

Driving innovation for tomorrow

Fostering progress for humanity



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Our mission revolves around acting in the best interests of humanity. The common thread of humanity binds us and amplifies our strength. It accelerates progress by generating innovative solutions to address global challenges. By embracing the significance of humanity, we strengthen our relationships, feel connected, and get more from life.



Our goal for future mobility is to revolutionise the 24 hours a day that we all share equally, transforming them into moments of quality, each contributing to an enriching and fulfilling experience. It transcends the notion of moving from one point to another; it encapsulates the essence of moments that hold true significance.



Our vision for the future of mobility stems from a resolute dedication to society. Our purpose is rooted in doing what is right for humanity by understanding people's aspirations. It is about optimising the use of time to derive maximum value from the moments we are given.

We understand that time is the most precious commodity of all, the one thing money cannot buy. Life is not just about spending time, it is about time well spent.

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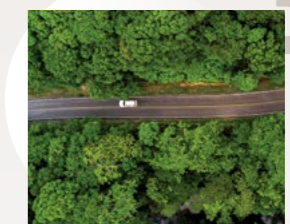
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Future mobility

Taking inspiration from Hyundai's global vision of 'Progress for Humanity', Hyundai Motor India Limited (HMIL) places its emphasis on spearheading the future of transportation through vehicles that encourage sharing, connectivity and environmental responsibility.

Our initiatives have been carefully crafted to highlight our dedication to intelligent technologies, sustainability efforts and groundbreaking innovations that are sowing the seeds for today's growth, ultimately nurturing a brighter tomorrow.

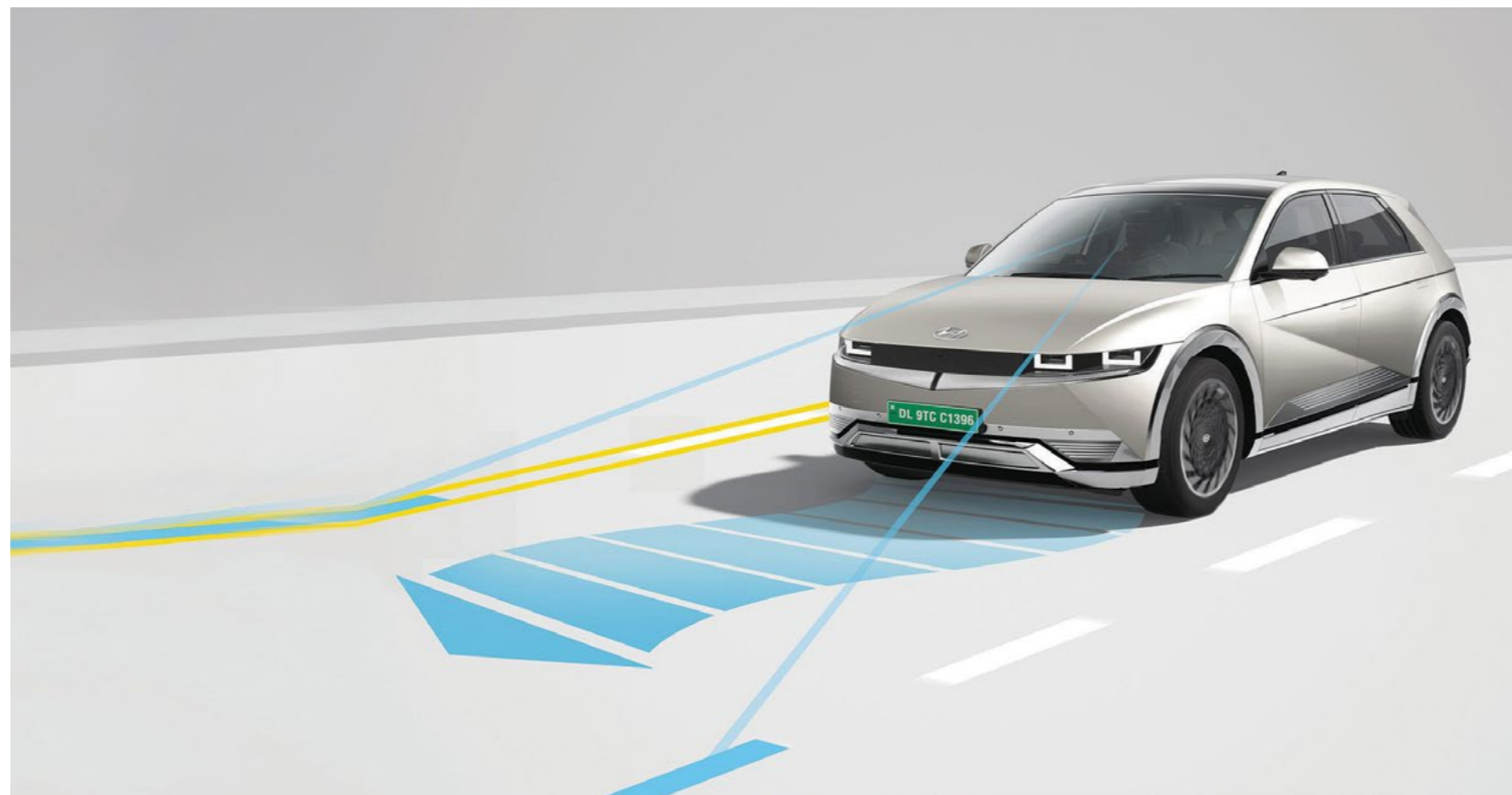


Sustainability

Sustainability stands as the cornerstone for a brighter and more promising future. At HMIL, we remain steadfast in our pursuit of crafting sustainable solutions that can contribute to the prosperity of humanity while advancing a harmonious ecological equilibrium.

Our manufacturing facility located in Sriperumbudur, Chennai is on the path to self-sufficiency in terms of energy needs, thanks to the installation of a 10 MW solar power system and the utilisation of extensive rainwater collection ponds, totalling 3,50,000 tonnes in capacity. These environmental initiatives extend beyond our factory, as we are actively implementing them within our dealer network through initiatives like the Dry Wash programme, the adoption of LED lighting, and the harnessing of renewable energy sources.

[More on pg 32 →](#)



Intelligent technology and innovation

Our Company is actively advancing technologies and innovation aimed at enriching customer experiences and elevating the value they provide by becoming a trusted partner in their mobility journey. This commitment is evident in various aspects, such as the Hyundai SmartSense level 2 ADAS system, which not only enhances driving convenience and safety but also reduces stress. The Hyundai IONIQ 5 has been meticulously developed on the specialised Battery Electric Vehicle (BEV) platform known as the Electric Global Modular Platform (E-GMP).

This platform is filled with future-oriented technology and has been designed with the diverse mobility needs of customers worldwide in mind. The Vehicle to Load (V2L) feature, available on the Hyundai IONIQ 5, enables customers to power and charge their electric appliances while on the move. In the field of robotics, we have achieved substantial advancements, with a vision to provide cutting-edge robots that are transitioning from the realm of imagination into real-world applications within homes, offices and factory settings.

[More on pg 24 →](#)

FY 2022-23 in review

The right pace of growth

Hyundai Motor India Limited (HMIL) registered the highest-ever annual sales of 7.20 Lakh units since inception.



Financial highlights

₹ 59,761 Crores

Revenue from operations

↑ 27.8%

₹ 6,269 Crores

Profit before tax

↑ 68.4%

₹ 4,654 Crores

Profit after tax

↑ 62.6%

↑ YoY growth

Operational highlights

5,74,230

Production – Domestic cars

5,67,546

Domestic sales

1,53,070

Production – Export cars

1,53,019

Export sales

7,27,300

Total production

7,20,565

Total sales

ESG highlights

64 %

Share of Renewable Energy (RE) in total electricity consumption (excluding carbon co-gen)

₹ 63 Crores

CSR spend

97,114

Total employee training hours

New launches

FY 2022-23 was a phenomenal year for HMIL.

The launch of seven segment-defining products – the all-new Hyundai TUCSON, the new VENUE, VENUE N Line, the all-electric IONIQ 5, the new Grand i10 NIOS, the new AURA and the all-new Hyundai VERNA has propelled our brand to the forefront among new-age Indian customers.

Hyundai TUCSON



Hyundai Venue



Hyundai Venue N Line



Hyundai IONIQ 5



Hyundai i10 NIOS



Hyundai AURA



Hyundai VERNA



Hyundai Verna

The sixth generation Hyundai VERNA showcases a modern and bold appearance, highlighted by sculpted surfaces. Drawing inspiration from parametric design language, the car's profile boasts sleek and aerodynamic proportions that exude a futuristic charm.



HMIL at a glance

Pushing new frontiers in mobility

HMIL is a wholly owned subsidiary of Hyundai Motor Company (HMC). Our journey started in 1998 with the establishment of the first fully integrated car manufacturing plant in Sriperumbudur, near Chennai. Since then, we have emerged as the preferred automotive provider in India, delivering distinctive, high-quality, and value-driven products to our discerning customers.

By consistently innovating, we have achieved the distinction of being India's pioneer in smart mobility solutions. Our range of offerings extends beyond merely providing cars; it encompasses a range of facilities for our dedicated customers. This includes our diverse product line-up, the Hyundai Mobility Membership programme, and the growing e-charging infrastructure network.



Our presence

1,520

Service outlets

1,351

Sales points

635

Cities

SERVICE OUTLETS

856

Dealers

542

RSO

122

HASC

SALES POINTS

591

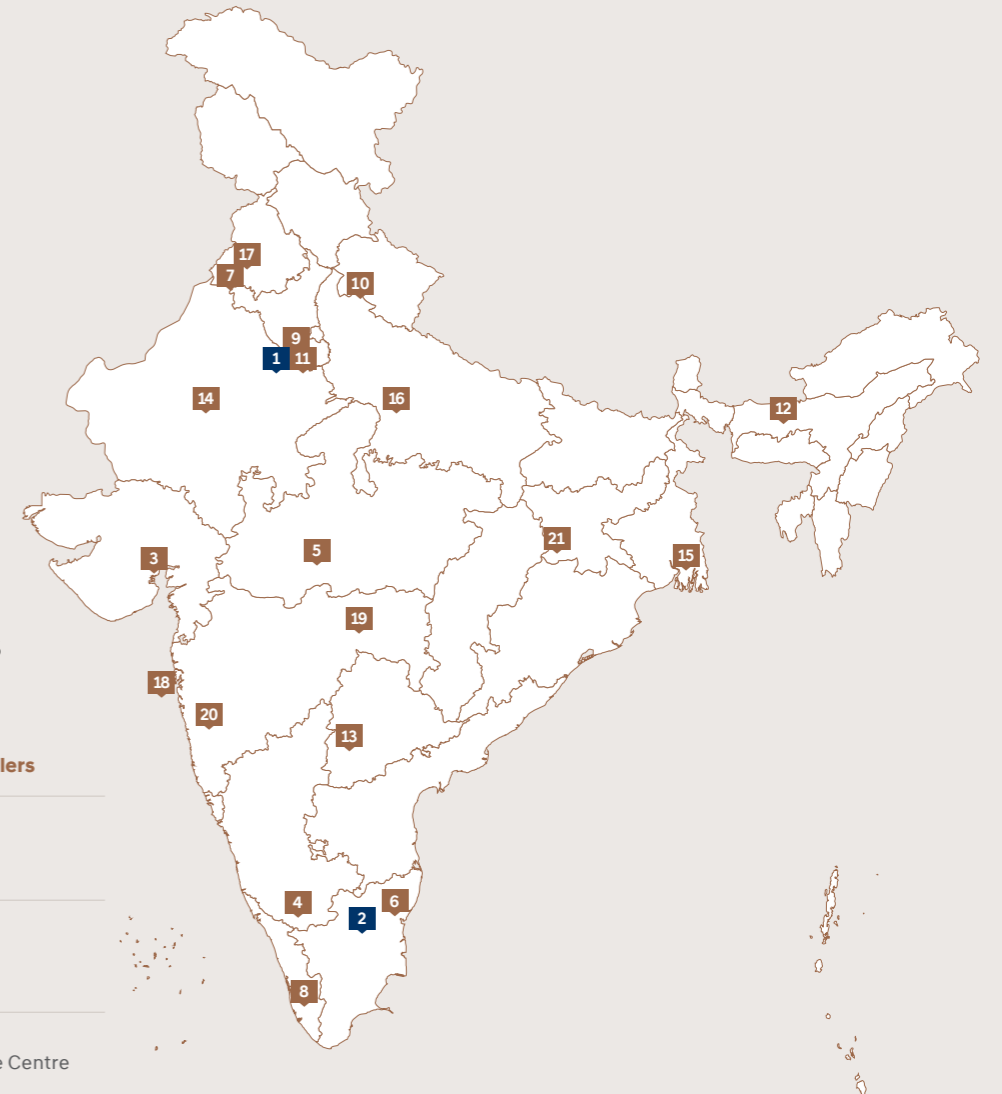
Main dealers

125

RS

635

RSO



HASC - Hyundai Authorised Service Centre
RSO - Rural Sales Outlets

Note: Map not to scale and for representation purpose only

FY 2022-23 key facts

5,300

Employees

₹ 544.98

Million

R&D spend

Our operations

We have been actively promoting manufacturing excellence at our Sriperumbudur plant, which now boasts a production capacity of 850,000 units per year, a significant increase from the previous 750,000 units.

Operating at a pace of 58 cars per hour, the facility showcases top-tier inventory management, zero wastage and complete water recirculation adhering to Industry 4.0 standards.

With an extensive integration of data analytics, Artificial Intelligence (AI) and robotics in our manufacturing process, we constantly strive for optimal efficiency.

In 2023, we commemorated a remarkable milestone of 25 years of successful dealer operations in India. Hyundai extends its gratitude to the 38 dealer partners who initiated operations with us in 1998, as well as to all the other dealers who have collaborated with us since then. Your trust and partnership have been integral to the Hyundai brand's success over these glorious 25 years.

Plant and Office locations

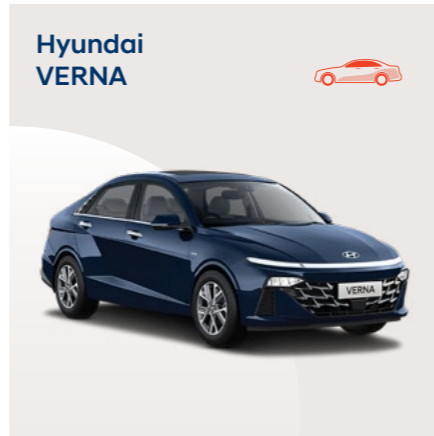
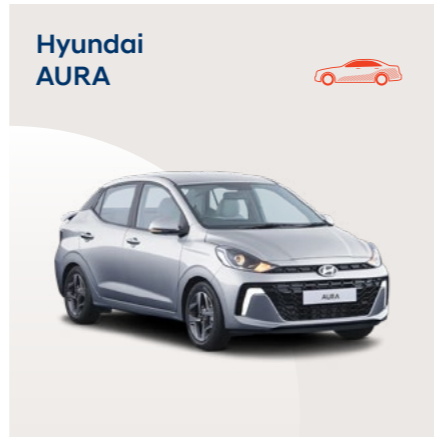
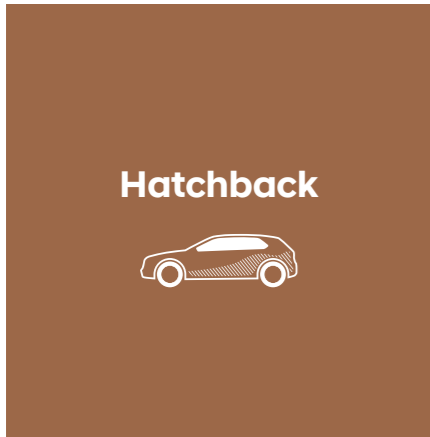
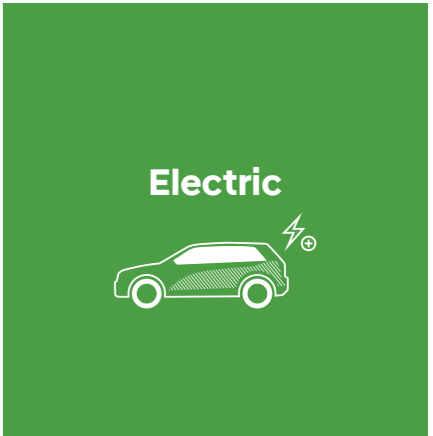
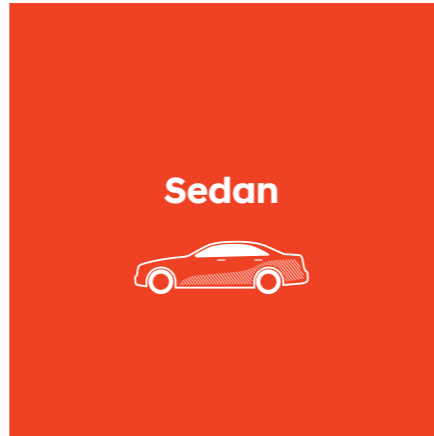
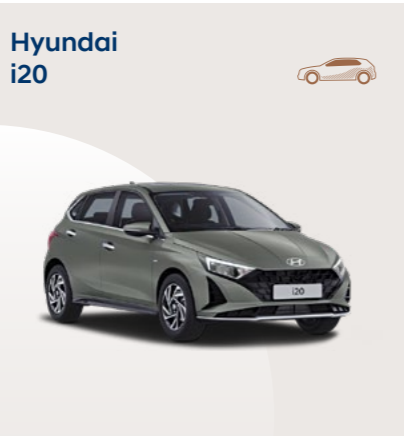
- 1 Gurugram, Haryana (HQ)
- 2 Sriperumbudur, Tamil Nadu (Plant)
- 3 Ahmedabad, Gujarat
- 4 Bengaluru, Karnataka
- 5 Bhopal, Madhya Pradesh
- 6 Chennai, Tamil Nadu (+Factory)
- 7 Chandigarh
- 8 Cochin, Kerala
- 9 New Delhi
- 10 Dehradun, Uttarakhand
- 11 Faridabad, Haryana (India Quality Centre)
- 12 Guwahati, Assam
- 13 Hyderabad, Telangana (+R&D Centre)
- 14 Jaipur, Rajasthan
- 15 Kolkata, West Bengal
- 16 Lucknow, Uttar Pradesh
- 17 Ludhiana, Punjab
- 18 Mumbai, Maharashtra
- 19 Nagpur, Maharashtra
- 20 Pune, Maharashtra
- 21 Ranchi, Jharkhand

Product portfolio

Hyundai – a car for every need

At HMIL, as India's pioneering smart mobility solutions provider, we firmly believe in addressing the customer's every need. Our influence spans across various segments, with a history of introducing iconic brands, contributing to a market share of approximately 16%.

We currently have 12 car models across all segments, viz. Grand i10 NIOS, all-new i20, i20 N Line, AURA, VENUE, VENUE N Line, spirited new VERNA, all-new CRETA, ALCAZAR, new TUCSON, KONA Electric and all-electric SUV IONIQ 5.





New launches

Elevate your experience

During the year, a range of exciting models, including the Hyundai TUCSON, the new VENUE, VENUE N Line, the all-electric IONIQ 5, the new Grand i10 NIOS, the new AURA and the all-new Hyundai VERNA, were introduced. These models come equipped with cutting-edge technological features, offering a futuristic driving experience to our valued customers.

The all-new Hyundai VERNA

The all-new Hyundai VERNA captivates with its unprecedented design, blending mystical magnetism and sensuous sportiness. Its futuristic aesthetic design, coupled with an aerodynamic frame, exudes a sense of speed, capturing its essence in two words: Futuristic. Ferocious.



The new Grand i10 NIOS – when sensible goes smart

The new Grand i10 NIOS seamlessly blends advanced technology, impressive performance, and meticulous safety, making it an irresistible choice for the young and dynamic. It beckons you to step in, stand out, and embrace life to the fullest.

The all-new Hyundai TUCSON – parametric, progressive design

The all-new Hyundai TUCSON signifies a design revolution – a blend of sophistication and progressiveness. This SUV elevates modern aesthetics to new heights, epitomising cutting-edge design and futuristic technology.



The all-electric IONIQ 5 – leading the world of mobility

Equipped with state-of-the-art technology, the IONIQ 5 combines safety and convenience to deliver driving pleasure.



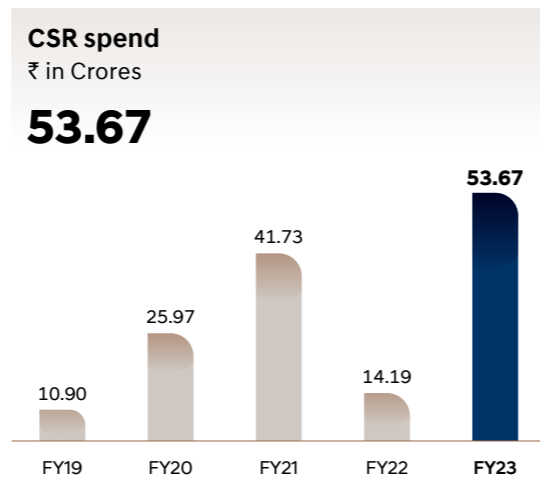
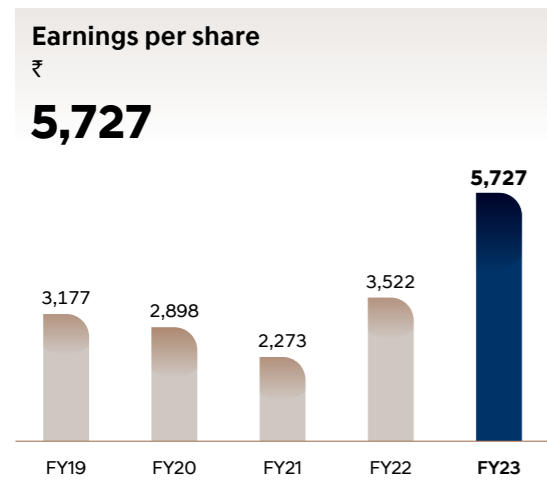
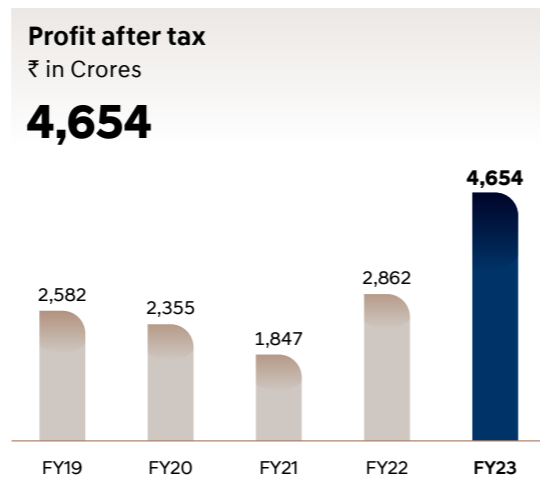
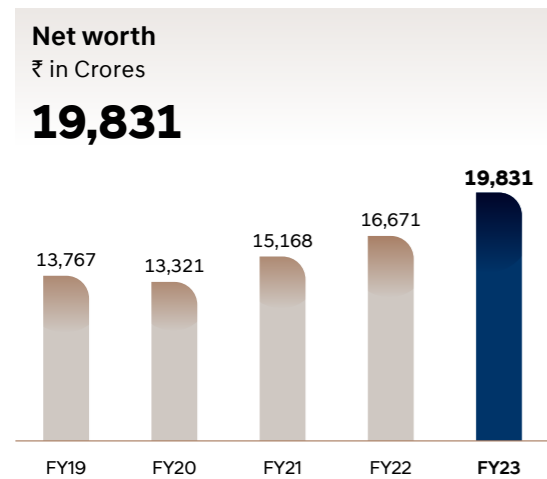
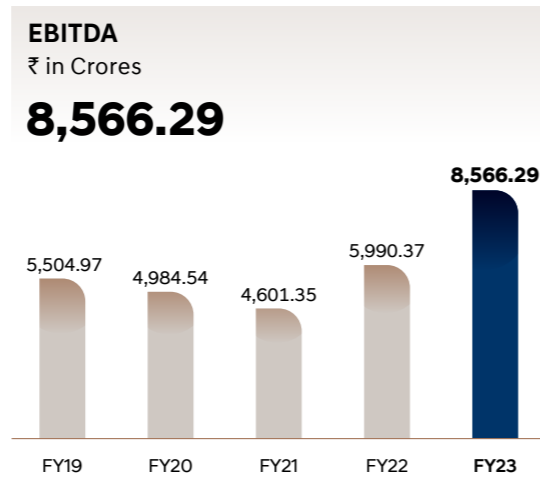
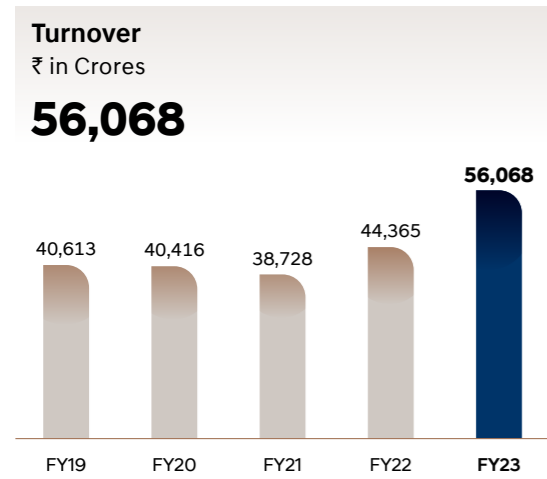
The new Hyundai AURA – feel the pride

With captivating charm, the new Hyundai AURA embodies flawless flair. Its modern stance and contemporary allure captivates you at the very first glance. This trendy value proposition is designed to provide comfortable driving experiences for our accomplished and forward-looking customers.



Performance highlights

Charting steady progress



Hyundai's landmark investment

HMIL unveiled ambitious, extensive investment plans for the state of Tamil Nadu. Over the next decade (2023 to 2032), we will progressively invest ₹ 20,000 Crores, focusing on expanding our presence in electric vehicles and upgrading vehicle platforms. This strategic move aims to fortify our product portfolio, ensuring the delivery of vehicles with best-in-class features and technologies that surpass customer expectations.

Acquisition of GM's Talegaon Plant

We have signed an Asset Purchase Agreement (APA) for the potential acquisition of identified assets related to General Motors India Pvt. Ltd. (GM), Talegaon Plant, Maharashtra. The completion of the acquisition and assignment is subject to the fulfilment of certain conditions precedent and receipt of regulatory approvals from relevant government authorities and stakeholders.



Hyundai IONIQ 5

Under the aegis of Beyond Mobility, Hyundai IONIQ 5 will set a new benchmark that redefines the electric mobility lifestyle in India with synergies of intelligent technology and innovative sustainability.





Redefining customer focus

Building stronger connections

Over 25 years in India, we have focused on quality and superior technology, making Hyundai a much-loved brand among Indian customers.



Throughout this period, we, at HMIL, have showcased our prowess in manufacturing, supply chain dependability and technological integration. This has led us to receiving accolades such as the 'Indian Manufacturer of the Year' and 'Smart Factory' awards, along with various other recognitions for our products, services and initiatives focused on employees and customers.

HMIL showcased prowess in manufacturing, supply chain dependability and technological integration.

As the Indian auto industry evolves, we have seen a surge in demand for premium Hyundai SUVs, heralding a new era in luxury mobility. The market now thrives on advanced technologies, brand identity and premium ownership, shaped by Gen MZ preferences. Our relentless 'Customer First' focus elevated the Company to its highest satisfaction score in CY 2022.

Hyundai being a front-runner in digital transformation, consistently strives to introduce innovative solutions for enhancing customer convenience and dealer operations.

Our perseverance lies in delivering vehicles of highest quality, a paramount commitment to our customers. Throughout the entire lifecycle – from product conception, design, manufacturing, sales, to post-sales service – our focus on quality remains resolute.



To uphold our stringent quality benchmarks



We have fortified our supply chain network to ensure its robustness for continuous business operations.



In response to changing market dynamics, we have expedited the localisation of important high-tech components, enhancing cost efficiency and material cost stability. This strategic move reduces supply-chain vulnerabilities and curtails import reliance.



We recognise that quality is integral to the customer's driving experience and extends beyond manufacturing. To uphold these high standards, we have cultivated a secure work environment where employees contribute diligently and passionately, crafting excellence in every vehicle.



Our mentorship programme supports our downstream partners in standardising processes, a crucial factor in strengthening overall business operations, resulting in positive outcomes throughout our ecosystem.

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Built on 'customer centricity', our journey reflects who we are today.

Our exciting journey into the future will be socially responsible and inspiringly innovative. We are evolving for connected mobile experiences and clean, sustainable energy, aiming to secure the future. Our vision – 'Progress for Humanity', promotes societal betterment through emotional intelligence and intuitive connections.



FY 2022-23 events

Advancing towards progress for humanity

Corporate Overview

Statutory Reports

Financial Statements



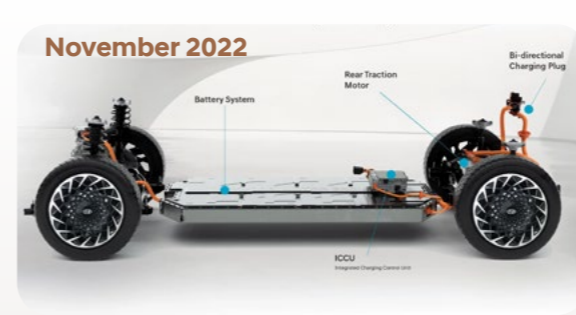
May 2022
The new Grand i10 NIOS Corporate Edition was launched

Derived from the Magna trim, the Grand i10 NIOS Corporate Edition was introduced with various exterior and interior enhancements, encapsulating a sporty and hi-tech appeal.



June 2022
The new Hyundai VENUE was launched

The new Hyundai VENUE was introduced with numerous first-in-segment technologies, delivering an unmatched experience including Home to Car (H2C) with Alexa and Google Voice Assistant, over 60 Bluelink™ connected features, and a two-step rear reclining seat.



November 2022
Launched its dedicated BEV platform, E-GMP, for India

HMIL led the BEV revolution for smart Indians with the debut of the E-GMP platform. Hyundai IONIQ 5, the first model on the E-GMP platform redefines electric mobility, offering customers an option to power their world.



September 2022
Announced the launch of innovative in-app digital services through Bluelink™

We partnered with Indian Oil Corporation Limited (IOCL) to offer prepaid fuel payment solutions, enhancing the refuelling experience with search, navigation and advance payment options. This partnership benefits IOCL by attracting a dedicated customer base and reducing fuelling times.

Our association with Park+ through Bluelink™ delivers seamless parking solutions, including hassle-free slot searches and digital payments at Park+ outlets.

July 2022
The 4th generation all-new TUCSON was launched

TUCSON became our global bestseller in 2021, captivating over seven Million customers worldwide. The all-new Hyundai TUCSON seamlessly melds luxury and technology, symbolising our commitment to India and setting a benchmark for its segment.



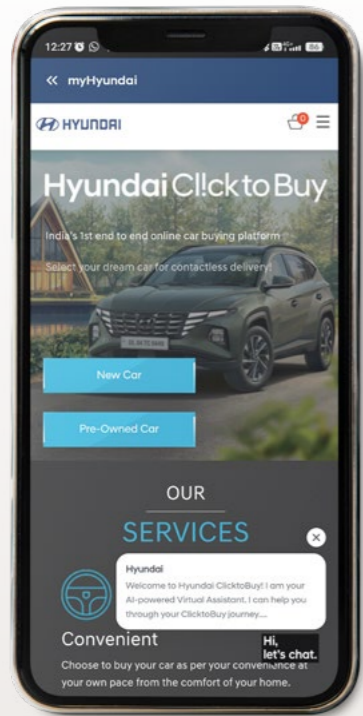
August 2022
Announced the 2nd edition of the unique CSR initiative 'Art for Hope 2023'

Introduced in 2021, 'Art for Hope' is our Company's pioneering CSR initiative centred on art. It aims to discover and nurture hidden talents nationwide with a grant of ₹ 40 Lakhs.

In its first edition, 163 entries from 17 states led to the selection of 25 artists from 10 states. They each received ₹ 1 Lakh as a grant, enabling them to access resources that were financially out of reach due to the pandemic's economic challenges.



FY 2022-23 events



December 2022

Launched one-stop application 'myHyundai'

We launched the all-inclusive 'myHyundai' mobile app, designed as a unified hub for our customers, offering a range of products, services and benefits. This platform enhances customer experience by providing convenient access to a variety of services, including:

- ▶ Online car purchases via 'Click to Buy' with easy financing
- ▶ Booking routine servicing for Hyundai vehicles
- ▶ Utilising connected-mobility features via Bluelink™
- ▶ Accessing curated privileges from strong partner ecosystem
- ▶ Certified pre-owned car buying and selling with 'Hyundai Promise'
- ▶ Locating and booking slots at the nearest EV charging station
- ▶ Roadside assistance
- ▶ Referral programme for earning rewards

February 2023



Pioneering omnichannel retail initiative

At HMIL, we offer customers a seamless shopping experience through various sales channels: Hyundai website (Click to Buy), dealer showrooms and the myHyundai app. This approach enhances convenience and flexibility. As the line between physical and digital realms blurs, the automotive retail landscape is undergoing a transformation. Customer buying journeys are becoming less linear, as tech-savvy customers opt for both online and offline interactions based on their convenience.

March 2023

Partnering with ITC Agro to expand rural presence

HMIL partnered with ITC Agro Business Division (ABD) to boost its brand presence in rural markets, collaborating with Choupal Saagar and e-Choupal platforms. Aligned with our global 'Progress for Humanity' vision, the partnership allows us to showcase our model range on ITC's extensive and vibrant agro and rural platforms enhancing brand recall. The collaboration will be extended to ITCMAARS Rural Services for wider reach.

With rural India's strong preference for SUVs contributing over 47% of our sales, with Hyundai VENUE leading at 24% and Hyundai CRETA at 23%, this partnership reinforces our commitment to support the aspirations of four Million farmers within the e-Choupal network, enhancing our brand engagement across India's hinterlands.

January 2023



Auto Expo 2023

Our theme for Auto Expo 2023 was 'Beyond Mobility World'. The event also saw the highly anticipated unveiling of the all-electric SUV, Hyundai IONIQ 5.

The theme embodied our vision for Future Mobility Transformation. The exposition featured cutting-edge robotics solutions, groundbreaking technologies and products such as Hyundai IONIQ 5, IONIQ 6 and NEXO.

January 2023



Installation of ultra-high speed public EV charging network

We established an ultra-high-speed public EV charging network across key Indian highways and cities with the aim of accelerating electric vehicle adoption and streamlining charging experiences for both intercity and intra-city travel. Each fast-charging station includes a DC 150 kW ultra-fast charger and a DC 60 kW high-speed charger.

This initiative underscored our commitment to customer convenience while aligning with government initiatives. With the recent launch of the globally acclaimed all-electric SUV, Hyundai IONIQ 5, and the plan to expand the EV portfolio by 2028, we aim to foster a sustainable electric mobility ecosystem, taking customers 'Beyond Mobility'.

February 2023

#TheDriveWithin campaign

We unveiled the #TheDriveWithin campaign featuring five Indian women cricketers: Smriti Mandhana, Shafali Verma, Jemimah Rodrigues, Yastika Bhatia and Renuka Singh, celebrating their achievements in the dynamic 2023 women's cricket calendar. This initiative mirrors the spirit of Hyundai, which aims to provide exceptional customer experiences and future mobility solutions.

Since 2022, #TheDriveWithin campaign has demonstrated our commitment to showcasing authentic stories of Indian women cricketers, highlighting their determination for success and promoting sportsmanship.





Innovation

Every innovation pursued by Hyundai is aimed at advancing humanity. Rooted in humanitarian values, we prioritise meaningful initiatives by assessing people's needs.

The 'myHyundai' app offers a comprehensive platform for Hyundai customers, providing a range of products and services.

Utilising Bluelink™ technology, we enable connected mobility, allowing customers to make the most of their travel time with loved ones. With over 60 features across eight models, Bluelink™ enhances the connected driving experience, offering three years of complimentary services.



Technology and innovation

Driving progress through innovations

We prioritise technology and digital initiatives to boost operational efficiency. Through digitalisation, we gain insights into customer demand, enabling us to design and provide products and solutions that align with their needs and expectations.

An innovation for passenger safety

Cutting-edge technology is at play in our testing process for crankshafts. We employ an Advanced Deep Learning Enabled Vision System and Machine-to-Machine (M2M) communication.

Each crankshaft undergoes meticulous scrutiny using an Advanced Inspection System (AIS) with a borescope camera, detecting micron-sized foreign particles in high-pressure oil supply lines. This process guarantees heightened performance and enhanced engine reliability.

Our 'Vision' system employs AI algorithm, specifically Tensor Flow Deep Learning Algorithm, rapidly comparing vast OK/NG library data in milliseconds for precise results.



Under Body Carrier (JIG) Precision Inspection



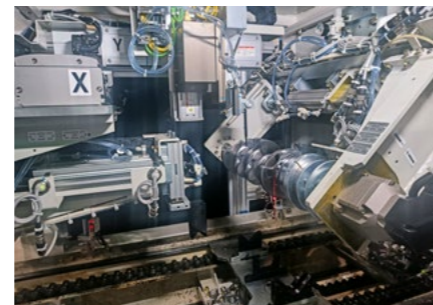
FLR Complete Carrier (JIG) Precision

Our Data Traceability Architecture ensures retrieval and verification of data in Hyundai's integrated server even five to seven years post manufacturing.

The body shell is meticulously constructed by employing precise jigs and fixtures. In the past, we relied on a CMM machine located in a specialised room under controlled conditions to verify the dimensional accuracy of these jigs and fixtures, a process that consumed a significant amount of time (approximately 10 hours per inspection). However, we have recently introduced cutting-edge 3D Laser scanning technology, which offers exceptional flexibility.

With this advanced technology, we can now inspect the jigs directly on the production line, significantly reducing the inspection time to just 4 hours. Our in-house technicians have undergone training from Korean experts to acquire the necessary skills for this new approach.

This reduction in process time increases the frequency of carrier check and helps in quickly addressing the minor variation of BIW dimension immediately, resulting in high and Consistent Precision Quality of body shell (BIW).



Crank shaft oil hole inspection



Innovation month at HMIL

Hyundai's Annual Innovation Month kicked off on April 25, 2022, as a testament to our commitment to nurturing innovation both as a culture and as a daily routine within the workplace. It was characterised by a multitude of engagements and activities aimed at inspiring innovation. Throughout this period, our employees were motivated to propose innovative ideas for enhancing processes, reducing costs and more.

Additionally, employees underwent training in cutting-edge technologies and participated in various events covering industry-specific subjects.

5,000+

Participation

560

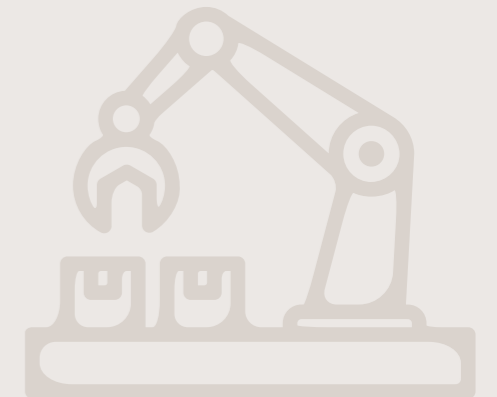
Ideas

52

Projects

170

Winners



MECHATHON

- ▶ Quiz related to innovation
- ▶ Trash to Treasure
- ▶ We hear your brain



TECHNOLOGY SHOWCASE

- ▶ Direct material 'best project' showcase
- ▶ Tear down component display
- ▶ New technology showcase by supplier



INNOVATE TO ELEVATE

- Innovative ideas in the field of
- ▶ User experience
 - ▶ EV ecosystem
 - ▶ Sustainable manufacturing



SHOP FLOOR ENGAGEMENT

- ▶ Shop floor Idea contest
- ▶ Suggestions/solutions for production pain points

Operating context

Key trends transforming the industry



The automobile sector is a key driver of India's economic growth, contributing over 7% to the country's GDP. In 2022, India emerged as the third-largest automobile market globally, surpassing Japan and Germany. Strong demand in this sector is driven by rising middle-class income and a burgeoning young population.

Despite supply chain uncertainties in the past year, production has consistently risen each quarter due to improved semiconductor chip availability and related components.

According to the Society of Indian Automobile Manufacturers (SIAM), the industry manufactured a total of

2,59,31,867 vehicles in FY 2022-23, including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers and quadricycles. This marked an increase from the 2,30,40,066 units produced in FY 2021-22.

Key trends impacting the auto industry

Focus on EV market

According to the latest trends in the automobile industry, there is a significant shift towards electric mobility, with an increasing number of automakers investing in the development of electric vehicles (EVs). Governments worldwide are implementing policies to support the growth of the EV market, further enhancing the popularity of these environmentally friendly cars. In India, the government's FAME II scheme aims to promote the adoption of electric and hybrid vehicles. The Economic Survey 2023 predicts a 49% compound annual growth rate (CAGR) for India's domestic EV market between 2022 and 2030, with annual sales reaching 10 Million by 2030.

10 Million

Estimated annual sales of EVs in India by 2030

RESPONSE

As the second largest car manufacturer in the country, we have pledged to invest ₹ 20,000 Crores over a 10-year period from 2023-2032 in Tamil Nadu.

This investment aims to introduce new models of EVs, increase production capacity at our Irungattukottai plant, set up a battery packing assembly unit and install charging stations along major highways and in key cities across the country.

Lightweight and sustainable materials

Driven by the challenges posed by climate change, the Indian automobile industry is at the cusp of a significant transition towards low-carbon mobility. The industry is increasingly adopting lightweight and sustainable materials to reduce vehicle weight, enhance fuel efficiency and lower emissions. From advanced high-strength steel and aluminium to carbon fibre and composites, automakers are exploring innovative materials to meet stringent regulatory requirements and cater to the growing consumer demand for eco-friendly vehicles. In 2023, we can expect to see a continued focus on the development and integration of lightweight and sustainable materials into new vehicle designs.

RESPONSE

The use of sustainable materials is an important step towards reducing the environmental impact of the automotive industry. HMIL, a pioneer in using sustainable materials in its car interiors has adapted natural fibres like organic cotton, flaxseed oil, chipped recycled bottles and sustainable plant-based materials in seats, carpets and other components of its latest variant, the IONIQ 5.

Growing use of technology and changing customer preference

Customer preferences are swiftly changing, with even budget-conscious car buyers seeking high-end styling, advanced technology, comfort, and a premium buying experience. The automotive industry is embracing AI, IoT, and ML to enhance product development and delivery capabilities. Anticipated to grow at 10.4% from 2021 to 2031, data and telematics will be pivotal in modernising fleets.

RESPONSE

We believe that progress becomes meaningful when it is combined with a deep sense of humanity. We pride ourselves in precisely developing new technologies powered by and for humans. Hyundai has been a pioneer in the electric mobility revolution in India, introducing the country's first electric SUV, the KONA Electric, in 2019, followed by the IONIQ 5 in 2023. We introduced our dedicated BEV platform E-GMP and adapted platforms for battery electric vehicles in India.

Additionally, Hyundai introduced Bluelink™, an AI-based technology platform with a built-in SIM card and a 24x7 call centre, enhancing safety, security and convenience for our customers. Bluelink™ offers a wide range of functions designed to enhance the connected driving experience.

Safety

According to data from the Ministry of Road Transport and Highways (MoRTH), India witnessed 153,972 road accident fatalities in 2021, the highest figure since 2011. The Government, through MoRTH, has implemented the National Road Safety Policy, making road safety an integral part of road planning. Additionally, automobile manufacturers are collaborating to develop strategies aimed at improving essential safety features to enhance vehicle safety.

1,53,972

Road accident fatalities in India in 2021

RESPONSE

Customer safety remains our top priority, and we have consistently led the way in standardising safety features. In alignment with the Government of India (GoI) directives, we have enhanced our entire model lineup by making 3-point seatbelts and seat belt reminders for all seats a standard offering. We believe that standardising safety features provides superior protection for our customers.

Our vehicles now come with a standard of 4/6 airbags on major volume trims, setting new safety benchmarks. Some of our variants have also been upgraded with a range of standard active and passive safety features, including Electronic Stability Control (ESC), Vehicle Stability Management (VSM), Hill Start Assist Control (HAC), rear disc brakes and more. Additionally, we have introduced Advanced Safety Technology (ADAS) in some of our variants, which includes smart sense level-2 ADAS features.



Awards and accolades

Recognition for excellence



INDIAN VEHICLE AWARDS 2022

Hyundai i20 N Line and Hyundai ALCAZAR won the 'variant of the year' and the 'Family 7-seater of the year' respectively at the Indian Vehicle Awards 2022.

SOUTHERN REGION EXPORT EXCELLENCE AWARDS

Honoured with the 'Highest Foreign Exchange Earner (Top Exporter)' and 'Top 5 Star Export House in the Southern Region' awards at the Southern Region Export Excellence Awards, organised by the Federation of Indian Export Organisations (FIEO).

Honoured with prestigious awards across various categories by leading media houses

AutoX AWARDS 2022

- ▶ Best of 2022: Hyundai TUCSON

OCCUPATIONAL HEALTH, SAFETY & ENVIRONMENT AWARDS 2020

Achieved 'The Champion Award' in Occupational Health, Safety & Environment Awards 2020, organised by the National Safety Council (NSC).

THE 8TH MACHINIST SUPER SHOPFLOOR AWARDS

Recognised for 'Excellence in Digital Manufacturing (Large)' category at the 8th Machinist Super Shopfloor Awards, Bengaluru.

ZEE AUTO AWARDS 2022

- ▶ Viewer's Choice SUV of the Year: Hyundai TUCSON
- ▶ Facelift of the Year: Hyundai VENUE
- ▶ Viewer's Choice CSR Campaign by an Auto Brand: #BeTheBetterGuy

THE 5TH GST DAY CELEBRATIONS

HMIL, the top taxpayer in Tamil Nadu and Puducherry Zone, received a Commendation Certificate for 'Best Tax Compliance' during the 5th GST Day celebrations, Chennai.

23RD NATIONAL AWARD FOR EXCELLENCE IN ENERGY MANAGEMENT

Awarded the Energy Efficient Unit Award (23rd National Award for Excellence in Energy Management) by the Confederation of Indian Industry (CII).

DAINIK JAGRAN NAYA BHARAT AWARDS 2022

- ▶ Best CSR Campaign of the Year: #BeTheBetterGuy

MANUFACTURING TODAY 10TH ANNUAL CONFERENCE AND AWARDS 2022

Awarded for 'Excellence in Supply Chain' and 'Excellence in Sustainability' at the Manufacturing Today 10th Annual Conference and Awards 2022.

CII'S 8TH WATER INNOVATION SUMMIT

Received the 'Noteworthy Water Efficient Unit' award at the CII's 8th Water Innovation Summit, New Delhi.

