

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Financial Statements

March 31, 2020 and 2019

(With Independent Auditors' Report Thereon)

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Independent Auditors' Report

Based on a report originally issued in Korean

To the Board of Directors and Shareholder
TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.:

Opinion

We have audited the financial statements of TATA DAEWOO COMMERCIAL VEHICLE CO.,LTD.(“the Company”), which comprise the statements of financial position as of March 31, 2020 and 2019, the statements of operations, changes in equity and cash flows for the years then ended, and notes, comprising significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2020 and 2019, and the results of its operations, changes in its equity and its cash flows for the years then ended in accordance with Korean Accounting Standards for Non-public Entities (“K-GAAP”).

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with K-GAAP, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' 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 auditors' 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 KSAs 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 KSAs, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used in the preparation of the financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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.

KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp.

Seoul, Korea

May 12, 2020

This report is effective as of May 12, 2020, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD
 Statements of Financial Position
 As of March 31, 2020 and 2019

(In Korean won, except share data)

	Note	2020	2019
Assets			
Cash and cash equivalents	16	₩ 90,635,569,439	97,741,439,781
Short-term financial instruments	4	1,079,250,000	1,454,610,000
Accounts receivable – trade, less allowance for doubtful accounts of ₩23,439,935,918 as of March 31, 2020 and ₩20,253,686,768 as of March 31, 2019	16,17	82,312,072,034	80,805,572,885
Accounts receivable – other, less allowance for doubtful accounts of ₩76,471,803 as of March 31, 2020 and ₩126,129,431 as of March 31, 2019	16,17	6,231,665,779	11,881,228,716
Advance payments, less allowance for doubtful accounts of ₩4,040,520 as of March 31, 2020 and ₩6,146,503 as of March 31, 2019	17	400,011,577	608,503,859
Foreign currency forward contracts	19,27	66,722,546	-
Current deferred tax assets	24	23,068,286,142	21,507,997,195
Inventories, net	5,9	182,333,702,391	222,742,943,532
Other current assets	6	1,260,583,099	1,043,390,879
Total current assets		<u>387,387,863,007</u>	<u>437,785,686,847</u>
Long-term financial instruments		1,678,820,000	2,291,020,000
Equity method investment securities	7	3,144,195,305	3,486,011,401
Property, plant and equipment, net	8,9,10	167,098,104,011	182,229,889,595
Intangible assets, net	11	4,496,973,127	6,363,260,351
Non-current deferred tax assets	24	19,179,967,347	1,274,005,361
Other non-current assets	12	3,460,171,700	4,894,956,658
Total non-current assets		<u>199,058,231,490</u>	<u>200,539,143,366</u>
Total assets		<u>₩ 586,446,094,497</u>	<u>638,324,830,213</u>

(Continued)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD
Statements of Financial Position, Continued
AS OF MARCH 31, 2020 AND 2019

(In Korean won, except share data)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Liabilities			
Short-term borrowings	13,18,27	95,000,000,000	90,000,000,000
Accounts payable – trade	16,17,27 ₩	75,145,525,545	88,694,324,879
Accounts payable – other	16,17,27	20,534,278,714	23,454,074,565
Advance receipts		3,166,814,992	5,082,493,438
Accrued expenses	16,17,27	19,693,443,003	11,774,019,354
Withholdings		1,914,898,069	3,169,440,124
Provision for restructuring	14	25,000,000,000	-
Current portion of provision for warranties	14	12,483,589,775	14,531,345,711
Current portion of long-term borrowing	13,18,27	5,000,000,000	2,500,000,000
Foreign currency forward contracts	19,27	152,166,551	11,708,304
Total non-current liabilities		<u>258,090,716,649</u>	<u>239,217,406,375</u>
Long-term borrowings	13,18,27	2,500,000,000	7,500,000,000
Long-term guarantee deposits received		56,000,000	56,000,000
Accrued severance indemnities, net of transfers to the National Pension Fund of ₩78,062,400 as of March 31, 2020 and ₩128,730,100 as of March 31, 2019, and retirement pension fund of ₩37,641,108,007 as of March 31, 2020 and ₩57,687,058,390 as of March 31, 2019	15	3,166,579,423	-
Provision for warranties	14	6,099,081,373	6,162,935,453
Total non-current liabilities		<u>11,821,660,796</u>	<u>13,718,935,453</u>
Total liabilities		<u>269,912,377,445</u>	<u>252,936,341,828</u>
Shareholder's equity			
Common stock of ₩5,000 par value	1,20		
Authorized – 70,000,000 shares			
Issued and outstanding – 3,016,060 shares		15,080,300,000	15,080,300,000
Capital surplus	20		
Paid-in capital in excess of par value		92,753,162,813	92,753,162,813
Gain on capital reduction		50,650,609,388	50,650,609,388
Retained earnings	21		
Earned surplus reserve		8,436,000,000	8,436,000,000
Reserve for research and human resource development		38,572,066,667	38,572,066,667
Unappropriated retained earnings		111,041,578,184	179,896,349,517
Total shareholder's equity		<u>316,533,717,052</u>	<u>385,388,488,385</u>
Total liabilities and shareholder's equity	₩	<u>586,446,094,497</u>	<u>638,324,830,213</u>

