

# B S R & Co. LLP

Chartered Accountants

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The Board of Directors,  
Samsung India Electronics Private Limited

**Independent Auditor's Report towards capital investment made for the period 1 January 2021 to 31 March 2021 ("the period") for the project as per para 12.4 G.O. No. 402/77-6-14-5 (M)/13 TC dated 03.03.2014 further amended by clause 1.3 of G.O. No. 510/77-6-16-5 (M)/13 TC**

1. This Report is issued by us as the statutory auditors of M/s Samsung India Electronics Private Limited ("the Company") in accordance with the terms of our engagement letter dated 13 December 2018 and addendum dated 28 January 2021.
2. The accompanying annexure of "Details of Expenditures incurred on the project" ("Statement") as given on Page 4 and 5 of the report has been prepared by the Company in respect of its project expansion of its branch situated at B-1, Sector-81, Phase-II, Noida (U.P.), Pin No.-201305, having its registered office at 6<sup>th</sup> Floor, DLF Centre, Sansad Marg, New Delhi – 110001. The annexed statement has been prepared by the Company for availing certain incentives under the Super Mega Project Scheme ("the Scheme") announced by the Government of Uttar Pradesh. The scheme is related to new investment/expansion of existing unit on attaining a specific threshold Investment limit specified in the scheme, in the form of plant & machinery and other capital investments by the enterprises in the state post which the eligible units will get certain benefits/ incentives on case to case basis to be decided by the Empowered Committee. Under the said scheme the eligible unit will be entitled for the incentives only after achieving a threshold of capital investment of INR 10,000 million.

## Management's Responsibility

3. The accompanying Statement prepared on the basis of books of accounts and other relevant records, including the creation and maintenance of all accounting and other records supporting its content, is solely the responsibility of the management of the Company. The Company's management is responsible for designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Scheme and for providing all relevant information to the authorities.

## Auditor's Responsibility

5. It is our responsibility to obtain reasonable assurance and form an opinion, based on our examination of relevant accounting and other records and documents, on the information disclosed in the Statement.

Principal Office:

6. We have placed reliance upon audited books of accounts till 31 March 2020 and books of accounts from 1 April 2020 to 31 March 2021 and other relevant records of the Company as provided to us by the management for the purpose of our examination of the annexed Statement.
7. We have obtained appropriate representations from the Company's Management through a separate representation letter.
8. We conducted our examination of relevant accounting and other records and documents in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" (the Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have examined the following records, documents and books of account, produced to us by the Company on a test check basis:
  - (a) Invoices/Purchase orders/Bill of entries/ Goods receipt note for purchase of fixed assets;
  - (b) Bank Statements for the purpose of verification of the payments made
  - (c) Reconciliation of amounts reported in the Statement with the books of accounts.
10. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.
11. The procedures described above do not constitute an audit or review made in accordance with any generally accepted auditing standards. The procedures performed are limited in nature and do not comprehend all matters relating to the Circular that might be pertinent or necessary to the Company's evaluation of compliance with the terms of the Circular.
12. The financial statements for the period till 31 March 2017 were audited by another firm of chartered accountants.

### **Opinion**

13. Based on our examination of books of accounts for the period 1 January 2021 to 31 March 2021 and other relevant records and documents and according to the information and explanations given to us by the management, we report that according to the annexed Statement, digitally signed for identification purposes, the Company has made an investment of INR 205.12 crores for the aforesaid period for claiming the incentives under the Scheme announced by the Government of Uttar Pradesh.

**Restriction on Use**

14. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose as stated above and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

*For B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm Registration No.: 101248W/W- 100022

**VIKRAM**  
**ADVANI**

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**Vikram Advani**

*Partner*

Membership No.: 091765

ICAI UDIN: 21091765AAAABQ8513

Place: Gurugram

Date: 17 June 2021

### Details of Expenditures incurred on the project (The Statement)

As per the books of accounts, the company has made total capital investment as below, towards implementation of the expansion project.

Sr. No.	Cost of Project	Capital Investment for the period 23 January 2013 to 31 December 2020 * (in crores)	Capital Investment for the period 1 January 2021 to 31 March 2021 (in crores)	Total Capital Investment till 31 March 2021 (in crores)
1.	Land & Site Development ^	160.93	-	160.93
2.	Building & Civil Works	2,106.04	-	2,106.04
3.	Plant & Machinery :			
	a) Indigenous	586.66 #	8.68	595.34
	b) Imported	1,536.86	194.53	1,731.39
4.	Misc. Fixed Assets	171.06	1.91	172.97
5.	Interest during construction period	-	-	-
6.	Preliminary and Pre-operative expenses	-	-	-
7.	Margin money for working capital	-	-	-
<b>TOTAL</b>		<b>4,561.55</b>	<b>205.12</b>	<b>4,766.67</b>

^ represents leasehold land and leasehold improvement charges

\* as per the report dated 10 February 2021

# the amount includes 70% of the investment value of common assets considered as eligible under the scheme, based on management assessment. The breakup of the same is as follows:

(Amount in INR crores)

Particulars	Eligible under the scheme (related to Mobile plant)	Others (not eligible under the scheme)
<b>Ratio</b>	70%	30%
Building	91.90	39.30
Plant and Machinery	24.20	10.40



Sr. No.	Means of Financing	Capital Investment for the period 23 January 2013 to 31 December 2020 (in crores)	Capital Investment for the period 1 January 2021 to 31 March 2021 (in crores)	Total Capital Investment till 31 March 2021 (in crores)
1.	Equity :			
	a) Equity Share Capital	NA	NA	NA
	b) Internal Cash Accrual	4,561.55 (by way of internal accruals)	205.12 (by way of internal accruals)	4,766.67 (by way of internal accruals)
	c) Intt. Free Unsecured Loan	NA	NA	NA
	d) Other	NA	NA	NA
2.	Debt :			
	e) From FI's	NA	NA	NA
	f) From bank	NA	NA	NA
	g) For Plant and Machinery	NA	NA	NA
<b>TOTAL</b>		<b>4,561.55</b>	<b>205.12</b>	<b>4,766.67</b>

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/ W-100022

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**Vikram Advani**  
Partner  
Membership No: 091765

Place: Gurugram  
Date: 17 June 2021

For **Samsung India Electronics Private Limited**



(Authorised Signatory)

Place: Noida  
Date: 17 June 2021