

**SKODA AUTO 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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023**

(in INR Millions)

| Sr. No   | Particulars                                                                                           | Quarter ended    |                           |                  | Year ended         |
|----------|-------------------------------------------------------------------------------------------------------|------------------|---------------------------|------------------|--------------------|
|          |                                                                                                       | June 30, 2023    | March 31, 2023            | June 30, 2022    | March 31, 2023     |
|          |                                                                                                       | (Unaudited)      | (Audited)<br>Refer note 6 | (Unaudited)      | (Audited)          |
| <b>1</b> | <b>Income</b>                                                                                         |                  |                           |                  |                    |
|          | Revenue from operations                                                                               | 42,502.08        | 47,601.20                 | 40,916.28        | 1,70,417.20        |
|          | Other income                                                                                          | 3,357.53         | 844.79                    | 4,862.40         | 14,680.93          |
|          | <b>Total Income</b>                                                                                   | <b>45,859.61</b> | <b>48,445.99</b>          | <b>45,778.68</b> | <b>1,85,098.13</b> |
| <b>2</b> | <b>Expenses</b>                                                                                       |                  |                           |                  |                    |
|          | Cost of raw materials and components consumed                                                         | 37,077.11        | 32,202.56                 | 32,613.08        | 1,19,379.58        |
|          | Purchase of traded goods                                                                              | 7,467.58         | 6,287.72                  | 5,377.04         | 24,123.53          |
|          | Changes in inventories of finished goods, work-in-progress, traded goods, spare parts and accessories | (9,374.51)       | (1,425.93)                | (4,183.38)       | (6,760.22)         |
|          | Employee benefits expense                                                                             | 2,358.04         | 2,209.47                  | 2,128.65         | 8,559.98           |
|          | Finance costs                                                                                         | 437.62           | 471.19                    | 1,014.58         | 2,302.64           |
|          | Depreciation and amortisation expense                                                                 | 1,994.01         | 2,016.46                  | 2,145.09         | 8,941.28           |
|          | Other expenses                                                                                        | 4,806.99         | 2,184.58                  | 6,106.03         | 20,927.23          |
|          | <b>Total Expenses</b>                                                                                 | <b>44,766.84</b> | <b>43,946.05</b>          | <b>45,201.09</b> | <b>1,77,474.02</b> |
| <b>3</b> | <b>Profit before tax (1-2)</b>                                                                        | <b>1,092.77</b>  | <b>4,499.94</b>           | <b>577.59</b>    | <b>7,624.11</b>    |
| <b>4</b> | <b>Tax expenses:</b>                                                                                  |                  |                           |                  |                    |
|          | Current tax                                                                                           | 978.23           | 751.83                    | 229.81           | 1,637.74           |
|          | Deferred tax charge / (credit)                                                                        | (422.79)         | 1,610.04                  | 271.81           | 2,891.38           |
|          | <b>Total tax expense</b>                                                                              | <b>555.44</b>    | <b>2,361.87</b>           | <b>501.62</b>    | <b>4,529.12</b>    |
| <b>5</b> | <b>Profit for the period (3-4)</b>                                                                    | <b>537.33</b>    | <b>2,138.07</b>           | <b>75.97</b>     | <b>3,094.99</b>    |
| <b>6</b> | <b>Other Comprehensive Income</b>                                                                     |                  |                           |                  |                    |
| A        | Items that will not be reclassified to profit or loss in subsequent periods                           |                  |                           |                  |                    |
|          | (a) Remeasurement of defined benefit plans                                                            | (14.06)          | (275.39)                  | 73.05            | (56.24)            |
|          | (b) Income tax effect                                                                                 | 4.91             | 96.23                     | (25.53)          | 19.65              |
| B        | Items that will be reclassified to profit or loss in subsequent periods                               |                  |                           |                  |                    |
|          | (a) Deferred gain / (loss) on cash flow hedges                                                        | 612.19           | (731.56)                  | 1,032.09         | (3,378.21)         |
|          | (b) Income tax effect                                                                                 | (213.92)         | 255.64                    | (360.66)         | 1,180.48           |
|          | <b>Other Comprehensive income (A+B)</b>                                                               | <b>389.12</b>    | <b>(655.08)</b>           | <b>718.95</b>    | <b>(2,234.32)</b>  |
| <b>7</b> | <b>Total comprehensive income for the period (5+6)</b>                                                | <b>926.45</b>    | <b>1,482.99</b>           | <b>794.92</b>    | <b>860.67</b>      |
| 8        | Paid-up equity share capital (Face value of INR 10 each)                                              | 7,240.45         | 7,240.45                  | 7,240.45         | 7,240.45           |
| 9        | Other Equity                                                                                          |                  |                           |                  | 42,363.98          |
| 10       | Earnings per equity share (not annualised)                                                            |                  |                           |                  |                    |
|          | Basic and Diluted (INR)                                                                               | 0.74             | 2.95                      | 0.10             | 4.27               |
|          | See accompanying notes to the financial results                                                       |                  |                           |                  |                    |