See accompanying notes to the financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD
 Statements of Operations
 FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

(In Korean won)

	Note	2020	2019
Sales	17		
Finished goods		₩ 463,466,786,477	578,157,425,313
Others		74,283,255,539	73,204,399,628
		<u>537,750,042,016</u>	<u>651,361,824,941</u>
Cost of Sales	17,28		
Finished goods		(428,113,285,250)	(521,712,847,625)
Others		(52,902,006,432)	(54,102,469,462)
		<u>(481,015,291,682)</u>	<u>(575,815,317,087)</u>
Gross profit		56,734,750,334	75,546,507,854
Selling and Administrative expenses	23,28	(146,749,421,320)	(110,654,510,248)
Operating loss		<u>(90,014,670,986)</u>	<u>(35,108,002,394)</u>
Other income (expense)			
Interest income		2,350,028,440	1,857,543,132
Interest expense		(3,216,220,666)	(2,193,355,770)
Rental income		28,134,000	29,362,000
Gain on foreign currency transactions, net		1,301,970,901	886,655,872
Gain on foreign currency translation, net		955,738,446	1,121,588,509
Gain on disposal of property, plant and equipment, net		770,728	22,377,465
Loss on impairment of other non-current assets		-	(359,433,990)
Loss on impairment of property, plant and equipment		(222,178,153)	(134,000,000)
Reversal of (provision for) other doubtful accounts		51,763,611	(27,913,300)
Equity loss of associate	7	(341,816,096)	(147,724,649)
Loss on derivative instruments transactions, net	19	(235,370,686)	(632,448,359)
Loss on derivative instruments valuation, net	19	(85,444,005)	(11,708,304)
Loss on disposal of trade accounts receivable		(256,269,458)	(615,194,545)
Others	17	1,362,541,658	911,400,687
Other income (expense), net		<u>1,693,648,720</u>	<u>707,148,748</u>
Loss before income tax		(88,321,022,266)	(34,400,853,646)
Income tax benefit	24	19,466,250,933	6,382,054,200
Net loss		<u>₩ (68,854,771,333)</u>	<u>(28,018,799,446)</u>
Loss Per Share	25	<u>₩ (22,829)</u>	<u>(9,290)</u>

See accompanying notes to the financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD
 Statements of Changes in Equity
 FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

(In Korean won)

		Common stock	Capital surplus	Retained earnings	Total shareholder's equity
Balance at April 1, 2018	₩	15,080,300,000	143,403,772,201	265,479,425,630	423,963,497,831
Cash dividends paid		-	-	(10,556,210,000)	(10,556,210,000)
Net loss		-	-	(28,018,799,446)	(28,018,799,446)
Balance, March 31, 2019	₩	<u>15,080,300,000</u>	<u>143,403,772,201</u>	<u>226,904,416,184</u>	<u>385,388,488,385</u>
Balance at April 1, 2019	₩	15,080,300,000	143,403,772,201	226,904,416,184	385,388,488,385
Net loss		-	-	(68,854,771,333)	(68,854,771,333)
Balance at March 31, 2020	₩	<u>15,080,300,000</u>	<u>143,403,772,201</u>	<u>158,049,644,851</u>	<u>316,533,717,052</u>

