

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Hyundai Motor India Engineering Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hyundai Motor India Engineering Private Limited (the "Company") which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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 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 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 financial statements.

Management's and Board of Directors' Responsibilities for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) 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 Engineering Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report (Continued)

Hyundai Motor India Engineering Private Limited

- 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid 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 financial statements - Refer Note 29 to the 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 it's knowledge and belief as disclosed in Note 33 to the 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 to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 33 to the 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.
- e. The Company has neither declared nor paid any dividend during the year.

B S R & Co. LLP

Independent Auditor's Report (Continued)

Hyundai Motor India Engineering Private Limited

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.:101248W/W-100022



Satish Vaidyanathan

Partner

Place: Chennai

Date: 04 July 2022

Membership No.: 217042

ICAI UDIN:22217042AMFCOQ6011

Annexure A to the Independent Auditor's Report on the Financial Statements of Hyundai Motor India Engineering Private 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 every year. In accordance with this programme, all 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 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 Company is a service company, primarily rendering consulting engineering services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(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 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 or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (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) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services rendered by the company. Accordingly, clause 3(vi) of the Order is not applicable.

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

- (vi) (a) The Company does not have liability in respect of Service 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 Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount disputed (in INR millions)	Amount paid under protest (in INR million)	Disputed but not deposited (in INR millions)	Period to which the amount related (FY)	Forum where dispute is pending
Income tax Act, 1961	Income tax	27.67	7.01	20.66	2010-11	Honorable High Court of Telangana
Income tax Act, 1961	Income tax	24.33	-	24.33	2012-13	Assessing Officer
Income tax Act, 1961	Income tax	18.02	5.00	13.02	2013-14	Assessing Officer
Income tax Act, 1961	Income tax	85.08	24.00	61.08	2014-15	Commissioner of Income Tax (Appeals) / Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	101.07	-	101.07	2015-16	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	2.14	-	2.14	2016-17	Dispute Resolution Panel

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

Name of the statute	Nature of the dues	Amount disputed (in INR millions)	Amount paid under protest (in INR million)	Disputed but not deposited (in INR millions)	Period to which the amount related (FY)	Forum where dispute is pending
Income tax Act, 1961	Income Tax	65.72	-	65.72	2017-18	Dispute Resolution Panel

- (vii) 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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (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) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint-ventures (as defined under the Act) during the year ended March 31, 2022. Accordingly, clause 3(ix)(f) of the order is not applicable.
- (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

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

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.
- (xi) 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.
- (xii) According to the information and explanations given to us and based on our examination of the books of accounts of the Company, transactions entered by the company with the related parties during the year are in compliance with section 188 of the Act where applicable and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Section 177 of the Act is not applicable to the company.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) 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.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 S R & Co. LLP

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

(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



Satish Vaidyanathan

Partner

Place: Chennai

Date: 04 July 2022

Membership No.: 217042

ICAI UDIN:22217042AMFCOQ6011

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

Report on the internal financial controls with reference to the aforesaid 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 Engineering Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the 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 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.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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



Satish Vaidyanathan

Partner

Place: Chennai

Date: 04 July 2022

Membership No.: 217042

ICAI UDIN: 22217042AMFCOQ6011

Hyundai Motor India Engineering Private Limited

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	4A	1,027.62	731.08
Capital work-in-progress	4B	0.63	213.61
Intangible assets	4C	63.13	94.39
Intangible assets under development		-	2.82
Right-of-use assets	4D	12.43	-
Other financial assets	5	20.23	8.66
Non-current tax assets (net)	6	135.41	118.53
Deferred tax assets (net)	7	167.32	148.37
Other non-current assets	8	13.65	79.88
Total non-current assets		1,440.42	1,397.34
Current assets			
Financial assets			
Trade receivables	9	356.78	263.76
Cash and cash equivalents	10(a)	627.57	433.76
Bank balances other than cash and cash equivalents	10(b)	1,074.09	1,024.00
Other financial Assets	5	60.61	75.14
Other current assets	8	569.98	519.73
Total current assets		2,689.03	2,316.39
Total assets		4,129.45	3,713.73
Equity and liabilities			
Equity			
Equity share capital	11	1,370.00	1,370.00
Other equity	12	2,219.79	1,811.97
Total equity		3,589.79	3,181.97
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14A	6.80	-
Provisions	13	277.45	264.80
Total non-current liabilities		284.25	264.80
Current liabilities			
Financial liabilities			
Lease liabilities	14A	6.21	-
Trade payables	16(a)		
Total outstanding dues of micro enterprises and small enterprises		1.65	2.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		86.59	132.33
Other financial liabilities	16(b)	65.63	50.60
Provisions	13	52.85	43.16
Current tax liabilities (net)	15	1.57	1.57
Other current liabilities	14	40.91	37.04
Total current liabilities		255.41	266.96
Total equity and liabilities		4,129.45	3,713.73
Significant accounting policies	2		

The notes referred to above form an integral part of these financial statements.

As per our report of even date attached.

for **BSR & Co. LLP**

Chartered Accountants

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



Satish Vaidyanathan

Partner

Membership No. 217042

for and on behalf of the Board of Directors of

Hyundai Motor India Engineering Private Limited

CIN: U50103TG2006PTC073037



Yi Kuen Han

Managing Director

DIN: 09032171



Junghwan Lee

Director and CFO

DIN: 08360477



M V Vidya

Company Secretary

Membership Number: 7296

Place : Chennai

Date : July 04, 2022

Place : Hyderabad

Date : July 04, 2022

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

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	17	3,507.61	3,201.69
Other income	18	79.57	55.71
Total income		3,587.18	3,257.40
Expenses			
Employee benefits expense	19	1,737.81	1,626.52
Finance costs	20	1.31	-
Depreciation and amortisation expense	4E	344.14	294.50
Other expenses	21	997.90	865.24
Total expenses		3,081.16	2,786.26
Profit before tax		506.02	471.14
Tax expense			
Current tax	27	118.32	158.60
Deferred tax benefit	27	(19.24)	(25.96)
Total tax expense		99.08	132.64
Profit for the year		406.94	338.50
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to the statement of profit and loss:			
- Remeasurements of the defined benefit liabilities / (asset)		1.18	(30.72)
- Income tax relating to items that will not be reclassified to profit or loss		(0.30)	7.73
Total other comprehensive income / (loss)		0.88	(22.99)
Total comprehensive income for the year		407.82	315.51
Earnings per equity share of ₹ 1,000 each			
Basic	23	297.04	247.08
Diluted		297.04	247.08

