Price Waterhouse
Chartered Accountants

Independent Auditor's Report

To the Members of Volkswagen Finance Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Volkswagen Finance Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. 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 Companies Act, 2013 ("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, 2019, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Price Waterhouse
Chartered Accountants
FRN 301112E
Mumbai

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Key audit matter	How our audit addressed the key audit matter
Expected Credit Loss (ECL) provision in respect of loans carried at amortised cost (refer Note 1.5C for accounting policy and Note 5 for ECL provision) As detailed in Note 5, the Company has financial assets carried at amortized cost amounting to Rs, 5,29,807.42 Lakhs (gross) as at March 31, 2019. The Company holds ECL provision of Rs. 38,495.54 Lakhs against such assets. As discussed in note 1.5C, ECL provision has been determined in accordance with Ind AS 109 – Financial Instruments and is significant to the financial statements. We focused on this area as determining ECL provision requires significant judgements by the management. Key areas of judgement included: - Assumptions used in the expected credit loss model such as the financial condition of the counterparty, probability of default and loss given default. - The identification of exposures with a significant deterioration in credit quality.	We carried out following procedures in respect to ECL provision: - held discussions with management and obtained understanding of significant assumptions like probability of default and loss given default used for making impairment assessment in ECL model. Also obtained the understanding of the process and relevant controls to determine these significant assumptions. - evaluated the design and tested operating effectiveness of controls in respect of significant assumptions like probability of default and loss given default including appropriate approvals and mathematical accuracy, which are used in ECL Model to determine the level of provisions. - with the involvement of our experts, we assessed the assumptions and judgement made by management used to calculate provision using ECL Model. - Traced key data inputs used to compute the ECL provision in the ECL model on a sample basis to assess their accuracy and completeness. - Ensured mathematical accuracy of the ECL provision by performing recalculations on sample basis. Based on available evidence, we did not identify any significant exception to the ECL provision in respect of loans.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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Mumbai

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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 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.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

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or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

13. The financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2018 and March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 29, 2018 and May 29, 2017 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

Price Waterhouse
Chartered Accountants
FRN 301112E
Mumbai

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and 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;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;

ii. The Company has made provision as at March 31, 2019, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts - Refer Note 5. The Company did not have any derivative contracts as at March 31, 2019;

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, 2019; and

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Agwaral
Partner
Membership Number: 118522

Place: Mumbai
Date: May 30, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 15 (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, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Volkswagen Finance Private Limited ("the Company") as of March 31, 2019 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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.

Price Waterhouse Chartered Accountants FRN 301112E Mumbai

Annexure A to Independent Auditors' Report

Referred to in paragraph 15 (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, 2019.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Agarwal
Partner
Membership Number 118522

Place: Mumbai
Date: May 30, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 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, 2019

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. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 7(a) on fixed assets to the financial statements, are held in the name of the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or provided any guarantees or security in connection with any loan taken by parties covered under Section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as a Non- Banking Financial Company with Reserve Bank of India. Therefore, the provision of section 186, except sub-section (1) of section 186, of the Act are not applicable to the Company. Further, the Company has not made any investment to the parties covered under section 186 of the Companies Act, 2013 and accordingly the provision of Clause 3(iv) of the said Order in respect of Section 186 (1) is not applicable.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 36(a)(iv) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(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 or goods and service tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Service Tax	Rs. 5,071.85 Lakhs (Rs. 2,534.08 Lakhs paid under protest. Also, refer Note 36	Financial Years 2012 - 18	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Income Tax Act, 1961	Income Tax	Rs. 89.20 Lakhs (Rs. 44.60 Lakhs paid under protest)	Financial year 2014-15	Income Tax Appellate Tribunal (ITAT).

Annexure B to Independent Auditors' Report
Referred to in paragraph 14 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, 2019

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 and further public offer (including debt instruments). The moneys raised by way of term loans have been applied for the purpose for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

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 Agwaral
Partner
Membership Number: 118522

Place: Mumbai
Date: May 30, 2019

Volkswagen Finance Private Limited
Balance Sheet as at March 31, 2019

	Particulars	Note	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
	ASSETS				
	Financial assets				
(a)	Cash and cash equivalents	2	670.08	313.89	273.95
(b)	Bank balances other than cash and cash equivalents	3	1.00	1.00	60.83
(c)	Receivables	4			
	(I) Trade receivables		2,586.45	2,220.42	908.71
	(II) Other receivables		-	-	-
(d)	Loans	5	491,311.88	557,873.94	590,136.44
(e)	Other Financial assets	6	617.02	580.65	478.73
	Total financial assets		**495,186.43**	**560,989.90**	**591,858.66**
	Non-financial assets				
(a)	Deferred Tax Asset (net)	37	13,017.87	6,848.91	6,511.18
(b)	Property, Plant and Equipments	7 (a)	706.18	923.16	863.84
(c)	Intangible Assets	7 (a)	300.06	317.79	318.09
(d)	Capital work-in-progress	7 (b)	28.46	6.52	84.46
(e)	Intangible Assets under Development	7 (b)	1,921.96	1,070.25	78.11
(f)	Other non financial assets	8 (a)	3,361.45	3,891.87	3,280.54
(g)	Assets held for sale	8 (b)	493.23	586.76	624.51
	Total non financial assets		**19,829.21**	**13,645.26**	**11,760.73**
	TOTAL ASSETS		**515,015.64**	**574,635.16**	**603,619.39**
	LIABILITIES AND EQUITY				
	Liabilities				
	Financial liabilities				
(a)	Payables				
	(I) Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	9	-	-	2.19
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9	16,647.85	22,057.95	27,227.17
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises	9	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9	-	-	-
(b)	Debt securities	10	146,730.78	230,133.63	166,844.41
(c)	Borrowings (Other than debt securities)	11	207,319.94	178,388.90	273,425.02
(d)	Other financial liabilities	12	3,365.98	2,760.70	1,174.98
	Total financial liabilities		**374,064.55**	**433,341.18**	**468,673.77**
	Non-financial liabilities				
(a)	Other non financial liabilities	13	6,827.07	3,376.44	2,692.30
	Total non financial liabilities		**6,827.07**	**3,376.44**	**2,692.30**
	Equity				
(a)	Equity Share Capital	14	116,880.21	116,880.21	116,880.21
(b)	Other Equity	15	17,243.81	21,037.33	15,373.11
	Total equity		**134,124.02**	**137,917.54**	**132,253.32**
	TOTAL LIABILITIES AND EQUITY		**515,015.64**	**574,635.16**	**603,619.39**
	Background and 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 Agarwal
Partner
Membership No. 118522

For and on behalf of the Board of Directors

Ashish Deshpande
Chief Executive Officer &
Managing Director
DIN 08314277

Gokhan Cinar
Chief Financial Officer &
Managing Director
DIN 07649354

Harshada Pathak
Company Secretary

Mumbai
May 30, 2019

Mumbai
May 29, 2019

Volkswagen Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2019

	Particulars	Note	Year Ended March 31, 2019 (Rupees in Lakhs)	Year Ended March 31, 2018 (Rupees in Lakhs)
	Revenue From Operations			
(i)	Interest income using effective interest rate	16	53,112.28	57,161.10
(ii)	Fees and commission income	17	5,501.66	3,627.97
(iii)	Other operating income	18	393.76	409.73
I	**Total Revenue from operations**		**59,007.70**	**61,198.80**
II	Other Income	19	256.24	260.77
III	**Total Income (I + II)**		**59,263.94**	**61,459.57**
IV	**Expenses**			
(i)	Finance Costs	20	29,346.67	32,322.08
(ii)	Impairment of financial instruments	23	16,454.36	2,799.97
(iii)	Employee Benefits Expenses	21	5,184.48	5,392.40
(iv)	Depreciation and amortization expenses	7	364.36	471.91
(v)	Other Expenses	22	13,758.51	11,244.82
	Total Expenses		**65,108.38**	**52,231.18**
V	(Loss) / Profit before Tax		**(5,844.44)**	**9,228.39**
VI	Tax (Expense)/Income		(2,030.55)	3,566.10
	(1) Current Tax		4,138.41	3,903.83
	(2) Deferred Tax		(6,168.96)	(337.73)
VII	(Loss) / Profit for the year (V-VI)		**(3,813.89)**	**5,662.29**
VIII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		31.16	2.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(10.78)	(1.02)
	Subtotal (A)		**20.38**	**1.93**
	B (i) Items that will be reclassified to profit or (loss)			
	Total remeasurements for gratuity included in OCI		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Income tax on total remeasurements for gratuity included in OCI			
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		**20.38**	**1.93**
IX	**Total Comprehensive Income for the period (VIII+IX) (Comprising (Loss) / Profit and other Comprehensive Income for the year)**		**(3,793.51)**	**5,664.22**
X	Earnings / (loss) per Equity Share of Rs.10 each	25		
	Basic and Diluted			
	Category 'A' Equity Shares of Rs.10 each		(0.32)	0.48
	Category 'B' Equity Shares of Rs.10 each		(0.32)	0.48
	Background and 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

Sharad Agarwal
Partner
Membership No. 118522

Mumbai
May 30, 2019

For and on behalf of the Board of Directors

Ashish Deshpande
Chief Executive Officer &
Managing Director
DIN 08314277

Gokhan Cinar
Chief Financial Officer &
Managing Director
DIN 07649354

Harshada Pathak
Company Secretary

Mumbai
May 29, 2019

Volkswagen Finance Private Limited

Statement of cash flow for the year ended March 31, 2019

Particulars	Year Ended March 31, 2019 (Rupees In Lakhs)	Year Ended March 31, 2018 (Rupees In Lakhs)
A.Cash flow from operating activities		
Net (Loss) / Profit before taxation	(5,844.44)	9,228.39
Adjustments for :		
Depreciation / amortisation	364.36	471.91
Interest on Fixed Deposit	(13.47)	(72.25)
Loss on Sale of Fixed Assets (net)	31.81	20.57
Expected credit loss on financial assets	16,454.36	2,799.97
Bad Debts Written Off	3,541.43	3,191.98
Provision for Gratuity	44.38	53.04
Provision for Leave Encashment	83.09	34.55
Interest on Debt Securities and Borrowings other than debt securities	28,980.86	31,997.93
Interest paid on Debt Securities and Borrowings other than debt securities	(31,873.05)	(31,970.62)
Operating Profit before working capital changes	**11,769.33**	**15,755.47**
Changes in working capital :		
(Decrease) in Payables	(5,410.10)	(5,171.41)
Increase in Other financial liabilities	605.28	1,585.72
Increase in Other non financial liabilities	1,229.01	462.35
(Increase) in Receivable	(366.02)	(1,311.71)
(Increase) / decrease in Other non financial assets	380.57	(51.07)
(Increase) in Other Financial assets	(36.37)	(101.92)
Decrease in Bank balances other than cash and cash equivalents	-	59.83
Other Adjustment:		
Decrease in Loans	46,566.28	26,270.55
Cash used in Operations	**54,737.98**	**37,497.81**
Taxes paid	(1,780.49)	(4,290.02)
Net cash inflow from operating activities	**52,957.49**	**33,207.79**
B.Cash flow from Investing Activities		
Purchase of tangible/intangible assets excluding Capital work-in-progress	(230.92)	(595.65)
Purchase of tangible/intangible assets under Capital work-in-progress	(873.66)	(914.19)
Sale of tangible/intangible assets	69.45	43.94
Investment in Fixed Deposits	(12,500.00)	(58,500.00)
Proceeds from maturity of Fixed Deposits	12,500.00	58,500.00
Interest received on fixed deposit	13.47	72.25
Net cash outflow from investing activities	**(1,021.66)**	**(1,393.65)**
C.Cash flow from Financing Activities		
Proceeds from Non Convertible Debentures	-	100,000.00
Repayment / Redemption of Non convertible debentures	(80,000.00)	(40,000.00)
Repayment of Term loans	-	(12,500.00)
Net proceeds / (repayment) from / of Bank Overdraft	(65,088.91)	23,561.48
Proceeds from issue of Commercial Papers	359,446.21	220,809.41
Repayment of Commercial Papers	(292,436.94)	(371,045.09)
Proceeds from Working Capital Demand Loan	502,400.00	455,300.00
Repayment of Working Capital Demand Loan	(475,900.00)	(407,900.00)
Net cash outflow from financing activities	**(51,579.64)**	**(31,774.20)**
Net Increase in Cash and cash equivalents (A)+(B)+(C)	**356.19**	**39.94**
Cash and cash equivalents, beginning of the year	**313.89**	**273.95**
Cash and cash equivalents, end of the year	**670.08**	**313.89**

Notes to the statement of cash flow :

1) Cash and cash equivalents comprise of:

Cash on hand	0.06	0.08
Balances with scheduled banks	670.02	313.81
TOTAL	**670.08**	**313.89**

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

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

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Sharad Agarwal
Partner
Membership No. 118522

Mumbai
May 30, 2019

For and on behalf of the Board of Directors

Ashish Deshpande
Chief Executive Officer &
Managing Director
DIN 08314277

Gokhan Cinar
Chief Financial Officer &
Managing Director
DIN 07649354

Harshada Pathak
Company Secretary

Mumbai
May 29, 2019

Volkswagen Finance Private Limited

Statement of changes in equity for the year ended March 31, 2019

(Rupees in Lakhs)

Particulars	Reserves and Surplus		Total
	Special Reserves under section 45-IC of the Reserve Bank of India Act, 1934.	Retained earnings	
Opening balance as on April 1, 2017	**4,750.34**	**10,622.77**	**15,373.11**
Profit / (loss) for the year	-	5,662.29	**5,662.29**
Other Comprehensive Income for the year	-	1.93	**1.93**
Total Comprehensive Income for the year	-	**5,664.22**	**5,664.22**
Transfer from Statement of Profit and Loss to Special Reserve	1,046.50	(1,046.50)	-
Changes during the year	**1,046.50**	**4,617.72**	**5,664.22**
Closing balance as on March 31, 2018	**5,796.84**	**15,240.49**	**21,037.33**
Opening balance as on March 31, 2018	5,796.84	15,240.49	21,037.33
Profit / (loss) for the year		(3,813.89)	**(3,813.89)**
Other Comprehensive Income for the year		20.38	**20.38**
Total Comprehensive Income for the year	-	**(3,793.51)**	**(3,793.51)**
Transfer from Statement of Profit and Loss to Special Reserve	-		-
Changes during the year	-	**(3,793.51)**	**(3,793.51)**
Closing balance as on March 31, 2019	**5,796.84**	**11,446.98**	**17,243.81**

This is the Statement of changes in equity referred to in our report of even date.

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Sharad Agarwal
Partner
Membership No. 118522

Mumbai
May 30, 2019

For and on behalf of the Board of Directors

Ashish Deshpande
Chief Executive Officer &
Managing Director
DIN 08314277

Gokhan Cinar
Chief Financial Officer &
Managing Director
DIN 07649354

Harshada Pathak
Company Secretary

Mumbai
May 29, 2019

1.1. CORPORATE INFORMATION

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

1.2. BASIS OF PREPARATION

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from April 01, 2018 with effective transition date of April 01, 2017 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other relevant provision of the act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01st ,2017 and the comparative previous year has been restated / reclassified.

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

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2017 being the 'date of transition to Ind AS'. These financial statements were authorized for issue by the Company's Board of Directors on 29th May 2019.

