

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 2022, 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 2022, 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.

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA91223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-9181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (*Continued*)

Hyundai Motor India Limited

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.



Independent Auditor's Report (Continued)

Hyundai Motor India Limited

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 as on 01 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 2022 on its financial position in its standalone financial statements - Refer Note 36.1 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 persons or entities, 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.
- (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 persons or entities, 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) above contain any material misstatement.



Independent Auditor's Report (Continued)

Hyundai Motor India Limited

- e. The final dividend paid by the Company during the year, which was declared in 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 standalone financial statements, the Board of Directors of the Company has 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.

- C. With respect to the matter to be included in the Auditors' Report under section 197(16):

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) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248WW-100022



S Sethuraman

Partner

Place: Chennai

Date: 05 July 2022

Membership No.: 203491

ICAI UDIN:22203491AMGGQP5679

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Hyundai Motor India Limited for the year ended 31 March 2022

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

- (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 in a phased manner over a period of three years. In accordance with this programme, certain 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 material 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 made any investments, provided guarantee or security, granted loans or advances in the nature of loans, secured or unsecured to firms, limited liability partnership or any other parties during the year. However, the Company has made investments in companies during the year. The Company has not provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies during the year.
- (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 and guarantees provided during the year.

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Hyundai Motor India Limited for the year ended 31 March 2022
(Continued)**

- (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 manufactured goods and are of the opinion that 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 2022 for a period of more than six months from the date they became payable.

- (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, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Hyundai Motor India Limited for the year ended 31 March 2022
(Continued)**

Name of the statute	Nature of the dues	Amount (Rs.)	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
Finance Act, 1994	Service Tax	512.22	99.20	413.02	FY 2004-05, FY 2007-08, FY 2017-18	Customs, Excise and Service Tax Appellate Tribunal
		36.13	-	36.13	FY 2012-13 to FY 2016-17	Commissioner Appeals
Central Excise Act, 1944	Duty of Excise	0.28	-	0.28	FY 1999-00	Commissioner Appeals
		5.63	-	5.63	FY 2006-07 to FY 2007-08	Customs, Excise and Service Tax Appellate Tribunal
		10.20	-	10.20	FY 2003-04 to FY 2007-08	Honorable Supreme Court
		7,248.41	100.21	7,148.20	FY 2021-22	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
The Customs Act, 1962	Duty Drawback	261.33	261.33	-	September 2007 to August 2009	Honorable High Court of Madras

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Hyundai Motor India Limited for the year ended 31 March 2022 (Continued)

Name of the statute	Nature of the dues	Amount (Rs.)	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	Anti Dumping Duty	320.40	165.66	154.74	April 2014 to March 2021	Honorable Supreme Court
		6,967.78	6,967.78	-		
	Duty of Customs	5,689.15	-	5,689.15	July 2006 to August 2011	Customs, Excise and Service Tax Appellate Tribunal
		280.61	-	280.61	June 2016 to March 2018, November 2010 to February 2011, March 2014 to February 2015	
		29.33	29.33	-	June 2004	
		595.64	595.64	-	FY 2021-22	
Extra Duty Deposit	91.31	-	91.31	FY 1997-02	Honorable High Court of Madras	
Income Tax Act, 1961	Income Tax	4,136.97	127.08	4,009.89	FY 2002-03, FY 2004-05 to FY 2005-06, FY 2007-08 to FY 2010-11, FY 2012-13,	Honorable High Court of Madras

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Hyundai Motor India Limited for the year ended 31 March 2022
(Continued)**

Name of the statute	Nature of the dues	Amount (Rs.)	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
Income Tax Act, 1961					FY 2014-15 to FY 2015-16, FY 2012-13, FY 2014-15 to FY 2015-16	
		2,562.79	50.28	2,512.51	FY 2011-12	Income Tax Appellate Tribunal
		2,345.75	1,009.00	1,336.76	FY 1998-99 to FY 2005-06, FY 2007-08 to FY 2010-11, FY 2013-14	CIT (A)

- (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



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Hyundai Motor India Limited for the year ended 31 March 2022 (Continued)

- 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. Such internal audit system has an implementation programme over a phased manner.
- (a) 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) The Company is not part of any group (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.

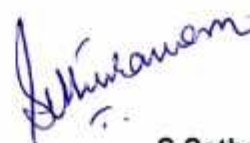
**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Hyundai Motor India Limited for the year ended 31 March 2022
(Continued)**

- (xvii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (ix) 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, other information accompanying the standalone financial statements, 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.: 101248WW-100022



S Sethuraman

Partner

Place: Chennai

Date: 05 July 2022

Membership No.: 203491

ICAI UDIN: 22203491AMGGQP5679

Annexure B to the Independent Auditor's Report on the standalone financial statements of Hyundai Motor India Limited for the year ended 31 March 2022

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 2022 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 2022, 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

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Hyundai Motor India Limited for the year ended 31 March 2022
(Continued)**

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.:101248WW-100022



S Sethuraman

Partner

Place: Chennai

Date: 05 July 2022

Membership No.: 203491

ICAI UDIN:22203491AMGGQP5679

Hyundai Motor India Limited

Standalone Balance Sheet as at March 31, 2022

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

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	61,262.90	66,585.37
Capital work-in-progress	4.1	5,290.62	7,958.71
Intangible assets	5	3,695.49	5,056.99
Right-of-use assets	6	636.07	410.63
Financial assets			
Investment in wholly-owned subsidiaries	7	1,410.00	1,370.00
Other financial assets	8	468.32	473.36
Non-current tax assets (net)	9	1,946.12	4,998.10
Deferred tax assets (net)	44.4	5,986.21	4,345.74
Other non-current assets	10	2,032.92	2,012.17
Total non-current assets		82,728.65	93,211.07
Current assets			
Inventories	11	28,811.20	25,633.20
Financial assets			
Trade receivables	12	21,490.85	24,406.15
Cash and cash equivalents	13	139,658.39	114,218.55
Loans	14	154.94	254.85
Other financial assets	15	2,950.84	2,825.76
Other current assets	16	5,043.35	4,432.81
Total current assets		198,109.57	171,771.32
Total assets		280,838.22	264,982.39
Equity and liabilities			
Equity			
Equity share capital	17	8,125.41	8,125.41
Other equity	18	158,226.04	143,176.06
Total equity		166,351.45	151,301.47
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	7,667.10	8,158.46
Lease liabilities	20	289.83	46.86
Provisions	21	7,465.57	7,651.29
Other non-current liabilities	22	7,378.07	6,648.64
Total non-current liabilities		22,800.57	22,505.25
Current liabilities			
Financial liabilities			
Borrowings	23	3,733.23	5,259.06
Lease liabilities	24	61.12	74.98
Trade payables			
Total outstanding dues of micro and small enterprises	25	1,273.33	1,393.20
Total outstanding dues other than micro and small enterprises		52,712.53	59,146.32
Other financial liabilities	26	4,197.80	3,944.08
Provisions	27	4,521.19	4,089.26
Current tax liabilities (net)	28	1,984.37	2,670.59
Other current liabilities	29	23,202.63	14,598.18
Total current liabilities		91,686.20	91,175.67
Total liabilities		114,486.77	113,680.92
Total equity and liabilities		280,838.22	264,982.39

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 E S R & Co. LLP

Chartered Accountants

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

S Sethuraman

Partner

Membership Number: 203491

for and on behalf of the Board of Directors of

Hyundai Motor India Limited

CIN: U29309TN1996PLC035377

Unsoo Kim

Managing Director

DIN: 09470874

Choon Hang Park

Executive Director and CFO

DIN: 08234169

M V Vidya

Company Secretary

Membership Number: 7296

Place : Chennai

Date : July 05, 2022

Place Gurgaon

Date : July 05, 2022

Hyundai Motor India Limited**Standalone Statement of Profit and Loss for the year ended March 31, 2022***(All amounts are in Indian ₹ million except share data and as stated)*

		Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	30	470,427.93	406,740.12
Other income	31	5,808.95	4,269.92
Total income		476,236.88	411,010.04
Expenses			
Cost of materials consumed	32(a)	352,308.08	304,696.79
Purchases of stock-in-trade	32(b)	6,564.05	7,553.02
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32(c)	(621.20)	1,048.06
Employee benefits expense	33	14,734.01	13,022.06
Finance costs	34	1,318.94	1,646.47
Depreciation and amortisation expense	6.1	21,356.79	19,437.14
Other expenses	35	43,549.89	38,913.41
Cost of vehicles for own use		(201.61)	(236.81)
Total expenses		439,008.95	386,080.14
Profit before tax		37,227.93	24,929.90
Tax expense			
Current tax	44.1	10,259.55	8,200.43
Deferred tax (net)	44.1	(1,649.27)	(1,742.15)
Total tax expense		8,610.28	6,458.28
Profit for the year		28,617.65	18,471.62
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	34.93	41.64
Income tax relating to the above	44.3	(8.79)	(10.48)
Total other comprehensive income/(loss) for the year		26.14	31.16
Total comprehensive income for the year		28,643.79	18,502.78
Earnings per equity share (₹ 1000 paid up)			
- Basic	41	3,521.99	2,273.32
- Diluted		3,521.99	2,273.32
Significant accounting policies			
2			

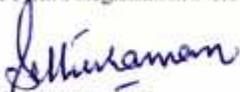
The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

for **BSR & Co. LLP**

Chartered Accountants

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


S Sethuraman

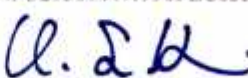
Partner

Membership Number: 203491

for and on behalf of the Board of Directors of

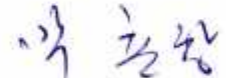
Hyundai Motor India Limited

CIN: U29309TN1996PLC035377


Unsoo Kim

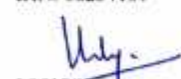
Managing Director

DIN: 09470874


Choon Hang Park

Executive Director and CFO

DIN: 08234169


M V Vidya

Company Secretary

Membership Number: 7296

Place : Chennai

Date : July 05, 2022

Place : Gurgaon

Date : July 05, 2022

Hyundai Motor India Limited

Standalone Statement of Changes in Equity for the year ended March 31, 2022

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

A. Equity share capital (refer note 17)

Balance as at April 1, 2020

Changes in equity share capital during the year

Balance as at March 31, 2021

Changes in equity share capital during the year

Balance as at March 31, 2022

	No. of shares	In millions
Balance as at April 1, 2020	8,125,411	8,125.41
Changes in equity share capital during the year	-	-
Balance as at March 31, 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