Significant accounting policies

The notes referred to above form an integral part of these financial statements

As per our report of even date attached.

for **BSR & Co. LLP**

Chartered Accountants

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



Satish Vaidyanathan

Partner

Membership No. 217042

for and on behalf of the Board of Directors of
Hyundai Motor India Engineering Private Limited
CIN: U50103FG2006PTC073037

y



Yi Kuen Han

Managing Director

DIN: 09032171



Junghwan Lee

Director and CFO

DIN: 08360477



M V Vidya

Company Secretary

Membership Number: 7296

Place : Chennai

Date : July 04, 2022

Place : Hyderabad

Date : July 04, 2022

Hyundai Motor India Engineering Private Limited
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	406.94	338.50
<i>Adjustments:</i>		
Interest received on fixed and other deposits	(40.02)	(45.40)
Interest on Income Tax refund	(5.23)	-
Profit on sale of property, plant and equipment	(4.23)	(3.91)
Unrealised foreign exchange (gain) / loss (net)	(13.69)	(1.62)
Depreciation and amortisation expense	344.14	294.50
Finance cost	1.31	-
Tax expense	99.08	132.64
Operating cash flows before working capital changes	788.30	714.71
<i>Adjustments:</i>		
(Increase)/ decrease in trade receivables	(66.49)	132.27
(Increase)/ decrease in other financial assets, contract assets and loans - financial assets (current)	4.37	(4.01)
(Increase)/ decrease in other assets	0.43	(126.29)
Increase/ (decrease) in trade payables	(45.99)	(25.06)
Increase/ (decrease) in provisions	21.16	30.06
Increase/ (decrease) in other current liabilities	12.79	11.23
Cash flows from operating activities	714.57	732.91
Income taxes paid (net)	(129.97)	(157.03)
Net cash from operating activities	584.60	575.88
Cash flows from investing activities		
Purchase of property, plant and equipment	(370.60)	(444.36)
Proceeds on sale of property, plant and equipment	4.51	3.94
Interest income received	38.59	47.56
Investment in term deposits (having original maturity of more than 3 months)	(2,360.45)	(1,778.03)
Redemption/maturity of term deposits (having original maturity of more than 3 months)	2,310.36	1,497.47
Net cash used in investing activities	(377.59)	(673.42)
Cash flows from financing activities	-	-
Net cash flows from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	207.01	(97.54)
Cash and cash equivalents as at beginning of the year	433.76	524.84
Effect of exchange rate fluctuations on cash and cash equivalents held	(13.20)	6.46
Cash and cash equivalents as at end of the year	627.57	433.76
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as at end of the year (refer note 10(a))	627.57	433.76
	627.57	433.76
Cash and cash equivalents as per note 10(a)	627.57	433.76



Hyundai Motor India Engineering Private Limited
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.

	As at March 31, 2022	As at March 31, 2021
b) Cash and cash equivalents comprise of (refer note 10(a))		
Balances with banks		
- in current accounts	16.76	13.71
- in EEFC accounts	238.31	87.91
- deposits with maturity of less than three months	372.50	332.14
Cash and cash equivalents	627.57	433.76

Significant accounting policies (refer note 2)

The notes referred to above form an integral part of these financial statements

As per our report of even date attached.

for **BSR & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022



Satish Vaidyanathan
Partner
Membership No. 217042

for and on behalf of the Board of Directors of
Hyundai Motor India Engineering Private Limited
CIN: U50103TG2006PTC073037



Yi Kuen Han
Managing Director
DIN: 09032171



Junghwan Lee
Director and CFO
DIN: 08360477

M V Vidya
Company Secretary
Membership Number: 7296

Place : Chennai
Date : July 04, 2022

Place : Hyderabad
Date : July 04, 2022

Hyundai Motor India Engineering Private Limited
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	No. of shares	Amount
As at April 1, 2020	1,370,000	1,370
Changes in equity during the year 2020-21	-	-
As at March 31, 2021	1,370,000	1,370
Changes in equity during the year 2021-22	-	-
As at March 31, 2022	1,370,000	1,370

B. Other equity	Retained earnings	Total
As at April 1, 2020	1,496.46	1,496.46
Profit for the year	338.50	338.50
Other comprehensive loss for the year	(22.99)	(22.99)
As at March 31, 2021	1,811.97	1,811.97
Profit for the year	406.94	406.94
Other comprehensive income for the year	0.88	0.88
As at March 31, 2022	2,219.79	2,219.79

Significant accounting policies - refer note 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSR & Co. LLP**
Chartered Accountants
 ICAI Firm's Registration No. 101248W/W-100022



Satish Vaidyanathan
Partner
 Membership No. 217042

Place : Chennai
 Date : July 04, 2022

for and on behalf of the Board of Directors of
Hyundai Motor India Engineering Private Limited
 CIN: U50103TG2006PTC073037



Yi Kuen Han
Managing Director
 DIN: 09032171



Junghwan Lee
Director and CFO
 DIN: 08360477



M V Vidya
Company Secretary
 Membership Number: 7296

Place : Hyderabad
 Date : July 04, 2022

1. Corporate information

Hyundai Motor India Engineering Private Limited ('the Company') was incorporated on November 9, 2006 and started commercial operations with effect from January 1, 2007. The Company is a wholly owned subsidiary of Hyundai Motor India Limited. The Ultimate Holding Company is Hyundai Motor Company, South Korea. The Company is located at Hyderabad and is primarily engaged in consulting engineering services.