B. Use of estimates and judgements

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

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Judgement, estimates and assumptions are required in particular for:

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

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

II. Recognition and Measurement of defined benefit obligations

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

III. Recognition of deferred tax assets

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

IV. Recognition and measurement of provisions and contingencies

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

V. Discounting of long-term financial assets/liabilities

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

VI. Fair value of financial instruments

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

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VII. Business model assessment

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

VIII. Effective Interest Rate (EIR) method

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

IX. Impairment of financial assets

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

C. Functional and presentation currency

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

1.3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs ('MCA') on 30th March, 2019) which are effective for annual period beginning after April 1 st 2019. The Company intends to adopt these standards or amendments from the effective date.

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Ind AS 116 – Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after April 01, 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company is in the process of analysing the impact of new lease standard on its financial statements.

1.4. AMENDMENTS TO EXISTING IND AS:

The following amended standards are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective amended standards.

I. Amendment to Ind AS 12 Income Taxes: Appendix C – Uncertainty over Income Tax Treatments
The Appendix addresses how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

II. Amendments to Ind AS 12 Income Taxes
The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

III. Amendments to Ind AS 19 Employee Benefits
This amendment requires:
- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in statement of profit or loss as part of past service cost, or gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

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1.5. SIGNIFICANT ACCOUNTING POLICIES

A. REVENUE RECOGNITION

I. Interest income on financial assets is recognized on an accrual basis using effective interest method. Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under stages 1 and 2 as against on amortised cost net of impairment allowance for the assets falling under impairment stage 3.

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

III. All other fees, commissions and other income and expense are generally recognised on an accrual basis by reference to completion of the specific transaction assessed based on the actual service provided as a proportion of the total services to be provided

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

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

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

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

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

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

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

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B. FINANCIAL INSTRUMENTS

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

Financial assets

Classification

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

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

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

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

Initial recognition and measurement

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

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

Business model assessment

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

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

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

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

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

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

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

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

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

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

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

Financial asset at fair value through profit and loss (FVTPL)
Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

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

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

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C. IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

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

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

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

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

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

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

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

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

D. WRITE-OFFS

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

E. DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

F. MODIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

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

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

Financial liabilities

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

G. MEASUREMENT OF FAIR VALUES

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

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer ('CFO'). The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

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

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

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

H. OFFSETTING OF FINANCIAL INSTRUMENTS

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

I. FOREIGN CURRENCY TRANSACTIONS

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

J. TRADE RECEIVABLES

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

K. TRADE AND OTHER PAYABLES

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

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L. PROPERTY, PLANT AND EQUIPMENT

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

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of property, plant and equipment at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of property, plant and equipment. The estimates of useful lives of property, plant and equipment, based on a technical evaluation, are reviewed periodically, including at each financial year end. Estimated useful lives over which assets are depreciated are as follows:

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

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

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

M. INTANGIBLE ASSETS

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

Asset Type	Useful life in years
Software	4

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N. INTANGIBLE ASSETS UNDER DEVELOPMENT

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

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

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

O. BORROWING COST

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

P. INCOME TAX

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

Current tax

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

Deferred tax

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

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

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

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

Deferred tax assets and liabilities are offset only if:

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

Q. EMPLOYEE BENEFITS

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

II. The Company contributes up to 10% of eligible employees salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Company recognizes such contributions as an expense in the year when an employee renders the related service.

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

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

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

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R. SEGMENTAL REPORTING

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

Company has two principal operating and reporting segments viz
- Retail finance
- Dealer finance

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

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

S. EARNINGS PER SHARE

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

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

T. PROVISIONS AND CONTINGENT LIABILITIES

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

U. OPERATING LEASES AS A LESSEE

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term, are classified as operating leases. Payments made under operating leases are generally recognised in statement of profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases.

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V. OPERATING LEASES AS A LESSOR

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

W. CASH FLOW STATEMENT

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

X. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

Y. CASH AND CASH EQUIVALENTS

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

Z. CONTRIBUTED EQUITY

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

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AA. NON-CURENT ASSETS HELD FOR SALE

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

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

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

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

AB. 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.

AC. Goods and service tax

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

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

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

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

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Notes to the Financial Statements for the year ended March 31, 2019 (Continued)

AD. Approach on exemptions under Ind AS 101 First Time Adoption of Indian Accounting Standards (Ind AS):

The Company has adopted Ind AS with effect from April 1st 2018 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at April 1, 2017. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III – Division III.

The Company has elected to take the following exemption as per Ind AS 101 to facilitate transition from Indian GAAP ('previous GAAP') to Ind AS.

I. Deemed cost

The Company has elected to account for property plant and equipment and intangible assets at their previous GAAP carrying amount as on April 01 2017 i.e. deemed cost as at the date of transition.

II. Derecognition of financial assets and financial liabilities

The Company has elected to apply derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after April 01 2017.

III. Classification of financial assets

The Company has elected to classify the financial assets outstanding on the date of transition as per requirements in Ind AS 109 based on facts and circumstances available on April 01 2017.

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

2) Cash and cash equivalents

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Cash on Hand	0.06	0.08	0.17
Bank Balance in			
Current Account	670.02	313.81	273.78
	670.08	313.89	273.95

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

3) Bank balances other than cash and cash equivalents

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Bank deposits (due to mature after 12 months from the reporting date) (Deposits are held with a Bank for issuing Bank Guarantee in favour of VAT authorities)	1.00	1.00	1.00
Other Bank balances #	-	-	59.83
	1.00	1.00	60.83

Bank balances as at April 01, 2017 includes Rs. 59.83 Lakhs marked as lien by bank as per A P no 2888 of 2017 dated 19th January 2017 issued by Securities and Exchange Board of India against forclosure of loan by Pearls Infrastructure Project Limited.

4) Receivables

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Trade Receivables			
Unsecured, considered good	2,586.45	2,220.42	908.71
Total (I)	**2,586.45**	**2,220.42**	**908.71**
Other Receivables			
Unsecured, considered good	-	-	-
Total (II)	-	-	-
	2,586.45	2,220.42	908.71

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

5) Loans

	Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
(A)	**Classification**			
	Amortised cost:			
	(i) Vehicle Finance #	500,877.92	561,719.74	591,885.88
	(ii) Term Loans	28,929.50	18,195.38	17,491.77
	Fair Value:			
	- through profit & Loss	-	-	-
	- designated at fair value through OCI	-	-	-
	Total Gross (A)	529,807.42	579,915.12	609,377.65
	Less: Impairment allowance	(38,495.54)	(22,041.18)	(19,241.21)
	Total Net (A)	491,311.88	557,873.94	590,136.44
(B)	(i) Secured by tangible assets*	389,774.78	452,016.81	480,944.37
	(ii) Unsecured	140,032.64	127,898.31	128,433.28
	Total Gross (B)	529,807.42	579,915.12	609,377.65
	Less: Impairment allowance	(38,495.54)	(22,041.18)	(19,241.21)
	Total Net (B)	491,311.88	557,873.94	590,136.44
(C)(I)	**Loans in India**			
	(i) Public Sector	-	-	-
	(ii) Others	529,807.42	579,915.12	609,377.65
	Total Gross (C) (I)	529,807.42	579,915.12	609,377.65
	Less: Impairment allowance	(38,495.54)	(22,041.18)	(19,241.21)
	Total Net (C) (I)	491,311.88	557,873.94	590,136.44
(C)(II)	**Loans outside India**	-	-	-
	Less: Impairment allowance	-	-	-
	Total Net (C) (II)	-	-	-
	Total (C) (I) and (II)	491,311.88	557,873.94	590,136.44

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

#Loans include repossessed cars having book value Rs. 1,413.29 Lakhs (March 31, 2018: 132.13 Lakhs, April 01, 2017: Rs. 365.15 Lakhs)

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

6) Other Financial Assets

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Deposits	529.99	452.30	415.32
Advances recoverable in cash	87.03	128.35	63.41
Total	617.02	580.65	478.73

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7(a) Property, Plant and Equipment and Intangibles Assets

(Rupees in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BOOK VALUE
	As at April 01, 2018	Additions during the year	Sales during the year	As at March 31, 2019	As at April 01, 2018	For the year	Deduction for the year	As at March 31, 2019	As at March 31, 2019
Tangible Assets									
Own Assets									
Office Equipment	113.36	6.73	0.52	119.57	36.30	22.82	0.40	58.71	60.85
Building	24.83	-	-	24.83	0.98	0.98	-	1.96	22.87
Computers	318.51	4.73	0.09	323.15	90.95	71.53	0.09	162.39	160.76
Furniture and Fixtures	62.27	-	-	62.27	8.55	8.65	-	17.20	45.07
Leasehold Improvements	85.92	-	-	85.92	82.74	3.07	-	85.81	0.11
Vehicle	501.91	51.12	106.02	447.01	62.79	54.29	4.48	112.59	334.41
Assets given on Operating Lease									
Vehicles on Lease#	122.44	-	-	122.44	23.77	16.56	-	40.33	82.11
Total (A)	1,229.24	62.58	106.63	1,185.19	306.08	177.90	4.97	478.99	706.18
Intangible Assets									
Software	483.63	168.34	-	651.97	165.84	186.46	0.39	351.91	300.06
Total (B)	483.63	168.34	-	651.97	165.84	186.46	0.39	351.91	300.06
Total Fixed Assets (A+B)	1,712.86	230.92	106.63	1,837.15	471.91	364.36	5.36	830.91	1,006.24

* Building is mortgaged for the non-convertible debentures. Building includes value of shares in the co-operative society, aggregating to Rs.250 registered in the name of the Company. The depreciation for the year is Rs. 0.98 Lakhs and the written down value of the asset as on March 31, 2019 is Rs. 22.87 Lakhs

Vehicle are leased to third parties under long term operating leases with rentals receivable monthly. The rental income recognized in the year is immaterial.

(Rupees in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BOOK VALUE
	As at April 01, 2017	Additions during the year	Sales during the year	As at March 31, 2018	As at April 01, 2017	For the year	Deduction for the year	As at March 31, 2018	As at March 31, 2018
Tangible Assets									
Own Assets									
Office Equipment	70.16	47.18	3.99	113.36	-	36.30	-	36.30	77.06
Building	24.83	-	-	24.83	-	0.98	-	0.98	23.85
Computers	159.95	158.80	0.24	318.51	-	90.95	-	90.95	227.56
Furniture and Fixtures	44.93	19.22	1.88	62.27	-	8.55	-	8.55	53.72
Leasehold Improvements	85.92	-	-	85.92	-	82.74	-	82.74	3.18
Vehicle	355.61	204.70	58.40	501.91	-	62.79	-	62.79	439.12
Assets given on Operating Lease									
Vehicles on Lease#	122.44	-	-	122.44	-	23.77	-	23.77	98.67
Total (A)	863.84	429.90	64.51	1,229.24	-	306.08	-	306.08	923.16
Intangible Assets									
Software	318.09	165.54	-	483.63	-	165.84	-	165.84	317.79
Total (B)	318.09	165.54	-	483.63	-	165.84	-	165.84	317.79
Total Fixed Assets (A+B)	1,181.73	595.65	64.51	1,712.86	-	471.91	-	471.91	1,240.95

* Building is mortgaged for the non-convertible debentures. Building includes value of shares in the co-operative society, aggregating to Rs.250 registered in the name of the Company. The depreciation for the year is Rs. 0.98 Lakhs and the written down value of the asset as on March 31, 2018 is Rs. 23.85 Lakhs.

Vehicle are leased to third parties under long term operating leases with rentals receivable monthly. The rental income recognized in the year is immaterial.

Impairement Loss and Reversal of Impairment Loss

There is no impairment loss for Plant, Property and Equipment.

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

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

(Rupees in Lakhs)

Particulars	Capital work-in-progress	Intangible Assets under Development	Total
Opening balance as on April 01, 2017	84.46	78.11	162.57
Additions during the year	1.22	1,063.25	1,064.47
Capitalized during the year	(79.16)	(71.11)	(150.27)
Closing balance as on March 31, 2018	**6.52**	**1,070.25**	**1,076.77**
Opening balance as on March 31, 2018	6.52	1,070.25	1,076.77
Additions during the year	28.07	910.78	938.85
Capitalized during the year	(6.13)	(59.07)	(65.20)
Closing balance as on March 31, 2019	**28.46**	**1,921.96**	**1,950.42**

Capital work in progress: Includes office equipments and computers.
Intangible Assets under Development: Includes softwares for operational activities

8(a) Other non financial assets

Particulars	**March 31, 2019 (Rupees in Lakhs)**	**March 31, 2018 (Rupees in Lakhs)**	**April 01, 2017 (Rupees in Lakhs)**
Advance Tax and TDS & TCS (Net of provision)	299.86	543.24	20.73
Service Tax Receivable	2,534.09	2,534.08	2,495.81
Other Current Assets	527.50	814.55	764.00
(Other current assets includes advances to vendors and prepaid expenses)			
Assets Held for Sale	493.23	586.76	624.51
	3,361.45	**3,891.87**	**3,280.54**

8(b) Assets held for sale

Particulars	**March 31, 2019 (Rupees in Lakhs)**	**March 31, 2018 (Rupees in Lakhs)**	**April 01, 2017 (Rupees in Lakhs)**
Assets Held for Sale	493.23	586.76	624.51
(Assets held for sale includes the properties acquired in settlement of loans. The asset is being actively marketed and is expected to be sold in a due course)			
	493.23	**586.76**	**624.51**

9) Payables

Particulars	**March 31, 2019 (Rupees in Lakhs)**	**March 31, 2018 (Rupees in Lakhs)**	**April 01, 2017 (Rupees in Lakhs)**
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	2.19
Total (i)	-	-	2.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
-Payable for Vehicle Finance	16,245.73	20,315.25	26,284.53
-Other Trade Payables	402.12	1,742.70	942.64
Total (ii)	16,647.85	22,057.95	27,227.17
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total (I + II)	**16,647.85**	**22,057.95**	**27,229.36**
Refer to note 35 for details for micro enterprises and small enterprises (There are no amounts due for payment to the investor education and protection fund under Section 125 of the Companies Act 2013)			

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

10) Debt securities

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Classification:			
Amortised Cost			
- Non convertible debentures (NCDs)# [Refer note 10 (a) below]	146,730.78	230,133.63	166,844.41
Fair Value:			
- through profit & Loss	-	-	-
- designated at fair value through OCI	-	-	-
Total (A)	146,730.78	230,133.63	166,844.41
Debt securities in India	146,730.78	230,133.63	166,844.41
Debt securities outside India	-	-	-
Total (B)	146,730.78	230,133.63	166,844.41

Non Convertible Debentures are secured by way of mortgage of specific immovable property of Rs. 22.87 Lakhs (March 31, 2018 - Rs.23.85 Lakhs and April 01, 2017 Rs. 24.83 Lakhs) and specific receivables of the Company arising out of auto loan of Gross Book Value of Rs. 529,807.42 Lakhs and Net of ECL provision of Rs. 491,311.88 Lakhs (March 31, 2018 - Gross Book Value of Rs. 579,915.12 Lakhs and Net of ECL provision Rs. 557,873.94 Lakhs and April 01, 2017 - Gross Book Value of Rs. 609,377.65 Lakhs and Net of ECL provision Rs. 590,136.44 Lakhs)