See accompanying notes to the financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD
 Statements of CASH FLOWS
 FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

(In Korean won)

	2020	2019
Cash flows from operating activities		
Net loss	₩ (68,854,771,333)	(28,018,799,446)
Adjustments for:		
Provision for restructuring	25,000,000,000	-
Depreciation	19,185,707,534	19,438,781,440
Amortization	2,765,616,406	4,915,062,821
Provision for severance indemnities	7,850,922,572	8,076,107,417
Provision (Reversal) of doubtful accounts	3,186,249,150	(4,185,639,689)
Provision (Reversal) of doubtful other accounts	(51,763,611)	27,913,300
Loss on valuation of inventories	3,863,844,247	9,463,058,159
Warranties	14,479,836,778	16,308,886,975
Gain on foreign currency translation, net	(63,509,644)	(715,464,931)
Loss on derivative instruments transactions, net	235,370,686	632,448,359
Loss on derivative instruments valuation, net	85,444,005	11,708,304
Equity loss of associate	341,816,096	147,724,649
Gain on disposal of property, plant and equipment, net	(770,728)	(22,377,465)
Loss on impairment of property, plant and equipment	222,178,153	134,000,000
Loss on impairment of other non-current assets	-	359,433,990
Loss on disposal of trade accounts receivable	256,269,458	615,194,545
Changes in assets and liabilities:		
Trade accounts and notes receivable	(4,504,066,336)	(19,786,296,078)
Other receivables	5,701,133,051	(2,551,464,025)
Advance payments	210,598,265	100,043,785
Current deferred tax assets	(1,560,288,947)	(6,192,148,092)
Other current assets	(217,192,220)	84,313,846
Inventories	36,545,396,894	876,549,607
Non-current deferred tax assets	(17,905,961,986)	212,575,871
Trade accounts payable	(13,899,946,067)	(19,490,867,768)
Other payables	(2,616,484,255)	2,406,156,784
Advance receipts	(1,915,678,446)	(391,986,007)
Withholdings	(1,254,542,055)	(1,498,464,152)
Accrued expenses	7,905,794,523	(3,626,971,974)
Current income tax liability	-	(28,717,780)
Payments of warranty claims	(16,591,446,794)	(15,024,337,476)
Payments of severance indemnities	(24,780,961,232)	(14,432,552,477)
Funded deposit of retirement pension plan	21,458,491,841	7,478,301,777
Transfers from the National Pension Fund	50,667,700	74,154,400
Other non-current liabilities	-	(10,000,000)
Cash generated from operation	₩ (4,872,046,295)	(44,613,671,331)

(Continued)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD
 Statements of CASH FLOWS, Continued
 FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

(In Korean won)

	2020	2019
Cash flows from investing activities		
Increase in short-term financial instruments	₩ (1,079,250,000)	(1,477,007,340)
Decrease in short-term financial instruments	1,454,610,000	2,058,887,340
Increase of long-term financial instruments	-	(2,960,000)
Decrease of long-term financial instruments	612,200,000	-
Proceeds from sale of property, plant and equipment	772,728	43,668,800
Acquisition of property, plant and equipment	(4,597,992,103)	(11,488,055,274)
Acquisition of intangible assets	(899,329,182)	(177,154,425)
Settlements of currency forward contracts	(247,078,990)	(625,121,625)
Proceeds from other non-current assets	-	224,661,818
Increase in guarantee deposits	(297,242,500)	(18,000,000)
Decrease in guarantee deposits	319,486,000	70,000,000
Net cash used in investing activities	(4,733,824,047)	(11,391,080,706)
Cash flows from financing activities		
Proceeds from short-term borrowings	163,000,000,000	175,000,000,000
Repayment of short-term borrowings	(158,000,000,000)	(145,000,000,000)
Proceeds from long-term borrowings	-	10,000,000,000
Repayment of long-term borrowings	(2,500,000,000)	-
Payment of dividend	-	(10,556,210,000)
Net cash provided by financing activities	2,500,000,000	29,443,790,000
Net decrease in cash and cash equivalents	(7,105,870,342)	(26,560,962,037)
Cash and cash equivalents at beginning of year	97,741,439,781	124,302,401,818
Cash and cash equivalents at end of the year	₩ 90,635,569,439	97,741,439,781

