

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

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021

(in INR million)

Sr. No	Particulars	Half year ended		Year ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited) Refer note 4	(Unaudited) Refer note 4	(Audited)	(Audited)
	Income				
1	Revenue from operations	40,298.58	36,235.43	67,965.24	93,000.59
2	Other income	10,430.20	9,872.34	19,151.90	13,605.71
3	Total Income (1+2)	50,728.78	46,107.77	87,117.14	106,606.30
4	Expenses				
	Cost of raw materials and components consumed	21,216.52	20,655.22	38,385.70	57,757.94
	Purchase of traded goods	10,000.79	9,150.27	14,824.92	16,320.71
	Changes in inventories of finished goods and work-in-progress	3,160.72	950.80	4,294.53	302.15
	Employee benefits expense	3,703.92	3,265.87	7,501.82	6,759.61
	Finance costs	628.34	743.99	1,338.16	1,491.34
	Depreciation and amortisation expense	1,902.46	3,735.98	3,972.97	6,524.19
	Other expenses	8,164.74	6,100.28	13,843.47	12,380.13
	Total expenses	48,777.49	44,602.41	84,161.57	101,536.07
5	Profit before exceptional items (3-4)	1,951.29	1,505.36	2,955.57	5,070.23
6	Exceptional Items	-	-	-	-
7	Profit before tax (5-6)	1,951.29	1,505.36	2,955.57	5,070.23
8	Tax expenses:				
	Current tax	473.59	266.78	727.77	889.61
	Deferred tax	(5,341.94)	816.91	(5,341.94)	1,566.75
9	Profit for the period / year (7-8)	6,819.64	421.67	7,569.74	2,613.87
10	Other Comprehensive Income				
A	Items that will not be reclassified to profit or loss				
	(a) Remeasurement of defined benefit plans	244.97	(136.70)	103.93	(277.74)
	(b) Income tax relating to items that will not be reclassified to profit or loss	(36.32)	47.74	(36.32)	97.04
B	Items that may be reclassified to profit or loss				
	(a) Deferred (loss) / gain on cash flow hedges	721.54	(2,199.88)	(1,202.07)	(1,840.85)
	(b) Income tax relating to items that will be reclassified to profit or loss	420.05	769.17	420.05	643.27
	Other Comprehensive income / (loss) (A+B)	1,350.24	(1,519.67)	(714.41)	(1,378.28)
11	Total comprehensive income / (loss) for the period / year (9+10)	8,169.88	(1,098.00)	6,855.33	1,235.59
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)	9.42	0.58	10.45	3.61
	(b) Diluted earnings per share (INR)	9.42	0.58	10.45	3.61

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STATEMENT OF ASSETS AND LIABILITIES

(in INR million)

Sr. No	Particulars	As at	
		March 31, 2021 (Audited)	March 31, 2020 (Audited)
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	11,315.91	12,990.31
	Capital work-in-progress	19,596.80	6,647.51
	Intangible assets	344.22	415.96
	Intangible assets under development	631.78	137.52
	Financial assets		
	Derivative financial instruments	52.89	-
	Other financial assets	1,249.74	1,325.87
	Deferred tax assets (net)	5,725.67	-
	Income tax assets (net)	7,732.92	7,832.00
	Government grant	3,422.43	4,357.88
	Other non-current assets	11,162.48	10,822.00
	Total	61,234.84	44,529.05
2	Current assets		
	Inventories	12,384.35	16,743.16
	Financial assets		
	Trade receivables	1,993.81	1,867.03
	Cash and cash equivalents	5,586.93	1,050.20
	Bank balances other than cash and cash equivalents	3,249.45	7,170.45
	Derivative financial instruments	430.35	-
	Other financial assets	6,298.18	6,268.46
	Government grant	1,100.21	178.43
	Other current assets	8,045.86	9,380.11
	Total	39,089.14	42,657.84
	Total Assets (1+2)	100,323.98	87,186.89
	EQUITY AND LIABILITIES		
3	EQUITY		
	Equity share capital	7,240.45	7,240.45
	Other equity	39,211.64	32,356.31
	Total	46,452.09	39,596.76
4	LIABILITIES		
	Non-current liabilities		
	Financial liabilities		
	Finance Lease Obligation	185.95	905.25
	Borrowings	8,146.77	7,663.81
	Derivative financial instruments	-	307.06
	Provisions	8,416.39	7,693.54
	Other non current liabilities	263.50	-
	Total	17,012.61	16,569.66
5	Current liabilities		
	Financial liabilities		
	Finance Lease Obligation	834.23	1,043.68
	Borrowings (refer note 2)	4,926.50	2,819.51
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	122.02	112.90
	Total outstanding dues of creditors other than micro enterprises and small enterprises	21,400.16	19,149.23
	Other financial liabilities	7,427.93	5,375.08
	Derivative financial instruments	-	122.04
	Other current liabilities	1,220.72	1,190.62
	Provisions	927.72	1,207.41
	Total	36,859.28	31,020.47
	Total Liabilities (4+5)	53,871.89	47,590.13
	Total Equity and Liabilities (3+4+5)	100,323.98	87,186.89