Note 10 (a): NCDs repayment details

Particulars	Allotment Date	Interest Rate	Redemption Date	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
1500 units, VWFPL NCD F FY 2017-18, face value of Rs. 1,000,000 each	December 5, 2017	7.62%	December 4, 2020	15,000.00	15,000.00	-
2500 units, VWFPL NCD D FY 2017-18, face value of Rs. 1,000,000 each	September 11, 2017	7.50%	September 11, 2020	25,000.00	25,000.00	-
1500 units, VWFPL NCD E FY 2017-18, face value of Rs. 1,000,000 each	December 5, 2017	7.62%	August 31, 2020	15,000.00	15,000.00	-
3000 units, VWFPL NCD C FY 2017-18, face value of Rs. 1,000,000 each	July 11, 2017	7.83%	July 13, 2020	30,000.00	30,000.00	-
1000 units, VWFPL NCD B FY 2017-18, face value of Rs. 1,000,000 each	June 12, 2017	8.05%	June 19, 2020	10,000.00	10,000.00	-
2000 units, VWFPL NCD A 02 FY 2015-16, face value of Rs. 1,000,000 each	May 29, 2015	8.65%	May 29, 2020	20,000.00	20,000.00	20,000.00
2000 units, VWFPL NCD A 02 FY 2016-17, face value of Rs. 1,000,000 each	September 20, 2016	8.47%	September 20, 2019	20,000.00	20,000.00	20,000.00
500 units, VWFPL NCD A FY 2017-18, face value of Rs. 1,000,000 each	June 12, 2017	7.98%	June 12, 2019	5,000.00	5,000.00	-
1500 units, VWFPL NCD 'B' 02 FY 2015-16, face value of Rs. 1,000,000 each	December 28, 2015	8.63%	December 28, 2018	-	15,000.00	15,000.00
1000 units, VWFPL NCD B FY 2016-17, face value of Rs. 1,000,000 each	October 10, 2016	7.93%	October 10, 2018	-	10,000.00	10,000.00
2000 units, VWFPL NCD A 01 FY 2016-17, face value of Rs. 1,000,000 each	September 20, 2016	8.40%	September 20, 2018	-	20,000.00	20,000.00
2000 units, VWFPL NCD A 01 FY 2015-16, face value of Rs. 1,000,000 each	May 29, 2015	8.65%	July 30, 2018	-	20,000.00	20,000.00
1500 units, VWFPL NCD 'B' 01 FY 2015-16, face value of Rs. 1,000,000 each	December 28, 2015	8.63%	June 28, 2018	-	15,000.00	15,000.00
4000 units, VWFPL NCD 'A' FY 2014-15, face value of Rs. 1,000,000 each	December 1, 2014	8.85%	December 1, 2017	-	-	40,000.00
				-	-	-
(These debentures are secured by way of Mortgage of specific immovable property and specific receivables of the Company arising out of loan.)		-		-	-	-
Add: Adjustment for interest accured and transaction costs as per EIR				6,730.78	10,133.63	6,844.41
				146,730.78	230,133.63	166,844.41

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11) Borrowings other than debt securities

(Rupees in Lakhs)

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Classification:			
Amortised Cost			
(a) Term loans* [Refer Note 11(a)]	20,765.75	20,693.84	33,194.46
(b) Bank overdraft*	10,783.10	76,005.05	52,442.33
(c) Working capital demand loans from banks* [Refer Note 11(b)]	73,923.39	47,441.43	-
(d) Commercial papers [Refer Note 11(c)]	101,847.70	34,248.58	187,788.23
Fair Value:			
- through profit & Loss	-	-	-
- designated at fair value through OCI	-	-	-
Total (A)	**207,319.94**	**178,388.90**	**273,425.02**
Borrowings in India	207,319.94	178,388.90	273,425.02
Borrowings outside India	-	-	-
Total (B)	**207,319.94**	**178,388.90**	**273,425.02**
Secured Borrowings	-	-	-
Unsecured Borrowings	207,319.94	178,388.90	273,425.02
Total (C)	**207,319.94**	**178,388.90**	**273,425.02**

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

Note 11 (a): Term loan repayment details

Particulars	Rate of Interest	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Schedule of Term loans				
From Banks				
Term loan from bank repayable on May 31, 2019	8.75%	10,000.00	10,000.00	10,000.00
From Financial Institutions				
Term loan from financial institution repayable on June 28, 2019	8.65%	5,000.00	5,000.00	5,000.00
Term loan from financial institution repayable on May 31, 2019	8.75%	5,000.00	5,000.00	5,000.00
Term loan from financial institution repayable on April 07, 2017	8.83%	-	-	12,500.00
Add: Adjustment for interest accured and transaction costs as per EIR		765.75	693.84	694.46
(Terms loans are guaranteed by corporate guarantee issued by Volkswagen Financial Services A.G., Germany)				
		20,765.75	**20,693.84**	**33,194.46**

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

Note 11 (b): Working capital repayment details

Particulars	Rate of Interest	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Schedule of Working Capital Demand Loans from Banks				
Working capital demand loan repayable on March 13, 2020	7.82%	10,000.00	-	-
Working capital demand loan repayable on August 27, 2019	7.95%	20,000.00	-	-
Working capital demand loan repayable on July 26, 2019	7.80%	15,900.00	-	-
Working capital demand loan repayable on July 12, 2019	7.99%	3,000.00	-	-
Working capital demand loan repayable on April 05, 2019	8.25%	5,000.00	-	-
Working capital demand loan repayable on April 04, 2019	8.39%	20,000.00	-	-
Working capital demand loan repayable on November 30, 2018	7.10%	-	5,000.00	-
Working capital demand loan repayable on November 26, 2018	7.10%	-	10,000.00	-
Working capital demand loan repayable on November 19, 2018	7.10%	-	10,000.00	-
Working capital demand loan repayable on May 25, 2018	7.08%	-	14,400.00	-
Working capital demand loan repayable on May 25, 2018	7.08%	-	8,000.00	-
Add: Adjustment for interest accured and transaction costs as per EIR		23.39	41.43	-
Total Working Capital Demand Loans from Banks		**73,923.39**	**47,441.43**	-
(Working Capital Demand Loans are guaranteed by corporate guarantee issued by Volkswagen Financial Services A.G., Germany)				

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

Note 11 (c):Commercial papers repayment details

(Rupees in Lakhs)

Particulars	Rate of Interest	March 31, 2019	March 31, 2018	April 01, 2017
Schedule of Commercial papers				
2700 units, Face Value of Rs. 500,000 each repayable on April 26, 2019	8.90%	13,421.13	-	-
4000 units, Face Value of Rs. 500,000 each repayable on April 15, 2019	7.90%	19,940.56	-	-
3000 units, Face Value of Rs. 500,000 each repayable on January 15, 2020	8.50%	14,067.56	-	-
3000 units, Face Value of Rs. 500,000 each repayable on April 22, 2019	7.80%	14,933.54	-	-
4000 units, Face Value of Rs. 500,000 each repayable on May 23, 2019	7.93%	19,782.27	-	-
4000 units, Face Value of Rs. 500,000 each repayable on June 12, 2019	7.68%	19,702.64	-	-
2000 units, Face Value of Rs. 500,000 each repayable on January 25, 2019	7.30%	-	9,442.68	-
2700 units, Face Value of Rs. 500,000 each repayable on October 17, 2018	7.50%	-	12,952.32	-
1000 units, Face Value of Rs. 500,000 each repayable on July 27, 2018	6.96%	-	4,895.60	-
1400 units, Face Value of Rs. 500,000 each repayable on May 03, 2018	7.35%	-	6,957.98	-
2200 units, Face Value of Rs. 500,000 each repayable on February 23, 2018	7.30%	-	-	10,317.35
2000 units, Face Value of Rs. 500,000 each repayable on January 19, 2018	7.60%	-	-	9,433.01
1000 units, Face Value of Rs. 500,000 each repayable on January 09, 2018	7.60%	-	-	4,726.18
3000 units, Face Value of Rs. 500,000 each repayable on December 08, 2017	7.20%	-	-	14,298.95
4000 units, Face Value of Rs. 500,000 each repayable on November 17, 2017	7.65%	-	-	19,087.96
500 units, Face Value of Rs. 500,000 each repayable on November 10, 2017	7.80%	-	-	2,389.46
500 units, Face Value of Rs. 500,000 each repayable on October 24, 2017	7.60%	-	-	2,400.34
1000 units, Face Value of Rs. 500,000 each repayable on October 09, 2017	7.55%	-	-	4,816.29
2000 units, Face Value of Rs. 500,000 each repayable on August 24, 2017	7.23%	-	-	9,722.35
1000 units, Face Value of Rs. 500,000 each repayable on August 02, 2017	8.12%	-	-	4,873.46
2500 units, Face Value of Rs. 500,000 each repayable on August 02, 2017	8.12%	-	-	12,176.74
1000 units, Face Value of Rs. 500,000 each repayable on July 28, 2017	8.12%	-	-	4,878.40
1500 units, Face Value of Rs. 500,000 each repayable on July 28, 2017	8.12%	-	-	7,317.87
1000 units, Face Value of Rs. 500,000 each repayable on June 30, 2017	8.00%	-	-	4,907.53
2000 units, Face Value of Rs. 500,000 each repayable on June 21, 2017	6.70%	-	-	9,853.73
1000 units, Face Value of Rs. 500,000 each repayable on May 22, 2017	7.13%	-	-	4,951.04
2000 units, Face Value of Rs. 500,000 each repayable on May 19, 2017	6.84%	-	-	9,911.02
500 units, Face Value of Rs. 500,000 each repayable on May 17, 2017	7.10%	-	-	2,478.00
500 units, Face Value of Rs. 500,000 each repayable on May 17, 2017	7.10%	-	-	2,478.01
4000 units, Face Value of Rs. 500,000 each repayable on May 02, 2017	7.15%	-	-	19,869.32
2000 units, Face Value of Rs. 500,000 each repayable on May 02, 2017	7.15%	-	-	9,940.31
1400 units, Face Value of Rs. 500,000 each repayable on April 21, 2017	8.30%	-	-	6,970.60
2000 units, Face Value of Rs. 500,000 each repayable on April 06, 2017	7.20%	-	-	9,990.31
Total Commercial Papers		101,847.70	34,248.58	187,788.23

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

12) Other financial liabilities

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Creditors for Capital Expenditure	524.63	291.08	19.00
Creditors for Expenses	2,077.11	1,627.25	209.98
Dues to Employees	764.24	842.37	946.00
	3,365.98	**2,760.70**	**1,174.98**

13) Other non financial liabilities

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Income Received in Advance	429.08	403.51	326.57
Employee Benefits			
Gratuity (Refer note 26)	180.81	195.64	192.95
Leave Encashment	96.72	30.69	39.43
Provision for Expenses	2,853.74	1,895.28	1,366.90
Other Liabilities (including statutory dues)	403.60	82.36	131.88
Provision for Tax (Net of Advance Tax and Tax Deducted at Source, refer note 37)	2,863.12	768.96	634.57
	6,827.07	**3,376.44**	**2,692.30**

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14) Equity Share Capital

Particulars	March 31, 2019 (Rupees In Lakhs)	March 31, 2018 (Rupees In Lakhs)	April 01, 2017 (Rupees in Lakhs)
Authorised:			
146,610,000 (March 31, 2018: 146,610,000, April 01, 2017: 146,610,000) Category 'A' Equity Shares of Rs.10 each	14,661.00	14,661.00	14,661.00
1,482,390,000 (March 31, 2018: 1,482,390,000, April 01, 2017: 1,482,390,000) Category 'B' Equity Shares of Rs.10 each	148,239.00	148,239.00	148,239.00
	162,900.00	**162,900.00**	**162,900.00**
Issued, Subscribed and Paid up			
105,192,207 (March 31, 2018: 105,192,207; April 01, 2017 : 105,192,207) Category 'A' Equity Shares of Rs.10 each, fully paid up	10,519.22	10,519.22	10,519.22
1,063,609,937 (March 31, 2018: 1,063,609,937; April 01, 2017: 1,063,609,937)Category 'B' Equity Shares of Rs.10 each, fully paid up	106,360.99	106,360.99	106,360.99
	116,880.21	**116,880.21**	**116,880.21**

(a) Reconciliation of number of shares

Particulars	March 31, 2019		March 31, 2018		April 01, 2017	
	No of shares	Amount (Rupees In Lakhs)	No of shares	Amount (Rupees In Lakhs)	No of shares	Amount (Rupees In Lakhs)
Balance at the beginning year						
Category 'A' Equity Shares	105,192,207	10,519.22	105,192,207	10,519.22	105,192,207	10,519.22
Category 'B' Equity Shares	1,063,609,937	106,360.99	1,063,609,937	106,360.99	1,063,609,937	106,360.99
Add: Shares Issued during the year						
Category 'A' Equity Shares	-	-	-	-	-	-
Category 'B' Equity Shares	-	-	-	-	-	-
Balance at the end of the year						
Category 'A' Equity Shares	105,192,207	10,519.22	105,192,207	10,519.22	105,192,207	10,519.22
Category 'B' Equity Shares	1,063,609,937	106,360.99	1,063,609,937	106,360.99	1,063,609,937	106,360.99

(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. Category 'B' equity shares don't have any voting rights and have dividend rights to the extent of 6% of profits. 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 #

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)	Percentage holding
Equity Shares:				
105,192,207 Category 'A' equity shares (Previous Year 2018: 105,192,207, Previous Year 2017: 105,192,207) held by Volkswagen Finance Overseas B.V., Netherland, the subsidiary of Volkswagen Financial Services AG, Germany.	10,519.22	10,519.22	10,519.22	100%
1,063,609,937 Category 'B ' equity shares (Previous Year 2018: 1,063,609,937, Previous Year 2017: 1,063,609,937) held by Volkswagen Financial Services A.G., Germany.	106,360.99	106,360.99	106,360.99	100%
# Based on the Companies (Amendment) Act, 2017, The Company has considered Volkswagen Finance Overseas B.V,Netherlandas its Holding Company (Previous Year: Volkswagen Financial Services A.G., Germany)				

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

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

Particulars	March 31, 2019 (No. of shares)	March 31, 2018 (No. of shares)	April 01, 2017 (No. of shares)	Percentage holding
Equity Shares:				
105,192,207 Category 'A' equity shares (Previous Year 2018: 105,192,207, Previous Year 2017: 105,192,207) held by Volkswagen Finance Overseas B.V., Netherland, the subsidiary of Volkswagen Financial Services AG, Germany.	105,192,207	105,192,207	105,192,207	100%
1,063,609,937 Category 'B ' equity shares (Previous Year 2018: 1,063,609,937, Previous Year 2017: 1,063,609,937) held by Volkswagen Financial Services A.G., Germany.	1,063,609,937	1,063,609,937	1,063,609,937	100%

15) Other Equity

Particulars	March 31, 2019 (Rupees In Lakhs)	March 31, 2018 (Rupees In Lakhs)	April 01, 2017 (Rupees in Lakhs)
Special Reserves under section 45-IC of the Reserve Bank of India Act, 1934.	5,796.84	5,796.84	4,750.34
Retained earnings	11,446.97	15,240.49	10,622.77
TOTAL RESERVES	17,243.81	21,037.33	15,373.11

Special Reserves under section 45-IC of the Reserve Bank of India Act, 1934.