See accompanying notes to the financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

1. Reporting Entity

Tata Daewoo Commercial Vehicle Co., Ltd. (the "Company") located in Gunsan-si, Jeollabuk-do, Republic of Korea, is engaged in manufacturing and selling of commercial vehicles. The Company was spun off from Daewoo Motor Co., Ltd. on November 1, 2002. As of March 31, 2020, the Company's common stock totaled ₩15,080,300 thousand, all of which is owned by TML Holdings Pte. Ltd., a wholly owned subsidiary of Tata Motors Limited.

2. Basis of Preparation

Financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements.

(1) Statement of compliance

The Company prepared the financial statements in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea ("K-GAAP for Non-Public Entities").

The accompanying financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. Accordingly, the accompanying financial statements are for use by those knowledgeable about Korean accounting principles and their application in practice.

(2) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- ✓ derivative financial instruments are measured at fair value

(3) Use of estimates and judgments

The preparation of the financial statements in conformity with K-GAAP for Non-Public Entities requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 5 – Allowance for valuation of Inventories

Note 14 – Provisions

Note 24 – Income Taxes

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

3. Significant Accounting Policies

The significant accounting policies applied by the Company in preparation of its financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(1) Cash and cash equivalents

Cash and cash equivalents include cash, cash equivalent securities, including checks issued by others and checking accounts, ordinary deposits and financial instruments that can be easily converted into cash and whose value changes due to changes in interest rates are not material, with maturities (or date of redemption) of three months or less from acquisition.

(2) Allowance for doubtful accounts

The Company provides an allowance for doubtful accounts to cover estimated losses that may arise from non-collection of its receivables. The estimate of losses is based on the review of the aging and current status of outstanding receivables.

(3) Inventories

Inventories are stated at cost, which is determined by using the moving-average method, except for finished goods, work in process and goods in transit whose value is determined using the specific identification method. The Company maintains perpetual inventory system, which is adjusted to physical inventory counts performed at period-end. When the market value of inventories (net realizable value for finished goods, work in process and service parts and current replacement cost for raw materials) is less than the carrying value, the carrying value is stated at the lower of cost or market. The Company applies the lower of cost or market method and loss on inventory valuation is presented as a deduction from inventories and charged to cost of sales. However, when the circumstances that previously caused inventories to be written down below cost no longer exist and the new market value of inventories subsequently recovers, the valuation loss is reversed to the extent of the original valuation loss and the reversal is deducted from cost of sales.

(4) Equity method investment securities

Investments in equity securities of companies, over which the Company exercises significant influence, are reported using the equity method of accounting.

1) Accounting for changes in the equity of the investee

Under the equity method of accounting, the Company records changes in its proportionate equity of the net assets of the investee depending on the nature of the underlying changes in the investee as follows:

- (i) "equity income (loss) of associates" in the non-operating income (expense) for net income (loss) of the investee;
- (ii) "increase (decrease) in retained earnings of associates" in the retained earnings for changes in beginning retained earnings of the investee; and
- (iii) "increase (decrease) in equity of associates" in the accumulated other comprehensive income (loss) for other changes in shareholder's equity of the investee.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

3. Significant Accounting Policies, Continued

When the equity method investee's unappropriated retained earnings carried over from prior period changes due to significant error corrections, the Company records the changes in equity as "equity income (loss) of associates" included in the non-operating income (expense) if the impact of the changes on the Company's financial statements is not significant. If the changes result from the changes in accounting policies of the equity method investee, they are reflected in the unappropriated retained earnings carried over from prior period in accordance with Statements of Korea Accounting Standards on changes in accounting policy and errors corrections. When the investee declares cash dividends, the dividends to be received are deducted directly from equity method investment securities.