B. Other equity

Particulars

Balance as at April 1, 2020

a) Profit for the year ended March 31, 2021

b) Other comprehensive income / (loss) (net of tax) - Transferred to retained earnings

Total comprehensive income / (loss) for the year ended March 31, 2021

Balance as at March 31, 2021

Balance as at April 1, 2021

a) Profit for the year ended March 31, 2022

b) Other comprehensive income / (loss) (net of tax) - Transferred to retained earnings

c) Dividend paid (including withholding tax)

Total comprehensive income / (loss) for the year ended March 31, 2022

Balance as at March 31, 2022

Particulars	Reserves and surplus		Total
	General Reserve	Retained earnings	
Balance as at April 1, 2020	4,963.91	119,709.37	124,673.28
a) Profit for the year ended March 31, 2021	-	18,471.62	18,471.62
b) Other comprehensive income / (loss) (net of tax) - Transferred to retained earnings	-	31.16	31.16
Total comprehensive income / (loss) for the year ended March 31, 2021	-	18,502.78	18,502.78
Balance as at March 31, 2021	4,963.91	138,212.15	143,176.06
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 (including withholding tax)	-	(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

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 **BSR & Co. LLP**

Chartered Accountants

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



S Sethuraman

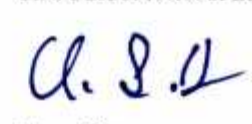
Partner

Membership Number: 203491

for and on behalf of the Board of Directors of

Hyundai Motor India Limited

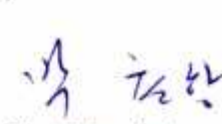
CIN: U29309TN1996PLC035377



Unsoo Kim

Managing Director

DIN: 09470874



Choon Hang Park

Executive Director and CFO

DIN: 08234169



M V Vidya

Company Secretary

Membership Number: 7296

Place : Chennai

Date : July 05, 2022

Place : Gurgaon

Date : July 05, 2022

Hyundai Motor India Limited

Standalone Statement of Cash Flows for the year ended March 31, 2022

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

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Profit for the year	28,617.65	18,471.62
<i>Adjustments for</i>		
Tax expense	8,610.28	6,458.28
Depreciation and amortisation expense	21,264.84	19,327.46
Depreciation on right of use assets	91.95	109.68
Finance costs	1,318.94	1,646.47
Loss on PPE sold / scrapped / written off (net)	53.12	28.96
Donations	-	5.07
Interest income from bank deposits	(3,893.97)	(3,048.76)
Interest income on refund of income tax	(354.60)	143.95
Income from government grant	(691.66)	(713.46)
Unrealised exchange (gain) / loss (net)	(38.27)	183.80
Operating profit before working capital/other changes	54,978.28	42,613.07
<i>Working capital adjustments</i>		
(Increase)/decrease in inventories	(3,178.00)	2,066.64
(Increase)/decrease in trade receivables	2,901.01	(9,842.70)
(Increase)/decrease in loans (current)	99.91	68.06
(Increase)/decrease in other financial assets (current and non-current)	330.09	3,029.00
(Increase)/decrease in other assets (current and non-current)	(479.89)	3,480.47
Increase/(decrease) in trade payables	(6,497.69)	14,443.64
Increase/(decrease) in other financial liabilities (current)	292.52	499.62
Increase/(decrease) in other liabilities (current and non-current)	10,019.62	6,407.05
Increase/(decrease) in provisions (current and non-current)	(117.21)	(39.25)
Cash generated from operating activities	58,348.64	62,725.60
Income taxes paid (net of refunds)	(7,537.77)	(9,076.24)
Net cash generated from operating activities (A)	50,810.87	53,649.36
Cash flows from investing activities		
Investment in subsidiary during the year	(40.00)	-
Capital expenditure (including capital advances, net of payables on purchase of property, plant and equipment and intangible assets)	(12,279.19)	(25,384.52)
Proceeds from sale of property, plant and equipment	109.93	40.21
Interest received on bank deposits	3,443.84	3,769.11
Net cash used in investing activities (B)	(8,765.42)	(21,575.20)
Cash flows from financing activities (refer note below)		
Proceeds from central sales tax soft loan	-	181.92
Repayment of sales tax / VAT deferral loan	(1,087.10)	(1,141.76)
Repayment of lease liabilities	(89.71)	(117.14)
Proceeds from short term borrowings	10,462.86	14,403.51
Repayment of short term borrowings	(12,083.48)	(11,451.25)
Finance costs paid	(228.93)	(440.80)
Dividend paid (including withholding tax)	(13,593.81)	-
Net cash flows (used in) / from financing activities (C)	(16,620.17)	1,434.48
Net increase/(decrease) in cash and cash equivalents (A+B+C)	25,425.28	33,508.64
Cash and cash equivalents at the beginning of the year	114,218.55	80,704.23
Effect of exchange rate fluctuations on cash and cash equivalents held	14.56	5.68
Cash and cash equivalents at the end of the year	139,658.39	114,218.55
Cash and cash equivalents as per note 13	139,658.39	114,218.55



Hyundai Motor India Limited

Standalone Statement of Cash Flows for the year ended March 31, 2022

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

Notes:

- a) 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.
- b) 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, 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
Lease liabilities (refer note 40)	121.84	(89.71)	318.82	350.95

For the year ended March 31, 2021

Particulars	As at March 31, 2020	Cash flow changes (net)	Non-cash changes	As at March 31, 2021
VAT/CST deferral loan (unsecured) (refer note 19)	7,147.23	(959.84)	528.87	6,716.26
CST soft loan (secured) (refer note 19)	2,347.28	-	181.92	2,529.20
Export receivables discounted on a "With recourse" basis (refer note 23)	1,275.53	2,952.26	(55.73)	4,172.06
Lease liabilities (refer note 40)	213.40	(117.14)	25.58	121.84

Significant accounting policies - Refer note 2

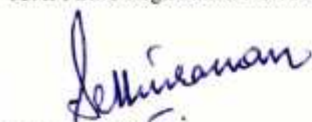
The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

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



S Sethuraman

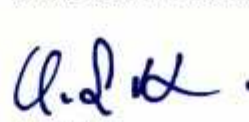
Partner

Membership Number: 203491

for and on behalf of the Board of Directors of

Hyundai Motor India Limited

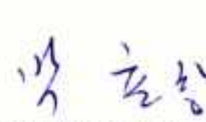
CIN: U29309TN1996PLC035377



Unsoo Kim

Managing Director

DIN: 09470874



Choan Hang Park

Executive Director and CFO

DIN: 08234169



M V Vidya

Company Secretary

Membership Number: 7296

Place : Chennai

Date : July 05, 2022

Place : Gurgaon

Date : July 05, 2022

Hyundai Motor India Limited

Hyundai Motor India Limited

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

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

As at 31 March 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

As at 31 March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	5,161.38	1,769.01	1,028.32	-	7,958.71
(ii) Projects temporarily suspended	-	-	-	-	-
Total	5,161.38	1,769.01	1,028.32	-	7,958.71

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, 2022 and March 31, 2021.

5 Intangible assets

(See accounting policy in note 2.9)

Particulars	Computer software	Technical knowhow	Total
Cost			
Balance at April 1, 2020	1,501.91	8,796.92	10,298.83
Additions	57.17	1,315.35	1,372.52
Disposals	0.05	-	0.05
Balance at March 31, 2021	1,559.03	10,112.27	11,671.30
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
Accumulated amortisation			
Balance at April 1, 2020	1,036.19	3,932.51	4,968.70
Amortisation for the year	160.88	1,484.78	1,645.66
Disposals	0.05	-	0.05
Balance at March 31, 2021	1,197.02	5,417.29	6,614.31
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
Carrying amount (net)			
As at March 31, 2021	362.01	4,694.98	5,056.99
As at March 31, 2022	304.00	3,391.49	3,695.49



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

(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 Irrungattukottai, 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, 2022 were approved and authorised for issue in accordance with the resolution of the Board of Directors on July 05, 2022.

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
- (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)



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

2. Significant accounting policies (continued)

2.3 Critical accounting judgements and key sources of estimation uncertainty

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, intangible assets, trade receivables and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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 from sale of products are measured at fair value of the consideration received or receivable after deduction of discounts / rebates, sales incentives and any taxes or duties collected on behalf of the government. Revenues are recognized 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. Revenue are recognised when recovery of consideration is probable.

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.

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

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

Interest income is recognized using the effective interest rate method.

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



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

2. Significant accounting policies (continued)

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.

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 capitalized 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



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

2. Significant accounting policies (continued)

2.9 Intangible assets (continued)

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 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 / utilizing 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. 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.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

2. Significant accounting policies (continued)

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 recognized 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 recognizes 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 recognized as an expense in the year in which the services are rendered by the employees.



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Notes to the standalone financial statements for the year ended March 31, 2022

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

2. Significant accounting policies (continued)

2.1 Employee benefits (continued)

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 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 judgment. 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.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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2. Significant accounting policies (continued)

2.16 Leases (continued)

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.

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

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.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

2. Significant accounting policies (continued)

2.19 Research and development expenditure (continued)

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:

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.

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.

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
- ✓ 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 recognized in the standalone financial statements since this may result in the recognition of income that may never be realized.

2.22 Investment in wholly owned subsidiaries

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



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2. Significant accounting policies (continued)

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 capitalization.