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

Retained earnings

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

Other equity: Movement

Particulars	March 31, 2019 (Rupees In Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Special Reserves under section 45-IC of the Reserve Bank of India Act, 1934.			
Balance at the beginning of the year	5,796.84	4,750.34	3,651.41
Transfered from Surplus in the Statement of Profit and Loss	-	1,046.50	1,098.93
Balance at the end of the year	5,796.84	5,796.84	4,750.34
Retained Earnings			
Balance at the beginning of the year	15,240.48	10,622.77	5,359.88
Profit / (Loss) for the period	(3,813.89)	5,662.29	5,494.64
Other Comprehensive Income for the period	20.38	1.93	-
Less: Transfer to Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934.	-	(1,046.50)	(1,098.93)
Adjustment on accounting of Ind AS transition	-	-	1,326.17
Tax impact on account of Ind AS transition			(458.99)
Balance at the end of the year	11,446.97	15,240.49	10,622.77
TOTAL RESERVES	17,243.81	21,037.33	15,373.11

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

16) Interest income using effective interest rate

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Classification:		
On Financial Assets measured:	-	-
- at Amortised Cost		
(i) Interest on loans (booked on effective interest rate (EIR) basis)	53,098.81	57,088.85
Interest income from investments	-	-
(ii) Interest on deposits with banks	13.47	72.25
(iii) Other interest income	-	-
- through profit and Loss	-	-
- through OCI	-	-
Total	**53,112.28**	**57,161.10**

17) Fees and commission income

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Processing Fees	625.13	779.33
(Processing fees pertains to working capital loans of upto one year)		
Service Income	4,876.53	2,848.64
	5,501.66	**3,627.97**

18) Other operating income

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Operating Lease Income	71.33	61.98
Income from customer services	206.75	347.75
Recovery from write off	115.68	-
	393.76	**409.73**

19) Other Income

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Foreign Exchange Gain (net)	71.88	-
Excess provision no longer required	-	59.83
Miscellaneous Income	184.36	200.94
	256.24	**260.77**

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20) Finance Cost

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Classification:		
On Financial Assets measured :		
- at Amortised Cost		
(i) Interest on debt securities	14,210.06	17,043.23
(ii) Interest on other than debt securities:		
-Bank Overdraft	2,379.09	681.00
-Commercial Papers	6,108.46	10,726.96
-Working Capital Demand Loan	4,538.25	1,783.60
-Term Loans	1,745.00	1,763.14
(iii) Other borrowing costs	365.81	324.15
- through profit and Loss	-	-
- through OCI	-	-
Total	**29,346.67**	**32,322.08**

21) Employee Benefits Expenses

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Salaries, Bonus and Allowances	4,755.90	5,009.40
Contribution to Provident Fund and Other Funds	131.59	130.94
Gratuity	44.38	53.04
Leave Encashment	83.09	34.55
Staff Welfare	57.19	69.11
Training and Recruitment Expenses	112.33	95.36
	5,184.48	**5,392.40**

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22) Other Expenses

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Rent		
-Building	663.10	578.16
-IT Equipment Lease Rent	78.40	50.47
-Others	-	55.96
Legal, Professional and Consultancy Fees	1,024.20	873.75
Loan Acquisition Expenses	58.24	85.38
Auditor's Remuneration	113.26	101.24
(Please refer note A below)		
Commission to Dealers	117.50	289.46
Commission to Dealers - Insurance	3,542.34	1,561.05
Information Technology Support Charges	2,272.79	1,670.67
Repairs and Maintenance - Others	305.59	330.67
Traveling and Conveyance	305.29	409.79
Printing and Stationery	34.91	47.11
Communication	65.19	87.34
Business Promotion	267.87	237.15
Facilities Management Charges	71.91	103.05
Electricity	60.42	63.29
Rates and Taxes	19.88	173.12
Bad Debts Written Off	3,541.43	3,191.98
Foreign Exchange Loss (net)	-	102.81
Loss on Sale of Fixed Assets (net)	31.81	20.57
Directors Sitting Fees	26.97	23.00
Collection Agency Charges	762.65	572.20
Corporate Social Responsibility Spending	166.82	306.50
(Please refer note 41 for details)		
Miscellaneous	227.94	310.10
	13,758.51	**11,244.82**

Note A: Auditor's remuneration

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Split of audit remuneration		
- Statutory Audit	55.00	51.00
- Tax Audit	3.50	3.50
- Other Services	52.90	45.00
- Reimbursement of expenses	1.86	1.74
	113.26	**101.24**

23) Impairment on Financial Instruments

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Classification:		
On Financial Assets measured at :		
- at Amortised Cost		
(i) Loans	16,454.36	2,799.97
(ii) Trade Receivables	-	-
- through profit and Loss	-	-
- through OCI	-	-
Total	**16,454.36**	**2,799.97**

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

24) Net debt reconciliation

This section sets out the change in the liabilities or movement in net debt during the year arrising from financing activities i.e receipt / repayment of debts, other borrowing and related finance cost.

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Cash and cash equivalents	670.08	313.89
Bank balances other than cash and cash equivalents (including interest receivable)	1.00	1.00
Debt securities (including interest accrued)	(146,730.78)	(230,133.63)
Borrowings other than debt securities (including interest accrued)	(207,319.94)	(178,388.90)
Net debt	(353,379.64)	(408,207.64)

Movement in Net Debt during the year ended March 31, 2019

(Rupees in Lakhs)

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Debt securities	Borrowings other than debt securities	
Net debt as at March 31, 2018	313.89	1.00	(230,133.63)	(178,388.90)	(408,207.64)
Cashflows inflows	52,957.49	-	-	(861,846.21)	(808,888.72)
Cashflows outflows	(52,601.31)	-	80,000.00	833,425.85	860,824.54
Interest expense	-	-	(14,210.06)	(14,770.80)	(28,980.86)
Interest paid during the year	-	-	17,611.91	14,261.14	31,873.05
Discount on Commercial Papers	-	-	-	-	-
Net debt as at March 31, 2019	**670.08**	**1.00**	**(146,731.78)**	**(207,318.91)**	**(353,379.64)**

Movement in Net Debt during the year ended March 31, 2018

(Rupees in Lakhs)

	Other Assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Debt securities	Borrowings other than debt securities	
Net debt as at April 01, 2017	273.95	60.83	(166,844.41)	(273,425.02)	(439,934.65)
Cashflows inflows	33,207.79	-	(100,000.00)	(699,670.89)	(766,463.10)
Cashflows outflows	(33,167.85)	(59.83)	40,000.00	791,445.09	798,217.41
Interest expense	-	-	(17,043.23)	(14,954.69)	(31,997.92)
Interest paid during the year	-	-	13,754.01	18,216.61	31,970.62
Discount on Commercial Papers	-	-	-	-	-
Net debt as at March 31, 2018	**313.89**	**1.00**	**(230,133.63)**	**(178,388.90)**	**(408,207.64)**

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25) Earnings per share

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

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

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Net (loss) / profit from continued operation attributable to equity holders		
Category 'A' shares	(341.42)	509.78
Category 'B' shares	(3,452.09)	5,154.44
	(3,793.51)	**5,664.22**
Category 'A' shares		
Weighted average number of ordinary shares		
Opening and Closing equity shares	105,192,207	105,192,207
Weighted average number of shares at year end	**105,192,207**	**105,192,207**
Weighted average number of shares at year end adjusted for the effect of dilution	**105,192,207**	**105,192,207**
Basic earnings / (loss) per share (INR) (Face value of Rs. 10 per share)	**(0.32)**	**0.48**
Diluted earnings / (loss) per share (INR) (Face value of Rs. 10 per share)	**(0.32)**	**0.48**
Category 'B' shares		
Weighted average number of ordinary shares		
Opening and Closing equity shares	1,063,609,937	1,063,609,937
Weighted average number of shares at year end	**1,063,609,937**	**1,063,609,937**
Weighted average number of shares at year end adjusted for the effect of dilution	**1,063,609,937**	**1,063,609,937**
Basic earnings / (loss) per share (INR) (Face value of Rs. 10 per share)	**(0.32)**	**0.48**
Diluted earnings / (loss) per share (INR) (Face value of Rs. 10 per share)	**(0.32)**	**0.48**

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).

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

26) Employee benefit obligations

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

A. Defined Contribution Plans:

In accordance with Indian regulations, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognised provident fund and administered by a Board of Trustees. The employee contributes 12% of his or her basic salary and the Company contributes an equal amount. The Company recognized Rs. 131.59 Lakhs (Previous year. Rs. 130.94 Lakhs) for Provident Fund contribution in the Statement of Profit and Loss.

B. Defined Benefit Plan:

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

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

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

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

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Non Current			
Gratuity	146.40	172.15	169.23
Total Non Current	**146.40**	**172.15**	**169.23**
Current			
Gratuity	34.41	23.49	23.72
Total Current	**34.41**	**23.49**	**23.72**

Movement in net defined benefit (asset) liability

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

(Rupees in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2017	192.95	-	192.95
Current service cost	41.58	-	41.58
Past service cost	-	-	-
Interest expense/(income)	11.46	-	11.46
Total amount recognised in profit and loss	**245.99**	-	**245.99**
Remeasurements			-
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(7.71)	-	(7.71)
Experience (gains)/losses	4.76	-	4.75
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	**(2.95)**	-	**(2.95)**
Employer contributions	-	-	-
Benefit payments	(47.40)	-	(47.40)
As at March 31, 2018	**195.64**	-	**195.64**

(Rupees in Lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2018	195.64	-	195.64
Current service cost	45.28	-	45.28
Past service cost	-	-	-
Interest expense/(income)	13.61	-	13.61
Total amount recognised in profit and loss	**254.53**	-	**254.53**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	(15.64)	-	(15.64)
(Gain)/loss from change in financial assumptions	(11.49)	-	(11.49)
Experience (gains)/losses	(4.03)	-	(4.03)
Actual Return on Plan assets	-	-	-
Total amount recognised in other comprehensive income	(31.16)	-	(31.16)
Employer contributions	-	-	-
Benefit payments	(42.56)	-	(42.56)
As at March 31, 2019	**180.81**	-	**180.81**

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Present value of funded obligations	-	-	-
Fair value of plan assets	-	-	-
Surplus of funded plan	-	-	-
Unfunded plan	180.81	195.64	192.95
Surplus of gratuity plan	**180.81**	**195.64**	**192.95**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Discount rate	6.95%	7.40%	6.77%
Salary escalation rate	8.00%	10.00%	10.00%
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

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

	Impact on defined benefit obligation			
	Increase in assumption (100 bps)		*Decrease in assumption (100 bps)*	
Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Discount rate	173.91	184.46	188.29	208.13
Salary escalation rate	188.15	207.71	173.92	184.62
Expected Return on plan assets	-	-	-	-

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

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

C. Accumulated Compensated Absences

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Company recognized Rs. 83.09 Lakhs (Previous year. Rs. 34.55 Lakhs) for Compensated Absences in the Statement of Profit and Loss.

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27) Financial risk management

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

Risk management framework

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

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

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

(i) Market risk

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

a) Interest rate risk

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

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

(Rupees in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Fixed rate			
Financial assets	344,333.68	387,535.86	411,485.44
Financial liabilties	343,267.63	332,517.47	387,827.11
Floating rate instruments			
Financial assets	185,473.74	192,379.26	197,892.21
Financial liabilties	10,783.10	76,005.05	52,442.33

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

(Rupees in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Decrease by 50bps to 100 bps:			
- Impact on income statement	(251.26)	(177.28)	(499.68)
- Other Comprehensive Income	-	-	-

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b) Currency risk

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

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

(Rupees in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Financial Liabilities			
Payable to Related Parties			
EURO	5,077.96	2,203.35	398.88
MXN	-	46.46	5.78
SEK	173.24	88.50	-
TRY	77.26	10.06	25.74
ZAR	-	17.92	-
Other Payables			
GBP	3.08	-	12.36

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

(Rupees in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Adverse change in foreign exchange rate based on previous 12 months movement in exchange rate			
- Impact on income statement			
EURO	(163.53)	(280.66)	(39.31)
MXN	-	(4.84)	(1.07)
SEK	(15.79)	(9.15)	-
TRY	(36.88)	(1.39)	1.28
ZAR	-	(3.08)	-
GBP	(0.53)	-	(2.56)
- Other Comprehensive Income	-	-	-

c) Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected particularly in case of fixed rate loans when interest rates fall.
Most of the Company's interest-bearing financial assets are at fixed rates loans. In addition, majority of the interest-bearing financial liabilities have a maturity of less than one year and the Company also has a repayment option to prepay the liabilities. Accordingly, the Company is not exposed to significant prepayment risk since the financial liabilities can be paid in case of prepayments of financial assets.

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ii) Credit Risk

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

(a) Expected Credit Loss measurement

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

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

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

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

-the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

-the financial asset is 90 days or more past due

-For wholesale portfolio, it also depends on the risk class as per the master scale of the company

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

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

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

Loans are reported in the balance sheet at the net carrying amount. The provision for credit risks relating to off-balance sheet revocable credit commitments is not recongnized since the same are unconditionally cancellable commitments.

The Company does not recognize provision for credit risks for receivables and cash & cash equivalents since they carry low credit risk.

b) Collateral and other credit enhancements

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

Collateral held varies, but may include:

- Underlying vehicles in case of retail portfolio
- Residential and commercial real estate property
- Land
- Bank guarantee

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

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

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

(Rupees in Lakhs)

Loan To Value (LTV) range	Gross value of loan in stage 3		
	March 31, 2019	March 31, 2018	April 01, 2017
Upto 50% Coverage	28,217.84	11,604.55	2,247.28
51% - 70% Coverage	8,591.73	6,150.27	4,857.11
71% - 100% Coverage	5,659.28	2,371.10	6,851.95
Above 100% coverage	3,720.63	3,820.93	4,180.63
	46,189.48	**23,946.85**	**18,136.97**

c) Credit risk profile

March 31, 2019

(Rupees in Lakhs)

Wholesale Portfolio				
Rating	ECL staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount	126,160.10	57,963.23	30,279.90	214,403.23
Less: Loss allowance	1,438.50	687.05	18,553.42	20,678.96
Carrying amount	124,721.60	57,276.18	11,726.49	193,724.27

(Rupees in Lakhs)

Retail Portfolio				
Category	ECL staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross carrying amount	270,809.70	28,684.90	15,909.58	315,404.18
Less: Loss allowance	1,097.68	6,174.89	10,543.99	17,816.56
Carrying amount	269,712.03	22,510.01	5,365.59	297,587.62

Movement in Gross Carrying Amount

(Rupees in Lakhs)

Particulars	ECL staging			Total
	Stage 1 12-month Exposure	Stage 2 Lifetime Exposure	Stage 3 Lifetime Exposure	
Gross carrying amount as at March 31, 2018	435,137.75	120,830.52	23,946.85	579,915.12
Transfers:	-	-	-	-
Transfer from Stage 1 to Stage 2	(37,312.60)	25,420.20	-	(11,892.40)
Transfer from Stage 2 to Stage 1	4,211.16	(7,864.53)	-	(3,653.37)
Transfer from Stage 2 to Stage 3	-	(11,484.41)	9,717.05	(1,767.36)
Transfer from Stage 3 to Stage 2	-	703.20	(1,126.56)	(423.36)
Transfer from Stage 1 to Stage 3	(7,587.35)	-	6,545.12	(1,042.23)
Transfer from Stage 3 to Stage 1	46.22	-	(77.35)	(31.14)
New facility added during the period	202,735.62	43,539.05	13,411.03	259,685.70
Increase in loan exposure in existing loan facility	41.34	-	682.77	724.11
Decrease in loan exposure in existing loan facility	(83,672.34)	(9,830.07)	(644.75)	(94,147.16)
Loans de-recognized during the period other than write-offs	(116,060.99)	(73,419.70)	(1,940.90)	(191,421.59)
Decrease in loan exposure due to write off	(568.99)	(1,246.13)	(4,323.78)	(6,138.90)
Gross carrying amount as at March 31, 2019	396,969.81	86,648.13	46,189.48	529,807.42