2) Treatment of investment difference

Difference between the acquisition cost and the Company's proportionate equity in the fair value of net assets of the investee upon acquisition ("investment difference") is considered as (negative) goodwill and accounted for in accordance with accounting standards for business combination.

When the Company's equity interest in the investee increases due to an increase (or decrease) in contributed capital with (or without) consideration, the changes in the Company's proportionate equity in the investee are accounted for as investment difference. If the Company's equity interest decreases, the changes are accounted for as "gain (loss) on disposal of the equity method investment securities." However, if the investee is the Company's subsidiary, those changes are accounted for and included in the capital surplus (capital adjustments).

3) Difference between the fair value and book value of net asset of the investee

Upon acquisition of the equity method investment securities, the Company's proportionate shares in the differences between the fair values and book values of the identifiable assets and liabilities of the investee are amortized/reversed and included in "equity income (loss) of associates" in accordance with the investee's methods of accounting for the assets and liabilities.

4) Elimination of unrealized gain or loss from intercompany transactions

The Company's proportionate share in the gain (loss) arising from transactions between the Company and the investee, which remains in the book value of assets held as of the statement of financial position date, is considered unrealized gain (loss) and adjusted to equity method investment securities. If the investee is a subsidiary of the Company, unrealized gain (loss) from sale of an asset by the Company to the investee (downstream transaction) is fully eliminated and adjusted to equity method investment securities.

5) Impairment loss on equity method investment securities

When there is objective evidence that the equity method investment securities are impaired and the recoverable amount is lower than the carrying amount of the equity method investment securities, an impairment loss is recognized as "loss on impairment of equity method investment securities" included in non-operating expense and the unamortized investment difference is first reduced. When the recoverable amount is recovered after the recognition of impairment loss, the reversal of impairment loss is recognized as income up to the previously recorded impairment loss. The book value of the equity method investment securities after the reversal of the impairment loss cannot exceed the book value calculated as if the impairment loss would not have been originally recognized. The reversal of the impairment loss recognized against the unamortized investment difference is not allowed.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

3. Significant Accounting Policies, Continued

6) Disposal of equity method investment securities

When the investor disposes of all or part of an investment in an associate, any accumulated other comprehensive income (loss) relating to the disposed investment is accounted for as gain or loss on disposal of equity method investment securities.

(5) Property, plant and equipment

Property, plant and equipment are stated at cost (acquisition cost or manufacturing cost, plus expenditures directly related to preparing the assets ready for use in time and place, net of sales discount given) and assets acquired from investment in-kind, by donation or free of charge are stated at fair value. When an asset is exchanged for a similar kind of asset, the asset received is stated at the carrying value of the asset given. When an asset is exchanged for a different kind of asset, the asset received is stated at the fair value of the asset given. When there is uncertainty as to the fair value of the asset given, the asset received is recorded at its fair value.

If the costs incurred after acquisition or completion increase the future economic benefit of an asset, such costs are capitalized if the costs can be objectively measured and incurred to replace an existing asset, the existing asset is removed from the financial statements. Costs incurred to repair and maintain assets are expensed as incurred.

In accordance with the Company's policy, borrowing costs in relation to the manufacture, purchase, construction or development of assets are charged to current operations as incurred.

Property, plant and equipment are depreciated using a straight-line method over their economic useful lives, which are determined from the time when the assets are ready for use (ready for their intended use by the management in time and place). Depreciation expense is recognized as manufacturing cost or as selling, general and administrative expense for all other cases, as incurred.

	<u>Useful lives (years)</u>
Buildings	40
Structures	20
Machinery and equipment	12
Others	3-6

(6) Intangible assets

Intangible assets are initially recognized at acquisition cost (purchase cost, plus expenditures directly related to preparing the assets ready for use) and subsequently presented at amortized cost. Development costs and software are amortized when the capitalized assets can be used or sold, over five to six years and intangible assets other than development costs and software are amortized over the useful lives, 10 years of the related assets using the straight-line method. Amortization related to the manufacturing of other assets is included in the manufacturing cost of the asset whereas other amortization is included in selling and administrative expense.