JAGRAN HITECH MOBILITY AWARDS

- ▶ Hyundai TUCSON was adjudged as Winner in three categories

INDIA BEST DESIGN AWARD, INDIAN DESIGN ASSOCIATION (IDA)

The new Hyundai VENUE Facelift design won the Annual India Best Design Award organised by the Indian Design Association (IDA).

OLX-AUTOCAR PRE-OWNED CAR AWARDS

HMIL bagged two awards at the OLX-Autocar pre-owned car awards.

- ▶ Best Pre-Owned Midsize Hatchback: Grand i10 NIOS
- ▶ Best Pre-Owned Midsize SUV: CRETA

15TH CII NATIONAL COMPETITIVENESS & CLUSTER SUMMIT 2022

Won two awards at the 15th CII National Competitiveness & Cluster Summit 2022.

- ▶ Platinum Award: Best Practices on Training & Skilling for Project 'Genesis'
- ▶ Gold Award: Quality: Case Study on 'Door slam bumper part miss elimination'

17TH EMPLOYER BRANDING AWARDS

Won the Tamil Nadu Best Employer Award 2022 for Exemplary HR Practices at the 17th Employer Branding Awards.

INDUSTRY EXCELLENCE AWARD 2022

Won Industry Excellence Award 2022 given by the Institution of Engineers (India).

PORT DAY CELEBRATIONS 2022, CHENNAI PORT TRUST

Received the 'Best Business Partner Award' for 2022 during the Port Day Celebrations organised by the Chennai Port Trust for continuous optimisation of business operations delivering significant and consistent volume of tonnage operated with the port.

FROST AND SULLIVAN'S INDIA MANUFACTURING EXCELLENCE AWARDS (IMEA) 2022

Won the esteemed 'Indian Manufacturer of the Year' for the fourth time and 'Smart Factory of the Year' for the third consecutive time from Frost and Sullivan's India Manufacturing Excellence Awards (IMEA) 2022.

TOP GEAR AWARDS 2023

- ▶ Car of the Year: Hyundai TUCSON
- ▶ Premium Electric SUV of the Year: Hyundai IONIQ 5

AutoCar AWARDS

- ▶ Executive SUV of the Year: Hyundai TUCSON
- ▶ Best Corporate Social Responsibility Initiative: #BeTheBetterGuy

CAR INDIA AWARDS 2023

- ▶ Premium SUV of the Year: Hyundai TUCSON
- ▶ Manufacturer of the Year: Hyundai Motor India Limited



Sustainability

Hyundai leads India's electric mobility revolution with the debut of the nation's inaugural electric SUV, the KONA Electric in 2019 and the IONIQ 5 in 2023. Our purpose is to create sustainable solutions benefitting our customers and society. We drive societal progress through initiatives across various domains.



ESG framework

Making responsible choices

Our operations are driven by a strong sense of responsibility towards the environment and our communities. We view this proactive role as an opportunity to contribute to long-term sustainable development goals.

In March 2022, Hyundai Motor Group introduced 'The Right Move for the Right Future', which encapsulates the Group's ESG commitment and mid- to long-term direction. The Group emphasised its dedication to a sustainable future as a responsibility for the next generation and a fundamental right for everyone, aiming to lead positive action for a better tomorrow.

With three main directions - 'Move for Our Planet', 'Move for Our People' and 'Move for Our Community' - along with 15 key management areas, the Group outlined its commitment into action. In alignment with these directions, we remain committed to fostering a sustainable future for the environment and all stakeholders.



The Right Move for the Right Future



Move for Our Planet Global environment

Carbon neutrality & energy transition

Circularity

Clean tech products and services

Operational eco-efficiency

Natural capital conservation



Move for Our People Internal stakeholders

Diversity and inclusion

Human rights

Corporate culture innovation

Talent growth experiences

Occupational health and safety



Move for Our Community External stakeholders

Social impact

Customer experience innovation

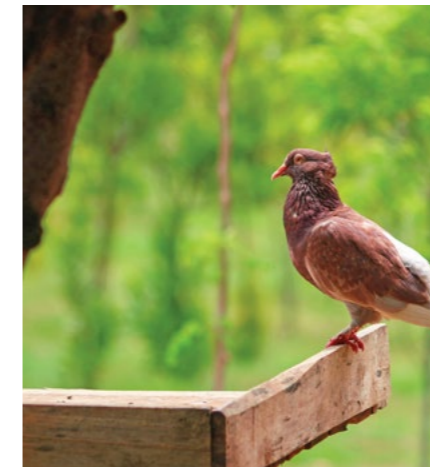
Product quality and safety

Sustainable supply chain

Job creation for the future

FY 2022-23 ESG performance

Environment



Conserved energy equivalent to **~19,200 tonnes of oil (TOE)** through key energy management projects.

Strategically **purchasing green power** from Indian Energy Exchange (IEX) to increase **RE portfolio to 64%**.

The goal is to achieve RE 100 status by 2025.

Achieved **80% water neutrality** by utilising recycled RO water and rainwater from harvesting ponds with a capacity of 3,50,000 tonnes.

Reduced hazardous waste by **19.4%** and non-hazardous waste by **14.3%** over the past five years.

Social



Enhancements in employees **'Quality of Worklife'** through flexible timing, dress code and a five-day work week.

Introduction of a role-based structure and the establishment of our **Marque Leadership Excellence Academy (LEAD)**.

Launched revised policies on **Prevention of Sexual Harassment (POSH)** and **employee welfare schemes**.

Allocation of **₹ 63 Crores** for CSR initiatives **promoting education, sports and environmental causes**.

Governance



Implemented **new organisational structure**, including the creation of COO and CMO offices, and realignment of functions and business verticals.

Strengthening of ethics through a new **Ethics and Integrity Programme** to promote a culture of integrity and responsible behaviour.

External compliance audit to identify gaps in statutory compliances and **implementing remediation measures**.

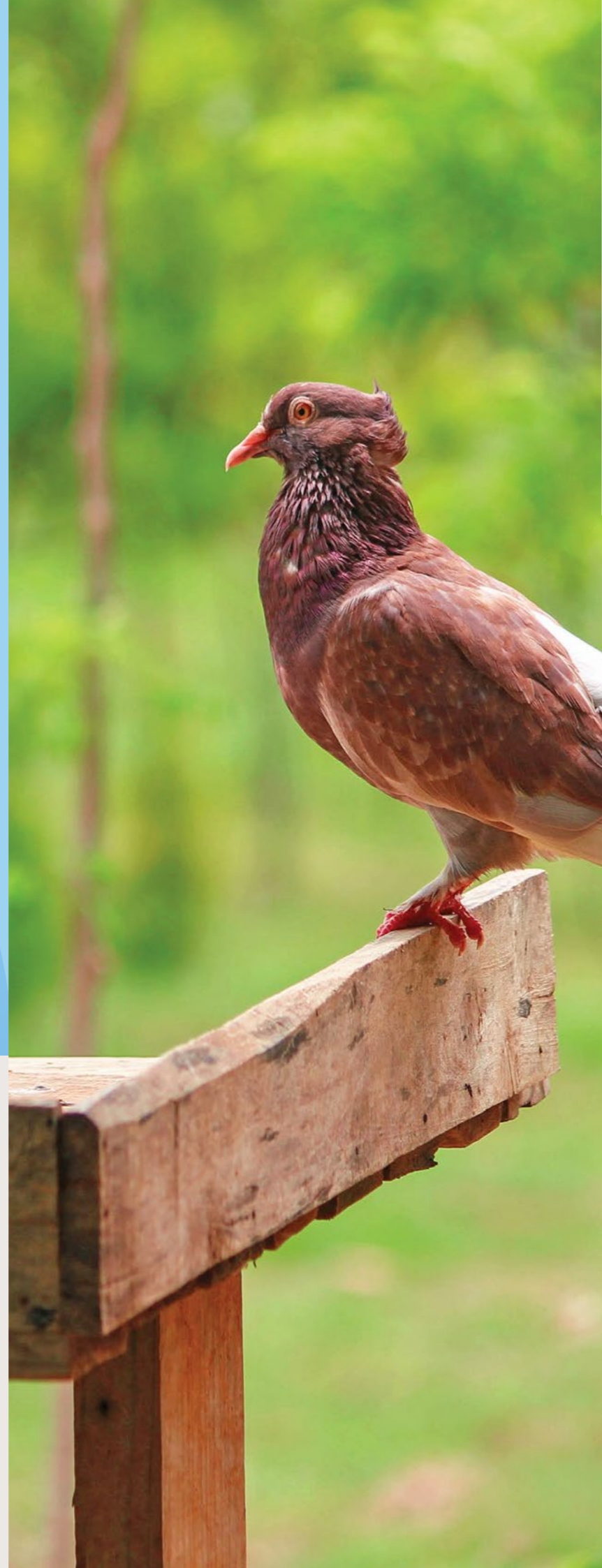
Supplier Code of Conduct signed by all Tier 1 vendors.

Environment

Advocating the green agenda

Hyundai is committed to innovation that benefits people and the planet. Our goal is to enable human mobility while minimising our environmental impact.

At HMIL, we promote environmental sustainability through initiatives like sustainable mobility (EVs), ecological balance and resource conservation. We focus on maintaining soil, air and water quality through renewable energy adoption and improved energy efficiency.



Move for Our Planet

Carbon neutrality and energy transition

Circularity

Clean tech products and services

Operational eco-efficiency

Natural capital conservation

Carbon neutrality and energy transition

We are committed to our vision of 'Progress for Humanity', focusing on technological development and promoting a sustainable future.

Our 'Integrated Solutions to Climate Change' initiative aims for

carbon neutrality by 2045, with a sustainable operating system for future generations.

We are expanding our electrification capabilities, transitioning to renewable energy and reducing emissions.



ROBUST ENERGY MANAGEMENT SYSTEM

Our Company has established environmental management policies to minimise the adverse environmental impact of our corporate activities. We continuously update them to adapt to the evolving business environment.

Our goal is to become one of India's most environmentally conscious manufacturing facilities.

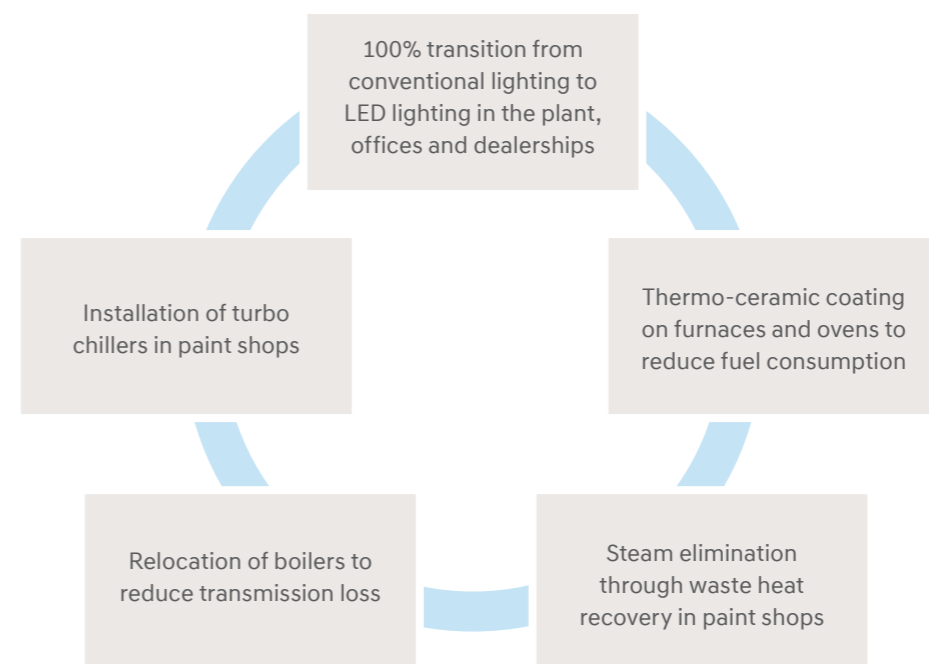
This involves conserving energy and resources throughout our operations, incorporating low-carbon practices and reducing emissions across the value chain.

Our commitment to responsible resource management enhances operational efficiency, guided by an Environment & Energy policy aligned with international environmental goals and Hyundai's global targets.

At each production plant, dedicated environmental and energy teams oversee the implementation of an Environmental Management System (EMS) that adheres to ISO 14001 standards. Additionally, we have established an Energy Management System (EnMS) in accordance with ISO 50001 criteria. These efforts have resulted in ISO certifications for both systems, reaffirmed through annual audits.

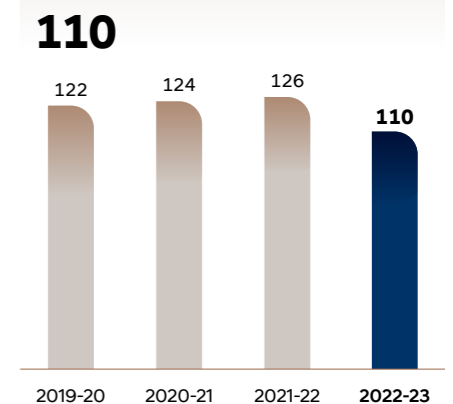
INNOVATION IN ENERGY MANAGEMENT

We have undertaken a range of projects, including several pioneering efforts in the segment, aimed at producing eco-friendly vehicles. Some notable examples include:



We also have various other innovative digital projects in the pipeline, which could save us 16,440 TOE in the next five years.

Specific energy usage trend in Kg of oil equivalent/car



~19,200 Tonnes

Oil equivalent (TOE) energy conserved

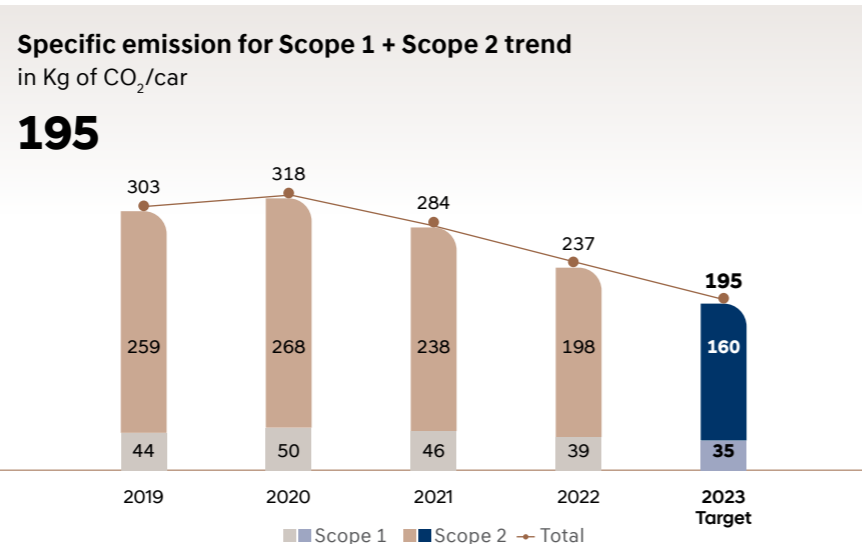
Environment

REDUCTION OF CARBON EMISSIONS

To ensure environmentally sustainable operations, we constantly monitor and reduce both direct emissions (Scope 1) and indirect emissions (Scope 2) from our manufacturing processes. We achieve this through various methods, including the use of renewable energy sources and conversion from propane to liquified natural gas (LNG). We have installed a 10 MW rooftop solar plant on our factory premises, contributing approximately 5% of our renewable energy.

Since October 2022, we have been strategically purchasing green power from IEX to increase our RE portfolio to 64%, with a commitment to reach RE 100 by 2025.

Through these low-carbon transition activities, we have already reduced CO₂ emissions by 1,02,060 tonnes and aim to reduce them by 1,61,940 tonnes in the next five years.



Circularity – creating a recycling ecosystem

At HML, we are dedicated to fulfilling Extended Producer Responsibility (EPR) for the recovery and recycling of end-of-life vehicles and minimising their environmental impact.

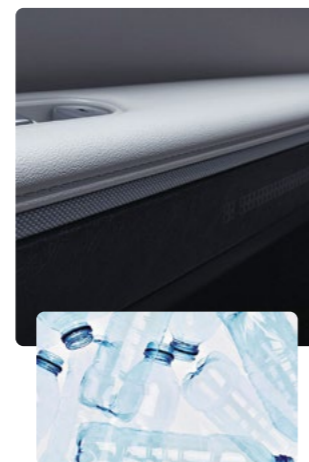
In our vehicle design process, we prioritise recycling and aim to transition from a linear (production-consumption-disposal) to a circular (production-consumption-regeneration) business model. This transformation involves assessing materials and components from a recyclability standpoint during the development phase, aligning with the principles of a circular economy.

Eco-friendly elements in Hyundai's IONIQ 5

Hyundai's recently launched IONIQ 5 in India is centred on sustainability, featuring:



▶ Flaxseed oil-dyed leather for the interior



▶ Plastic chips from recycled bottles used in seatback and door armrests



▶ Bio paint for crash pad and door trims



▶ Bio components from sugarcane and corn in headlining and carpet fabric



▶ 100% recyclable paperette detailing on the doors made from HDPE



Environment

Resources usage in business sites

Corporations, including Hyundai, are largely responsible for resource depletion. Climate change and unsustainable practices have resulted in critical resource shortages, such as water, and escalated air and water pollution. The importance of the three R's - reduce, reuse and recycle - has grown due to risks related to raw materials, including conflicts and inflation, as well as stricter environmental regulations. At Hyundai, we are steadfast in our commitment to enhancing resource efficiency and responsibility by consistently implementing the three R's in our operations.

To proactively address air and water pollution, we enforce internal standards that exceed legal requirements in the countries where we operate. We extensively use water-soluble paints, with reduced emissions of Volatile Organic Chemicals (VOCs) and Hazardous Air Pollutants (HAPs).

Regenerative Thermal Oxidisers (RTOs) are used to treat oven exhaust gases, and we are systematically replacing old exhaust systems in our facilities.

In our efforts to enhance water resource management, we are actively working to improve water quality and ecosystems through targeted goals for managing and reducing water pollutants in our plants. Our commitment as a responsible entity involves conserving fresh water to alleviate the burden on the community.



Waste Heat Recovery Unit

EFFICIENT WATER MANAGEMENT

Our Company has implemented a zero liquid discharge system to combat water scarcity in Chennai. Through the construction of reservoirs and the channelling of drainage canals, we are now capable of storing around 350,000 tonnes of rainwater in six reservoirs on our premises.

All drainage canals have been interconnected to maximise rainwater collection. A powerful pump system facilitates rainwater collection in low-lying areas of Plant 1, yielding 1,000-1,500 tonnes per millimetre of rainfall. We are at the forefront of water conservation, achieving a significant reduction in specific water usage per car and attaining 80% water neutrality through recycled RO water.



Constructing of reservoirs and the channelling of drainage canals has enabled storing tonnes of rainwater.

350,000 Tonnes

Water stored

80%

Water neutral

30%

Reduction in water usage

Rainwater harvesting fulfils almost 50% of our water requirements, with the rainwater reservoir acting as a buffer for over 120 days of operations and refilling 2.5 times annually, reducing the reliance on alternative water sources. We also employ both internally recycled water and externally supplied Tertiary Treated RO (TTRO) water for our processes.

Water conservation measures, such as the cascading system and the utilisation of reject water, have resulted in a 30% reduction in water usage over the past five years. Additionally, we repurpose reject water from our RO plants for landscaping purposes.



WATER EFFICIENT UNIT AWARD

HMIL bagged the 'Noteworthy Water Efficient Unit' award during the CII's 8th Water Innovation Summit held in New Delhi. This award recognises our integrated approach to the sustainable use and management of water resources.

Management of harmful substances

In addition to water management, we are dedicated to minimising and responsibly managing harmful substances in our products and operations. We manage these substances in accordance with both product and production process requirements, adhering to domestic laws and global standards.

Hazardous waste disposal is carried out through the Tamil Nadu Pollution Control Board (TNPCB) approved vendors. Various initiatives, such as the implementation of screw press filters, have resulted in a 19.4% reduction in hazardous waste and a 14.3% reduction in non-hazardous waste over the past five years.



3,285 Tonnes

Hazardous waste disposed

75,302 Tonnes

Non-hazardous waste disposed

Reducing product carbon footprint

Hyundai is committed to achieving carbon neutrality by 2045 and has embraced an 'eco-friendly mobility ecosystem' to align with global efforts towards sustainable growth. Our strategy includes a shift from internal combustion engine (ICE) vehicles to EVs through the introduction of the E-GMP platform.

We are also advancing hydrogen fuel cell technology for a range of mobility options. By expanding charging infrastructure for both electricity and hydrogen, we aim to lead in carbon neutrality and drive the global transition to a carbon-neutral energy system.

ENHANCING EV TECHNOLOGY & CHARGING INFRASTRUCTURE

Compared to the traditional ICE platform, Hyundai's exclusive EV platform E-GMP offers distinct advantages. These include flexibility in vehicle development, optimised EV design, a standardised

high-capacity battery system, extended driving range, futuristic aesthetics and innovative interior space. As a result, E-GMP positions itself as a frontrunner in upcoming mobility innovations, encompassing fast charging, autonomous driving and connectivity.

Expanding EV lineup

Hyundai is consistently broadening its range of environmentally friendly vehicles. HMIL has recently unveiled a ten-year investment plan, concentrating on the expansion of its EV range and the enhancement of its existing car and SUV platforms. Our Company is prepared to invest ₹ 20,000 Crores over the next decade, starting in 2023.

Notable features of this strategy comprise:

- ▶ Selecting Tamil Nadu as our EV manufacturing hub
- ▶ Setting up a state-of-the-art EV battery assembly facility
- ▶ Installation of 100 charging stations along highways

Awards and accolades for environmental excellence



- ▶ Received the 'Sustainability Award' and the 'Reinventing the Future through New Initiatives in Environment and Energy' accolade from Manufacturing Today for our outstanding environmental and energy initiatives at the factory.
- ▶ Recipient of the 'Excellence in Water Management' award from the CII in recognition of its exemplary water management practices.

Social (People)

Engaging with care and responsibility

We prioritise all stakeholders, particularly our employees and suppliers, as key contributors to sustainable growth. Simultaneously, we strive for constant innovation to deliver unique value to customers and extend positive impact in local communities through mutually beneficial partnerships.

At HMIL, we nurture employee skills and competencies to align with our shared organisational objectives. Through their skills, attitude and sensitivity, employees enable the Company to evolve, grow and contribute to the creation of transparent and valuable relationships with stakeholders.



Move for Our People

Diversity and inclusion

Human rights

Corporate culture innovation

Talent growth experiences

Occupational health and safety



HR management

Our HR management prioritises adaptability to market changes, particularly the transition to electrification. We focus on nurturing talent in emerging fields such as PBV, AAM and robotics, aligning with the Company's mobility innovation and transformation into new growth sectors. Quantitative analysis of employee performance, competencies, engagement and social relationships informs a comprehensive, data-driven HR strategy.

We also provide our employees learning opportunities, empowering them to develop their unique skills and career paths. We are thus ensuring that our Company is well-prepared to thrive in the evolving automotive landscape with a skilled and agile workforce.



reIMAGINING PEOPLE PRACTICES

In recent years, we have transformed our employee experiences to shape a Smart Service Mobility organisation.

Our 'reIMAGINATION' project focuses on Work, People and Workplace dimensions, with phases of Reset, Rethink, Reconsider and Reimagine. Starting in September 2022, we enhanced the quality of work-life for all employees, boosting our Culture Index and becoming an employer of choice with best practices to attract and retain top talent.

This aligns with our goal to internalise 'progress for humanity' and establish HMIL as a Great Place to Work, promoting a positive work culture and addressing evolving workforce needs.

ROLE-BASED ORGANISATION STRUCTURE

We introduced a dynamic role-based organisational structure, redefining 'Responsibility Levels', implementing detailed 'Broad Bands and Sub-bands' and introducing a responsive 'Market Designation'.

A pivotal facet of this transformation was the integration of the Agile Team Concept to empower our enabling functions.

This transformation encompasses several key aspects: a newly introduced Agile and Smart Organisational Architecture, developed in partnership with Deloitte India, characterised by a network of roles. This innovative approach facilitated a rapid 'Design-to-Deployment' organisational design journey. The initiative also underscores accelerated career development, more agile workplace practices, and empowered teams to foster innovation. To nurture upcoming leaders, we established the Leadership Excellence Academy (LEAD).

All these endeavours are guided by Hyundai's excellence philosophy, the HY-way to Excellence, driven by a forward-looking and sustainable development framework featuring Behavioural, Functional and Future Competency tracks.

This organisational transformation readies us for the future, streamlining responsibility levels, promoting agile work networks and enabling fluid career progression.

Collaborating with Deloitte's Job Evaluation System, we assessed unique roles and determined their value and corresponding grades. The entire transformational exercise was co-created with stakeholders, involving sharing sessions, discussions and signoffs, resulting in a smooth transition to the role-based structure.

1,025

Job roles developed

475

Unique roles identified



Social (People)

To strengthen the role-based structure, we made the following transitions to our key HR policies:



Role-based compensation and benefits

- ▶ We aligned our compensation with roles, ensuring competitiveness in the market.



Role-based policies

- ▶ We shifted from the previous grade-based policies for Company-provided cars to role-based policies.

LEADERSHIP EXCELLENCE ACADEMY (LEAD)



The development of HR processes led to the creation of Hyundai's Marquee Leadership Excellence Academy (LEAD).

This Academy is designed to offer a sustainable and forward-looking Leadership Development Framework, encompassing personal experiments, learning and coaching experiences, as well as multifaceted assignment exposures.

Assessment Centre

Initially, leaders underwent a series of assessments covering cognitive, personality and behavioural aspects. These assessments were linked to the newly developed HY-way to Excellence Framework, which focuses on behavioural competencies.



LEAD offers a sustainable and forward-looking Leadership Development Framework, encompassing personal experiments, learning and coaching experiences, as well as multifaceted assignment exposures.

HYUNDAI-WAY TO EXCELLENCE FRAMEWORK

HMIL is actively shaping a future-proof business architecture for sustained and consistent growth. This journey necessitates the cultivation of enhanced competencies to strengthen our competitive advantage. After conducting comprehensive external and internal studies, we established a Behaviour Competency Framework known as the 'HYUNDAI-way (HY-way) to Excellence Framework'. It consists of 13 competencies encompassing both current and future-focused behaviours, enabling us to progress in the desired direction.

The HY-way to Excellence Framework will be the foundation for all future key HR processes and programmes, including Leadership/Potential Assessments, Succession Planning, the Core Talent Programme, Recruiting and Onboarding and Career Management and Development.



Genesis '23: Young Talent Pool (YTP) campus recruitment

Despite the challenges posed by an unprecedented attrition rate in 2022, the campus recruitment team remained resolute and successfully selected the brightest minds from esteemed institutions nationwide through the Genesis '23: YTP Campus Recruitment initiative.

With a dual focus on employer branding and the introduction of new products, this effort aimed to shape the Future Leadership of Generation Z.

40%

Women candidates recruited

CONTINUOUS PERFORMANCE MANAGEMENT

- ▶ **Quarterly performance review process:** We have successfully implemented a continuous performance review system with 100% compliance, ensuring quarterly reviews by functions to align with organisation goals.

- ▶ **Simplified evaluator:** Our simplified evaluator has increased process efficiency by removing multiple evaluators from the system, making the process more streamlined.

JOB ROTATION SYSTEM

Hyundai strategically recruits external talent while also encouraging job rotation among existing employees to optimise their skills. By aligning departmental needs with employee aspirations, we cultivate a positive workplace culture, enhance productivity and nurture corporate capabilities and technology. This approach reduces costs and training time for new hires and allows current staff to develop managerial skills through diverse tasks.



Assessment tool

Vertical head and function head	Domain head/sub-domain head/team lead
Hogan Personality	ERAS personality
Behavioural event interview	ERAS cognitive
Business case study	Business case study
Situational judgement test	Situational judgement test
In-basket exercises	In-basket exercises
Digital DNA	Learning inventory



Social (People)

Diversity and inclusion

Our people practice reflects our promise to be an inclusive business. We are an equal opportunity employer when it comes to attracting, retaining and developing fresh talent.

These all help create an open, stimulating and supportive workplace for our colleagues, helping them to better serve our clients and engage with our communities.



ADVANCING GENDER DIVERSITY

- ▶ The hiring of women employees increased from 5.4% in 2022 to 6.5% in 2023.
- ▶ Initiating the Diversity & Inclusion Council (DIC) to review various aspects such as infrastructure, shop floor diversity infusion and mind-set change to create an inclusive workplace.
- ▶ Hiring of women YTP at 33% and 16% through lateral hiring on an average over the last five years.

The goal of increasing the diversity quotient in the workforce by hiring women on shop floors, aiming for a diversity ratio of **10% by 2025**.

Learning and development

LEADERSHIP PROGRAMMES FOR LEADERS

- ▶ The Global Executive course is crafted to equip our new Senior Leadership team for executive-level roles and drive the organisation forward. Developed and managed by HMG University, this programme is designed for executives across HMG's various operations. Business heads participate in five-day modules covering HMG Heritage, Hyundai Business, Brand Experience, R&D of HMG and Leadership in HMG.

- ▶ HRD organised a 36-hour virtual certification programme titled 'Digital Transformation & Digital Technologies' in collaboration with the Indian Institute of Management (IIM) Tiruchirappalli, for Head of Department-level employees. The programme comprises three stages: 14 generic sessions, 10 function-specific sessions and Action Learning projects.
- ▶ The 'Power of Excellence' initiative was launched for Factory Heads of Section, focusing on 'Strategic

Thinking and Influencing Skills' and 'Emerging Technology in the Auto Industry'. This programme included 181 participants.

- ▶ The 'Metamorphosis Training' programme is designed for Front Line Supervisors, emphasising leadership development, new age skills, upskilling and morale enhancement. So far, 442 supervisors have completed the programme.

NEW AGE LEARNING SKILLS PROGRAMME

In the digital age, HMIL is strategically equipping its workforce with essential digital skills to realise the vision of a 'Smart Factory' across diverse functions.

In alignment with this objective, we have introduced a series of comprehensive programmes encompassing data analytics, ML, blockchain, smart factory awareness, Industry 4.0 tools, evolution of mobility and the Metaverse.

800

Executives covered

Great workplace culture

Hyundai aims to become a company where employees can grow and feel proud of themselves and their role within the Company. To this end, we have established three work attitudes – **Bold Moves, Positive Energy and Inner Qualities** as our organisational culture goals.

Industrial health and safety

We are strengthening our health and safety management system through strengthened safety leadership from management. Additionally, we are upgrading our on-site safety management system by conducting comprehensive safety inspections twice a year.

OUR MOTTO

“Providing a safe and healthy work environment to ensure the lasting value of life.”

DIGITAL TOOLS IMPLEMENTATION

Virtual classroom (WebEx)

- ▶ Virtual programmes on various functions
- ▶ Virtual meeting/conference
- ▶ External programmes by institutes

Anytime Learning (LinkedIn)

- ▶ Learning at their own place and pace
- ▶ Personalised learning/tracking
- ▶ Nano learning through mail communication

AutoZone Safety (VR)

- ▶ Virtual reality classroom training
- ▶ Safety awareness training
- ▶ AutoZone safety – simulation through VR

Feedback (Survey Monkey)

- ▶ Training nomination/attendance record
- ▶ Pre and post-test evaluation
- ▶ Training programmes feedback



HMIL BAGS GLOBAL SECURITY AWARD

We received the Global Security Award 2022 out of 52 subsidiaries. HMIL actively participated in the Global Council meeting and presented the **Best Security Practice and Security Improvements**.



Social (Community)

We believe our success lies in creating value for our stakeholders and benefitting the wider community. We are committed to making positive social change.

To facilitate the execution of our CSR projects, we have established a registered public trust called Hyundai Motor India Foundation (HMIF). It works closely with the Board and CSR Committee to identify, implement and monitor CSR initiatives in collaboration with other non-governmental organisations (NGOs) when necessary. Additionally, it ensures regular reporting of project progress and necessary disclosures.

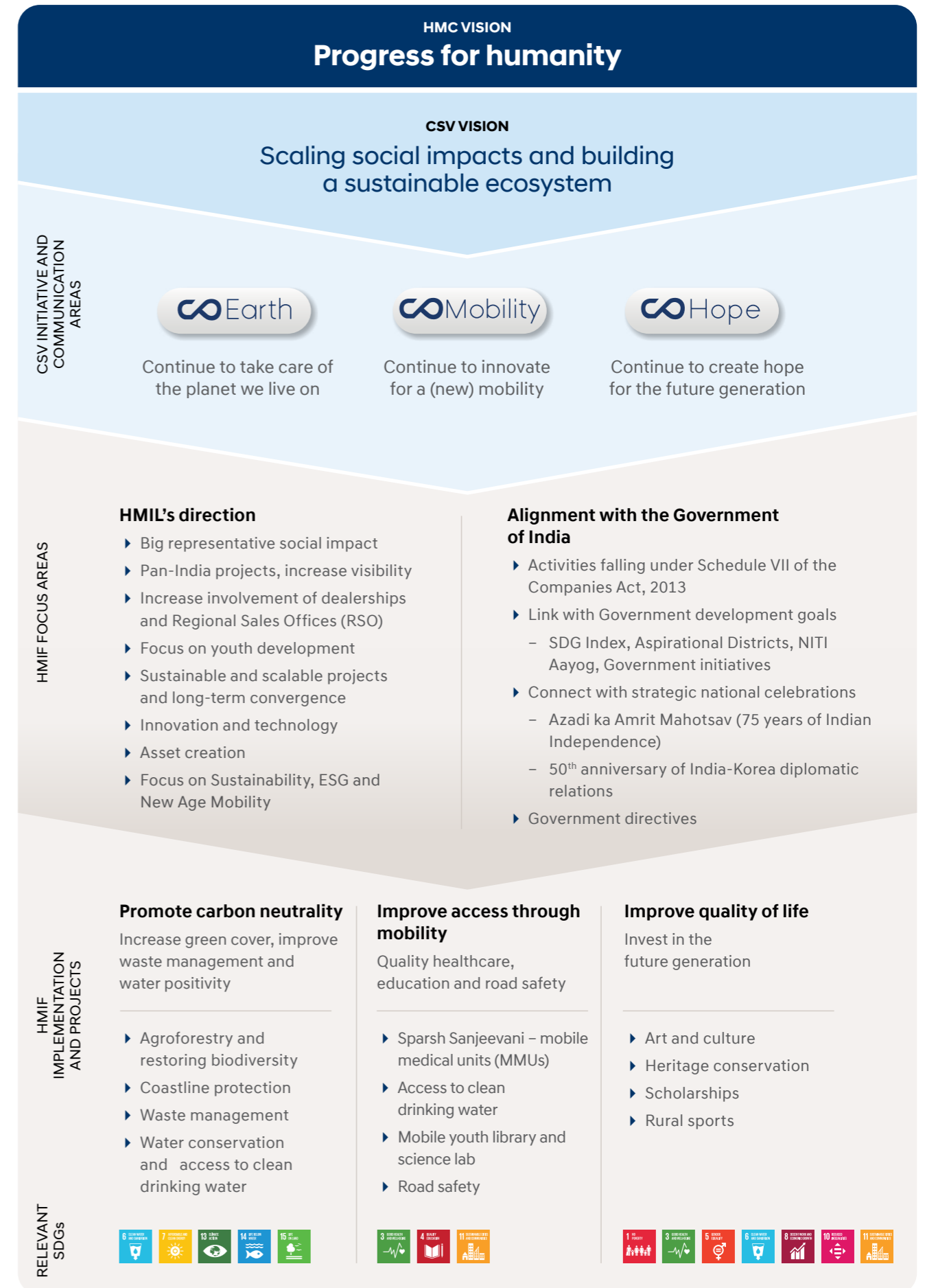


Move for Our Community

- Social impact
- Customer experience innovation
- Product quality and safety
- Sustainable supply chain
- Job creation for the future



Creating Shared Value (CSV) strategy





Social (Community)



Key highlights: FY 2022-23

∞ Earth

- ▶ 2.30 Billion litres – wastewater treated
- ▶ Over 60,000 trees planted
- ▶ 10,000 saplings grown and donated to community and farmers
- ▶ 260+ acres – green cover created
- ▶ 50,250 kgs – factory waste recycled

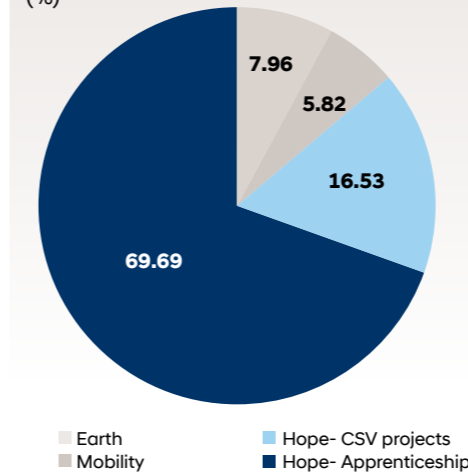
∞ Mobility

- ▶ Education accessibility to 20,493 children
- ▶ Healthcare access in 45 villages, six states
- ▶ 42,174 healthcare consultations
- ▶ Improving road infrastructure in Kerala benefitting 5,00,000 commuters per day

∞ Hope

- ▶ Reached 2.16 Lakh children of 1,300+ schools
- ▶ Income generation of ₹ 4 Lakhs+ for 3,800 artisans; 35 art projects from 20 states supported
- ▶ 253 rural women supported with an income of ₹ 8,000 per month
- ▶ Income generation for 470 candidates at an average of ₹ 10,000 per month

Distribution of CSR Spend in FY 2022-23 (%)



At Hyundai, we believe that our success lies in creating value for our stakeholders and benefitting the wider community. We are committed to making positive social change.

∞ Earth

ECO-RESTORATION OF PONDS

HMIL successfully restored three waterbodies in Gurugram – Hariahera, Taj Nagar and Palasoli. One of these restored ponds is part of the Prime Minister's Amrit Sarovar Mission, which involves pond restoration, community awareness, tree planting and pond site wastewater treatment.

In FY 2022-23, a total of 465 trees were planted, and the pond water was rejuvenated. Our efforts led to the restoration of 255 Million litres of water, including 73 Million litres from Hariahera, 146 Million litres from Taj Nagar and 36.5 Million litres from Palasoli.



465

Trees planted in 2022

∞ Earth

FORESTRY PROJECT IN KURNOOL – AIDING TRIBAL FAMILIES

HMIL, via our CSR arm, launched an agroforestry project in Andhra Pradesh for the Chenchu tribe, a marginalised community.

As a part of the project, HMIF will support the tribal households by fencing the land, delivering organic manure on a constant basis, supplying mechanised support for tilling, ploughing, and imparting knowledge on intercropping practices. This project aims to empower tribal communities to hone their skillsets in farming.

The project will support 115 families through the plantation of mangoes, lemon and chickoo saplings and training the beneficiaries in intercropping techniques for sustained livelihood while transforming wasteland into cultivable land. The project aims at improving the green cover area in 250 acres of wasteland.

In FY 2022-23, the plantation of 20,000 fruit-bearing trees led to an increase in the green cover of 250 acres of land and 50 families received their land title for 60 acres of land. The government has given a subsidy of ₹ 34 Lakhs for the project.



115

Families benefitted through forestry project



Social (Community)

COEarth

RE-DEVELOPMENT OF LEISURE VALLEY PARK

HMIL is committed to enhancing and maintaining Leisure Valley Park in Gurugram for three years (August 2022 to March 2025).



This 25-acre project includes the revitalising of entry gates, green belts, lawns, a musical fountain and water bodies.

It includes the management of 50 kg of daily bio-waste, the development of nurseries and the promotion of eco-awareness.

Additionally, the project will explore rainwater harvesting. Notably, it features 350 tree saplings, 15,935 shrubs, 77,333 ground covers, 5,000 shade plants, 2,000 seasonal flowers and 320 plants on the Green Wall.

350

Tree saplings planted

77,333

Ground covers

2,000

Seasonal flowers

COEarth

GROWING A GREEN LEGACY

HMIF, our CSR arm, has successfully transformed a 12.16-acre barren land within SIPCOT Industrial Park at Sriperumbudur into a thriving greenery park. The initiative involved planting over 5,000 indigenous trees, including varieties such as Indian cherry, mahogany, teak, fig and banyan. The initiative also involves an annual nursery

plantation programme, distributing 5,000 saplings to villages, farmers, schools and institutions.

The project has provided employment to 15 tribal families and trained them in nursery maintenance. In 2022, the initiative planted 42 indigenous trees, donated 3,500 saplings and cultivated 16,000 ornamental and herbal saplings, benefitting more than 5,000 individuals.



5,000

People benefitted

COEarth

WASTE MANAGEMENT FACILITY IN GURUGRAM

In partnership with the Municipal Corporation Gurugram, we established EcoGram: Centre for Sustainable Solutions, a decentralised waste management and biogas plant. It includes a Material Recovery Facility for dry waste, a biogas plant

converting wet waste into electricity and Earthshala – a learning centre. This self-sustained solid waste management centre processes around 800 kg of wet waste daily, generating on-site electricity. With a total daily capacity to manage 7 tonnes of waste (2 tonnes wet, 5 tonnes dry), it diverts 2,500 tonnes of waste annually from landfills.



2,500 Tonnes

Waste diverted annually from landfills



COEarth

CONTRIBUTION TO DISASTER MANAGEMENT

In July 2022, HMIF donated ₹ 1 Crore to Assam State Disaster Management Authority (ASDMA) for flood relief. We also distributed dry ration kits to 100 tribal families affected by the 2022 floods in Kancheepuram district, Tamil Nadu.



COMobility

BRIGHTER GURUGRAM

Launched in May 2022, 'Brighter Gurugram' is an art-driven road safety initiative near the HMIL HQ in Sector 29, Gurugram. This project involved the creation of 28 3D zebra crossings and the revitalisation of 11 traffic police booths with vibrant colours and safety messages. The aim was to improve road behaviour and pedestrian safety by engaging over 40 local youth artists. Additionally, community awareness events were held, providing road safety training to over 200 children from NGOs and schools.

40

Local youth artists engaged

COMobility

MISSION CHENNAI – SAFER ROADS

In FY 2022-23, Hyundai Motor India Foundation initiated 'Mission Chennai', a health and road safety project targeting both public and private transport drivers. The project, featuring the road safety campaign 'Ungal Gavanathirukku', aims to sensitise 30,000+ drivers in the Chennai, Kancheepuram and Tiruvallur districts.

This initiative includes:

- ▶ Providing free health check-ups for 18,000 drivers along with counselling by medical experts
- ▶ Conducting road safety sessions for 12,000 corporate employees and drivers
- ▶ Collaborating with authorities to conduct surveys addressing road use issues and proposing solutions



COMobility

SPARSH SANJEEVANI – SATELLITE CLINIC

HMIF pioneered the Sparsh Sanjeevani Telemedicine Clinics, extending healthcare access to rural areas. In FY 2022-23, 25 clinics in five states benefitted over 23,000 people. Additionally, 2,000 individuals directly gained from awareness camps and diagnostic services. These clinics have reduced the need for people to travel 25-30 kms to cities for specialist medical care.

23,000+

People benefitted

As part of our expansion efforts, two additional clinics were inaugurated in the Alwar district of Rajasthan, in Mubarikpur and Doomroli, complementing the existing clinic in Mandhan.

These new clinics will serve over 1.5 Lakh individuals. Two more clinics in Bichgaon and Maujpur are set to be inaugurated shortly, bringing the total number of clinics in the state to five.

COMobility

MISSION FARIDABAD – 'DHYAN DO'

The project promotes road safety and self-healthcare among public and private transport drivers. It provides free health check-ups and counselling by doctors, along with cluster awareness clinics for both road safety and health.

COMobility

SPARSH SANJEEVANI – MOBILE MEDICAL VAN

Launched in 2021, this project delivers healthcare services to underserved rural areas, specifically in Laxmangarh, Rajasthan. In the current year, it aided 19,305 individuals, including over 3,000 through referrals. Additionally, 103 awareness camps successfully engaged with 5,847 people.

19,305

Individuals benefitted



Social (Community)



COHope

BENCH AND DESK DONATION THROUGH FACTORY WASTE UPCYCLING

HMIF donates upcycled benches and desks to schools in Tamil Nadu, utilising factory waste materials such as steel and wood. To date, we have donated a total of 41,620 benches and desks. In 2022 alone, 45 tonnes of iron were recycled, resulting in the creation of 2,250 benches and desks distributed among 50 schools.

41,620

Benches and desks donated till date

COHope

SKILLING THE YOUTH

At HMIF, we focus on skill development, supporting 47 Industrial Training Institutes and 13 polytechnics. Graduates are sought after, with 500+ employed by Hyundai dealerships. HMIF donated cut-section engines to 24 ITIs across Tamil Nadu to train students on modern technology. This initiative is expected to benefit 12,000 students studying Motor Mechanic Vehicle Trade over the next five years.

COHope

VIDYA VAHINI – EDUCATION ON WHEELS

Launched on August 4 and 5, 2022, in Gurugram and Lucknow, Vidya Vahini offers holistic education with 100+ hands-on science models. A mobile van visits 91 schools in Uttar Pradesh, reaching 16,000 students. The project inventory includes 500 books, 100 experiments and trained instructors.

The project has components of a Young Instructor Programme, science fairs, summer camps and other unique and interesting activities to create a fun-filled learning environment. Over 2,700 sessions in 91 schools have benefitted 16,493 students. 10 teacher workshops helped 2,233 teachers, and 8,518 students have benefitted from evening sessions. This programme will expand across the state and other areas.

16,493

Students benefitted



COHope

PROMOTION OF SPORTS EDUCATION

To boost sporting talent in India, HMIF introduced the innovative 'Sports-Lab' initiative. This programme will identify, nurture and guide students from underprivileged backgrounds, training them in various sports.

The project is being launched in 40 schools across Punjab and Haryana, encompassing five different sports, camps and counselling. This effort aims to positively impact 8,000 children by enhancing their mental, physical and social well-being.

Additionally, it aims to provide structured career development opportunities in sports for disadvantaged families in the states.

8,000

Students benefitted



COHope

ARTISAN FEST

The Annual Artisan Fest is a platform for traditional artisans, self-help groups (SHGs) and craftsmen to enhance sales and visibility for their products.

Launched in 2021 with eight exhibitors in Gurugram, the event grew in 2022 with 32 exhibitors, nine performers and the promotion of 20+ art forms. Held at MCG Amphitheatre, Sector 29 Gurugram, from October 12-16, 2022, in collaboration with the District Administration, Gurugram, the five-day fest featured 25 exhibition booths showcasing crafts, NGO initiatives, artisans and small businesses. An art exhibition, themed 'Back to Roots', showcased local emerging artists' works.

The event attracted 2,000+ visitors and benefitted over 3,800 people indirectly. Exhibitors collectively generated over ₹ 4 Lakhs and gained widespread local community exposure.