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:

Recent accounting developments

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts

Costs of Fulfilling a Contract The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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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, 2020	5,210.67	11,543.24	61,271.54	48,442.09	859.75	825.75	1,489.63	731.74	787.84	500.98	131,663.23
Additions	-	3,318.28	11,769.35	3,810.46	729.55	102.85	373.30	168.59	167.55	1.45	20,441.39
Disposals	-	-	7.28	127.19	3.11	5.75	5.52	91.02	67.08	1.30	308.25
Balance at March 31, 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
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
Accumulated depreciation											
Balance at April 1, 2020	-	2,705.62	34,097.60	28,143.80	539.55	457.10	784.87	364.17	451.67	223.90	67,768.28
Depreciation for the year	-	623.09	10,729.16	5,424.02	160.91	141.02	271.19	186.00	136.60	9.81	17,681.79
Disposals	-	-	7.28	108.35	2.89	4.96	5.47	53.27	56.28	0.57	239.08
Balance at March 31, 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
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
Carrying amount (net)											
As at March 31, 2021	5,210.67	11,532.81	28,214.13	18,665.89	888.62	329.69	806.83	312.41	356.33	267.99	66,585.37
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

Notes:

(i) Gross block as at March 31, 2022 includes ₹ 67,956.55 million (March 31, 2021 - ₹ 62,032.18 million) of assets situated at third party locations.

(ii) Includes assets whose gross block is ₹ 4,850.76 million as at March 31, 2022 (₹ 4,511.82 million as at March 31, 2021), hypothecated in favour of SIPCOT in respect of the soft loan taken by the Company. Also refer note 19(ii).

(iii) Depreciation expense for the year includes depreciation on research and development assets amounting to ₹ 89.94 million (March 31, 2021 - ₹ 105.35 million).

(iv) 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.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

*(All amounts are in Indian ₹ million except share data and as stated)***6 Right-of-use assets***(See accounting policy in note 2.16)*

Particulars	Land	Building	Total
Cost			
Balance at April 1, 2020	143.00	444.94	587.94
Additions	157.71	11.79	169.50
Disposals	-	-	-
Balance at March 31, 2021	300.71	456.73	757.44
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
Accumulated depreciation			
Balance as at April 1, 2020	2.07	235.06	237.13
Depreciation for the year	3.14	106.54	109.68
Disposals	-	-	-
Balance as at March 31, 2021	5.21	341.60	346.81
Balance as at April 1, 2021	5.21	341.60	346.81
Depreciation for the year	3.53	88.42	91.95
Disposals	-	-	-
Balance as at March 31, 2022	8.74	430.02	438.76
Carrying amount (net)			
Net carrying amount as at March 31, 2021	295.50	115.13	410.63
Net carrying amount as at March 31, 2022	291.97	344.10	636.07

6.1 Depreciation and amortisation expense

	Year ended March 31, 2022	Year ended March 31, 2021
--	------------------------------	------------------------------

a) Depreciation of property, plant and equipment (refer note 4)	19,822.24	17,681.79
b) Amortisation of intangible assets (refer note 5)	1,442.60	1,645.66
c) Depreciation of right-of-use assets (refer note 6)	91.95	109.68
	21,356.79	19,437.14



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
7 Investments - financial assets (non-current) (See accounting policy in note 2.22)		
Investment in subsidiaries - unquoted - carried at cost		
Hyundai Motor India Engineering Private Limited, a wholly owned subsidiary (1,370,000 [As at March 31, 2021 - 1,370,000] equity shares of ₹ 1,000 each, fully paid up)	1,370.00	1,370.00
Hyundai India Insurance Broking Private Limited, a wholly owned subsidiary (4,000,000 [As at March 31, 2021 - Nil] equity shares of ₹ 10 each, fully paid up)	40.00	-
	<u>1,410.00</u>	<u>1,370.00</u>
<i>Aggregate amount of impairment in value of investments</i>	-	-
8 Other financial assets - non-current (unsecured, considered good)		
a) Security deposits - measured at amortised cost	468.32	473.36
	<u>468.32</u>	<u>473.36</u>
9 Non-current tax assets		
a) Advance income tax / tax deducted at source	792.53	991.15
b) Income tax paid under protest	1,153.59	4,006.95
	<u>1,946.12</u>	<u>4,998.10</u>
10 Other non-current assets		
a) Capital advances	562.06	410.66
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))	383.79	514.44
	<u>2,032.92</u>	<u>2,012.17</u>

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.



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
11 Inventories		
(See accounting policy in note 2.4)		
a) (i) Raw materials and components	14,001.93	10,497.39
(ii) Materials in transit	3,603.48	4,619.48
b) Work in progress - Motor vehicles, engines, transmission and parts	9,668.22	6,349.89
c) Finished goods (other than those acquired for trading)		
(i) Motor vehicles	468.52	3,131.89
(ii) Engines, transmission and parts	25.36	53.45
d) Stock in trade - service parts (acquired for trading)	16.45	22.12
e) Stores and spare parts	1,027.24	958.98
	28,811.20	25,633.20

Notes:

- (i) The cost of inventories (including cost of traded goods) recognised as expense during the year is ₹ 397,328.36 million (March 31, 2021 - ₹ 345,452.26 million)
- (ii) The cost of inventories recognised as expense includes adjustments towards reversal of write down of inventories to the extent of ₹ 7.63 million (March 31, 2021 - ₹ 62.84 million write down).

12 Trade receivables - financial assets (current)

a) Secured, considered good	8,023.16	11,203.42
b) Unsecured, considered good	13,467.69	13,202.73
c) Which have significant increase in credit risk	-	-
d) Credit impaired	-	-
	21,490.85	24,406.15

Also refer note 38.2 for trade receivables from related parties.

Notes:

- (i) Transferred trade receivables that are not derecognized
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 ₹ 2,556.25 million (As at March 31, 2021 ₹4,172.06 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, 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	21,052.53	428.42	0.07	9.83	-	-	21,490.85
Receivables considered good							

Balance as at March 31, 2021	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	20,392.12	4,013.90	0.12	-	-	-	24,406.15
Receivables considered good							



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
13 Cash and cash equivalents - financial assets (current)		
a) Cash on hand	0.08	0.21
b) Balances with banks		
(i) In current accounts	1,677.50	1,265.02
(ii) In EEFC accounts	4,622.01	3,563.32
(iii) In deposit accounts	133,358.80	109,390.00
	<u>139,658.39</u>	<u>114,218.55</u>
Cash and cash equivalents as per the Statement of Cash Flows	139,658.39	114,218.55
Balance in current accounts includes ₹ 10.78 million pertaining to unspent account towards CSR (refer note 48)		
Details of bank deposits		
Deposits with original maturity of 3 months or less	53,080.00	37,640.00
Deposits due to mature within 12 months of the reporting date	80,278.80	71,750.00
Deposits due to mature after 12 months of the reporting date	-	-
Total balances with banks in deposit accounts	<u>133,358.80</u>	<u>109,390.00</u>
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.		
14 Loans - financial assets (current)		
Advances to employees, unsecured, considered good	154.94	254.85
	<u>154.94</u>	<u>254.85</u>
15 Other financial assets (current) (unsecured, considered good)		
a) Deposits	123.79	194.87
b) MoU benefit receivable from GOTN	1,961.67	2,219.87
c) Interest accrued but not due on fixed deposits with Banks	856.65	406.53
d) Other receivables	8.73	4.49
	<u>2,950.84</u>	<u>2,825.76</u>
16 Other current assets		
a) Receivable from government authorities (unsecured, considered good)		
(i) GST credit receivable	806.61	650.86
(ii) CENVAT / GST refund receivable	203.14	143.17
(iii) Balance receivable from customs authorities	308.17	351.54
(iv) VAT credit / refund receivable	0.62	0.62
(v) Deposits with government authorities	1,209.02	613.39
(vi) Others - Export benefit receivables (refer note below)	1,085.43	371.83
	<u>3,612.99</u>	<u>2,131.41</u>
b) Advance to suppliers - unsecured, considered good	344.24	477.61
Advance - Duty portion	716.86	1,372.91
c) Prepaid expenses - considered good	244.35	253.03
d) Other loans and advances		
- Unsecured, considered good	27.45	46.71
- Credit impaired	298.00	298.00
	<u>325.45</u>	<u>344.71</u>
- Less: Provision for doubtful other loans and advances	(298.00)	(298.00)
	<u>27.45</u>	<u>46.71</u>
e) Contractually reimbursable expenses - warranty recoveries (refer note 21(ii))	97.46	151.14
	<u>5,043.35</u>	<u>4,432.81</u>

Note:

The Company has estimated and accrued as income an amount of ₹ 970.69 million under Remissions of Duties and Taxes on Exported Products (RoDTEP) Scheme (Previous year - ₹ 331.13 million under Merchandise Exports from India Scheme (MEIS)) as export benefits for the current year ended March 31, 2022. 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.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
17 Equity share capital		
a) Authorised 14,000,000 (March 31, 2021: 14,000,000) equity shares of ₹ 1,000 each	14,000.00	14,000.00
b) Issued, subscribed and fully paid up 8,125,411 (March 31, 2021: 8,125,411) equity shares of ₹ 1,000 each	8,125.41	8,125.41
	<u>8,125.41</u>	<u>8,125.41</u>

Notes:

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

	As at March 31, 2022		As at March 31, 2021	
	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	<u>8,125,411</u>	<u>8,125.41</u>	<u>8,125,411</u>	<u>8,125.41</u>

(ii) Details of shares held by holding company

	As at March 31, 2022	As at March 31, 2021
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, 2022		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% Holding
<i>Equity shares</i>				
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, 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	<u>8,125,411</u>	<u>100%</u>	<u>-</u>

As at March 31, 2021			
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	<u>8,125,411</u>	<u>100%</u>	<u>-</u>



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Hyundai Motor India Limited**Notes to the standalone financial statements for the year ended March 31, 2022***(All amounts are in Indian ₹ million except share data and as stated)*

	As at March 31, 2022	As at March 31, 2021
18 Other equity		
a) General reserve		
Opening balance	4,963.91	4,963.91
Add: Transferred from surplus in statement of profit and loss	-	-
Closing balance	<u>4,963.91</u>	<u>4,963.91</u>
Note: The general reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.		
b) Retained earnings		
(i) Surplus in the statement of profit and loss		
Opening balance	138,592.88	120,121.26
Add: Profit for the year	28,617.65	18,471.62
Less: Appropriations		
Dividend paid (including withholding tax)	(13,593.81)	-
Closing balance	<u>153,616.72</u>	<u>138,592.88</u>
(ii) Other comprehensive income		
Remeasurement of net defined benefit liability/(asset)		
Opening balance	(380.73)	(411.89)
Add: Additions during the year	26.14	31.16
	<u>(354.59)</u>	<u>(380.73)</u>
Total retained earnings	<u>153,262.13</u>	<u>138,212.15</u>
Total equity (a+b)	<u>158,226.04</u>	<u>143,176.06</u>

Note:

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 have proposed a final dividend of ₹ 1,838 per share (nominal value of ₹1,000 per share) for the FY 2021-22. 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 ₹ 14,934.51 million (including withholding tax of ₹ 2,240.18 million).



