - | - | 1,000,000,000 | - | - | 1,000,000,000 |
| Market borrowings | | | | | | | | | |
| Commercial Papers | 3,250,000,000 | 2,000,000,000 | - | 4,750,000,000 | 5,000,000,000 | - | - | - | 15,000,000,000 |
| Non Convertible Debentures | - | - | 1,000,000,000 | - | 3,500,000,000 | 7,000,000,000 | - | - | 11,500,000,000 |
| Assets | | | | | | | | | |
| Advances*@ - Retail Std Asset (Including Principal Recievable) | 717,989,705 | 892,094,013 | 889,074,077 | 2,639,700,114 | 4,829,983,019 | 14,040,499,750 | 5,828,765,739 | 855,141,114 | 30,693,247,531 |
| Advances* - Retail Sub Std Asset (net of provisions) | - | - | - | - | - | - | 117,336,267 | 84,939,451 | 202,275,719 |
| Advances* - Retail Doubtful and Loss Asset (net of provisions) | - | - | - | - | - | - | - | 5,375,161 | 5,375,161 |
| Advances*# - Wholesale Std (Including Principal Recievable) | 6,029,393,397 | 6,045,448,525 | 146,541,410 | 390,602,320 | 604,333,229 | 478,212,116 | 303,074,434 | 203,947,784 | 14,201,553,215 |
| Advances* - Wholesale Sub Std (net of provisions) | - | - | - | - | - | - | 514,341,109 | 381,160,970 | 895,502,079 |
| Advances* - Wholesale Doubtful and Loss Asset (net of provisions) | - | - | - | - | - | - | - | 51,921,763 | 51,921,763 |
| Investments - Fixed Deposits | - | - | - | - | - | - | - | - | - |

* Excludes advance income tax/ tax deducted at source (net of provisions) and other advances (not related to lending activity)

@ Net off Rs 172,766,080 payable for retail finance

Net off Rs 1,667,239,251 payable for dealer finance

Maturity Pattern of Assets and Liabilities has been compiled by the Management, based on estimations and are not on contractual payment basis



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

viii The Company has no disclosure to make in respect of the following items as the relevant items are either Nil or Not Applicable

| | |
|--------------------------------|---|
| Investments | <p>Gross Value of Investments Provision for Depreciation on Investments Net Value of Investments Movement of provisions held towards depreciation on investments</p> |
| Derivatives | <p>Forward Rate Agreement / Interest Rate Swaps Notional Principal of Swap Agreements</p> <p>Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements Collateral required by the NBFC upon entering into swaps Concentration of credit risk arising from the swaps The fair value of the swap book</p> <p>Exchange Traded Interest Rate Derivatives Notional Principal amount of exchange traded interest rate derivatives undertaken during the year</p> <p>Notional Principal amount of exchange traded interest rate derivatives outstanding as at March 31, 2015</p> <p>Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"</p> <p>Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"</p> <p>Quantitative Disclosures Derivative (Notional Principal Amount) Marked to Market Positions Credit Exposure Unhedged Exposure</p> |
| Securitisation | <p>No of SPVs sponsored by the NBFC for securitisation transactions Total amount of securitised assets as per books of the SPVs sponsored Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet Amount of exposures to securitisation transactions other than MRR</p> <p>Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction No of accounts Aggregate value (net of provisions) of accounts sold to SC / RC Aggregate consideration Additional consideration realized in respect of accounts transferred in earlier years Aggregate gain / loss over net book value</p> <p>Assignment transactions undertaken No of accounts Aggregate value (net of provisions) of accounts sold to SC / RC Aggregate consideration Additional consideration realized in respect of accounts transferred in earlier years Aggregate gain / loss over net book value</p> <p>Details of non-performing financial assets purchased No of accounts purchased during the year Aggregate outstanding</p> <p>Of these, number of accounts restructured during the year Aggregate outstanding</p> <p>Details of non-performing financial assets sold No of accounts sold Aggregate outstanding Aggregate consideration received</p> |
| Exposure to Real Estate Sector | <p>Residential Mortgages Commercial Real Estate Investments in Mortgage Backed Securities (MBS) and other securitised exposures</p> |



