

SKODA Auto Volkswagen India Private Limited (Formerly known as Volkswagen India Private Limited)
Registered office: E-1, MIDC Industrial Area Phase III, Nigoje Mhalunge, Kharabwadi, Chakan, Khed, Pune, Maharashtra, 410501
CIN: U70102PN2007FTC133117; T: +91 02135 61000 / 331000 F: +91 02135 661049
Email id: anoopkumar.pillai@skoda-vw.co.in Website: www.skoda-vw.co.in

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND HALF YEAR ENDED SEPTEMBER 30, 2021

(in INR million)

Sr. No	Particulars	Half year ended		Quarter ended	Year ended
		September 30, 2021	September 30, 2020	September 30, 2021	March 31, 2021
		(Unaudited) Refer note 4	(Unaudited)	(Unaudited) Refer note 4	(Audited)
	Income				
1	Revenue from operations	50,995.58	27,666.66	32,703.79	67,965.24
2	Other income (refer note 8)	7,348.89	8,721.70	1,937.51	19,151.90
3	Total Income (1+2)	58,344.47	36,388.36	34,641.30	87,117.14
4	Expenses				
	Cost of raw materials and components consumed	36,903.24	17,169.18	25,884.60	38,385.70
	Purchase of traded goods	5,428.68	4,824.13	3,531.46	14,824.92
	Changes in inventories of traded goods, finished goods and work-in-progress	(1,822.97)	1,133.81	(3,998.23)	4,294.53
	Employee benefits expense	3,882.94	3,797.90	1,906.16	7,501.82
	Finance costs	512.65	709.82	248.99	1,338.16
	Depreciation and amortisation expense	2,827.92	2,070.51	1,618.80	3,972.97
	Other expenses	9,042.15	5,678.73	4,444.71	13,843.47
	Total expenses	56,774.61	35,384.08	33,636.49	84,161.57
5	Profit before exceptional items (3-4)	1,569.86	1,004.28	1,004.81	2,955.57
6	Exceptional Items	-	-	-	-
7	Profit before tax (5-6)	1,569.86	1,004.28	1,004.81	2,955.57
8	Tax expenses:				
	Current tax	297.33	254.18	190.78	727.77
	Deferred tax charge / (credit)	1,077.23	-	362.75	(5,341.94)
9	Profit for the period / year (7-8)	195.30	750.10	451.28	7,569.74
10	Other Comprehensive Income				
A	Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit plans	51.96	(141.04)	25.98	103.93
	(b) Income tax relating to items that will not be reclassified to profit or loss	(18.16)	-	(9.08)	(36.32)
B	Items that may be reclassified to profit or loss				
	(a) Deferred gain / (loss) on cash flow hedges	288.12	(1,923.61)	1,397.29	(1,202.07)
	(b) Income tax relating to items that will be reclassified to profit or loss	(100.68)	-	(488.27)	420.05
	Other Comprehensive income / (loss) (A+B)	221.24	(2,064.65)	925.92	(714.41)
11	Total comprehensive income / (loss) for the period / year (9+10)	416.54	(1,314.55)	1,377.20	6,855.33
12	Paid-up equity share capital (Face value of INR 10 each)	7,240.45	7,240.45	7,240.45	7,240.45
13	Earnings per equity share (not annualised)				
	(a) Basic earnings per share (INR)	0.27	1.04	0.62	10.45
	(b) Diluted earnings per share (INR)	0.27	1.04	0.62	10.45
14	Debt Equity Ratio	0.23	0.48	0.23	0.30
15	Debt Service Coverage Ratio (DSCR) (not annualised)	2.21	0.95	1.85	1.98
16	Interest Service Coverage Ratio (not annualised)	4.06	2.41	5.04	3.21
17	Current ratio	0.92	1.13	0.92	1.06
18	Long term debt* to working capital ratio (No of Times)	(2.64)	1.79	(2.64)	3.74
19	Current liability ratio (No of times)	0.72	0.68	0.72	0.68
20	Total debts to total assets ratio (No of times)	0.10	0.20	0.10	0.14
21	Debtors turnover ratio (No of times) (Annualised)	45.92	30.11	58.90	35.21
22	Inventory turnover ratio (No of times) (Annualised)	4.91	2.99	6.17	3.95
23	Operating margin (%)	4.08%	6.20%	3.83%	6.32%
24	Net profit margin (%)	0.38%	2.71%	1.38%	11.14%

* Long term debt excludes Current maturities of Long term debt.