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
19 Financial liabilities - non-current		
Long-term borrowings - measured at amortised cost		
a) Deferred payment liabilities		
- VAT/CST deferral loan (unsecured) (refer note below)	4,941.89	5,629.26
b) Term loans		
- CST soft loan (secured) (refer note below)	2,725.21	2,529.20
	<u>7,667.10</u>	<u>8,158.46</u>

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, 2022 are 32 (as at March 31, 2021 - 36). 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, 2022 are 56 (as at March 31, 2021 - 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 (₹ 6,000 million, as at March 31, 2021). Also refer note 4(ii).

(iii) Particulars	Deferral loan	Soft loan
As at March 31, 2022		
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 26(a))	1,176.98	-
Financial liabilities - non-current	<u>4,941.89</u>	<u>2,725.21</u>
Government grant - deferred revenue	1,575.76	3,211.47
(i) Government grant - current (refer note 29(b)(iv))	439.86	211.20
(ii) Government grant - non-current (refer note 22(b))	1,135.90	3,000.27
As at March 31, 2021		
Gross amount outstanding	8,781.73	5,936.68
Less: Present value discounts (treated as government grant (deferred revenue))	2,065.47	3,407.48
Fair value of borrowing measured at amortised cost	6,716.26	2,529.20
Less: Current maturities (refer note 26(a))	1,087.00	-
Financial liabilities - non-current	<u>5,629.26</u>	<u>2,529.20</u>
Government grant - deferred revenue	2,065.47	3,407.48
(i) Government grant - current (refer note 29(b)(iv))	489.71	196.01
(ii) Government grant - non-current (refer note 22(b))	1,575.76	3,211.47



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
20 Lease liabilities - non-current (See accounting policy in note 2.16)		
Long-term lease liabilities	289.83	46.86
	<u>289.83</u>	<u>46.86</u>
21 Provisions - non-current		
a) Provision for warranty (see below for movement) (refer note 2.21 & note (i) & (ii) below)	6,928.55	7,087.83
b) Provision for employee benefits - gratuity (refer note 2.15 & 37)	537.02	563.46
	<u>7,465.57</u>	<u>7,651.29</u>

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:

	Provision for warranty	
	As at March 31, 2022	As at March 31, 2021
Beginning of the year	9,127.72	9,124.97
Provision made during the year	2,231.12	2,482.75
Discounting impact on account of time value of money	(313.49)	(493.68)
Utilisation/reversal	(2,273.86)	(1,901.43)
Unwinding of discount	398.35	492.21
Others (movement in vendor recovery receivable amount)	(184.44)	(577.10)
End of the year	<u>8,985.40</u>	<u>9,127.72</u>
Less: Current portion (refer note 27(a))	2,056.85	2,039.89
Non-current portion	<u>6,928.55</u>	<u>7,087.83</u>

- (ii) As against the provision for warranty, the Company also carries an amount of ₹ 481.13 million (Previous year - ₹ 665.58 million) as recoverable from vendors based on the terms of arrangement/understanding with the vendors. Out of ₹ 481.13 million (Previous year - ₹ 665.58 million), ₹ 97.46 million (Previous year - ₹ 151.14 million) is current portion disclosed under "Other current assets" (refer note 16(c)) and balance ₹ 383.68 million (Previous year - ₹ 514.44 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

a) Income received in advance (refer note below)	3,241.90	1,861.41
b) Deferred revenue - government grant (refer note 19 (iii))	4,136.17	4,787.23
	<u>7,378.07</u>	<u>6,648.64</u>

Note:

Income received in advance represents the amount collected / apportioned towards additional services to be provided to customers that are satisfied over a period of time in line with the requirements under Ind AS 115.

These amounts are recognized 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, 2022, the Company carries ₹ 4,344.26 million (previous year - ₹ 2,703.52 million) as income received in advance. Refer note 29 (a)(i) for current portion of income received in advance.



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
23 Borrowings - financial liabilities (current)		
a) Export receivables discounted on a "with recourse" basis (refer note (i) below)- unsecured	2,556.25	4,172.06
b) Current maturities of long-term borrowings (refer note 19 (iii))	1,176.98	1,087.00
	<u>3,733.23</u>	<u>5,259.06</u>

Notes:

(i) The Company has obtained bill discounting facilities from various banks. These credit facilities are unsecured. The tenor of the loan for bills discounted is up to a maximum of 180 days.

24 Lease liabilities - current

Current maturities of lease liabilities	61.12	74.98
	<u>61.12</u>	<u>74.98</u>

25 Trade payables - financial liabilities (current)

Total outstanding dues of micro and small enterprises (refer note below)	1,273.33	1,393.20
Total outstanding dues of creditors other than micro and small enterprises	52,712.53	59,146.32
	<u>53,985.86</u>	<u>60,539.52</u>

Note:

a) Total outstanding dues of micro and small enterprises		
Principal	1,273.33	1,393.20
Interest thereon	-	-
b) Amount paid beyond "Appointed Day" as per MSME 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, 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

Balance as at March 31, 2021	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	-	1,219.92	173.28	-	-	-	1,393.20
(ii) Others	4,415.76	34,874.79	16,613.06	412.57	903.44	1,926.70	59,146.32
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	4,415.76	36,094.71	16,786.33	412.57	903.44	1,926.70	60,539.52



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
26 Other financial liabilities (current)		
a) Payable on purchase of fixed assets	1,207.35	1,246.15
b) Deposits received from customers	1,130.49	1,028.24
c) Others	1,859.96	1,669.69
	<u>4,197.80</u>	<u>3,944.08</u>
27 Provisions - current		
a) Provision for warranty (refer note 21 (i))	2,056.85	2,039.89
b) Provision for employee benefits: (refer note 37)		
- Provision for compensated absences	1,143.67	989.43
- Provision for gratuity	109.45	112.46
c) Provision - Others		
- Provision for disputed matters (refer note below)	670.00	670.00
- Provision for Corporate Social Responsibility	541.22	277.48
	<u>4,521.19</u>	<u>4,089.26</u>
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:		
Beginning of the year	670.00	670.00
Provision made during the year	-	-
Utilisation/reversal	-	-
End of the year	<u>670.00</u>	<u>670.00</u>
28 Current tax liabilities (net)		
Provision for tax (net of advance tax paid for respective assessment years)	1,984.37	2,670.59
	<u>1,984.37</u>	<u>2,670.59</u>
29 Other current liabilities		
a) Income received in advance (refer note note 22a)	1,102.36	842.11
b) Usance interest received in advance	54.93	41.39
c) Other liabilities		
(i) Advance from customers	16,263.02	10,762.49
(ii) Statutory	933.92	1,174.57
(iii) GST Payable (including compensation cess)	4,197.33	1,091.90
(iv) Deferred revenue - government grant (refer note 19 (iii))	651.07	685.72
	<u>23,202.63</u>	<u>14,598.18</u>



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Hyundai Motor India Limited**Notes to the standalone financial statements for the year ended March 31, 2022***(All amounts are in Indian ₹ million except share data and as stated)*

	Year ended March 31, 2022	Year ended March 31, 2021
30 Revenue from operations		
a) Sale of products (refer note (i) below)	442,611.70	386,443.41
b) Sale of services (refer note (ii) below)	18,640.51	14,216.74
c) Other operating revenues (refer note (iii) below)	9,175.72	6,079.97
	<u>470,427.93</u>	<u>406,740.12</u>
Note:		
(i) Sale of products		
- Vehicles	408,876.52	357,577.34
- Parts	33,735.18	28,866.07
Total	<u>442,611.70</u>	<u>386,443.41</u>
(ii) Sale of services		
- Transportation Income	17,606.17	13,380.00
- Others	1,034.34	836.74
Total	<u>18,640.51</u>	<u>14,216.74</u>
(iii) Other operating revenues		
Sale of scrap	2,188.61	1,498.76
Duty drawback (refer note 2.11)	3,474.36	2,364.84
Remissions of Duties and Taxes on Exported Products (RoDTEP) / Merchandise Exports from India	970.69	331.13
Scheme income (refer note 16(a) (vi) and 2.11)		
Other incentives from government	2,542.06	1,885.24
Total - Other operating revenues	<u>9,175.72</u>	<u>6,079.97</u>

Notes:

Other incentives from government includes Capital Subsidy of ₹ 22.50 Millions during the current year from the State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) under Structured Package of Assistance -Phase III (Expansion Scheme of Phase II).