3. Significant Accounting Policies, Continued

(7) Impairment of assets

At the end of each reporting period, the Company reviews the carrying values of assets except for financial assets, inventories, and deferred tax assets 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 impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying value of the asset is reduced to its recoverable amount, and an impairment loss is immediately recorded in profit or loss. If an individual asset has impairment indication, cash flow from disposition of asset is less than its carrying amount, the carrying value of the asset is reduced to the net proceed on disposition, and an impairment loss is immediately recorded in profit or loss.

Also, regardless of impairment loss indicators, assets not in use and assets held for future use are estimated for recoverable amounts.

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. If the recoverable amount of goodwill is estimated to be less than its carrying amount, an impairment loss is allocated to reduce the carrying value of the goodwill, and then allocated to reduce the carrying value of individual assets. The allocated amounts to individual assets cannot be lower than the larger of estimated recovered amount, value in use amount, and zero.

(8) Government subsidy

Government subsidy for the purpose of acquisition of certain assets is recorded as a deduction from the assets granted or other assets acquired for the temporary use of the assets granted. When the related assets are acquired, they are recorded as a deduction from the acquired assets and are offset against the depreciation of the acquired assets over their useful lives.

In addition, government subsidy without any repayment obligation is offset against the related expenses, which they are intended to compensate; however, if there is no matching expense, they are recorded as operating revenue or non-operating revenue depending on whether they are directly related to the Company's principal operating activities. Government subsidy with a repayment obligation is recorded as a liability.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

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3. Significant Accounting Policies, Continued

(9) Effects of foreign exchange fluctuations

1) Functional currency and reporting currency

The Company presented the accompanying financial statements in Korean won, the currency in which the Company performs business operations, such as sales and purchases.

2) Foreign currency transaction

The Company records transactions made in foreign currency converted at the transaction-date exchange rate. Non-monetary foreign exchange items, which are estimated by historical cost, are converted as of the transaction-date exchange rate. Non-monetary items, which are fair valued, are converted at the exchange rate on the date when their fair values are fixed. If the gain or loss incurred from non-monetary items is recognized as other comprehensive income, the gain or loss from the exchange rate fluctuation is also recognized as other comprehensive income. Whereas, if the related gain or loss incurred from non-monetary items is recognized in the current-period profit or loss, the related exchange rate fluctuation is also recognized in the current-period profit or loss.

In addition, monetary assets and liabilities denominated in foreign currency are translated into Korean won at the base rates announced by Seoul Money Brokerage Services, Ltd. on the dates of the statements of financial position, which were ₩1,222.6 and ₩1,137.8 to USD 1 at March 31, 2020 and 2019, respectively.

(10) Accrued severance indemnities

In accordance with the Company's policy, all employees with more than one year of service are entitled to receive lump-sum severance payments upon termination of their employment, based on their current salary and years of service. In accordance with the National Pension Act of Korea, a portion of the Company's severance indemnities was transferred, in cash, to the National Pension Fund until March 1999, and such amounts are presented as a deduction from accrued severance indemnities.

The Company maintains provident fund, a defined benefit retirement plan, with irrevocable trust for employees covered and entitled to benefit, and such amounts also are presented as a deduction from accrued severance indemnities.

(11) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is highly probable that the Company will be required to settle the obligation, and the amount can be reliably estimated.

The amount recognized 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 recognized as an asset and as a reimbursement net of the provision-related expense.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

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3. Significant Accounting Policies, Continued

(12) Financial instruments

The Company records rights and obligations arising from derivative instruments in assets and liabilities, which are stated at fair value. Gains and losses that result from the changes in the fair value of derivative instruments are recognized in current earnings. However, for derivative instruments for which cash flow hedge accounting is applied, the effective portion of the gain or loss on the derivatives instruments is recorded as gain (loss) on valuation of derivatives included in accumulated other comprehensive income (loss).