| | |
|----------------------------|---|
| Exposure to Capital Market | <p>direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt, advances against shares / bonds / debentures or other, securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds,</p> <p>advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security,</p> <p>advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances,</p> <p>secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers,</p> <p>loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources, bridge loans to companies against expected equity flows / issues, all exposures to Venture Capital Funds (both registered and unregistered)</p> |
| Concentration of Deposits | <p>Total Deposits of twenty largest depositors</p> <p>Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC</p> |
| Other Disclosure | <p>During the year, Company has not financed any parent company's product</p> <p>During the year, there are no penalties levied by RBI / other regulators</p> <p>During the year, Company has not postponed revenue recognition on account of pending uncertainties</p> <p>During the year, Company has not made any draw down of reserves</p> <p>Company does not have any overseas joint venture / subsidiary</p> <p>There are no SPVs sponsored by the Company</p> |

32) Disclosure under Regulation 54 (2) of (Listing Obligations and Disclosure Requirements) Regulations, 2015

Debentures are secured by way of Mortgage of specific immovable property of INR 33.31 lacs and specific receivables of the Company arising out of loan with an asset cover ratio of minimum 1 time of value of the debentures during tenure of the debentures

33) Liabilities written back comprises of provision no longer required in respect of expenses Rs 536,523 (Previous Year Rs 58,658,366)

34)

During the period July to December 2015, Company has exceeded credit concentration limit applicable on lending to single borrower [as specified under clause 18 of the Non-Banking Financial (Non deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.] in case of one borrower namely, Jubilant Motorworks Pvt Ltd. Also, Company has exceeded group borrower limit in case of Jubilant Group in the month of December 2015. On realising the same, in the month of January 2016, Company has reduced the exposure towards the said borrower/group

35) Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015 are given in Annexure I

36) Corporate Social Responsibility (CSR) Expenditure

Gross amount required to be spent by the company during the year Rs 14,890,226

Amount spent during the year on

| Sr No. | CSR Activities | In cash | Yet to be paid in cash | Total |
|--------|---------------------------------------|------------|------------------------|------------|
| (i) | Construction/acquisition of any asset | - | - | - |
| (ii) | On purposes other than (i) above | 10,006,272 | - | 10,006,272 |

37) The Company has identified that due to a system error, there were certain loan accounts on which subvention income was not recognized in the Profit and Loss Account from August 2014 to May 2015. The total impact due to this error is Rs 955 lakhs. Out of this the amount of Rs 785 lakhs pertains to financial year 2014-15. This has been disclosed as prior period income in the Statement of Profit and Loss.

38) Disclosure pursuant of 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 Rs 110,826,431 (Previous year Rs Nil)



Notes to the Financial Statements for the year ended March 31, 2016 (continued)

39) Previous year's figures have been reclassified/regrouped, wherever necessary, to confirm with current year's classifications

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

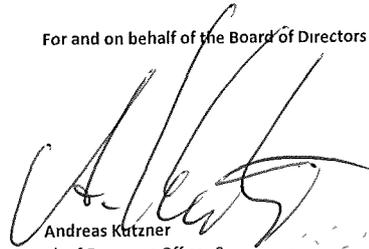
For Price Waterhouse
Firm Registration No 301112E
Chartered Accountants



Sharad Vasant
Partner
Membership No 101119

Mumbai
May 30, 2016

For and on behalf of the Board of Directors



Andreas Kutzner
Chief Executive Officer &
Managing Director


Harshada Pathak
Company Secretary

Mumbai
May 30, 2016



Pieter Grieb
Chief Finance Officer &
Managing Director

Volkswagen Finance Private Limited
ANNEXURE I FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2016

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company
(as required in terms of Paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