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UNAUDITED STATEMENT OF ASSETS AND LIABILITIES

(in INR million)

Sr. No	Particulars	As at	
		September 30, 2021	March 31, 2021
		(Unaudited)	(Audited)
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	28,515.46	11,315.91
	Capital work-in-progress	9,026.00	19,596.80
	Intangible assets	293.13	344.22
	Intangible assets under development	749.28	631.78
	Financial assets		
	Derivative financial instruments	1,250.32	52.89
	Other financial assets	1,218.35	1,249.74
	Deferred tax assets (net)	4,529.60	5,725.67
	Income tax assets (net)	8,597.15	7,732.92
	Government grant	3,370.71	3,422.43
	Other non-current assets	10,029.57	11,162.48
	Total	67,579.57	61,234.84
2	Current assets		
	Inventories	20,589.42	12,384.35
	Financial assets		
	Trade receivables	2,447.84	1,993.81
	Cash and cash equivalents	29.31	5,586.93
	Bank balances other than cash and cash equivalents	4,385.70	3,249.45
	Derivative financial instruments	386.07	430.35
	Other financial assets	3,211.61	6,298.18
	Government grant	1,140.88	1,100.21
	Other current assets	8,637.58	8,045.86
	Total	40,828.41	39,089.14
	Total Assets (1+2)	108,407.98	100,323.98
	EQUITY AND LIABILITIES		
3	EQUITY		
	Equity share capital	7,240.45	7,240.45
	Other equity	39,628.18	39,211.64
	Total	46,868.63	46,452.09
4	LIABILITIES		
	Non-current liabilities		
	Financial liabilities		
	Finance Lease Obligation	287.41	185.95
	Borrowings	8,543.11	8,146.77
	Provisions	8,019.03	8,416.39
	Other non current liabilities	513.70	263.50
	Total	17,363.25	17,012.61
5	Current liabilities		
	Financial liabilities		
	Finance Lease Obligation	430.45	834.23
	Borrowings	1,469.78	4,926.50
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	106.86	122.02
	Total outstanding dues of creditors other than micro enterprises and small enterprises	31,086.26	21,400.16
	Other financial liabilities	8,780.48	7,427.93
	Other current liabilities	1,502.71	1,220.72
	Provisions	799.56	927.72
	Total	44,176.10	36,859.28
	Total Liabilities (4+5)	61,539.35	53,871.89
	Total Equity and Liabilities (3+4+5)	108,407.98	100,323.98

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UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021

(in INR million)