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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 borrowings as at March 31, 2021 include INR 4,440.93 million by issue of Commercial papers. Of these, commercial papers aggregating INR 2,500.00 million have been 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.
- 3 These financial results have been reviewed and approved by the Board of Directors at its meeting held on May 28, 2021. The results for the year ended March 31, 2021 have been audited by the Statutory Auditors of the Company.
- 4 a) The financial results for the half year ended 31 March 2021 are balancing figures between the audited figures in respect of the full financial year and the published unaudited figures for the half year ended 30 September 2020, which were subjected to limited review by statutory auditors.
- b) The figures for the corresponding half year ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended and the unaudited figures up to first six months of the financial year ended March 31, 2020, which have been approved by the Company's Board of Directors but have not been subjected to audit or review.
- 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		Year ended	Year ended
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Unaudited) Refer note 4	(Unaudited) Refer note 4	(Audited)	(Audited)
Within India	27,445.91	22,507.10	42,363.69	52,142.77
Outside India	12,852.67	13,728.33	25,601.55	40,857.82
Total	40,298.58	36,235.43	67,965.24	93,000.59

- 8 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 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.
- 10 During the previous financial year, The World Health Organisation in the month of February 2020 declared COVID-19 as a pandemic. Since then, the pandemic has been rapidly spreading throughout the world, and has significant impact in India as well. Pursuant to the first wave, we all have noticed the rampant spread of the Second Wave of COVID-19 in the month of March 2021, multiple lockdowns are enforced in various states/parts of the Country coupled with disruption in the supply of oxygen for industrial use due to which, demand and supply for vehicles is expected to be impacted temporarily.

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.

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- 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 Paper	India Rating	A1+
Commercial Paper	ICRA Limited	A1+

b. **Debt equity ratio:**

Particulars	March 31, 2021	March 31, 2020
Debt equity ratio	0.30	0.31

- c. The next due date for the payment / repayment of interest / principal along with the amount of interest payable till the maturity of commercial papers:

ISIN	Type	Amount (in INR million)	Due date of payment
INE04TA14121	Principal	500.00	April 29, 2021
INE04TA14121	Interest	27.55	April 29, 2021
INE04TA14113	Principal	1,500.00	May 21, 2021
INE04TA14113	Interest	88.08	May 21, 2021
INE04TA14154	Principal	1,000.00	August 25, 2021
INE04TA14154	Interest	19.82	August 25, 2021
INE04TA14162	Principal	1,000.00	September 20, 2021
INE04TA14162	Interest	20.22	September 20, 2021
INE04TA14170	Principal	500.00	September 22, 2021
INE04TA14170	Interest	9.81	September 22, 2021

d. **Debt service coverage ratio:**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Debt service coverage ratio	0.63	0.33

e. **Interest service coverage ratio:**

Particulars	March 31, 2021	March 31, 2020
Interest service coverage ratio	6.66	2.75

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

The preference shares outstanding as on March 31, 2020 and March 31, 2021 are INR 9,717.25 million (971,724,552 shares)

g. **Capital redemption reserve:**

Capital redemption reserve as on March 31, 2020 and March 31, 2021 is INR 1,858.04 million

h. **Net worth:**

Particulars	March 31, 2021	March 31, 2020
Net worth (in INR million)	46,452.09	39,596.76

i. **Net Profit after tax**

Particulars	Half year ended		Year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net Profit after tax (in INR million)	6,819.64	421.67	7,569.74	2,613.87

j. **Earnings per share**

Particulars	Half year ended		Year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Earnings per share (in INR)	9.42	0.58	10.45	3.61

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 : May 28, 2021

Gurpratap Singh Boparai
Managing Director
DIN: 06468056

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