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	Year ended March 31, 2022	Year ended March 31, 2021
31 Other income		
a) Interest income (refer note (i) below)	4,413.72	3,554.25
b) Royalty income	552.33	413.63
c) Gain on foreign currency transactions and translation (net)	387.81	-
d) Other non-operating income	455.09	302.04
	<u>5,808.95</u>	<u>4,269.92</u>
Note:		
(i) Interest income earned on financial assets that are not designated as at FVTPL		
- from banks - fixed deposits	3,893.97	3,048.76
- on refund of taxes	354.60	143.95
- others	165.15	361.54
	<u>4,413.72</u>	<u>3,554.25</u>
32(a) Cost of materials consumed		
a) Opening stock	15,116.87	16,082.28
b) Add: Purchases	377,230.48	320,674.94
	<u>392,347.35</u>	<u>336,757.22</u>
c) Less: Sale of raw materials	22,433.86	16,943.56
d) Less: Closing stock (refer note 11(a))	17,605.41	15,116.87
Total - Cost of material consumed	<u>352,308.08</u>	<u>304,696.79</u>
32(b) Purchases of stock-in-trade		
Parts	6,564.05	7,553.02
Total	<u>6,564.05</u>	<u>7,553.02</u>
32(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 11)		
a) Inventories at the end 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
	<u>10,178.55</u>	<u>9,557.35</u>
b) Inventories at the beginning of the year:		
Finished goods	3,185.34	7,740.76
Work-in-progress	6,349.89	2,838.00
Stock-in-trade	22.12	26.65
	<u>9,557.35</u>	<u>10,605.41</u>
Net (increase) / decrease	<u>(621.20)</u>	<u>1,048.06</u>
33 Employee benefits expense		
a) Salaries, wages and bonus	11,871.21	10,576.93
b) Contributions to provident and other funds (refer note 37)	769.72	684.20
c) Staff welfare expenses	2,093.08	1,760.93
	<u>14,734.01</u>	<u>13,022.06</u>
Note:		
(i) Employee cost / benefits expense includes research and development expenses amounting to ₹ 0.33 million (Previous Year - ₹ 0.05 million), as identified by the management.		
(ii) The remeasurement of the net defined benefit liability amounting to - ₹ 34.93 million (Net defined benefit asset for the period ended March 31, 2020 - ₹ 41.64 million) is included in other comprehensive income.		



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	Year ended March 31, 2022	Year ended March 31, 2021
34 Finance costs		
a) Interest expense on:		
(i) Working capital facilities from banks	10.64	30.60
(ii) VAT/CST deferral & soft loan (refer note below)	691.66	713.46
(iii) Sincerity deposits / dealer down payments	193.54	216.84
(iv) Others	7.55	179.08
b) Unwinding of discounts on warranty provisions (refer note 21(i))	398.35	492.21
c) Interest on lease liabilities	17.20	14.28
	<u>1,318.94</u>	<u>1,646.47</u>

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 ₹ 685.72 million (Previous year - ₹ 707.52 million)

35 Other expenses (refer note (i) below)

a) Consumption of stores and spare parts	1,016.00	916.65
b) Clearing and forwarding charges	369.09	359.64
c) Power and fuel	2,614.50	2,189.71
d) Rent including lease rentals	311.51	366.27
e) Repairs and maintenance		
(i) Buildings	132.90	113.35
(ii) Machineries	832.25	576.65
(iii) Others	1,790.24	1,182.80
f) Service contract expenses	1,518.58	1,454.58
g) Insurance	94.79	80.81
h) Freight	15,178.67	12,950.00
i) Rates and taxes	28.04	45.82
j) Communication	37.96	42.08
k) Travelling and conveyance	56.40	46.93
l) Printing and stationery	65.50	87.32
m) Royalty	11,008.13	10,225.86
n) Advertisement and sales promotion expenses	4,918.90	4,640.70
o) Expenditure on Corporate Social Responsibility ('CSR')	645.54	649.77
p) Donations - Other than CSR	8.50	-
q) Legal and professional charges	75.47	61.35
r) Payments to auditors (refer note (ii) below)	16.45	21.20
s) Loss on PPE sold / scrapped / written off (net)	53.12	28.96
t) Technical assistance fee/training	51.11	48.47
u) Loss on foreign currency transactions and translation (net)	-	84.12
v) Provision for warranty (net)	1,917.63	1,989.07
w) Extended warranty expense	374.97	269.88
x) Miscellaneous expenses	433.64	481.42
	<u>43,549.89</u>	<u>38,913.41</u>

Notes:

(i) Expenses towards research and development included in the above amounts	257.91	390.11
(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	4.90	4.90
for certification	0.43	5.14
reimbursement of expenses	0.12	0.16
Total	<u>16.45</u>	<u>21.20</u>



Hvundai Motor India Limited**Notes to the standalone financial statements for the year ended March 31, 2022***(All amounts are in Indian ₹ million except share data and as stated)*

	As at March 31, 2022	As at March 31, 2021
36.1 Contingent liabilities (to the extent not specifically provided for) (refer note I below)		
(a) Claims against the Company not acknowledged as debt		
(i) Customs duty (paid under protest: As at March 31, 2022 - ₹ 608.63 million and as at March 31, 2021 - ₹ 12.99 million) (refer note A below)	6,656.70	6,061.07
(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, 2022 - ₹ 199.41 million and as at March 31, 2021 - ₹ 98.15million) (refer note D below)	7,613.48	344.97
(iv) Maharashtra VAT (Paid under protest: As at March 31, 2022 - ₹ 0.13 million and as at March 31, 2021 - ₹ 0.13 million)	0.21	0.21
(v) Tamil Nadu VAT (Paid under protest as at March 31, 2022 - ₹ 280.21 million and as at March 31, 2021 - ₹ 613.34 million) (refer note E below)	280.21	613.34
(vi) GST (Paid under protest as at March 31, 2022 - ₹ 2.70 million and as at March 31, 2021 - ₹ nil) (refer note D below)	27.01	-
(vii) Income tax (Paid under protest: As at March 31, 2022 - ₹ 1,153.58 million and as at March 31, 2021 - ₹ 4,006.95 million)	4,975.10	6,428.39
(viii) Penalty levied by Competition Commission of India (refer note F below)	4,202.61	4,202.61
(ix) Others	2,308.53	789.28
(b) Decided in favour of the Company against which department has gone on appeal		
(i) Customs (Paid under protest: As at March 31, 2022 - ₹ 29.33 million and as at March 31, 2021 - ₹ 29.33 million) (refer note A below)	29.33	29.33
(ii) Income Tax (Paid under protest: As at March 31, 2022 - ₹ 32.77 million and as at March 31, 2021 - ₹ 32.77 million)	4,070.40	305.67
(c) Guarantees	Refer note H below	

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 disposal as at March 31, 2022. Based on professional advice, the Company expects favourable outcome.

During the year ended March 31, 2022, the Company paid an amount of ₹ 595 million under protest to Directorate of Revenue Intelligence towards investigation proceedings commenced against the Company for incorrect classification of Electronic Control Unit for certain goods imported during the period (March 4, 2020 - March 11, 2022). Based on professional advice, the Company expects favorable outcome.

(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 Mn and an Penalty amount ₹ 65.59 Mn 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 disposal as at March 31, 2022. The Company expects a favourable outcome in respect of these matters.

(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 Mn imported during the period from Nov 2010 to Feb 2011. The said order has imposed an additional duty of ₹ 126.09 Mn and a penalty of ₹ 11 Mn. 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 disposal as at March 31, 2022. The Company expects a favourable outcome in respect of the above matter.



Hvundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

36.1 Contingent liabilities (to the extent not specifically provided for) (continued)

A Customs duty (continued):

- (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 Mn 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 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, 2021 amounts to ₹ 42.32 Mn (including ₹ 29.33 Mn decided in favour of the Company against which department has gone on appeal).
- (vii) 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, 2022. The Company expects a favourable outcome in respect of these matters.

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, 2021. The Company believes that it has a good case to obtain a favourable judgement in respect of this matter and there is no additional financial exposure in respect of the same.

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, 2022 under protest amounting to ₹ 6,967.78 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

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 filed 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 a refund of ₹ 426.58 million based on such reassessment. The remaining disputed amount which is pending for disposal at the Honourable High Court of Madras based on a writ petition filed by the Company has been fully provided for and hence not included as contingent liability as at March 31, 2022.



Hvundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

36.1 Contingent liabilities (to the extent not specifically provided for) (continued)

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 Honorable Madras High court 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 Honorable Madras High court 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, 2022.

Apart from the above, there are pending litigations for various other matters relating to Excise Duty, Service Tax and GST involving demands, for which the Company has filed appeals against the orders received which are pending at various forums as at March 31, 2022.

E Tamil Nadu VAT

The Company had received sales tax demands (including interest) for various assessment years amounting to ₹ 613.31 million towards arbitrary demand of sales tax on royalty income received by the Company and denied availment of input tax credits on goods on various submissions made in respective assessment years. The Company paid such demand amount under protest and filed appeals against all the orders with the Sales tax appellate tribunal.

During the reporting period, the Company received an order in favor the Company from the Sales tax appellate tribunal amounting to ₹ 331.12 million with respect to such royalty income by excluding the same from its assessed tax demand. However, the Tribunal confirmed the department's demand for the disputed input credits of the Company amounting to ₹ 231 million. The Company has further contested against the said order with the Honorable Madras High court and expects a favorable outcome.

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 of 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. Based on the legal opinion, the Company expects a favourable outcome in the above appeal also.
- (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. Based on the legal opinion, the Company expects a favourable outcome in the above appeal also.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

*(All amounts are in Indian ₹ million except share data and as stated)***36.1 Contingent liabilities (to the extent not specifically provided for) (continued)****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:

	As at March 31, 2022	As at March 31, 2021
Customs duty (refer note below)	1,194.76	1,194.76
Duty drawback	9.12	9.12
Excise duty	82.48	3,727.49
Service tax	190.24	476.83
Goods & Service Tax	2,868.64	-
Income tax draft assessment orders received and pending disposal with DRP	4,471.94	5,738.33

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 filings replies for the same and expects a favorable 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

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 favorable 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).



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

36.2 Commitments

	As at March 31, 2022	As at March 31, 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,696.76	5,483.08
(b) Commitment arising from Memorandum of Understanding (MoU) with Government of Tamil nadu (GoTN)		
(i) Whilst the Company has made the required exports in connection with the export obligation for import duty at nil / concessional duty under EPCG Scheme, it is in the process of obtaining redemption certificates towards certain EPCG licenses covering an outstanding export obligation of ₹ 4,983.12 million (₹ 4,983.12 million as at March 31, 2018). The Company is confident of obtaining the same on completion of the required formalities.		
(ii) The Company has entered into an additional MoU dated November 5, 2012 with the GoTN for expansion of existing plant under Phase II of Investment to increase the capacity from 0.63 Million Cars p.a to 0.7 Million cars p.a. and backward integration in flexible engine and press shop. As per the said MOU, the Company is entitled to certain fiscal benefits in the form of output tax incentives and also certain other concessions / benefits subject to the Company achieving specified conditions viz. investment in ₹ 40,000 million of fixed assets, creation of 500 additional direct employment and to increase the capacity as mentioned above. The period of investment as contemplated in this MOU is from April 1, 2011 to March 31, 2018. As committed, the Company has invested more than ₹ 40,000 million of fixed assets, created 500 additional direct employment and increased the capacity as mentioned above. As agreed in the MOU, the output tax incentives will accrue to the Company commencing from the FY 2028-29 to FY 2033-34.		