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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".

- 2 These financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 3 The Company transferred 145,887,325 Class A Equity shares held by Volkswagen International Finance N.V. to Skoda Auto a.s on June 7, 2022. The same was approved by Board of Directors of the Company and ratified by shareholders in the extraordinary general meeting held on May 27, 2022. This transfer of shares took place in the demat mode through IIFL Securities Limited.
- 4 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 and as such there is no separate reportable segment as per Ind AS 108 "Operating Segments".
- 5 The Company has several ongoing litigations with tax authorities, of which, certain matters as listed below are pending with the Honourable Supreme Court.
  - a. During earlier years, the Company had received demand notices from the Excise authorities covering period from January 2010 to June 2017 for INR 11,140.77 million (including penalty INR 4,945.12 million but excluding interest not presently quantified). The demands are towards additional excise duty payable on the grounds that the goods sold by the Company were undervalued. The CESTAT, Mumbai, has allowed partial relief in the matter as per order passed in August 2020. The Company has filed an appeal with the Honourable Supreme Court.

On similar grounds, during earlier years, Skoda Auto India Private Limited (SAIPL), an entity now merged with the Company (refer Note 1 above), had received show cause notices from the Excise authorities covering period from January 2010 to June 2017 for INR 6,104.23 million (excluding penalty and interest not presently quantified). The Company has filed a reply to the notice and a hearing is awaited.
  - b. During earlier years, SAIPL had received demand notices from the Customs authorities covering period from year 2001 to 2007 for INR 2,854.32 million (including penalty INR 971.50 million and interest INR 911.32 million), of which INR 554.97 million has been considered as a provision by the management. The demands are towards additional customs duty payable on import of technical know-how pursuant to a Technology Transfer and Trademark Licence Agreement. The CESTAT, Mumbai, has passed an order against the Company in June 2013. The Company has filed an appeal with the Honourable Supreme Court.

Based on the management's assessment including external legal advice with respect to provisions of law, the Company is confident of the above matters being ultimately decided in the Company's favour and accordingly, no provision (except as stated above), has been considered necessary by the Company in this regard till date.
- 6 The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2023 and the unaudited published year-to-date figures up to December 31, 2022 being the date of the end of the third quarter of the financial year which were subject to limited review by the statutory auditors.

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**7 Disclosures required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