The fest included workshops for children, covering various art forms like pottery, graffiti painting, Madhubani painting and more. Traditional performances included Bhopa Bhopi from Churu, Rajasthan, Haryanvi instrumental musicians, folk storytellers from Himachal Pradesh and Haryana, music, theatre, puppet shows, folk dances and Nukkad Natak by Gurujal Society.

3,800

People benefitted



COHope

ART FOR HOPE

Launched in 2021, this programme provides financial aid and support to India's pandemic-affected arts and culture community. It is now an annual flagship art grant initiative by HMIF, benefitting youth, women, folk and tribal artists who lack exposure.

Product quality and safety

At HMIL, we prioritise quality throughout our entire operation. From product conception and design to manufacturing, sales and post-sales support, we place quality and our customers at the centre of every decision.

In 2023, our goal is to build trust by embracing challenges and driving positive change, even in a challenging business environment. HMIL is dedicated to never compromising on customer safety, ensuring a commitment that spans across research and development to sourcing raw materials, production, sales, distribution and post-sales service.

Our dedication to safety goes beyond meeting external regulations; it's deeply rooted in our appreciation for the value of life. This principle drives us to consistently prioritise the safety of our customers and employees above all else.

In its second edition (FY 2022-23), 51 artists, including two disabled artists, received support through 35 grants across 20 states and Union Territories (UTs).

Artworks were displayed at exhibitions in New Delhi and Chennai, attracting 3,700+ visitors, and 1,180 participants in art workshops and offering accessibility for people with disabilities via Braille, tactile reproductions and sign language tours.

The featured artworks aimed to raise awareness on environmental, social and indigenous cultural issues in India.

We are committed to delivering products and services that align with international standards, and we maintain strict compliance with all relevant laws, including those pertaining to product packaging, labelling and post-sales service obligations.

Sustainable supply chain

HMIL is committed to seeking sustainable growth by integrating Environment, Social, and Governance (ESG) principles into our business framework. The recent convergence of technology, encompassing electrification, digitisation and the rise of mobility services, has initiated a transformative shift within the automotive industry. In response, we are taking proactive steps to adapt by establishing a sustainable supply chain.

In pursuit of this objective, we have introduced a Supplier Code of Conduct, which calls upon our suppliers to not only adhere to relevant rules



COHope

NAMMA CHENNAI SCHOOL PROJECT

HMIF contributed ₹ 2 Crores to the 'Namma School Foundation,' an initiative by the Tamil Nadu government. At the Foundation's inauguration, a commitment letter was presented to Chief Minister MK Stalin, underscoring the aim of enhancing accessibility to government schools across socio-economic groups.

and regulations governing corporate management but also embrace the highest ethical standards, environmental responsibility, labour practices, human rights, safety, health and effective management systems.

Job creation

HMIL announced its investment strategy for the next decade, earmarking ₹ 20,000 Crores for the expansion of our EV line-up in Tamil Nadu.

This investment will be allocated towards increasing the production capacity of our Sriperumbudur plant, setting up an EV battery assembly unit and installing charging stations along highways.

The expansion of these facilities will generate significant job opportunities within the plant.



Governance

Working with integrity

At HMIL, we believe that strong corporate governance plays a key role in augmenting trust and securing the long-term interests of our shareholders and various stakeholders.

We continue to improve systems and processes that integrate ESG priorities into overall business conduct. This ensures oversight and accountability, both from our Board of Directors (BoD) and senior management.



Governance structure

The HMIL Board consists of executive and non-executive directors. It is led by the Managing Director (MD) and Chief Executive Officer (CEO). The Chief Operating Officer (COO) and Chief Manufacturing Officer (CMO), who serve as Whole Time Directors on the Board, lead the sales and marketing and production verticals respectively, and steer the Company towards growth.

Other directors on the Board represent key functions such as Finance, Production, R&D and Corporate Affairs. The Board also has a representative of the parent company, Hyundai Motor Company, and a woman director.

Board's role

The Board is responsible for setting the Company's strategic direction and exercising prudent control over its operations. The Board takes key decisions on the Company's long term goals, short term business targets, reviewing, assessing and approving the strategic course and initiatives; and understanding the issues, forces and risks that define and drive the Company's long-term performance.

Comprehensive information about the BoD, including attendance at meetings and changes in its composition, is provided in the Board's Report.

Ethics and integrity

Our commitment to integrity, which involves ethical conduct, clean and transparent business practices, fair trade, respectful treatment of employees, protection of personal data lies at the heart of our business. At HMIL, ethics and enhancing stakeholder value are cardinal business principles. They translate into our strict adherence to laws and regulations, both in letter and in spirit, as we conduct our affairs in compliance with the Company's policies.

Upholding integrity in our conduct is of paramount importance to us.

The Company is strengthening its ethical framework by the introduction of an Ethics Charter and Code of Conduct and policies on key compliance topics. We will provide training to all employees through an interactive web-based learning module. The compliance programme's success relies on senior management's communication and compliance messaging.

A HARASSMENT-FREE WORKPLACE

We are an equal opportunity employer and are committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and any form of harassment. We also believe that every employee of the Company has the right to be treated with dignity.

We have a zero-tolerance policy towards:

- ▶ Sexual harassment
- ▶ Harassment/discrimination based on gender, race, colour, religion, age, national origin, disability and sexual orientation
- ▶ Retaliation against individuals for making a good-faith complaint of such harassment or cooperate in Company investigations regarding such complaints

The Internal Complaints Committee (ICC) has been set up to address complaints regarding sexual harassment.

The Company has complied with the provisions relating to the constitution of the ICC under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The constitution of the ICC is as follows:

Location	Role in internal committee	Position in Company
Factory and Chennai location	Presiding Officer	Women employee in senior position
	Members	<ul style="list-style-type: none"> ▶ Two members – HoDs and above ▶ Two women employees from the plant ▶ External participant
Corporate office and regional locations	Presiding Officer	Women employee in senior position
	Members	<ul style="list-style-type: none"> ▶ Two members – HoDs and above ▶ Two women employees from the corporate office ▶ External participant



Governance

During FY 2022-23, the ICC received 1 (one) complaint, which has been resolved. No complaints were pending inquiry as of March 31, 2023.

Continuous efforts to raise awareness about diversity and the prevention of workplace harassment have been made through sustained campaigns reiterating the Company's commitment to providing a safe workplace for all our employees.

During the year, the Company organised sensitisation and awareness programmes during the New Employee induction programmes, e-learning modules for all employees, trainees and associates, and implemented measures such as sending emailers, creating standees and posters. These initiatives were aimed at sensitising all employees to uphold professional conduct. In addition, virtual and classroom training sessions were organised to sensitise employees on these topics.

VIGIL MECHANISM/WHISTLEBLOWER POLICY

We have an established vigil mechanism/Whistleblower Policy to define and establish our position on the framework for reporting instances of unethical/improper conduct and taking suitable steps to investigate and, to the maximum extent possible, prevent the recurrence of such unethical/improper conduct.

This Policy ensures that sufficient safeguards are provided against the victimisation of employees and directors who act as whistleblowers to bring to light any unethical/improper conduct transpiring in the Company. The identity of the whistleblower shall always be kept confidential, except during the course of any legal proceedings, where a disclosure/statement is required to be filed.

The Company strongly condemns any kind of discrimination, harassment, or any other unfair employment practice against the whistleblowers for disclosures made under this Policy.

Our commitment to integrity, which involves ethical conduct and the respectful treatment of people, their data and the environment, lies at the heart of our business. At HMIL, ethics and making the right choices are cardinal business principles.

Any disclosures of unethical/improper conduct reported under this Policy shall be forwarded to the Vigilance Officer with a copy to the MD and shall be appropriately and expeditiously investigated.

We affirm that no director or employee has been denied access to the MD, and no whistleblower complaints were received during FY 2022-23.

The Whistleblower Policy is disclosed on our website under the web link <https://www.hyundai.com/in/en/hyundai-story/corporate-governance> and has been communicated to all stakeholders.

Compliance management

As per the provisions of Companies Act, 2013, the Board ensures that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems are adequate and operating effectively.

At HMIL, the BoD is responsible for providing the strategy and guidance for implementing and monitoring a comprehensive system for ensuring compliance with all statutory and regulatory requirements.

In 2018, we established a robust Compliance Management System (CMS) consisting of the following interdependent elements:

- ▶ Supervision of compliances by a Compliance Committee consisting of the function heads, which confirms the status of compliances to the Board

- ▶ Compliance management tool to monitor the compliances
- ▶ Compliance audit

The Compliance team continuously monitors compliance in accordance with industry requirements, employee health and safety (EHS) guidelines, and other applicable legislations.

Amendments are regularly updated in the CMS and communicated to the functional teams. Compliance is substantiated by uploading documentary proof on the tool, which undergoes periodic audits and is reported to the Compliance Committee, comprising the COO, CMO, Division Head of Finance and the Division Head of People Strategy and Business Support. A management dashboard facilitates prompt remedial action to reduce instances of non-compliances/delayed compliances.

An external audit of the compliance system was conducted, which confirmed the adequacy of our CMS.

Corporate Information

BOARD OF DIRECTORS

Mr. Unsoo Kim
Managing Director

Mr. Wangdo Hur
Whole Time Director & CFO

Mr. Jong Hoon Lee
Whole Time Director

Mr. Dosik Kim
Whole Time Director

Mr. Tarun Garg
Whole Time Director

Mr. Gopalakrishnan C S
Whole Time Director

Mr. Gang Hyun Seo
Director – Non Executive

Mr. Kuen Han Yi
Director – Non Executive

Ms. Hyunju Kim
Additional Director – Non Executive (Woman)

Mr. Daehan Choi
Alternate Director to Mr. Gang Hyun Seo

COMPANY SECRETARY

Ms. M. V. Vidya

REGISTERED OFFICE

Plot No: H-1 SIPCOT Industrial Park
Irrungattukottai
Sriperumbudur Taluk
Kancheepuram District
Tamil Nadu 602 117
Tel: 044 4710 0000
Fax: 044 4710 0400
www.hyundai.co.in

CORPORATE OFFICE

Plot No. C-11 & C-11 A, City Centre,
Urban Estate, Sector 29,
Gurugram, Haryana - 122001

STATUTORY AUDITORS

BSR & Co., LLP
Chartered Accountants
KRM Tower, 1st and 2nd Floors
No-1, Harrington Road
Chetpet, Chennai-600 031

SECRETARIAL AUDITORS

B. Chandra & Associates
Practising Company Secretaries
AG 3, Ragamalika
No. 26, Kumaran Colony Main Road
Vadapalani, Chennai – 600 026

COST AUDITORS

Geeyes & Co.,
Cost and Management Accountants
A-3, III Floor, 56, Seventh Avenue
Ashok Nagar, Chennai – 600 083

BANKERS

Citibank NA
DBS Bank India Ltd
HDFC Bank Ltd
HSBC Ltd
ICICI Bank Ltd
Indian Bank
KEB Hana Bank
MUFG Bank
Shinhan Bank
Standard Chartered Bank
State Bank of India
Woori Bank



Board's Report

To the Members of
Hyundai Motor India Limited

Your Directors are pleased to present their Twenty Seventh Annual Report along with the Audited Statement of Accounts for the Financial Year 2022-23.

CORPORATE RESULTS

Particulars	(₹ in Million)			
	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	597,614.46	470,427.93	603,075.80	473,784.32
Other Income	11,185.52	5,808.95	11,290.62	5,876.16
Total Income	608,799.98	476,236.88	614,366.42	479,660.48
Expenses				
(a) Cost of materials consumed	445,086.35	352,308.08	445,086.35	352,308.08
(b) Purchase of stock-in-trade	6,564.16	6,564.05	6,564.16	6,564.05
(c) Changes in inventories of finished goods, stock in trade & WIP	(1,351.21)	(621.20)	(1,351.21)	(621.20)
(d) Employee benefit expenses	15,522.23	14,734.01	17,662.26	16,476.38
(e) Finance cost	1,422.19	1,318.94	1,424.01	1,319.13
(f) Depreciation & amortisation	21,552.15	21,356.79	21,898.66	21,695.86
(g) Other expenses	57,787.85	43,549.89	60,098.70	44,397.74
(h) Cost of vehicles for own use	(472.26)	(201.61)	(472.26)	(201.61)
Total expenses	546,111.46	439,008.95	550,910.67	441,938.42
Profit Before Taxes	62,688.52	37,227.93	63,455.75	37,722.06
Less: tax expense				
(a) Current tax	18,178.75	10,259.55	18,414.53	10,377.87
(b) Deferred tax (net)	(2,028.70)	(1,649.27)	(2,051.28)	(1,671.72)
Total Tax Expenses	16,150.05	8,610.28	16,363.25	8,706.15
Profit for the year	46,538.47	28,617.65	47,092.50	29,015.91
Other comprehensive income/(loss)				
<i>Items that will not be reclassified to profit and loss</i>				
Re-measurements of net defined benefit liability/(asset)	(236.13)	34.93	(230.33)	36.11
Income tax relating to the above	59.43	(8.79)	57.97	(9.09)
Total comprehensive income/(loss)	(176.70)	26.14	(172.36)	27.02
Total comprehensive Income for the year ended 31st March 2023	46,361.77	28,643.79	46,920.14	29,042.93
Earnings Per Share				
Basic (Face Value of ₹1,000 each)	5,727.52	3,521.99	5,795.71	3,571.01
Diluted (Face Value of ₹1,000 each)	5,727.52	3,521.99	5,795.71	3,571.01

ECONOMY AT A GLANCE

The Indian economy grew at a pace faster than expected in the fiscal year ended March 2023, thereby cementing its position among the fastest-growing economies in the world.

The economy grew 7.2% in 2022-23 (April-March), which is higher than the government's earlier estimate of 7.0% but much lower than the growth rate of 9.1% in the previous year. The growth has been primarily led by the services sector and agriculture. In nominal terms, without adjusting for inflation, GDP rose 16.1% in FY23 as compared with 18.4% expansion in the preceding year.

A higher capital expenditure, strong balance sheets of corporates and a well-capitalised network of public sector banks showing willingness to extend credit to MSMEs had fueled the growth of the economy.

During FY 2022-23, gross fixed capital formation rose 11.4%, raising its share in GDP to 34%, the highest since FY 15. Private consumption was at 58.5% in FY 23, up by 7.5% from the previous year, with its share hitting its highest since FY 07.

The fall in commodity prices also helped lift growth, reducing the drag from net exports.

Industry which accounts for 31% of the GDP, contributed to the strong growth and generated employment for upto 12 crore people in FY 2023. The path breaking measures such as PM Gati Shakti, the National Logistics Policy and the Production Linked Investment Scheme (PLI Scheme) gave a big push to manufacturing.

India also made rapid strides in the electronics field and is now the world's second largest mobile phone manufacturer globally. Investments in semi-conductor fabrication plants have also been on the increase.

India has declared the Net Zero pledge to achieve a net zero emission goal by 2070. The target of achieving 40% installed electric capacity from non-fossil fuels was achieved well before the target date of 2030. The National Green Hydrogen Mission was set up to make India energy independent by 2047. With the strong push given by the Government for e-vehicles and charging infrastructure, e-vehicles are expected to touch 1 crore vehicles by 2030.

In spite of all the achievements, challenges still remain mainly from external factors like the continuing Russia-Ukraine conflict and the global slowdown of growth.

Indian Auto Industry

The auto industry performed exceedingly well in FY 2022-23. Total passenger vehicle (PV) sales increased from 3.07 Million units to 3.89 Million units. The largest contribution to the PV segment in FY 2023 was made by utility vehicles (SUVs), which accounted for a 51% share. Major automakers registered record sales in the domestic market. The steep growth witnessed by the industry in FY 2023 was driven by post-Covid pent up demand in the early part of the year, new models and vehicles launched during the year and the easing of the semiconductor shortage.

Total vehicle production was 2.59 Million units as against 2.30 Million units in the previous year. Exports of passenger vehicles increased from 5.77 lakh units to 6.62 lakh units.

Long Term Outlook for the Indian Auto Industry

Favourable policy initiatives like the PLI Schemes, encouraging budget announcements, forward looking logistics and foreign trade policies and the new gas pricing guidelines are expected to support the growth of the industry to a large extent.

EV Market in India

In fiscal year 2022-23, India's electric car sales surpassed the milestone of one Million units. According to the data from the Society of Manufacturers of Electric Vehicles (SMEV), the whole EV industry sold 11.7 lakh units in FY 2023, as against

4.58 lakh units in the previous financial year, a significant 154% year-over-year increase with two wheelers accounting for 62% of the sales and 4 wheelers only 4%.

The Government of India has announced ambitious energy transition plans at COP26 for deploying 500 GW of renewable electricity generation capacity by 2030 and signing up to the global EV30@30 campaign.

The renewables plan would triple India's renewables capacity, while the EV30@30 campaign requires electric vehicles to make up at least 30% of new vehicle sales by 2030.

These two ambitious targets are closely connected. Shifting the country's vehicle fleet from internal combustion engines to electric motors will further trim emissions, if accompanied by an accelerated de-carbonisation of India's power sector. At the same time, electrifying road transport will unleash a tremendous number of distributed energy sources, which when effectively managed could help absorb surplus solar and wind generation, reduce costs for consumers and utilities, and further incentivise EV adoption.

Beyond spurring EV sales, policy support for charging infrastructure and incentives for grid-friendly charging are essential to realise this potential, in particular, encouragement of daytime charging to absorb abundant solar output during the day. (Source: IEA.org)

Further an EV battery swapping policy would make a radical difference and increase the use of EVs in India.

The Government of India supports EV deployment through the Faster Adoption and Manufacturing of Hybrid and EV (FAME) II scheme, aiming to reduce primary oil consumption and pollution in cities as well as creating battery and EV manufacturing capacity at global scale.

Your Company is also accelerating its electrification strategy to become a market leader in the EV system.

HMI'S PERFORMANCE

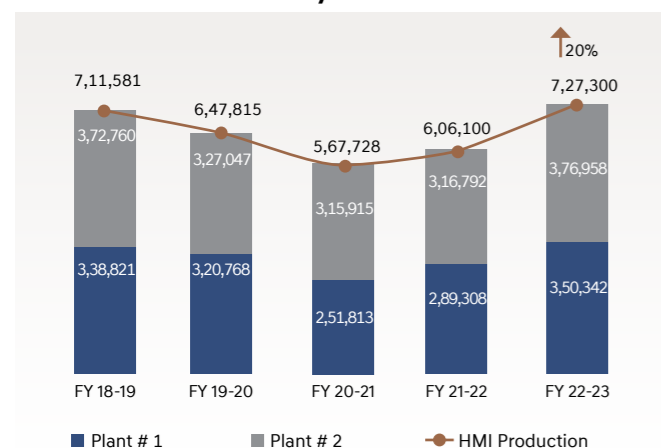
FY 2022-23 was a busy year for your Company. New car models including the Ioniq 5 were launched, production capacity was increased and steps were taken to accelerate growth in the coming years through strategic investments including the proposed acquisition of a production facility.

Production

The total production of your Company for the FY 22-23 was 7.27 lakh units as against 6.06 lakh units in the previous year, an increase of 20%.



Production Data - Last 5 years



(Plant 1 and 2 represent separate assembly lines at the Chennai factory)

Sales

Your Company registered its highest ever sales in FY 23. All the Marquee Hyundai models like CRETA, VENUE, ALCAZAR, TUCSON, AURA and Grand i10 NIOS registered their highest ever annual numbers in FY 22-23.

Domestic Sales

The domestic sales during the year was 5.67 lakh units as against 4.81 lakh units in the previous year, registering an impressive growth of 17.9%.

Export Sales

On the export front, your company sales increased from 1.29 Lakh units to 1.53 lakh units, a growth of 18.4% contributed mainly by African and Latin American markets.

Sales Data - Last 5 years



Profitability

The standalone profit before tax and profit after tax for FY 22-23 was ₹62,688.52 Million and ₹46,538.47 Million respectively as compared to ₹37,227.93 Million and ₹28,617.65 Million respectively for the FY 21-22, recording an increase of 68.4% in PBT and 62.6% in PAT respectively.

Dividend

Your Directors have recommended a final dividend of ₹ 5,727 per share (nominal value of ₹ 1000/- per share) for the FY 2022-23, aggregating to ₹ 46,534.23 Million which will be paid on approval by the shareholders of the Company in the Annual General Meeting, after deduction of tax as may be applicable.

Production Capacity

Your Company is in the process of increasing the production capacity to 8,50,000 units p.a. to meet the market demand by further automating certain processes and increasing the number of shift working, thereby increasing the UPH to 58 and introducing advanced technologies like AI and digitalisation to enable the transformation of the entire factory to a Smart Factory. These measures will enhance the efficiency, boost productivity and bring about effective engineering and development of new products in line with our vision of Progress for Humanity.

Acquisition of Production Facilities of GM India Private Limited

Your Company has signed a 'Term Sheet' for the acquisition of identified assets of (i) General Motors India Private Limited ('GM India') and (ii) Chevrolet Sales India Private Limited ('CSIPL')

The Term Sheet covers the proposed acquisition of (i) Land & Buildings and (ii) Certain machinery and equipment for manufacturing, situated at GM India's Talegaon Plant at Pune and the PDC Warehouse of CSIPL situated at the same plant. The proposed acquisition is subject to the signing of the 'Definitive Asset Purchase Agreement', fulfilment of conditions precedent and receipt of regulatory approvals from the relevant Government Authorities and all the stakeholders related to the acquisition.

MILESTONES, AWARDS AND NEW INITIATIVES

Your Directors take immense pleasure in sharing the following achievements of your Company

- ▶ Car of the Year: Hyundai TUCSON - Acer FASTER Awards 2023
- ▶ Best Corporate Social Responsibility Initiatives: Hyundai Motor India Foundation - Acer FASTER Awards 2023
- ▶ Premium Electric SUV of the Year: Hyundai IONIQ 5 - Top Gear Awards 2023
- ▶ Premium SUV of the Year: Hyundai TUCSON - CAR India Awards 2023
- ▶ Car of the Year: Hyundai TUCSON -Top Gear Awards 2023
- ▶ Manufacturer of the Year: Hyundai Motor India Ltd - CAR India Awards 2023

- ▶ Executive SUV of the Year: Hyundai TUCSON - AUTOCAR Awards 2023

- ▶ Best Corporate Social Responsibility Initiative: #BeTheBetterGuy - AUTOCAR Awards 2023

FINANCE

The Company continued to maintain the highest credit rating of A1+ for its short term borrowings and Long Term credit rating of AAA from CRISIL. The rating emphasizes the financial strength of the Company in terms of the highest safety with regard to timely fulfillment of its financial obligations.

GROSS VALUE OF INVESTMENT IN PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES

Upon transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as at the transition date.

Consequently, the gross book as at 31st March 2023 presented in the standalone financial statements (refer Note 4 of the standalone financial statements) represents the deemed cost as of April 1, 2015 (Written down value as of April 1, 2015) adjusted for the additions & deletions till 31st March 2023. The summary of impact of changes in the Gross investment is given below.

Particulars	₹ in Million	
	As at 31.03.2023	As at 31.03.2022
Original Gross Investment (Refer Annexure E for detailed breakup)		
PPE	245,274.53	233,088.59
Intangibles	14,584.58	13,690.99
Total	259,859.11	246,779.57
Gross book value under Ind AS (Refer Note 4 & 5 accompanying the Standalone Financial Statements for detailed break up)		
PPE	180,142.71	165,813.82
Intangibles	12,691.12	11,723.98
Total	192,833.83	177,537.80

During the year, your Company has made Additional Investment of ₹ 16,650.27 Million. Cumulative Gross Investment in Property, Plant & Equipment and Intangibles is given in **Annexure E** to the Board's Report. CWIP as on 31st March 2023 stood at ₹13,324.08 Million.

TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the General Reserves out of the amount available for appropriation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company has an adequate Internal Financial control system over financial reporting and such controls were operating effectively as at 31st March 2023, based on the internal control criteria stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

DEPOSITS

During the year under review, your Company did not accept or renew any deposits within the meaning of provisions of Chapter V - Acceptance of Deposits by Companies of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186 of the Act, your Company has not provided any loan/guarantee/security in connection with such loan to any person or any other body corporate, nor acquired security of any other body corporate.

The Company, during the Financial Year 2022-23 had invested an amount of ₹ 58 Million in various tranches in its wholly owned subsidiary Company - Hyundai India Insurance Broking Private Limited (HIIBPL) and was allotted 5.80 Million Equity Shares of ₹ 10/- each as against the said investment. The total investment as on date stands at 9.8 Million Shares aggregating ₹ 98 Million. The details of the said investment are provided under Note No.7 to the Financial Statements.

The Investments mentioned above are in line with the approval of the Board of Directors obtained at their meeting held on 9th July, 2021.

SUBSIDIARY COMPANIES

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Ventures (in Form AOC-1) is attached as **Annexure A(i)** to the Board's Report. The statement provides the details of performance of the Subsidiaries.

RELATED PARTY TRANSACTIONS

In pursuance to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, the Board's Report shall disclose particulars of contracts/arrangements entered into by the company with related parties referred to in Sec 188(1) of the Act.

Your Company has not entered into any transaction with related parties which are not at arm's length basis. All transactions entered into by the Company were in the Ordinary Course of Business and at Arm's Length basis. The Board had accorded pre-approval for the transactions.

The material transactions at arm's length basis that requires mention in the Form AOC-2 has been provided in **Annexure A(ii)** to the Board Report.

The details of transactions with all Related Parties u/s 188 of the Act, as well as under IND AS 24 are provided in Note 38 of the Notes to the Financial Statements and hence not repeated here, for the purpose of brevity.



DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

(i) During the year under review and upto the date of this report, the Company had appointed the following Directors & KMP.

- ▶ Mr. Dae Han Choi was appointed as Alternate Director to Mr. Gang Hyun Seo with effect from 20th April 2022. As he is a de-facto Whole Time Director, his appointment was approved by the shareholders at the Annual General Meeting held on 8th August 2022 w.e.f 20th April 2022.
- ▶ Mr. Jong Hoon Lee was re-appointed as Whole Time Director for a further period of 3 years with effect from 9th April 2022 and his appointment was approved by the shareholders at the Annual General Meeting held on 8th August 2022 w.e.f 9th April 2022.
- ▶ Mr. Gopalakrishnan C S was appointed as Additional Director designated as Whole Time Director at the Board Meeting held on 28th July, 2022 and his appointment was subsequently approved by the shareholders at the Extra Ordinary General Meeting held on 22nd August, 2022 w.e.f 28th July 2022.
- ▶ Mr. Wangdo Hur was appointed as Additional Director designated as Whole Time Director & CFO at the Board Meeting held on 3rd February, 2023 and his appointment was subsequently approved at the Extra Ordinary General Meeting held on 1st March 2023 w.e.f 3rd February 2023.
- ▶ Ms. Hyunju Kim was appointed as Additional Director – Non Executive (Woman) at the Board Meeting held on 10th March, 2023 and her appointment as Director will be placed before the shareholders for approval, at the ensuing Annual General Meeting.
- ▶ Mr. Tarun Garg whose term of office as Director and Whole Time Director expires on 23rd August 2023 was re-appointed as Director and Whole Time Director at the Board Meeting held on 11th July 2023 for a further period of 3 years w.e.f 24th August 2023. His appointment will be placed for approval of the shareholders at the ensuing Annual General Meeting.

(ii) The following Directors & KMP resigned from the Board during the year under review and upto the date of this report.

- ▶ Mr. Ganesh Mani S, Whole Time Director resigned from the Board with effect from 6th July 2022.

- ▶ Mr. Choon Hang Park, who was the Whole Time Director & CFO of the Company resigned from the Board effective from 31st December 2022, as he had to return to South Korea.
- ▶ Ms. Kyung Hee Jung, who was the Non -Executive Director (Woman), resigned from the Board effective from 31st December 2022, consequent to her return to South Korea.
- ▶ Mr. Tarun Garg, Whole Time Director, Mr. Gang Hyun Seo, Non- Executive Director and Mr. Kuen Han Yi, Non-Executive Director, retired by rotation and were re-appointed at the Annual General Meeting held on 8th August, 2022.
- ▶ Mr. Jong Hoon Lee, Mr. Dosik Kim and Mr. Unsoo Kim being the longest serving Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board takes this opportunity to once again thank all the Directors who have resigned from the Board during the year, for their guidance and valuable support during their tenure as Director.

BOARD MEETINGS

The Board met 9 (Nine) times during the financial year. The intervening gap between any two meetings was within the time limits prescribed by the Companies Act, 2013 read with the relevant Rules and amendments as applicable from time to time.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance and that of its Committee as well as performance of the Directors individually. Inputs were sought on various aspects of Board/Committee Governance for evaluation.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee Meetings.

As per Rule 6 of the Companies (Meeting of the Board and its Powers), Rules, 2014, read with Rule 4(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Notification No. G.S.R. 880(E) dated 13th July, 2017 issued

by the Ministry of Corporate Affairs, the Company, being a wholly owned subsidiary of Hyundai Motor Company, Korea, is not required to constitute a Nomination and Remuneration Committee and an Audit Committee. Hence, the NRC Committee and Audit Committee were dissolved w.e.f 01.04.2018.

As the requirement to appoint Independent Directors is not applicable to the Company, there are no Independent Directors on the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, relating to the Directors' Responsibility Statement, the Directors hereby confirm that:

- ▶ In the preparation of the accounts for the financial year ended 31st March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures if any;
- ▶ The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2022-2023 and of the profit of the Company for the year under review;
- ▶ The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ▶ The Directors had prepared the accounts for the financial year ended 31st March 2023 on a 'going concern' basis; and
- ▶ The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility continues to remain an important focus area of the Company.

A broad outline of the Corporate Social Responsibility (CSR) Policy of the Company and other details required to be provided as per the Companies (Corporate Social Responsibility Policy) Rules 2014 as amended are given in the prescribed format in **Annexure B**.

ANNUAL RETURN

Pursuant to Section 134(3) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return for the FY 2022-23 will be placed in the Company's website www.hyundai.com/in post the Annual General Meeting upon filing of the same with the Registrar of Companies.

COMPLIANCE OF SECRETARIAL STANDARDS

As required under Section 118 (10) of the Companies Act, 2013, the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES & COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2023) and the date of the Report. However, after the date of the Balance Sheet, your Company has signed a 'Term Sheet' for the acquisition of identified assets of (i) General Motors India Private Limited ("GM INDIA") and (ii) Chevrolet Sales India Private Limited ("CSIPL"). Refer note provided under HMI's performance on acquisitions.

CHANGE IN NATURE OF BUSINESS

There were no changes in the nature of business during the year under review.

AUDITORS

Statutory Auditors

M/s B S R & Co., LLP, Chartered Accountants (ICAI Firm No. 101248W/W-100022), Chennai, were re-appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the 26th Annual General Meeting until the conclusion of the 31st Annual General Meeting to be held in 2027 by the shareholders at the Annual General Meeting held on 8th August 2022.

The Auditor's report on the Standalone and Consolidated financial statements for the year ended 31st March 2023 to the Board on even date, does not contain any qualification, observation or adverse comment.



Cost Auditors

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, the Board of Directors had appointed M/s. Geeyes & Co., (Firm Registration No: 00044), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended 31st March 2023. The audit is in progress and report will be filed with the Ministry of Corporate Affairs within the prescribed period. The remuneration of the Cost Auditors for the FY 22-23 has been approved by the Board of Directors in their meeting held on 5th July 2022 and subsequently approved by the Shareholders at the Annual General Meeting held on 8th August 2022.

The Cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act as required by the Company are maintained by the Company.

Secretarial Auditors

M/s. B Chandra and Associates, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the FY 2022-23, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for FY 2022-23 forms part of the Annual Report as **Annexure C** to the Board's Report. The Company had complied with the provisions of the Acts and Rules made there under that are applicable to the Company. As regards the comments made in the Secretarial Auditor's Report, the Board is of the opinion that the same are self-explanatory and do not require further clarification.

DISCLOSURE UNDER FOREIGN EXCHANGE MANAGEMENT ACT, 1999

With regard to the downstream investments in Indian Subsidiaries, the Company is in compliance with applicable Rules and Regulations under Foreign Exchange Management Act, 1999.

INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

RISK MANAGEMENT POLICY

The Company has established a Risk Management Policy. The Policy outlines the risk management framework to minimize the impact of uncertainty on the Company's strategic goals. The framework enables a structured and disciplined approach to risk management including risk identification, impact assessment, effective implementation of risk mitigation plans and risk reporting.

The Company is exposed to the risks associated with fluctuations in foreign exchange rates mainly on import of components, royalty payments and export of vehicles. The Company adopts natural hedge strategy and discounting of export bills to minimize currency fluctuation risk.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report, which forms part of this Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same is hosted on the website of the Company which can be accessed at

<https://www.hyundai.com/in/en/hyundai-story/corporate-governance>

This Policy inter-alia provides a direct access to the Managing Director. Your Company hereby affirms that no Director/ employee has been denied access to the Managing Director of the Board, during the Financial Year 2022-23. Brief details about the policy are provided in **ESG Reporting**.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has a policy of zero tolerance in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Brief details about the policy and the constitution of Internal Complaints Committee (ICC) are provided in **ESG Reporting**.

RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Your Company continues to focus on Research and Development activities with specific reference to emission conformance, fuel efficiency, vehicular performance and enhancement of safety, aesthetics & ride comfort and green initiatives. Expenditure incurred by way of capital and revenue on these activities is shown separately.

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in **Annexure D** to this Report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to acknowledge the continuous support of Hyundai Motor Company, Korea.

Your Directors would like to express their appreciation for the assistance and co-operation received from the Government authorities, Financial Institutions, Banks, Customers, Dealers, Vendors, Employees Union and all other business associates.

The Directors also wish to place on record their deep sense of appreciation for the committed services by all the employees of the Company.

For and on behalf of the Board of Directors

Unsoo Kim
Managing Director
DIN: 09470874

Wangdo Hur
Whole Time Director & CFO
DIN: 10039866

Place: Gurugram
Date: 11th July 2023



Annexure 'A(i)' to the Board's Report

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries

1 Name of the subsidiary	Amount in ₹ Million	
	Hyundai Motor India Engineering Private Ltd	Hyundai India Insurance Broking Private Ltd
2 Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company	Same as that of Holding Company
3 Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable
4 Share capital	1,370.00	98.00
5 Reserves and Surplus	2,684.74	84.12
6 Total Assets	4,706.63	935.37
7 Total Liabilities	651.89	753.25
8 Investments	-	-
9 Turnover	4,289.19	1,360.91
10 Profit/(Loss) before taxation	642.34	125.14
11 Provision for taxation	181.73	31.47
12 Profit/(Loss) after taxation	460.61	93.67
13 Other Comprehensive Income/(loss)	4.34	-
14 Total Comprehensive Income	464.95	93.67
15 Proposed Dividend	NIL	NIL
16 % of shareholding	100%	100%

Notes: The following information shall be furnished at the end of the statement

1 Names of subsidiaries which are yet to commence operations	None
2 Names of subsidiaries which have been liquidated or sold during the year	None

Part "B" Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies, Joint Ventures

Hyundai Motor India Ltd has not invested in shares of any other company except the Subsidiary Companies as detailed above

For and on behalf of the Board of Directors

Place: Gurugram Date: 11 th July 2023	Unsoo Kim Managing Director DIN: 09470874	Wangdo Hur Whole Time Director & CFO DIN: 10039866
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Annexure 'A(ii)' to the Board's Report

FORM NO. AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2023, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

There were no material contracts or arrangements or transactions for the year ended 31st March 2023, which were at arm's length basis as per the provisions of the Companies Act, 2013, other than the transactions detailed below:

Name of the Related Party	Hyundai Motor Company, S Korea
Nature of Relationship	Holding Company
Nature of contracts/Arrangements/transactions	Royalty, Technical Assistance Fee, Purchase of capital goods, Purchase of Raw Materials, Components and Spare Parts, other expenses & Other income, Dividend Payment
Duration of the contracts/arrangements/transactions	Royalty & Technical Assistance fee: 5-6 years Others- Perpetual/PO based
Salient terms of the contracts or arrangements or transactions including the value, if any	a. Purchase of raw materials, components and spare parts b. Sale of Motor Vehicle, Parts and Raw materials c. Royalty & Technical Assistance Fee d. Purchase of capital goods e. Other expenses: Reimbursement of Expenses, Licence Fee payment etc., f. Other income: Sale of Test Cars (Refer Note 38 in Annual Financial Report for Value of transaction)
Date of approval by the Board	Initial omnibus approval of the Board on 30 th May 2022 and subsequent ratifications on 28 th July 2022, 10 th November, 2022, 3 rd February, 2023, 20 th April 2023 and 11 th July 2023
Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Place: Gurugram Date: 11 th July 2023	Unsoo Kim Managing Director DIN: 09470874	Wangdo Hur Whole Time Director & CFO DIN: 10039866
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Annexure 'B' to the Board's Report

Annual Report on CSR Activities

INTRODUCTION

HMIL is firmly committed towards 'Progress for Humanity', and through the various CSR initiatives under the global CSR philosophy of 'CONTINUE', we have been giving back to society in different ways. Through our initiatives under **Creating Shared Value (CSV)**, our Company has been helping the economically or socially challenged members of the society to gain a livelihood. Promoting education, sports and arts and culture are some of the key focus areas of the CSV programs of the Company.

HMIL set up a public trust, Hyundai Motor India Foundation (HMIF) through which most of the CSV programs are carried out in a sustainable manner. HMIL also partners with other Non-Government Organisations (NGOs) to carry out healthcare, environment, education & skill development projects in different parts of India.

1. OUTLINE OF CSR POLICY & FOCUS AREAS

▶ Skill development and sustainable livelihoods

Enabling India's youth to gain skills that can provide employment opportunities is key to realizing the potential of India's demographic divide and driving inclusive growth. Improving employability of the youth from lower-income sections of society is hence an important focus area.

▶ Health care

The challenges faced in healthcare sector in India are many and HMIL will be focusing on providing access to affordable healthcare for the poor; creating awareness on health issues & making available basic medical facilities in the remote villages of India.

▶ Education

HMIL aims to promote employment enhancing Vocational skills especially for the youth through livelihood enhancement projects. The Company, both directly and through HMIF will continue to work with various bodies, including State Governments and other NGOs for holistic development of the children.

▶ Road Safety

HMIL will promote Road Safety among people through various activities for creating awareness on road safety, training of drivers and working with traffic department in regulating traffic in major cities of India.

▶ Promoting art and culture

HMIL will provide forums for promoting and developing traditional arts and handicrafts and work with artisans from under privileged sections of society to showcase their talent through exhibitions, shows etc.

HMIL will also work on showcasing of young artists and different art forms, by organizing workshops, panel discussions, and other programs to foster creative learning across cultural fields.

▶ Community Development

HMIL will foster development in the local villages by providing livelihood opportunities, sanitation and drinking water facilities and general upkeep of schools and community health centres.

HMIL being a firm believer in gender equality will work towards empowering women particularly in the rural areas to develop their skill sets which will provide them with a means of livelihood. HMIL will help in setting up Self Help Groups (SHGs) to enable them to become economically independent.

▶ Environmental sustainability

Promoting Environmental sustainability through sustainable mobility (EV), ecological balance and conservation of natural resources and maintaining quality of soil, air and water through various initiatives such as resource conservation, renewable energy and energy efficiency.

▶ Support for Technology Incubators and Public Funded Universities

The Company will aim at promoting and supporting technology and innovations by contributing to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government and HMIL will also continue to support by way of contribution to public funded Universities and such other Universities and Institutions as may be notified by the Government from time to time, engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

▶ Other areas

Contribution to the Prime Minister's National Relief Fund or any other Fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled caste, tribes and other backward classes, minorities and women.

The Company will continue to provide support to specific needs such as during natural disasters, through financial as well as logistical support. HMIL may also contribute from time to time, to the Prime Minister's National Relief Fund including Prime Minister's Citizen Assistance and

Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government or the State Governments for socio-economic development and relief.

In accordance with the Companies Act, 2013, your Company has committed 2% (Profit before Tax) annually towards CSR initiatives. The CSR projects undertaken by the Company during the FY 2022-23 are within the broad framework of Schedule VII of the Companies Act, 2013 and the CSR policy.

2. COMPOSITION OF THE CSR COMMITTEE

Sl No	Name of the Director	Designation	Number of meetings of CSR Committee entitled to attend during the year	Number of Meetings of CSR Committee attended during the year
1	Mr. Unsoo Kim	Managing Director	2	2
2	Mr. Choon Hang Park	Whole Time Director & CFO (upto 31.12.2022)	1	1
3	Mr. Ganesh Mani S	Whole Time Director (upto 06.07.2022)	1	0
4	Mr. C S Gopalakrishnan	Whole Time Director (from 28.07.2022)	1	0
5	Mr. Tarun Garg	Whole Time Director	2	2
6	Mr. Dosik Kim	Whole Time Director	2	2
7	Mr. Wangdo Hur	Whole Time Director & CFO (from 03.02.2023)	1	1

3. PLEASE PROVIDE THE WEB-LINK WHERE COMPOSITION OF THE CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

Composition of the CSR Committee is shared above. Details of the CSR Policy, the CSR objectives and the CSR Committee are available on the Company's website on <https://www.hyundai.com/in/en/hyundai-story/csr>

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.

The Company has few projects for which impact assessments have to be carried out. The impact assessment has been commenced and the first set of reports will be available during the FY 2023-24. The details of the impact assessment will be provided in the next Annual Report for FY 2023-24.

5. (a) Average net profits of the Company as per Section 135(5): ₹ 31, 456.94 Million
- (b) Two percent of the average net profits of the Company as per Section 135(5): ₹ 629.14 Million
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
- (d) Amount required to be set off for the financial year if any: **NIL**
- (e) Total CSR obligation for the financial year [(b) + (c) + (d)]: ₹ 629.14 Million
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): ₹ 536.66 Million
- (b) Amount spent in Administrative Overheads: ₹ 0.07 Million
- (c) Total amount spent on Impact Assessment, if applicable: **NA**
- (d) Total amount spent for the Financial Year [(a)+ (b)+ (c)]: ₹ 536.73 Million
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year	Amount in ₹ Million				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)**		Amount unspent		
	Amount	Date of transfer	Amount transferred to any fund specified under Schedule VII as per second proviso of Section 135(5)		
536.73	92.41	28.04.2023	NA	NA	NA

Note: ** The actual amount transferred to the Unspent CSR Account was ₹ 87.14 Million as the Company had spent the differential amount of ₹ 5.27 Million on Ongoing Projects during the month of April 2023.



Annexure 'C' to the Board's Report

FORM NO MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2023

(Pursuant to Section 204 (1) of the Companies Act 2013, and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules 2014)

To
The Members,
M/s. Hyundai Motor India Limited,
Plot No.H-1, Sipcot Industrial park,
Irrungattukottai, Sriperumpudur Taluk,
Kancheepuram District 602 117.

- ▶ Motor Vehicles Act, 1988
- ▶ The Motor Transport Workers Act, 1961
- ▶ The Explosives Act, 1884
- ▶ The Petroleum Act, 1934
- ▶ The Environment (Protection) Act, 1986
- ▶ The Water (Prevention and Control of Pollution) Act, 1974
- ▶ The Air (Prevention and Control of Pollution) Act, 1981

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Hyundai Motor India Limited, CIN U29309TN1996PLC035377 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- iii. The Company being an unlisted Public Company, the provisions of Securities Exchange Board of India are not applicable to the said Company.
- iv. Based on the study of the systems and processes in place and a review of the (1) compliance status report provided by In charge of Utility & Services Department (2) the compliance certificate given by the Heads of (a) Finance, (b) Human Resources and (c) Employee Relations of the Company with its factory located at Irrungattukottai which undertakes manufacture, assembly and sale of Passenger cars, we report that the Company has complied with the provisions of the following industry specific statutes and the rules made there under as well as other laws to the extent it is applicable to them:

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to a large extent.

We further report that

- ▶ The Board of Directors of the Company is duly constituted as required under the provisions of Companies Act, 2013, except that an Additional Director appointed on 28.7.22 under Sec.161 of the Companies Act 2013(i.e., prior to the Annual General Meeting for the year 2022 held on 8.8.2022), was not appointed as Director in the Annual General Meeting; the company replied that notice under Section 160 could not be served on the shareholders as the gap between the appointment and AGM was less than 14 days. The said Director was appointed as a Director/ Whole Time Director at an Extra-ordinary General Meeting convened on 22.8.2022, with an effective date as 28.07.2022 (date of Board Meeting), though not in complete compliance with the provisions of the Act. The Company had obtained a legal opinion from Unity Legal which dwelt upon duomatic principles and justified that strict adherence to statutory requirement may be dispensed with if the same is consented to by all members.

- ▶ Subsequent to the appointment as KMP of the Company, the Chief Financial Officer was appointed as a director in the Company's subsidiary pursuant to provisions of Section 203(3) of the Act, which was ratified by the Board at the first meeting of the company held during April 2023.

(f) Excess amount for set-off, if any:

Sl No	Particulars	Amount (₹ In Million)
(i)	Two percent of average net profits of the company as per Section 135(5)	629.14
(ii)	Total amount spent for the Financial Year	536.73
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding years [(iii)-(iv)]	-

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS

(₹ In Millions)

S No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)	Balance amount in unspent CSR Account under Section 135(6) [Opening balance at the beginning of the reporting Financial Year]	Amount spent in the Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(5) if any		Amount remaining to be spent in the succeeding financial year	Deficiency, if any
					Amount	Date of transfer		
1	2020-21	274.26*	10.77	10.77	-	-	-	-
2	2021-22	503.60	503.60	128.38	-	-	375.22	-

Note: * Out of ₹ 274.26 Million transferred to Unspent CSR Account in year 2020-21, ₹ 263.49 Million was spent in FY 2021-22 and the balance ₹ 10.77 Million in the FY 2022-23

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

Details of capital asset acquired in the previous financial years

(₹ In Millions)

Sl. No.	Short particulars of the property or asset(s)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Plot No K-46 to K-49 admeasuring 6.45 acres at SIPCOT Industrial Park, Irrungattukottai, Kancheepuram	602117	16.06.2020	44.00	NA-	Hyundai Motor India Limited**	Plot No. H-1 SIPCOT Industrial Park, Irrungattukottai, Kancheepuram, 602117.

Note: ** The Company had taken land on Long Term Lease from SIPCOT as detailed above, during the FY 20-21, for setting up of a Technical Skills Academy, which is a Right to Use Asset in the books of the Company. The Company had approached SIPCOT for approval for transfer of this asset to a specified entity in accordance with the Corporate Social Responsibility (Amendment) Rules 2021. However, the approval is yet to be received and hence, the Company is continuing to retain the asset in its books.

9. SPECIFY THE REASON(S) IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)

The Company has earmarked 2% of its average net profits as per Section 135(5) for CSR activities, amounting to ₹629.14 Million. Out of the above, the amount unspent against "Ongoing Projects" as on 31st March, 2023 was ₹92.41 Million.