2. Significant accounting policies

2.1 Statement of compliance and basis of preparation

The financial statements for 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 Act read together with Rule 4 of Companies (Indian Accounting Standards) Rules 2015 and the relevant amendment rules issued thereunder, 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 financial statements are presented in Indian ₹ (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.2 Basis of measurement

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

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

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

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

2.3 Use of estimates and judgements

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

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:

- Note 28 - Provision for disputed matters
- Note 2.10 and 2.11 - Useful lives of Property, plant and equipment and intangible assets
- Note 2.9 - Measurement of income taxes and deferred taxes
- Note 2.8 - Measurement of defined benefit obligations
- Note 2.14 - Fair value of financial assets and financial liabilities

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

The COVID-19 pandemic is a global humanitarian and health crisis, that continues to impact all our stakeholders, employees, clients, investors and communities we operate in. Many countries are reporting the second and third waves of infections. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people and businesses. Considering the unprecedented and ever evolving situation, the Company has made detailed assessment of its liquidity position for the next financial year and the recoverability of the Company's assets such as Property, plant and equipment, Intangible assets, financial assets, receivables, advances, other assets, etc., as at the balance sheet date using reasonably available information, estimates and judgements. Based on such assessment, the management believes no material adjustments required to the carrying value of the Company's assets. The impact of the pandemic on economic outlook remain uncertain and the Company will continue to closely monitor any material changes to future economic conditions.

2.4 Revenue

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration, which the Company expects to receive in exchange for those services in accordance with the terms of arrangement.

Revenues are recognised when recovery of the consideration is probable.

Revenue in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as deferred revenues).

Interest income is recognized using the effective interest rate method.



2. Significant accounting policies (continued)

2.5 Leases

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 or terminate will 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.

2.6 Foreign currency

Transactions in foreign currencies are initially recognised in the 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 retranslated 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 a 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.

2.7 Government grants

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 profit or loss on a systematic basis over the periods in which the Company recognises as expense the related costs which the grant was 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 profit or loss on a systematic and rational basis over the useful life of the related assets.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

2.8 Employee benefits expense

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 Fund 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.



2. Significant accounting policies (continued)

2.8 Employee benefits expense (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 flow using a discounted rate that is determined by reference to the prevailing market yields at the Balance Sheet date on Government Bonds.

For defined benefit retirement 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 plan 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.

2.9 Taxation

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

(ii) Deferred tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) 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.

(iv) MAT credit

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the provisions contained in the Guidance Note issued by The Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.



2. Significant accounting policies (continued)

2.1 Taxation (continued)

(v) 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.

2.10 Property, plant and equipment ('PPE')

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

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.

Derecognition of PPE:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and 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:

Category	Useful Life (Years)
Buildings	15
Plant and equipment	3
Electrical installations and Equipment	15
Furniture and fixtures	5 to 6
Office equipment	5 to 6
Vehicles	1 to 6

Assets acquired under leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term

Individual assets 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, where applicable, as per Schedule II of the Companies Act, 2013. 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 testing vehicles, based on their condition, usability etc., as per the estimates of the Management, where necessary.

2.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

Intangible assets are amortised over their estimated useful life on straight line method. Software expenditure is amortised over 3 years using straight line method, commencing from the year in which the expenditure is incurred, being the estimated useful life. Expenditure on software purchased with license period of one year or less is expensed-off in the year of purchase.

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



2. Significant accounting policies (continued)

2.12 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible 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 group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible asset with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and 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 such 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.

2.13 Provisions and contingencies

Provisions are recognized when the Company has a present obligation (legal or 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 the receivable can be measured reliably.

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 are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.



2. Significant accounting policies (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

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

2.15 Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits held at banks with original maturities of three months or less that are readily convertible to known amounts of cash.

2.16 Operating cycle

Based on the nature of 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.

2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the adjusted profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares, if any.

2.19 Service tax/ GST input credit

Service Tax/ GST Input Credit is accounted for in the books during the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the same.

2.20 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.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. 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.



3 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.



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

4A Property, plant and equipment

(See accounting policy in Note 2.10)

Particulars	Land	Buildings	Leasehold improvements	Plant and equipment	Electrical installations and Equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
Balance at April 1, 2020	98.57	798.24	-	597.57	14.75	54.47	183.07	87.90	1,834.57
Additions	-	0.12	-	86.85	12.45	19.77	38.13	36.79	194.11
Disposals	-	-	-	66.72	-	-	0.52	8.85	76.09
Balance at March 31, 2021	98.57	798.36	-	617.70	27.20	74.24	220.68	115.84	1,952.59
Balance at April 1, 2021	98.57	798.36	-	617.70	27.20	74.24	220.68	115.84	1,952.59
Additions	-	306.53	13.06	90.25	50.16	16.83	72.15	38.12	587.10
Disposals	-	0.29	-	-	-	-	2.31	14.66	17.26
Balance at March 31, 2022	98.57	1,104.60	13.06	707.95	77.36	91.07	290.52	139.30	2,522.43
Accumulated depreciation									
Balance at April 1, 2020	-	412.59	-	404.72	10.25	35.55	116.45	59.76	1,039.32
Depreciation for the year	-	83.94	-	113.40	0.55	8.48	25.47	26.40	258.24
Disposals	-	-	-	66.72	-	-	0.48	8.85	76.05
Balance at March 31, 2021	-	496.53	-	451.40	10.80	44.03	141.44	77.31	1,221.51
Balance at April 1, 2021	-	496.53	-	451.40	10.80	44.03	141.44	77.31	1,221.51
Depreciation for the year	-	97.42	0.43	110.02	3.44	9.66	30.48	38.83	290.28
Disposals	-	0.06	-	-	-	-	2.26	14.66	16.98
Balance at March 31, 2022	-	593.89	0.43	561.42	14.24	53.69	169.66	101.48	1,494.81
Carrying amount (net)									
As at March 31, 2021	98.57	301.83	-	166.30	16.40	30.21	79.24	38.53	731.08
As at March 31, 2022	98.57	510.71	12.63	146.53	63.12	37.38	120.86	37.82	1,027.62

The title deeds of all the Immovable properties as disclosed above are held in the name of the Company.



4B Capital work-in-progress

	As at March 31, 2022	As at March 31, 2021
Opening balance	213.61	68.39
Additions	139.49	149.92
Reversal during the year	-	-
Transferred to cost of Property, plant and equipment	352.47	4.70
	0.63	213.61

Capital Work in progress (CWIP) ageing schedule

As at March 31, 2022

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1 - 2 years	More than 2 years	Total
Projects in progress	0.63	-	-	0.63
Projects temporarily suspended	-	-	-	-

As at March 31, 2021

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1 - 2 years	More than 2 years	Total
Projects in progress	149.58	64.03	-	213.61
Projects temporarily suspended	-	-	-	-

There are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021.