(All amounts in Rupees)

| Liabilities Side | | | |
|------------------|---|--------------------|----------------|
| (1) | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid | | |
| | Particulars | Amount outstanding | Amount overdue |
| | (a) Debentures Secured | 14,541,253,823 | - |
| | Unsecured | - | - |
| | (other than falling within the meaning of public deposits) | | |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | 2,250,562,671 | - |
| | (d) Intercorporate loans and borrowing | - | - |
| | (e) Commercial Paper | 10,383,784,655 | - |
| | (f) Other Loans - Working Capital Demand Loan | 7,767,045,760 | - |
| | (g) Bank Overdraft | 6,490,295,455 | - |
| Asset Side | | | |
| | | Amount Outstanding | |
| (2) | Break-up of Loans and Advances including bills receivables [other than those included in (4) below] | | |
| | (a) Secured | | 45,387,695,647 |
| | (b) Unsecured* | | 11,660,348,533 |
| (3) | Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities | | |
| | (i) Lease assets including lease rentals under sundry debtors | | |
| | (a) Financial lease | | - |
| | (b) Operating lease | | - |
| | (ii) Stock on hire including hire charges under sundry debtors | | |
| | (a) Assets on hire | | - |
| | (b) Repossessed Assets | | - |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | | - |
| | (b) Loans other than (a) above | | - |
| (4) | Break-up of Investments | | |
| | Current investments | | |
| | 1 Quoted | | |
| | (i) Shares (a) Equity | | - |
| | (b) Preference | | - |
| | (ii) Debentures and Bonds | | - |
| | (iii) Units of Mutual funds | | - |
| | (iv) Government Securities | | - |
| | (v) Others (please specify) | | - |
| | 2 Unquoted | | |
| | (i) Shares (a) Equity | | - |
| | (b) Preference | | - |
| | (ii) Debentures and Bonds | | - |
| | (iii) Units of Mutual funds | | - |
| | (iv) Government Securities | | - |
| | (v) Others (Certificate of Deposits, Commercial Paper & PTC) | | - |

* Excludes advance income tax/tax deducted at source (net of provisions) and other advances (not related to lending activity)



Volkswagen Finance Private Limited
ANNEXURE I FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2016

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company
(as required in terms of Paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

(All amounts in Rupees)

| Break-up of Investments (continued) | | Amount Outstanding | | |
|--|---|---|--------------------------------|----------------|
| Long Term investments | | | | |
| 1 Quoted | | | | |
| | (i) Shares (a) Equity | | | - |
| | (b) Preference | | | - |
| | (ii) Debentures and Bonds | | | - |
| | (iii) Units of Mutual funds | | | - |
| | (iv) Government Securities | | | - |
| | (v) Others (please specify) | | | - |
| 2 Unquoted | | | | |
| | (i) Shares (a) Equity | | | - |
| | (b) Preference | | | - |
| | (ii) Debentures and Bonds | | | - |
| | (iii) Units of Mutual funds | | | - |
| | (iv) Government Securities | | | - |
| | (v) Others (please specify) | | | - |
| (5) Borrower group-wise classification of assets financed as in (2) and (3) above | | | | |
| | Category | Amount net of provisions | | |
| | | Secured | Unsecured | Total |
| 1 Related Parties | | | | |
| | (a) Subsidiaries | - | - | - |
| | (b) Companies in the same group | - | - | - |
| | (c) Other related parties | - | - | - |
| 2 Other than related parties | | | | |
| | | 44,078,307,341 | 11,323,959,479 | 55,402,266,820 |
| Total | | 44,078,307,341 | 11,323,959,479 | 55,402,266,820 |
| (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) | | | | |
| | Category | Market Value/ Break-up or fair value or NAV | Book Value (Net of Provisions) | |
| 1 Related Parties | | | | |
| | (a) Subsidiaries | - | - | |
| | (b) Companies in the same group | - | - | |
| | (c) Other related parties | - | - | |
| 2 Other than related parties | | | | |
| | Total | | - | |
| (8) Other Information | | | | |
| | Particulars | Amount | | |
| (i) | Gross Non Performing Assets | | | |
| | (a) Related Parties | - | | |
| | (b) Other than related parties | 1,320,306,343 | | |
| (ii) | Net Non-Performing Assets | | | |
| | (a) Related Parties | - | | |
| | (b) Other than related parties | 604,335,376 | | |
| (iii) | Assets acquired in satisfaction of debt | - | | |

Notes

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998

2 Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above