Out of the above, a sum of ₹ 5.27 Million was spent in April 2023 and the balance amount of ₹ 87.14 Million has been transferred to the Unspent CSR Account – FY 2022-23 on 28th April 2023. This amount will be spent in accordance with the project timelines.

For and on behalf of the Board of Directors

Place: Gurugram
Date: 11th July 2023

Unsoo Kim
Managing Director
DIN: 09470874

Wangdo Hur
Whole Time Director & CFO
DIN: 10039866



Annexure 'D' to the Board's Report

- ▶ Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- ▶ Based on the minutes made available to us, we report that Majority decision is carried through and that there were no dissenting votes from any Board member, which was required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

1. In connection with the CSR spend during the year 22-23:
 - a. Neither the Minutes of CSR Committee nor that of the Board had any reference to the mode of implementation

- b. The unspent amounts on projects completed during 22-23 were neither reallocated to other projects nor duration of the projects extended till the date of this report.

We further report that the appeal filed by the Company in connection with the imposition of a penalty of ₹ 4,202.61 mn by the Competition Commission of India (CCI), is pending before the National Company Law Appellate Tribunal (NCLAT). The NCLAT while granting stay of the CCI order had directed the Company to deposit a sum of ₹ 42 Crores (10% of Penalty amount). On an Appeal filed by the Company, the Supreme Court granted Permanent Stay on NCLAT Interim order for deposit of ₹ 42 Crores and has directed NCLAT to decide the case on merits. The appeal before the NCLAT was last listed on 7th March 2022 for final arguments and then adjourned to 19th July 2022 for hearing. The matter is still pending before the NCLAT.

In another complaint made by certain dealers, the imposition of penalty by the CCI of ₹ 87 Crores has been set aside by the NCLAT and an appeal filed by the CCI is pending before the Supreme Court.

Sd/-

C. ANURADHA
PARTNER

B. CHANDRA & ASSOCIATES

ACS No.: 38746

C P No.: 21407

Place: Chennai

UDIN: A038746E000579968

Date: 11.07.2023

PEER REVIEW 1711/2022

I CONSERVATION OF ENERGY

Your Company has continued its thrust on energy conservation by taking various Energy Conservation initiatives. Energy conservation activities were closely monitored through regular Inspections and Audits by a dedicated Energy Section and through the suggestions and Innovation involving all shops who have been extensively identifying potential savings in their work areas.

The investments and activities carried out during the Financial Year 2022-23 and the resultant savings are detailed below.

(₹ In Millions)			
Sl. No.	Proposal	Investment	Saving/annum
1	10 MW rooftop solar installation	-	32.25
2	Application Of Ceramic Coating In Oven Heater Box & Side Walls & over burner efficiency ↑ by burner tuning	4.40	16.59
3	Compressor pressure optimization through dedicated pipeline installation for Paint#2	1.50	5.81
4	E/assy - block & crank washing temperature optimization	-	4.10
5	Cool Roof coating on roof to optimize compressor load	4.40	37.47
6	Permanent Magnets in oven burners	4.50	3.94
7	AHU Clear coat supply fan IE3 Motor installation	1.96	2.28
8	Energy Conservation Audit during break hours & holidays	-	1.56
9	PDI WAX A LINE AHU BLDC blower installation	1.50	1.44
10	EBW Washing M/C IA40C-90A → heat pump	1.20	1.30
11	Gear Tester Washing M/C IA45/48/50-130A → Heat pump	1.60	1.19
12	Tire Storage Conveyors power optimization	-	0.85
13	Die Maint. area Air Washer optimization	-	0.72
14	Top Coat 1 CWS Pump Switch off	-	0.67
15	RO Transfer Pump VFD Installed	0.45	0.52
16	ATD energy consumption reduction	2.80	0.51
17	Continuous Flow → Pulse Flow Inspection	-	0.51
18	Coolant Heater idle Time Switch Off	-	0.42
19	PDI Sill & DR Exhaust Blower	-	0.36
20	PCL Cooling water Pump Idle Time Switch Off	-	0.34
21	IT MB 45/48 70 A Speed gear Heater Temperature reduction	-	0.32
22	EBW Washing M/C IT MB 33 240	0.80	0.31
23	RO Plant Booster pump optimization	0.40	0.28
24	UBS Buffer Exhaust Fan Auto Switching On/Off	-	0.28
25	S2 front fenner magnet compressed air optimization	0.35	0.26
26	BLDC mancooler installation 40 Nos in MMT	0.18	0.26
27	Other Minor activities done to conserve energy in operation	3.57	1.71
TOTAL INVESTMENTS/SAVINGS		29.21	116.3

II TECHNOLOGY ABSORPTION

A. Technology absorption, adaptation and innovation

(i) Efforts in brief, made towards technology absorption, adaptation and innovation

HMIL has been absorbing the state of art technology from Hyundai Motor Company, Korea (HMC). The latest and best practices being followed are adapted to suit Indian conditions and implemented in the design and manufacturing process.

(ii) Imported technology

The Company imports technology from HMC for the manufacture of cars.

(iii) Details of Technology imported

We have imported the technical know how from HMC for the below models during the last three Financial years and has been fully absorbed.

- a. FY 20-21 - New i20
- b. FY 21-22 - NIL
- c. FY 22-23 - New Tucson, New Verna, IONIQ



B. Expenditure Incurred on Research and Development

Particulars	₹ in Million
Capital	216.93
Revenue	328.05
Total	544.98
Total R&D expenditure as % of total turnover	0.09%

C. Brief particulars of Research & Development (R&D) activities

The R&D activities of the Company were predominantly in New Model developments including product refreshments alongside focus on improving Cost Competitiveness. Efforts have also been made to enhance the Safety standards and comply with the stringent regulations.

1) Model Refreshments:

The “Nios Facelift” was developed by refreshing the overall product offer to enhance the competitiveness.

“New Generation Verna” has been developed by understanding the evolving customer needs and competitor trends. Exterior was redesigned to make it sporty and futuristic with Horizontal LED positioning Lamps & DRLs that runs across the width at front and Connected LED tail lamps at rear. Interiors were enhanced to give a luxury touch with modern technology like integrated 10.25" HD Audio video navigation system & Digital cluster with color TFT MID.

To boost the overall customer experience, many first in segment features like Bose Premium Sound 8 Speaker system, Ambient light, sounds of nature, integrated AVNT screen and cluster were offered. With rising concern on safety, the All New Hyundai Verna is now equipped with 65+ advanced safety features like 6 airbags, ESC, etc. Among those, 30+ features are provided as standard across all variants. Apart from advance safety, Level 2 Advanced Driver Assistance System (ADAS) has been provided for a smart & intuitive driving experience (Best in Segment).

2) Technology development:

Our R & D team continuously strives to upgrade technology for our vehicles in line with evolving customers' requirements. Advanced Safety features have been developed for our upcoming models, considering Indian conditions.

3) Regulation & Certification:

We had a challenging situation due to the unexpected notification from MoRTH for implementing new regulations such as Rear Seat Belt Reminder & Rear Centre 3 Point Seatbelt along with RDE. All our models (existing and New) were developed, tested and certified with in specified time period.

4) Value Engineering:

A major part of our R & D initiatives are targeted towards maintaining the cost competitiveness of our models. We have conducted various research activities and accordingly optimized features taking into account the customers' evolving needs & requirements. As part of cost reduction, we have saved ₹ 36.3 Crores and will continue to enhance the same in future as well.

D. Benefits derived as a result of above R&D activities

- 1) R&D's dedicated efforts towards Design, Development & Testing to establish high quality standards for our products has resulted in achieving high Customer Satisfaction
- 2) Cost reduction and Localization has enhanced the profitability to organization

III FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earned in terms of actual inflows and the foreign exchange outgo in terms of actual outflows during the year are given below:

Particulars (Cash basis)	₹ in Million
Foreign Exchange earned in terms of actual inflows	143,841.05
Foreign Exchange outgo in terms of actual outflow	129,623.59
Dividend remittance in terms of actual outflow	12,694.33

Annexure 'E' to the Board's Report

1. DETAILS OF ORIGINAL GROSS INVESTMENT IN PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES

Gross investment in Property, Plant & Equipment and Intangibles	Gross Investment as at March 31, 2022			Gross Investment as at March 31, 2023	
		Additions	Deletions		
PPE					
Land	5,210.72	-	-		5,210.72
Buildings	19,101.67	57.28	3.92		19,155.03
Moulds & Dies	109,957.38	9,470.25	201.57		119,226.06
Other Plant & Equipment	90,038.61	5,281.59	2,798.61		92,521.59
Furniture & Fittings	2,557.06	81.59	33.96		2,604.69
Office & Other Equipment	1,189.17	82.35	44.15		1,227.36
Data Processing Equipment	2,634.93	163.59	116.16		2,682.36
Test Vehicles	750.59	206.14	96.00		860.73
Other Vehicles	1,141.36	302.09	166.28		1,277.17
Leasehold Improvements	507.09	21.22	19.51		508.80
PPE Sub-total	233,088.58	15,666.10	3,480.16		245,274.52
Intangibles					
Computer software	2,660.96	90.46	90.58		2,660.84
Technical Knowhow	11,030.02	893.71	-		11,923.73
Intangibles sub-total	13,690.98	984.17	90.58		14,584.58
Total	246,779.58	16,650.27	3,570.74		259,859.11



Independent Auditor's Report

To the Members of Hyundai Motor India Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Hyundai Motor India Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 on the standalone financial statements.

Management's and Board of Directors Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the standalone 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 the Management and Board of Directors.
- ▶ Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. 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.

- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Company as on 01 April 2023 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31 March 2023 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 B".
- B. 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:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Hyundai Motor India Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

S Sethuraman

Partner

Place: Chennai

Date: 11 July 2023

Membership No.: 203491

ICAI UDIN:23203491BGYXYQ8412

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every two years. In accordance with this programme, the property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, including inventory lying with third parties, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. There are no guarantees provided, security given, or loans and advances in the nature of loans given during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, reporting under clause 3(iii)(c) is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, reporting under clause 3(iii)(d) is not applicable to the Company
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or advances in the nature of loans,



secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, reporting under clause 3(iii)(e) is not applicable to the Company.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 (“the Act”). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, income tax, service tax, duty of customs, duty of excise, value added tax and cess, which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (in INR Million)	Amount paid under protest (in INR Million)	Disputed but not deposited (in INR Million)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Duty of Customs	5,689.15	-	5,689.15	July 2006 to August 2011	CESTAT
The Customs Act, 1962	Duty of Customs	267.62	-	267.62	June 2016 to March 2018, November 2010 to February 2011, March 2014 to February 2015	CESTAT
The Customs Act, 1962	Duty of Customs	42.32	29.33	12.99	June 2004	CESTAT
The Customs Act, 1962	Extra Duty Deposit	91.31	-	91.31	FY 1997-02	Honorable High Court of Madras
The Customs Act, 1962	BCD and SWS	313.33	313.33	-	FY 2021-22	DRI
The Customs Act, 1962	Duty Drawback	261.33	261.33	-	September 2007 to August 2009	Honorable High Court of Madras
The Customs Act, 1962	Anti Dumping Duty	320.40	165.66	154.74	April 2014 to March 2021	Supreme Court
The Customs Act, 1962	Anti Dumping Duty	6,973.53	6,973.53	-	April 2014 to March 2021	Supreme Court
The Central Excise Act, 1944	Duty of Excise	7,148.20	100.21	7,047.99	FY 2021-22	Honorable High Court of Madras
The Central Excise Act, 1944	Duty of Excise	10.20	-	10.20	FY 2003-04 to FY 2007-08	Supreme Court

prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

Name of the statute	Nature of the dues	Amount (in INR Million)	Amount paid under protest (in INR Million)	Disputed but not deposited (in INR Million)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty of Excise	0.28	-	0.28	FY 1999-2000	Commissioner Appeals
The Finance Act, 1994	Service Tax	512.22	98.61	413.61	FY 2004-05, FY 2007-08, FY 2017-18	CESTAT
Finance Act, 1994	Service Tax	36.13	-	36.13	FY 2012-13 to FY 2016-17	Commissioner Appeals
Goods and Service Tax Act, 2017	Goods and Service Tax	203.41	18.49	184.92	Nov 2017-Feb2018, Aug 2018, Sept 2018 & Apr 2019	Commissioner Appeals
Goods and Service Tax Act, 2017	Goods and Service Tax	699.67	63.61	636.06	March 18 to March 19 (excluding) Aug 2018 & Sept 2018)	Honorable High Court of Madras
Income Tax Act, 1961	Income Tax	9,268.10	1,342.79	7,925.31	AY 2012-2013, AY 2017-2018 to AY 2019-2020	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	6,153.24	1,192.42	4960.82	AY 2005-2006, AY 2007-2008 to AY 2011-2012, AY 2013-2014 to AY 2016-2017	Honorable High Court of Madras
Maharashtra VAT Act, 2002	VAT	0.21	0.13	0.08	FY 2010-11	Maharashtra Sales Tax Tribunal
Tamil Nadu VAT Act, 2006	VAT	280.21	280.21	-	FY 2006-07 to FY 2016-17	Tamil Nadu Sales Tax Appellate Tribunal (STAT)
Tamil Nadu VAT Act, 2006	VAT	3.29	3.29	-	FY 2014-15	Tamil Nadu Sales Tax Appellate Tribunal (STAT)
Tamil Nadu VAT Act, 2006	VAT	1.79	1.79	-	April 2015 to September 2015	Tamil Nadu Sales Tax Appellate Tribunal (STAT)
Tamil Nadu VAT Act, 2006	VAT	1.80	1.80	-	FY 2017-18	Tamil Nadu Sales Tax Appellate Tribunal

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised

on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.



- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us based on our examination of the books of accounts of the Company, transactions entered by the Company with the related parties during the year are in compliance with section 188 of the Act where applicable and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Section 177 of the Act is not applicable to the Company.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group in which the Company is a part of, does not have any CIC (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

S Sethuraman

Partner

Place: Chennai

Membership No.: 203491

Date: 11 July 2023

ICAI UDIN:23203491BGYXYQ8412

Annexure B to the Independent Auditor's Report on the standalone financial statements of Hyundai Motor India Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Hyundai Motor India Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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.

AUDITOR'S RESPONSIBILITY

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 and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 standalone financial statements, whether due to fraud or error.

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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

S Sethuraman

Partner

Place: Chennai

Membership No.: 203491

Date: 11 July 2023

ICAI UDIN:23203491BGYXYQ8412



Standalone Balance Sheet

as at March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	4	56,745.03	61,262.90
Capital work-in-progress	4.1	13,324.08	5,290.62
Intangible assets	5	3,217.89	3,695.49
Right-of-use assets	6	560.19	636.07
Financial assets			
Investment in wholly-owned subsidiaries	7	1,468.00	1,410.00
Other financial assets	8	491.18	468.32
Deferred tax assets (net)	44.4	8,074.34	5,986.21
Non-current tax assets (net)	9	5,920.67	1,946.12
Other non-current assets	10	2,256.04	2,032.92
Total non-current assets		92,057.42	82,728.65
Current assets			
Inventories	11	34,224.09	28,811.20
Financial assets			
Trade receivables	12	28,027.20	21,490.85
Cash and cash equivalents	13	1,74,932.05	139,658.39
Loans	14	659.48	154.94
Other financial assets	15	4,521.14	2,950.84
Other current assets	16	7,164.68	5,043.35
Total current assets		249,528.64	198,109.57
Total assets		341,586.06	280,838.22
Equity and liabilities			
Equity			
Equity share capital	17	8,125.41	8,125.41
Other equity	18	189,653.30	158,226.04
Total equity		197,778.71	166,351.45
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	7,065.66	7,667.10
Lease liabilities	20	259.38	289.83
Provisions	21	7,737.83	7,465.57
Other non-current liabilities	22	9,759.55	7,378.07
Total non-current liabilities		24,822.42	22,800.57
Current liabilities			
Financial liabilities			
Borrowings	23	4,520.34	3,733.23
Lease liabilities	24	30.45	61.12
Trade payables			
Total outstanding due of micro enterprises and small enterprises; and	25	1,529.53	1,273.33
Total outstanding dues of creditors other than micro enterprises and small enterprises		72,131.88	52,712.53
Other financial liabilities	26	8,000.00	4,197.80
Provisions	27	4,478.46	3,979.97
Current tax liabilities (net)	28	3,136.00	1,984.37
Other current liabilities	29	25,158.27	23,743.85
Total current liabilities		118,984.93	91,686.20
Total liabilities		143,807.35	114,486.77
Total equity and liabilities		341,586.06	280,838.22

Significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements. As per our report of even date attached.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

for and on behalf of the Board of Directors of
Hyundai Motor India Limited
CIN: U29309TN1996PLC035377

S Sethuraman
Partner
Membership Number: 203491

Unsoo Kim
Managing Director
DIN: 09470874

Wangdo Hur
Executive Director and CFO
DIN: 10039866

Place: Chennai
Date: July 11, 2023

M V Vidya
Company Secretary
Membership Number: 7296

Place: Gurgaon
Date: July 11, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	30	597,614.46	470,427.93
Other income	31	11,185.52	5,808.95
Total income		608,799.98	476,236.88
Expenses			
Cost of materials consumed	32(a)	445,086.35	352,308.08
Purchases of stock-in-trade	32(b)	6,564.16	6,564.05
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32(c)	(1,351.21)	(621.20)
Employee benefits expense	33	15,522.23	14,734.01
Finance costs	34	1,422.19	1,318.94
Depreciation and amortisation expense	6.1	21,552.15	21,356.79
Other expenses	35	57,787.85	43,549.89
Cost of vehicles for own use		(472.26)	(201.61)
Total expenses		546,111.46	439,008.95
Profit before tax		62,688.52	37,227.93
Tax expense			
Current tax	44.1	18,178.75	10,259.55
Deferred tax (net)	44.1	(2,028.70)	(1,649.27)
Total tax expense		16,150.05	8,610.28
Profit for the year		46,538.47	28,617.65
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of net defined benefit liability/(asset)	37.2	(236.13)	34.93
Income tax relating to the above	44.3	59.43	(8.79)
Total other comprehensive income/(loss) for the year		(176.70)	26.14
Total comprehensive income for the year		46,361.77	28,643.79
Earnings per equity share (₹ 1000 paid up)	41		
- Basic earnings per share (₹)		5,727.52	3,521.99
- Diluted earnings per share (₹)		5,727.52	3,521.99

Significant accounting policies

2

The accompanying notes are an integral part of these standalone financial statements. As per our report of even date attached.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

for and on behalf of the Board of Directors of
Hyundai Motor India Limited
CIN: U29309TN1996PLC035377

S Sethuraman
Partner
Membership Number: 203491

Unsoo Kim
Managing Director
DIN: 09470874

Wangdo Hur
Executive Director and CFO
DIN: 10039866

Place: Chennai
Date: July 11, 2023

M V Vidya
Company Secretary
Membership Number: 7296

Place: Gurgaon
Date: July 11, 2023



Standalone Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit for the year	46,538.47	28,617.65
<i>Adjustments for</i>		
Tax expense	16,150.05	8,610.28
Depreciation and amortisation expense	21,476.27	21,264.84
Depreciation on right of use assets	75.88	91.95
Finance costs	1,422.19	1,318.94
Loss on PPE sold/scrapped/written off (net)	60.94	53.12
Interest income from bank deposits	(8,766.15)	(3,893.97)
Interest income on refund of income tax	-	(354.60)
Income from government grant	(651.06)	(691.66)
Unrealised exchange (gain)/loss (net)	(195.72)	(38.27)
Operating profit before working capital/other changes	76,110.87	54,978.28
<i>Working capital adjustments</i>		
(Increase)/decrease in inventories	(5,412.89)	(3,178.00)
(Increase)/decrease in trade receivables	(6,643.31)	2,901.01
(Increase)/decrease in loans (current)	(504.54)	99.91
(Increase)/decrease in other financial assets (current and non-current)	(1,127.28)	330.09
(Increase)/decrease in other assets (current and non-current)	(2,110.72)	(479.89)
Increase/(decrease) in trade payables	19,665.61	(6,497.69)
Increase/(decrease) in other financial liabilities (current)	1,212.11	292.52
Increase/(decrease) in other liabilities (current and non-current)	4,446.96	10,019.62
Increase/(decrease) in provisions (current and non-current)	119.82	(117.21)
Cash generated from operating activities	85,756.63	58,348.64
Income taxes paid (net of refunds)	(21,001.67)	(7,537.77)
Net cash generated from operating activities (A)	64,754.96	50,810.87
Cash flows from investing activities		
Investment in subsidiary during the year	(58.00)	(40.00)
Capital expenditure (including capital advances, net of payables on purchase of property, plant and equipment and intangible assets)	(22,343.59)	(12,279.19)
Proceeds from sale of property, plant and equipment	108.53	109.93
Interest received on bank deposits	8,300.27	3,443.84
Net cash used in investing activities (B)	(13,992.79)	(8,765.42)
Cash flows from financing activities (refer note below)		
Repayment of sales tax/VAT deferral loan	(1,177.10)	(1,087.10)
Repayment of lease liabilities	(88.27)	(89.71)
Proceeds from short-term borrowings	16,531.53	10,462.86
Repayment of short-term borrowings	(15,785.16)	(12,083.48)
Finance costs paid	(329.18)	(228.93)
Dividend paid (including Dividend Distribution Tax)	(14,934.51)	(13,593.81)
Net cash flows (used in)/from financing activities (C)	(15,782.69)	(16,620.17)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	34,979.48	25,425.28
Cash and cash equivalents at the beginning of the year	139,658.39	114,218.55
Effect of exchange rate fluctuations on cash and cash equivalents held	294.18	14.56
Cash and cash equivalents at the end of the year	174,932.05	139,658.39
Cash and cash equivalents as per note 13	174,932.05	139,658.39

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Notes:

- The above Statement of Cash Flows has been prepared using indirect method as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.
- Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities including both changes arising from cash flows and non-cash changes.

For the year ended March 31, 2023

Particulars	As at March 31, 2022	Cash flow changes (net)	Non-cash changes	As at March 31, 2023
VAT/CST deferral loan (unsecured) (refer note 19)	6,118.87	(1,177.10)	439.86	5,381.63
CST soft loan (secured) (refer note 19)	2,725.21	-	211.20	2,936.41
Export receivables discounted on a "With recourse" basis (refer note 23)	2,556.25	146.37	(34.66)	2,667.96
Pre-shipment packing credit loan (refer note 23)	-	600.00	-	600.00
Lease liabilities (refer note 40)	350.95	(88.27)	27.15	289.83

For the year ended March 31, 2022

Particulars	As at March 31, 2021	Cash flow changes (net)	Non-cash changes	As at March 31, 2022
VAT/CST deferral loan (unsecured) (refer note 19)	6,716.26	(1,087.00)	489.61	6,118.87
CST soft loan (secured) (refer note 19)	2,529.20	-	196.01	2,725.21
Export receivables discounted on a "With recourse" basis (refer note 23)	4,172.06	(1,620.62)	4.81	2,556.25
Pre-shipment packing credit loan (refer note 23)	-	-	-	-
Lease liabilities (refer note 40)	121.84	(89.71)	318.82	350.95

Significant accounting policies - Refer note 2

The accompanying notes are an integral part of these standalone financial statements.
As per our report of even date attached.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 101248W/W-100022

S Sethuraman

Partner

Membership Number: 203491

Place: Chennai

Date: July 11, 2023

for and on behalf of the Board of Directors of

Hyundai Motor India Limited

CIN: U29309TN1996PLC035377

Unsoo Kim

Managing Director

DIN: 09470874

M V Vidya

Company Secretary

Membership Number: 7296

Place: Gurgaon

Date: July 11, 2023

Wangdo Hur

Executive Director and CFO

DIN: 10039866



Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

A. EQUITY SHARE CAPITAL (Refer Note 17)

	No. of shares	₹ in Million
Balance as at April 1, 2021	81,25,411	8,125.41
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	81,25,411	8,125.41
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	81,25,411	8,125.41

B. OTHER EQUITY

Particulars	Reserves and surplus		Total
	General Reserve	Retained earnings	
Balance as at April 1, 2021	4,963.91	138,212.15	143,176.06
a) Profit for the year ended March 31, 2022	-	28,617.65	28,617.65
b) Other comprehensive income/(loss) (net of tax) - Transferred to retained earnings	-	26.14	26.14
c) Dividend paid for the FY 20-21 (including withholding tax)	-	(13,593.81)	(13,593.81)
Total comprehensive income/(loss) for the year ended March 31, 2022	-	15,049.98	15,049.98
Balance as at March 31, 2022	4,963.91	153,262.13	158,226.04
Balance as at April 1, 2022	4,963.91	153,262.13	158,226.04
a) Profit for the year ended March 31, 2023	-	46,538.47	46,538.47
b) Other comprehensive income/(loss) (net of tax) - Transferred to retained earnings	-	(176.70)	(176.70)
c) Dividend paid for the FY 21-22 (including withholding tax)	-	(14,934.51)	(14,934.51)
Total comprehensive income/(loss) for the year ended March 31, 2023	-	31,427.26	31,427.26
Balance as at March 31, 2023	4,963.91	184,689.39	189,653.30

Significant accounting policies (refer note 2).

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 101248W/W-100022

S Sethuraman

Partner

Membership Number: 203491

Place: Chennai

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Company Secretary

Membership Number: 7296

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Date: July 11, 2023

Wangdo Hur

Executive Director and CFO

DIN: 10039866

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

1. CORPORATE INFORMATION

Hyundai Motor India Limited (HMIL or the Company) is a wholly-owned subsidiary of Hyundai Motor Company (HMC), South Korea, and is the second largest car manufacturer in India having its manufacturing facility based in Irungattukottai, Sriperumbudur (Tamil Nadu).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis of preparation

The standalone financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Sec 133 of the Companies Act, 2013 ('the Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issues thereafter, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements are presented in Indian ₹ (INR), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these standalone financial statements.

The standalone financial statements of the Company for the year ended March 31, 2023 were approved and authorised for issue in accordance with the resolution of the Board of Directors on July 11, 2023.

2.2 Basis of measurement

These standalone financial statements have been prepared under the historical cost basis, except for certain financial instruments and defined benefit obligation which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes

into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- ▶ Useful lives of Property, plant and equipment and intangible assets (Refer Note 2.8 and Note 2.9)
- ▶ Measurement of defined benefit obligation (Refer Note 2.15)
- ▶ Provision for taxation (Refer Note 2.18)
- ▶ Provision for warranty (Refer Note 2.21)
- ▶ Provision for disputed matters (Refer Note 2.21)
- ▶ Fair value of financial assets and financial liabilities (Refer Notes 2.13 and 2.14)
- ▶ Measurement of Lease liabilities and Right of Use Asset (Refer Note 2.16)



Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

2.4 Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of raw materials, components, consumable stores and spare parts and stock in trade are determined on a weighted average basis. Cost includes freight, taxes and duties and other charges incurred for bringing the goods to the present location and condition and is net of credit under the CENVAT scheme, VAT and GST where applicable.

The valuation of manufactured finished goods and work-in-progress includes the combined cost of material, labour and manufacturing overheads incurred in bringing the goods to the present location and condition.

Due allowance is estimated and made by the management for slow moving/non-moving items of inventory, wherever necessary, based on the past experience and such allowances are adjusted against the carrying inventory value.

2.5 Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, in banks and deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) after 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.

2.7 Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company and any taxes or duties collected on behalf of the government. Revenue is recognised when recovery of consideration is probable.

Sale of products:

Revenues are recognised on unconditional appropriation of goods from factory/stockyard and delivery of goods from port for domestic and export sales respectively which is when the control of goods is transferred to the customer including risks and rewards and title of ownership as per the terms of sale/understanding with the customers.

Sale of services:

When the Company sells products that are bundled with additional service or extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such additional service or extended period of warranty is recognised as a contract liability until the service obligation has been met.

Income from service activities are recognised on satisfaction of performance obligation towards rendering of such services in accordance with the terms of arrangement.

The consideration received in respect of transport arrangements made for delivery of vehicles to the dealers are shown as revenue and the corresponding cost is shown separately as part of expenses.

Sale of raw materials:

Sale of raw materials are considered as a recovery of cost of materials and adjusted against cost of materials consumed.

Recognition of interest and dividend income:

Interest income is recognised using the effective interest rate method.

Dividend income on investments is recognised when the right to receive dividend is established

2.8 Property, plant and equipment ('PPE')

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use and for qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

Any part or components of PPE which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Internally manufactured vehicles are capitalised at cost including an appropriate share of relevant overheads.

Capital work-in-progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss.

Depreciation:

Depreciation on property, plant and equipment is provided using the straight-line method, pro-rata from the month of capitalisation over the useful lives of the assets, assessed as below:

Particulars	Useful lives
Buildings	5 - 30 years
Plant and equipment	
- Moulds and dies	4 years
- Others	4 - 20 years
Furniture and fittings	3 - 5 years
Office and other equipment	3 - 5 years
Data processing equipment	3 - 5 years
Test vehicles	3 years
Other vehicles	5 years
Leasehold improvements	Amortised over the lease period or 5 years, whichever is less

Individual PPE costing less than ₹ 5,000 each are depreciated in the year of purchase considering the type and usage pattern of these assets.

The useful lives mentioned above are different from the useful lives specified for these assets as per Schedule II of the Companies Act, 2013, where applicable. The useful lives followed in respect of these assets are based on management's assessment, based on technical advice, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support etc.

Depreciation is accelerated on PPE, based on their condition, usability, etc. as per the technical estimates of the management, wherever necessary.

Derecognition of property, plant and equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

2.9 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date, the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the change.

The useful lives considered for the intangible assets are as under:

Particulars	Useful lives
Computer software	3 - 5 years
Technical knowhow	Amortised over the agreement period or 10 years, whichever is less

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net proceeds from disposal and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.



Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

2.10 Foreign currencies

Transactions in foreign currencies are initially recognised in the standalone financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise, except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.11 Government grants and export benefits

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the statement of profit and loss on a systematic and rational basis.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of profit and loss in the period in which they became receivable.

The benefit of a government loan at a below-market rate interest is treated as a government grant, measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

Export benefits in the nature of duty drawback are recognised in the statement of profit and loss in the year of exports based on eligibility/expected eligibility duly considering the entitlements as per the policy,

industry specific developments, interpretations arising out of judicial/regulatory proceedings where applicable, management assessment etc. and when there is no uncertainty in receiving the same.

Export benefits in the nature of RoDTEP & Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy are recognised in the statement of profit and loss when there is no uncertainty in receiving/utilising the same, taking into consideration the prevailing regulations.

Adjustments, if any, to the amounts recognised in accordance with the accounting policy, based on final determination by the authorities, are dealt with appropriately in the year of final determination and acceptance.

2.12 Financial instruments

Classification, initial recognition and measurement:

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 other than equity instruments are classified into categories: financial assets at fair value through profit and loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit and loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit and loss and other financial liabilities.

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit and loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Subsequently, financial instruments are measured according to the category in which they are classified.

Determination of fair value:

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

2.13 Financial assets and Liabilities - Classification

Financial assets at amortised cost:

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

Financial assets at fair value through profit and loss:

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in profit and loss.

Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.14 Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Employee benefits

Employee benefits include provident fund, superannuation, gratuity, NPS and compensated absences.

Defined contribution plans:

Provident fund:

Contributions towards Employees' Provident Fund are made to the Employees' Provident Fund Scheme maintained by the Central Government and the Company's contribution to the fund are recognised as an expense in the year in which the services are rendered by the employees.

Superannuation fund:

The Company contributes a specified percentage of eligible employees' salary to a superannuation fund administered by trustees and managed by the insurer. The Company has no liability for future superannuation benefits other than its annual contribution and recognises such contributions as an expense in the year in which the services are rendered by the employees.

National pension scheme:

The Company contributes a specified percentage of the eligible employees' salary to the National Pension Scheme of the Central Government. The Company has no liability for future pension benefits and the Company's contribution to the scheme are recognised as an expense in the year in which the services are rendered by the employees.

Defined benefit plans:

Gratuity:

The Company contributes to a gratuity fund administered by trustees and managed by the Insurer. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the balance sheet date, determined every year by an independent actuary using



Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

the projected unit credit method. Obligation under the defined benefit plan is measured at the present value of the estimated future cash flows using a discount rate that is determined by reference to the prevailing market yields at the balance sheet date on government bonds.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- ▶ Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ▶ Net interest expense or income; and
- ▶ Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Compensated absences:

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long-term component accounted on a discounted basis and the short-term component which is accounted for on an undiscounted basis.

2.16 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgement. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend will be exercised/the option to terminate will not be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the

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Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.18 Taxation

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the

liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Offsetting:

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.19 Research and development expenditure

Expenditure on research activities are recognised as expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- ▶ the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- ▶ the intention to complete the intangible asset and use or sell it;
- ▶ the ability to use or sell the intangible asset;
- ▶ how the intangible asset will generate probable future economic benefits;
- ▶ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- ▶ the ability to reliably measure the expenditure attributable to the intangible asset during its development.



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(All amounts are in Indian ₹ Million except share data and as stated)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.20 Impairment of 'PPE' and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable

amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.21 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal/constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Product warranty cost:

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically upto three years.

Expected recoveries towards warranty cost from the vendors are estimated and accounted for as receivable by the management in the year in which the related provision for warranty is created and when it is certain that such recoveries will be received if the Company incurs the warranty cost. The estimates used for accounting of warranty liability/recoveries are reviewed periodically and revisions are made as required.

Contingent liability:

Contingent liability is disclosed for:

- ▶ Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

- ▶ Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets:

Contingent assets are not recognised in the standalone financial statements since this may result in the recognition of income that may never be realised.

2.22 Investment in wholly-owned subsidiaries

Investment in wholly-owned subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

2.23 Segment reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Managing Director (the Company's Chief Operating Decision Maker (CODM)). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue/expenses/assets/liabilities.

2.24 Insurance claims

Insurance claims are accrued for on the basis of claims admitted/expected to be admitted and to the extent there is no uncertainty in receiving the claims.

2.25 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.26 Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. RECENT ACCOUNTING PRONOUNCEMENTS - STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as shown below.

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.



Notes

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4 PROPERTY, PLANT AND EQUIPMENT

(See accounting policy in note 2.8)

Particulars	Freehold land	Buildings	Moulds and dies	Other plant and equipment	Furniture and Fixtures	Office and other equipment	Data processing equipment	Test vehicles	Other vehicles	Leasehold improvements	Total
Cost											
Balance at April 1, 2021	5,210.67	14,861.52	73,033.61	52,125.36	1,586.19	922.85	1,857.42	809.31	888.31	501.13	151,796.37
Additions	0.05	190.81	6,465.78	6,628.35	784.42	83.15	137.32	90.55	245.29	-	14,625.73
Disposals	0.05	9.45	0.58	185.80	49.87	32.01	22.47	184.67	86.06	37.32	608.28
Balance at March 31, 2022	5,210.67	15,042.88	79,498.82	58,567.91	2,320.75	973.99	1,972.27	715.19	1,047.54	463.81	165,813.82
Balance at April 1, 2022	5,210.67	15,042.88	79,498.82	58,567.91	2,320.75	973.99	1,972.27	715.19	1,047.54	463.81	165,813.82
Additions	-	57.28	9,470.25	5,281.59	81.59	82.35	163.59	206.14	302.09	21.22	15,666.10
Disposals	-	2.94	27.82	915.74	24.39	32.28	70.31	93.77	153.72	16.24	1,337.21
Balance at March 31, 2023	5,210.67	15,097.22	88,941.25	62,933.76	2,377.95	1,024.06	2,065.55	827.56	1,195.91	468.79	180,142.71
Accumulated depreciation											
Balance at April 1, 2021	-	3,328.71	44,819.48	33,459.47	697.57	593.16	1,050.59	496.90	531.98	233.14	85,211.00
Depreciation for the year	-	724.89	12,131.85	5,938.50	273.17	127.46	319.12	162.28	144.97	-	19,822.24
Disposals	-	2.24	0.58	174.40	33.36	20.74	20.35	138.26	74.05	18.34	482.32
Balance at March 31, 2022	-	4,051.37	56,950.75	39,223.56	937.38	699.88	1,349.37	520.92	602.90	214.80	104,550.92
Balance at April 1, 2022	-	4,051.37	56,950.75	39,223.56	937.38	699.88	1,349.37	520.92	602.90	214.80	104,550.92
Depreciation for the year	-	711.88	12,006.68	6,234.65	383.35	115.93	260.61	140.73	162.46	2.15	20,018.44
Disposals	-	1.01	27.82	788.95	24.30	31.99	70.30	70.95	140.18	16.18	1,171.68
Balance at March 31, 2023	-	4,762.24	68,929.61	44,669.26	1,296.43	783.82	1,539.68	590.70	625.18	200.77	123,397.68
Carrying amount (net)											
As at March 31, 2022	5,210.67	10,991.51	22,548.07	19,344.35	1,383.37	274.11	622.90	194.27	444.64	249.01	61,262.90
As at March 31, 2023	5,210.67	10,334.98	20,011.64	18,264.50	1,081.52	240.24	525.87	236.86	570.73	268.02	56,745.03

Notes:

- Gross block as at March 31, 2023 includes ₹ 76,264.77 Million (March 31, 2022: ₹ 67,956.55 Million) of assets situated at third party locations.
- Includes assets whose gross block is ₹ 5,071.30 Million as at March 31, 2023 (March 31, 2022: ₹ 4,850.76 Million), hypothecated in favour of SIPCOT in respect of the soft loan taken by the Company. Also refer note 19(ii)
- Depreciation expense for the year includes depreciation on research and development assets amounting to ₹ 75.33 Million (March 31, 2022: ₹ 89.94 Million).
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed above are held in the name of the Company.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

4.1 Capital work-in-progress ('CWIP') ageing schedule

As at March 31, 2023

Particulars	Amount in Capital Work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	12,035.68	848.80	439.60	-	13,324.08
(ii) Projects temporarily suspended	-	-	-	-	-
Total	12,035.68	848.80	439.60	-	13,324.08

As at March 31, 2022

Particulars	Amount in Capital Work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	4,844.00	446.62	-	-	5,290.62
(ii) Projects temporarily suspended	-	-	-	-	-
Total	4,844.00	446.62	-	-	5,290.62

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as on March 31, 2023 and March 31, 2022.

5 INTANGIBLE ASSETS

(See accounting policy in note 2.9)

Particulars	Computer software	Technical knowhow	Total
Cost			
Balance at April 1, 2021	1,559.03	10,112.27	11,671.30
Additions	118.19	-	118.19
Disposals	65.51	-	65.51
Balance at March 31, 2022	1,611.71	10,112.27	11,723.98
Balance at April 1, 2022	1,611.71	10,112.27	11,723.98
Additions	90.46	893.71	984.17
Disposals	17.03	-	17.03
Balance at March 31, 2023	1,685.14	11,005.98	12,691.12
Accumulated amortisation			
Balance at April 1, 2021	1,197.02	5,417.29	6,614.31
Amortisation for the year	139.11	1,303.49	1,442.60
Disposals	28.42	-	28.42
Balance at March 31, 2022	1,307.71	6,720.78	8,028.49
Balance at April 1, 2022	1,307.71	6,720.78	8,028.49
Amortisation for the year	119.47	1,338.36	1,457.83
Disposals	13.09	-	13.09
Balance at March 31, 2023	1,414.09	8,059.14	9,473.23
Carrying amount (net)			
As at March 31, 2022	304.00	3,391.49	3,695.49
As at March 31, 2023	271.05	2,946.84	3,217.89



Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023
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6 RIGHT-OF-USE ASSETS

(See accounting policy in note 2.16)

Particulars	Land	Building	Total
Cost			
Balance at April 1, 2021	300.71	456.73	757.44
Additions	-	317.39	317.39
Disposals	-	-	-
Balance at March 31, 2022	300.71	774.12	1,074.83
Balance at April 1, 2022	300.71	774.12	1,074.83
Additions	-	-	-
Disposals	-	-	-
Balance at March 31, 2023	300.71	774.12	1,074.83
Accumulated Depreciation			
Balance at April 1, 2021	5.21	341.60	346.81
Depreciation for the year	3.53	88.42	91.95
Disposals	-	-	-
Balance at March 31, 2022	8.74	430.02	438.76
Balance at April 1, 2022	8.74	430.02	438.76
Depreciation for the year	3.52	72.36	75.88
Disposals	-	-	-
Balance at March 31, 2023	12.26	502.38	514.64
Carrying amount (net)			
As at March 31, 2022	291.97	344.10	636.07
As at March 31, 2023	288.45	271.74	560.19

6.1 Depreciation and amortisation expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Depreciation of property, plant and equipment (refer note 4)	20,018.44	19,822.24
b) Amortisation of intangible assets (refer note 5)	1,457.83	1,442.60
c) Depreciation of right-of-use assets (refer note 6)	75.88	91.95
	21,552.15	21,356.79

7 INVESTMENTS - FINANCIAL ASSETS (NON-CURRENT)

(See accounting policy in note 2.22)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in wholly-owned subsidiaries - unquoted - carried at cost		
Hyundai Motor India Engineering Private Limited (1,370,000 [As at March 31, 2022: 1,370,000] equity shares of ₹ 1,000 each, fully paid up)	1,370.00	1,370.00
Hyundai India Insurance Broking Private Limited (9,800,000 [As at March 31, 2022: 4,000,000] equity shares of ₹ 10 each, fully paid up)	98.00	40.00
	1,468.00	1,410.00
<i>Aggregate amount of impairment in value of investments</i>	-	-

8 OTHER FINANCIAL ASSETS - NON-CURRENT (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Security deposits - measured at amortised cost	491.18	468.32
	491.18	468.32

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

9 NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Advance income tax/tax deducted at source (net of provisions of tax for respective assessment years)	339.78	792.53
b) Income tax paid under protest	5,580.89	1,153.59
	5,920.67	1,946.12

10 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Capital advances	795.79	562.06
b) Balance receivable from government authorities - Extra duty deposit receivable (refer note (i) below)	1,087.07	1,087.07
c) Contractually reimbursable expenses-warranty recoveries (refer note 21 (ii))	373.18	383.79
	2,256.04	2,032.92

Note:

- (i) Extra Duty Deposit (EDD) receivable represents amount of duty paid by the Company in connection with the import of materials/goods during the period from June 2011 to August 2013 pending receipt of the order from the Special Valuation Bench (SVB) towards valuation of such imports. The Company is in the process of obtaining the final order and the refund of EDD.

11 INVENTORIES

(See accounting policy in note 2.4)

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) Raw materials and components	14,685.14	14,001.93
(ii) Materials in transit	6,908.45	3,603.48
b) Work in progress - Motor vehicles, engines, transmission and parts	6,064.90	9,668.22
c) Finished goods (other than those acquired for trading)		
(i) Motor vehicles	5,305.10	468.52
(ii) Engines, transmission and parts	136.91	25.36
d) Stock in trade - service parts (acquired for trading)	22.85	16.45
e) Stores and spare parts	1,100.74	1,027.24
	34,224.09	28,811.20

Notes:

- (i) The cost of inventories (including cost of traded goods) recognised as expense during the year is ₹ 490,432.84 Million (March 31, 2022: ₹ 397,328.36 Million)
- (ii) The cost of inventories recognised as expense includes adjustments towards write down of inventories to the extent of ₹ 220.40 Million (March 31, 2022: ₹ 7.63 Million reversal of write down)

12 TRADE RECEIVABLES - FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Secured, considered good	10,285.44	8,023.16
b) Unsecured, considered good	17,741.76	13,467.69
c) Which have significant increase in credit risk	-	-
d) Credit impaired	-	-
	28,027.20	21,490.85

Also refer note 38.3 for trade receivables from related parties.



Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

12 TRADE RECEIVABLES - FINANCIAL ASSETS (CURRENT) (contd.)

Notes:

- (i) Transferred trade receivables that are not derecognised
During the year, the Company has discounted trade receivables on a "With recourse" basis and in respect of which the risks continue to remain with the Company. As at the Balance Sheet date, the carrying amount of the trade receivables that have been transferred but have not been derecognised amounts to ₹ 2,667.96 Million (March 31, 2022: ₹ 2,556.25 Million) (refer note 23).
- (ii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, director or member.
- (iii) Expected credit loss (Refer note 2.14 Impairment of financial assets)
The Company has assessed the trade receivables for impairment on a collective basis based on the historical credit loss experience adjusted for forward-looking information. Based on the analysis of objective evidences, the Company expects that the evidences do not warrant any expected credit loss to be provided for.

Ageing of trade receivables:

Balance as at March 31, 2023	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1- 2 years	2- 3 years	More than 3 years	
Undisputed Trade Receivables considered good	26,283.13	1,734.11	9.93	0.03	-	-	28,027.20

Balance as at March 31, 2022	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1- 2 years	2- 3 years	More than 3 years	
Undisputed Trade Receivables considered good	21,052.53	428.42	0.07	9.83	-	-	21,490.85

13 CASH AND CASH EQUIVALENTS - FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash on hand	0.06	0.08
b) Cheques, drafts on hand	-	-
c) Balances with banks		
(i) In current accounts	1,229.44	1,677.50
(ii) In EEFC accounts	5,873.78	4,622.01
(iii) In deposit accounts	167,828.77	133,358.80
	174,932.05	139,658.39
Cash and cash equivalents as per the Statement of Cash Flows	174,932.05	139,658.39

Note: Balance in current accounts as at March 31, 2023 includes ₹ 378.45 Million pertaining to CSR unspent account (March 31, 2022: ₹ 10.78 Million) (refer note 48)

Details of bank deposits

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of 3 months or less	97,178.77	53,080.00
Deposits due to mature within 12 months of the reporting date	70,650.00	80,278.80
Total balances with banks in deposit accounts	167,828.77	133,358.80

Note: The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

14 LOANS - FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to employees, unsecured, considered good	659.48	154.94
	659.48	154.94

15 OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Deposits	115.61	123.79
b) MoU benefit receivable from GOTN	3,072.97	1,961.67
c) Interest accrued but not due on fixed deposits with Banks	1,322.53	856.65
d) Other receivables	10.03	8.73
	4,521.14	2,950.84

16 OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Receivable from government authorities (unsecured, considered good)		
(i) GST credit receivable	3,183.13	806.61
(ii) CENVAT/GST refund receivable	1,118.20	203.14
(iii) Balance receivable from customs authorities	787.51	308.17
(iv) VAT credit/refund receivable	0.62	0.62
(v) Deposits with government authorities	611.31	1,209.02
(vi) Others - Export benefit receivables (refer note below)	171.63	1,085.43
	5,872.40	3,612.99
b) Advance to suppliers - unsecured, considered good	622.31	344.24
Advance - Duty portion	206.71	716.86
c) Prepaid expenses - considered good	352.80	244.35
d) Other loans and advances		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	10.92	27.45
(iii) Which have significant increase in credit risk	-	-
(iv) Credit impaired	298.00	298.00
	308.92	325.45
Less: Provision for doubtful other loans and advances	(298.00)	(298.00)
	10.92	27.45
e) Contractually reimbursable expenses - warranty recoveries (refer note 21(ii))	99.54	97.46
	7,164.68	5,043.35

Note:

The Company has estimated and accrued as income an amount of ₹ 1,163.50 Million under Remissions of Duties and Taxes on Exported Products (RoDTEP) Scheme as export benefits for the year ended March 31, 2023 (Previous year: ₹ 970.69 Million under Remissions of Duties and Taxes on Exported Products (RoDTEP)). Based on professional advice, the Company has excluded the aforesaid amount for computation of taxable income for the current financial year but has created a deferred tax liability in respect of amounts outstanding as at the year end, pending application/receipt of the related license.