4C Intangible assets

(See accounting policy in Note 2.11)

Particulars	Computer software	Total
Cost		
Balance at April 1, 2020	262.99	262.99
Additions	81.28	81.28
Disposals	-	-
Balance at March 31, 2021	344.27	344.27
Balance at April 1, 2021	344.27	344.27
Additions	16.38	16.38
Disposals	-	-
Balance at March 31, 2022	360.65	360.65
Accumulated amortisation		
Balance as at April 1, 2020	213.62	213.62
Amortisation for the year	36.26	36.26
Disposals	-	-
Balance as at March 31, 2021	249.88	249.88
Balance as at April 1, 2021	249.88	249.88
Amortisation for the year	47.64	47.64
Disposals	-	-
Balance as at March 31, 2022	297.52	297.52
Carrying amount (net)		
As at March 31, 2021	94.39	94.39
As at March 31, 2022	63.13	63.13



Hyundai Motor India Engineering Private Limited
Notes to financial statements for the year ended March 31, 2022
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4D Right - of - use assets

(See accounting policy in Note 2.5)

Particulars	Buildings	Total
Cost		
Balance at April 1, 2021	-	-
Additions	18.65	18.65
Disposals	-	-
Balance at March 31, 2022	18.65	18.65
Accumulated depreciation		
Balance as at April 1, 2021	-	-
Depreciation for the year	6.22	6.22
Disposals	-	-
Balance as at March 31, 2022	6.22	6.22
Carrying amount (net)		
As at March 31, 2021	-	-
As at March 31, 2022	12.43	12.43

4E Depreciation and amortisation expense

- a) Depreciation of property, plant and equipment (refer note 4A)
b) Amortisation of intangible assets (refer note 4C)
c) Depreciation of right-of-use assets (refer note 4D)

	Year ended March 31, 2022	Year ended March 31, 2021
a)	290.28	258.24
b)	47.64	36.26
c)	6.22	-
	344.14	294.50



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

5 Other financial assets

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Security deposits	-	20.23	9.42	8.44
Interest accrued on fixed deposits	7.89	-	6.46	-
Other receivables	0.02	-	-	0.22
Contract asset - unbilled revenue	52.70	-	59.26	-
	60.61	20.23	75.14	8.66

6 Non-current tax assets, net

Non-current tax asset (Net of provision for tax of ₹ 1,134.46 million as at March 31, 2022 ; ₹ 974.44 million as at March 31, 2021)

	As at March 31, 2022	As at March 31, 2021
	135.41	118.53
	135.41	118.53

7 Deferred taxes, net

Tax effect of items constituting deferred tax assets/ (liabilities)

Provision for employee benefits
 Provision for disputed matters / others
 Difference between depreciation as per books of account and Income Tax Act, 1961
 Lease liabilities (net)

	As at March 31, 2022	As at March 31, 2021
	81.54	62.96
	8.49	22.14
	77.15	63.27
	0.14	-
	167.32	148.37

8 Other assets

Prepayments
 Capital advances
 Advance to suppliers
 Balances with government authorities
 - Service tax/ GST input credit
 - Service tax / GST refund claims
 Advances to employees

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Prepayments	233.80	4.82	243.16	1.99
Capital advances	-	8.83	-	24.38
Advance to suppliers	8.68	-	3.20	-
Balances with government authorities				
- Service tax/ GST input credit	313.02	-	141.98	-
- Service tax / GST refund claims	-	-	123.89	53.51
Advances to employees	14.48	-	7.51	-
	569.98	13.65	519.73	79.88

Note:

Balance with government authorities

The amount outstanding from various government authorities has been recognised in the financial statements based on Management's assessment and professional advice on the entitlements, future recoverability and utilisation in accordance with the applicable regulatory provisions. In the opinion of the Management, the entire Service tax refund / GST claim is good for recovery.

9 Trade receivables (Unsecured, considered good)

Related parties
 a) Secured, considered good
 b) Unsecured, considered good

	As at March 31, 2022	As at March 31, 2021
	-	-
	356.78	263.76
	356.78	263.76



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

9 Trade receivables (Unsecured, considered good)- (continued)

Ageing of trade receivables

The ageing has been determined based on the due date of the payment, where there is no due date for payment, date of transaction has been considered.

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment			Total
		Less than 6 months	6 months to 1 year	More than 1 year	
(i) Un disputed Trade receivables- considered good	348.23	8.55	-	-	356.78
(ii) Disputed Trade receivables- considered good	-	-	-	-	-

As at March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment			Total
		Less than 6 months	6 months to 1 year	More than 1 year	
(i) Un disputed Trade receivables- considered good	263.76	-	-	-	263.76
(ii) Disputed Trade receivables- considered good	-	-	-	-	-

10 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	16.76	13.71
- in EEFC accounts	238.31	87.91
- deposits with original maturity of less than 3 months	372.50	332.14
(a) Total cash and cash equivalents	627.57	433.76
(b) Bank balances other than cash and cash equivalents		
Deposits with original maturity of more than 3 months but less than 12 months	1,074.09	1,024.00
	1,074.09	1,024.00



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Hyundai Motor India Engineering Private Limited
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(All amounts are in Indian ₹ million except share data and as stated)

11 Share capital	As at March 31, 2022	As at March 31, 2021
Authorised:		
1,370,000 (As at March 31, 2021 - 1,370,000) Equity shares of ₹ 1,000 each	1,370.00	1,370.00
	1,370.00	1,370.00
Issued, Subscribed and fully Paid:		
1,370,000 (As at March 31, 2021 - 1,370,000) Equity shares of ₹ 1,000 each	1,370.00	1,370.00
	1,370.00	1,370.00

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Shares outstanding as at the beginning of the year	1,370,000	1,370.00	1,370,000	1,370.00
Shares outstanding as at the end of the year	1,370,000	1,370.00	1,370,000	1,370.00

(b) Rights, preferences and restrictions attached to equity shares

The Company has 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. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting, except in case of the interim dividend. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares of ₹ 1,000/- each fully paid held by Hyundai Motor India Limited	1,370,000	1,370	1,370,000	1,370

