

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Skoda Auto Volkswagen India Private Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Skoda Auto Volkswagen India Private Limited (the "Company") for the quarter ended September 30, 2023 and year to date from April 01, 2023 to September 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement 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 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

(This space has been left blank intentionally)

S R B C & C O L L P

Chartered Accountants

5. We draw attention to Note 5 of the Statement relating to certain ongoing litigations with tax authorities wherein demands aggregating to Rs. 20,099.32 million (including interest and penalty where quantifiable) have been raised on the Company, which were challenged and decided partially/completely in favour of tax authorities. These matters are currently pending with the Honourable Supreme Court of India. Pending conclusion of these matters, no incremental provision has been considered in the accompanying Statement.

Our conclusion is not modified in respect of these matters.

For S R B C & C O L L P

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per Vaibhav Kumar Gupta

Partner

Membership number: 213935

UDIN: 23213935BGYWZG3457

Place: Pune

Date: November 07, 2023

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

Email id: anoopkumar.pillai@skoda-vw.co.in Website: www.skoda-vw.co.in

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(in INR Millions)

Sr. No	Particulars	Quarter ended			Half Year ended		Year ended
		Sep 30, 2023	June 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	52,155.08	42,502.08	36,257.71	94,657.16	77,173.99	170,417.20
	Other income	2,762.12	3,357.53	1,703.47	6,119.65	6,565.87	14,680.93
	Total Income	54,917.20	45,859.61	37,961.18	100,776.81	83,739.86	185,098.13
2	Expenses						
	Cost of raw materials and components consumed	36,565.71	37,077.11	26,555.22	73,642.82	59,168.30	119,379.58
	Purchase of traded goods	8,997.15	7,467.58	4,603.88	16,464.73	9,980.92	24,123.53
	Changes in inventories of finished goods, work-in-progress, traded goods, spare parts and accessories	(1,140.60)	(9,374.51)	(2,815.85)	(10,515.11)	(6,999.23)	(6,760.22)
	Employee benefits expense	2,302.65	2,358.04	2,180.52	4,660.69	4,309.17	8,559.98
	Finance costs	607.92	437.62	402.09	1,045.54	1,416.67	2,302.64
	Depreciation and amortisation expense	2,088.37	1,994.01	2,380.07	4,082.38	4,525.16	8,941.28
	Other expenses	4,383.56	4,806.99	4,853.33	9,190.55	10,959.36	20,927.23
	Total Expenses	53,804.76	44,766.84	38,159.26	98,571.60	83,360.35	177,474.02
3	Profit before tax (1-2)	1,112.44	1,092.77	(198.08)	2,205.21	379.51	7,624.11
4	Tax expenses:						
	Current tax	284.41	978.23	32.42	1,262.64	262.23	1,637.74
	Deferred tax charge / (credit)	(24.29)	(422.79)	(37.28)	(447.08)	234.53	2,891.38
	Total tax expense	260.12	555.44	(4.86)	815.56	496.76	4,529.12
5	Profit for the period (3-4)	852.32	537.33	(193.22)	1,389.65	(117.25)	3,094.99
6	Other Comprehensive Income						
A	Items that will not be reclassified to profit or loss in subsequent periods						
	(a) Remeasurement of defined benefit plans	(14.06)	(14.06)	73.05	(28.12)	146.10	(56.24)
	(b) Income tax effect	4.91	4.91	(25.53)	9.82	(51.05)	19.65
B	Items that will be reclassified to profit or loss in subsequent periods						
	(a) Deferred gain / (loss) on cash flow hedges	2,343.51	612.19	1,830.56	2,955.70	2,862.65	(3,378.21)
	(b) Income tax effect	(818.92)	(213.92)	(639.66)	(1,032.84)	(1,000.32)	1,180.48
	Other Comprehensive income (A+B)	1,515.44	389.12	1,238.42	1,904.56	1,957.38	(2,234.32)
7	Total comprehensive income for the period (5+6)	2,367.76	926.45	1,045.20	3,294.21	1,840.13	860.67
8	Paid-up equity share capital (Face value of INR 10 each)	7,240.45	7,240.45	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)	1.18	0.74	(0.27)	1.92	(0.16)	4.27
	See accompanying notes to the financial results						

*There are no exceptional items for the current quarter and comparable periods.