17 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
a) Authorised	14,000.00	14,000.00
14,000,000 (March 31, 2022: 14,000,000) equity shares of ₹ 1,000 each		
b) Issued, subscribed and fully paid up	8,125.41	8,125.41
8,125,411 (March 31, 2022: 8,125,411) equity shares of ₹ 1,000 each		
	8,125.41	8,125.41



Notes

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17 EQUITY SHARE CAPITAL (contd.)

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Million	No. of shares	₹ in Million
Shares outstanding as at the beginning of the year	8,125,411	8,125.41	8,125,411	8,125.41
Add: Fresh issue of shares during the year	-	-	-	-
Less: Buy-back of shares during the year	-	-	-	-
Balance outstanding as at the beginning & end of the year	8,125,411	8,125.41	8,125,411	8,125.41

(ii) Details of shares held by holding company

Particulars	As at March 31, 2023	As at March 31, 2022
Hyundai Motor Company, South Korea and its nominees	81,25,411	81,25,411

(iii) Particulars of shareholders holding more than 5% shares in the Company:

Class of shares/Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares				
Hyundai Motor Company, South Korea and its nominees	8,125,411	100%	8,125,411	100%

(iv) The Company has only one class of equity shares having a par value of ₹ 1,000 each. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

(v) Details of shareholding of promoters:

As at March 31, 2023

Name of the Promoter	Number of equity shares	% of total number of shares	% of change during the year
Hyundai Motor Company, South Korea and its nominees	8,125,411	100%	-
Total	8,125,411	100%	-

As at March 31, 2022

Name of the Promoter	Number of equity shares	% of total number of shares	% of change during the year
Hyundai Motor Company, South Korea and its nominees	8,125,411	100%	-
Total	8,125,411	100%	-

18 OTHER EQUITY

a) General reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	4,963.91	4,963.91
Add: Transferred from surplus in statement of profit and loss	-	-
Closing balance	4,963.91	4,963.91

Note: The general reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

18 OTHER EQUITY (contd.)

b) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Surplus in the statement of profit and loss		
Opening balance	153,616.72	138,592.88
Add: Profit for the year	46,538.47	28,617.65
Less: Appropriations		
Dividend paid (including withholding tax) (refer below note)	(14,934.51)	(13,593.81)
Closing balance	185,220.68	153,616.72
(ii) Other comprehensive income		
Remeasurement of net defined benefit liability/(asset)		
Opening balance	(354.59)	(380.73)
Add: Additions during the year	(176.70)	26.14
	(531.29)	(354.59)
Total retained earnings	184,689.39	153,262.13
Total equity (a+b)	189,653.30	158,226.04

Notes:

- The Board of Directors recommended a final dividend of ₹ 1,673 per share (nominal value of ₹ 1,000 per share) for the FY 2020-21. The Dividend is approved by the shareholders at the AGM (FY 2020-21) and has been paid during the year 2021-22. The total cash flow to Parent company is ₹ 11,554.74 Million after deducting withholding tax of ₹ 2,039.07 Million.
- The Board of Directors recommended a final dividend of ₹ 1,838 per share (nominal value of ₹ 1,000 per share) for the FY 2021-22. The Dividend is approved by the shareholders at the AGM (FY 2021-22) and has been paid during the year 2022-23. The total cash flow to parent company is ₹ 12,694.33 Million after deducting withholding tax of ₹ 2,240.18 Million.
- The Board of Directors have proposed a final dividend of ₹ 5,727 per share (nominal value of ₹ 1,000 per share) for the FY 2022-23. The Dividend is subject to the approval of shareholders at the annual general meeting and has not been accounted as liability in this financial statement. The total expected cash outflow is ₹ 46,534.23 Million which includes withholding tax of ₹ 6,980.13 Million.

19 FINANCIAL LIABILITIES - NON-CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term borrowings - measured at amortised cost		
a) Deferred payment liabilities		
- VAT/CST deferral loan (unsecured) (refer note below)	4,129.25	4,941.89
b) Term loans		
- CST soft loan (secured) (refer note below)	2,936.41	2,725.21
	7,065.66	7,667.10

Notes:

(i) VAT/CST deferral loan (unsecured)

As per the Memorandum of Understanding ('the MoU'), dated July 18, 1996, between the Company and the Government of Tamil Nadu (GoTN) read along with the deed of agreement dated September 23, 2005, the Company is eligible for and has opted for sales tax (including VAT and CST) deferral on sale of vehicles. The loan is an interest free loan and is repayable in equal quarterly installments over a period of 5 years after the deferment period of 14 years. The number of installments outstanding as at March 31, 2023 are 28 (March 31, 2022: 32). Refer table below for gross amount outstanding.



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(All amounts are in Indian ₹ Million except share data and as stated)

19 FINANCIAL LIABILITIES - NON-CURRENT (contd.)

(ii) CST soft loan (secured)

As per the MOU dated January 22, 2008 entered into between the Company and the GoTN, the Company is eligible for infrastructure, labour and other support in the form of fiscal incentives on meeting certain specified milestones. The amounts of such incentives have been determined and accounted for by the management based on the terms specified in the MoU. The loan carries 0.1% interest and is repayable in equal quarterly installments over a period of 5 years after 14 years. The number of installments outstanding as at March 31, 2023 are 56 (March 31, 2022: 56). As per the terms of MOU with the GoTN, the repayment of principal will commence from the year 2024 onwards, though interest is paid on a quarterly basis. Refer table below for gross amount outstanding.

The loan is secured by a charge against specified fixed assets of the Company to the extent of ₹ 6,000 Million (March 31, 2022: ₹ 6,000 Million). Also refer note 4(ii).

(iii) Particulars	VAT/CST deferral loan		CST soft loan
	As at March 31, 2023	As at March 31, 2022	
As at March 31, 2023			
Gross amount outstanding	6,517.53	5,936.68	
Less: Present value discounts (treated as Government grant - deferred revenue)	1,135.90	3,000.27	
Fair value of borrowing measured at amortised cost	5,381.63	2,936.41	
Less: Current maturities (refer note 23(c))	1,252.38	-	
Financial liabilities - non-current	4,129.25	2,936.41	
Government grant - deferred revenue	1,135.90	3,000.27	
(i) Government grant - current (refer note 29(c)(iv))	381.54	231.95	
(ii) Government grant - non-current (refer note 22(b))	754.36	2,768.32	
As at March 31, 2022			
	VAT/CST deferral loan	CST soft loan	
Gross amount outstanding	7,694.63	5,936.68	
Less: Present value discounts (treated as government grant - deferred revenue)	1,575.76	3,211.47	
Fair value of borrowing measured at amortised cost	6,118.87	2,725.21	
Less: Current maturities (refer note 23(c))	1,176.98	-	
Financial liabilities - non-current	4,941.89	2,725.21	
Government grant - deferred revenue	1,575.76	3,211.47	
(i) Government grant - current (refer note 29(c)(iv))	439.86	211.20	
(ii) Government grant - non-current (refer note 22(b))	1,135.90	3,000.27	

20 LEASE LIABILITIES - NON-CURRENT

(See accounting policy in note 2.16)

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term lease liabilities	259.38	289.83
	259.38	289.83

21 PROVISIONS - NON-CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
a) Provision for warranty (see below for movement) (refer note 2.21 & note (i) & (ii) below)	6,997.51	6,928.55
b) Provision for employee benefits - gratuity (refer note 2.15 & 37)	740.32	537.02
	7,737.83	7,465.57

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

21 PROVISIONS - NON-CURRENT (contd.)

Notes:

(i) The Company has made provision for contractual warranty obligations based on the assessment of the amount it expects to incur to meet such obligations. The details of the same are given below:

Particulars	Provision for warranty	
	As at March 31, 2023	As at March 31, 2022
Beginning of the year	8,985.40	9,127.72
Provision made during the year	2,666.15	2,231.12
Discounting impact on account of time value of money	(521.57)	(313.49)
Utilisation/reversal	(2,300.76)	(2,273.86)
Unwinding of discount	414.80	398.35
Others (movement in vendor recovery receivable amount)	(8.41)	(184.44)
End of the year	9,235.61	8,985.40
Less: Current portion (refer note 27(a))	2,238.10	2,056.85
Non-current portion	6,997.51	6,928.55

(ii) As against the provision for warranty, the Company also carries an amount of ₹ 472.72 Million (Previous year: ₹ 481.13 Million) as recoverable from vendors based on the terms of arrangement/understanding with the vendors.

Out of ₹ 472.72 Million (Previous year: ₹ 481.13 Million), ₹ 99.54 Million (March 31, 2022: ₹ 97.46 Million) is current portion disclosed under "Other current assets" (refer note 16(e)) and balance ₹ 373.18 Million (March 31, 2022: ₹ 383.68 Million) is non-current portion disclosed under "Other non-current assets" (refer note 10(c)) based on management's assessment.

22 OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
a) Income received in advance (refer note (i) below)	5,424.24	3,241.90
b) Deferred revenue - government grant (refer note 19 (iii))	3,522.68	4,136.17
c) Provision for Skill Development Project (refer note (ii) below)	812.63	-
	9,759.55	7,378.07

Notes:

i) Income received in advance represents the amount collected/apportioned towards additional services provided to customers that are satisfied over a period of time in line with requirements under Ind AS 115. These amounts are recognised on a straight-line basis over the respective contractual period. The related expenses are charged off to the statement of profit and loss on an actual basis.

As at March 31, 2023, the Company carries ₹ 7,391.67 Million (March 31, 2022: ₹ 4,344.26 Million) as income received in advance. Refer note 29 (a) for current portion of income received in advance.

ii) The Company has made provision for Development of Technical Training Center to meet its unspent CSR obligation till FY 19-20.

23 BORROWINGS - FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Export receivables discounted on a "with recourse" basis (refer note (i) below) - unsecured	2,667.96	2,556.25
b) Pre-shipment packing credit loan (refer note (ii) below) - unsecured	600.00	-
c) Current maturities of long-term borrowings (refer note 19 (iii))	1,252.38	1,176.98
	4,520.34	3,733.23



Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

23 BORROWINGS - FINANCIAL LIABILITIES (CURRENT) (contd.)

Notes:

- (i) The Company has obtained bill discounting facilities from various banks. The tenor of the loan for bills discounted is up to a maximum of 180 days.
- (ii) The Company has obtained pre-shipment packing credit loan under RBI's interest equalisation scheme. As per the scheme, the Company obtained the loan with an interest equalisation benefit of 2% p.a. (March 31, 2022: Nil).

24 LEASE LIABILITIES - CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturities of lease liabilities	30.45	61.12
	30.45	61.12

25 TRADE PAYABLES - FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (refer note below)	1,529.53	1,273.33
Total outstanding dues of creditors other than micro and small enterprises	72,131.88	52,712.53
	73,661.41	53,985.86

Note:

Particulars	As at March 31, 2023	As at March 31, 2022
a) Total outstanding dues of micro and small enterprises		
Principal	1,529.53	1,273.33
Interest thereon	-	-
b) Amount paid beyond "Appointed Day" as per MSMED Act, 2006		
Principal	-	-
Interest thereon	-	-
c) Interest due and payable for the period of delay (paid beyond appointed day)	-	-
d) Interest accrued and remaining unpaid as at year end	-	-
e) Further Interest remaining due and payable in the succeeding years	-	-

The Company pays its micro enterprises and small enterprises within a maximum credit period of 30 days and no interest during the year or in the previous year has been paid or payable under the terms of the MSME Development Act, 2006.

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the MSME Development Act, 2006.

Ageing of trade payables:

Balance as at March 31, 2023	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,300.15	229.38	-	-	-	1,529.53
(ii) Others	4,222.25	58,338.65	6,692.63	589.12	183.34	2,105.89	72,131.88
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	4,222.25	59,638.80	6,922.01	589.12	183.34	2,105.89	73,661.41

Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

25 TRADE PAYABLES - FINANCIAL LIABILITIES (CURRENT) (contd.)

Balance as at March 31, 2022	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,099.27	174.06	-	-	-	1,273.33
(ii) Others	4,032.94	39,144.92	5,231.85	431.90	464.01	3,406.91	52,712.53
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	4,032.94	40,244.20	5,405.91	431.90	464.01	3,406.91	53,985.86

26 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Payable on purchase of fixed assets	3,797.44	1,207.35
b) Deposits received from customers	1,228.16	1,130.49
c) Others	2,974.40	1,859.96
	8,000.00	4,197.80

27 PROVISIONS - CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
a) Provision for warranty (refer note 21 (i))	2,238.10	2,056.85
b) Provision for employee benefits (refer note 37)		
(i) Provision for compensated absences	1,450.84	1,143.67
(ii) Provision for gratuity	119.52	109.45
c) Provision for disputed matters (refer note below)	670.00	670.00
	4,478.46	3,979.97

Note:

The Company carries provision for disputed matters towards certain claims against the Company not acknowledged as debts (refer note 36.1). Whilst the provision is considered as short-term in nature, the actual outflow with regard to said matters depends on the exhaustion of remedies available under the law based on various developments. No recoveries are expected against the provision. The details of the same are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Beginning of the year	670.00	670.00
Provision made during the year	-	-
Utilisation/reversal	-	-
End of the year	670.00	670.00

28 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of advance tax paid for respective assessment years)	3,136.00	1,984.37
	3,136.00	1,984.37



Notes

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29 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
a) Income received in advance (refer note 22a)	1,967.43	1,102.36
b) Usance interest received in advance	136.68	54.93
c) Other liabilities		
(i) Advance from customers	14,388.39	16,263.02
(ii) Statutory dues	1,580.67	933.92
(iii) GST Payable (including compensation cess)	6,003.84	4,197.33
(iv) Deferred revenue - government grant (refer note 19 (iii))	613.49	651.07
d) Provision for Corporate Social Responsibility (refer note 48)	467.77	541.22
Total	25,158.27	23,743.85

30 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Sale of products (refer note (i) below)	559,196.04	442,611.70
b) Sale of services (refer note (ii) below)	26,370.51	18,640.51
c) Other operating revenues (refer note (iii) below)	12,047.91	9,175.72
Total	597,614.46	470,427.93

Note:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Sale of products		
- Vehicles	522,709.37	408,876.52
- Parts	36,486.67	33,735.18
Total	559,196.04	442,611.70
(ii) Sale of services		
- Transportation Income	24,885.01	17,606.17
- Others	1,485.50	1,034.34
Total	26,370.51	18,640.51
(iii) Other operating revenues		
Sale of scrap	2,848.68	2,188.61
Duty drawback (refer note 2.11)	4,347.31	3,474.36
Remissions of Duties and Taxes on Exported Products (RoDTEP)/Merchandise Exports from India Scheme income (refer note 16(a) (vi) and 2.11)	1,163.50	970.69
Other incentives from government	3,688.42	2,542.06
Total	12,047.91	9,175.72

Note:

Other incentives from government includes Clean Energy Vehicle (CEV) Subsidy of ₹ 500 Million relating to FY 22-23 & FY 21-22 recognised during the current year.

31 OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Interest income (refer note (i) below)	9,151.63	4,413.72
b) Royalty income	679.72	552.33
c) Gain on foreign currency transactions and translation (net)	855.18	387.81
d) Liabilities no longer required written back	13.77	-
e) Other non-operating income	485.22	455.09
Total	11,185.52	5,808.95

Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

31 OTHER INCOME (contd.)

Note:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Interest income earned on financial assets that are measured at amortised cost		
- from banks - fixed deposits	8,766.15	3,893.97
- on lease deposits	3.40	3.96
(ii) Others		
- on refund of taxes	-	354.60
- others	382.08	161.19
Total	9,151.63	4,413.72

32(a) COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Opening stock	17,605.41	15,116.87
b) Add: Purchases	479,263.16	377,230.48
	496,868.57	392,347.35
c) Less: Sale of raw materials	30,188.63	22,433.86
d) Less: Closing stock (refer note 11(a))	21,593.59	17,605.41
Total	445,086.35	352,308.08

32(b) PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Vehicles & Parts	6,564.16	6,564.05
Total	6,564.16	6,564.05

32(c) CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN TRADE AND WORK-IN-PROGRESS (REFER NOTE 11)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Inventories at the end of the year:		
Finished goods	5,442.01	493.88
Work-in-progress	6,064.90	9,668.22
Stock-in-trade	22.85	16.45
	11,529.76	10,178.55
b) Inventories at the beginning of the year:		
Finished goods	493.88	3,185.34
Work-in-progress	9,668.22	6,349.89
Stock-in-trade	16.45	22.12
	10,178.55	9,557.35
Net (increase)/decrease	(1,351.21)	(621.20)

33 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Salaries, wages and bonus	12,660.41	11,871.21
b) Contributions to provident and other funds (refer note 37)	987.47	769.72
c) Staff welfare expenses	1,874.35	2,093.08
Total	15,522.23	14,734.01



Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

33 EMPLOYEE BENEFITS EXPENSE (contd.)

Notes:

- Employee cost/benefits expense includes research and development expenses amounting to ₹ 0.31 Million (Previous year: ₹ 0.33 Million), as identified by the management.
- The remeasurement of the net defined benefit asset amounting to ₹ 236.13 Million (net defined benefit liability for the period ended March 31, 2022: ₹ 34.93 Million) is included in other comprehensive income.

34 FINANCE COSTS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Interest expense on:		
(i) Working capital facilities from banks	113.33	10.64
(ii) VAT/CST deferral and soft loan (refer note below)	657.00	691.66
(iii) Sincerity deposits/dealer down payments	205.27	193.54
(iv) Others	4.64	7.55
b) Unwinding of discounts on warranty provisions (refer note 21(i))	414.80	398.35
c) Interest on lease liabilities	27.15	17.20
	1,422.19	1,318.94

Note:

Interest on VAT/CST deferral & soft loan include actual interest paid of ₹ 5.94 Million (Previous year: ₹ 5.94 Million) at 0.1% interest rate and notional interest cost of ₹ 651.06 Million (Previous year: ₹ 685.72 Million)

35 OTHER EXPENSES (REFER NOTE (I) BELOW)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Consumption of stores and spare parts	1,154.59	1,016.00
b) Clearing and forwarding charges	318.16	369.09
c) Power and fuel	2,961.79	2,614.50
d) Rent including lease rentals	347.12	311.51
e) Repairs and maintenance		
(i) Buildings	176.64	132.90
(ii) Machineries	937.40	832.25
(iii) Others	1,621.99	1,790.24
f) Service contract expenses	1,817.95	1,518.58
g) Insurance	120.24	94.79
h) Freight	21,389.67	15,178.67
i) Rates and taxes	67.78	28.04
j) Communication	43.33	37.96
k) Travelling and conveyance	226.94	56.40
l) Printing and stationery	84.69	65.50
m) Royalty	14,386.98	11,008.13
n) Advertisement and sales promotion expenses	6,771.25	4,918.90
o) Expenditure on Corporate Social Responsibility ('CSR')	629.14	645.54
p) Donations - Other than CSR	821.63	8.50
q) Legal and professional charges	253.84	75.47
r) Payments to auditors (refer note (ii) below)	18.29	16.45
s) Loss on PPE sold/scrapped/written off (net)	60.94	53.12
t) Technical assistance fee/training	141.27	51.11
u) Provision for warranty (net)	2,144.58	1,917.63
v) Extended warranty expense	587.56	374.97
w) Miscellaneous expenses	704.08	433.64
	57,787.85	43,549.89

Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

35 OTHER EXPENSES (REFER NOTE (I) BELOW) (contd.)

Note:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Expenses towards research and development included in the above amounts	328.54	257.91
(ii) Payments to auditors comprises (net of GST/service tax input credit):		
To Statutory auditors		
- for statutory audit	9.70	9.70
- for tax audit	1.30	1.30
- for group reporting	5.05	4.90
- for certification	0.10	0.43
- for taxation matters	1.53	-
- reimbursement of expenses	0.61	0.12
Total	18.29	16.45

36.1 CONTINGENT LIABILITIES (TO THE EXTENT NOT SPECIFICALLY PROVIDED FOR) (REFER NOTE I BELOW)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claims against the Company not acknowledged as debt		
(i) Customs duty (paid under protest: As at March 31, 2023 - ₹ 326.31 Million and as at March 31, 2022 - ₹ 608.63 Million) (refer note A below)	6,374.39	6,656.70
(ii) Anti dumping duty (refer note B below)	154.74	154.74
(iii) Excise duty and service tax (Paid under protest: As at March 31, 2023 - ₹ 198.63 Million and as at March 31, 2022 - ₹ 199.41 Million) (refer note D below)	7,607.85	7,613.48
(iv) Maharashtra VAT (Paid under protest: As at March 31, 2023 - ₹ 0.13 Million and as at March 31, 2022 - ₹ 0.13 Million)	0.85	0.21
(v) Tamil Nadu VAT (Paid under protest as at March 31, 2023 - ₹ 280.19 Million and as at March 31, 2022 - ₹ 280.21 Million) (refer note E below)	287.09	280.21
(vi) GST (Paid under protest as at March 31, 2023 - ₹ 82.10 Million and as at March 31, 2022 - ₹ 2.70 Million) (refer note D below)	903.08	27.01
(vii) Income tax (Paid under protest: As at March 31, 2023 - ₹ 5,580.89 Million and as at March 31, 2022 - ₹ 1,153.58 Million)	4,708.83	4,975.10
(viii) Penalty levied by Competition Commission of India (refer note F below)	4,202.61	4,202.61
(ix) Others	68.07	2,308.53
(b) Decided in favour of the Company against which department/Statutory body has gone on appeal		
(i) Customs (Paid under protest: As at March 31, 2023 - ₹ 29.33 Million and as at March 31, 2022 - ₹ 29.33 Million) (refer note A below)	29.33	29.33
(ii) Income Tax (Paid under protest: As at March 31, 2023 - ₹ 32.77 Million and as at March 31, 2022 - ₹ 32.77 Million)	5,035.84	4,070.40
(iii) Competition Commission of India (refer note F below)	870.00	870.00
(c) Guarantees	Refer note H below	

Notes:

A. Customs duty:

- The Directorate of Revenue Intelligence (DRI) had initiated certain inspections/inquiries in connection with customs compliances. During the year ended March 31, 2012, the Company had received a notice from the DRI alleging mis-declaration of the transaction value of goods imported by the Company. The Company had challenged the said notice and also the inquiries/investigations and filed writ petitions before the Honourable High Court of Madras seeking a stay on the proceedings, which had been granted. Subsequently the stay was vacated. The Company received a demand of ₹ 5,777.77 Million

(including penalties of ₹ 3,018.89 Million) during the year ended March 31, 2016, (of which ₹ 88.62 Million was appropriated by the Customs Authorities and charged off to the Statement of Profit and Loss during the year ended March 31, 2012). The department had also mentioned that the goods which are a subject matter of the demand of customs duty, is also liable for confiscation under Section 111 of the Customs Act, 1962. The Company had filed stay of operation of order and appeal against the order with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) which is pending for disposal as at March 31, 2023.



Notes

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Notes: A. Customs duty (contd.)

- (ii) During the year ended March 31, 2021, the Company had received an order rejecting the classification of "Cover Assembly Front door Quadrant" imported by the Company and reclassifying the same under different heading of the customs tariff. The said order has imposed an additional duty of ₹ 64.94 Million and an Penalty amount ₹ 65.59 Million for the imports made during the period from June 2016 to Mar 2018. The Company has filed appeals with CESTAT challenging the Appellate Order and the hearings at CESTAT is pending for disposal as at March 31, 2023.
- (iii) During the year ended March 31, 2021, the Company received an Order stating the Company has not fulfilled Export Obligation for Capital items valuing ₹ 479.52 Million imported during the period from Nov 2010 to Feb 2011. The said order has imposed an additional duty of ₹ 126.09 Million and a penalty of ₹ 11 Million. Further it has also levied interest in terms of Notification No 102/2009 dated September 11, 2009. The Company has filed appeals with CESTAT challenging the Appellate Order and the hearings at CESTAT is pending for disposal as at March 31, 2023.
- (iv) Further, during the year ended March 31, 2013, the Company received a demand notice for recovery of Extra Duty Deposit refunded by the department during the prior years amounting to ₹ 91.31 Million from the Deputy Commissioner of Customs on account of issue of the above notice by DRI. The Company challenged the demand and obtained stay of demand filing a writ petition before the Honourable High Court of Madras which is pending for disposal.
- (v) In addition to the above, the outstanding demand under dispute towards various other Customs cases in respect of which the hearings are in progress at various levels at Customs Authorities/Appeals as at March 31, 2023 amounts to ₹ 42.32 Million (including ₹ 29.33 Million decided in favour of the Company against which department has gone on appeal).
- (vi) During the year ended March 31, 2016, the Company also received certain other adjudication orders rejecting the classification of certain goods imported by the Company and reclassifying the same under different heading of the customs tariff. The Company had filed appeals against these orders with Commissioner of Customs (Appeals). Subsequently, the Commissioner of Customs (Appeals) upheld the adjudication order classifying the goods imported by the Company under a different heading of the customs tariff. The Company has paid the differential duty under protest and filed appeals with CESTAT challenging the Appellate Order and the hearings at CESTAT is pending disposal as at March 31, 2023.

B. Anti-dumping duty

During the year ended March 31, 2015, the Directorate General of Anti-Dumping and Allied Duties initiated an investigation on import of cast and aluminium alloy wheels exported from China, Korea and Thailand and levied anti dumping duty on cast aluminium alloy wheels which have been imported into India allegedly at less than its normal value and passed a provisional order for a period of six months from April 11, 2014. The Company had filed four writ petitions before the Honourable High Court of Madras in this connection challenging the provisional order passed by the department and paid ₹ 165.66 Million under protest, as against the Anti Dumping Duty payable of ₹ 320.40 Million and charged to the Statement of Profit and Loss Account. Consequent to the legal suit filed, the Company also carries the amount paid as receivable and on grounds of prudence, provided for the same. However, in December 2014, the Honourable High Court of Madras had dismissed the writ petitions. The Company had filed writ appeal with the division bench of the Honourable High Court of Madras against the said order of the single member bench. During the previous year ended March 31, 2016, the Company received a transfer petition transferring the appeal to the Honourable Supreme Court of India and the Company has filed required counter petitions with the Honourable Supreme Court of India and the same is pending disposal as at March 31, 2023.

In the meanwhile, the Directorate General of Anti-Dumping and Allied Duties had issued final order on May 22, 2015 levying Anti-Dumping duty for a period of five years commencing April 11, 2014. The Company is of the opinion that Anti-Dumping Duty shall not be levied with retrospective effect, based on the precedent judgement of the Honourable Supreme Court of India in a similar case and has not provided for/paid Anti-Dumping duty for the period from October 2014 to May 2015.

Further, the Company has paid Anti-dumping duty commencing from the period May 22, 2015 (date of notification of Final Order) till March 31, 2023 under protest amounting to ₹ 6,973.53 Million which has been charged off to the Statement of Profit and Loss Account. Consequent to the legal suit filed, the Company also carries the amount paid as receivable and on grounds of prudence, provided for the same.

C. Duty drawback

During the year ended March 31, 2011, the Company had received a demand of ₹ 797.34 Million from the Additional Commissioner, Large Taxpayer Unit, Chennai relating to excess drawback paid by the Department for the period from September 24, 2007 to August 4, 2009. Out of the above, the Company had voluntarily foregone and repaid duty drawback claim of ₹ 109.44 Million and the balance of ₹ 687.90 Million was disputed by the Company.

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Notes: C. Duty drawback (contd.)

The Company had filed an appeal before the Commissioner of Customs (Appeals), Customs House, Chennai, LTU which was adjudicated against the Company and had filed a revision application before the Joint Secretary, Ministry of Finance which was partly allowed and remanded back to the original authority for reassessment. During the FY 2019-20, the Company received refund of ₹ 426.58 Million and the balance of ₹ 261.32 Million has been rejected. Based on professional advice, the Company has decided not to make any further appeal.

D. Excise duty, Service tax and GST

During October 2021, the Company has received order from the Additional Director General demanding payment of Central excise duty amounting to ₹ 3,574 Million and penalty amounting to ₹ 3,574 Million. The Company has filed a writ petition with the Honourable High Court of Madras to grant the stay of the operation and all further proceeding pursuant to the demand order received by the Company. The Company has received order from Honourable High Court of Madras granting interim stay of recovery proceedings pending disposal of Writ petition subject to the Company depositing minimum amount required under Section 35F of the Central Excise Act, 1944. The Company has paid ₹ 100 Million pre-deposit as at March 31, 2023. Further there are pending litigations for various other matters relating to Excise Duty and Service Tax involving demands, for which the Company has filed appeals against the orders received which are pending at various forums as at March 31, 2023. During the financial year, the Company has received orders from Commissioner (Appeals) rejecting the appeal and confirming the GST demand. The Company has filed Writ Petitions before the Honourable High Court of Madras and has obtained stay of the operation and all further proceedings pursuant to the demand order received by the Company in June 2023. The Company has paid ₹ 80 Million as pre-deposit as at March 31, 2023.

E. Tamil Nadu VAT

The Company had received sales tax demands (including interest) for various assessment years towards denied availment of input tax credits on goods on various submissions made in respective assessment years amounting to ₹ 287.09 Million. The Company paid such demand amount under protest and filed appeals against all the orders with the Sales tax appellate tribunal.

F. Investigation by the Competition Commission of India

- (i) In 2012, the Directorate General of the Competition Commission of India (CCI) had submitted its final investigation report to the CCI regarding violations of the provisions of Competition Act, 2002.

In the meanwhile, the Company filed a writ petition before the Honourable High Court of Madras challenging the jurisdiction of the CCI to expand the investigation in respect

of the above matter and requesting for a stay which was granted initially. During the year ended March 31, 2015, the Honourable High Court of Madras dismissed the Company's petition challenging the jurisdiction of the CCI stating that CCI has powers to expand the investigation. The Company had filed a writ appeal before the Divisional Bench of the Honourable High Court of Madras, and obtained Interim order that CCI should not pass final order till disposal of writ appeal. Meanwhile, CCI had issued final order imposing a penalty of ₹ 4,202.61 Million violating Division Bench Order. However CCI has clarified that the order shall be enforceable based on and subject to the direction of the Honourable High Court of Madras in connection with the writ appeal filed by the Company.

- (ii) The writ appeal was subsequently dismissed by the High Court of Judicature at Madras on July 23, 2018. The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT) against the CCI Order. On October 29, 2018, the NCLAT heard the matter for admission and directed the Company to deposit 10% of ₹ 4,202.61 Million within three weeks. The Company filed an appeal before the Supreme Court of India (SC) against the NCLAT Interim Order. On November 16, 2018, the SC granted a interim stay on the operation of the CCI Order. Further in January 20, 2020, the Supreme Court granted Permanent Stay on NCLAT order for deposit of ₹ 420 Million and directed NCLAT to decide HMIL's Appeal on Merits. Consequently, the Company is not required to deposit 10% of ₹ 4,202.61 Million with the NCLAT till the SC Order is operational. The pleadings in the NCLAT appeal are complete and the appeal was listed on March 25, 2020 for final arguments. However, due to the COVID-19 pandemic, the matter was adjourned and is yet to be listed for hearing before NCLAT.

- (iii) Further, the CCI had directed the Director General for an investigation to be made in respect of the complaints made by two terminated dealers against the Company. The Company received notices seeking certain information for the purpose of investigation and the Company had furnished the required details. During the year ended March 31, 2018, CCI passed an order imposing a penalty of ₹ 870.00 Million on the Company. The Company filed an appeal before NCLAT against the order and received an order in favour of the Company during the year ended March 31, 2019 by setting aside the CCI Order. CCI has further filed an appeal before Supreme Court in November 2018 against our favourable order. This case is now pending before Supreme Court and it is yet to be listed for hearing.

The Company believes that it has a good case to obtain a favourable judgement in respect of the above matters and there is no additional financial exposure in respect of the same.



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G. Show cause notices/draft assessment orders

The details of the show cause notices/draft assessment orders received by the Company from various government agencies pending formal orders/demand notices, which are not considered as claims against the Company not acknowledged as debts, are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Customs duty (refer note below)	1,194.76	1,194.76
Duty drawback	-	9.12
Excise duty	82.48	82.48
Service tax	190.24	190.24
Goods & Service Tax	2,614.42	2,868.64
Income tax - draft assessment orders received and pending disposal with DRP	-	4,471.94

Note:

The Company had received show cause notices from the DRI demanding an amount of ₹ 1,194.76 Million in connection with various matters. The department has also mentioned that the goods which are a subject matter of the demand of customs duty, is also liable for confiscation under Section 111 of the Customs Act, 1962. The Company has filed/is in the process of filing replies for the same and expects a favourable outcome in respect of the same.

H. Guarantees

Particulars	As at March 31, 2023	As at March 31, 2022
Corporate Guarantee for CST Loan favouring SIPCOT	6,000.00	6,000.00

I. Management's assessment

The amounts shown under contingent liabilities and disputed claims represent the best possible estimates arrived at on the basis of the available information. Further, various government authorities raise issues/clarifications in the normal course of business and the Company has provided its responses to the same and no formal demands/claims has been made by the authorities in respect of the same other than those pending before various judicial/regulatory forums as disclosed above. The uncertainties and possible reimbursement in respect of the above are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the claimants, as the case may be and, therefore, cannot be predicted accurately. The Company expects a favourable decision with respect to the above disputed demands/claims based on professional advice and, hence, no specific provision for the same has been made. Also refer note 27(c).

36.2 Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	9,818.14	3,696.76

(b) Commitment arising from Memorandum of Understanding (MoU) with Government of Tamil nadu (GoTN)

The Company has entered into fourth MoU dated January 24, 2019 with the GoTN being the third expansion of existing plant to increase the capacity from 0.7 Million cars p.a. to 0.8 Million cars p.a. As per the said MOU, the Company is entitled to certain fiscal benefits in the form of clean energy vehicle subsidy, capital subsidy, electricity tax exemption and also certain other concessions/benefits subject to the Company achieving specified conditions viz. investment of ₹ 70,000 Million in fixed assets, creation of 500 direct employment, production of electric/clean energy vehicles of 200,000 nos. in 20 years (FY 2019-20 to 2038-39) etc. The period of investment as contemplated in this MOU is from April 1, 2018 to March 31, 2025 and the investment will be made for production of new models, electric and other clean energy vehicles (existing and new models) in Tamil Nadu.

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36.3 Others

Particulars	As at March 31, 2023	As at March 31, 2022
Disputed VAT input refund receivable (refer note below)	-	92.13

Note:

The Company has submitted the claim for refund to Commercial Taxes Department [MoU Cell] under Phase II MoU. The Commercial Taxes Department [MoU Cell] was not in agreement with refund w.r.t Input tax Credit on stock transfer. Based on the Company's request, the Govt. has examined the case and decided to allow the refund of reversed input tax credit during the year.

37 EMPLOYEE BENEFIT PLANS

37.1 Defined contribution plan

Company's (employer's) contribution to defined contribution plans recognised as expenses in the statement of profit and loss are:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Employer's contribution to Provident fund	488.56	386.99
(b) Employer's contribution to National pension fund	117.12	41.04
(c) Employer's contribution to Superannuation fund	208.62	180.99
	814.30	609.02

Note:

The expenses are included in note 33 - Employee benefits expense under "Contribution to provident and other funds"

37.2 Defined benefit plan

- Refer note 2.15 for the accounting policy of the defined benefit plan
- The defined benefit plan typically exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, short-term debt instruments, equity instruments and asset backed, trust structured securities as per notification of Ministry of Finance.

Interest risk

Decrease in the Interest rate will increase the cost of providing the above benefit and thus increase in the value of liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



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(All amounts are in Indian ₹ Million except share data and as stated)

37.2 Defined benefit plan (contd.)

(iii) The principal assumptions used for the purpose of the actuarial valuations were as follows.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.56%	7.50%
Future salary increase	6.50%	6.50%
Expected rate of return on plan assets	7.56%	7.50%
Attrition rate	2.00%	2.00%
Mortality - Indian Assured Lives Mortality	2012-14	2012-14

(iv) Amounts recognised in the Statement of Profit and Loss in respect of the defined benefit plan are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Components of defined benefit cost recognised in the Statement of Profit and Loss		
Current service cost	131.70	115.82
Past service cost	-	-
Interest cost	153.01	140.97
Interest income on plan assets	(111.54)	(96.09)
Total (Refer note below)	173.17	160.70
Components of defined benefit cost recognised in the Other Comprehensive Income		
Actuarial (gains)/losses		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(15.36)	(85.15)
- Experience variance	234.57	37.08
Return on plan assets (excluding amount included in net interest expense)	16.92	13.13
	236.13	(34.93)

Note:

The expenses are included in Note 33 - Employee benefits expense under "Contribution to provident and other funds"

(v) The amount included in the Balance Sheet arising from the entity's obligation in respect of the its defined benefit plan is as follows.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of defined benefit obligation as at the end of the year	2,489.38	2,062.35
Fair value of plan assets as at the end of the year	(1,629.54)	(1,415.88)
Net liability recognised in the balance sheet	859.84	646.47
Current liability	119.52	109.45
Non-current liability	740.32	537.02

(vi) Movements in the present value of the defined benefit obligation and fair value of plan assets are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligation during the year		
Present value of defined benefit obligation as at the beginning of the year	2,062.35	1,905.49
Current service cost	131.70	115.82
Interest cost	153.02	140.97
Benefits paid	(76.90)	(51.87)
Actuarial loss/(gain)	219.21	(48.06)
Present value of defined benefit obligation at the end of the year	2,489.38	2,062.35

Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

37.2 Defined benefit plan (contd.)

(vii) Movements in the present value of the defined benefit obligation and fair value of plan assets are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Change in fair value of assets during the year		
Fair value of plan assets at beginning of the year	1,415.88	1,229.57
Expected return on plan assets	111.55	96.09
Employer's contribution	195.93	155.22
Benefits paid	(76.90)	(51.87)
Actuarial gains/(loss)	(16.92)	(13.13)
Fair value of plan assets at the end of the year	1,629.54	1,415.88
Net liability	859.84	646.47

(viii) The entire plan assets are managed by the insurer. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.

(ix) Maturity profile of defined benefit obligation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Time Periods		
Within 1 year	80.74	59.64
2 to 5 years	427.62	329.83
6 to 10 years	821.02	634.98
More than 10 years	5,217.13	4,672.89

(x) The Company expects to contribute ₹ 119.52 Million to its gratuity fund during the year ending March 31, 2024 (March 31, 2023: ₹ 109.45 Million)

(xi) The Average future service for the defined benefit obligation is 18.44 years as on March 31, 2023 (March 31, 2022: 19.14 years).

(xii) Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate:		
Decrease in defined benefit obligation if discount rate increases by 1%	255.99	224.06
Increase in defined benefit obligation if discount rate decreases by 1%	297.23	262.03
Attrition rate:		
Increase in defined benefit obligation if salary increases by 1%	24.56	10.68
Decrease in defined benefit obligation if salary decreases by 1%	27.03	11.31
Expected rate of salary increase:		
Increase in defined benefit obligation if salary increases by 1%	155.53	201.79
Decrease in defined benefit obligation if salary decreases by 1%	188.15	209.97

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

37.3 Compensated absences

The key assumptions used in the computation of provision for compensated absences as per the actuarial valuation done by an independent actuary are as given below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Assumptions		
Discount rate	7.56%	7.50%
Future salary increase	6.50%	6.50%
Attrition rate	2.00%	2.00%



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38 DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO INDIAN ACCOUNTING STANDARD 24

38.1 Names of related parties and nature of relationship

Description of Relationship	Name of Related Party
Holding Company	Hyundai Motor Company, South Korea
Subsidiary Company	Hyundai Motor India Engineering Private Limited Hyundai India Insurance Broking Private Limited
Fellow Subsidiaries	Hyundai Motor Deutschland GmbH Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S. Hyundai Motor Poland Sp. Zo.O Hyundai Motor UK Limited Hyundai Motor Company Australia Pty Limited Hyundai Motor Europe GmbH Hyundai Motor Company Italy S.R.L. Hyundai Motor Czech s.r.o. Hyundai Motor CIS LLC Russia Hyundai Motor Espana S.L.U Hyundai Motor Netherlands B.V. Hyundai Motor France SAS Hyundai Capital India Private Limited Hyundai Motor De Mexico S DE RL DE CV Hyundai Rotem Company Hyundai KEFICO Corporation Hyundai Motor Manufacturing Czech s.r.o. Hyundai Motor America Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation Hyundai Mobility Japan Co., Ltd. Hyundai Motor Sport GmbH Hyundai Motor Brasil Montadora de Automoveis LTDA Hyundai Motor Manufacturing Rus LLC PT Hyundai Motors Indonesia PT Hyundai Manufacturing Motors Indonesia
Associate of Holding Company (in respect of which the Company has had transactions during the year)	Hyundai Autoever Corp Hyundai Motor Group (China) Ltd. Hyundai Wia Corporation Kia Motor Corporation Primemover Mobility Technologies Private Limited Hyundai Engineering & Construction Co., Ltd. Hyundai Wia Automotive Engine (shandong) Company Hyundai Transys (Shandong) Co. Ltd. Haevichi Hotel & Resort Co. Ltd.
Entities with significant influence over the Holding Company	Hyundai Mobis Company Limited
Subsidiary of entities with significant influence over the Holding Company	Mobis India Ltd. Mobis India Module Private Ltd.
Entities which are Subsidiary of Associate of Holding Company (in respect of which the Company has had transactions during the year)	Hyundai Autoever India Private limited Hyundai Wia India Pvt. Ltd. Hyundai Engineering India Pvt. Ltd. Kia Motors Slovakia s.r.o. Hyundai Transys Lear Automotive India Private Limited Hyundai Transys India Private Ltd. Kia India Private Limited HEC India LLP
Post Retirement Benefit Plans	Hyundai Motor India Limited Group Gratuity Scheme Hyundai Motor India Limited Executive Superannuation Scheme

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38.1 Names of related parties and nature of relationship (contd.)

Description of Relationship	Name of Related Party
Key Management Personnel	Mr. Unsoo Kim - Managing Director (w.e.f. January 25, 2022)
	Mr Seonseob Kim - Managing Director (Up to December 31, 2021)
	Mr. Wangdo Hur - Whole Time Director cum CFO (w.e.f. February 3, 2023)
	Mr. Choon Hang Park - Whole Time Director cum CFO (Up to December 31, 2022)
	Mr. Jong Hoon Lee - Whole Time Director
	Mr. Woong Sik Oh - Whole Time Director (Up to August 8, 2021)
	Mr. Dosik Kim - Whole Time Director
	Mr. S Ganesh Mani - Whole Time Director (Up to July 6, 2022)
	Mr. Gopala Krishnan C S - Whole Time Director (w.e.f. July 28, 2022)
	Mr. Tarun Garg - Whole Time Director
	Mr. Dae Han Choi - Alternate Director (w.e.f. April 20, 2022)

Note:

Related Party relationships are as identified by the Management and relied upon by the Auditors.

38.2 Transactions with the related parties

Particulars	Name of the Related party	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Sale of Motor Vehicles, Parts and Raw Materials	Hyundai Motor De Mexico S DE RL DE CV	20,493.55	13,879.66
	Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation	-	-
	Hyundai Motor Company, South Korea	92.62	104.99
	Kia India Private Limited	20,228.75	18,593.35
	Mobis India Ltd.	2,072.89	1,614.26
	Hyundai Transys Lear Automotive India Private Limited	1,216.82	1,110.09
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	4,180.07	2,854.34
	Hyundai Transys India Private Limited	0.61	-
	Hyundai Motor De Mexico S DE RL DE CV	447.16	160.44
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	0.06	7.61
Interest Income	Hyundai Motor Company, South Korea	7.73	3.35
	Kia India Private Limited	64.24	133.79
	Hyundai Motor India Engineering Private Limited	0.07	0.09
Other Income	Hyundai Engineering India Pvt. Ltd.	-	3.78
	Hyundai Wia India Pvt. Ltd.	3.08	3.77
Scrap Sales	Hyundai Engineering India Pvt. Ltd.	2,118.71	2,096.11
Expenses (gross of withholding tax wherever applicable)			
Purchase of Raw Materials, Components and Spare Parts	Hyundai Motor Company, South Korea	42,368.33	33,354.79
	Hyundai Motor Group (China) Ltd.	925.35	3,443.85
	Hyundai KEFICO Corporation	884.37	825.73
	Hyundai Transys Lear Automotive India Private Limited	17,589.62	10,333.14
	Hyundai Transys India Private Ltd.	2,692.89	1,792.99
	Hyundai Wia India Pvt. Ltd.	345.40	305.12
	Hyundai Wia Automotive Engine (shandong) Company	2,091.70	2,023.38
	Kia India Private Limited	14,905.44	13,206.04
	Mobis India Ltd.	79,334.02	63,154.03
	Mobis India Module Private Ltd.	-	0.03
	Kia Motors Slovakia s.r.o.	14.47	8.19
	PT Hyundai Manufacturing Motors Indonesia	440.35	-
	Hyundai Motor Company, South Korea	14,358.19	10,973.36



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38.2 Transactions with the related parties (contd.)

Particulars	Name of the Related party	Year ended March 31, 2023	Year ended March 31, 2022
Technical Assistance Fee (refer note i)	Hyundai Motor Company, South Korea	48.71	77.35
Advertisement and Sales Promotion Expenses	Hyundai Capital India Private Limited	85.50	95.02
	Hyundai Autoever India Private Limited	207.19	98.68
	Hyundai Motor Brasil Montadora de Automoveis LTDA	185.83	205.91
	Primemover Mobility Technologies Private Limited	-	-
	PT Hyundai Manufacturing Motors Indonesia	0.03	-
Warranty Expenses	Hyundai Motor Deutschland GmbH	5.35	8.53
	Hyundai Motor Company Italy S.R.L.	3.05	5.55
	Hyundai Motor Poland Sp. Zo.o	0.01	0.03
	Hyundai Motor Czech s.r.o.	0.03	0.02
	Hyundai Motor UK Limited	1.84	2.64
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	2.03	6.64
	Hyundai Motor France SAS	0.09	0.10
	Hyundai Motor Espana S.L.U	0.37	0.22
	Hyundai Motor Company Australia Pty Limited	12.62	0.32
	Hyundai Motor Netherlands B.V.	0.22	0.46
	Hyundai Motor De Mexico S DE RL DE CV	145.86	110.34
	Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation	-	0.09
	Hyundai Motor CIS LLC Russia	-	0.00
	Kia India Private Limited	-	1.91
	PT Hyundai Motors Indonesia	0.01	0.06
	Rent	Hyundai Autoever Corp	87.43
Hyundai Autoever India Private Limited		180.73	136.07
Maintenance Charges	Hyundai Motor India Engineering Private Limited	190.68	154.98
	Hyundai Autoever India Private Limited	380.88	311.94
	Hyundai Engineering India Pvt. Ltd.	405.16	516.08
	Mobis India Ltd.	2.66	1.80
Other Expenses	Hyundai Motor Company, South Korea	67.52	68.05
	Hyundai Rotem Company	1.29	1.67
	Hyundai Engineering India Pvt. Ltd.	137.09	5.05
	Mobis India Ltd.	267.76	178.41
	Hyundai Transys Lear Automotive India Private Limited	6.09	9.04
	Hyundai Autoever India Private Limited	58.15	3.89
	Haevichi Hotel & Resort Co. Ltd.	5.24	-

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38.2 Transactions with the related parties (contd.)