(d) Particulars of shareholders holding more than 5% shares of a class of shares

	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
Hyundai Motor India Limited and its nominee	1,370,000	100%	1,370,000	100%

(e) Particulars of shares held by Promoters

S. No	Promoter name	As at March 31, 2022		As at March 31, 2021		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Hyundai Motor India Limited and its nominee	1,370,000	100%	1,370,000	100%	-

12 Other equity

	Retained	Total
As at April 1, 2020	1,496.46	1,496.46
Profit for the year	338.50	338.50
Other comprehensive loss for the year	(22.99)	(22.99)
As at March 31, 2021	1,811.97	1,811.97
Profit for the year	406.94	406.94
Other comprehensive income for the year	0.88	0.88
As at March 31, 2022	2,219.79	2,219.79



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

13 Provisions

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
- Provision for compensated absences	47.36	107.92	41.61	53.52
- Provision for gratuity	-	135.80	-	123.31
Other provisions				
- Provision for disputed matters (refer note 28)	-	33.73	-	87.97
- Provision for Corporate Social Responsibility	5.49	-	1.55	-
	52.85	277.45	43.16	264.80

14 Other Current liabilities

Statutory liabilities

	As at March 31, 2022	As at March 31, 2021
	40.91	37.04
	40.91	37.04

14A Lease Liabilities

Lease Liabilities:

Opening as at April 1, 2021

Add: Finance cost on lease liabilities

Less: Cash outflow

Closing as at March 31, 2022

	As at March 31, 2022	As at March 31, 2021
	18.65	-
	1.31	-
	6.95	-
	13.01	-

Current

Non Current

	6.21	-
	6.80	-

Weighted average incremental borrowing rate (% p.a.)

	9.00%	-
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The future expected minimum lease payments under leases (undiscounted) are as follows:

Payable in less than one year

Payable between one and five years

	6.21	-
	6.80	-
	13.01	-

Amounts recognised in statement of Profit and Loss

a) Depreciation expense of right to use assets

Buildings

	6.22	-
	6.22	-

Expenses recognized in relation to leases:

b) Interest on lease liabilities

	1.31	-
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15 Current tax liabilities (net)

Provision for income tax (net)

	1.57	1.57
	1.57	1.57



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

16 Financial liabilities	As at March 31, 2022	As at March 31, 2021
(a) Trade payables		
total outstanding dues of micro enterprises and small enterprises (refer note below)	1.65	2.26
total outstanding dues of creditors other than micro enterprises and small enterprises	86.59	132.33
	88.24	134.59

Note:

(a) Total outstanding dues of micro and small enterprises		
Principal	1.65	2.26
Interest thereon	-	-
b) Amount paid beyond "Appointed Day" as per MSMED Act, 2006		
Principal	-	-
Interest thereon	-	-
c) Interest due and payable for the period of delay (Paid beyond appointed day)	-	-
d) Interest accrued and remaining unpaid 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 Micro, Small and Medium Enterprises 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 Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables ageing schedule

As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1-3 years	More than 3 years	
(i) MSME	-	-	1.65	-	-	1.65
(ii) Others	48.65	-	37.94	-	-	86.59

As at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1-3 years	More than 3 years	
(i) MSME	-	-	2.26	-	-	2.26
(ii) Others	24.35	-	107.99	-	-	132.33

(b) Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Capital creditors	22.57	2.39
Employee benefits payable	43.06	48.21
	65.63	50.60



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Hyundai Motor India Engineering Private Limited
Notes to 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
17 Revenue from operations		
Income from consulting engineering services		
- Export	3,258.78	2,906.85
- Domestic	248.83	294.84
	<u>3,507.61</u>	<u>3,201.69</u>
18 Other income		
Interest Income on :		
Bank deposits	39.79	45.10
Other deposits	0.23	0.30
Income Tax refund	5.23	-
Profit on sale of Property, plant and equipment	4.23	3.91
Net gain on foreign currency transactions and translation	25.69	3.05
Rental income	0.62	0.62
Miscellaneous income	3.78	2.73
	<u>79.57</u>	<u>55.71</u>
19 Employee benefits expense		
Salaries, wages and bonus	1,519.26	1,420.89
Contribution to provident and other funds, net	88.84	78.63
Staff welfare expenses	129.71	127.00
	<u>1,737.81</u>	<u>1,626.52</u>
20 Finance Cost		
Interest expenses	1.31	-
	<u>1.31</u>	<u>-</u>
21 Other expenses		
Power and fuel	36.28	30.58
Rent	8.22	11.79
Training expenses	7.04	0.18
Testing expenses	207.65	157.66
Repairs and maintenance		
- buildings	6.65	0.95
- plant and machinery	41.17	45.60
- others	5.26	2.46
Office and other maintenance	70.81	52.58
Insurance	3.37	3.48
Rates and taxes	4.58	4.96
Communication	13.26	12.99
Travelling and conveyance	54.47	11.67
Software subscription	507.53	505.34
Printing and stationery	1.51	2.35
Legal and professional charges (refer note below)	17.27	12.27
Expenditure on Corporate Social Responsibility (refer note 32)	9.31	8.41
Bank charges	0.38	0.13
Miscellaneous expenses	3.14	1.84
	<u>997.90</u>	<u>865.24</u>
Note: Payments to auditors (excluding goods and service tax)		
- Statutory audit	1.60	1.60
- Tax audit	0.40	0.40
	<u>2.00</u>	<u>2.00</u>



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

22 Segment information

The Company has a single operating segment, namely, rendering of consulting engineering services and the information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance focusses on this operating segment. Accordingly, the amounts appearing in these financial statements relate to this operating segment.

Geographical information

The Company's revenue from operation from customers by location of operations and information about its non current assets by locations of asset are detailed below:

	Revenue from operations #		Non-current assets *	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
India	248.83	294.84	1,252.87	1,240.31
South Korea	3,258.78	2,906.85	-	-
	3,507.61	3,201.69	1,252.87	1,240.31

* Non current assets excludes other financial assets and deferred tax asset.

Revenue from operations includes unbilled revenue.