Volkswagen Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2019 (continued)

Movement in Provision

(Rupees in Lakhs)

Particulars	ECL staging			
	Stage 1 12-month Exposure	Stage 2 Lifetime Exposure	Stage 3 Lifetime Exposure	Total
Provision amount as at March 31, 2018	2,082.62	8,508.79	11,449.77	22,041.18
Transfers:	0.00	-	-	0.00
Transfer from Stage 1 to Stage 2	(247.30)	2,311.02	-	2,063.72
Transfer from Stage 2 to Stage 1	15.36	(1,118.84)	-	(1,103.47)
Transfer from Stage 2 to Stage 3	-	(1,305.43)	6,871.39	5,565.97
Transfer from Stage 3 to Stage 2	-	150.99	(579.14)	(428.15)
Transfer from Stage 1 to Stage 3	(48.98)	-	3,069.24	3,020.26
Transfer from Stage 3 to Stage 1	0.17	-	(39.77)	(39.60)
New facility added during the period	1,764.36	1,880.15	7,806.76	11,451.28
Increase in loan exposure in existing loan facility	80.61	170.04	3,906.05	4,156.70
Decrease in loan exposure in existing loan facility	(570.59)	(1,521.07)	(562.07)	(2,653.73)
Loans de-recognized during the period other than write-offs	(537.47)	(1,859.43)	(662.47)	(3,059.37)
Decrease in loan exposure due to write off	(2.61)	(354.29)	(2,162.35)	(2,519.25)
Provision amount as at March 31, 2019	2,536.18	6,861.94	29,097.41	38,495.52

March 31, 2018

(Rupees in Lakhs)

Wholesale Portfolio				
Rating	ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	107,251.82	93,567.84	9,754.99	210,574.64
Less: Loss allowance	580.54	1,916.00	4,153.97	6,650.50
Carrying amount	106,671.28	91,651.84	5,601.02	203,924.14

(Rupees in Lakhs)

Retail Portfolio				
Category	ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	327,885.93	27,262.69	14,191.87	369,340.48
Less: Loss allowance	1,502.08	6,592.80	7,295.80	15,390.68
Carrying amount	326,383.85	20,669.89	6,896.06	353,949.80

Movement in Gross Carrying Amount

(Rupees in Lakhs)

Particulars	ECL staging			
	Stage 1 12-month Exposure	Stage 2 Lifetime Exposure	Stage 3 Lifetime Exposure	Total
Gross carrying amount as at March 31, 2017	479,770.97	111,469.70	18,136.97	609,377.65
Transfers:	-	-	-	-
Transfer from Stage 1 to Stage 2	(41,234.45)	33,084.31	-	(8,150.14)
Transfer from Stage 2 to Stage 1	8,207.29	(12,550.32)	-	(4,343.03)
Transfer from Stage 2 to Stage 3	-	(9,053.60)	7,229.17	(1,824.42)
Transfer from Stage 3 to Stage 2	-	742.08	(1,124.62)	(382.54)
Transfer from Stage 1 to Stage 3	(5,548.67)	-	4,096.12	(1,452.55)
Transfer from Stage 3 to Stage 1	234.01	-	(380.07)	(146.06)
New facility added during the period	124,427.19	10,959.00	663.66	136,049.86
Increase in loan exposure in existing loan facility	9,388.74	4,731.91	389.61	14,510.25
Decrease in loan exposure in existing loan facility	(101,057.40)	(15,915.29)	(1,007.24)	(117,979.93)
Loans de-recognized during the period other than write-offs	(38,298.01)	(1,393.23)	(270.11)	(39,961.35)
Decrease in loan exposure due to write off	(751.94)	(1,244.05)	(3,786.64)	(5,782.63)
Gross carrying amount as at MAR '18	435,137.75	120,830.52	23,946.85	579,915.12

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Mumbai

Movement in Provision

(Rupees in Lakhs)

Particulars	ECL staging			
	Stage 1 12-month Exposure	Stage 2 Lifetime Exposure	Stage 3 Lifetime Exposure	Total
Provision amount as at MAR '17	2,643.16	6,542.93	10,055.11	19,241.21
Transfers:	-	-	-	-
Transfer from Stage 1 to Stage 2	(326.45)	3,831.76	-	3,505.31
Transfer from Stage 2 to Stage 1	41.74	(1,119.34)	-	(1,077.60)
Transfer from Stage 2 to Stage 3	-	(1,325.03)	2,847.08	1,522.05
Transfer from Stage 3 to Stage 2	-	225.23	(564.35)	(339.12)
Transfer from Stage 1 to Stage 3	(32.36)	-	2,307.29	2,274.94
Transfer from Stage 3 to Stage 1	1.07	-	(190.73)	(189.65)
New facility added during the period	569.64	1,235.98	341.18	2,146.79
Increase in loan exposure in existing loan facility	78.56	340.23	494.20	912.99
Decrease in loan exposure in existing loan facility	(697.42)	(633.21)	(1,649.95)	(2,980.58)
Loans de-recognized during the period other than write-offs	(191.62)	(320.09)	(135.54)	(647.26)
Decrease in loan exposure due to write off	(3.70)	(269.66)	(2,054.54)	(2,327.90)
Provision amount as at MAR '18	2,082.62	8,508.79	11,449.77	22,041.18

April 01, 2017

(Rupees in Lakhs)

Wholesale Portfolio				
Rating	ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	118,342.68	91,463.46	5,577.84	215,383.97
Less: Loss allowance	867.10	1,946.56	3,752.80	6,566.46
Carrying amount	117,475.58	89,516.90	1,825.03	208,817.52

(Rupees in Lakhs)

Retail Portfolio				
Category	ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	361,428.30	20,006.24	12,559.14	393,993.67
Less: Loss allowance	1,776.07	4,596.38	6,302.31	12,674.75
Carrying amount	360,018.26	15,043.84	6,256.83	381,318.92

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(iii) Liquidity risk

Liquidity risk is the risk arising from the inability of the Company to meet its financial obligations on time without incurring significant costs. Liquidity risk is a sequential risk that may be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining sufficient un-utilised bank limits along with committed line of INR 200 crores from Indusind Bank. Liquidity risk arises in the general funding of the Company's activities. Under the guidance of the Asset Liability Committee (ALCO), the Treasury group manages the liquidity and funding of the Company to ensure that sufficient funds are available to meet the Company's known cash funding requirements and any unanticipated needs that may arise. At all times, the Company holds what it considers to be adequate levels of liquidity to repay borrowings and fund new loans, even under stressed conditions.

The operational liquidity committee (OLC) holds meeting once in a fortnight wherein it closely assesses the current liquidity conditions and the liquidity requirements to support repayment & business growth.
The table below summarizes the maturity profile of the assets and liabilities at the year end based on residual contractual repayment arrangements (assets and liabilities without a contractual maturity are based on management expectation):

March 31, 2019 (Rupees In Lakhs)

Particulars	Upto 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	670.08	-	-	-	-	-	-	-	670.08
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	1.00	-	1.00
Receivables	2,586.45	-	-	-	-	-			2,586.45
Loans	154,483.08	11,698.98	11,552.11	34,597.35	64,714.90	178,859.71	55,195.55	18,705.75	529,807.43
Other Financial assets	-	-	610.64	-	2.87	-	3.31	0.20	617.02
Total financial assets	**157,739.61**	**11,698.98**	**12,162.75**	**34,597.35**	**64,717.77**	**178,859.71**	**55,199.86**	**18,705.95**	**533,681.98**
Financial liabilities #									
Payables	16,647.85	-	-	-	-	-	-	-	16,647.85
Debt securities	-	1,730.00	6,204.00	25,913.36	2,286.00	123,770.35	-	-	159,903.71
Borrowings (Other than debt securities)	84,922.74	35,760.29	25,751.08	39,572.32	25,353.51	-	-	-	211,359.94
Other financial liabilities	-	-	1,009.80	-	2,356.19	-	-	-	3,365.99
Total Financial Liabilities	**101,570.59**	**37,490.29**	**32,964.88**	**65,485.68**	**29,995.70**	**123,770.35**	-	-	**391,277.49**

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

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

March 31, 2018 (Rupees in Lakhs)

Particulars	Upto 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	313.89	-	-	-	-	-	-	-	313.89
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	1.00	-	1.00
Receivables	2,220.42	-	-	-	-	-	-	-	2,220.42
Loans	164,941.85	12,273.70	12,255.61	36,174.54	67,270.72	199,766.72	65,429.10	21,802.88	579,915.12
Other Financial assets	-	-	574.64	-	2.70	-	3.12	0.19	580.65
Total financial assets	**167,476.16**	**12,273.70**	**12,830.25**	**36,174.54**	**67,273.42**	**199,766.72**	**65,433.22**	**21,803.07**	**583,031.08**
Financial liabilities #									
Payables	22,057.95	-	-	-	-	-	-	-	22,057.95
Debt securities	-	3,460.00	16,849.48	47,896.50	29,373.50	159,903.71	-	-	257,483.19
Borrowings (Other than debt securities)	76,150.42	30,094.08	582.28	5,445.45	48,794.70	20,867.63	-	-	181,934.56
Other financial liabilities	-	-	828.21	-	1,932.49	-		-	2,760.70
Total Financial Liabilities	**98,208.37**	**33,554.09**	**18,259.96**	**53,341.96**	**80,100.69**	**180,771.34**	-	-	**464,236.40**

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

April 01, 2017 (Rupees in Lakhs)

Particulars	Upto 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	273.95	-	-	-	-	-	-	-	273.95
Bank balances other than cash and cash equivalents	-	-	-	-	59.83	-	1.00	-	60.83
Receivables	908.71	-	-	-	-	-	-	-	908.71
Loans	156,848.33	11,933.73	12,384.49	37,030.95	70,758.68	211,607.57	80,476.38	28,337.52	609,377.65
Other Financial assets	-	-	8.84	-	411.64	-	45.91	12.34	478.73
Total financial assets	**158,030.99**	**11,933.73**	**12,393.33**	**37,030.95**	**71,230.15**	**211,607.57**	**80,523.29**	**28,349.86**	**611,099.87**
Financial liabilities #									
Payables	27,229.36	-	-	-	-	-	-	-	27,229.36
Debt securities	-	3,450.52	-	3,374.00	46,912.30	113,284.84	21,730.00	-	188,751.66
Borrowings (Other than debt securities)	81,774.60	50,437.50	15,432.50	40,000.00	71,000.00	21,737.63	-	-	280,382.23
Other financial liabilities	-	-	1,163.69	-		-	11.29	-	1,174.98
Total Financial Liabilities	**109,003.96**	**53,888.02**	**16,596.19**	**43,374.00**	**117,912.30**	**135,022.47**	**21,741.29**	-	**497,538.23**

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

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28) Financial instruments - Fair value measurement

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

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

(Rupees in Lakhs)

Particulars	March 31, 2019			March 31, 2018			April 01, 2017		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
Financial assets									
Cash and cash equivalents	670.08	-	-	313.89	-	-	273.95	-	-
Bank balances other than cash and cash equivalents	1.00	-	-	1.00	-	-	60.83	-	-
Receivables									
(I) Trade receivables	2,586.45	-	-	2,220.42	-	-	908.71	-	-
(II) Other receivables	-	-	-	-	-	-	-	-	-
Loans	491,311.88	-	-	557,873.94	-	-	590,136.44	-	-
Other Financial assets	617.02	-	-	580.65	-	-	478.73	-	-
Total financial assets	**495,186.43**	-	-	**560,989.90**	-	-	**591,858.66**	-	-
Financial liabilities									
Payables								-	-
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	2.19	-	-
(ii) total outstanding dues of	16,647.85	-	-	22,057.95	-	-	27,227.17	-	-
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
Debt securities	146,730.78	-	-	230,133.63	-	-	166,844.41	-	-
Borrowings (Other than debt	207,319.94	-	-	178,388.90	-	-	273,425.02	-	-
Other financial liabilities	3,365.98	-	-	2,760.70	-	-	1,174.98	-	-
Total financial liabilities	**374,064.55**	-	-	**433,341.18**	-	-	**468,673.77**	-	-

28.2) Fair Value:

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

(i) Fair value of financials assets and liabilities

March 31, 2019 (Rupees in Lakhs)

Particulars	Carrying amount			Fair value		
	Amotised Cost	FVTOCI	FVTPL	Level 1	Level 2	Level 3
Loans	529,807.42	-	-	-	-	519,793.69
Debt securities (Non convertible debentures)	146,730.78	-	-	-	147,682.54	-

March 31, 2018 (Rupees in Lakhs)

Particulars	Carrying amount			Fair value		
	Amotised Cost	FVTOCI	FVTPL	Level 1	Level 2	Level 3
Loans	579,915.12	-	-	-	-	570,905.16
Debt securities (Non convertible debentures)	230,133.63	-	-	-	229,763.41	-

April 01, 2017 (Rupees in Lakhs)

Particulars	Carrying amount			Fair value		
	Amotised Cost	FVTOCI	FVTPL	Level 1	Level 2	Level 3
Loans	609,377.65	-	-	-	-	602,115.06
Debt securities (Non convertible debentures)	166,844.41	-	-	-	168,640.26	-

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

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

(Rupees in Lakhs)

Particulars	March 31, 2019		March 31, 2018		March 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Cash and cash equivalents	670.08	670.08	313.89	313.89	273.95	273.95
Bank balances other than cash and cash equivalents	1.00	1.00	1.00	1.00	60.83	60.83
Receivables						
(I) Trade receivables	2,586.45	2,586.45	2,220.42	2,220.42	908.71	908.71
(II) Other receivables	-		-	-	-	-
Loans	491,311.88	519,793.69	557,873.94	566,994.54	590,136.44	602,115.06
Other Financial assets	617.02	617.02	580.65	580.65	478.73	478.73
Total financial assets	**495,186.43**	**523,668.24**	**560,989.90**	**570,110.51**	**591,858.66**	**603,837.28**
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	2.19	2.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16,647.85	16,647.85	22,057.95	22,057.95	27,227.17	27,227.17
(II) Other payables	-	-	-		-	
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-		-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-		-	
Debt securities	146,730.78	147,682.54	230,133.63	229,763.41	166,844.41	168,640.26
Borrowings (Other than debt securities)	207,319.94	207,319.94	178,388.90	178,388.90	273,425.02	273,425.02
Other financial liabilities	3,365.98	3,365.98	2,760.70	2,760.70	1,174.98	1,174.98
Total financial liabilities	**374,064.55**	**375,016.31**	**433,341.18**	**432,970.96**	**468,673.77**	**470,469.62**

Valuation techniques used to determine fair value:

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

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

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

Loans

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

Debt securities

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

Transfers between Levels

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

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29) Capital

Capital management

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

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

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

Regulatory capital

(Rupees in Lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018	As on April 01, 2017
Net Own Fund (Tier I)	118,686.76	129,079.85	124,688.77
Tier II	6,318.93	7,161.63	7,528.67
Total capital	**125,005.69**	**136,241.48**	**132,217.44**
Risk weighted assets	505,514.031	572,930.705	602,293.907
Tier I Capital ratio	**23.48%**	**22.53%**	**20.70%**
Tier II Capital ratio	**1.25%**	**1.25%**	**1.25%**

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30) Operating Leases as Lessee

i. The Company has taken various office and residential premises under operating lease or leave and license agreements. These are generally non-cancellable for an initial lock in period. The Company has paid refundable Interest free Security Deposit (Undiscounted) of Rs.669.87 Lakhs (Previous Year: Rs. 660.58 Lakhs) in respect of certain leases.

ii. Lease Payments recognized in Statement of Profit and Loss with respect to all operating leases is Rs. 866.96 Lakhs (Previous Year: Rs.825.13 Lakhs) included under Rent expenses of Rs. 741.50 Lakhs (Previous Year: Rs.684.59 Lakhs) and under Salaries, Bonus and Allowances Rs. 125.46 Lakhs (Previous Year: 140.54 Lakhs)

iii. With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

Minimum Lease Payments	**March 31, 2019 (Rupees in Lakhs)**	**March 31, 2018 (Rupees in Lakhs)**
Not later than one year	292.50	386.74
Later than one year but not later than five years	58.61	103.17
Later than five years	-	-

iv. Cars given on operating lease are cancellable in nature and hence no disclosure is required under Ind AS 17.