(This space is intentionally left blank)

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

Email id: anoopkumar.pillai@skoda-vw.co.in Website: www.skoda-vw.co.in

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES

(in INR Millions)

Sr. No	Particulars	As at	
		Sep 30, 2023	March 31, 2023
		(Unaudited)	(Audited)
	ASSETS		
1	Non-current assets		
	Property, plant and equipment	42,444.79	44,162.20
	Capital work-in-progress	5,883.61	3,359.38
	Right of use assets	1,194.57	1,276.75
	Intangible assets	513.66	737.94
	Intangible assets under development	152.98	119.04
	Financial assets		
	(a) Government grants	17,892.64	18,799.39
	(b) Derivative financial assets	3,874.85	1,447.61
	(c) Other financial assets	3,718.70	3,795.25
	Deferred tax assets (net)	1,738.25	2,314.19
	Income tax assets (net)	8,301.30	8,978.56
	Other non-current assets	8,839.10	9,085.32
	Total	94,554.45	94,075.63
2	Current assets		
	Inventories	42,742.74	36,066.38
	Financial assets		
	(a) Trade receivables	1,966.33	3,580.73
	(b) Cash and cash equivalents	847.78	573.97
	(c) Bank balances other than (b) above	6,656.82	9,559.74
	(d) Derivative financial assets	2,265.89	874.04
	(e) Government grants	1,685.58	983.32
	(f) Other financial assets	4,662.07	4,134.79
	(g) Loans	-	18.00
	Other current assets	8,045.16	9,128.19
	Total	68,872.37	64,919.16
	Total Assets (1+2)	163,426.82	158,994.79
	EQUITY AND LIABILITIES		
3	EQUITY		
	Equity share capital	7,240.45	7,240.45
	Other equity	45,658.20	42,363.98
	Total	52,898.65	49,604.43
4	LIABILITIES		
	Non-current liabilities		
	Financial liabilities		
	(a) Borrowings	6,898.14	6,578.91
	(b) Lease liabilities	340.59	341.47
	(c) Derivative financial liabilities	1,054.59	-
	Provisions	11,340.34	11,175.20
	Contract Liabilities	2,516.31	2,071.68
	Other non current liabilities	9,748.76	11,380.09
	Total	31,898.73	31,547.35
5	Current liabilities		
	Financial liabilities		
	(a) Borrowings	18,939.68	19,083.44
	(b) Lease liabilities	141.62	215.62
	(c) Trade payables - Total outstanding dues of:		
	-Micro enterprises and small enterprises	561.51	760.80
	-Creditors other than micro enterprises and small enterprises	44,415.38	45,030.84
	(d) Derivative financial liabilities	85.67	-
	(e) Other financial liabilities	2,332.94	3,719.71
	Current tax liabilities (net)	-	501.30
	Provisions	2,559.21	2,496.67
	Contract liabilities	1,947.58	1,667.84
	Other current liabilities	7,645.85	4,366.79
	Total	78,629.44	77,843.01
	Total Liabilities (4+5)	110,528.17	109,390.36
	Total Equity and Liabilities (3+4+5)	163,426.82	158,994.79

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

Email id: anoopkumar.pillai@skoda-vw.co.in Website: www.skoda-vw.co.in

UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023

(in INR Millions)

	Half year ended Sep 30, 2023 (Unaudited)	Half year ended Sep 30, 2022 (Unaudited)
A) Cash flows from operating activities		
Profit before exceptional item and tax	2,205.21	379.51
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Depreciation and amortisation	4,082.38	4,525.16
Unrealised gain on foreign currency transactions and translations	(69.20)	127.90
Interest income	(348.79)	(147.87)
Finance costs	883.78	651.88
Liabilities/ provisions written back to the extent no longer required	(381.66)	(1,525.10)
Provision for Litigations including customer claims (net)	132.75	52.25
Gain on disposal of property, plant and equipment	(97.34)	(79.67)
Unwinding of discount on provisions	107.20	737.25
Provision for onerous contracts	34.61	-
Income from Package Scheme of Incentive (PSI)	(1,220.82)	(1,305.31)
Change in fair value of foreign exchange forward contracts	276.87	(989.57)
Working capital adjustments		
(Increase) / Decrease in Trade receivables	1,622.52	1,248.42
(Increase) / Decrease in Inventories	(6,676.36)	(7,413.86)
(Increase) / Decrease in Other financial assets	(450.73)	1,666.73
(Increase) / Decrease in Other assets	1,213.49	1,667.01
Increase/ (Decrease) in Trade payables	(367.26)	(1,435.23)
Increase/ (Decrease) in Other liabilities	2,868.55	1,329.59
Increase/ (Decrease) in Other financial liabilities	(402.48)	(318.41)
Increase/ (Decrease) in Contract Liabilities	724.37	584.67
Increase/ (Decrease) in Provisions	(75.00)	1,803.00
Cash generated from operations	4,062.09	1,558.35
Income taxes paid (net of refunds received)	(1,086.68)	(549.65)
Net cash generated from operating activities	2,975.41	1,008.70
B) Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles	(6,105.84)	(7,576.33)
Receipts of government grants	204.49	672.52
Proceeds from sale of property, plant and equipment	709.16	229.82
Changes in balance of term deposits (net)	3,071.57	3,703.69
Interest received	180.14	158.47
Loans granted to related parties	(26.00)	-
Receipt against loans granted to related parties	44.00	-
Net cash used in investing activities	(1,922.49)	(2,811.83)
C) Cash flows from financing activities		
Proceeds of borrowings (net)	1,259.79	1,588.37
Principal repayment of Lease liability	(57.93)	(84.43)
Interest paid	(572.49)	(352.74)
Net cash generated from financing activities	629.37	1,151.20
Net (decrease) / increase in cash and cash equivalents (A+B+C)	1,682.29	(651.93)
Cash and cash equivalents at the beginning of the period	(927.01)	3,887.10
Cash and cash equivalents at the end of the period	755.28	3,235.17
Reconciliation of cash and cash equivalents as per the Statement of cash flows:		
	Half year ended Sep 30, 2023 (Unaudited)	Half year ended Sep 30, 2022 (Unaudited)
Cash and cash equivalents	847.78	3,235.17
Effect of exchange difference on cash and cash equivalents	(36.63)	-
Bank overdraft	(55.87)	-
Balance as per statement of cash flows	755.28	3,235.17