Information about major customers

Revenue from operations include ₹ 3,258.78 million (Previous Year ₹ 2,906.85 million) from the Company's customers contributing individually for more than 10% of the Company's total revenue from operations.

23 Earnings per share

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to equity shareholders (A)	406.94	338.50
Weighted average number of equity shares outstanding as at reporting date (B)	1,370,000	1,370,000
Basic and Diluted earnings per equity share (A/B)	297.04	247.08



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

24 Employee benefits expense

(i) Defined contribution plan

The Company makes Provident Fund and Superannuation Fund contributions for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 31.57 million (Previous Year: ₹ 28.26 million) for Provident Fund contributions and ₹ 4.29 million (Previous Year: ₹ 3.94 million) for Superannuation Fund contributions and ₹ 5.39 million (Previous Year : ₹ 5.14 million) for National Pension Scheme and ₹ 13.87 million (Previous Year : ₹ 13.67 million) for Employee Pension Scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined benefit plan:

The Company's obligation towards the Gratuity Fund is a Defined benefit plan which is funded with the Life Insurance Corporation of India (LIC). The following table sets out the funded status of the Gratuity scheme and the amount recognised in the financial statements as per the Actuarial Valuation carried out by an Independent Actuary.

Amount recognised in the statement of profit & 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 costs recognised in profit or loss		
Service cost		
- Current service cost	24.12	20.04
Net interest expense	6.88	5.00
	31.00	25.04
Components of defined benefit costs recognised in other comprehensive income		
Return on plan assets (excluding amount included in net interest expense)	(0.72)	0.08
Actuarial gains and loss arising from changes in financial and demographic assumptions	7.55	31.33
Actuarial gains and loss arising from experience adjustments	(8.02)	(0.68)
	(1.18)	30.73

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Contribution to Provident and Other Funds".

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

	As at March 31, 2022	As at March 31, 2021
Net asset/(liability) recognised in the Balance Sheet		
Present value of defined benefit obligation as at the reporting date	(253.89)	(222.65)
Fair value of plan assets as at the reporting date	118.09	99.33
Surplus/(deficit)	(135.80)	(123.32)
Current portion of the above	-	-
Non current portion of the above	(135.80)	(123.32)



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

24 Employee benefits expense (continued)

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Present value of defined benefit obligation at the beginning of the year	222.65	164.51
Expenses Recognised in Statement of Profit and Loss :		
- Current service cost	24.12	20.04
- Interest expense (Income)	13.43	10.92
Past service cost - non vested benefits	-	-
Past service cost - vested benefits	-	-
Recognised in other comprehensive income:		
Remeasurement gains / (losses)		
- Actuarial gain /(loss) arising from:		
i. Financial assumptions & Demographic adjustments	7.55	31.33
ii. Experience adjustments	(8.02)	(0.68)
Benefit payments	(5.84)	(3.47)
Present value of defined benefit obligation at the end of the year	253.89	222.65

(d) Movement in fair value of plan assets are as follows :

Fair value of plan assets at the beginning of the year	99.33	81.00
Expenses recognised in Statement of Profit and Loss :		
- Expected return on plan assets	-	-
- Adjustments to opening balance	-	-
- Interest income	6.55	5.92
Recognised in other comprehensive income :		
Remeasurement gains / (losses)		
- Actuarial gains and loss arising from changes in financial assumptions	0.72	0.08
Contributions by employer	17.33	15.80
Benefit payments	(5.84)	(3.47)
Fair value of plan assets at the end of the year	118.09	99.33

(e) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.00%	6.18%
Expected rate of salary increase	16.00%	13.00%
Expected return on plan assets	7.00%	6.18%
Mortality	IALM (2012-14)Ult.	IALM (2012-14)Ult.

* Based on India's standard mortality table with modification to reflect the expected changes in mortality/others

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

If the discount rate is 1% higher (lower) the defined benefit obligation would decrease by ₹ 23.85 million (increase by ₹ 28.05 million) (As at March 31, 2021 ; decrease by ₹ 23.74 million (increase by ₹ 28.65 million).

If the expected salary growth rate increase/(decrease) by 1% the defined benefit obligation would increase by ₹ 10.27 million (decrease by ₹ 10.39 million) (As at March 31, 2021 ; increase by ₹ 12.36 million (decrease by ₹ 12.22 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.



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

25 (a) Financial instruments As at
March 31, 2022 As at
March 31, 2021

(I) Categories of financial instruments

Financial assets

Measured at amortised cost

- Cash and cash equivalents and bank balances	1,701.66	1,457.76
- Trade receivables	356.78	263.76
- Other financial assets	80.84	83.80

Financial liabilities

Measured at amortised cost

- Trade payables	88.24	134.59
- Lease liabilities	6.21	-
- Other financial liabilities	65.63	50.60

(II) Financial risk management framework

The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The focus of the the Chief Operating Decision Maker (CODM) is to assess the unpredictability of the financial environment and to mitigate potential adverse effects, if any, on the financial performance of the Company.

The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(III) Foreign Currency Risk Management :

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. The details of the foreign exposures not hedged are :

Particulars	Currency	As at	As at
		March 31, 2022	March 31, 2021
Trade receivables	USD	4.23	3.15
Trade payables and capital creditors	USD	0.07	0.40
Cash and cash equivalents and bank balances	USD	3.15	1.20

(IV) Foreign Currency sensitivity analysis:

The following table details the Company's sensitivity to a 5% increase and decrease in ₹ 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 a increase in profit / decrease in loss and increase in equity where the INR/₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact of USD

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Impact on profit for the year		
₹/USD increase by 5%	13.17	(12.32)
₹/USD decrease by 5%	(13.17)	12.32
Impact on total equity as at the end of the reporting period		
₹/USD increase by 5%	27.68	14.51
₹/USD decrease by 5%	(27.68)	(14.51)



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

25 (b) Financial instruments (continued)

(V) Liquidity risk management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Particulars	Weighted average interest rate	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
- Trade payables	NA	88.24	-	-	-	88.24
- Capital creditors	NA	22.57	-	-	-	22.57
- Employee benefits payable	NA	43.06	-	-	-	43.06
		153.87	-	-	-	153.87
As at March 31, 2021						
- Trade payables	NA	134.59	-	-	-	134.59
- Capital creditors	NA	2.39	-	-	-	2.39
- Employee benefits payable	NA	48.21	-	-	-	48.21
		185.19	-	-	-	185.19