Particulars	Name of the Related party	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Bonus, Perquisites and Contribution to Funds	Mr. Unsoo Kim	68.95	9.42
	Mr. Seonseob Kim	-	41.05
	Mr. Choon Hang Park	24.72	32.35
	Mr. Dosik Kim	43.88	20.80
	Mr. Jong Hoon Lee	44.31	37.29
	Mr. Woong Sik Oh	-	11.05
	Mr. Wangdo Hur	5.33	-
	Mr. Dae Han Choi	21.82	-
	Mr. S Ganesh Mani	10.88	24.33
	Mr. Tarun Garg	38.30	33.33
	Mr. Gopala Krishnan C S	12.00	-
Others			
Purchase of Capital Goods	Hyundai Motor Company, South Korea	4,980.76	1,022.17
	Hyundai Rotem Company	22.06	3.61
	Hyundai Transys Lear Automotive India Private Limited	193.34	550.94
	Hyundai Autoever Corp	22.81	45.04
	Mobis India Ltd.	319.34	100.40
	Hyundai Wia Corporation	6.64	264.75
	Hyundai Autoever India Private Limited	341.12	193.53
	HEC India LLP	1,577.19	1,621.84
	Kia India Private Limited	-	9.85
	Hyundai Transys India Private Ltd.	11.46	0.03
	Hyundai Engineering India Pvt. Ltd.	603.92	149.83
	Hyundai Kefico Corporation	0.16	-
	Technical Knowhow	Hyundai Motor Company, South Korea	893.71
Transportation Income	Hyundai Motor De Mexico S DE RL DE CV	1,629.11	1,025.50
Rental Income	Hyundai Motor India Engineering Private Limited	10.26	10.03
	Hyundai Capital India Private Limited	5.30	5.18
	Hyundai India Insurance Broking Private Limited	1.41	1.66
	Hyundai Autoever India Private limited	16.63	-
Insurance Reimbursement	Hyundai Motor De Mexico S DE RL DE CV	65.79	44.32
Other Reimbursement	Hyundai India Insurance Broking Private Limited	2.54	6.30
Warranty Claim Recovered	Hyundai Motor Company, South Korea	137.73	174.35
	Hyundai Wia India Pvt. Ltd.	0.00	0.00
	Mobis India Ltd.	78.93	84.48
	Kia India Private Limited	1.45	3.14
	Hyundai Transys Lear Automotive India Private Limited	1.03	0.83
	Hyundai Transys India Private Limited	0.52	-
	Dealer Reimbursement	Hyundai Autoever India Private Limited	1.18
Maintenance Charges recovered	Hyundai Transys Lear Automotive India Private Limited	22.77	14.22
	Mobis India Ltd.	106.84	90.43
Discount Received	Mobis India Ltd.	1.62	1.32
Investment	Hyundai India Insurance Broking Private Limited	58.00	40.00
Dividend Paid	Hyundai Motor Company, South Korea	14,934.51	13,593.81



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38.3 Related Party balances as at the year end

Particulars	Related party	As at March 31, 2023	As at March 31, 2022
Receivables as at Year End			
Receivables (including contractually reimbursable expenses)	Hyundai Motor Company, South Korea	3.84	7.61
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	447.24	753.42
	Hyundai Motor De Mexico S DE RL DE CV	11,798.00	9,602.52
	Hyundai Transys Lear Automotive India Private Limited	135.69	157.02
	Kia India Private Limited	4,295.70	2,879.48
	Mobis India Ltd.	111.05	137.66
	Hyundai Wia India Pvt Ltd.	-	0.09
	Hyundai Motor India Engineering Private Limited	8.00	2.12
	Hyundai Capital India Private Limited	-	0.52
	Hyundai India Insurance Broking Private Limited	-	6.71
	Hyundai Transys India Private Limited	0.44	-
	Hyundai Autoever India Private Limited	19.62	-
Liabilities as at Year End			
Payables (net of TDS wherever applicable)	Hyundai Motor Company, South Korea	3,685.18	1,229.25
	Hyundai Motor Company Italy S.R.L.	0.02	0.03
	Hyundai Motor Company Australia Pty Limited	0.00	0.25
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	0.01	0.77
	Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation	0.34	0.32
	Hyundai Motor Espana S.L.U.	0.01	0.03
	Hyundai Motor India Engineering Private Limited	-	21.05
	Hyundai Motor Deutschland GmbH	0.05	1.69
	Hyundai Motor De Mexico S DE RL DE CV	9.03	20.06
	Hyundai Motor Netherlands B.V.	0.01	0.03
	Hyundai Motor Poland Sp. Zo.O	-	0.00
	Hyundai Motor UK Limited	0.03	0.14
	Hyundai KEFICO Corporation	105.48	55.96
	Hyundai Autoever Corp	0.23	0.36
	Hyundai Wia Corporation	42.64	257.93
	Hyundai Motor Group (China) Ltd.	-	-
	Hyundai Autoever India Private Limited	138.32	5.23
	Hyundai Transys Lear Automotive India Private Limited	2,233.33	1,690.32
	Hyundai Capital India Private Limited	7.14	4.74
	Hyundai Motor Brasil Montadora de Automoveis LTDA	-	48.31
	Hyundai Motor CIS LLC Russia	0.00	0.00
	Hyundai Motor Czech s.r.o.	-	0.01
	Hyundai Motor France SAS	0.01	0.01
	PT Hyundai Motors Indonesia	-	0.06
	Hyundai Engineering India Pvt. Ltd.	77.37	81.06
	Hyundai Transys India Private Ltd.	470.53	362.59
	Hyundai Wia India Pvt. Ltd.	46.54	34.08
	Kia India Private Limited	3,436.96	1,338.75
	Mobis India Ltd.	10,633.12	9,443.41
	HEC India LLP	-	-
	Kia Corporation	-	-
	Kia Motors Slovakia s.r.o.	-	4.68
	Mobis India Module Private Ltd.	-	-
	Hyundai Rotem Company	0.07	-
	PT Hyundai Manufacturing Motors Indonesia	182.30	-

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38.3 Related Party balances as at the year end (contd.)

Particulars	Related party	As at March 31, 2023	As at March 31, 2022
Advances to suppliers	HEC India LLP	205.07	242.24
Royalty Payable (net of Tax deducted at source)	Hyundai Motor Company, South Korea	7,417.62	4,999.88
Salary Payable (refer note v)	Mr. Unsoo Kim	4.92	4.81
	Mr. Choon Hang Park	-	3.05
	Mr. Dosik Kim	3.49	3.67
	Mr. Jong Hoon Lee	3.52	3.32
	Mr. Wangdo Hur	2.83	-
	Mr. Dae Han Choi	1.44	-
	Mr. S. Ganesh Mani	-	1.61
	Mr. Tarun Garg	2.29	2.53
	Mr. Gopala Krishnan C S	0.95	-

Notes:

- The amount disclosed above includes Technical Assistance Fee capitalised amounting to Nil (March 31, 2022 ₹ 63.80 Million).
- The Holding Company/certain other Group Companies (together referred to as "Group Companies"), incur certain common costs on behalf of the Company/other entities in the Group. These costs primarily relate to certain world-wide marketing, infrastructure and other costs incurred at an overall Group Level. Such costs have been accounted for in the financial statements of the Company based on and to the extent of actual debits received from the Group Companies. The Group Companies have confirmed to the Management that, as at March 31, 2023, there are no further amounts payable to them by the Company, on this account other than the amounts disclosed in these financial statements.
- The Company incurs certain costs on behalf of other Companies in the Group. These costs have been allocated/recovered from the Group Companies on a basis mutually agreed to with the Group Companies.
- The above disclosure includes an expenditure of ₹ 1,079.97 Million (Royalty - ₹ 186.26 Million, Technical Know how - ₹ 893.71 Million) and corresponding payable of ₹ 971.99 Million for which agreement is yet to be executed with the holding company.
- Refer note 37 for information on transactions with post employment benefit plans.
- Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

39 SEGMENT REPORTING

The Company publishes these standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.



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40 LEASES

The Company as a lessee

The Company has entered into various lease agreements in respect of land/certain offices/showroom spaces at various places. These arrangements are non-cancellable in nature and the lease period varies from 1 year to 88 years.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Lease Liabilities		
Opening Balance	350.95	121.84
Recognised during the year	-	301.62
Interest expenses	27.15	17.20
Lease payments	(88.27)	(89.71)
Closing Balance	289.83	350.95
Current	30.45	61.12
Non-Current	259.38	289.83
(i) Weighted average incremental borrowing rate (% p.a.)	8.75%	8.75%
(ii) The future expected minimum lease payments under leases (undiscounted) are as follows:		
Payable in less than one year	53.50	88.27
Payable between one and five years	198.07	204.28
Payable after five years	147.83	195.11
	399.40	487.66
Amounts recognised in Statement of Profit and Loss		
(i) Depreciation of right-of-use assets		
Land	3.52	3.53
Buildings	72.36	88.42
	75.88	91.95
(ii) Expenses recognised in relation to leases:		
Interest on lease liabilities	27.15	17.20
Expenses relating to short-term leases	130.25	117.06
Expense relating to leases of low-value assets	2.02	2.69
Variable lease payments not included in the measurement of lease liabilities		
a) Included in Rent including lease rentals	253.21	223.41
b) Included in various expenses	213.95	218.68
Income from sub-leasing right-of-use asset	(38.35)	(36.41)

41 EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax - ₹ in Million	46,538.47	28,617.65
Weighted average number of equity shares	81,25,411	81,25,411
Earnings per share		
- Basic earnings per share (₹)	5,727.52	3,521.99
- Diluted earnings per share (₹)	5,727.52	3,521.99
Face value per share - in ₹	1,000.00	1,000.00

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42 FINANCIAL INSTRUMENTS

42.1 Capital management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to the stakeholders through the optimisation of the debt and equity balance. The Company determines the amount of capital required on the basis of annual budgeting exercise, future capital projects outlay etc. The funding requirements are met through equity, internal accruals and borrowings (short-term/long-term)- Refer note no.45 - Debt-Equity ratio.

42.2 Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2023 were as follows:

Particulars	Amortised cost	FVTPL	Total carrying value	Total fair value
Assets (refer note 8 and 12 to 15)				
Trade receivables	28,027.20	-	28,027.20	28,027.20
Cash and cash equivalents	174,932.05	-	174,932.05	174,932.05
Loans	659.48	-	659.48	659.48
Deposits	606.79	-	606.79	606.79
MOU benefit receivable from GOTN	3,072.97	-	3,072.97	3,072.97
Interest accrued but not due on fixed deposits with banks	1,322.53	-	1,322.53	1,322.53
Other receivables	10.03	-	10.03	10.03
Liabilities (refer note 19 to 20 and 23 to 26)				
VAT/CST deferral loan and CST soft loan	8,318.04	-	8,318.04	8,318.04
Working capital facilities from banks	3,267.96	-	3,267.96	3,267.96
Trade payables	73,661.41	-	73,661.41	73,661.41
Lease liabilities	289.83	-	289.83	289.83
Payable on purchase of PPE	3,797.44	-	3,797.44	3,797.44
Deposits received from customers	1,228.16	-	1,228.16	1,228.16
Interest accrued but not due	-	-	-	-
Others	2,974.40	-	2,974.40	2,974.40

The carrying value and fair value of financial instruments by each category as at March 31, 2022 were as follows:

Particulars	Amortised cost	FVTPL	Total carrying value	Total fair value
Assets (refer note 8 and 12 to 15)				
Trade receivables	21,490.85	-	21,490.85	21,490.85
Cash and cash equivalents	139,658.39	-	139,658.39	139,658.39
Loans	154.94	-	154.94	154.94
Deposits	592.11	-	592.11	592.11
MOU benefit receivable from GOTN	1,961.67	-	1,961.67	1,961.67
Interest accrued but not due on fixed deposits with banks	856.65	-	856.65	856.65
Other receivables	8.73	-	8.73	8.73
Liabilities (refer note 19 to 20 and 23 to 26)				
VAT/CST deferral loan and CST soft loan	8,844.08	-	8,844.08	8,844.08
Working capital facilities from banks	2,556.25	-	2,556.25	2,556.25
Trade payables	53,985.86	-	53,985.86	53,985.86
Lease liabilities	350.95	-	350.95	350.95
Payable on purchase of PPE	1,207.35	-	1,207.35	1,207.35
Deposits received from customers	1,130.49	-	1,130.49	1,130.49
Others	1,859.96	-	1,859.96	1,859.96

Note: The investments in subsidiaries (refer note 7) is accounted at cost less impairment, if any.



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42.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- ▶ Credit risk
- ▶ Liquidity risk
- ▶ Market risk

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposure by degree and magnitude of risks. The treasury function reports periodically to the Board of Directors of the Company. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

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 trade receivables, treasury operations and Government receivables.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. The Company is not exposed to concentration of credit risk to any one single customer since the products are sold to and services are provided to customers who are spread over a vast spectrum and hence, the concentration of risk with respect to trade receivables is low.

The credit worthiness of the customers are assessed through a strong credit risk assessment policy of the Company. The Company's domestic sales operates primarily on a cash and carry/advance model and do not carry significant credit risk. The Company's credit period on export sales varies on case to case basis based on market conditions and are normally backed by a letter of credit to cover the risk.

Cash and cash equivalents and other investments

In the area of treasury operations, the Company is presently exposed to counter-party risks relating to liquid funds and short-term and medium-term deposits placed with public/private sector banks. The credit risk is limited considering that the counterparties are banks with high credit ratings and repute.

Government receivables

The credit risk on receivables from government agencies/ authorities is nil considering the sovereign nature of the receivables.

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Company has concluded arrangements with well reputed banks, and has unused lines of credit that could be drawn upon, should there be a need. The Company invests its surplus funds in bank fixed deposits.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts are gross and undiscounted, and include contractual interest payments. The contractual maturity is based on the earliest date on which the Company may be required to pay.

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42.3 Financial risk management (contd.)

As at March 31, 2023	Undiscounted contractual cash flows	Less than 1 year	1-3 years	3-5 years	> 5 years
Non-interest bearing					
VAT/CST deferral loan	6,517.53	1,252.38	2,607.02	2,368.94	289.19
Trade payables	73,661.41	73,661.41	-	-	-
Lease Liabilities	399.40	53.50	99.23	98.84	147.83
Other financial liabilities	6,771.84	6,771.84	-	-	-
Variable interest rate instruments					
Deposits received from customers	1,228.16	1,228.16	-	-	-
Fixed interest rate instruments					
CST soft loan	5,996.84	5.94	204.86	383.2	5,402.84
Working capital facilities from banks	3,284.80	3,284.80	-	-	-

As at March 31, 2022	Undiscounted contractual cash flows	Less than 1 year	1-3 years	3-5 years	> 5 years
Non-interest bearing					
VAT/CST deferral loan	7,694.63	1,176.98	2,607.02	2,368.94	1,541.69
Trade payables	53,985.86	53,985.86	-	-	-
Lease Liabilities	487.66	88.27	101.79	102.50	195.11
Other financial liabilities	1,890.33	1,890.33	-	-	-
Variable interest rate instruments					
Deposits received from customers	1,130.49	1,130.49	-	-	-
Fixed interest rate instruments					
CST soft loan	6,002.78	5.94	108.41	280.01	5,608.42
Working capital facilities from banks	2,557.02	2,557.02	-	-	-

Market risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Currency risk - Exposure to foreign currency

The Company's exposure in USD, Korean Won and other foreign currency denominated transactions mainly on import of components, royalty payments and export of vehicles gives rise to exchange rate fluctuation risk. The Company adopts natural hedge strategy and discounting of export bills to minimise currency fluctuation risk. The appropriateness/adequacy of the natural hedging principle is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Company.

The Company's exposure to foreign currency risk as at March 31, 2023 was as follows:

All amounts in respective currencies as mentioned (in Million)

Particulars	Cash and cash equivalents	Trade receivables	Borrowing	Trade payables	Capital goods payables	Net Balance Sheet exposure	Net Balance Sheet exposure (In INR)
USD	68.97	266.91	(32.48)	(156.12)	(37.80)	109.48	8,991.05
EUR	2.34	5.01	-	(2.47)	(0.10)	4.78	427.63
KRW	-	-	-	(28,468.49)	-	(28,468.49)	(1,808.03)
JPY	-	-	-	(22.80)	(54.58)	(77.38)	(47.82)
GBP	-	-	-	-	-	-	-
CHF	-	-	-	(0.01)	-	(0.01)	(0.92)



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42.3 Financial risk management (contd.)

The Company's exposure to foreign currency risk as at March 31, 2022 was as follows:

All amounts in respective currencies as mentioned (in Million)

Particulars	Cash and cash equivalents	Trade receivables	Borrowing	Trade payables	Capital goods payables	Net Balance Sheet exposure	Net Balance Sheet exposure (In INR)
USD	59.52	230.72	(33.75)	(103.15)	(12.76)	140.59	10,649.40
EUR	1.35	8.92	-	(2.40)	(0.86)	7.00	592.03
KRW	-	-	-	(19,196.24)	(498.02)	(19,694.27)	(1,231.88)
JPY	-	-	-	(20.55)	(136.69)	(157.24)	(97.38)
GBP	-	-	-	-	-	-	0.44
CHF	-	-	-	(0.01)	(0.09)	(0.09)	(7.65)

Currency risk - Sensitivity analysis

The Company is mainly exposed to the currencies of USD, EUR, KRW and JPY.

The following table details the Company's sensitivity to a 5% increase in the INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR increases 5% against the relevant currency.

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
USD	336.29	-	589.16	-
EUR	16.02	-	22.14	-
KRW	(67.65)	-	(46.09)	-
JPY	(1.79)	-	(3.64)	-

A 5% decrease in the rupee against the above currencies as at March 31, 2023 and 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments were as follows:

Fixed rate instruments	Carrying amount	
	March 31, 2023	March 31, 2022
Financial assets		
- Fixed deposits with banks	167,828.77	133,358.80
Financial liabilities		
- Borrowing from others (CST Soft loan @ 0.01%)	2,936.41	2,725.21
- Export receivables discounted on a "With recourse" basis	3,267.96	2,556.25

Fair value sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

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43 FAIR VALUE MEASUREMENT

Financial assets and financial liabilities that are not measured at fair value:

The management considers that the carrying amount of all the financial asset and financial liabilities that are not measured at fair value in the standalone financial statements approximate the fair values and, accordingly, no disclosures of the fair value hierarchy is required to be made in respect of these assets/liabilities.

44 INCOME TAXES

44.1 Income tax recognised in the Statement of profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
- In respect of current year	18,276.10	11,213.20
- In respect of previous years	(97.35)	(953.65)
Deferred tax		
- In respect of current year	(2,028.70)	(1,649.27)
Total income tax expense recognised in the current year	16,150.05	8,610.28

44.2 Income tax expense for the year reconciled to the accounting profit

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Gross amount	Tax amount	Gross amount	Tax amount
Profit before tax	62,688.52		37,227.93	
Income tax rate		25.168%		25.168%
Income tax expense		15,777.45		9,369.53
Tax effect of:				
(a) Effect of expenses that are not deductible in determining taxable profit	1,639.38	412.60	798.13	200.87
(b) Effect of net additional/(reversal) of provision in respect of prior years	-	(97.35)	-	(953.65)
(c) Others	227.87	57.35	(25.71)	(6.47)
Income tax expense recognised in the Statement of profit and loss		16,150.05		8,610.28

44.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	59.43	(8.79)
	59.43	(8.79)



Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

44.4 Following is the analysis of the deferred tax asset/(liabilities) presented in the balance sheet

As at March 31, 2023	Opening balance	Recognised in profit and loss (net)	Recognised in OCI (net)	Closing balance
Tax effect of items constituting deferred tax liabilities:				
Export benefits	237.97	(215.64)	-	22.33
Provision for warranty	213.72	26.87	-	240.59
Deferred tax liabilities	451.69	(188.77)	-	262.92
Tax effect of items constituting deferred tax assets:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	5,669.67	1,743.27	-	7,412.94
Provision for doubtful assets	81.89	-	-	81.89
Employee benefits	450.56	71.58	59.43	581.57
Provision for disputed matters	168.61	-	-	168.61
Sec.43A Disallowance	41.87	39.84	-	81.71
Others	25.30	(14.76)	-	10.54
Deferred tax assets	6,437.90	1,839.93	59.43	8,337.26
Net deferred tax liabilities/(assets)	(5,986.21)	(2,028.70)	(59.43)	(8,074.34)

As at March 31, 2022	Opening balance	Recognised in profit and loss (net)	Recognised in OCI (net)	Closing balance
Tax effect of items constituting deferred tax liabilities:				
Export benefits	76.80	161.17	-	237.97
Provision for warranty	235.08	(21.36)	-	213.72
Deferred tax liabilities	311.88	139.81	-	451.69
Tax effect of items constituting deferred tax assets:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	3,935.89	1,733.78	-	5,669.67
Provision for doubtful assets	81.89	-	-	81.89
Employee benefits	419.15	40.20	(8.79)	450.56
Provision for disputed matters	168.61	-	-	168.61
Sec.43A Disallowance	39.43	2.44	-	41.87
Others	12.65	12.65	-	25.30
Deferred tax assets	4,657.62	1,789.07	(8.79)	6,437.90
Net deferred tax liabilities/(assets)	(4,345.74)	(1,649.27)	8.79	(5,986.21)

44.5 Transfer pricing - International transactions

The Company has entered into international transactions with associated enterprises. For the financial year ended March 31, 2022, the Company has obtained the Accountant's report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the year ended March 31, 2023, the Company maintains documents as prescribed by the Income-tax Act to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

45 RATIOS AS PER SCHEDULE III REQUIREMENTS

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for Variance more than 25%
Current Ratio	Total current assets	Total current liabilities	2.10	2.16	-3%	
Debt-Equity Ratio	Total debt = current and non-current borrowings including current maturities of long-term borrowings	Total equity	0.06	0.07	-14%	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease payments + Principal repayments	4.05	3.86	5%	
Return on Equity	Profit after tax	Average Total Equity	0.26	0.18	42%	Impact of increase in PAT by 63%, Dividend payout during the year ₹ 14,934.51 Million
Inventory Turnover Ratio	Sale of Products	Average Inventory	17.74	16.26	9%	
Trade Receivables turnover ratio	Total Sales	Closing trade receivables	20.89	21.46	-3%	
Trade payables turnover ratio	Total purchases	Closing trade payables	6.60	7.11	-7%	
Net capital turnover ratio	Total Sales	Net working capital	4.49	4.33	3%	
Net Profit ratio	Profit after tax	Total Sales	0.08	0.06	28%	Impact of Sales mix and product price increase during the year
Return on Capital Employed	Earnings before Interest and tax	Capital employed = Tangible Network (Total Equity less OCI) + Total Debt + Deferred Tax Liability/ (Deferred Tax Asset)	0.27	0.20	37%	Impact of increase in PAT by 63%, Dividend payout during the year ₹ 14,934.51 Million
Return on Investment	Earnings before Interest and tax	Closing total assets	0.16	0.12	32%	Impact of increase in PAT by 63%, Dividend payout during the year ₹ 14,934.51 Million

Total Sales = Sales of Products & Services

46 DETAILS ON RELATIONSHIPS WITH STRUCK OFF COMPANIES

Name of the struck off company	Nature of transactions with struck off company	March 31, 2023		March 31, 2022	
		Balance outstanding	Relationship with struck off company	Balance outstanding	Relationship with struck off company
Aquatech Systems(Asia) Pvt. Ltd.	Payables	3.31	External vendor	-	External vendor
Concord Automotives Pvt. Ltd.	Payables	0.76	External vendor	0.72	External vendor
Dhoot Motors (Jalgaon) Pvt. Ltd.	Payables	-	External vendor	0.01	External vendor
Kamla Landmarc Cars Pvt. Ltd.	Payables	1.02	External vendor	1.97	External vendor
Miheer'S Motor Pvt. Ltd.	Payables	0.62	External vendor	1.00	External vendor
Opel Energy Systems Pvt. Ltd.	Payables	0.66	External vendor	-	External vendor
Pyrotek India Pvt Ltd	Payables	0.25	External vendor	-	External vendor
Sonebhadra Automobiles Pvt. Ltd.	Payables	5.04	External vendor	9.79	External vendor



Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

47 ADDITIONAL REGULATORY INFORMATION PURSUANT TO THE REQUIREMENT IN DIVISION II OF SCHEDULE II TO THE COMPANIES ACT, 2013

Regulatory information	Particulars
Details of benami property held	The Company does not hold any benami property
Borrowings secured against current assets	The Company has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time of the year.
Wilful defaulter	The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
Registration of charges or satisfaction with RoC	There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
Compliance with number of layers of companies	The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017
Compliance with approved scheme(s) of arrangements	The Company does not have any transaction/scheme of arrangements which requires approval from the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.
Utilisation of borrowed funds and share premium	The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the same shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provided as any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Further, the Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or (ii) provided as any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
Undisclosed income	The Company does not have any transaction not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
Loans or advances to specified persons	The Company has not provided any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment
Details of crypto currency or virtual currency	The Company has not traded or invested in crypto currency or virtual currency during the financial year.
Valuation of PP&E, intangible asset and investment property	The Company has not revalued any of its property, plant and equipment (including right-of-use assets), intangible asset and investment property during the year.
Utilisation of borrowings taken from banks and financial institutions for specific purpose	The Company has the below borrowings (refer Note 23), a) Discounting of bills receivable for the purpose of mitigating the exchange risk b) Pre-shipment packing credit loans for the purpose of working capital

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

48 CORPORATE SOCIAL RESPONSIBILITY ('CSR')

During the year, the Company incurred an aggregate amount of ₹ 536.73 Million (for the year ended March 31, 2022: ₹ 141.94 Million) towards corporate social responsibility in compliance with Section 135 of the Companies Act, 2013 read with relevant schedules and rules made thereunder. The details of amount spent towards CSR are given below:

- Gross amount required to be spent by the Company during the year amounts to ₹ 629.14 Million (Previous year: ₹ 645.54 Million)
- Amount spent by the Company during the year ₹ 536.73 Million
- Amount unspent by the Company for the year 2022-23 amounting to ₹ 92.41 Million, of which ₹ 87.14 Million have been transferred to a separate bank account before 30th April 2023, after adjusting ₹ 5.27 Million spent on Ongoing Projects of FY 2022-23 before the date of transfer

Details of Corporate Social Responsibility expenditure

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year	629.14	645.54
Amount of expenditure incurred on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	536.73	141.94
Shortfall at the end of the year	92.41	503.60
Total of previous years shortfall	375.21	10.78

Reason for shortfall:

The Company has an approved plan for ongoing projects which requires spending of amounts under CSR activities over multiple years and these would be utilised accordingly.

Nature of CSR activities:

Education, skilling, health, environmental sustainability, rural development, covid-19 relief activities

Movements in provision for Corporate Social Responsibility (Refer note 29(d))

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	541.22	277.48
Add: Provision during the year	629.14	645.54
Less: Amount utilised during the year (including ₹ 139.17 Million of previous year)	675.90	408.64
Advance towards CSR activities	(26.69)	26.84
Balance at the end of the year	467.77	541.22

As per our report of even date attached.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.101248W/W-100022

S Sethuraman
Partner
Membership Number: 203491

Place: Chennai
Date: July 11, 2023

for and on behalf of the Board of Directors of
Hyundai Motor India Limited
CIN: U29309TN1996PLC035377

Unsoo Kim
Managing Director
DIN: 09470874

M V Vidya
Company Secretary
Membership Number: 7296

Place: Gurgaon
Date: July 11, 2023

Wangdo Hur
Executive Director and CFO
DIN: 10039866



Independent Auditor's Report

To the Members of Hyundai Motor India Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Hyundai Motor India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at 31 March, 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and

Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the consolidated 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 the Management and Board of Directors.
- ▶ Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in

the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2.A. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company and its subsidiary company, so far as it appears from our examination of those books. With respect to one of the subsidiaries of the Holding company, the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2023 taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above.
 - (g) With respect to one of the subsidiaries of the Holding company, the adequacy of the internal financial controls with reference to financial statements is not applicable. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its another subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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:

- (a) The consolidated financial statements disclose the impact of pending litigations as at 31 March, 2023 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.
- (b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March, 2023.
- (c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiaries during the year ended March 31, 2023.
- (d) (i) The management of the Holding Company and its subsidiary companies whose financial statements have been audited under the Act represented that, to the best of its knowledge and belief, other than as disclosed in the Note 47 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company and its subsidiary companies whose financial statements have been audited under the Act represented that, to the best of its knowledge and belief, other than as disclosed in the Note 47 to the consolidated financial statements, no funds have been received by the Holding Company or any of its subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- (e) The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 18 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- (f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of its subsidiary companies only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

S Sethuraman

Partner

Place: Chennai

Membership No.: 203491

Date: July 11, 2023

ICAI UDIN: 23203491BGYXR5787

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Hyundai Motor India Limited for the year ended 31 March, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

S Sethuraman

Partner

Membership No.: 203491

ICAI UDIN: 23203491BGYXR5787

Place: Chennai

Date: July 11, 2023



Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Hyundai Motor India Limited for the year ended 31 March, 2023

Report on the internal financial controls with reference to the aforesaid Consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Hyundai Motor India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as of that date.

In our opinion, the Holding Company and its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 the respective 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the

Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 consolidated 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 consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

S Sethuraman

Partner

Place: Chennai

Date: July 11, 2023

Membership No.: 203491

ICAI UDIN: 23203491BGYXR5787



Consolidated Balance Sheet

as at March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	4	57,656.36	62,290.52
Capital work-in-progress		13,366.35	5,291.25
Intangible assets	5	3,270.32	3,758.62
Right-of-use assets	6	577.65	662.96
Financial assets			
Other financial assets	7	516.97	493.98
Deferred tax assets (net)	43.4	8,265.99	6,156.74
Non-current tax assets (net)	8	6,146.71	2,081.53
Other non-current assets	9	2,313.36	2,046.57
Total non-current assets		92,113.71	82,782.17
Current assets			
Inventories	10	34,224.09	28,811.20
Financial assets			
Trade receivables	11	28,971.92	21,824.07
Cash and cash equivalents	12	177,411.47	141,388.42
Loans	13	659.48	154.94
Other financial assets	14	4,539.58	3,005.15
Other current assets	15	7,813.17	5,614.63
Total current assets		253,619.71	200,798.41
Total assets		345,733.42	283,580.58
Equity and liabilities			
Equity			
Equity share capital	16	8,125.41	8,125.41
Other equity	17	192,422.77	160,437.14
Total equity		200,548.18	168,562.55
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	7,065.66	7,667.10
Lease liabilities	19	267.23	307.47
Provisions	20	8,037.65	7,743.02
Other non-current liabilities	21	9,759.55	7,378.07
Total non-current liabilities		25,130.09	23,095.66
Current liabilities			
Financial liabilities			
Borrowings	22	4,520.34	3,733.23
Lease liabilities	23	40.24	68.95
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	24	1,536.92	1,274.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		72,871.39	52,779.30
Other financial liabilities	25	8,067.47	4,263.43
Other current liabilities	26	25,342.17	23,789.21
Provisions	27	4,539.05	4,027.33
Current tax liabilities (net)	28	3,137.57	1,985.94
Total current liabilities		120,055.15	91,922.37
Total liabilities		145,185.24	115,018.03
Total equity and liabilities		345,733.42	283,580.58

Significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date attached.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

for and on behalf of the Board of Directors of
Hyundai Motor India Limited
CIN: U29309TN1996PLC035377

S Sethuraman
Partner
Membership Number: 203491

Unsoo Kim
Managing Director
DIN: 09470874

Wangdo Hur
Executive Director and CFO
DIN: 10039866

Place: Chennai
Date: July 11, 2023

M V Vidya
Company Secretary
Membership Number: 7296

Place: Gurgaon
Date: July 11, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	29	603,075.80	473,784.32
Other income	30	11,290.62	5,876.16
Total income		614,366.42	479,660.48
Expenses			
Cost of materials consumed	31(a)	445,086.35	352,308.08
Purchases of stock-in-trade	31(b)	6,564.16	6,564.05
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31(c)	(1,351.21)	(621.20)
Employee benefits expense	32	17,662.26	16,476.38
Finance costs	33	1,424.01	1,319.13
Depreciation and amortisation expense	6.1	21,898.66	21,695.86
Other expenses	34	60,098.70	44,397.74
Cost of vehicles for own use		(472.26)	(201.61)
Total expenses		550,910.67	441,938.42
Profit before tax		63,455.75	37,722.06
Tax expense			
Current tax	43	18,414.53	10,377.87
Deferred tax (net)	43	(2,051.28)	(1,671.72)
Total tax expense		16,363.25	8,706.15
Profit for the year		47,092.50	29,015.91
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>			
Remeasurements of net defined benefit liability/(asset)	36.2	(230.33)	36.11
Income tax relating to the above	43.3	57.97	(9.09)
Total other comprehensive income/(loss) for the year		(172.36)	27.02
Total comprehensive income for the year		46,920.14	29,042.93
Earnings per equity share (₹ 1000 paid up)	40		
- Basic earnings per share (₹)		5,795.71	3,571.01
- Diluted earnings per share (₹)		5,795.71	3,571.01

Significant accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date attached.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

for and on behalf of the Board of Directors of
Hyundai Motor India Limited
CIN: U29309TN1996PLC035377

S Sethuraman
Partner
Membership Number: 203491

Unsoo Kim
Managing Director
DIN: 09470874

Wangdo Hur
Executive Director and CFO
DIN: 10039866

Place: Chennai
Date: July 11, 2023

M V Vidya
Company Secretary
Membership Number: 7296

Place: Gurgaon
Date: July 11, 2023



Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit for the year	47,092.50	29,015.91
<i>Adjustments for</i>		
Tax expense	16,363.25	8,706.15
Depreciation and amortisation expense	21,813.46	21,602.76
Depreciation on right of use assets	85.20	93.10
Finance costs	1,424.01	1,319.13
Loss on PPE sold/scrapped/written off (net)	53.25	48.89
Interest income from bank deposits	(8,848.05)	(3,934.02)
Interest income on refund of income tax	-	(359.83)
Income from government grant	(651.06)	(691.66)
Unrealised exchange (gain)/loss (net)	(200.16)	(51.96)
Operating profit before working capital/other changes	77,132.40	55,748.47
<i>Working capital adjustments</i>		
(Increase)/decrease in inventories	(5,412.89)	(3,178.00)
(Increase)/decrease in trade receivables	(7,221.78)	2,858.09
(Increase)/decrease in loans (current)	(504.54)	99.91
(Increase)/decrease in other financial assets (current and non-current)	(1,079.10)	334.08
(Increase)/decrease in other assets (current and non-current)	(2,241.04)	(480.76)
Increase/(decrease) in trade payables	20,315.50	(6,563.50)
Increase/(decrease) in other financial liabilities (current)	1,243.36	292.52
Increase/(decrease) in other liabilities (current and non-current)	4,577.23	10,038.26
Increase/(decrease) in provisions (current and non-current)	161.22	(97.24)
Cash generated from operating activities	86,970.36	59,051.82
Income taxes paid (net of refunds)	(21,327.80)	(7,667.73)
Net cash generated from operating activities (A)	65,642.56	51,384.09
Cash flows from investing activities		
Investment in Term Deposits	(1.04)	1,024.00
Capital expenditure (including capital advances, net of payables on purchase of property, plant and equipment and Intangible assets)	(22,609.82)	(12,649.79)
Proceeds from sale of property, plant and equipment	117.09	114.43
Interest received on bank deposits	8,377.53	3,482.43
Net cash used in investing activities (B)	(14,116.24)	(8,028.93)
Cash flows from financing activities (refer note below)		
Repayment of sales tax/VAT deferral loan	(1,177.10)	(1,087.00)
Repayment of lease liabilities	(97.92)	(91.16)
Proceeds from short-term borrowings	16,531.53	10,462.86
Repayment of short-term borrowings	(15,785.16)	(12,083.48)
Finance costs paid	(329.18)	(227.81)
Dividend paid (including withholding Tax)	(14,934.51)	(13,593.81)
Net cash flows (used in)/from financing activities (C)	(15,792.34)	(16,620.40)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	35,733.98	26,734.76
Cash and cash equivalents at the beginning of the year	141,388.42	114,652.31
Effect of exchange rate fluctuations on cash and cash equivalents held	289.07	1.35
Cash and cash equivalents at the end of the year	177,411.47	141,388.42
Cash and cash equivalents as per note 12	177,411.47	141,388.42

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Notes:

- The above Statement of Cash Flows has been prepared using indirect method as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.
- Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities including both changes arising from cash flows and non-cash changes

For the year ended March 31, 2023

Particulars	As at March 31, 2022	Cash flow changes (net)	Non-cash changes	As at March 31, 2023
VAT/CST deferral loan (unsecured) (refer notes 18 and 22)	6,118.87	(1,177.10)	439.86	5,381.63
CST soft loan (secured) (refer note 18)	2,725.21	-	211.20	2,936.41
Export receivables discounted on a "With recourse" basis (refer note 22)	2,556.25	146.37	(34.66)	2,667.96
Pre-shipment packing credit loan (refer note 22)	-	600.00	-	600.00
Lease Liabilities (refer notes 19 and 23)	376.42	(97.92)	28.97	307.47

For the year ended March 31, 2022

Particulars	As at March 31, 2021	Cash flow changes (net)	Non-cash changes	As at March 31, 2022
VAT/CST deferral loan (unsecured) (refer notes 18 and 22)	6,716.26	(1,087.00)	489.61	6,118.87
CST soft loan (secured) (refer note 18)	2,529.20	-	196.01	2,725.21
Export receivables discounted on a "With recourse" basis (refer note 22)	4,172.06	(1,620.62)	4.81	2,556.25
Lease Liabilities (refer notes 19 and 23)	121.84	(91.15)	345.73	376.42

Significant accounting policies - Refer note 2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 101248W/W-100022

S Sethuraman

Partner

Membership Number: 203491

Place: Chennai

Date: July 11, 2023

for and on behalf of the Board of Directors of

Hyundai Motor India Limited

CIN: U29309TN1996PLC035377

Unsoo Kim

Managing Director

DIN: 09470874

M V Vidya

Company Secretary

Membership Number: 7296

Place: Gurgaon

Date: July 11, 2023

Wangdo Hur

Executive Director and CFO

DIN: 10039866



Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

A. EQUITY SHARE CAPITAL (Refer Note 16)

	No. of shares	₹ in Million
Balance as at April 1, 2021	8,125,411	8,125.41
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	8,125,411	8,125.41
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	8,125,411	8,125.41

B. OTHER EQUITY

Particulars	Reserves and surplus		Total
	General Reserve	Retained earnings	
Balance as at April 1, 2021	4,963.91	140,024.11	144,988.02
a) Profit for the year ended March 31, 2022	-	29,015.91	29,015.91
b) Other comprehensive income/(loss) (net of tax)	-	27.02	27.02
c) Dividend paid for the FY 20-21 (including withholding tax thereon)	-	(13,593.81)	(13,593.81)
Total comprehensive income/(loss) for the year ended March 31, 2022	-	15,449.12	15,449.12
Balance as at March 31, 2022	4,963.91	155,473.23	160,437.14
Balance as at April 1, 2022	4,963.91	155,473.23	160,437.14
a) Profit for the year ended March 31, 2023	-	47,092.50	47,092.50
b) Other comprehensive income/(loss) (net of tax)	-	(172.36)	(172.36)
c) Dividend paid for the FY 21-22 (including withholding tax thereon)	-	(14,934.51)	(14,934.51)
Total comprehensive income/(loss) for the year ended March 31, 2023	-	31,985.63	31,985.63
Balance as at March 31, 2023	4,963.91	187,458.86	192,422.77

Significant accounting policies (refer note 2).

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 101248W/W-100022

S Sethuraman

Partner

Membership Number: 203491

Place: Chennai

Date: July 11, 2023

for and on behalf of the Board of Directors of

Hyundai Motor India Limited

CIN: U29309TN1996PLC035377

Unsoo Kim

Managing Director

DIN: 09470874

M V Vidya

Company Secretary

Membership Number: 7296

Place: Gurgaon

Date: July 11, 2023

Wangdo Hur

Executive Director and CFO

DIN: 10039866

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

1. CORPORATE INFORMATION

Hyundai Motor India Limited (HMIL or the Group) is a wholly-owned subsidiary of Hyundai Motor Company (HMC or the parent company), South Korea, and is the second largest car manufacturer in India having its manufacturing facility based in Irrungattukottai, Sriperumbudur (Tamil Nadu).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis of preparation

The consolidated financial statements of the Group have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Sec 133 of the Companies Act, 2013 ('the Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter, pronouncements of regulatory bodies applicable to the Group and other provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are presented in Indian ₹ (INR), the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0/-" in the relevant notes in these consolidated financial statements.

The consolidated financial statements of the Group for the year ended March 31, 2023 were approved and authorised for issue in accordance with the resolution of the Board of Directors on July 11, 2023.

2.2 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments and defined benefit obligation which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating

the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- ▶ Useful lives of Property, plant and equipment and intangible assets (Refer Note 2.8 and Note 2.9)
- ▶ Measurement of defined benefit obligation (Refer Note 2.15)
- ▶ Provision for taxation (Refer Note 2.18)
- ▶ Provision for warranty (Refer Note 2.21)
- ▶ Provision for disputed matters (Refer Note 2.21)
- ▶ Fair value of financial assets and financial liabilities (Refer Notes 2.13 and 2.14)
- ▶ Measurement of Lease liabilities and Right of Use Asset (Refer Note 2.16)



Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

2.4 Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of raw materials, components, consumable stores and spare parts and stock in trade are determined on a weighted average basis. Cost includes freight, taxes and duties and other charges incurred for bringing the goods to the present location and condition and is net of credit under the CENVAT scheme, VAT and GST where applicable.

The valuation of manufactured finished goods and work-in-progress includes the combined cost of material, labour and manufacturing overheads incurred in bringing the goods to the present location and condition.

Due allowance is estimated and made by the management for slow moving/non-moving items of inventory, wherever necessary, based on the past experience and such allowances are adjusted against the carrying inventory value.

2.5 Cash and cash equivalents

The Group's cash and cash equivalents consist of cash on hand and in banks and deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, in banks and deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Group's cash management system.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) after 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 Group are segregated based on the available information.

2.7 Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group and any taxes or duties collected on behalf of the government. Revenue is recognised when recovery of consideration is probable.

Sale of products:

Revenues are recognised on unconditional appropriation of goods from factory/stockyard and delivery of goods

from port for domestic and export sales respectively which is when the control of goods is transferred to the customer including risks and rewards and title of ownership as per the terms of sale/understanding with the customers.

Sale of services:

When the Group sells products that are bundled with additional service or extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such additional service or extended period of warranty is recognised as a contract liability until the service obligation has been met.

Income from service activities are recognised on satisfaction of performance obligation towards rendering of such services in accordance with the terms of arrangement.

The consideration received in respect of transport arrangements made for delivery of vehicles to the dealers are shown as revenue and the corresponding cost is shown separately as part of expenses.

Sale of raw materials:

Sale of raw materials are considered as a recovery of cost of materials and adjusted against cost of materials consumed.

Recognition of interest and dividend income:

Interest income is recognised using the effective interest rate method.

Dividend income on investments is recognised when the right to receive dividend is established.

2.8 Property, plant and equipment ('PPE')

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use and for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy.

Any part or components of PPE which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2023

(All amounts are in Indian ₹ Million except share data and as stated)

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Internally manufactured vehicles are capitalised at cost including an appropriate share of relevant overheads.

Capital work-in-progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss.

Depreciation:

Depreciation on property, plant and equipment is provided using the straight-line method, pro-rata from the month of capitalisation over the useful lives of the assets, assessed as below:

Particulars	Useful lives
Buildings	5 ~ 30 years
Plant and equipment	
- Moulds and dies	4 years
- Others	4 ~ 20 years
Furniture and fittings	3 ~ 5 years
Office and other equipment	3 ~ 5 years
Data processing equipment	3 ~ 5 years
Test vehicles	3 years
Other vehicles	5 years
Leasehold improvements	Amortised over the lease period or 5 years, whichever is less

Individual PPE costing less than ₹ 5,000 each are depreciated in the year of purchase considering the type and usage pattern of these assets.

The useful lives mentioned above are different from the useful lives specified for these assets as per Schedule II of the Companies Act, 2013, where applicable. The useful lives followed in respect of these assets are based on management's assessment, based on technical advice, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support etc.

Depreciation is accelerated on PPE, based on their condition, usability, etc. as per the technical estimates of the management, wherever necessary.

Derecognition of property, plant and equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

2.9 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date, the asset is available to the Group for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the change.

The useful lives considered for the intangible assets are as under:

Particulars	Useful lives
Computer software	3 ~ 5 years
Technical know-how	Amortised over the agreement period or 10 years, whichever is less

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net proceeds from disposal and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

2.10 Foreign currencies

Transactions in foreign currencies are initially recognised in the consolidated financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise, except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.11 Government grants and export benefits

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the statement of profit and loss on a systematic and rational basis.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the statement of profit and loss in the period in which they became receivable.

The benefit of a government loan at a below-market rate interest is treated as a government grant, measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

Export benefits in the nature of duty drawback are recognised in the statement of profit and loss in the year of exports based on eligibility/expected eligibility duly considering the entitlements as per the policy, industry specific developments, interpretations arising out of judicial/regulatory proceedings where applicable, management assessment etc. and when there is no uncertainty in receiving the same.

Export benefits in the nature of RoDTEP & Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy are recognised in the statement of profit and loss when there is no uncertainty in receiving/utilising the same, taking into consideration the prevailing regulations.

Adjustments, if any, to the amounts recognised in accordance with the accounting policy, based on final determination by the authorities, are dealt with appropriately in the year of final determination and acceptance.

2.12 Financial instruments

Classification, initial recognition and measurement:

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 other than equity instruments are classified into categories: financial assets at fair value through profit and loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit and loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit and loss and other financial liabilities.

Financial instruments are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit and loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Subsequently, financial instruments are measured according to the category in which they are classified.

Determination of fair value:

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models."

2.13 Financial assets and Liabilities - Classification

Financial assets at amortised cost:

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

Financial assets at fair value through profit and loss:

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable

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to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in profit and loss.

Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2.14 Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

Impairment of financial assets:

The Group recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Employee benefits

Employee benefits include provident fund, superannuation, gratuity, NPS and compensated absences.

Defined contribution plans:

Provident fund:

Contributions towards Employees' Provident Fund are made to the Employees' Provident Fund Scheme maintained by the Central Government and the Group's contribution to the fund are recognised as an expense in the year in which the services are rendered by the employees.

Superannuation fund:

The Group contributes a specified percentage of eligible employees' salary to a superannuation fund administered by trustees and managed by the insurer. The Group has no liability for future superannuation benefits other than its annual contribution and recognises such contributions as an expense in the year in which the services are rendered by the employees.

National pension scheme:

The Group contributes a specified percentage of the eligible employees' salary to the National Pension Scheme of the Central Government. The Group has no liability for future pension benefits and the Group's contribution to the scheme are recognised as an expense in the year in which the services are rendered by the employees.

Defined benefit plans:

Gratuity:

The Group contributes to a gratuity fund administered by trustees and managed by the Insurer. The Group accounts its liability for future gratuity benefits based on actuarial valuation, as at the balance sheet date, determined every year by an independent actuary using the projected unit credit method. Obligation under the defined benefit plan is measured at the present value of the estimated future cash flows using a discount rate that is determined by reference to the prevailing market yields at the balance sheet date on government bonds.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.



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Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- ▶ Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ▶ Net interest expense or income; and
- ▶ Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Compensated absences:

The Group accounts for its liability towards compensated absences based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long-term component accounted on a discounted basis and the short-term component which is accounted for on an undiscounted basis.

2.16 Leases

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgement. The Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Group is reasonably certain based on relevant facts and circumstances that the option to extend will be exercised/ the option to terminate will not be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

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2.18 Taxation

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Offsetting:

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.19 Research and development expenditure

Expenditure on research activities are recognised as expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- ▶ the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- ▶ the intention to complete the intangible asset and use or sell it;
- ▶ the ability to use or sell the intangible asset;
- ▶ how the intangible asset will generate probable future economic benefits;
- ▶ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- ▶ the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.20 Impairment of 'PPE' and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be



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identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.21 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal/constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a

third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Product warranty cost:

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to three years.

Expected recoveries towards warranty cost from the vendors are estimated and accounted for as receivable by the management in the year in which the related provision for warranty is created and when it is certain that such recoveries will be received if the Group incurs the warranty cost. The estimates used for accounting of warranty liability/recoveries are reviewed periodically and revisions are made as required.

Contingent liability:

Contingent liability is disclosed for:

- ▶ Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- ▶ Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets:

Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised.

2.22 Basis of consolidation

(i) Subsidiaries

The Consolidated financial statement includes Hyundai Motor India Limited ('the Company'/holding company'), its wholly-owned subsidiaries namely, Hyundai Motor India Engineering Private Limited ('subsidiary company') and Hyundai India Insurance Broking Private Limited ('Other subsidiary'). Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to effect those returns through its power over the entity. The financial statement of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. When necessary, adjustments

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are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

(ii) Transactions eliminated on consolidation -

Intra group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment."

2.23 Segment reporting

Operating segments reflect the Group's management structure and the way the financial information is regularly reviewed by the Managing Director (the Group's Chief Operating Decision Maker (CODM)). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue/expenses/assets/liabilities.

2.24 Insurance claims

Insurance claims are accrued for on the basis of claims admitted/expected to be admitted and to the extent there is no uncertainty in receiving the claims.

2.25 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.26 Operating cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. RECENT ACCOUNTING PRONOUNCEMENTS - STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as shown below

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.



Notes

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4 PROPERTY, PLANT AND EQUIPMENT

(See accounting policy in note 2.8)

Particulars	Freehold land	Buildings	Moulds and dies	Other plant and equipment	Furniture and Fixtures	Office and other equipment	Data processing equipment	Test vehicles	Other vehicles	Leasehold improvements	Total
Cost											
Balance at April 1, 2021	5,309.24	15,659.87	73,033.61	52,743.06	1,660.43	1,170.36	1,857.42	809.45	1,004.17	501.13	153,748.74
Additions	0.05	497.34	6,465.78	6,718.60	801.25	205.46	137.32	90.55	283.41	13.06	15,212.84
Disposals	0.05	9.74	0.58	185.80	49.87	34.32	22.47	184.67	100.72	37.32	625.54
Balance at March 31, 2022	5,309.24	16,147.47	79,498.82	59,275.86	2,411.82	1,341.50	1,972.27	715.33	1,186.86	476.87	168,336.04
Balance at April 1, 2022	5,309.24	16,147.47	79,498.82	59,275.86	2,411.82	1,341.50	1,972.27	715.33	1,186.86	476.87	168,336.04
Additions	-	57.28	9,470.25	5,281.59	91.58	113.52	244.88	206.14	345.95	33.17	15,844.36
Disposals	-	2.94	27.82	915.74	24.45	38.60	125.91	93.77	182.30	17.36	1,428.89
Balance at March 31, 2023	5,309.24	16,201.81	88,941.25	63,641.71	2,478.95	1,416.42	2,091.24	827.70	1,350.51	492.68	182,751.51
Accumulated depreciation											
Balance at April 1, 2021	-	3,825.24	44,819.48	33,910.87	741.61	745.02	1,050.59	497.03	609.31	233.14	86,432.29
Depreciation for the year	-	822.31	12,131.85	6,048.52	282.83	161.38	319.12	162.28	183.80	0.43	20,112.52
Disposals	-	2.30	0.58	174.40	33.36	23.00	20.35	138.26	88.71	18.34	499.30
Balance at March 31, 2022	-	4,645.26	56,950.75	39,784.98	991.08	883.40	1,349.37	521.05	704.40	215.23	106,045.51
Balance at April 1, 2022	-	4,645.26	56,950.75	39,784.98	991.08	883.40	1,349.37	521.05	704.40	215.23	106,045.51
Depreciation for the year	-	712.75	12,006.68	6,234.65	398.69	153.55	356.91	140.73	199.35	108.81	20,312.12
Disposals	-	1.01	27.82	788.95	24.36	37.90	125.89	70.95	168.76	16.85	1,262.49
Balance at March 31, 2023	-	5,357.00	68,929.61	45,230.68	1,365.41	999.05	1,580.39	590.83	734.99	307.19	125,095.15
Carrying amount (net)											
As at March 31, 2022	5,309.24	11,502.21	22,548.07	19,490.88	1,420.74	458.10	622.90	194.28	482.46	261.64	62,290.52
As at March 31, 2023	5,309.24	10,844.81	20,011.64	18,411.03	1,113.54	417.37	510.85	236.87	615.52	185.49	57,656.36

Notes:

- Gross block as at March 31, 2023 includes ₹ 76,264.77 Million (March 31, 2022: ₹ 67,956.55 Million) of assets situated at third party locations.
- Includes assets whose gross block is ₹ 5,071.30 Million as at March 31, 2023 (March 31, 2022: ₹ 4,850.76 Million), hypothecated in favour of SIPCOT in respect of the soft loan taken by the Company. Also refer note 19(ii).
- Depreciation expense for the year includes depreciation on research and development assets amounting to ₹ 75.33 Million (March 31, 2022: ₹ 89.94 Million).
- The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed above are held in the name of the Group.
- CWIP ageing schedule is not given as it is not material to the group i.e. more than 10% of the respective balance sheet item in CFS.

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5 INTANGIBLE ASSETS

(See accounting policy in note 2.9)

Particulars	Computer software	Technical knowhow	Total
Cost			
Balance at April 1, 2021	1,903.30	10,112.27	12,015.57
Additions	134.57	-	134.57
Disposals	65.50	-	65.50
Balance at March 31, 2022	1,972.37	10,112.27	12,084.64
Balance at April 1, 2022	1,972.37	10,112.27	12,084.64
Additions	123.26	893.71	1,016.97
Disposals	50.36	-	50.36
Balance at March 31, 2023	2,045.27	11,005.98	13,051.25
Accumulated amortisation			
Balance at April 1, 2021	1,446.90	5,417.29	6,864.19
Amortisation for the year	186.75	1,303.50	1,490.25
Disposals	28.42	-	28.42
Balance at March 31, 2022	1,605.23	6,720.79	8,326.02
Balance at April 1, 2022	1,605.23	6,720.79	8,326.02
Amortisation for the year	162.98	1,338.36	1,501.34
Disposals	46.43	-	46.43
Balance at March 31, 2023	1,721.78	8,059.15	9,780.93
Carrying amount (net)			
As at March 31, 2022	367.14	3,391.48	3,758.62
As at March 31, 2023	323.49	2,946.83	3,270.32

6 RIGHT-OF-USE ASSETS

(See accounting policy in note 2.16)

Particulars	Land	Building	Total
Cost			
Balance at April 1, 2021	300.71	456.73	757.44
Additions	-	345.43	345.43
Disposals	-	-	-
Balance at March 31, 2022	300.71	802.16	1,102.87
Balance at April 1, 2022	300.71	802.16	1,102.87
Additions	-	-	-
Disposals	-	0.11	0.11
Balance at March 31, 2023	300.71	802.05	1,102.76
Accumulated Depreciation			
Balance at April 1, 2021	5.21	341.60	346.81
Depreciation for the year	3.53	89.57	93.10
Disposals	-	-	-
Balance at March 31, 2022	8.74	431.17	439.91
Balance at April 1, 2022	8.74	431.17	439.91
Depreciation for the year	3.52	81.68	85.20
Disposals	-	-	-
Balance at March 31, 2023	12.26	512.85	525.11
Carrying amount (net)			
As at March 31, 2022	291.97	370.99	662.96
As at March 31, 2023	288.45	289.20	577.65



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6.1 Depreciation and amortisation expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Depreciation of property, plant and equipment (refer note 4)	20,312.12	20,112.52
b) Amortisation of intangible assets (refer note 5)	1,501.34	1,490.24
c) Depreciation of right-of-use assets (refer note 6)	85.20	93.10
	21,898.66	21,695.86

7 OTHER FINANCIAL ASSETS - NON-CURRENT (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Security deposits - measured at amortised cost	515.93	493.98
b) Others	1.04	-
	516.97	493.98

8 NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Advance income tax/tax deducted at source (net of provisions of respective assessment years)	565.82	927.94
b) Income tax paid under protest	5,580.89	1,153.59
	6,146.71	2,081.53

9 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Capital advances	853.11	570.89
b) Balance receivable from government authorities		
- Extra duty deposit receivable (refer note (i) below)	1,087.07	1,087.07
c) Contractually reimbursable expenses-warranty recoveries (refer note 20 (ii))	373.18	383.79
d) Prepaid expenses	-	4.82
	2,313.36	2,046.57

Note:

- (i) Extra Duty Deposit (EDD) receivable represents amount of duty paid by the Company in connection with the import of materials/goods during the period from June 2011 to August 2013 pending receipt of the order from the Special Valuation Bench (SVB) towards valuation of such imports. The Company is in the process of obtaining the final order and the refund of EDD.

10 INVENTORIES

(See accounting policy in note 2.4)

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) Raw materials and components	14,685.14	14,001.93
(ii) Materials in transit	6,908.45	3,603.48
b) Work in progress - Motor vehicles, engines, transmission and parts	6,064.90	9,668.22
c) Finished goods (other than those acquired for trading)		
(i) Motor vehicles	5,305.10	468.52
(ii) Engines, transmission and parts	136.91	25.36
d) Stock in trade - service parts (acquired for trading)	22.85	16.45
e) Stores and spare parts	1,100.74	1,027.24
	34,224.09	28,811.20

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

10 INVENTORIES (contd.)

Notes:

- (i) The cost of inventories (including cost of traded goods) recognised as expense during the year is ₹ 490,432.84 Million (March 31, 2022: ₹ 397,328.36 Million).
- (ii) The cost of inventories recognised as expense includes adjustments towards write down of inventories to the extent of ₹ 220.40 Million (March 31, 2022: ₹ 7.63 Million reversal of write down).

11 TRADE RECEIVABLES - FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Secured, considered good	10,285.44	8,023.16
b) Unsecured, considered good	18,686.48	13,800.91
c) Which have significant increase in credit risk	-	-
d) Credit impaired	-	-
	28,971.92	21,824.07

Also refer note 37.3 for trade receivables from related parties.

Notes:

- (i) Transferred trade receivables that are not derecognised
During the year, the Group has discounted trade receivables on a "With recourse" basis and in respect of which the risks continue to remain with the Group. As at the Balance Sheet date, the carrying amount of the trade receivables that have been transferred but have not been derecognised amounts to ₹ 2,667.96 Million (March 31, 2022: ₹ 2,556.25 Million) (refer note 22).
- (ii) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, director or member.
- (iii) Expected credit loss (Refer note 2.14 Impairment of financial assets)
The Group has assessed the trade receivables for impairment on a collective basis based on the historical credit loss experience adjusted for forward-looking information. Based on the analysis of objective evidences, the Group expects that the evidences do not warrant any expected credit loss to be provided for.

Ageing of trade receivables:

Balance as at March 31, 2023	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1- 2 years	2- 3 years	More than 3 years	
Undisputed Trade Receivables considered good	37.57	26,654.54	2,269.85	9.93	0.03	-	-	28,971.92

Balance as at March 31, 2022	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1- 2 years	2- 3 years	More than 3 years	
Undisputed Trade Receivables considered good	-	21,379.84	434.33	0.07	9.83	-	-	21,824.07



Notes

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12 CASH AND CASH EQUIVALENTS - FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash on hand	0.06	0.08
b) Balances with banks		
(i) In current accounts	1,277.80	1,722.63
(ii) In EEFC accounts	5,944.21	4,860.32
(iii) In deposit accounts	170,189.40	134,805.39
	177,411.47	141,388.42
Cash and cash equivalents as per the Statement of Cash Flows	177,411.47	141,388.42

Note: Balance in current accounts as at March 31, 2023 includes ₹ 378.45 Million pertaining to CSR unspent account (March 31, 2022: ₹ 11.98 Million).

Details of bank deposits

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of 3 months or less	98,318.27	53,452.50
Deposits due to mature within 12 months of the reporting date	71,871.13	81,352.89
Total balances with banks in deposit accounts	170,189.40	134,805.39

Note: The deposits maintained by the Group with banks and financial institutions comprise time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

13 LOANS - FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to employees, unsecured, considered good	659.48	154.94
	659.48	154.94

14 OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Deposits	120.98	123.79
b) MoU benefit receivable from GOTN	3,072.97	1,961.67
c) Interest accrued but not due on fixed deposits with Banks	1,335.07	864.54
d) Other receivables	10.56	2.45
e) Unbilled revenue	-	52.70
	4,539.58	3,005.15

15 OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Receivable from government authorities (unsecured, considered good)		
(i) GST credit receivable	3,517.20	1,120.65
(ii) CENVAT/GST refund receivable	1,118.20	203.14
(iii) Balance receivable from customs authorities	787.51	308.17
(iv) VAT credit/refund receivable	0.62	0.62
(v) Deposits with government authorities	611.31	1,209.02
(vi) Others - Export benefit receivables (refer note below)	171.63	1,085.43
	6,206.47	3,927.03

Notes

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15 OTHER CURRENT ASSETS (contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
b) Advance to suppliers - unsecured, considered good	632.54	352.91
Advance - Duty portion	206.71	716.86
c) Prepaid expenses - considered good	639.10	478.44
d) Other loans and advances		
- Secured, considered good	-	-
- Unsecured, considered good	28.81	41.93
- Which have significant increase in credit risk	-	-
- Credit impaired	298.00	298.00
	326.81	339.93
Less: Provision for doubtful other loans and advances	(298.00)	(298.00)
	28.81	41.93
e) Contractually reimbursable expenses - warranty recoveries (refer note 20(ii))	99.54	97.46
	7,813.17	5,614.63

Note:

The Group has estimated and accrued as income an amount of ₹ 1,163.50 Million under Remissions of Duties and Taxes on Exported Products (RoDTEP) Scheme as export benefits for the year ended March 31, 2023 (Previous year ₹ 970.69 Million under Remissions of Duties and Taxes on Exported Products (RoDTEP)). Based on professional advice, the Group has excluded the aforesaid amount for computation of taxable income for the current financial year but has created a deferred tax liability in respect of amounts outstanding as at the year end, pending application/receipt of the related license.

16 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
a) Authorised	14,000.00	14,000.00
14,000,000 (March 31, 2022: 14,000,000) equity shares of ₹ 1,000 each		
b) Issued, subscribed and fully paid up	8,125.41	8,125.41
8,125,411 (March 31, 2022: 8,125,411) equity shares of ₹ 1,000 each		
	8,125.41	8,125.41

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Million	No. of shares	₹ in Million
Balance outstanding as at the beginning & end of the year	8,125,411	8,125.41	8,125,411	8,125.41

(ii) Details of shares held by holding company

Particulars	As at March 31, 2023	As at March 31, 2022
Hyundai Motor Company, South Korea and its nominees	8,125,411	8,125,411

(iii) Particulars of shareholders holding more than 5% shares in the Company:

Class of shares/Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares				
Hyundai Motor Company, South Korea and its nominees	8,125,411	100%	8,125,411	100%



Notes

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(All amounts are in Indian ₹ Million except share data and as stated)

16 EQUITY SHARE CAPITAL (contd.)

- (iv) The Company has only one class of equity shares having a par value of ₹ 1,000 each. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

- (v) Details of shareholding of promoters:

As at March 31, 2023

Name of the Promoter	Number of equity shares	% of total number of shares	% of change during the year
Hyundai Motor Company, South Korea and its nominees	8,125,411	100%	-
Total	8,125,411	100%	-

As at March 31, 2022

Name of the Promoter	Number of equity shares	% of total number of shares	% of change during the year
Hyundai Motor Company, South Korea and its nominees	8,125,411	100%	-
Total	8,125,411	100%	-

17 OTHER EQUITY

a) General reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	4,963.91	4,963.91
Add: Transferred from surplus in statement of profit and loss	-	-
Closing balance	4,963.91	4,963.91

Note: The general reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

b) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Surplus in the statement of profit and loss		
Opening balance	155,689.39	140,267.29
Add: Profit for the year	47,092.50	29,015.91
Less: Appropriations		
Dividend paid (including withholding tax) (refer below note)	(14,934.51)	(13,593.81)
Closing balance	187,847.38	155,689.39
(ii) Other comprehensive income		
Remeasurement of net defined benefit liability/(asset)		
Opening balance	(216.16)	(243.18)
Add: Additions during the year	(172.36)	27.02
	(388.52)	(216.16)
Total retained earnings	187,458.86	155,473.23
Total equity (a+b)	192,422.77	160,437.14

Notes:

- (i) The Board of Directors recommended a final dividend of ₹ 1,673 per share (nominal value of ₹ 1,000 per share) for the FY 2020-21. The Dividend is approved by the shareholders at the AGM (FY 2020-21) and has been paid during the year 2021-22. The total cash flow to Parent company is ₹ 11,554.74 Million after deducting withholding tax of ₹ 2,039.07 Million.

Notes

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17 OTHER EQUITY (contd.)

- (ii) The Board of Directors recommended a final dividend of ₹ 1,838 per share (nominal value of ₹ 1,000 per share) for the FY 2021-22. The Dividend is approved by the shareholders at the AGM (FY 2021-22) and has been paid during the year 2022-23. The total cash flow to parent company is ₹ 12,694.33 Million after deducting withholding tax of ₹ 2,240.18 Million.
- (iii) The Board of Directors have proposed a final dividend of ₹ 5,727 per share (nominal value of ₹ 1,000 per share) for the FY 2022-23. The Dividend is subject to the approval of shareholders at the annual general meeting and has not been accounted as liability in this financial statement. The total expected cash outflow is ₹ 46,534.23 Million which includes withholding tax of ₹ 6,980.13 Million.

18 FINANCIAL LIABILITIES - NON-CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term borrowings - measured at amortised cost		
a) Deferred payment liabilities		
- VAT/CST deferral loan (unsecured) (refer note below)	4,129.25	4,941.89
b) Term loans		
- CST soft loan (secured) (refer note below)	2,936.41	2,725.21
	7,065.66	7,667.10

Notes:

- (i) VAT/CST deferral loan (unsecured)
- As per the Memorandum of Understanding ('the MoU'), dated July 18, 1996, between the Company and the Government of Tamil Nadu (GoTN) read along with the deed of agreement dated September 23, 2005, the Company is eligible for and has opted for sales tax (including VAT and CST) deferral on sale of vehicles. The loan is an interest free loan and is repayable in equal quarterly installments over a period of 5 years after the deferment period of 14 years. The number of installments outstanding as at March 31, 2023 are 28 (March 31, 2022: 32). Refer table below for gross amount outstanding.
- (ii) CST soft loan (secured)
- As per the MOU dated January 22, 2008 entered into between the Company and the GoTN, the Company is eligible for infrastructure, labour and other support in the form of fiscal incentives on meeting certain specified milestones. The amounts of such incentives have been determined and accounted for by the management based on the terms specified in the MoU. The loan carries 0.1% interest and is repayable in equal quarterly installments over a period of 5 years after 14 years. The number of installments outstanding as at March 31, 2023 are 56 (March 31, 2022: 56). As per the terms of MOU with the GoTN, the repayment of principal will commence from the year 2024 onwards, though interest is paid on a quarterly basis. Refer table below for gross amount outstanding.

The loan is secured by a charge against specified fixed assets of the Company to the extent of ₹ 6,000 Million (March 31, 2022: ₹ 6,000 Million). Also refer note 4(ii).

(iii) Particulars	VAT/CST deferral loan	CST soft loan
As at March 31, 2023		
Gross amount outstanding	6,517.53	5,936.68
Less: Present value discounts (treated as Government grant - deferred revenue)	1,135.90	3,000.27
Fair value of borrowing measured at amortised cost	5,381.63	2,936.41
Less: Current maturities (refer note 22(c))	1,252.38	-
Financial liabilities - non-current	4,129.25	2,936.41
Government grant - deferred revenue	1,135.90	3,000.27
(i) Government grant - current (refer note 26(c)(iv))	381.54	231.95
(ii) Government grant - non-current (refer note 21(b))	754.36	2,768.32



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18 FINANCIAL LIABILITIES - NON-CURRENT (contd.)

As at March 31, 2022	VAT/CST deferral loan	Soft loan
Gross amount outstanding	7,694.63	5,936.68
Less: Present value discounts (treated as government grant (deferred revenue))	1,575.76	3,211.47
Fair value of borrowing measured at amortised cost	6,118.87	2,725.21
Less: Current maturities (refer note 22(c))	1,176.98	-
Financial liabilities - non-current	4,941.89	2,725.21
Government grant - deferred revenue	1,575.76	3,211.47
(i) Government grant - current (refer note 29(c)(iv))	439.86	211.20
(ii) Government grant - non-current (refer note 21(b))	1,135.90	3,000.27

19 LEASE LIABILITIES - NON-CURRENT

(See accounting policy in note 2.16)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Long-term lease liabilities	267.23	307.47
	267.23	307.47

20 PROVISIONS - NON-CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
a) Provision for warranty (see below for movement) (refer note 2.21 & note (i) & (ii) below)	6,997.51	6,928.55
b) Provision for employee benefits - gratuity (refer note 2.15 & 36)	885.03	672.82
c) Provision for Compensated Absences	121.38	107.92
d) Provision for disputed matters (refer note iii below)	33.73	33.73
	8,037.65	7,743.02

Notes:

- (i) The Company has made provision for contractual warranty obligations based on the assessment of the amount it expects to incur to meet such obligations. The details of the same are given below:

Particulars	Provision for warranty	
	As at March 31, 2023	As at March 31, 2022
Beginning of the year	8,985.40	9,127.72
Provision made during the year	2,666.15	2,231.12
Discounting impact on account of time value of money	(521.57)	(313.49)
Utilisation/reversal	(2,300.76)	(2,273.86)
Unwinding of discount	414.80	398.35
Others (movement in vendor recovery receivable amount)	(8.41)	(184.44)
End of the year	9,235.61	8,985.40
Less: Current portion (refer note 27(a))	2,238.10	2,056.85
Non-current portion	6,997.51	6,928.55

- (ii) As against the provision for warranty, the Company also carries an amount of ₹ 472.72 Million (Previous year - ₹ 481.13 Million) as recoverable from vendors based on the terms of arrangement/understanding with the vendors.

Out of ₹ 472.72 Million (Previous year - ₹ 481.13 Million), ₹ 99.54 Million (March 31, 2022: ₹ 97.46 Million) is current portion disclosed under "Other current assets" (refer note 15(e)) and balance ₹ 373.18 Million (March 31, 2022: ₹ 383.68 Million) is non-current portion disclosed under "Other non-current assets" (refer note 9(c)) based on management's assessment.

(iii) Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision for disputed matters		
Opening balance	33.73	87.97
Provision made during the year	-	-
Reversals during the year	-	54.24
Closing balance	33.73	33.73

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21 OTHER NON-CURRENT LIABILITIES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Income received in advance (refer note (i) below)	5,424.24	3,241.90
b) Deferred revenue - government grant (refer note 18 (iii))	3,522.68	4,136.17
c) Provision for Skill Development Project (refer note (ii) below)	812.63	-
	9,759.55	7,378.07

Notes:

- i) Income received in advance represents the amount collected/apportioned towards additional services provided to customers that are satisfied over a period of time in line with requirements under Ind AS 115. These amounts are recognised on a straight-line basis over the respective contractual period. The related expenses are charged off to the statement of profit and loss on an actual basis.

As at March 31, 2023, the Company carries ₹ 7,391.67 Million (March 31, 2022: ₹ 4,344.26 Million) as income received in advance.

Refer note 26 (a) for current portion of income received in advance.

- ii) The Company has made provision for Development of Technical Training Center to meet its unspent CSR obligation till FY 19-20.

22 BORROWINGS - FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Export receivables discounted on a "with recourse" basis- unsecured (refer note (i) below)	2,667.96	2,556.25
b) Pre-shipment packing credit loan (refer note (ii) below)	600.00	-
c) Current maturities of long-term borrowings (refer note 18 (iii))	1,252.38	1,176.98
	4,520.34	3,733.23

Notes:

- (i) The Company has obtained bill discounting facilities from various banks. The tenor of the loan for bills discounted is up to a maximum of 180 days.

- (ii) The Company has obtained pre-shipment packing credit loan under RBI's interest equalisation scheme. As per the scheme, the Company obtained the loan with an interest equalisation benefit of 2% p.a. (March 31, 2022: Nil).

23 LEASE LIABILITIES - CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
a) Current maturities of lease liabilities	40.24	68.95
	40.24	68.95

24 TRADE PAYABLES - FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	1,536.92	1,274.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	72,871.39	52,779.30
	74,408.31	54,054.28



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24 TRADE PAYABLES - FINANCIAL LIABILITIES (CURRENT) (contd.)

Ageing of trade payables:

Balance as at March 31, 2023	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,300.16	236.76	-	-	-	1,536.92
(ii) Others	4,222.25	58,339.69	7,431.10	589.12	183.34	2,105.89	72,871.39
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	4,222.25	59,639.85	7,667.86	589.12	183.34	2,105.89	74,408.31

Balance as at March 31, 2022	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,099.27	175.71	-	-	-	1,274.98
(ii) Others	4,081.59	39,144.92	5,249.97	431.90	464.01	3,406.91	52,779.30
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	4,081.59	40,244.19	5,425.68	431.90	464.01	3,406.91	54,054.28

25 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Payable on purchase of fixed assets	3,799.81	1,229.92
b) Deposits received from customers	1,228.16	1,130.49
c) Others	3,039.50	1,903.02
	8,067.47	4,263.43

26 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
a) Income received in advance (refer note 21 (a))	1,967.43	1,102.36
b) Usance interest received in advance	136.68	54.93
c) Other liabilities		
(i) Advance from customers	14,388.39	16,263.02
(ii) Statutory dues	1,764.57	974.99
(iii) GST Payable (including compensation cess)	6,003.84	4,197.33
(iv) Deferred revenue - government grant (refer note 18 (iii))	613.49	651.07
d) Provision for Corporate Social Responsibility	467.77	545.51
	25,342.17	23,789.21

27 PROVISIONS - CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
a) Provision for warranty (refer note 20 (i))	2,238.10	2,056.85
b) Provision for employee benefits (refer note 36)		
- Provision for compensated absences	1,511.43	1,191.03
- Provision for gratuity	119.52	109.45
c) Provision - Others		
- Provision for disputed matters (refer note below)	670.00	670.00
	4,539.05	4,027.33

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27 PROVISIONS - CURRENT (contd.)

Note:

The Group carries provision for disputed matters towards certain claims against the Group not acknowledged as debts (refer note 35.1). Whilst the provision is considered as short-term in nature, the actual outflow with regard to said matters depends on the exhaustion of remedies available under the law based on various developments. No recoveries are expected against the provision. The details of the same are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Beginning of the year	670.00	670.00
Provision made during the year	-	-
Utilisation/reversal	-	-
End of the year	670.00	670.00

28 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Provision for tax (net of advance tax paid for respective assessment years)	3,137.57	1,985.94
	3,137.57	1,985.94

29 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Sale of products (refer note (i) below)	559,196.04	442,611.70
b) Sale of services (refer note (ii) below)	31,831.84	21,996.90
c) Other operating revenues (refer note (iii) below)	12,047.92	9,175.72
	603,075.80	473,784.32

Note:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Sale of products		
- Vehicles	522,709.37	408,876.52
- Parts	36,486.67	33,735.18
Total	559,196.04	442,611.70
(ii) Sale of services		
- Income from engineering services - Export	4,005.57	3,258.78
- Income from engineering services - Domestic	94.85	97.61
- Brokerage fee	1,360.91	-
- Transportation income	24,885.01	17,606.17
- Others	1,485.50	1,034.34
Total	31,831.84	21,996.90
(iii) Other operating revenues		
Sale of scrap	2,848.69	2,188.61
Duty drawback (refer note 2.11)	4,347.31	3,474.36
Remissions of Duties and Taxes on Exported Products (RoDTEP)/Merchandise Exports from India Scheme income (refer note 15(a) (vi) and 2.11)	1,163.50	970.69
Other incentives from government	3,688.42	2,542.06
Total - Other operating revenues	12,047.92	9,175.72

Note:

Other incentives from government includes Clean Energy Vehicle (CEV) Subsidy of ₹ 500 Million relating to FY 22-23 & FY 21-22 recognised during the current year.



Notes

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30 OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Interest income (refer note (i) below)	9,233.91	4,459.00
b) Royalty income	679.72	552.33
c) Profit on sale of fixed assets (net)	-	4.23
d) Gain on foreign currency transactions and translation (net)	882.27	413.50
e) Liabilities no longer required written back	13.77	-
f) Other non-operating income	480.95	447.10
	11,290.62	5,876.16

Note:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Interest income earned on financial assets that are measured at amortised cost		
- from banks - fixed deposits	8,847.81	3,933.76
- on lease deposits	3.78	3.96
(ii) Others		
- on refund of taxes	-	359.83
- others	382.32	161.45
	9,233.91	4,459.00

31(a) COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Opening stock	17,605.41	15,116.87
b) Add: Purchases	479,263.16	377,230.48
	496,868.57	392,347.35
c) Less: Sale of raw materials	30,188.63	22,433.86
d) Less: Closing stock (refer note 10(a))	21,593.59	17,605.41
Total - Cost of material consumed	445,086.35	352,308.08

31(b) PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Parts	6,564.16	6,564.05
Total	6,564.16	6,564.05

31(c) CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS (REFER NOTE 10)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Inventories at the end of the year:		
Finished goods	5,442.01	493.88
Work-in-progress	6,064.90	9,668.22
Stock-in-trade	22.85	16.45
	11,529.76	10,178.55
b) Inventories at the beginning of the year:		
Finished goods	493.88	3,185.34
Work-in-progress	9,668.22	6,349.89
Stock-in-trade	16.45	22.12
	10,178.55	9,557.35
Net (increase)/decrease	(1,351.21)	(621.20)

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32 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Salaries, wages and bonus	14,461.33	13,390.80
b) Contributions to provident and other funds (refer note 36)	1,144.30	858.56
c) Staff welfare expenses	2,056.63	2,227.02
	17,662.26	16,476.38

Notes:

- Employee cost/benefits expense includes research and development expenses amounting to ₹ 0.31 Million (Previous year: ₹ 0.33 Million), as identified by the management.
- The remeasurement of the net defined benefit asset amounting to ₹ -230.33 Million (net defined benefit liability for the period ended March 31, 2022: ₹ 36.11 Million) is included in other comprehensive income.

33 FINANCE COSTS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Interest expense on:		
(i) Working capital facilities from banks	113.33	10.64
(ii) VAT/CST deferral and soft loan (refer note below)	657.00	691.66
(iii) Sincerity deposits/dealer down payments	205.27	193.54
(iv) Others	4.64	7.55
b) Unwinding of discounts on warranty provisions (refer note 20(i))	414.80	398.35
c) Interest on lease liabilities	28.97	17.39
	1,424.01	1,319.13

Note:

Interest on VAT/CST deferral & soft loan include actual interest paid of ₹ 5.94 Million (Previous year - ₹ 5.94 Million) at 0.1% interest rate and notional interest cost of ₹ 651.06 Million (Previous year: ₹ 685.72 Million)

34 OTHER EXPENSES (REFER NOTE (i) BELOW)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Distribution fees	1,160.34	-
b) Consumption of stores and spare parts	1,154.59	1,016.00
c) Clearing and forwarding charges	318.16	369.09
d) Power and fuel	3,010.66	2,650.78
e) Rent including lease rentals	354.59	317.32
f) Repairs and maintenance		
(i) Buildings	180.32	139.56
(ii) Machineries	995.91	873.42
(iii) Others	1,711.83	1,864.74
g) Service contract expenses	1,629.19	1,368.96
h) Insurance	123.90	98.16
i) Freight	21,389.67	15,178.67
j) Rates and taxes	74.56	33.95
k) Communication	70.49	51.23
l) Travelling and conveyance	282.42	110.87
m) Printing and stationery	88.74	67.01
n) Royalty	14,386.98	11,008.13
o) Advertisement and sales promotion expenses	6,771.25	4,918.91
p) Expenditure on Corporate Social Responsibility ('CSR')	638.92	654.85
q) Donations - Other than CSR	821.63	8.50



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34 OTHER EXPENSES (contd.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
r) Legal and professional charges	272.54	93.73
s) Payments to auditors	20.64	18.65
t) Loss on PPE sold/scrapped/written off (net)	53.25	53.12
u) Technical assistance fee/training	141.27	51.13
v) Provision for warranty (net)	2,144.58	1,917.63
w) Extended warranty expense	587.56	374.97
x) Training expenses	54.89	7.04
y) Testing expenses	366.42	207.65
z) Software subscription	582.29	507.53
aa) Miscellaneous expenses	711.11	436.14
	60,098.70	44,397.74

Note:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Expenses towards research and development included in the above amounts	328.54	257.91

35.1 CONTINGENT LIABILITIES (TO THE EXTENT NOT SPECIFICALLY PROVIDED FOR) (REFER NOTE I BELOW)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Claims against the Company not acknowledged as debt		
(i) Customs duty (paid under protest: As at March 31, 2023 - ₹ 326.31 Million and as at March 31, 2022 - ₹ 608.63 Million) (refer note A below)	6,374.39	6,656.70
(ii) Anti dumping duty (refer note B below)	154.74	154.74
(iii) Excise duty and service tax (Paid under protest: As at March 31, 2023 - ₹ 198.63 Million and as at March 31, 2022 - ₹ 199.41 Million) (refer note D below)	7,607.85	7,613.48
(iv) Maharashtra VAT (Paid under protest: As at March 31, 2023 - ₹ 0.13 Million and as at March 31, 2022 - ₹ 0.13 Million)	0.85	0.21
(v) Tamil Nadu VAT (Paid under protest as at March 31, 2023 - ₹ 280.19 Million and as at March 31, 2022 - ₹ 282.21 Million) (refer note E below)	287.09	280.21
(vi) GST (Paid under protest as at March 31, 2023 - ₹ 82.10 Million and as at March 31, 2022 - ₹ 2.70 Million) (refer note D below)	903.08	27.01
(vii) Income tax (Paid under protest: As at March 31, 2023 - ₹ 5,580.89 Million and as at March 31, 2022 - ₹ 1,153.58 Million)	4,708.83	4,975.10
(viii) Penalty levied by Competition Commission of India (refer note F below) (Paid under protest as at March 31, 2023 - Nil and as at March 31, 2022 - Nil)	4,202.61	4,202.61
(ix) Others	68.07	2,308.53
(b) Decided in favour of the Company against which department has gone on appeal		
(i) Customs (Paid under protest: As at March 31, 2023 - ₹ 29.33 Million and as at March 31, 2022 - ₹ 29.33 Million) (refer note A below)	29.33	29.33
(ii) Income Tax (Paid under protest: As at March 31, 2023 - ₹ 32.77 Million and as at March 31, 2022 - ₹ 32.77 Million)	5,035.84	4,070.40
(iii) Competition Commission of India (refer note F below)	870.00	870.00
(c) Guarantees	Refer note H below	

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35.1 Contingent liabilities (contd.)

Notes:

A. Customs duty:

- (i) The Directorate of Revenue Intelligence (DRI) had initiated certain inspections/inquiries in connection with customs compliances. During the year ended March 31, 2012, the Company had received a notice from the DRI alleging mis-declaration of the transaction value of goods imported by the Company. The Company had challenged the said notice and also the inquiries/investigations and filed writ petitions before the Honourable High Court of Madras seeking a stay on the proceedings, which had been granted. Subsequently the stay was vacated. The Company received a demand of ₹ 5,777.77 Million (including penalties of ₹ 3,018.89 Million) during the year ended March 31, 2016, (of which ₹ 88.62 Million was appropriated by the Customs Authorities and charged off to the Statement of Profit and Loss during the year ended March 31, 2012). The department had also mentioned that the goods which are a subject matter of the demand of customs duty, is also liable for confiscation under Section 111 of the Customs Act, 1962. The Company had filed stay of operation of order and appeal against the order with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) which is pending for disposal as at March 31, 2023.
- (ii) During the year ended March 31, 2021, the Company had received an order rejecting the classification of "Cover Assembly Front door Quadrant" imported by the Company and reclassifying the same under different heading of the customs tariff. The said order has imposed an additional duty of ₹ 64.94 Million and a Penalty amount ₹ 65.59 Million for the imports made during the period from June 2016 to March 2018. The Company has filed appeals with CESTAT challenging the Appellate Order and the hearings at CESTAT is pending for disposal as at March 31, 2023.
- (iii) During the year ended March 31, 2021, the Company received a Order stating the the Company has not fulfilled Export Obligation for Capital items valuing ₹ 479.52 Million imported during the period from Nov 2010 to February 2011. The said order has imposed an additional duty of ₹ 126.09 Million and a penalty of ₹ 11 Million. Further it has also levied interest in terms of Notification No 102/2009 dated September 11, 2009. The Company has filed appeals with CESTAT challenging the Appellate Order and the hearings at CESTAT is pending for disposal as at March 31, 2023.
- (iv) Further, during the year ended March 31, 2013, the Company received a demand notice for recovery of Extra Duty Deposit refunded by the department during the prior years amounting to ₹ 91.31 Million

from the Deputy Commissioner of Customs on account of issue of the above notice by DRI. The Company challenged the demand and obtained stay of demand filing a writ petition before the Honourable High Court of Madras which is pending for disposal.

- (v) In addition to the above, the outstanding demand under dispute towards various other Customs cases in respect of which the hearings are in progress at various levels at Customs Authorities/Appeals as at March 31, 2023 amounts to ₹ 42.32 Million (including ₹ 29.33 Million decided in favour of the Company against which department has gone on appeal).
- (vi) During the year ended March 31, 2016, the Company also received certain other adjudication orders rejecting the classification of certain goods imported by the Company and reclassifying the same under different heading of the customs tariff. The Company had filed appeals against these orders with Commissioner of Customs (Appeals). Subsequently, the Commissioner of Customs (Appeals) upheld the adjudication order classifying the goods imported by the Company under a different heading of the customs tariff. The Company has paid the differential duty under protest and filed appeals with CESTAT challenging the Appellate Order and the hearings at CESTAT is pending disposal as at March 31, 2023.

B. Anti-dumping duty

During the year ended March 31, 2015, the Directorate General of Anti-Dumping and Allied Duties initiated an investigation on import of cast and aluminium alloy wheels exported from China, Korea and Thailand and levied anti dumping duty on cast aluminium alloy wheels which have been imported into India allegedly at less than its normal value and passed a provisional order for a period of six months from April 11, 2014. The Company had filed four writ petitions before the Honourable High Court of Madras in this connection challenging the provisional order passed by the department and paid ₹ 165.66 Million under protest, as against the Anti Dumping Duty payable of ₹ 320.40 Million and charged to the Statement of Profit and Loss Account. Consequent to the legal suit filed, the Company also carries the amount paid as receivable and on grounds of prudence, provided for the same. However, in December 2014, the Honourable High Court of Madras had dismissed the writ petitions. The Company had filed writ appeal with the division bench of the Honourable High Court of Madras against the said order of the single member bench. During the previous year ended March 31, 2016, the Company received a transfer petition transferring the appeal to the Honourable Supreme Court of India and



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35.1 Contingent liabilities (contd.)

the Company has filed required counter petitions with the Honourable Supreme Court of India and the same is pending disposal as at March 31, 2023.

In the meanwhile, the Directorate General of Anti-Dumping and Allied Duties had issued final order on May 22, 2015 levying Anti-Dumping duty for a period of five years commencing April 11, 2014. The Company is of the opinion that Anti-Dumping Duty shall not be levied with retrospective effect, based on the precedent judgement of the Honourable Supreme Court of India in a similar case and has not provided for/paid Anti-Dumping duty for the period from October 2014 to May 2015.

Further, the Company has paid Anti-dumping duty commencing from the period May 22, 2015 (date of notification of Final Order) till March 31, 2023 under protest amounting to ₹ 6,973.53 Million which has been charged off to the Statement of Profit and Loss Account. Consequent to the legal suit filed, the Company also carries the amount paid as receivable and on grounds of prudence, provided for the same.

C. Duty drawback

During the year ended March 31, 2011, the Company had received a demand of ₹ 797.34 Million from the Additional Commissioner, Large Taxpayer Unit, Chennai relating to excess drawback paid by the Department for the period from September 24, 2007 to August 4, 2009. Out of the above, the Company had voluntarily foregone and repaid duty drawback claim of ₹ 109.44 Million and the balance of ₹ 687.90 Million was disputed by the Company.

The Company had filed an appeal before the Commissioner of Customs (Appeals), Customs House, Chennai, LTU which was adjudicated against the Company and had filed a revision application before the Joint Secretary, Ministry of Finance which was partly allowed and remanded back to the original authority for reassessment. During the FY 2019-20, the Company received refund of ₹ 426.58 Million and the balance of ₹ 261.32 Million has been rejected. Based on professional advice, the Company has decided not to make any further appeal.

D. Excise duty, Service tax and GST

During October 2021, the Company has received order from the Additional Director General demanding payment of Central excise duty amounting to ₹ 3,574 Million and penalty amounting to ₹ 3,574 Million. The Company has filed a writ petition with the Honourable High Court of Madras to grant the stay of the operation and all further proceeding pursuant to the demand order received by the Company. The Company has received order from Honourable High Court of Madras granting interim stay of recovery proceedings pending disposal of Writ petition subject to the Company depositing minimum amount required

under Section 35F of the Central Excise Act, 1944. The Company has paid ₹ 100 Million pre-deposit as at March 31, 2023. Further there are pending litigations for various other matters relating to Excise Duty and Service Tax involving demands, for which the Company has filed appeals against the orders received which are pending at various forums as at March 31, 2023.

During the financial year, the Company has received orders from Commissioner (Appeals) rejecting the appeal and confirming the GST demand. The Company has filed Writ Petitions before the Honourable High Court of Madras and has obtained stay of the operation and all further proceedings pursuant to the demand order received by the Company in June 2023. The Company has paid ₹ 80 Million as pre-deposit as at March 31, 2023.

E. Tamil Nadu VAT

The Company had received sales tax demands (including interest) for various assessment years towards denied availment of input tax credits on goods on various submissions made in respective assessment years amounting to ₹ 287.09 Million. The Company paid such demand amount under protest and filed appeals against all the orders with the Sales tax appellate tribunal.

F. Investigation by the Competition Commission of India

(i) In 2012, the Directorate General of the Competition Commission of India (CCI) had submitted its final investigation report to the CCI regarding violations of the provisions of Competition Act, 2002.

In the meanwhile, the Company filed a writ petition before the Honourable High Court of Madras challenging the jurisdiction of the CCI to expand the investigation in respect of the above matter and requesting for a stay which was granted initially. During the year ended March 31, 2015, the Honourable High Court of Madras dismissed the Company's petition challenging the jurisdiction of the CCI stating that CCI has powers to expand the investigation. The Company had filed a writ appeal before the Divisional Bench of the Honourable High Court of Madras, and obtained Interim order that CCI should not pass final order till disposal of writ appeal. Meanwhile, CCI had issued final order imposing a penalty of ₹ 4,202.61 Million violating Division Bench Order. However CCI has clarified that the order shall be enforceable based on and subject to the direction of the Honourable High Court of Madras in connection with the writ appeal filed by the Company.

(ii) The writ appeal was subsequently dismissed by the High Court of Judicature at Madras on July 23, 2018. The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT) against the CCI Order. On October 29, 2018, the NCLAT heard the matter for admission and directed the Company to

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35.1 Contingent liabilities (contd.)

deposit 10% of ₹ 4,202.61 Million within three weeks. The Company filed an appeal before the Supreme Court of India (SC) against the NCLAT Interim Order. On November 16, 2018, the SC granted a interim stay on the operation of the CCI Order. Further on January 20, 2020, the Supreme Court granted Permanent Stay of NCLAT order for deposit of ₹ 420 Million and directed NCLAT to decide HML's Appeal on Merits. Consequently, the Company is not required to deposit 10% of ₹ 4,202.61 Million with the NCLAT till the SC Order is operational. The pleadings in the NCLAT appeal are complete and the appeal was listed on March 25, 2020 for final arguments. However, due to the COVID-19 pandemic, the matter was adjourned and is yet to be listed for hearing before NCLAT.

(iii) Further, the CCI had directed the Director General for an investigation to be made in respect of the complaints made by two terminated dealers against the Company. The Company received notices seeking certain information for the purpose of investigation and the Company had furnished the required details.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Customs duty (refer note (i) below)	1,194.76	1,194.76
Duty drawback	-	9.12
Excise duty	82.48	82.48
Service tax	190.24	190.24
GST	2,614.42	2,868.64
Income tax draft assessment orders received and pending disposal with DRP	-	4,471.94

Note:

The Company had received show cause notices from the DRI demanding an amount of ₹ 1,194.76 Million in connection with various matters. The department has also mentioned that the goods which are a subject matter of the demand of customs duty, is also liable for confiscation under Section 111 of the Customs Act, 1962. The Company has filed/is in the process of filing replies for the same and expects a favourable outcome in respect of the same.