| Sr. No. | Particular                                                                                    | Formula for computation of ratios                                                                                                                                                                                        | Quarter ended |                | Year ended    |                |
|---------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|---------------|----------------|
|         |                                                                                               |                                                                                                                                                                                                                          | June 30, 2023 | March 31, 2023 | June 30, 2022 | March 31, 2023 |
| 1       | Debt Equity Ratio                                                                             | $= \frac{\text{Total Debt (Total Borrowing + lease liabilities)}}{\text{Total shareholders' Equity (Equity share capital + Other equity)}}$                                                                              | 0.56          | 0.53           | 0.38          | 0.53           |
| 2       | Debt Service Coverage Ratio (DSCR) (not annualised)                                           | $= \frac{\text{Earnings available for debt service (Net profit after tax + finance cost + depreciation and amortisation)}}{\text{Debt service (Finance cost + current maturities of borrowing + lease liabilities)}}$    | 0.14          | 0.23           | 0.30          | 0.66           |
| 3       | Interest Service Coverage Ratio (not annualised)                                              | $= \frac{\text{Profit before interest and taxes (EBIT)}}{\text{Finance cost}}$                                                                                                                                           | 3.50          | 10.55          | 1.57          | 4.31           |
| 4       | Outstanding redeemable preference shares (INR Million)<br>(971,724,552 shares of INR 10 each) | -                                                                                                                                                                                                                        | 9,717.25      | 9,717.25       | 9,717.25      | 9,717.25       |
| 5       | Capital Redemption reserve (INR Million)                                                      | -                                                                                                                                                                                                                        | 1,858.04      | 1,858.04       | 1,858.04      | 1,858.04       |
| 6       | Net worth (INR Million)                                                                       | -                                                                                                                                                                                                                        | 50,445.82     | 49,604.43      | 49,538.69     | 49,604.43      |
| 7       | Current ratio (Number of times)                                                               | $= \frac{\text{Total Current assets}}{\text{Total Current liabilities}}$                                                                                                                                                 | 0.88          | 0.83           | 0.85          | 0.83           |
| 8       | Long term debt to working capital ratio (Number of times)                                     | $= \frac{\text{Long term debt (Non-current maturities of borrowing + Non-current maturities of lease liabilities)}}{\text{Working Capital (Current assets - current liabilities)}}$                                      | (0.69)        | (0.54)         | (1.03)        | (0.54)         |
| 9       | Bad debts to accounts receivable ratio (%)                                                    | $= \frac{\text{Bad Debts written off}}{\text{Average trade receivables}}$                                                                                                                                                | 0%            | 0%             | 0%            | 0%             |
| 10      | Current liability ratio (Number of times)                                                     | $= \frac{\text{Current Liabilities}}{\text{Total Liabilities}}$                                                                                                                                                          | 0.73          | 0.71           | 0.65          | 0.71           |
| 11      | Total debts to total assets ratio (Number of times)                                           | $= \frac{\text{Total Debts (Total borrowing + total lease liabilities)}}{\text{Total Assets}}$                                                                                                                           | 0.17          | 0.16           | 0.13          | 0.16           |
| 12      | Debtors turnover ratio (Number of times) (Annualised)                                         | $= \frac{\text{Revenue from operations}}{\text{Average trade receivables}}$                                                                                                                                              | 54.27         | 54.44          | 94.05         | 58.22          |
| 13      | Inventory turnover ratio (Number of times) (Annualised)                                       | $= \frac{\text{Cost of goods sold (Cost of raw materials and components consumed + Purchases of traded goods + Changes in inventories of finished goods, work-in-progress and traded goods)}}{\text{Average inventory}}$ | 3.45          | 4.28           | 4.64          | 4.38           |
| 14      | Operating margin (%)                                                                          | $= \frac{\text{Operating profit (EBIT)}}{\text{Revenue from operations}}$                                                                                                                                                | 3.60%         | 10.44%         | 3.89%         | 5.82%          |
| 15      | Net profit margin (%)                                                                         | $= \frac{\text{Net profit after tax}}{\text{Revenue from operations}}$                                                                                                                                                   | 1.26%         | 4.49%          | 0.19%         | 1.82%          |

a. **Credit rating:**

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

b. **The next due date for the payment of interest and redemption of commercial papers listed on BSE:**

| ISIN         | Type      | Amount (in INR million) | Due date of payment |
|--------------|-----------|-------------------------|---------------------|
| INE04TA14279 | Principal | 1,500.00                | 13-07-2023          |
|              | Interest  | 84.05                   |                     |
| INE04TA14295 | Principal | 1,250.00                | 12-07-2023          |
|              | Interest  | 20.22                   |                     |
| INE04TA14303 | Principal | 750.00                  | 03-08-2023          |
|              | Interest  | 9.80                    |                     |
| INE04TA14311 | Principal | 950.00                  | 28-08-2023          |
|              | Interest  | 15.92                   |                     |
| INE04TA14329 | Principal | 2,500.00                | 15-09-2023          |
|              | Interest  | 41.66                   |                     |

**For and on behalf For and on behalf of the Board of Directors of  
SKODA AUTO V SKODA AUTO Volkswagen India Private Limited**

Place : Pune, India  
Date : Aug 14, 2023

**Piyush Arora**  
Managing Director  
DIN: 06991008

**Nalin Jain**  
Executive Director (Finance) and Chief  
Financial Officer  
DIN: 06527476