	Half Year Ended September 30, 2021 (Unaudited)	Year Ended March 31, 2021 (Audited)
A) Cash flows from operating activities		
Profit before income tax	1,569.86	2,955.57
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Depreciation and amortisation	2,827.92	3,972.97
Unrealised loss/ (gain) on foreign currency transactions and translations	19.86	(244.76)
Interest income	(117.84)	(277.99)
Discount on pre-payment of long term borrowings	(1,929.50)	-
Finance costs	426.87	1,091.61
Liabilities/ provisions written back to the extent no longer required	(820.73)	(596.19)
Provision for doubtful debts/ (written back)	-	1.24
Provision for Litigations including customer claims (net)	(2.22)	67.04
Profit on disposal of property, plant and equipment	(62.45)	(75.49)
Unwinding of discount on provisions	72.20	190.73
Provision for commitments	-	191.58
Provision for onerous contracts	22.92	35.36
Income from Package Scheme of Incentive (PSI)	(43.55)	(75.54)
Change in fair value of foreign exchange forward contracts	(865.04)	(2,114.41)
Working capital adjustments		
(Increase) in Trade receivables	(454.03)	(112.85)
(Increase) / Decrease in Inventories	(8,205.07)	4,358.81
(Increase) / Decrease in Other financial assets	3,128.01	(203.35)
(Increase) / Decrease in Other assets	(1,345.81)	1,702.30
Increase in Trade payables	9,651.08	2,282.36
Increase in Other current liabilities	532.19	293.60
Increase in Other current financial liabilities	103.38	1,284.56
Increase in Provisions	254.28	658.58
Cash generated from operations	4,762.33	15,385.73
Income taxes paid (net of refunds received)	(1,161.56)	(628.69)
Net cash generated from operating activities	3,600.77	14,757.04
B) Cash flows from investing activities		
Payments for property, plant and equipment	(6,254.94)	(15,668.45)
Receipts of government grants	54.60	89.21
Proceeds from sale of property, plant and equipment	104.90	202.86
Changes in balance of term deposits (net)	(1,136.25)	3,921.00
Interest received	107.79	527.75
Net cash used in investing activities	(7,123.90)	(10,927.63)
C) Cash flows from financing activities		
(Repayment) / proceeds of short term borrowings (net)	(3,232.08)	2,564.49
Proceeds from long term borrowings	2,811.00	-
Repayment of long term borrowings	(750.22)	-
Intercompany deposits (repaid) / received (net)	(223.94)	207.85
Finance lease payments	(536.39)	(938.13)
Interest paid	(102.16)	(461.54)
Net cash (used in) / generated from financing activities	(2,033.79)	1,372.67
Net (decrease) / increase in cash and cash equivalents	(5,556.92)	5,202.08
Cash and cash equivalents at the beginning of the year / period	5,586.20	384.12
Cash and cash equivalents at the end of the year / period	29.28	5,586.20

Reconciliation of cash and cash equivalents as per the Statement of cash flows:

	As at September 30, 2021	As at March 31, 2021
Cash and cash equivalents	29.31	5,586.93
Bank overdraft	(0.03)	(0.73)
Balance as per statement of cash flows	29.28	5,586.20

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Notes:

- 1 SKODA Auto Volkswagen India Private Limited (the “Company”) is in the business of manufacturing passenger automotive cars, trading of imported cars (purchased from group companies) and spares & accessories. The Company has commenced its operations in India in February 2007.

On September 5, 2019, the Assistant Registrar of National Company Law Tribunal (NCLT), Mumbai Bench duly authenticated a scheme of Amalgamation (the ‘Scheme’) under Sections 230 to 232 of the Companies Act, 2013, which is effective from appointed date of April 01, 2019. Accordingly, Volkswagen Group Sales India Private Limited (VWGS IPL) and Skoda Auto India Private Limited (SAIPL) have been amalgamated with Volkswagen India Private Limited (VWIPL) and the name of the merged Company has been changed to “SKODA Auto Volkswagen India Private Limited”. This was a strategic decision taken by the Board whereby the Board expects to benefit from operational and economic efficiencies.

- 2 The Company has not presented comparative quarterly financial results for the quarters ended 30 June 2021 and 30 September 2020 as these results have not been prepared by the Company. The current presentation of financial results is in accordance with the exemption available under circular SEBI/HO/DDHS/CIR/2021/000000637 issued by Securities and Exchange Board of India on October 05, 2021. Further, in terms of the said circular, since the Company has not prepared Cash Flow Statement for corresponding six months ended September 30, 2020, the same has not been presented.
- 3 The Company does not have any outstanding Commercial papers as at September 30, 2021. During the period, the Company repaid Commercial papers amounting to INR 4,440.93 million. Of these, Commercial papers aggregating INR 2,500.00 million were listed on BSE as per SEBI Circular SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019. The Company has been legally advised that Commercial papers are not covered under the definition of “Securities” as per Companies Act, 2013. Accordingly, the Company will not be considered as a listed company in accordance with the provisions of the Companies Act, 2013.
- 4 These financial results have been reviewed and approved by the Board of Directors at its meeting held on November 12, 2021. The results for the quarter and half year ended September 30, 2021 have been reviewed by the Statutory Auditors of the Company. The corresponding results for the half year ended September 30, 2020 had also been reviewed by the Statutory Auditors of the Company.
- 5 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, notified under Section 133 of the Companies Act, 2013 (the ‘Act’) read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India.
- 6 These financial results have been prepared in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 7 Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker as defined in IND AS 108 – Operating Segments. The board of directors have been identified as the chief operating decision maker. The Company operates in a single business segment i.e., Automobile cars and parts, which has similar risks and returns. The Company is domiciled in India. The amount of its revenues from external customers broken down by location of customers is shown in the table below:

Particulars	Half year ended		Quarter ended	Year ended
	September 30, 2021	September 30, 2020	September 30, 2021	March 31, 2021
	(Unaudited) Refer note 4	(Unaudited)	(Unaudited) Refer note 4	(Audited)
Within India	31,450.27	14,917.78	22,639.55	42,363.69
Outside India	19,545.31	12,748.88	10,064.24	25,601.55
Total	50,995.58	27,666.66	32,703.79	67,965.24

- 8 Other income includes discount of INR 1,929.50 million on pre-payment of deferred sales tax under the PSI Scheme (1993) of Government of India.
- 9 Contingent liability includes INR 2,299.30 million (net of provision made of INR 554.90 million) towards litigation in relation to customs duty on import of Technical Know-how during the period 2001-2006 under Technology Transfer and Trademark License Agreement dated October 1, 2001 together with interest and penalty thereon. The Company had filed an appeal before Customs, Excise & Service Tax Appellate Tribunal (“CESTAT”) against the order of Commissioner (Imports) dated March 4, 2009. CESTAT had pronounced the order in June 2013 confirming the said duty demand raised in Order-in-Original No. 47/09 (“OIO”) of Commissioner (Imports), penalty equivalent to the duty demand and appropriate interest on duty under Section 28AB of the Customs Act, 1962. The Company has filed an appeal with the Hon’ble Supreme Court of India against the aforesaid CESTAT order which has been admitted by the Hon’ble Supreme Court of India on August 16, 2013. The Hon’ble Supreme Court of India vide its order dated December 2, 2013 granted an ad-interim stay requested by the Company on a condition that INR 750.00 million be paid by the Company within three months and a bank guarantee be furnished for the balance amount within three months. The Company has made a total payment of INR 1,785.00 million over the years and furnished the required bank guarantee for balance amount. Matter is pending to be heard in Hon’ble Supreme Court of India.

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- 10 During the financial year 2019-2020, The World Health Organisation declared COVID-19 as a pandemic. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial results including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development, trade receivable and the net realisable value of other assets. However, given the effect of these lockdowns on the overall economic activity in India and in particular on the automotive industry, the impact assessment of COVID-19 on the above-mentioned financial results captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial results.

In view of this, the Company is carefully reviewing the demand & supply situation and re-calibrating its operations accordingly while protecting the interest of its customers, dealers and suppliers. The endeavour is to ensure optimal level of inventory at plants & dealerships in order to be prepared for a rebound in demand once the situation returns to normalcy.

- 11 Additional disclosures required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

a. **Credit rating:**

Particulars	Rating agency	Rating
Commercial Papers	India Rating	A1+
Commercial Papers	ICRA Limited	A1+

b. **The outstanding redeemable preference shares:**

The preference shares outstanding as on September 30, 2021 and March 31, 2021 are INR 9,717.25 million (971,724,552 shares of INR 10 each)

c. **Capital redemption reserve:**

Capital redemption reserve as on September 30, 2021 and March 31, 2021 is INR 1,858.04 million

d. **Net worth:**

Particulars	September 30, 2021	March 31, 2021
Net worth (in INR million)	46,868.63	46,452.09

e. **Earnings per share**

Particulars	Half year ended		Year ended
	September 30, 2021	September 30, 2020	March 31, 2021
Earnings per share (in INR)	0.27	1.04	10.45

- f. There is no outstanding interest / principal amount payable relating to Commercial Papers as on September 30, 2021.

**For and on behalf of the Board of Directors of
SKODA Auto Volkswagen India Private Limited (Formerly known as Volkswagen India
Private Limited)**

Place: Pune

Date : November 12, 2021

Gurpratap Singh Boparai
Managing Director

DIN: 06468056

Martin Mahlke
Executive Director – Finance and
Chief Financial Officer
DIN: - 08420220