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.

36.3 Others

	As at March 31, 2022	As at March 31, 2021
Disputed VAT input refund receivable (refer note below)	92.13	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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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
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:		
(a) Employer's contribution to Provident fund	386.99	350.05
(b) Employer's contribution to National pension fund	41.04	28.27
(c) Employer's contribution to Superannuation fund	180.99	150.16
	609.02	528.48

Note:

The expenses are included in note 33 - Employee benefit expenses under "Contribution to provident and other funds"

37.2 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.

	As at March 31, 2022	As at March 31, 2021
Discount rate	7.50%	7.12%
Future salary increase	6.50%	6.50%
Expected rate of return on plan assets	7.50%	7.12%
Attrition rate	2.00%	2.00%
Mortality - Indian Assured Lives Mortality	2012-14	2006-08

- (iv) Amounts recognised in the Statement of Profit and Loss in respect of the defined benefit plan are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Components of defined benefit cost recognised in the Statement of Profit and Loss		
Current service cost	115.83	110.74
Past service cost	-	-
Interest cost	140.97	123.41
Interest income on plan assets	(96.09)	(78.43)
Total (Refer note below)	160.71	155.72

Components of defined benefit cost recognised in the Other Comprehensive Income

Actuarial (gains)/losses		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(85.15)	(60.33)
- Experience variance	37.08	8.82
Return on plan assets (excluding amount included in net interest expense)	13.13	9.87
	(34.93)	(41.64)

Note:

The expenses are included in Note 33 - Employee benefit expenses under "Contribution to provident and other funds"



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

37 Employee benefit plans (continued)

37.2 Defined benefit plan

(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.

	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation as at the end of the year	2,062.35	1,905.49
Fair value of plan assets as at the end of the year	<u>(1,415.88)</u>	<u>(1,229.57)</u>
Net liability recognised in the balance sheet	<u>646.47</u>	<u>675.92</u>
Current liability	109.45	112.46
Non-current liability	537.02	563.46

(vi) Movements in the present value of the defined benefit obligation and fair value of plan assets are as follows:

Change in defined benefit obligation during the year

Present value of defined benefit obligation as at the beginning of the year	1,905.49	1,743.88
Current service cost	115.83	110.74
Interest cost	140.97	123.41
Benefits paid	(51.88)	(21.03)
Actuarial loss/(gain)	<u>(48.06)</u>	<u>(51.51)</u>
Present value of defined benefit obligation at the end of the year	<u>2,062.35</u>	<u>1,905.49</u>

(vi) Movements in the present value of the defined benefit obligation and fair value of plan assets are as follows:

Change in fair value of assets during the year

Fair value of plan assets at beginning of the year	1,229.57	1,042.06
Expected return on plan assets	96.09	78.43
Employer's contribution	155.21	139.98
Benefits paid	(51.86)	(21.03)
Actuarial gains/(loss)	<u>(13.13)</u>	<u>(9.87)</u>
Fair value of plan assets at the end of the year	<u>1,415.88</u>	<u>1,229.57</u>
Net liability	<u>646.47</u>	<u>675.92</u>

(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

Time Periods

Within 1 year	59.64	59.76
2 to 5 years	329.83	271.61
6 to 10 years	634.98	528.53
More than 10 years	4,672.89	4,390.92

(ix) The Company expects to contribute ₹109.45 million to its gratuity fund during the year ending March 31, 2023 (March 31, 2022- ₹ 149.08 Mn)

(x) The Average future service for the defined benefit obligation is 19.14 years as on March 31, 2022 (As on March 31, 2021- 19.93 years)



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

37 Employee benefit plans (continued)

37.2 Defined benefit plan

- (xi) Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses 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.

	As at March 31, 2022	As at March 31, 2021
Discount rate:		
Decrease in defined benefit obligation if discount rate increases by 1%	224.06	218.23
Increase in defined benefit obligation if discount rate decreases by 1%	262.03	257.08
Attrition rate:		
Increase in defined benefit obligation if salary increases by 1%	10.68	1.80
Decrease in defined benefit obligation if salary decreases by 1%	11.31	1.33
Expected rate of salary increase:		
Increase in defined benefit obligation if salary increases by 1%	201.79	202.93
Decrease in defined benefit obligation if salary decreases by 1%	209.97	210.51

37.3 Compensated absences

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.

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:

Assumptions

Discount rate	7.50%	7.12%
Future salary increase	6.50%	6.50%
Attrition rate	2.00%	2.00%



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

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 Sunayi 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 Motor Japan Co. Ltd. Hyundai Motor Sport GmbH Hyundai Motor Brasil Montadora de Automoveis LTDA Hyundai Motor Manufacturing Rus LLC PT Hyundai 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
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
Key Management Personnel	Mr Unsoo Kim - Managing Director (w.e.f. January 25, 2022) Mr Seonseob Kim - Managing Director (Upto December 31, 2021) Mr. Choon Hang Park - Whole Time Director cum CFO Mr. Jong Hoon Lee - Whole Time Director Mr. Woong Sik Oh - Whole Time Director (Upto August 08, 2021) Mr. Dosik Kim - Whole Time Director (w.e.f. September 28, 2021) Mr. S Ganesh Mani - Whole Time Director Mr. Tarun Garg - Whole Time Director Mr. Young Min Jung - Alternate Director (Upto January 01, 2021) Mr. Stephen Sudhakar John - Whole Time Director (Upto June 30, 2020)

Note :

Related Party relationships are as identified by the Management and relied upon by the Auditors.



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

38 Disclosure in respect of related parties pursuant to Indian Accounting Standard 24 (Contd.)

38.2 Transactions with the related parties

Particulars	Name of the Related party	Year Ended	Year Ended
		March 31, 2022	March 31, 2021
Income			
Sale of Motor Vehicles, Parts and Raw Materials	Hyundai Motor De Mexico S DE RL DE CV	13,879.66	11,496.76
	Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation	-	27.93
	Hyundai Motor Company, South Korea	104.99	35.89
	Kia India Private Limited	18,593.35	13,128.59
	Mobis India Ltd.	1,614.26	1,179.68
	Hyundai Transys Lear Automotive India Private Limited	1,110.09	784.77
Interest Income	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S	2,854.34	2,413.87
	Hyundai Motor De Mexico S DE RL DE CV	160.44	146.39
Other Income	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S	7.61	6.44
	Hyundai Motor Company, South Korea	3.35	2.49
	Kia India Private Limited	133.79	36.68
	Hyundai Motor India Engineering Private Limited	0.09	0.06
Scrap Sales	Hyundai Engineering India Pvt Ltd	3.78	-
	Hyundai Wia India Pvt Ltd	3.77	0.50
	Hyundai Engineering India Pvt Ltd	2,096.11	1,442.74
Expenses (gross of withholding tax wherever applicable)			
Purchase of Raw Materials, Components and Spare Parts	Hyundai Motor Company, South Korea	33,354.79	30,499.13
	Hyundai Motor Group (China) Ltd.	3,443.85	2,185.31
	Hyundai KEFICO Corporation	825.73	788.19
	Hyundai Transys Lear Automotive India Private Limited	10,333.14	10,894.32
	Hyundai Transys India Private Ltd.	1,792.99	564.91
	Hyundai Wia India Pvt Ltd	305.12	311.56
	Hyundai Wia Automotive Engine (shandong) Company	2,023.38	112.48
	Kia India Private Limited	13,206.04	14,149.91
	Mobis India Ltd.	63,154.03	56,114.90
	Mobis India Modale Private Ltd.	0.03	0.39
	Kia Motors Slovakia s.r.o.	8.19	1.37
Royalty	Hyundai Motor Company, South Korea	10,973.36	10,211.06
Technical Assistance Fee (refer note i)	Hyundai Motor Company, South Korea	77.35	201.38
Advertisement and Sales Promotion Expenses	Hyundai Capital India Private Limited	95.02	64.64
	Hyundai Autoever India private limited	98.68	15.87
	Hyundai Motor Brasil Montadora de Automoveis LTDA	205.91	-
	Primemover Mobility Technologies Private Limited	-	2.07
Warranty Expenses	Hyundai Motor Deutschland GmbH	8.53	1.83
	Hyundai Motor Company Italy S.R.L.	5.55	0.29
	Hyundai Motor Poland Sp. Zo.O	0.03	0.31
	Hyundai Motor Czech s.r.o.	0.02	0.01
	Hyundai Motor UK Limited	2.64	3.38
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	6.64	7.91
	Hyundai Motor France SAS	0.10	0.31
	Hyundai Motor Espana S.L.U	0.22	0.36
	Hyundai Motor Company Australia Pty Limited	0.32	25.38
	Hyundai Motor Netherlands B.V.	0.46	0.51
	Hyundai Motor De Mexico S DE RL DE CV	110.34	104.93
	Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation	0.09	2.83
	Hyundai Motor CIS LLC Russia	0.00	-
Kia India Private Limited	1.91	-	
PT Hyundai Motors Indonesia	0.06	-	
Rent	Hyundai Autoever Corp	67.54	77.93
	Hyundai Autoever India private limited	136.07	194.86
Maintenance Charges	Hyundai Motor India Engineering Private Limited	154.98	222.48
	Hyundai Autoever India private limited	311.94	288.05
	Hyundai Engineering India Pvt Ltd.	516.08	400.79
	Mobis India Ltd.	1.80	1.54



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Hyundai Motor India Limited
Notes to the standalone financial statements for the year ended March 31, 2022
(All amounts are in ₹ Indian million except share data and as stated)
38 Disclosure in respect of related parties pursuant to Indian Accounting Standard 24 (Contd.)
38.2 Transactions with the related parties (Contd.)