31) Foreign Currency transactions **(Rupees in Lakhs)**

Particulars	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**
(a)Reimbursement of Expatriate Salaries	334.12	426.01
(b)Information Technology Support Charges	2,254.79	1,612.04
(c) Stock Audit Charges	17.19	41.41
(d) Corporate Gaurantee Fee	40.32	36.51
(e) Reimbursement of Expenses	-	12.60
(f) Travelling Expenses	70.70	-
(g) Services/Consultancy Fees	-	523.80
(h) Purchase of software	58.47	-

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

(Rupees in Lakhs)

Foreign Currency	**March 31, 2019**		**March 31, 2018**		**April 01, 2017**	
	Indian Rupees equivalent	**Amount in Foreign Currency**	**Indian Rupees equivalent**	**Amount in Foreign Currency**	**Indian Rupees equivalent**	**Amount in Foreign Currency**
EURO	5,077.96	62.24	2,203.35	27.44	398.88	5.76
MXN	-	-	46.46	13.04	5.78	1.68
GBP	3.08	0.04	-	-	12.36	0.15
SEK	173.24	23.20	88.50	11.33	-	-
TRY	77.26	6.31	10.06	0.62	25.74	1.03
ZAR	-	-	17.92	3.25	-	-

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32) Related Party Disclosures

I Related Parties and nature of relationship

i. Where control exists

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

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

a.	Fellow Subsidiaries	i	Volkswagen Group Sales India Private Limited, India
		ii	Skoda Auto India Private Limited, India
		iii	Volkswagen Pon Financial Services B.V., Netherlands *
		iv	Volkswagen India Private Limited, India
		v	Man Trucks India Private Limited, India
		vi	Volkswagen Procurement Services GMBH, Wolfsburg*
		vii	Volkswagen Services S.A DE C.V *
		viii	Scania Commercial Vehicles India Pvt. Ltd *
		ix	Volkswagen IT Services India Private Limited
		x	Volkswagen Dogus Finansman, Turkey
		xi	Volkswagen Bank GMBH
		xii	VWFS Digital Solutions GMBH
		xiii	Volkswagen Finans Sverige AB
		xiv	VWFS South Africa (Pty) Ltd. *
		xv	VW Software Asset Management GMBH
b.	Key Management Personnel	i	Mr. Andreas Kutzer, Chief Executive Officer and Managing Director (upto June 30, 2017)
		ii	Mr. Pieter Griep, Chief Finance Officer and Managing Director (upto December 31, 2016)
		iii	Mr. Reinhard Walter Fleger, Non-Executive Director* (upto September 29, 2017)
		iv	Mr. Gokhan Cinar, Additional Director (From November 11, 2016 to December 31, 2016) and Chief Finance Office and Managing Director (w.e.f. January 01, 2017)
		v	Mr. Hans Patrik Riese, Chief Executive Officer and Managing Director w.e.f. July 01, 2017 and resigned w.e.f February 28, 2019
		vi	Mr. Norbert Dorn, Additional director (from September 29, 2017 till August 10, 2018) and Non-executive Director (w.e.f. August 10, 2018)
		vii	Mr. Ashish Deshpande, Managing Director and Chief Executive Officer (w.e.f March 01, 2019)

*Parties with whom no transactions during the year.

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ii) Transactions with related parties as mentioned above:

Particulars	Holding Company@		Fellow Subsidiaries		Key Management Personnel		Total	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
1. Expenditure								
a) Purchase of goods / receiving of services								
Volkswagen Financial Services A.G	203.96	298.43	-	-	-	-	203.96	298.43
Volkswagen Pon Financials Services	-	-	-	41.48	-	-	-	41.48
Volkswagen Services S.A DE C.V	-	-	-	40.69	-	-	-	40.69
Volkswagen Group Sales India Private Limited	-	-	-	1.00	-	-	-	1.00
Volkswagen India Private Limited	-	-	21.90	18.42	-	-	21.90	18.42
Skoda Auto India Private Limited	-	-	-	2.87	-	-	-	2.87
Volkswagen Dogus Finansman, Turkey	-	-	75.60	35.53	-	-	75.60	35.53
Volkswagen IT Services India Private Limited	-	-	13.42	18.89	-	-	13.42	18.89
VWFS Digital Solutions GMBH	-	-	2,254.79	1,621.42	-	-	2,254.79	1,621.42
Volkswagen Finans Sverige AB	-	-	91.32	87.87	-	-	91.32	87.87
VWFS South Africa (Pty) Ltd.	-	-	-	12.60	-	-	-	12.60
Volkswagen Bank GmbH	-	-	78.00	-	-	-	78.00	-
VW Software Asset Management GMBH	-	-	53.64	-	-	-	53.64	-
Total	**203.96**	**298.43**	**2,588.67**	**1,880.77**	-	-	**2,792.63**	**2,179.20**
b) Purchase of Assets								
Skoda Auto India Private Limited	-	-	39.32	31.07	-	-	39.32	31.07
VWFS Digital Solutions GMBH	-	-	511.48	378.41	-	-	511.48	378.41
Total	-	-	**550.80**	**409.48**	-	-	**550.80**	**409.48**
d) Commission								
Volkswagen Group Sales India Private Limited	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
2. Income								
a) Pre Received Interest Subvention Income								
Skoda Auto India Private Limited	-	-	197.42	195.85	-	-	197.42	195.85
Volkswagen Group Sales India Private Limited	-	-	78.11	42.52	-	-	78.11	42.52
Total	-	-	**275.53**	**238.37**	-	-	**275.53**	**238.37**
b) Brand Support Fees								
Skoda Auto India Private Limited	-	-	532.72	772.10	-	-	532.72	772.10
Volkswagen Group Sales India Private Limited	-	-	3,630.36	4,220.55	-	-	3,630.36	4,220.55
Man Trucks India Private Limited	-	-	23.07	31.06	-	-	23.07	31.06
Total	-	-	**4,186.15**	**5,023.71**	-	-	**4,186.15**	**5,023.71**
c) Other sale of goods / rendering of services								
Volkswagen Group Sales India Private Limited	-	-	2.50	2.95	-	-	2.50	2.95
Volkswagen India Private Limited	-	-	23.29	29.45	-	-	23.29	29.45
Skoda Auto India Private Limited	-	-	99.33	108.79	-	-	99.33	108.79
Volkswagen IT Services India Private Limited	-	-	27.78	32.93	-	-	27.78	32.93
Volkswagen Bank GMBH	-	-	-	-	-	-		
Total	-	-	**152.90**	**174.12**	-	-	**152.90**	**174.12**
d) Leasing Income								
Volkswagen IT Services India Private Limited	-	-	46.94	89.55	-	-	46.94	89.55
Total	-	-	**46.94**	**89.55**	-	-	**46.94**	**89.55**
3. Managerial Remuneration $								
Pieter Griep	-	-	-	-	-	41.48	-	41.48
Andreas Kutzner	-	-	-	-	-	163.50	-	163.50
Gokhan Cinar	-	-	-	-	278.66	234.72	278.66	234.72
Hans Patrik Riese *	-	-	-	-	264.19	331.46	264.19	331.46
Ashish Deshpande *	-	-	-	-	8.17	-	8.17	-
Total	-	-	-	-	**551.02**	**771.16**	**551.02**	**771.16**

$ Incentives are considered on payment basis

@ Includes Parent Company of Holding Company

* Mr. Hans Patrik Riese served as Front office MD till February 28, 2019 and Mr. Ashish Deshpande resumed the above position w.e.f. March 1, 2019.

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

(Rupees in Lakhs)

Balances	Holding Company@			Fellow Subsidiaries			Total		
	As on March 31, 2019	As on March 31, 2018	As on April 01, 2017	As on March 31, 2019	As on March 31, 2018	As on April 01, 2017	As on March 31, 2019	As on March 31, 2018	As on April 01, 2017
Payables									
Volkswagen Financial Services A.G.	507.27	329.78	371.61	-	-	-	507.27	329.78	371.61
Volkswagen Group Sales India Private Limited#	-	-	-	8,475.37	9,785.82	16,516.91	8,475.37	9,785.82	16,516.91
Volkswagen India Private Limited	-	-	-	-	-	7.52	-	-	7.52
Skoda Auto India Private Limited#	-	-	-	4,533.38	6,321.15	5,537.86	4,533.38	6,321.15	5,537.86
Man Trucks India Private Limited#	-	-	-	-	1,539.85	193.66	-	1,539.85	193.66
Volkswagen Procurement Services GMBH	-	-	-	30.54	31.58	27.27	30.54	31.58	27.27
Volkswagen Services S.A DE C.V	-	-	-	-	46.46	5.78	-	46.46	5.78
Volkswagen Dogus Finansman	-	-	-	77.26	60.10	25.74	77.26	60.10	25.74
VWFS Digital Solutions GMBH	-	-	-	4,163.69	1,727.75	-	4,163.69	1,727.75	-
Volkswagen Finans Sverige AB	-	-	-	173.24	88.50	-	173.24	88.50	-
VWFS South Africa (Pty) Ltd.	-	-	-	-	17.92	-	-	17.92	-
Volkswagen Pon Financials Services	-	-	-	-	41.48	-	-	41.48	-
Volkswagen Bank GmbH	-	-	-	78.00	-	-	78.00	-	-
VW Software Asset Management GMBH	-	-	-	53.64	-	-	53.64	-	-
Receivables									
Volkswagen Group Sales India Private Limited	-	-	-	2,212.78	1,171.68	289.51	2,212.78	1,171.68	289.51
Skoda Auto India Private Limited	-	-	-	3.78	265.56	369.54	3.78	265.56	369.54
Man Trucks India Private Limited	-	-	-	-	7.59	8.63	-	7.59	8.63
Volkswagen India Private Limited	-	-	-	14.18	25.85	15.90	14.18	25.85	15.90
Volkswagen IT Services India Private Limited	-	-	-	17.70	87.02	4.99	17.70	87.02	4.99

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. 105,472.24 Lakhs (March 31, 2018: Rs. 144,140.31 Lakhs ; April 01, 2017 Rs. 85,636.79 Lakhs). For this guarantee, Company has paid commission to Volkswagen Financial Services A.G., Germany amounting to Rs. 40.32 Lakhs (Previous Year: Rs. 36.51 Lakhs Previous Year 2017 Rs. 57.28 Lakhs)

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'.

@ Includes Parent Company of Holding Company

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33) Segment Reporting

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

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

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

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

(Rupees in Lakhs)

Particulars	March 31, 2019			
	Retail Finance	Dealer Finance	Unallocated	Total
Revenue				
External	35,878.64	18,197.68	5,187.62	59,263.94
Inter segment	-	-	-	-
Total	**35,878.64**	**18,197.68**	**5,187.62**	**59,263.94**
Segment Result - profit / (loss)	**7,084.77**	**(12,352.04)**	**(577.17)**	**(5,844.44)**
Profit/(Loss) before Tax	-	-	-	(5,844.44)
Tax Expense (Including Deferred Tax)	-	-	-	(2,030.55)
Profit/(Loss) After Tax before extraordinary Items	-	-	-	(3,813.89)
Extraordinary Items	-	-	-	-
Profit/(Loss) After Tax	-	-	-	**(3,813.89)**
Other Information				
Carrying Amount of Segment Assets	301,040.17	198,244.72	15,730.75	515,015.64
Carrying Amount of Segment Liabilities	213,063.12	157,527.26	10,301.24	380,891.62
Capital Expenditure	151.01	101.85	-	252.85
Depreciation / Amortisation	217.60	146.76	-	364.36

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(Rupees in Lakhs)

Particulars	March 31, 2018			
	Retail Finance	**Dealer Finance**	**Unallocated**	**Total**
Revenue				
External	36,613.25	21,602.74	3,243.58	61,459.57
Inter segment	-	-	-	-
Total	**36,613.25**	**21,602.74**	**3,243.58**	**61,459.57**
Segment Result - profit / (loss)	**6,081.35**	**4,449.22**	**-1,302.18**	**9,228.39**
Profit/(Loss) before Tax	-	-	-	9,228.39
Tax Expense (Including Deferred Tax)	-	-	-	3,566.10
Profit/(Loss) After Tax before extraordinary Items	-	-	-	5,662.29
Extraordinary Items	-	-	-	-
Profit/(Loss) After Tax	-	-	-	**5,662.29**
Other Information				
Carrying Amount of Segment Assets	357,579.97	205,349.79	11,705.40	574,635.16
Carrying Amount of Segment Liabilities	265,573.90	166,043.01	5,100.71	436,717.62
Capital Expenditure	329.96	187.74	-	517.70
Depreciation / Amortisation	300.77	171.14	-	471.91

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

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

(iii) Segment assets comprise mainly of retail loans, dealer finance loans, interest accrued on retail loans and dealer finance loans, receivable from interest subvention . Unallocated assets represent mainly other loans and advances, defered tax assets cash and cash equivalents, advance tax and TDS and security deposits. Segment liabilities include payable for retail finance and dealer finance, trade and other payables and borrowings. Unallocated liabilities mainly include outstanding expenses and statutory liabilities. Carrying value of Segment assets includes Asset held for sale of Rs. 493.23 Lakhs (Previous year: Rs. 586.73 Lakhs) under Dealer Finance segment.

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

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34) Disclosure on Restructured Advances

For Financial Year 2018-19 (Rupees in Lakhs)

Sl No	Type of Restructuring → / Asset Classification → / Details ↓		Others: Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the Financial Year (opening figures)	No. of borrowers	-	7	1	-	8
		Amount outstanding	-	106.95	4.92	-	111.87
		Provision thereon	-	54.98	2.53	-	57.51
2	Fresh restructuring during the year	No. of borrowers	-	2	-	-	2.00
		Amount outstanding	-	3,823.31	-	-	3,823.31
		Provision thereon	-	824.73	-	-	824.73
3	Recovery	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	(6.27)	-	-	(6.27)
		Provision thereon	-	(14.97)	-	-	(14.97)
4	Upgradations to restructured standard category during the Financial Year	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk	No. of borrowers	-				
		Amount outstanding	-				
		Provision thereon	-				
6	Downgradations of restructured accounts during the Financial Year	No. of borrowers	-	(4)	1	3	-
		Amount outstanding	-	(68.14)	1.15	66.99	0.00
		Provision thereon	-	(23.28)	1.15	22.14	0.00
7	Write-offs of restructured accounts during the Financial Year	No. of borrowers	-	(3.00)	(1.00)	-	(4.00)
		Amount outstanding	-	(32.54)	(4.92)	-	(37.46)
		Provision thereon	-	(16.73)	(2.53)	-	(19.26)
8	Restructured Accounts as on March 31 of the Financial Year (closing figures)	No. of borrowers	-	2	1	3	6.00
		Amount outstanding	-	3,829.58	1.15	66.99	3,891.45
		Provision thereon	-	839.70	1.15	22.14	848.01

Note: Since the disclosure of restructured advance accounts pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and

For Financial Year 2017-18 (Rupees in Lakhs)

Sl No	Type of Restructuring → / Asset Classification → / Details ↓		Others: Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the Financial Year (opening figures)	No. of borrowers	-	1	1	-	2
		Amount outstanding	-	2.83	4.84	-	7.67
		Provision thereon	-	1.42	2.43	-	3.85
2	Fresh restructuring during the year	No. of borrowers	-	6	-	-	6
		Amount outstanding	-	105.80	-	-	105.80
		Provision thereon	-	54.39	-	-	54.39
3	Recovery	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	(1.68)	0.08	-	(1.60)
		Provision thereon	-	(0.83)	0.10	-	(0.73)
4	Upgradations to restructured standard category during the Financial Year	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Downgradations of restructured accounts during the Financial Year	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
7	Write-offs of restructured accounts during the Financial Year	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
8	Restructured Accounts as on March 31 of the Financial Year (closing figures)	No. of borrowers	-	7	1	-	8
		Amount outstanding	-	106.95	4.92	-	111.87
		Provision thereon	-	54.98	2.53	-	57.51

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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35) 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, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)	April 01, 2017 (Rupees in Lakhs)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	2.19
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.