H. Guarantees

The Company has executed a Deed of Corporate Guarantee in favour of SIPCOT for CST Soft Loan of ₹ 6,000.00 Million

35.1 Contingent liabilities (to the extent not specifically provided for) (subsidiary)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Income tax (refer note (i), (ii) and (iii) below)	229.60	294.23
	229.60	294.23

Notes:

(i) During FY 2017-18, the Assessing Officer has issued final assessment order relating to AY 2013-14 with a total tax demand of ₹ 16.52 Million based on directions of DRP. The subsidiary company has filed an appeal before Income Tax Appellate Tribunal (ITAT) and received a rectification order to revise the total tax demand to ₹ 24.33 Million. As at reporting date, the Company is yet to receive the giving effect order from the Assessing Officer.

During the year ended March 31, 2018, CCI passed an order imposing a penalty of ₹ 870.00 Million on the Company. The Company filed an appeal before NCLAT against the order and received an order in favour of the Company during the year ended March 31, 2019 by setting aside the CCI Order. CCI has further filed an appeal before Supreme Court in November 2018 against our favourable order. This case is now pending before Supreme Court and it is yet to be listed for hearing.

The Company believes that it has a good case to obtain a favourable judgement in respect of the above matters and there is no additional financial exposure in respect of the same.

G. Show cause notices/draft assessment orders

The details of the show cause notices/draft assessment orders received by the Company from various government agencies pending formal orders/demand notices, which are not considered as claims against the Company not acknowledged as debts, are given below:

(ii) The subsidiary company has received orders from the Income Tax department relating to transfer pricing adjustments for the AY 2014-15 and 2015-16 with a total demand of ₹ 18.02 Million and ₹ 85.08 Million respectively. The subsidiary company has filed an appeal before the ITAT which are pending for disposal as at the reporting date. The subsidiary company has paid ₹ 29 Million under protest against the demand raised.



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35.1 Contingent liabilities (contd.)

- (iii) During FY 2020-21, the subsidiary company received a revised order from Commissioner of Income Tax (Appeals) revising the tax demand relating to a transfer pricing adjustment of AY 2015-16 from ₹ 118.40 Million to ₹ 85.08 Million. The subsidiary company paid an amount of ₹ 24 Million under protest to the CIT (Appeals). As at reporting date, the subsidiary company has filed an appeal before CIT (Appeals) and ITAT which were pending for disposal.
- (iv) During the current year, the subsidiary company has received draft assessment order relating to the AY 2018-19 with a total tax demand of ₹ 65.72 Million mainly relating to transfer pricing adjustment. The subsidiary company had filed an appeal before DRP and received a favourable order against the demand relating to transfer pricing and raised a fresh demand of ₹ 1.09 Million relating to ineligible claims under Sec 80G. The subsidiary company has accepted this demand and has informed the department to adjust the demand against the refund order for AY 2020-21.
- (v) Supreme Court vide their judgement dated February 28, 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The subsidiary company based on internal evaluation, believes that there are interpretative challenges and significant uncertainties

surrounding the determination of liability including the period of assessment, application for present and past employees, subsidiary company's liability towards employees' contribution and assessment of interest and penalties. The amount of obligation, therefore, cannot be measured with sufficient reliability for past periods, and hence, disclosed as contingent liability.

I. Management's assessment

The amounts shown under contingent liabilities and disputed claims represent the best possible estimates arrived at on the basis of the available information. Further, various government authorities raised issues/clarifications in the normal course of business and the Group has provided its responses to the same and no formal demands/claims have been made by the authorities in respect of the same other than those pending before various judicial/regulatory forums as disclosed above. The uncertainties and possible reimbursement in respect of the above are dependent on the outcome of the various legal proceedings which have been initiated by the Group or the claimants, as the case may be and, therefore, cannot be predicted accurately. The Group expects a favourable decision with respect to the above disputed demands/claims based on professional advice and, hence, no specific provision for the same has been made. Also refer note 27(c).

35.2 Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Parent Company		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	9,818.14	3,696.76
Subsidiary Company		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2.53	22.72
(b) Other Commitments for service contracts	74.50	140.11

(c) Commitment arising from Memorandum of Understanding (MoU) with GoTN
The Company has entered into fourth MoU dated January 24, 2019 with the GoTN being the third expansion of existing plant to increase the capacity from 0.7 Million cars p.a. to 0.8 Million cars p.a. As per the said MOU, the Company is entitled to certain fiscal benefits in the form of clean energy vehicle subsidy, capital subsidy, electricity tax exemption and also certain other concessions/benefits subject to the Company achieving specified conditions viz. investment of ₹ 70,000 Million in fixed assets, creation of 500 direct employment, production of electric/clean energy vehicles of 200,000 nos. in 20 years (FY 2019-20 to 2038-39) etc. The period of investment as contemplated in this MOU is from April 1, 2018 to March 31, 2025 and the investment will be made for production of new models, electric and other clean energy vehicles (existing and new models) in Tamil Nadu.

35.3 Others

Particulars	As at March 31, 2023	As at March 31, 2022
Disputed VAT input refund receivable (refer note below)	-	92.13

Note:

The Company has submitted the claim for refund to Commercial Taxes Department [MoU Cell] under Phase II MoU. The Commercial Taxes Department [MoU Cell] is not in agreement with refund w.r.t Input tax Credit on stock transfer. The Company is in the process of discussion with Industries Department (GOTN) and believes that the VAT input refund is recoverable in full.

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36 EMPLOYEE BENEFIT PLANS

36.1 Defined contribution plan

Company's (employer's) contribution to defined contribution plans recognised as expenses in the statement of profit and loss are:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Employer's contribution to Provident fund	548.62	435.15
(b) Employer's contribution to National pension fund	123.99	46.43
(c) Employer's contribution to Superannuation fund	213.82	185.29
	886.43	666.87

Note:

The expenses are included in note 32 - Employee benefit expenses under "Contribution to provident and other funds"

36.2 Defined benefit plan

- (i) Refer note 2.15 for the accounting policy of the defined benefit plan.
- (ii) The defined benefit plan typically exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, short-term debt instruments, equity instruments and asset backed, trust structured securities as per notification of Ministry of Finance.

Interest risk

Decrease in the Interest rate will increase the cost of providing the above benefit and thus increase in the value of liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

- (iii) The principal assumptions used for the purpose of the actuarial valuations were as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7% - 7.56%	7% - 7.50%
Future salary increase	6.5% - 16.00%	6.5% - 16.00%
Expected rate of return on plan assets	7% - 7.56%	7% - 7.50%
Attrition rate	2.00%	2.00%
Mortality - Indian Assured Lives Mortality	2012-14	2012-14



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36.2 Defined benefit plan (contd.)

(iv) Amounts recognised in the Statement of Profit and Loss in respect of the defined benefit plan are as follows.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Components of defined benefit cost recognised in the Statement of Profit and Loss		
Current service cost	157.03	139.95
Past service cost	-	-
Interest cost	170.29	154.40
Interest income on plan assets	(119.28)	(102.64)
Total (Refer note below)	208.04	191.71
Components of defined benefit cost recognised in the Other Comprehensive Income		
Actuarial (gains)/losses		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(37.39)	(77.60)
- Experience variance	251.28	29.06
Return on plan assets (excluding amount included in net interest expense)	16.44	12.41
	230.33	(36.11)

Note:

The expenses are included in Note 32 - Employee benefits expense under "Contribution to provident and other funds".

(v) The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the end of the year	2,766.04	2,316.25
Fair value of plan assets as at the end of the year	(1,761.49)	(1,533.98)
Net liability recognised in the balance sheet	1,004.55	782.27
Current liability	119.52	109.45
Non-current liability	885.03	672.82

(vi) Movements in the present value of the defined benefit obligation and fair value of plan assets are as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Change in defined benefit obligation during the year		
Present value of defined benefit obligation as at the beginning of the year	2,316.25	2,128.14
Current service cost	157.49	139.94
Interest cost	170.30	154.40
Benefits paid	(91.89)	(57.70)
Actuarial loss/(gain)	213.89	(48.53)
Present value of defined benefit obligation at the end of the year	2,766.04	2,316.25
Change in fair value of assets during the year		
Fair value of plan assets at beginning of the year	1,533.98	1,328.90
Expected return on plan assets	119.29	102.65
Employer's contribution	216.55	172.54
Benefits paid	(91.89)	(57.70)
Actuarial gains/(loss)	(16.44)	(12.41)
Fair value of plan assets at the end of the year	1,761.49	1,533.98
Net liability	1,004.55	782.27

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36.2 Defined benefit plan (contd.)

(vii) The entire plan assets are managed by the insurer. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.

(viii) Maturity profile of defined benefit obligation.

Particulars	As at March 31, 2023	As at March 31, 2022
Time Periods		
Within 1 year	80.74	59.64
2 to 5 years	571.87	329.83
6 to 10 years	821.02	634.98
More than 10 years	5,217.13	4,672.89

(ix) The Group expects to contribute ₹ 119.52 Million to its gratuity fund during the year ending March 31, 2024 (March 31, 2023: ₹ 109.45 Million).

(x) The Average future service for the defined benefit obligation is 18.44 years as on March 31, 2023 (March 31, 2022: 19.14 years).

(xi) Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate:		
Decrease in defined benefit obligation if discount rate increases by 1%	285.78	247.92
Increase in defined benefit obligation if discount rate decreases by 1%	261.62	233.96
Attrition rate:		
Increase in defined benefit obligation if salary increases by 1%	24.56	10.68
Decrease in defined benefit obligation if salary decreases by 1%	27.03	11.31
Expected rate of salary increase:		
Increase in defined benefit obligation if salary increases by 1%	144.75	191.49
Decrease in defined benefit obligation if salary decreases by 1%	199.42	220.38

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

36.3 Compensated absences

The key assumptions used in the computation of provision for compensated absences as per the actuarial valuation done by an independent actuary are as given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Assumptions		
Discount rate	7.56%	7.50%
Future salary increase	6.50%	6.50%
Attrition rate	2.00%	2.00%



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(All amounts are in Indian ₹ Million except share data and as stated)

37 DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO INDIAN ACCOUNTING STANDARD 24

37.1 Names of Related Parties and Nature of Relationship

Description of Relationship	Name of Related Party
Holding Company	Hyundai Motor Company, South Korea
Fellow Subsidiaries	Hyundai Motor Deutschland GmbH Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S. Hyundai Motor Poland Sp. Zo.O Hyundai Motor UK Limited Hyundai Motor Company Australia Pty Limited Hyundai Motor Europe GmbH Hyundai Motor Company Italy S.R.L. Hyundai Motor Czech s.r.o. Hyundai Motor CIS LLC Russia Hyundai Motor Espana S.L.U. Hyundai Motor Netherlands B.V. Hyundai Motor France SAS Hyundai Capital India Private Limited Hyundai Motor De Mexico S DE RL DE CV Hyundai Rotem Company Hyundai KEFICO Corporation Hyundai Motor Manufacturing Czech s.r.o. Hyundai Motor America Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation Hyundai Mobility Japan Co., Ltd. Hyundai Motor Sport GmbH Hyundai Motor Brasil Montadora de Automoveis LTDA Hyundai Motor Manufacturing Rus LLC PT Hyundai Motors Indonesia PT Hyundai Manufacturing Motors Indonesia
Associate of Holding Company (in respect of which the Company has had transactions during the year)	Hyundai Autoever Corp Hyundai Motor Group (China) Ltd. Hyundai Wia Corporation Kia Corporation Primemover Mobility Technologies Private Limited Hyundai Engineering & Construction Co., Ltd. Hyundai Wia Automotive Engine (shandong) Company Hyundai Transys (Shandong) Co. Ltd. Haevichi Hotel & Resort Co. Ltd.
Entities with significant influence over the Holding Company	Hyundai Mobis Company Limited
Subsidiary of entities with significant influence over the Holding Company	Mobis India Ltd. Mobis India Module Private Ltd.
Entities which are Subsidiary of Associate of Holding Company (in respect of which the Company has had transactions during the year)	Hyundai Autoever India Private limited Hyundai Wia India Pvt. Ltd. Hyundai Engineering India Pvt. Ltd. Kia Motors Slovakia s.r.o. Hyundai Transys Lear Automotive India Private Limited Hyundai Transys India Private Ltd. Kia India Private Limited HEC India LLP
Post Retirement Benefit Plans	Hyundai Motor India Limited Group Gratuity Scheme Hyundai Motor India Limited Executive Superannuation Scheme

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(All amounts are in Indian ₹ Million except share data and as stated)

37.1 Names of Related Parties and Nature of Relationship (contd.)

Description of Relationship	Name of Related Party
Key Management Personnel	Holding Company Mr Unsoo Kim - Managing Director (w.e.f. January 25, 2022) Mr. Seonseob Kim - Managing Director (up to December 31, 2021) Mr. Wang Do Hur - Whole Time Director cum CFO (w.e.f. February 3, 2023) Mr. Choon Hang Park - Whole Time Director cum CFO (up to December 31, 2022) Mr. Jong Hoon Lee - Whole Time Director Mr. Woong Sik Oh - Whole Time Director (up to August 8, 2021) Mr. Dosik Kim - Whole Time Director Mr. S Ganesh Mani - Whole Time Director (up to July 6, 2022) Mr. Gopala Krishnan C S - Whole Time Director (w.e.f. July 28, 2022) Mr. Tarun Garg - Whole Time Director Mr. Dae Han Choi - Alternate Director (w.e.f. April 20, 2022)
	Subsidiary Company - Hyundai Motor India Engineering Private Limited Mr. Yi Kuen Han - Managing Director (w.e.f. January 27, 2021) Mr. Sanghyun Jang, Chief Financial Officer (w.e.f. February 23, 2023) Mr. Junghwan Lee - Chief Financial Officer and Whole Time Director (up to January 27, 2023)
	Other Subsidiary Company - Hyundai India Insurance Broking Private Limited Mr. Sameer Samdani - Director (w.e.f. July 27, 2022) Mr. Tarun Garg - Director (w.e.f. November 8, 2021) Mr. Wangdo Hur - Director (w.e.f. March 10, 2023) Mr. Sourabh Manidhar - Compliance officer (w.e.f. November 10, 2022) Mr. Pankaj Khator - Chief Financial officer (w.e.f. November 22, 2022) Mr. Chandresh Pandey - Chief Information Security Officer (w.e.f. January 23, 2023) Mr. Choon Hang Park - Director (Upto December 31, 2022) Mr. Dong Huwy Park - Director (upto July 12, 2022)

Note:

Related Party relationships are as identified by the Management and relied upon by the Auditors.

37.2 Transactions with the related parties

Particulars	Name of the Related party	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Sale of Motor Vehicles, Parts and Raw Materials	Hyundai Motor De Mexico S DE RL DE CV Hyundai Motor Company, South Korea Kia India Private Limited Mobis India Ltd. Hyundai Transys Lear Automotive India Private Limited Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S. Hyundai Transys India Private Limited	20,493.55 92.62 20,228.75 2,072.89 1,216.82 4,180.07 0.61	13,879.66 104.99 18,593.35 1,614.26 1,110.09 2,854.34 -
Sale of Services (refer note vi)	Hyundai Motor Company, South Korea Kia Corporation Kia India Private Limited	2,295.37 1,674.92 94.06	1,896.92 1,312.40 95.98
Interest Income	Hyundai Motor De Mexico S DE RL DE CV Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	447.16 0.06	160.44 7.61



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37.2 Transactions with the related parties (contd.)

Particulars	Name of the Related party	Year ended March 31, 2023	Year ended March 31, 2022	
Other Income	Hyundai Motor Company, South Korea	7.73	3.35	
	Kia India Private Limited	64.24	133.79	
	Hyundai Engineering India Pvt. Ltd.	-	3.78	
Scrap Sales	Hyundai Wia India Pvt. Ltd.	3.08	3.77	
	Hyundai Engineering India Pvt. Ltd.	2,119.10	2,096.29	
Expenses (gross of withholding tax wherever applicable)				
Purchase of Raw Materials, Components and Spare Parts	Hyundai Motor Company, South Korea	42,368.33	33,354.79	
	Hyundai Motor Group (China) Ltd.	925.35	3,443.85	
	Hyundai KEFICO Corporation	884.37	825.73	
	Hyundai Transys Lear Automotive India Private Limited	17,589.62	10,333.14	
	Hyundai Transys India Private Ltd.	2,692.89	1,792.99	
	Hyundai Wia India Pvt. Ltd.	345.40	305.12	
	Hyundai Wia Automotive Engine (shandong) Company	2,091.70	2,023.38	
	Kia India Private Limited	14,905.44	13,206.04	
	Mobis India Ltd.	79,334.02	63,154.03	
	Mobis India Module Private Ltd.	-	0.03	
	Kia Motors Slovakia s.r.o.	14.47	8.19	
	PT Hyundai Motor Manufacturing Indonesia	440.35	-	
	Royalty	Hyundai Motor Company, South Korea	14,358.19	10,973.36
Technical Assistance Fee (refer note i)	Hyundai Motor Company, South Korea	48.71	77.35	
Advertisement and Sales Promotion Expenses	Hyundai Capital India Private Limited	85.50	95.02	
	Hyundai Autoever India Private Limited	207.19	98.68	
	Hyundai Motor Brasil Montadora de Automoveis LTDA	185.83	205.91	
	PT. Hyundai Motor Manufacturing Indonesia	0.03	-	
Warranty Expenses	Hyundai Motor Deutschland GmbH	5.35	8.53	
	Hyundai Motor Company Italy S.R.L.	3.05	5.55	
	Hyundai Motor Poland Sp. Z.o.o	0.01	0.03	
	Hyundai Motor Czech s.r.o.	0.03	0.02	
	Hyundai Motor UK Limited	1.84	2.64	
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	2.03	6.64	
	Hyundai Motor France SAS	0.09	0.10	
	Hyundai Motor Espana S.L.U.	0.37	0.22	
	Hyundai Motor Company Australia Pty Limited	12.62	0.32	
	Hyundai Motor Netherlands B.V.	0.22	0.46	
	Hyundai Motor De Mexico S DE RL DE CV	145.86	110.34	
	Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation	-	0.09	
	Hyundai Motor CIS LLC Russia	-	0.00	
	Kia India Private Limited	-	1.91	
	PT Hyundai Motors Indonesia	0.01	0.06	
	Testing Expenses	Hyundai Transys India Private Ltd.	0.11	-
		Hyundai Transys Lear Automotive India Private Limited	1.45	-
Haevichi Hotel & Resort Co. Ltd.		39.15	0.17	
Hyundai Wia India Pvt. Ltd.		0.62	0.22	
Rent	Hyundai Autoever Corp	87.43	67.54	
	Hyundai Autoever India Private Limited	180.73	136.07	

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37.2 Transactions with the related parties (contd.)

Particulars	Name of the Related party	Year ended March 31, 2023	Year ended March 31, 2022
Maintenance Charges	Hyundai Autoever India Private Limited	382.20	311.94
	Hyundai Engineering India Pvt Ltd.	405.19	516.08
	Mobis India Ltd.	2.66	1.80
Other Expenses	Hyundai Motor Company, South Korea	72.77	68.25
	Hyundai Rotem Company	1.29	1.67
	Hyundai Engineering India Pvt. Ltd.	137.09	5.05
	Mobis India Ltd.	267.76	178.41
	Hyundai Transys Lear Automotive India Private Limited	6.09	9.04
	Hyundai Autoever India Private Limited	125.22	61.83
	Haevichi Hotel & Resort Co. Ltd.	5.24	-
	Hyundai Autoever Corp	80.63	61.17
Salaries, Bonus, Perquisites and Contribution to Funds	Mr. Unsoo Kim	68.95	9.42
	Mr. Seonseob Kim	-	41.05
	Mr. Choon Hang Park	24.72	32.35
	Mr. Dosik Kim	43.88	20.80
	Mr. Jong Hoon Lee	44.31	37.29
	Mr. Woong Sik Oh	-	11.05
	Mr. Wang Do Hur	5.33	-
	Mr. Dae Han Choi	21.82	-
	Mr. S Ganesh Mani	10.88	24.33
	Mr. Tarun Garg	38.30	33.33
	Mr. Gopala Krishnan C S	12.00	-
	Mr. Yi Kuen Han	37.46	31.92
	Mr. Sanghyun Jang	2.61	-
	Mr. Junghwan Lee	13.94	14.04
	Mr. Sameer Samdani	5.27	-
Mr. Sourabh Manidhar	1.02	-	
Mr. Chandresh Pandey	0.15	-	
Mr. Pankaj Khator	1.83	-	
Others			
Purchase of Capital Goods	Hyundai Motor Company, South Korea	4,980.76	1,022.17
	Hyundai Rotem Company	22.06	3.61
	Hyundai Transys Lear Automotive India Private Limited	193.34	550.94
	Hyundai Autoever Corp	22.81	45.36
	Mobis India Ltd.	319.34	100.40
	Hyundai Wia Corporation	6.64	264.75
	Hyundai Autoever India Private Limited	416.81	289.16
	HEC India LLP	1,619.46	1,751.45
	Kia India Private Limited	-	9.85
	Hyundai Transys India Private Ltd.	11.46	0.03
	Hyundai Engineering India Pvt Ltd.	603.92	149.83
Hyundai Kefico Corporation	0.16	-	
Technical Knowhow	Hyundai Motor Company, South Korea	893.71	-
Transportation Income	Hyundai Motor De Mexico S DE RL DE CV	1,629.11	1,025.50
Rental Income	Hyundai Capital India Private Limited	5.30	5.18
	Hyundai Autoever India Private limited	16.63	-
Insurance Reimbursement	Hyundai Motor De Mexico S DE RL DE CV	65.79	44.32
Other Reimbursement	Hyundai Motor Company, South Korea	0.84	4.34



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37.2 Transactions with the related parties (contd.)

Particulars	Name of the Related party	Year ended March 31, 2023	Year ended March 31, 2022
Warranty Claim Recovered	Hyundai Motor Company, South Korea	137.73	174.35
	Hyundai Wia India Pvt. Ltd.	0.00	0.00
	Mobis India Ltd.	78.93	84.48
	Kia India Private Limited	1.45	3.14
	Hyundai Transys Lear Automotive India Private Limited	1.03	0.83
	Hyundai Transys India Private Limited	0.52	-
Dealer Reimbursement	Hyundai Autoever India Private limited	1.18	3.91
Maintenance Charges recovered	Hyundai Transys Lear Automotive India Private Limited	22.77	14.22
	Mobis India Ltd.	106.84	90.43
Discount Received	Mobis India Ltd.	1.62	1.32
Dividend Paid	Hyundai Motor Company, South Korea	14,934.51	13,593.81

37.3 Related Party balances as at the year end

Particulars	Related party	As at March 31, 2023	As at March 31, 2022	
Receivables as at Year End				
Receivables (including contractually reimbursable expenses)	Hyundai Motor Company, South Korea	198.41	186.07	
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	447.24	753.42	
	Hyundai Motor De Mexico S DE RL DE CV	11,798.00	9,602.52	
	Hyundai Transys Lear Automotive India Private Limited	135.69	157.02	
	Kia India Private Limited	4,323.95	2,905.38	
	Mobis India Ltd.	111.05	137.66	
	Hyundai Wia India Pvt. Ltd.	-	0.09	
	Hyundai Capital India Private Limited	-	0.52	
	Hyundai Transys India Private Limited	0.44	-	
	Hyundai Autoever India Private limited	20.28	-	
	Kia Corporation	138.03	131.37	
	Liabilities as at Year End			
	Payables (net of TDS wherever applicable)	Hyundai Motor Company, South Korea	3,685.18	1,229.25
Hyundai Motor Company Italy S.R.L.		0.02	0.03	
Hyundai Motor Company Australia Pty Limited		0.00	0.25	
Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.		0.01	0.77	
Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation		0.34	0.32	
Hyundai Motor Espana S.L.U.		0.01	0.03	
Hyundai Motor Deutschland GmbH		0.05	1.69	
Hyundai Motor De Mexico S DE RL DE CV		9.03	20.06	
Hyundai Motor Netherlands B.V.		0.01	0.03	
Hyundai Motor Poland Sp. Zo.O		-	0.00	
Hyundai Motor UK Limited		0.03	0.14	
Hyundai KEFICO Corporation		105.48	55.96	
Hyundai Autoever Corp		5.17	0.36	
Hyundai Wia Corporation		42.64	257.93	
Hyundai Autoever India Private Limited		145.98	11.87	
Hyundai Transys Lear Automotive India Private Limited		2,233.33	1,690.32	
Hyundai Capital India Private Limited		7.14	4.74	
Hyundai Motor Brasil Montadora de Automoveis LTDA		-	48.31	
Hyundai Motor CIS LLC Russia		0.00	0.00	

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37.3 Related Party balances as at the year end (contd.)

Particulars	Related party	As at March 31, 2023	As at March 31, 2022
	Hyundai Motor Czech s.r.o.	-	0.01
	Hyundai Motor France SAS	0.01	0.01
	PT Hyundai Motors Indonesia	-	0.06
	Hyundai Engineering India Pvt. Ltd.	77.37	81.06
	Hyundai Transys India Private Ltd.	470.53	362.59
	Hyundai Wia India Pvt. Ltd.	46.54	34.08
	Kia India Private Limited	3,436.96	1,338.75
	Mobis India Ltd.	10,633.12	9,443.41
	Kia Motors Slovakia s.r.o.	-	4.68
	Mobis India Module Private Ltd.	-	-
	Hyundai Rotem Company	0.07	-
	PT Hyundai Motor Manufacturing Indonesia	182.30	-
	Haevichi Hotel & Resort Co. Ltd	5.33	0.12
Advances to suppliers	HEC India LLP	205.07	242.24
Royalty Payable (net of Tax deducted at source)	Hyundai Motor Company, South Korea	7,417.62	4,999.88
Salary Payable (refer note v)	Mr. Unsoo Kim	4.92	4.81
	Mr. Choon Hang Park	-	3.05
	Mr. Dosik Kim	3.49	3.67
	Mr. Jong Hoon Lee	3.52	3.32
	Mr. Wang Do Hur	2.83	-
	Mr. Dae Han Choi	1.44	-
	Mr. S Ganesh Mani	-	1.61
	Mr. Tarun Garg	2.29	2.53
	Mr. Gopala Krishnan C S	0.95	-

Notes:

- The amount disclosed above includes Technical Assistance Fee capitalised amounting to Nil (March 31, 2022 ₹ 63.80 Million)
- The Holding Company/certain other Group Companies (together referred to as "Group Companies"), incur certain common costs on behalf of the Company/other entities in the Group. These costs primarily relate to certain world-wide marketing, infrastructure and other costs incurred at an overall Group Level. Such costs have been accounted for in the financial statements of the Company based on and to the extent of actual debits received from the Group Companies. The Group Companies have confirmed to the Management that, as at March 31, 2023, there are no further amounts payable to them by the Company, on this account other than the amounts disclosed in these financial statements.
- The Company incurs certain costs on behalf of other Companies in the Group. These costs have been allocated/recovered from the Group Companies on a basis mutually agreed to with the Group Companies.
- The above disclosure includes an expenditure of ₹ 1,079.97 Million (Royalty: ₹ 186.26 Million, Technical Know how: ₹ 893.71 Million) and corresponding payable of ₹ 971.99 Million for which agreement is yet to be executed with the holding company.
- Refer note 36 for information on transactions with post employment benefit plans.
- Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.



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38 SEGMENT REPORTING

- (a) The Group has two operating segments, namely "manufacture and sale of motor vehicles, engine, transmission and other parts, related after-sales activities and related engineering services" and "rendering of brokerage services" and the information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance focuses on this operating segment. Accordingly, the amounts appearing in these consolidated financial statements relate to these operating segments.
- (b) The details in respect of the key geographical areas in which the Group has operations determined based on the location of the customers are given below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	461,866.65	373,320.21
Africa	37,336.33	29,736.27
Latin America	55,675.22	36,886.42
Middle East & Europe	38,716.34	26,740.16
Others	9,481.26	7,101.25
	603,075.80	473,784.32

Note: Information about revenue are as given in Note 29

- (c) Non-current assets by geographic market (excludes financial assets and deferred tax asset)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	77,184.04	74,049.92
Unallocated	6,146.71	2,081.53
	83,330.75	76,131.45

- (d) There were no customers who contributed individually more than 10% to the group's revenue for the years ended March 31, 2023 and March 31, 2022.

39 LEASES

The Group as a lessee

The Group has entered into various lease agreements in respect of land/certain offices/showroom spaces at various places. These arrangements are non-cancellable in nature and the lease period varies from 1 year to 88 years.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Lease Liabilities:		
Opening Balance	376.42	121.84
Recognised during the year	-	328.35
Interest expenses	28.97	17.39
Lease payments	(97.92)	(91.15)
Closing Balance	307.47	376.42
Current	40.24	68.95
Non-Current	267.23	307.47
(ii) Weighted average incremental borrowing rate (% p.a.)	8.75%	8.75%
(iii) The future expected minimum lease payments under leases (undiscounted) are as follows:		
Payable in less than one year	63.29	97.92
Payable between one and five years	205.92	223.38
Payable after five years	147.83	195.11
	417.04	516.41

Notes

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39 LEASES (contd.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amounts recognised in statement of Profit and Loss		
(i) Amortisation expense of right to use assets		
Land	3.52	3.53
Buildings	81.68	89.57
	85.20	93.10
(ii) Expenses recognised in relation to leases:		
Interest on lease liabilities	28.97	17.39
Expenses relating to short-term leases	131.66	118.72
Expense relating to leases of low-value assets	2.02	2.69
Variable lease payments not included in the measurement of lease liabilities		
a) Included in Rent including lease rentals	253.78	224.99
b) Included in various expenses	213.95	218.68
Income from sub-leasing right-of-use asset	(38.35)	(36.41)

40 EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax - ₹ in Million	47,092.50	29,015.91
Weighted average number of equity shares	8,125,411	8,125,411
Earnings per share		
- Basic earnings per share (₹)	5,795.71	3,571.01
- Diluted earnings per share (₹)	5,795.71	3,571.01
Face value per share - in ₹	1,000.00	1,000.00

41 FINANCIAL INSTRUMENTS

41.1 Capital management

The Group manages its capital to ensure that it is able to continue as a going concern while maximising the return to the stakeholders through the optimisation of the debt and equity balance. The Group determines the amount of capital required on the basis of annual budgeting exercise, future capital projects outlay etc. The funding requirements are met through equity, internal accruals and borrowings (short-term/long-term).

41.2 Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2023 were as follows:

Particulars	Amortised cost	FVTPL	Total carrying value	Total fair value
Assets (refer note 7 and 11 to 14)				
Trade receivables (including unbilled revenue, if any)	28,971.92	-	28,971.92	28,971.92
Cash and cash equivalents	177,411.47	-	177,411.47	177,411.47
Loans	659.48	-	659.48	659.48
Deposits	636.91	-	636.91	636.91
MOU benefit receivable from GOTN	3,072.97	-	3,072.97	3,072.97
Interest accrued but not due on fixed deposits with banks	1,335.07	-	1,335.07	1,335.07
Other receivables	11.60	-	11.60	11.60
Liabilities (refer note 18 to 19 and 22 to 25)				
VAT/CST deferral loan and CST soft loan	8,318.04	-	8,318.04	8,318.04
Working capital facilities from banks	3,267.96	-	3,267.96	3,267.96
Trade payables	74,408.31	-	74,408.31	74,408.31
Lease liabilities	307.47	-	307.47	307.47
Payable on purchase of fixed assets	3,799.81	-	3,799.81	3,799.81
Deposits received from customers	1,228.16	-	1,228.16	1,228.16
Others	3,039.50	-	3,039.50	3,039.50



Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

41.2 Financial instruments by category (contd.)

The carrying value and fair value of financial instruments by each category as at March 31, 2022 were as follows:

Particulars	Amortised cost	FVTPL	Total carrying value	Total fair value
Assets (refer note 7 and 11 to 14)				
Trade receivables	21,824.07	-	21,824.07	21,824.07
Cash and cash equivalents	141,388.42	-	141,388.42	141,388.42
Loans	154.94	-	154.94	154.94
Deposits	617.77	-	617.77	617.77
MOU benefit receivable from GOTN	1,961.67	-	1,961.67	1,961.67
Interest accrued but not due on fixed deposits with banks	864.54	-	864.54	864.54
Unbilled revenue	52.70	-	52.70	52.70
Other receivables	2.45	-	2.45	2.45
Liabilities (refer note 18 to 19 and 22 to 25)				
VAT/CST deferral loan and CST soft loan	8,844.08	-	8,844.08	8,844.08
Working capital facilities from banks	2,556.25	-	2,556.25	2,556.25
Trade payables	54,054.28	-	54,054.28	54,054.28
Lease liabilities	376.42	-	376.42	376.42
Payable on purchase of fixed assets	1,229.92	-	1,229.92	1,229.92
Deposits received from customers	1,130.49	-	1,130.49	1,130.49
Others	1,903.02	-	1,903.02	1,903.02

41.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- ▶ Credit risk
- ▶ Liquidity risk
- ▶ Market risk

The Group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse the exposure by degree and magnitude of risks. The treasury function reports periodically to the Board of Directors of the Group. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Group's activities.

Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables, treasury operations and Government receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. The Group is not exposed to concentration of credit risk to any one single customer since the products are sold to and services are provided to customers who are spread over a vast spectrum and hence, the concentration of risk with respect to trade receivables is low.

The credit worthiness of the customers are assessed through a strong credit risk assessment policy of the Group. The Group's domestic sales operates primarily on a cash and carry/advance model and do not carry significant credit risk. The Group's credit period on export sales varies on case to case basis based on market conditions and are normally backed by a letter of credit to cover the risk.

Cash and cash equivalents and other investments

In the area of treasury operations, the Group is presently exposed to counter-party risks relating to liquid funds and short-term and medium-term deposits placed with public/private sector banks and to investments made in mutual fund. The credit risk is limited considering that the counterparties are banks with high credit ratings and repute.

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Forming part of the Consolidated Financial Statements for the year ended March 31, 2023
(All amounts are in Indian ₹ Million except share data and as stated)

41.3 Financial risk management (contd.)

Government receivables

The credit risk on receivables from government agencies/authorities is nil considering the sovereign nature of the receivables.

Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Group has concluded arrangements with well reputed banks, and has unused lines of credit that could be drawn upon, should there be a need. The Group invests its surplus funds in bank fixed deposits.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts are gross and undiscounted, and include contractual interest payments. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at March 31, 2023	Undiscounted contractual cash flows	Less than 1 year	1-3 years	3-5 years	> 5 years
Non-interest bearing					
VAT/CST deferral loan	6,517.53	1,252.38	2,607.02	2,368.94	289.19
Trade payables	74,408.31	74,408.31	-	-	-
Lease Liabilities	417.04	63.29	107.08	98.84	147.83
Other financial liabilities	6,839.31	6,839.31	-	-	-
Variable interest rate instruments					
Deposits received from customers	1,228.16	1,228.16	-	-	-
Fixed interest rate instruments					
CST soft loan	5,996.84	5.94	204.86	383.20	5,402.84
Working capital facilities from banks	3,284.80	3,284.80	-	-	-

As at March 31, 2022	Undiscounted contractual cash flows	Less than 1 year	1-3 years	3-5 years	> 5 years
Non-interest bearing					
VAT/CST deferral loan	7,694.63	1,176.98	2,607.02	2,368.94	1,541.69
Trade payables	54,054.28	54,054.28	-	-	-
Lease Liabilities	516.41	97.92	120.88	102.50	195.11
Other financial liabilities	1,955.96	1,955.96	-	-	-
Variable interest rate instruments					
Deposits received from customers	1,130.49	1,130.49	-	-	-
Fixed interest rate instruments					
CST soft loan	6,002.78	5.94	108.41	280.01	5,608.42
Working capital facilities from banks	2,557.02	2,557.02	-	-	-

Market risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.



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41.3 Financial risk management (contd.)

Currency risk - Exposure to foreign currency

The Group's exposure in USD, Korean Won and other foreign currency denominated transactions mainly on import of components, royalty payments and export of vehicles gives rise to exchange rate fluctuation risk. The Group adopts natural hedge strategy and discounting of export bills to minimise currency fluctuation risk. The appropriateness/adequacy of the natural hedging principle is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Group.

The Group's exposure to foreign currency risk as at March 31, 2023 was as follows:

All amounts in respective currencies as mentioned (in Million)

Particulars	Cash and cash equivalents	Trade receivables	Borrowing	Trade payables	Capital goods payables	Net Balance Sheet exposure	Net Balance Sheet exposure (in INR)	
USD	69.83	270.96	(32.48)	(156.26)	(37.80)	114.25	9,382.72	
EUR	2.34	5.01	-	(2.47)	(0.10)	4.78	427.63	
KRW	-	-	-	(28,468.49)	-	(28,468.49)	(1,808.03)	
JPY	-	-	-	(22.80)	(54.58)	(77.38)	(47.82)	
GBP	-	-	-	-	-	-	-	
CHF	-	-	-	(0.01)	-	(0.01)	(0.92)	

The Company's exposure to foreign currency risk as at March 31, 2022 was as follows:

All amounts in respective currencies as mentioned (in Million)

Particulars	Cash and cash equivalents	Trade receivables	Borrowing	Trade payables	Capital goods payables	Net Balance Sheet exposure	Net Balance Sheet exposure (in INR)	
USD	62.50	234.95	(33.75)	(103.09)	(12.76)	147.86	11,200.42	
EUR	1.35	8.92	-	(2.40)	(0.86)	7.00	592.03	
KRW	-	-	-	(19,196.24)	(498.02)	(19,694.27)	(1,231.88)	
JPY	-	-	-	(20.55)	(136.69)	(157.24)	(97.38)	
GBP	-	-	-	-	(0.00)	(0.00)	(0.44)	
CHF	-	-	-	(0.01)	(0.09)	(0.09)	(7.65)	

Currency risk - Sensitivity analysis

The Group is mainly exposed to the currencies of USD, EUR, KRW and JPY.

The following table details the Group's sensitivity to a 5% increase in the INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR increases 5% against the relevant currency.

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
USD	355.87	-	589.16	-
EUR	16.02	-	22.14	-
KRW	(67.65)	-	(46.09)	-
JPY	(1.79)	-	(3.64)	-

A 5% decrease in the rupee against the above currencies as at March 31, 2023 and 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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41.3 Financial risk management (contd.)

Interest rate risk

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Group.

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments were as follows:

Fixed rate instruments	Carrying amount	
	March 31, 2023	March 31, 2022
Financial assets		
- Fixed deposits with banks	170,189.40	134,805.39
Financial liabilities		
- Borrowing from others (CST Soft loan @ 0.01%)	2,936.41	2,725.21
- Working capital facilities from banks	3,267.96	2,556.25

Fair value sensitivity for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

42 FAIR VALUE MEASUREMENT

Financial assets and financial liabilities that are not measured at fair value:

The management considers that the carrying amount of all the financial asset and financial liabilities that are not measured at fair value in the standalone financial statements approximate the fair values and, accordingly, no disclosures of the fair value hierarchy is required to be made in respect of these assets/liabilities.

43 INCOME TAXES

43.1 Income tax recognised in the Statement of profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
- In respect of current year	18,511.88	11,331.52
- In respect of previous years	(97.35)	(953.65)
Deferred tax		
- In respect of current year	(2,051.28)	(1,671.72)
Total income tax expense recognised in the current year	16,363.25	8,706.15

43.2 Income tax expense for the year reconciled to the accounting profit

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Gross amount	Tax amount	Gross amount	Tax amount
Profit before tax	63,455.75		37,722.06	
Income tax rate		25.168%		25.168%
Income tax expense		15,970.54		9,493.89
Tax effect of:				
(a) Effect of expenses that are not deductible in determining taxable profit	1,686.43	424.44	844.72	212.60
(b) Effect of net additional/(reversal) of provision in respect of prior years	-	(97.35)	-	(953.65)
(c) Others	260.73	65.62	(185.51)	(46.69)
Income tax expense recognised in the Statement of profit and loss		16,363.25		8,706.15



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43.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	57.97	(9.09)
	57.97	(9.09)

43.4 Following is the analysis of the deferred tax asset/(liabilities) presented in the balance sheet

As at March 31, 2023	Opening balance	Recognised in profit and loss (net)	Recognised in OCI (net)	Closing balance
Tax effect of items constituting deferred tax liabilities:				
Export benefits	237.97	(215.64)	-	22.33
Provision for warranty	213.72	26.87	-	240.59
Deferred tax liabilities	451.69	(188.77)	-	262.92
Tax effect of items constituting deferred tax assets:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	5,746.83	1,761.46	-	7,508.29
Provision for doubtful assets	81.89	-	-	81.89
Employee benefits	532.10	87.35	57.97	677.42
Provision for disputed matters	177.09	(8.49)	-	168.60
Sec.43A Disallowance	41.84	39.84	-	81.68
Loss Operations	3.18	-	-	3.18
Others	25.50	(17.65)	-	7.85
Deferred tax assets	6,608.43	1,862.51	57.97	8,528.91
Net deferred tax liabilities/(assets)	(6,156.74)	(2,051.28)	(57.97)	(8,265.99)

As at March 31, 2022	Opening balance	Recognised in profit and loss (net)	Recognised in OCI (net)	Closing balance
Tax effect of items constituting deferred tax liabilities:				
Export benefits	76.80	161.17	-	237.97
Provision for warranty	235.08	(21.36)	-	213.72
Others	-	-	-	-
Deferred tax liabilities	311.88	139.81	-	451.69
Tax effect of items constituting deferred tax assets:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	3,999.18	1,747.65	-	5,746.83
Provision for doubtful assets	81.89	-	-	81.89
Employee benefits	482.11	59.08	(9.09)	532.10
Provision for disputed matters	190.74	(13.65)	-	177.09
Sec.43A Disallowance	39.40	2.44	-	41.84
Loss Operations	-	3.18	-	3.18
Others	12.67	12.83	-	25.50
Deferred tax assets	4,805.99	1,811.53	(9.09)	6,608.43
Net deferred tax liabilities/(assets)	(4,494.11)	(1,671.72)	9.09	(6,156.74)

43.5 Transfer pricing - International transactions

The Group has entered into international transactions with associated enterprises. For the financial year ended March 31, 2022, the Group has obtained the Accountant's report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the year ended March 31, 2023, the Group maintains documents as prescribed by the Income-tax Act to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

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44 INFORMATION AS REQUIRED BY PART III OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entity	Net assets (i.e. total assets minus total liabilities)	Share in profit and loss	Share in other comprehensive income	Share in total comprehensive income
A Parent Company				
As at March 31, 2023				
As a % of consolidated	98.62%	98.82%	102.52%	98.81%
Amount	197,778.71	46,538.47	(176.70)	46,361.77
As at March 31, 2022				
As a % of consolidated	98.69%	98.63%	96.74%	98.63%
Amount	166,351.43	28,617.63	26.14	28,643.77
B Subsidiary - Indian				
Hyundai Motor India Engineering Private Limited				
As at March 31, 2023				
As a % of consolidated	2.02%	0.98%	-2.52%	0.99%
Amount	4,054.74	460.61	4.34	464.95
As at March 31, 2022				
As a % of consolidated	2.13%	1.40%	3.26%	1.40%
Amount	3,589.79	406.94	0.88	407.82
C Subsidiary - Indian				
Hyundai India Insurance Broking Private Limited				
As at March 31, 2023				
As a % of consolidated	0.09%	0.20%	0.00%	0.20%
Amount	182.12	93.67	-	93.67
As at March 31, 2022				
As a % of consolidated	0.02%	-0.03%	0.00%	-0.03%
Amount	30.45	(9.55)	-	(9.55)
D Inter-company eliminations				
As at March 31, 2023				
As a % of consolidated	0.73%	0.00%	0.00%	0.00%
Amount	1,467.39	0.25	-	0.25
As at March 31, 2022				
As a % of consolidated	0.84%	0.00%	0.00%	0.00%
Amount	1,409.11	(0.89)	-	(0.89)
E Total - as at March 31, 2023				
As a % of consolidated	100%	100%	100%	100%
Amount	200,548.18	47,092.50	(172.36)	46,920.14
Total - as at March 31, 2022				
As a % of consolidated	100%	100%	100%	100%
Amount	168,562.55	29,015.91	27.02	29,042.93

Notes

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45 DETAILS ON RELATIONSHIPS WITH STRUCK OFF COMPANIES

Name of the Group entity that has a relationship with struck off company	Name of the struck off company	Nature of transactions with struck off company	March 31, 2023		March 31, 2022	
			Balance outstanding	Relationship with struck off company	Balance outstanding	Relationship with struck off company
Hyundai Motor India Limited	Aquatech Systems (Asia) Pvt. Ltd.	Payables	3.31	External vendor	-	External vendor
Hyundai Motor India Limited	Concord Automotives Pvt. Ltd.	Payables	0.76	External vendor	0.72	External vendor
Hyundai Motor India Limited	Dhoot Motors (Jalgaon) Pvt. Ltd.	Payables	-	External vendor	0.01	External vendor
Hyundai Motor India Limited	Kamla Landmarc Cars Pvt. Ltd.	Payables	1.02	External vendor	1.97	External vendor
Hyundai Motor India Limited	Miheer'S Motor Pvt. Ltd.	Payables	0.62	External vendor	1.00	External vendor
Hyundai Motor India Limited	Opel Energy Systems Pvt. Ltd.	Payables	0.66	External vendor	-	External vendor
Hyundai Motor India Limited	Pyrotek India Pvt. Ltd.	Payables	0.25	External vendor	-	External vendor
Hyundai Motor India Limited	Sonebhadra Automobiles Pvt. Ltd.	Payables	5.04	External vendor	9.79	External vendor

46 ADDITIONAL REGULATORY INFORMATION PURSUANT TO THE REQUIREMENT IN DIVISION II OF SCHEDULE II TO THE COMPANIES ACT, 2013

Regulatory information	Particulars
Details of benami property held	The Group does not hold any benami property
Wilful defaulter	The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.
Compliance with number of layers of companies	The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017
Undisclosed income	The Group does not have any transaction not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
Loans or advances to specified persons	The Group has not provided any loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment
Valuation of PP&E, intangible asset and investment property	The Group has not revalued any of its property, plant and equipment (including right-of-use assets), intangible asset and investment property during the year.

47 Previous period figures have been re-grouped/re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the Schedule III to the Companies Act 2013 effective from April 1, 2021.

As per our report of even date attached.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership Number: 203491

Place: Chennai
Date: July 11, 2023

for and on behalf of the Board of Directors of
Hyundai Motor India Limited
CIN: U29309TN1996PLC035377

Unsoo Kim
Managing Director
DIN: 09470874

M V Vidya
Company Secretary
Membership Number: 7296

Place: Gurgaon
Date: July 11, 2023

Wangdo Hur
Executive Director and CFO
DIN: 10039866

Notes

Hyundai EXTER.

Think outside. Think EXTER.



Concept, content and design at AICL (hello@aicl.in)

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