Other Expenses	Hyundai Motor Company, South Korea	68.05	73.95
	Hyundai Rotem Company	1.67	0.81
	Hyundai Engineering India Pvt Ltd.	5.05	26.92
	Mobis India Ltd.	178.41	66.26
	Hyundai Transys Lear Automotive India Private Limited	9.04	9.94
	Hyundai Autoever India private limited	3.89	6.99
Salaries, Bonus, Perquisites and Contribution to Funds	Mr. Unsoo Kim	9.42	-
	Mr. Seonseob Kim	41.05	44.37
	Mr. Stephen Sudhakar John	-	3.53
	Mr. Choon Hang Park	32.35	26.43
	Mr. Dosik Kim	20.80	-
	Mr. Jong Hoon Lee	37.29	36.58
	Mr. Woong Sik Oh	11.05	33.50
	Mr. Young Min Jung	-	2.88
	Mr. S Ganesh Mani	24.33	11.48
	Mr. Tarun Garg	33.33	16.99
Others			
Purchase of Capital Goods	Hyundai Motor Company, South Korea	1,022.17	1,816.81
	Hyundai Rotem Company	3.61	3.58
	Hyundai Transys Lear Automotive India Private Limited	550.94	600.30
	Hyundai Autoever Corp	45.04	141.48
	Mobis India Ltd.	100.40	1,062.83
	Hyundai Wia Corporation	264.75	48.02
	Hyundai Autoever India private limited	193.53	176.89
	HEC India LLP	1,621.84	2,199.77
	Hyundai Engineering & Construction co., ltd	-	7.99
	Kia Corporation	-	1,196.38
	Kia India Private Limited	9.85	208.73
	Hyundai Transys India Private Ltd.	0.03	6.17
	Hyundai Engineering India Pvt Ltd.	149.83	191.37
Technical Knowhow	Hyundai Motor Company, South Korea	-	1,315.35
Transportation Income	Hyundai Motor De Mexico S DE RL DE CV	1,025.50	825.16
Rental Income	Hyundai Motor India Engineering Private Limited	10.03	-
	Hyundai Capital India Private Limited	5.18	-
	Hyundai India Insurance Broking Private Limited	1.66	-
Insurance Reimbursement	Hyundai Motor De Mexico S DE RL DE CV	44.32	36.64
Other Reimbursement	Hyundai India Insurance Broking Private Limited	6.30	-
Warranty Claim Recovered	Hyundai Motor Company, South Korea	174.35	24.55
	Hyundai Wia India Pvt Ltd.	0.00	0.01
	Mobis India Ltd.	84.48	76.60
	Kia India Private Limited	3.14	16.30
	Hyundai Transys Lear Automotive India Private Limited	0.83	1.03
Dealer Reimbursement	Hyundai Autoever India Private limited	3.91	5.77
Maintenance Charges recovered	Hyundai Transys Lear Automotive India Private Limited	14.22	15.92
	Mobis India Ltd.	90.43	14.85
Discount Received	Mobis India Ltd.	1.32	1.75
Investment	Hyundai India Insurance Broking Private Limited	40.00	-
Dividend Paid	Hyundai Motor Company, South Korea	13,593.81	-



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

38 Disclosure in respect of related parties pursuant to Indian Accounting Standard 24 (Contd.)

38.3 Related Party balances as at the year end

Particulars	Related party	As at March 31, 2022	As at March 31, 2021
Receivables as at Year End			
Receivables (including contractually reimbursable expenses)	Hyundai Motor Company, South Korea	7.61	4.93
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	753.42	573.75
	Hyundai Motor De Mexico S DE RL DE CV	9,602.52	9,382.79
	Hyundai Transys Lear Automotive India Private Limited	157.02	104.50
	Kia India Private Limited	2,879.48	2,877.23
	Mobis India Ltd.	137.66	75.63
	Hyundai Wia India Pvt Ltd.	0.09	0.06
	Hyundai Motor India Engineering Private Limited	2.12	-
	Hyundai Capital India Private Limited	0.52	-
Hyundai India Insurance Broking Private Limited	6.71	-	
Liabilities as at Year End			
Payables (net of TDS wherever applicable)	Hyundai Motor Company, South Korea	1,229.25	1,617.21
	Hyundai Motor Company Italy S.R.L.	0.03	0.07
	Hyundai Motor Company Australia Pty Limited	0.25	1.35
	Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S.	0.77	-
	Hyundai Thanh Cong Viet Nam Auto Manufacturing Corporation	0.32	0.31
	Hyundai Motor Espana S.L.U	0.03	0.07
	Hyundai Motor India Engineering Private Limited	21.05	20.46
	Hyundai Motor Deutschland GmbH	1.69	0.02
	Hyundai Motor De Mexico S DE RL DE CV	20.06	4.28
	Hyundai Motor Netherlands B.V.	0.03	-
	Hyundai Motor Poland Sp. Zo.O	0.00	-
	Hyundai Motor UK Limited	0.14	0.03
	Hyundai KEFICO Corporation	55.96	42.32
	Hyundai Autoever Corp	0.36	0.27
	Hyundai Wia Corporation	257.93	50.73
	Hyundai Motor Group (China) Ltd.	-	609.26
	Hyundai Autoever India private limited	5.23	83.05
	Hyundai Transys Lear Automotive India Private Limited	1,690.32	1,643.28
	Hyundai Capital India Private Limited	4.74	-
	Hyundai Motor Brasil Montadora de Automoveis LTDA	48.31	-
	Hyundai Motor CIS LLC Russia	0.00	-
	Hyundai Motor Czech s.r.o.	0.01	-
	Hyundai Motor France SAS	0.01	-
	PT Hyundai Motors Indonesia	0.06	-
	Hyundai Engineering India Pvt Ltd.	81.06	91.57
	Hyundai Transys India Private Ltd.	362.59	164.28
	Hyundai Wia India Pvt Ltd.	34.08	47.45
	Kia India Private Limited	1,338.75	2,323.22
	Mobis India Ltd.	9,443.41	10,437.95
	HEC India LLP	-	61.35
	Kia Corporation	-	166.79
	Kia Motors Slovakia s.r.o.	4.68	1.17
	Mobis India Module Private Ltd.	-	0.46
Advances to suppliers	Hyundai Canital India Private Limited	-	22.80
	HEC India LLP	242.24	-
Royalty Payable (net of Tax deducted at source)	Hyundai Motor Company, South Korea	4,999.88	5,955.59
Salary Payable (refer note v)	Mr. Unsoo Kim	4.81	-
	Mr. Seonseob Kim	-	3.91
	Mr. Choon Hang Park	3.05	2.46
	Mr. Dosik Kim	3.67	-
	Mr. Jong Hoon Lee	3.32	3.25
	Mr. Woong Sik Oh	-	2.99
	Mr. S Ganesh Mani	1.61	1.32
	Mr. Tarun Garg	2.53	1.88

Notes:

- The amount disclosed above includes Technical Assistance Fee capitalised amounting to ₹ 63.80 million (March 31, 2021 ₹ 193.95 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 31 March 2022, there are no further amounts payable to them by the Company, on this account other than the amounts disclosed in
- 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.
- 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.



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

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.

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.

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Lease Liabilities:		
Opening Balance	121.84	213.40
Recognised during the year	301.62	11.30
Interest expenses	17.20	14.28
Lease payments	(89.71)	(117.14)
Closing Balance	350.95	121.84
Current	61.12	74.98
Non-Current	289.83	46.86
(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	88.27	81.91
Payable between one and five years	204.28	49.33
Payable after five years	195.11	-
	487.66	131.24
II Amounts recognised in statement of Profit and Loss		
(i) Depreciation of right-of-use assets		
Land	3.53	3.14
Buildings	88.42	106.54
	91.95	109.68
(ii) Expenses recognized in relation to leases:		
Interest on lease liabilities	17.20	14.28
Expenses relating to short-term leases	117.06	186.19
Expense relating to leases of low-value assets	2.69	2.69
Variable lease payments not included in the measurement of lease liabilities		
a) Included in Rent including lease rentals	223.41	81.99
b) Included in various expenses	218.68	129.77
Income from sub-leasing right-of-use asset	(36.41)	(34.37)

41 Earnings per share

	Year ended March 31, 2022	Year ended March 31, 2021
Profit after tax - ₹ in million	28,617.65	18,471.62
Weighted average number of equity shares	8,125,411	8,125,411
Earnings per share		
- Basic in ₹	3,521.99	2,273.32
- Diluted in ₹	3,521.99	2,273.32
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 maximizing the return to the stakeholders through the optimization 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 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, 2022 were as follows:

Particulars	Amortised cost	FVTPL	Total carrying value	Total fair value
Assets (refer note 8 and 11 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	856.65	-	856.65	856.65
Other receivables	8.73	-	8.73	8.73
Liabilities (refer note 19, 23 to 26)				
VAT/CST deferral loan and CST soft loan	8,844.08	-	8,844.08	8,844.08
Export receivables discounted on a "with recourse" basis- unsecured	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

The carrying value and fair value of financial instruments by each category as at March 31, 2021 were as follows:

Particulars	Amortised cost	FVTPL	Total carrying value	Total fair value
Assets (refer note 8 and 11 to 15)				
Trade receivables	24,406.15	-	24,406.15	24,406.15
Cash and cash equivalents	114,218.55	-	114,218.55	114,218.55
Loans	254.85	-	254.85	254.85
Deposits	668.23	-	668.23	668.23
MOU benefit receivable from GOTN	2,219.87	-	2,219.87	2,219.87
Interest accrued but not due on fixed deposits with	406.53	-	406.53	406.53
Other receivables	4.49	-	4.49	4.49
Liabilities (refer note 19, 23 to 26)				
VAT/CST deferral loan and CST soft loan	9,245.46	-	9,245.46	9,245.46
Export receivables discounted on a "with recourse" basis- unsecured	4,172.06	-	4,172.06	4,172.06
Trade payables	60,539.52	-	60,539.52	60,539.52
Lease liabilities	121.84	-	121.84	121.84
Payable on purchase of PPE	1,246.15	-	1,246.15	1,246.15
Deposits received from customers	1,028.24	-	1,028.24	1,028.24
Others	1,669.69	-	1,669.69	1,669.69

Note: The investments in subsidiaries (refer note 7) is accounted at cost less impairment.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

42 Financial instruments

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 analyze 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.