36) **Contingent Liabilities and other Capital Commitments**

a. **Contingent Liabilities :**

i. Claims against the Company not acknowledge as debts by the Company is Rs. 102.13 Lakhs (March 31, 2018: Rs. 154.93 Lakhs ; April 01, 2017: Rs. 84.07 Lakhs)

ii. **Service Tax Matter**
Company received show cause notice from Office of the Assistant Commissioner of Service Tax demanding service tax of Rs. 2,537.76, Lakhs on certain transactions. The Company has disputed the said show cause notice and started paying the service tax on those transactions under protest. The Commissioner of Service Tax had passed order dated February 20, 2017 confirming the stand taken by the department to pay service tax along with interest and penalty.
The Company has disputed the order passed by the Commissioner of Service Tax and has filed appeal before The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) in the financial year 2017-18.

Accordingly, service tax matter in respect of which assessment pending is Rs. 5,071.85 Lakhs (March 31, 2018 Rs. 5,071.85 Lakhs ; April 01, 2017 Rs. 5,033.56 Lakhs) and the amount paid under protest Rs. 2,534.08 Lakhs (March 31, 2018 Rs. 2,534.08 Lakhs ; April 01, 2017 Rs. 2,495.80 Lakhs). This is being disputed by the Company and not provided for.

iii. **Income Tax Matter**
In respect of Income Tax matter, in FY 2015-16 the company had received show cause notice for non deduction of withholding tax on payment to non-residents. The company has disputed the said show cause notice and paid the disputed liability under protest. The Commissioner of Income Tax (Appeal) had passed order dated December 08, 2016 confirming the stand taken by the department to pay withholding tax along with interest and penalty. The Company had disputed the said order and filed an appeal dated March 29, 2017 with the Income Tax Appellate Tribunal (ITAT). The Company has received penalty order under section 271C of The Income Tax Act, 1961 in the current financial year. The Company has disputed the said order and filed an appeal against the same with Commissioner of Income Tax (Appeal).
Accordingly, Income tax matter in respect of which assessment pending is Rs. 89.20 Lakhs (March 31, 2018 Rs. 89.20 Lakhs ; April 01, 2017 Rs. 44.60 Lakhs) and Rs. 44.60 Lakhs (March 31, 2018 Rs. 44.60 Lakhs ; April 01, 2017 Rs. 44.60 Lakhs) had been paid under protest. This is being disputed by the Company and hence not provided for.

iv. **Provident fund**
On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal' in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter.
In Company's assessment, the above judgement is not likely to have a significant impact and therefore presently no provision has been made in the Financial Statements.

b. **Capital Commitments :**
Estimated value of contracts in capital account remaining to be executed is Rs. 805.77 Lakhs (March 31, 2018: Rs. 939.17 Lakhs ; April 01, 2017: Rs. 153.58 Lakhs)

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37) Tax expense

(i) Amounts recognised in profit and loss

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Current tax expense		
Current period	4,080.88	4,103.47
Changes in estimated related to prior years	57.53	(199.64)
Total current tax expense (A)	4,138.41	3,903.83
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(6,168.96)	(337.73)
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	-	-
Deferred tax expense (B)	(6,168.96)	(337.73)
Tax expense for the year (A)+(B)	(2,030.55)	3,566.10

(ii) Amounts recognised in other comprehensive income

(Rupees in Lakhs)

Particulars	Year ended March 31,2019			Year ended March 31,2018		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	31.16	(10.78)	20.38	2.95	(1.02)	1.93
Total	31.16	(10.78)	20.38	2.95	(1.02)	1.93

(iii) Movement in deferred tax balances

(Rupees in Lakhs)

Particulars	March 31, 2019					
	Opening balance March 31, 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Property, plant and equipment	102.99	11.78	-	11.78	114.77	-
Loans	216.56	184.21	-	184.21	400.77	-
Security deposits	72.78	(23.97)	-	(23.97)	48.81	-
Employee benefits	193.06	163.37	10.78	174.15	367.21	-
Provisions	7,702.07	5,749.81	-	5,749.81	13,451.88	-
Other items	(1,438.55)	72.97	-	72.97	-	(1,365.57)
Total	6,848.91	6,158.17	10.78	6,168.95	14,383.44	(1,365.57)

(Rupees in Lakhs)

Particulars	March 31, 2018					
	Opening balance April 01, 2017	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Property, plant and equipment	49.38	53.61	-	53.61	102.99	-
Loans	420.24	(203.68)	-	(203.68)	216.56	-
Security deposits	87.81	(15.03)	-	(15.03)	72.78	-
Employee benefits	194.99	(2.95)	1.02	(1.93)	193.06	-
Provisions	6,659.38	1,042.69	-	1,042.69	7,702.07	-
Other items	(900.61)	(537.93)	-	(537.93)	-	(1,438.54)
Total	6,511.19	336.71	1.02	337.73	8,287.45	(1,438.54)

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(iv) Effective Tax Rate

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Profit before tax		
Profit Before Tax	(5,844.44)	9,228.39
Tax rate	34.944%	34.608%
Tax on profits	(2,042.28)	3,193.76
Tax effect of:		
CSR expenses	30.63	53.97
Interest on Late Payment of TDS	2.69	0.65
Prior Period Expenses	3.30	-
tax on perquisits u/s 10(10CC)	18.79	39.10
Tax rate change Impact	-	(62.84)
Others	(43.68)	341.46
Total income tax expenses	**(2,030.55)**	**3,566.10**
Effective tax rate	**34.74%**	**38.64%**

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

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

(v) Tax Balances

(Rupees in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Current Tax Assets (Net)	299.86	543.24	20.73
(Net of Provision of March 31, 2019 Rs. 7,493.48 lakhs, March 31, 2018 Rs. 3,335.53 lakhs, April 1, 2017 Rs. 3,009.16 lakhs)			
Current Tax Liabilities (Net)	2,863.12	768.96	634.57
(Net of Advance Tax of March 31, 2019 Rs.12,406.70 lakhs, March 31, 2018 Rs.14,511.92 lakhs, April 1, 2017 Rs.11,067.84 lakhs)			
Total	**2,563.26**	**225.72**	**613.84**

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38) First-time adoption of Ind AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

Optional exemptions availed and mandatory exceptions

A. Optional exemptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities, capital grant if applicable. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity instruments.

B. Mandatory exemptions availed

The company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investment in equity instruments measured at FVOCI;
- Investment in debt instruments measured at FVTPL;
- Impairment of financial asset based on expected credit loss model.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS. The presentation requirements under previous GAAP differs from and hence the previous GAAP information has been restated for ease of reconciliation with Ind AS.

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VOLKSWAGEN FINANCE PVT. LTD. MUMBAI

Volkswagen Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2019 (continued)

Reconciliation of Other equity between previous GAAP and Ind AS: (Rs. In Lakhs)

Particulars	As at April 01, 2017	As at March 31, 2018
Other equity (reserves and surplus) as per previous GAAP	**14,505.94**	**19,738.44**
Adjustments:		
Impact of effective interest rate (EIR)	1,442.52	932.31
Provision for ECL on financial assets	(1,773.03)	(1,686.46)
Recognition of interest receivable for NPA assets	1,569.32	2,714.77
Unammortized discount of NCDs and commercials papers	99.49	57.89
Adjustment of security deposit and prepaid expenses for premises	(15.45)	(20.34)
Tax Impact of Ind AS adjustments	(458.99)	(699.28)
Others	3.31	-
Total adjustments	**867.18**	**1,298.88**
Total equity as per Ind AS	**15,373.11**	**21,037.32**

Reconciliation of equity as at April 01, 2017

(Rs. In Lakhs)

Particulars	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		273.95	-	273.95
Bank balances other than cash and cash equivalents		60.83	-	60.83
Receivables			-	
(I) Trade receivables		908.71	-	908.71
(II) Other receivables			-	-
Loans	B	588,572.24	1,564.20	590,136.44
Other Financial assets	A	732.43	(253.70)	478.73
Total financial assets		**590,548.16**	**1,310.50**	**591,858.66**
Non-financial assets			-	
Deferred Tax Asset (net)		6,970.17	(458.99)	6,511.18
Property, Plant and Equipments		863.84	-	863.84
Intangible Assets		318.09	-	318.09
Capital work-in-progress		84.46	-	84.46
Intangible Assets under Development		78.11	-	78.11
Other non financial assets	D	3,038.97	241.57	3,280.54
Assets held for sale		624.51	-	624.51
Total non financial assets		**11,978.16**	**(217.42)**	**11,760.73**
TOTAL ASSETS		**602,526.32**	**1,093.08**	**603,619.39**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		2.19	-	2.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		27,227.17	-	27,227.17
(II) Other payables			-	
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt securities	A	166,900.92	(56.51)	166,844.41
Borrowings (Other than debt securities)	A	273,468.00	(42.98)	273,425.02
Other financial liabilities		1,174.98	-	1,174.98
Total financial liabilities		**468,773.26**	(99.49)	**468,673.77**
Non-financial liabilities			-	
Other non financial liabilities	B	2,366.91	325.39	2,692.30
Total non financial liabilities		**2,366.91**	325.39	**2,692.30**
Equity			-	
Equity Share Capital		116,880.21	-	116,880.21
Other Equity		14,505.94	867.18	15,373.11
Total equity		**131,386.15**	**867.18**	**132,253.33**
TOTAL LIABILITIES AND EQUITY		**602,526.32**	**1,093.08**	**603,619.39**

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Volkswagen Finance Pvt. Ltd. Mumbai

Volkswagen Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2019 (continued)

Reconciliation of equity as at March 31, 2018

(Rs. In Lakhs)

Particulars	Note	Amount as per IGAAP	Effects of transition to Ind AS	March 31, 2018 (Rupees in Lakhs)
ASSETS				
Financial assets				
Cash and cash equivalents		313.89	-	313.89
Bank balances other than cash and cash equivalents		1.00	-	1.00
Receivables			-	
(I) Trade receivables		2,220.42	-	2,220.42
(II) Other receivables			-	-
Loans	B	555,510.35	2,363.59	557,873.94
Other Financial assets	A	788.93	(208.28)	580.65
Total financial assets		**558,834.59**	**2,155.31**	**560,989.90**
Non-financial assets				
Deferred Tax Asset (net)		7,547.15	(698.24)	6,848.91
Property, Plant and Equipments		923.16	-	923.16
Intangible Assets		317.79	-	317.79
Capital work-in-progress		6.52	-	6.52
Intangible Assets under Development		1,070.25	-	1,070.25
Other non financial assets	D	3,703.93	187.94	3,891.87
Assets held for sale		586.76	-	586.76
Total non financial assets		**14,155.56**	**(510.30)**	**13,645.26**
TOTAL ASSETS		**572,990.16**	**1,645.01**	**574,635.16**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		22,057.95	-	22,057.95
(II) Other payables			-	
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt securities	A	230,172.81	(39.18)	230,133.63
Borrowings (Other than debt securities)	A	178,407.60	(18.70)	178,388.90
Other financial liabilities	A	2,760.68	0.02	2,760.70
Total financial liabilities		**433,399.05**	**(57.87)**	**433,341.18**
Non-financial liabilities				
Other non financial liabilities	B	2,972.45	403.99	3,376.44
Total non financial liabilities		**2,972.45**	**403.99**	**3,376.44**
Equity				
Equity Share Capital		116,880.21	-	116,880.21
Other Equity		19,738.44	1,298.89	21,037.33
Total equity		**136,618.66**	**1,298.89**	**137,917.54**
TOTAL LIABILITIES AND EQUITY		**572,990.16**	**1,645.01**	**574,635.16**

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Reconciliation of profit or loss for the year ended March 31, 2018

Particulars	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue From Operations				
(i) Interest income using effective interest rate	B	**56,083.61**	1,077.49	**57,161.10**
(ii) Fees and commission income	B	4,181.56	(553.59)	3,627.97
(iii) Other operating income	B	907.97	(498.24)	409.73
I Total Revenue from operations		**61,173.14**	**25.66**	**61,198.80**
II Other Income	B	157.79	102.98	260.77
III Total Income (I + II)		**61,330.93**	**128.64**	**61,459.57**
IV Expenses				
(i) Finance Costs	A	32,280.46	41.62	32,322.08
(ii) Impairment of financial instruments	B	2,826.71	(26.73)	2,799.98
(iii) Employee Benefits Expenses	C	5,389.45	2.95	5,392.40
(iv) Depreciation and amortization expenses	-	471.91	-	471.91
(v) Other Expenses	B	11,803.04	(558.24)	11,244.80
Total Expenses		**52,771.57**	**(540.40)**	**52,231.17**
V (Loss) / Profit before Tax	-	8,559.36	669.04	9,228.40
VI Tax (Expense)/Income	-	3,326.85	239.25	3,566.10
(1) Current Tax	-	3,903.83	-	3,903.83
(2) Deferred Tax (Credit) / Charge	-	(576.98)	239.25	(337.73)
VII (Loss) / Profit for the year (V-VI)		5,232.50	429.79	5,662.29
VIII Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	C	-	2.95	2.95
(ii) Income tax relating to items that will not be reclassified to profit or loss	C	-	(1.02)	(1.02)
Subtotal (A)		-	**1.93**	**1.93**
B (i) Items that will be reclassified to profit or (loss)		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Subtotal (B)		-	-	-
Other Comprehensive Income (A + B)		-	1.93	1.93
IX Total Comprehensive Income for the period (VII + VIII) (Comprising (Loss) / Profit and other Comprehensive Income for the year)		**5,232.50**	**431.72**	**5,664.22**

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Notes to first-time adoption:

A. Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

B. Loans

Ind AS 109 requires transaction costs received towards origination of loans assets to be deducted from the carrying amount of loan assets on initial recognition. These costs are recognised in the profit or loss over the tenure of the loan asset as part of the interest income by applying the effective interest rate method.

C. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

D. Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

E. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Reconciliation of Cash flow for the year ended March 31, 2018

Particulars	Amount as per Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Net cash (used in) / generated from operating activities	33,485.68	(277.89)	33,207.79
Net cash (used in) / generated from investing activities	(1,671.53)	277.88	(1,393.65)
Net cash flow from financing activities	(31,774.21)	0.01	(31,774.20)
Net (decrease) / increase in cash and cash equivalents	39.94	-	39.94
Cash and cash equivalents at the beginning of the year	273.95	-	273.95
Cash and cash equivalents at the end of the year	313.89	0.00	313.89

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

i. Capital

Particulars		March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
a)	CRAR (%)	24.73%	23.78%
b)	CRAR – Tier I Capital (%)	23.48%	22.53%
c)	CRAR – Tier II Capital (%)	1.25%	1.25%
d)	Amount of subordinated debt raised as Tier-II capital	-	-
e)	Amount raised by issue of Perpetual Debt Instrument	-	-

The Company has applied zero risk weight to the un-drawn credit facility in computation of the Capital Adequacy Ratio considering the same is unconditionally cancellable by the Company at any point of time.

ii Additional Disclosures

Provisions and Contingencies

Under the head Expenditure in Statement of Profit and Loss		March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
a)	Provisions for depreciation on Investment	-	-
b)	Expected Credit Loss	16,454.36	2,799.97
c)	Provision made towards Income tax (including Deferred Tax)	(2,030.55)	3,566.10
d)	Other Provision and Contingencies	127.47	87.59

Concentration of Advances, Exposures and NPAs

Concentration of Advances

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Total Advances to twenty largest borrowers	98,267.29	95,729.61
Total Outstanding Advances	529,807.42	579,915.12
Percentage to Total Advances	18.55%	16.51%

Concentration of Exposures

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Total Exposure to twenty largest borrowers / customers	109,194.51	115,605.19
Total Exposure to Customers	625,518.99	659,447.76
Percentage to Total Exposure	17.46%	17.53%

Concentration of NPAs

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Total Outstanding to four largest borrowers / customers	14,547.12	7,416.29
Total Outstanding Advances	529,807.42	579,915.12
Percentage to Total Advances	2.75%	1.28%

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Sector-wise NPAs

Sector		March 31, 2019 (Rupees in Lakhs) Amount	Percentage to Total Advances	March 31, 2018 (Rupees in Lakhs) Amount	Percentage to Total Advances
a)	Agriculture & allied activities	-		-	
b)	MSME	-		-	
c)	Corporate borrowers	-		-	
d)	Services	-		-	
e)	Unsecured personal loans	-		-	
f)	Auto loans and other related loans	46,189.48	8.72%	23,946.85	4.13%
g)	Other personal loans	-		-	

Movement of NPAs

Particulars		March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
a)	Net NPAs to Net Advances (%)	3.48%	2.24%
b)	Movement of NPAs (Gross)		
	i) Opening balance	23,946.85	18,136.97
	ii) Additions during the year	30,741.41	13,063.69
	iii) Reduction during the year	(8,498.78)	(7,253.82)
	iv) Closing balance	46,189.48	23,946.85
b)	Movement of Net NPAs		
	i) Opening balance	12,497.08	8,081.86
	ii) Additions during the year	7,698.09	5,589.64
	iii) Reduction during the year	(3,103.10)	(1,174.42)
	iv) Closing balance	17,092.07	12,497.08
c)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	i) Opening balance	11,449.77	10,055.11
	ii) Provisions made during the year	23,043.32	7,474.05
	iii) Write-off	(3,549.20)	(3,217.14)
	iv) write-back of excess provisions	(1,846.49)	(2,862.25)
	v) Closing balance	29,097.41	11,449.77

iii **Customer Complaints**

Particulars		March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
a)	No. of complaints pending at the beginning of the	5	0
b)	No. of complaints received during the year	417	73
c)	No. of complaints redressed during the year	422	68
d)	No. of complaints pending at the end of the year	0	5

iv **Registration obtained from other financial sector regulators**

The Company has obtained Registration No. CA0142 to act as a Corporate Agent under the Insurance Act 1938 (IV of 1938) from Insurance Regulatory and Development Authority (IRDA).

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v Disclosure of Penalties imposed by the Reserve Bank of India (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.

Date of Rating	Rating Agency	Commercial Paper	Others
24-Jul-18	India Ratings & Research Private Limited	IND A1+	IND AAA (Long Term) & IND A1+ (Short Term)
26-Oct-18	India Ratings & Research Private Limited	IND A1+	IND AAA (Long Term) & IND A1+ (Short Term)
21-Jan-19	India Ratings & Research Private Limited	IND A1+	NA
16-May-18	ICRA Limited	ICRA A1+	NA
24-Jul-18	ICRA Limited	ICRA A1+	NA
26-Oct-18	ICRA Limited	ICRA A1+	NA
21-Jan-19	ICRA Limited	ICRA A1+	NA

Date of Rating	Rating Agency	Non Convertible Debe	Others
24-Jul-18	India Ratings & Research Private Limited	IND AAA (Long Term)	IND AAA (Long Term) & IND A1+ (Short Term)

Date of Rating	Rating Agency	Bank Rating	Others
24-Jul-18	India Ratings & Research Private Limited	Long Term Bank Loan Rating	IND AAA Outlook Stable
24-Jul-18	India Ratings & Research Private Limited	Short Term Bank Loan Rating	IND A1+
29-Aug-18	India Ratings & Research Private Limited	Long Term Bank Loan Rating	IND AAA Outlook Stable
29-Aug-18	India Ratings & Research Private Limited	Short Term Bank Loan Rating	IND A1+
10-Jan-19	India Ratings & Research Private Limited	Long Term Bank Loan Rating	IND AAA Outlook Stable
10-Jan-19	India Ratings & Research Private Limited	Short Term Bank Loan Rating	IND A1+

vii Extent of financing of parent company products

Particulars	March 31, 2019 (Rupees in Lakhs)	March 31, 2018 (Rupees in Lakhs)
Loan outstanding as at year end out of the amount financed to parent company products	515,577.41	579,331.71
Company Portfolio	529,807.42	579,915.12
Percentage of financing for parent product upon Company's portfolio	97.31%	99.90%

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

viii. Maturity pattern of certain items of assets and liabilities

As on March 31, 2019

(Rupees in Lakhs)

Particulars	Upto 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks									
Working capital Demand Loans	25,356.45	322.79	320.95	39,572.32	10,353.51	-	-	-	**75,926.02**
Bank Overdraft	11,066.29	-	-	-	-	-	-	-	**11,066.29**
Long Term Loans	-	15,437.50	5,430.13	-	-	-	-	-	**20,867.63**
Market borrowings	-	-	-	-	-	-	-	-	
Commercial Papers	48,500.00	20,000.00	20,000.00	-	15,000.00	-	-	-	**103,500.00**
Non Convertible Debentures	-	1,730.00	6,204.00	25,913.36	2,286.00	123,770.35	-	-	**159,903.71**
Assets									
Loans	**154,483.08**	**11,698.98**	**11,552.11**	**34,597.35**	**64,714.90**	**178,859.71**	**55,195.55**	**18,705.75**	**529,807.43**
Investments - Fixed Deposits	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	4,673.76	-	-	-	-	**4,673.76**

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As on March 31, 2018

(Rupees in Lakhs)

Particulars	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	282.08	22,656.58	149.78	445.45	25,294.70	-	-	-	**48,828.59**
Bank Overdraft	75,868.35	-	-	-	-	-	-	-	**75,868.35**
Long Term Loans	-	437.50	432.50	-	-	20,867.63	-	-	**21,737.63**
Market borrowings									
Commercial Papers	-	7,000.00	-	5,000.00	23,500.00	-	-	-	**35,500.00**
Non Convertible Debentures	-	3,460.00	16,849.48	47,896.50	29,373.50	159,903.71	-	-	**257,483.19**
Assets									
Loans	**164,941.85**	**12,273.70**	**12,255.61**	**36,174.54**	**67,270.72**	**199,766.72**	**65,429.10**	**21,802.88**	**579,915.12**
Investments - Fixed Deposits	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	2,366.29	-	-	-	-	**2,366.29**

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Notes to the Financial Statements for the year ended March 31, 2019 (continued)

As on April 01, 2017

(Rupees in Lakhs)

	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	-	-	-	-	-	-	-	-	-
Bank Overdraft	52,253.43	-	-	-	-	-	-	-	**52,253.43**
Long Term Loans	12,521.17	437.50	432.50	-	-	21,737.63	-	-	**35,128.80**
Market borrowings									
Commercial Papers	17,000.00	50,000.00	15,000.00	40,000.00	71,000.00	-	-	-	**193,000.00**
Non Convertible	-	3,450.52	-	3,374.00	46,912.30	113,284.84	21,730.00	-	**188,751.66**
Assets									
Loans	**156,848.33**	**11,933.73**	**12,384.49**	**37,030.95**	**70,758.68**	**211,607.57**	**80,476.38**	**28,337.52**	**609,377.65**
Investments - Fixed Deposits	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	2,366.29	-	-	-	-	**2,366.29**

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Investments:	Gross Value of Investments Provision for Depreciation on Investments Net Value of Investments Movement of provisions held towards depreciation on investments
Derivatives:	**Forward Rate Agreement / Interest Rate Swaps** Notional Principal of Swap Agreements 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 **Exchange Traded Interest Rate Derivatives** Notional Principal amount of exchange traded interest rate derivatives undertaken during the year Notional Principal amount of exchange traded interest rate derivatives outstanding as at March 31, 2018 Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" **Quantitative Disclosures** Derivative (Notional Principal Amount) Marked to Market Positions Credit Exposure Unhedged Exposure
Securitisation:	No of SPVs sponsored by the NBFC for securitisationtransactions Total amount of securitised assets as per books of theSPVs 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 transactionsother than MRR **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 **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 **Details of non-performing financial assets purchased** No. of accounts purchased during the year Aggregate outstanding Of these, number of accounts restructured during the year Aggregate outstanding **Details of non-performing financial assets sold** No. of accounts sold Aggregate outstanding Aggregate consideration received
Exposure to Real Estate Sector	Residential Mortgages Commercial Real Estate Investments in Mortgage Backed Securities (MBS) and other securitised exposures

Exposure to Capital Market	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 Advances against shares / bonds / debentures or other, securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, 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; 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 Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; 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 Bridge loans to companies against expected equity flows / issues; All exposures to Venture Capital Funds (both registered and unregistered)
Concentratio	Total Deposits of twenty largest depositors Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC
Other	During the year, there are no penalties levied by RBI / other regulators During the year, Companys has not postponed revenue recognition on account of pending uncertainties. During the year, Companys has not made any draw down of reserves. Company does not have any overseas joint venture / subsidiary. There are no SPVs sponsored by the Company

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Volkswagen Finance Pvt. Ltd. Mumbai

40) Disclosures required by paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are given in Annexure I.

41) Corporate Social Responsibility (CSR) Expenditure:
Gross amount required to be spent by the company during the year Rs. 228.67 Lakhs (Previous Year Rs. 193.48 Lakhs)

Amount spent during the year ending on 31st March, 2019: (Rupees in Lakhs)

SNo	Activities	In cash	Yet to be paid	Total
(i)	Construction/Acquisition of any asset	-	-	-
(ii)	On purposes of other than (i) above	166.82	-	166.82

Amount spent during the year ending on 31st March, 2018: (Rupees in Lakhs)

SNo	Activities	In cash	Yet to be paid	Total
(i)	Construction/Acquisition of any asset	-	-	-
(ii)	On purposes of other than (i) above	306.50	-	306.50

42) Disclosure pursuant to Circular No. DNBS.PD.CC.No 256 /03.10.42 / 2011-12 dated March 02, 2012 on Monitoring of frauds, the frauds detected and reported for the year amounted to Rs. 10,757.00 Lakhs (Previous year Rs. 24.00 Lakhs).

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

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

45) **SEBI Disclosure**

(a)

Initial Disclosure in terms of Para 4.1 of circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018

Particulars		Details
1	Name of the company	Volkswagen Finance Private Limited
2	CIN	U65999MH2009FTC189640
3	Outstanding borrowing of company as on March 31st, 2019 (Rs. in lakhs)*	348,466.00
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	ICRA Limited - A1+ for Short Term Rating India Ratings and Research Private Limited - IND A1+ Short Term Rating & IND AAA/Stable for Long Term Rating
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

The Company confirms that it is a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

* Numbers as per previous GAAP

Price Waterhouse Chartered Accountants FRN 301112E Mumbai

Volkswagen Finance Pvt. Ltd. Mumbai

45 (b) **Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Debenture Trustees:
Vistra ITCL (India) Limited
The IL&FS Financial Centre,
Plot C- 22, G Block, 7th Floor
Bandra Kurla Complex, Bandra (East),
Mumbai 400051
Tel: +91 022 2659 3602
Email: itclcomplianceofficer@vistra.com
Website: www. vistraitcl.com

Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

Particulars	March 31, 2019	March 31, 2018
	(Rs. In Lakhs)	(Rs. In Lakhs)
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-
(Refer Related party disclosure Note 32)	-	-

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

Asset cover

The Debentures are secured by way of a first and pari passu mortgage in favour of the Security Trustee on the Company's immovable property of Rs.22.87 lakhs (gross value) and further secured by way of hypothecation/mortgage of charged assets such as receivables arising out of auto loan.

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 Agarwal
Partner
Membership No. 118522

Mumbai
May 30, 2019

For and on behalf of the Board of Directors

Ashish Deshpande
Chief Executive Officer &
Managing Director
DIN 08314277

Gokhan Cinar
Chief Financial Officer &
Managing Director
DIN 07649354

Harshada Pathak
Company Secretary
Membership No. A19534

Mumbai
May 29, 2019

Volkswagen Finance Private Limited
ANNEXURE I FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company
(as required in terms of Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(All amounts in Lakhs)

	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	146,730.78	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits)#		
	(b) Deferred Credits	-	-
	(c) Term Loans	20,765.75	-
	(d) Intercorporate loans and borrowing	-	-
	(e) Commercial Paper	101,847.70	-
	(f) Public Deposits#	-	-
	(g) Other Loans - Working Capital Demand Loan	73,923.39	-
	- Bank Overdraft	10,783.10	-
	# Refer to note 1 below		
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	Particulars	Amount outstanding	Amount overdue
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall	-	-
	(c) Other public deposits	-	-

	Asset Side	
		Amount Outstanding
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
	(a) Secured	389,774.78
	(b) Unsecured*	140,032.64
(4)	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	109.51
	(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	-
(5)	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)

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Volkswagen Finance Pvt. Ltd. Mumbai

Volkswagen Finance Private Limited

ANNEXURE I FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

(as required in terms of Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(All amounts in Lakhs)

	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)			-
(6)	Borrower group-wise classification of assets financed as in (2) and (3) above: (Refer note 2 below)			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	109.51	-	109.51
	('c) Other related parties	-	-	-
	2. Other than related parties	361,453.95	129,857.94	491,311.89
	Total	361,563.46	129,857.94	491,421.40
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer			
	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		-	-
	** As per Accounting Standard issued by ICAI (Refer note 3 below)			
	2. Other than related parties			-
	Total			-
(8)	Other Information			
	Particulars			Amount
(i)	Gross Non Performing Assets			
	(a) Related Parties			-
	(b) Other than related parties			46,189.48
(ii)	Net Non-Performing Assets			
	(a) Related Parties			-
	(b) Other than related parties			17,092.07
(iii)	Assets acquired in satisfaction of debt			493.23

Notes:

1. As defined in point xix of paragraph 3 of Chapter -2 of these Directions.

2. Provisioning norms shall be applicable as prescribed in these Directions.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets

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Volkswagen Finance Pvt. Ltd. Mumbai