25 (c) Fair value measurement

The management considers that the carrying amount of all the financial asset and financial liabilities that are not measured at fair value in the 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 Engineering Private Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Indian ₹ million except share data and as stated)

26 Related party transactions

(a) Related parties with whom transactions have taken place during the year:

Nature of relationship	Name of the entity
Ultimate Holding Company	
Holding Company	Hyundai Motor India Limited
Entities which are Subsidiaries of Associate of Ultimate Holding Company	Hyundai Transys Lear Automotive India Private Limited Hyundai Transys India Private Limited Kia India Private Limited HEC India LLP Hyundai Autoever India Private limited Hyundai India Engineering Pvt. Ltd., Hyundai Wia India Pvt Ltd
Entities which are Associate of Ultimate Holding Company	Hyundai Autoever Corp Haevichi Hotel & Resort Co Limited Kia Corporation
Entities with significant influence over the Ultimate Holding Company	Hyundai MOBIS Co., Ltd
Key Management Personnel	Mr. Yi Kuen Han, Managing Director (w.e.f January 27, 2021) Mr. Jihon Baek, Managing Director (upto December 31, 2020) Mr. Junghwan Lee, Chief Financial Officer and Wholetime Director

(b) The significant related party transactions during the year are as follows:

Name of related party	Nature of transaction	Year ended March 31, 2022	Year ended March 31, 2021
Hyundai Motor Company, South Korea	Income from consulting engineering services	1,896.92	1,691.47
	Reimbursement of expenses	4.34	7.90
	Insurance	0.20	0.39
Kia Corporation	Income from consulting engineering services	1,312.40	1,161.17
Kia India Private Limited	Income from consulting engineering services	95.98	70.48
Hyundai Motor India Limited	Income from consulting engineering services	149.62	219.30
	Recovery of expenses	0.94	0.95
	Rental income	0.62	0.62
	Rental expenses	10.12	-
Hyundai India Engineering Pvt. Ltd.,	Scrap sale	0.19	-
Haevichi Hotel & Resort Co Ltd	Testing travel, training and development	0.17	-
Hyundai Wia India Pvt Ltd	Testing expenses	0.22	-
Hyundai Autoever Corp	Annual license fees for software	59.78	41.78
	Purchase of equipments	0.31	-
	Office and other maintenance	1.40	8.17
Hyundai Transys India Private Limited	Testing expenses	-	0.05
Hyundai Autoever India Private Limited	Office and other maintenance	19.19	12.28
	Annual license fees for software & hardware	38.74	26.65
	Purchase of equipments	92.65	92.73
	Purchase of computer software	2.97	34.21
HEC India LLP	Construction contract cost	129.61	133.69
Mr. Yi Kuen Han	Remuneration	31.92	6.51
Mr. Jihong Baek	Remuneration	-	23.12
Mr. Junghwan Lee	Remuneration	14.04	12.39

(c) The significant related party balances as at the year end are as follows:

Name of related party	Nature of balance	As at March 31, 2022	As at March 31, 2021
Hyundai Motor Company, South Korea	Trade receivables	178.46	138.02
Kia Corporation	Trade receivables	131.37	93.56
Kia India Private Limited	Trade receivables	25.90	11.71
Hyundai Motor India Limited	Trade receivables	21.06	20.46
Hyundai Autoever Corp	Trade payables	-	0.41
Haevichi Hotel & Resort Co Ltd	Trade payables	0.12	-
Hyundai Motor India Limited	Trade payables	1.99	-
Hyundai Autoever India Private Limited	Trade payables	6.63	0.06

Note: Unbilled revenue of ₹ 52.70 million (as at March 31, 2021 ₹ 59.26 million) is excluded for the above disclosures.



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

27 Current tax and deferred tax

(i) 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	173.71	158.60
- In respect of previous years	(55.39)	-
Deferred tax		
- In respect of current year	(19.24)	(25.96)
Total tax expense recognised in the current year	99.08	132.64

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gross amount	Tax amount	Gross amount	Tax amount
Profit before tax from operations	506.02		471.14	
Income Tax using the Company's domestic tax rate at 25.17%		127.37		118.59
Tax effect of:				
Expenses that are not deductible in determining taxable profit / others	46.59	11.73	55.86	14.05
Reversal of tax provision pertaining to earlier years		(55.39)		
Others	6.83	15.37		
Income tax recognised in statement of profit and loss		99.08		132.64

(iii) Income tax on other comprehensive income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax		
Remeasurement of defined benefit obligation	(0.30)	7.73
	(0.30)	7.73

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the balance sheet.

Particulars	Year ended March 31, 2022			
	Opening balance	Recognised in profit and loss (charged)/credit	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Employee benefits	62.96	18.88	(0.30)	81.54
Provision for disputed matters / others	22.14	(13.65)	-	8.49
Property, plant and equipment	63.27	13.87	-	77.15
Lease Liabilities	-	0.14		0.14
Net tax asset / (liabilities)	148.37	19.24	(0.30)	167.32

Particulars	Year ended March 31, 2021			
	Opening balance	Recognised in profit and Loss (charged)/credit	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Employee benefits	43.91	11.32	7.73	62.96
Provision for disputed matters / others	22.14	-	-	22.14
Property, plant and equipment	48.63	14.64	-	63.27
Net tax asset / (liabilities)	114.68	25.96	7.73	148.37



28 Provision for disputed matters

Item represents the adjustments on account of provision for disputed matters created by the Company based on Management's Assessment of various disputes duly considering various developments.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening balance	87.97	87.97
Provision made during the year	-	-
Reversals during the year [Refer Note (ii)]	54.24	-
Closing balance [Refer Note (i)]	33.73	87.97

Notes:

- (i) The Company received total tax demand of ₹42.63 million relating to the Assessment Year 2011-12 during the year ended March 31, 2016. The company paid an amount of ₹7.01 million under protest against the said assessment order. The Company received a revised order from Income Tax Appellate Tribunal (ITAT) revising the demand to ₹20.66 million after further appeals with ITAT. As at the reporting date, the Company has filed an appeal in the Hon'ble High Court of Telangana against the ITAT's order, which is pending for disposal. The Company has recorded the provision for the above mentioned tax demand along with interest payable in the previous years amounting to ₹33.73 million.
- (ii) The company received an assessment order relating to the Assessment Year 2012-13 during the year ended March 31, 2019. In the said assessment order, the Assessing Officer raised a total tax demand of ₹ 53.64 million which was issued based on the order passed by DRP. An amount of ₹18.59 million was paid under protest with respect to said assessment order. Consequently, the Company filed an appeal before ITAT. During the year, the Company received a favourable order. Therefore, the Company reversed the provision created earlier in the books amounting to ₹ 54.24 million.