As at March 31, 2022	Undiscounted contractual cash flows	Less than 1 year	1-3 years	3-5 years	> 5 years
<u>Non-interest bearing</u>					
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	-	-	-
<u>Variable interest rate instruments</u>					
Deposits received from customers	1,130.49	1,130.49	-	-	-
<u>Fixed interest rate instruments</u>					
CST soft loan	6,002.78	5.94	108.41	280.01	5,608.42
Export receivables discounted with banks	2,557.02	2,557.02	-	-	-



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

42.3 Financial risk management (continued)

Liquidity risk (continued):

As at March 31, 2021	Undiscounted Less than 1 year contractual cash flows	1-3 years	3-5 years	> 5 years	
Non-interest bearing					
VAT/CST deferral loan	8,781.73	1,087.00	2,429.36	2,673.11	2,592.26
Trade payables	60,539.52	60,539.52	-	-	-
Lease Liabilities	131.24	81.91	49.33	-	-
Other financial liabilities	1,828.84	1,828.84	-	-	-
Variable interest rate instruments					
Deposits received from customers	1,028.24	1,028.24	-	-	-
Fixed interest rate instruments					
CST soft loan	6,008.72	5.94	11.87	204.86	5,786.05
Export receivables discounted with banks	4,174.43	4,174.43	-	-	-

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. The Company adopts natural hedge strategy and discounting of export bills to minimize 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, 2022 was as follows:

All amounts in respective currencies as mentioned (in million)

	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	-	-	-	-	0.00	0.00	0.44
CHF	-	-	-	(0.01)	(0.09)	(0.09)	(7.65)

The Company's exposure to foreign currency risk as at March 31, 2021 was as follows:

All amounts in respective currencies as mentioned (in million)

	Cash and cash equivalents	Trade receivables	Borrowing	Trade payables	Capital goods payables	Net Balance Sheet exposure	Net Balance Sheet exposure (In INR)
USD	46.46	272.58	(56.70)	(126.07)	(12.28)	123.97	9,121.15
EUR	1.69	6.72	-	(3.05)	(1.21)	4.17	358.82
KRW	-	-	-	(12,838.26)	(89.53)	(12,927.78)	(839.92)
JPY	-	-	-	(3.58)	(65.99)	(69.57)	(46.16)
GBP	-	-	-	-	(0.00)	(0.00)	(0.44)
CHF	-	-	-	(0.01)	-	(0.01)	(0.43)



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

42.3 Financial risk management (continued)

Market risk (continued)

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

	As at March 31, 2022		As at March 31, 2021	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
USD	589.16	-	341.16	-
EUR	22.14	-	13.39	-
KRW	(46.09)	-	(31.43)	-
JPY	(3.64)	-	(1.73)	-

A 5% decrease in the rupee against the above currencies as at March 31, 2022 and 2021 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, 2022	March 31, 2021
Financial assets		
- Fixed deposits with banks		
Financial liabilities	133,358.80	109,390.00
- Borrowing from others (CST Soft loan @ 0.01%)	2,725.21	2,529.20
- Export receivables discounted on a "With recourse" basis	2,556.25	4,172.06

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.

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.



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

44 Income taxes

44.1 Income tax recognised in the statement of profit and loss

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
- In respect of current year	11,213.20	8,217.42
- In respect of previous years	(953.65)	(16.99)
Deferred tax		
- In respect of current year	(1,649.27)	(1,742.15)
Total income tax expense recognised in the current year	8,610.28	6,458.28

44.2 Income tax expense for the year reconciled to the accounting profit:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gross amount	Tax amount	Gross amount	Tax amount
Profit before tax	37,227.93		24,929.90	
Income tax rate		25.168%		25.168%
Income tax expense		9,369.53		6,274.36
Tax effect of:				
(a) Effect of expenses that are not deductible in determining taxable profit	798.13	200.87	787.21	198.13
(b) Effect of net additional / (reversal) of provision in respect of prior years	-	(953.65)	-	(16.99)
(c) Others	(25.71)	(6.47)	11.05	2.78
Income tax expense recognised in the statement of profit and loss		8,610.28		6,458.28

44.3 Income tax recognised in other comprehensive income

	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	(8.79)	(10.48)
	(8.79)	(10.48)



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

(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, 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)	(1,649.26)	8.79	(5,986.21)
As at March 31, 2021				
	Opening balance	Recognised in profit and loss (net)	Recognised in OCI (net)	Closing balance
Tax effect of items constituting deferred tax liabilities:				
Export benefits	476.53	(399.73)	-	76.80
Provision for warranty	234.71	0.37	-	235.08
Deferred tax liabilities	711.24	(399.36)	-	311.88
Tax effect of items constituting deferred tax assets:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	2,632.35	1,303.54	-	3,935.89
Provision for doubtful assets	81.89	-	-	81.89
Employee benefits	375.67	53.96	(10.48)	419.15
Provision for disputed matters	168.61	-	-	168.61
Sec.43A Disallowance	63.60	(24.17)	-	39.43
Others	3.19	9.46	-	12.65
Deferred tax assets	3,325.31	1,342.79	(10.48)	4,657.62
Net deferred tax liabilities/ (assets)	(2,614.07)	(1,742.15)	10.48	(4,345.74)

44.5 Transfer pricing - International transactions

The Company has entered into international transactions with associated enterprises. For the financial year ended March 31, 2021, 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, 2022, 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.



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

45 Ratios as per Schedule III requirements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for Variance more than 25%
Current Ratio	Total current assets	Total current liabilities	2.16	1.88	15%	-
Debt-Equity Ratio	Total debt = current and non-current borrowings including current maturities of long-term borrowings	Total equity	0.07	0.09	-23%	-
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	13.41	7.35	25%	-
Return on Equity	Profit after tax	Average Total Equity	0.18	0.13	39%	Impact of increase in PAT by 55%, Dividend payout during the year Rs.13,593 Mn
Inventory Turnover Ratio	Sale of Products	Average Inventory	16.26	14.49	12%	
Trade Receivables turnover ratio	Total Sales	Closing trade receivables	21.46	16.42	31%	Impact of increase in Domestic sale where credit sales is negligible
Trade payables turnover ratio	Total purchases	Closing trade payables	7.11	5.42	31%	Impact of increase in Purchases and payment cycle
Net capital turnover ratio	Total Sales	Net working capital	4.33	4.97	-13%	
Net Profit ratio	Profit after tax	Total Sales	0.06	0.05	35%	Impact of Sales mix and product price increase during the year
Return on Capital Employed	Earnings before Interest and tax	Capital employed = Tangible Networth (Total Equity less OCI) + Total Debt + Deferred Tax Liability / (Deferred Tax Asset)	0.21	0.15	38%	Impact of increase in PAT by 55%, Dividend payout during the year Rs.13,593 million
Return on Investment	Earnings before Interest and tax	Closing total assets	0.12	0.09	40%	Impact of increase in profit with the existing models

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	31-Mar-22		31-Mar-21	
		Balance outstanding	Relationship with struck off company	Balance outstanding	Relationship with struck off company
Sonebhadra Automobiles Pvt. Ltd.	Payables	9.79	External	5.70	External vendor
Kamla Landmarc Cars Pvt. Ltd.	Payables	1.97	External	1.97	External vendor
Miheer'S Motor Pvt. Ltd.	Payables	1.00	External	0.61	External vendor
Dhoot Motors (Jalgaon) Pvt. Ltd.	Payables	0.01	External	0.01	External vendor
Scanstar Inspection Technology Pvt. Ltd.	Payables	-	External	0.01	External vendor
Concord Automotives Pvt. Ltd.	Payables	0.72	External	0.90	External vendor



Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

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

47 Other Statutory Information

Regulatory information	Particulars
Details of benami property held	The Company does not hold any benami property.
Borrowing 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 be (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 be (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 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
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 bills discounting facilities for the purpose of mitigating exchange risk which has been classified under the head 'Borrowings'.



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Hyundai Motor India Limited

Notes to the standalone financial statements for the year ended March 31, 2022

(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 ₹141.94 million (for the year ended March 31, 2021 - ₹417.30 million) towards corporate social responsibility in line 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 ₹645.54 million (Previous year - ₹694.78 million)
- Amount spent by the Company during the year ₹141.94 million
- Amount unspent by the Company for the year 2021-22 amounting to ₹503.60 million have been transferred to a separate bank account within 30 days from the end of the financial year as required by the Act.

Details of Corporate Social Responsibility expenditure

Particulars	Year ended March	Year ended March 31,
	31, 2022	2021
Amount required to be spent by the company during the year	645.54	694.78
Amount of expenditure incurred on:		
(i) Construction / acquisition an asset	-	-
(ii) On purposes other than (i) above	141.94	417.30
Shortfall at the end of the year	503.60	277.48
Total of previous years shortfall	514.38	-

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 utilized 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 27)

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	277.48	-
Add: Provision during the year	645.54	694.78
Less: Amount utilised during the year (including ₹ 266.70 million of previous year)	408.64	417.30
Advance towards CSR activities	(26.84)	-
Balance at the end of the year	541.22	277.48

- 49 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 BSR & Co. LLP

Chartered Accountants

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

S Sethuraman

Partner

Membership Number: 203491

for and on behalf of the Board of Directors of

Hyundai Motor India Limited

CIN: U29309TN1996PLC035377

Unsoo Kim

Managing Director

DIN: 09470874

Choon Hang Park

Executive Director and CFO

DIN: 08234169

M V Vidya

Company Secretary

Membership Number: 7296

Place : Chennai

Date : July 05, 2022

Place : Gurgaon

Date : July 05, 2022