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

Email id: anoopkumar.pillai@skoda-vw.co.in Website: www.skoda-vw.co.in

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 has transferred of 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.

(This space is intentionally left blank)

6 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			Half year ended		Year ended
			Sep 30, 2023	June 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	March 31, 2023
1	Debt Equity Ratio	$\frac{\text{Total Debt (Total Borrowing + lease liabilities)}}{\text{Total shareholders' Equity (Equity share capital + Other equity)}}$	0.50	0.56	0.48	0.50	0.48	0.53
2	Debt Service Coverage Ratio (DSCR) (not annualised)	$\frac{\text{Earnings available for debt service (Net profit after tax + finance cost + depreciation and amortisation)}}{\text{Debt service (Finance cost + current maturities of borrowing + lease liabilities)}}$	0.18	0.14	0.14	0.32	0.31	0.66
3	Interest Service Coverage Ratio (not annualised)	$\frac{\text{Profit before interest and taxes (EBIT)}}{\text{Finance cost}}$	2.83	3.50	0.51	3.11	1.27	4.31
4	Outstanding redeemable preference shares (INR Million) (971,724,552 shares of INR 10 each)	-	9,717.25	9,717.25	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	1,858.04	1,858.04
6	Net worth (INR Million)	-	52,898.65	50,445.82	50,583.90	52,898.65	50,583.90	49,604.43
7	Current ratio (Number of times)	$\frac{\text{Total Current assets}}{\text{Total Current liabilities}}$	0.88	0.88	0.84	0.88	0.84	0.83
8	Long term debt to working capital ratio (Number of times)	$\frac{\text{Long term debt (Non-current maturities of borrowing + Non-current maturities of lease liabilities)}}{\text{Working Capital (Current assets - current liabilities)}}$	(0.74)	(0.69)	(0.64)	(0.74)	(0.64)	(0.54)
9	Bad debts to accounts receivable ratio (%)	$\frac{\text{Bad Debts written off}}{\text{Average trade receivables}}$	0%	0%	0%	0%	0%	0%
10	Current liability ratio (Number of times)	$\frac{\text{Current Liabilities}}{\text{Total Liabilities}}$	0.71	0.73	0.66	0.71	0.66	0.71
11	Total debts to total assets ratio (Number of times)	$\frac{\text{Total Debts (Total borrowing + total lease liabilities)}}{\text{Total Assets}}$	0.16	0.17	0.17	0.16	0.17	0.16
12	Debtors turnover ratio (Number of times) (Annualised)	$\frac{\text{Revenue from operations}}{\text{Average trade receivables}}$	89.71	54.27	137.52	68.26	97.22	58.22
13	Inventory turnover ratio (Number of times) (Annualised)	$\frac{\text{Cost of goods sold (Cost of raw materials and components consumed + Purchases of traded goods + Changes in inventories of finished goods, work-in-progress, traded goods, spare parts and accessories)}}{\text{Average inventory}}$	4.03	3.45	3.45	4.89	4.13	4.38
14	Operating margin (%)	$\frac{\text{Operating profit (EBIT)}}{\text{Revenue from operations}}$	3.30%	3.60%	0.56%	3.43%	2.33%	5.82%
15	Net profit margin (%)	$\frac{\text{Net profit after tax}}{\text{Revenue from operations}}$	1.63%	1.26%	(0.53%)	1.47%	(0.15%)	1.82%

a. **Credit rating:**

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

b. **No commercial papers are listed on the stock exchange as at September 30, 2023.**

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

Place : Pune, India
Date : November 07, 2023

Piyush Arora
Managing Director
DIN: 06991008

Nalin Jain
Executive Director (Finance) and Chief Financial Officer
DIN: 06572476