29 Contingent liabilities and commitments

29.1 Commitments

- (i) The estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for is ₹ 22.72 million (As at March 31, 2021: ₹ 119.46 million).
- (ii) Other commitments for service contracts - ₹ 140.11 million (As at March 31, 2021 : ₹76.07 million).

29.2 Claims against the Company not acknowledged as debts

	As at	As at
	March 31, 2022	March 31, 2021
Income tax (refer note (i) to (v) below)	294.23	305.43
	294.23	305.43

Notes:

- (i) During FY 2017-18, the Assessing Officer has issued final assessment order relating to AY 2013-14 with a total tax demand of ₹ 16.52 million based on directions of DRP. The Company has filed an appeal before Income Tax Appellate Tribunal (ITAT) and received a rectification order to revise the total tax demand to ₹ 24.33 million. As at reporting date, the Company is yet to receive the giving effect order from the Assessing Officer.
- (ii) During FY 2019-20, the Company has received draft assessment order relating to the AY 2014-15 with transfer pricing adjustment amounting to ₹ 154.27 million. An amount of ₹ 5 million was paid under protest against the demand. The Company has filed an appeal before ITAT against the final assessment order and is yet to receive a consequential giving effect order from Assessing Officer with a total demand of ₹ 18.02 million.
- (iii) During FY 2020-21, the Company received a revised order from Commission of Income Tax (Appeals) revising the tax demand relating to a transfer pricing adjustment of AY 2015-16 from ₹ 118.40 million to ₹ 85.08 million. The Company paid an amount of ₹ 24 million under protest to the CIT (Appeals) . As at reporting date, the Company has filed an appeal before CIT (Appeals) and ITAT which were pending for disposal.
- (iv) During FY 2020-21, the company has received final assessment order relating to the AY 2016-17 with a total tax demand of ₹ 101.07 million relating to transfer pricing adjustment. As at reporting date, the company has filed an appeal before ITAT which were pending for disposal.
- (v) During the current year, the Company has received draft assessment order relating to the AY 2018-19 with a total tax demand of ₹ 65.72 million mainly relating to transfer pricing adjustment. As at reporting date, the Company has filed an appeal before DRP and it is pending for disposal.
- 29.3** Supreme Court vide their judgement dated February 28, 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The Company based on internal evaluation, believes that there are interpretative challenges and significant uncertainties surrounding the determination of liability including the period of assessment, application for present and past employees, Company's liability towards employees' contribution and assessment of interest and penalties. The amount of obligation, therefore, cannot be measured with sufficient reliability for past periods, and hence, disclosed as contingent liability.

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 28.



30 Relation with Struck off Companies

Financial year	Name of struck off Company	Nature of transactions with struck off Company	Amount of transaction	Balance outstanding	Relationship with struck off Company, if any
2021-22				Nil	
2020-21	Oxy Tree Ltd.,	Rental deposit	0.37	-	Not a related party

31 Ratios

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
Current Ratio	Current Assets	Current Liabilities	10.53	8.68	21%
Return on Equity	Profit after tax	Average Total Equity	0.12	0.11	7%
Trade Receivables turnover ratio	Total Sales	Closing trade receivables	9.83	12.14	-19%
Trade payables turnover ratio*	Other Expenses	Closing trade payables	11.31	6.43	76%
Net capital turnover ratio	Total Sales	Net working capital	1.44	1.56	-8%
Net Profit ratio	Profit after tax	Total Sales	0.12	0.11	10%
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)	0.14	0.14	-3%
Return on Investment	Earnings before Interest and tax	Closing total assets	0.11	0.11	-1%

* During the year, the closing value of trade payables has reduced in comparison with the previous year.

32 Corporate Social Responsibility (CSR)

During the year, the Company incurred an aggregate amount of ₹ 5.03 million (Previous Year: ₹ 6.86 million) towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

- (i) Gross amount required to be spent by the Company during the year: ₹ 9.31 million (Previous Year: ₹ 8.41 million)
(ii) Amount spent by the Company during the year on:

Particulars	FY 2021-22	FY 2020-21
Amount required to be spent by the Company during the year	9.31	8.41
Amount of expenditure incurred on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purposes other than (i) above	5.03	6.86
Shortfall at the end of the year	4.29	1.55
Total of previous years shortfall	-	-

Reason for shortfall:

The Company has an approved plan which requires spending of amounts under CSR activities over multiple years and these would be utilized accordingly.

Nature of CSR activities:

Education, health, environmental sustainability, rural development, covid-19 relief activities

Movements in the CSR provision

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	1.55	-
Add: Provision during the year	9.31	8.41
Less: Amount utilised during the year (including ₹ 0.35 million of previous year)	5.38	6.86
Balance at the end of the year	5.49	1.55



33 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- (iii) The Company has utilised funds raised from issue of securities or borrowings from banks and financial institutions for the specific purposes for which they were issued/taken.
- (iv) The Company has not obtained any borrowings from banks or financial institutions on the basis of security of current assets.
- 34** Previous period figures have been re-grouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the Schedule III to the Companies Act, 2013 effective from April 1, 2021.

As per our report of even date attached.

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



Satish Vaidyanathan
Partner
Membership No. 217042

for and on behalf of the Board of Directors of
Hyundai Motor India Engineering Private Limited
CIN: U50103TG2006PTC073037



Yi Kuen Han
Managing Director
DIN: 09032171



Junghwan Lee
Director and CFO
DIN: 08360477



M V Vidya
Company Secretary
Membership Number: 7296
Place : Hyderabad
Date : July 04, 2022

Place : Chennai
Date : July 04, 2022