(13) Revenue recognition

The Company's revenue is composed of sale of goods and rendering of services. Revenue is measured at the fair value of the consideration received or receivable and net of any sales allowances, discounts, estimated customer returns and other allowances. Revenue from the sale of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably and the costs incurred or to be incurred in respect of the transaction can be measured reliably, and when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue from rendering of services is recognized by reference to the stage of completion of the contract. Revenue is recognized when stages of the contract can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(14) Income tax

The Company recognizes deferred tax assets or liabilities for the temporary differences between the carrying amount of an asset and liability for the financial reporting purposes and the amounts used for income tax purposes. A deferred tax liability is generally recognized for all taxable temporary differences with some exceptions and a deferred tax asset is recognized to the extent when it is probable that taxable income will be available against which the deductible temporary difference can be utilized in the future. Deferred tax asset (liability) is classified as a current or non-current asset (liability) depending on the classification of related asset (liability) in the statements of financial position. Deferred tax asset (liability), which does not relate to a specific asset (liability) account in the statement of financial position, such as a deferred tax asset recognized for tax loss carryforwards, is classified as a current or non-current asset (liability) depending on the expected reversal period. Deferred tax assets and liabilities in the same tax jurisdiction and in the same current or non-current classification are presented on a net basis. Current and deferred tax expenses are included in income tax expenses in the statements of income and additional income tax or tax refunds for the prior periods are included in income tax expenses for the current period when recognized.

(15) Critical accounting judgments and key sources of estimation uncertainty

In application of the Company's accounting policies, estimates and assumptions are applied to measure the carrying values of assets and liabilities, disclosures on provision, income and expense. The use of estimates and associated assumptions include the measurement of the carrying values of property, plant and equipment, accounts receivable, inventory, evaluation of deferred tax asset and evaluation of derivatives. Actual results may differ from these estimates.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
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4. Restricted Deposits

Deposits which are restricted in use as of March 31, 2020 and 2019 are summarized as follows:

<i>(In Korean won)</i>	<u>2020</u>	<u>2019</u>	<u>Description</u>
Short-term deposits			
Bank Deposit	₩ 986,700,000	1,454,610,000	Payment guarantee
	<u>₩ 986,700,000</u>	<u>1,454,610,000</u>	

The Company has provided payment guarantee amounting to ₩986,700,000 to IBK Bank in favor of the borrowings of Sekyung Auto Trading Co., Ltd. as of March 31, 2020, for which it will be contingently liable.

5. Inventories

Inventories as of March 31, 2020 and 2019 are summarized as follows:

<i>(In Korean won)</i>	<u>2020</u>	<u>2019</u>
Finished goods	₩ 74,108,621,490	94,978,142,271
Work in process	33,976,760,728	21,846,359,998
Raw materials	54,923,707,865	94,541,264,847
Materials in transit	18,425,228,555	9,245,369,427
Parts for service	29,511,083,775	26,879,662,764
Less: allowance for valuation loss	<u>(28,611,700,022)</u>	<u>(24,747,855,775)</u>
	<u>₩ 182,333,702,391</u>	<u>222,742,943,532</u>

6. Other Current Assets

Other current assets as of March 31, 2020 and 2019 are summarized as follows:

<i>(In Korean won)</i>	<u>2020</u>	<u>2019</u>
Prepaid expenses	₩ 398,951,544	853,453,979
Prepaid taxes	716,613,924	154,091,700
Accrued income	<u>145,017,631</u>	<u>35,845,200</u>
	<u>₩ 1,260,583,099</u>	<u>1,043,390,879</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

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7. Equity Method Investment Securities

(1) Investment in security accounted for by using the equity method as of March 31, 2020 and 2019 is summarized as follows:

① As of March 31, 2020

(In Korean won)

<u>Investee</u>	<u>Ownership(%)</u>	<u>Acquisition cost</u>	<u>Net asset value</u>	<u>Book value</u>
Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. ("TDSC")	100%	1,000,000,000	3,144,195,305	3,144,195,305

② As of March 31, 2019

(In Korean won)

<u>Investee</u>	<u>Ownership(%)</u>	<u>Acquisition cost</u>	<u>Net asset value</u>	<u>Book value</u>
TDSC	100%	1,000,000,000	3,486,011,401	3,486,011,401

(2) Changes in the balance of investment in security accounted for using the equity method of accounting for the years ended March 31, 2020 and 2019 are as follows:

① For the year ended March 31, 2020

(In Korean won)

<u>Investee</u>		<u>Balance at April 1, 2019</u>	<u>Equity loss</u>	<u>Balance at March 31, 2020</u>
TDSC	₩	3,486,011,401	(341,816,096)	3,144,195,305

② For the year ended March 31, 2019

(In Korean won)

<u>Investee</u>		<u>Balance at April 1, 2018</u>	<u>Equity loss</u>	<u>Balance at March 31, 2019</u>
TDSC	₩	3,633,736,050	(147,724,649)	3,486,011,401

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

7. Equity Method Investment Securities, Continued

(3) Financial information of equity-accounted investment, which represents 100% of the entities' balances as of and for the years ended March 31, 2020 and 2019 is summarized as follows:

① As of and for the year ended March 31, 2020.

(In Korean won)

Investee		Total assets	Total liabilities	Revenue	Net loss
TDSC	₩	8,507,590,136	5,363,394,831	39,651,024,227	(341,816,096)

② As of and for the year ended March 31, 2019.

(In Korean won)

Investee		Total assets	Total liabilities	Revenue	Net loss
TDSC	₩	9,745,758,093	6,259,746,692	40,297,998,312	(147,724,649)

8. Property, Plant and Equipment

(1) Property, plant and equipment and related accumulated depreciation as of March 31, 2020 and 2019 are summarized as follows:

(In Korean won)

		2020	2019
Land	₩	55,672,351,701	55,672,351,701
Buildings		97,171,587,500	96,431,834,200
Structures		15,456,581,493	15,372,652,241
Machinery and equipment		101,703,135,317	100,832,131,317
Vehicles		992,032,414	887,100,201
Tools		5,228,758,226	4,938,784,770
Furniture and fixtures		9,452,671,262	9,159,941,735
Computers		10,253,836,907	10,281,255,309
Molds		147,758,193,976	145,780,689,976
Construction in progress		373,500,000	1,234,200,000
Total cost		444,062,648,796	440,590,941,450
Less: assets acquired using government subsidy		(244,955,715)	(386,822,886)
Less: accumulated depreciation		(276,719,589,070)	(257,974,228,969)
Property, plant and equipment, net	₩	167,098,104,011	182,229,889,595

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2020 and 2019

8. Property, Plant and Equipment, Continued

(2) Changes in property, plant and equipment for the year ended March 31, 2020 and 2019 are as follows:

(In Korean won)

		2020					
		April 1	Acquisitions	Disposals or impairment	Transfer	Depreciation	March 31
Land	₩	55,672,351,701	-	-	-	-	55,672,351,701
Buildings		64,547,719,302	185,353,300	-	554,400,000	(2,489,594,347)	62,797,878,255
Structures		7,460,566,451	83,929,252	-	-	(841,273,566)	6,703,222,137
Machinery and equipment		20,124,060,575	1,218,522,000	(216,991,986)	45,600,000	(4,819,567,466)	16,351,623,123
Vehicles		76,372,552	122,695,000	(2,000)	-	(31,144,965)	167,920,587
Tools		1,088,953,511	289,973,456	-	-	(392,985,745)	985,941,222
Furniture and fixtures		1,880,350,179	346,879,527	(5,179,167)	8,000,000	(839,261,634)	1,390,788,905
Computers		1,002,089,446	303,945,568	(7,000)	-	(433,540,865)	872,487,149
Molds		29,143,225,878	1,654,104,000	-	323,400,000	(9,338,338,946)	21,782,390,932
Construction in progress		1,234,200,000	70,700,000	-	(931,400,000)	-	373,500,000
	₩	<u>182,229,889,595</u>	<u>4,276,102,103</u>	<u>(222,180,153)</u>	<u>-</u>	<u>(19,185,707,534)</u>	<u>167,098,104,011</u>

(In Korean won)

		2019					
		April 1	Acquisitions	Disposals or impairment	Transfer	Depreciation	March 31
Land	₩	55,672,351,701	-	-	-	-	55,672,351,701
Buildings		67,024,929,353	-	-	-	(2,477,210,051)	64,547,719,302
Structures		8,296,646,193	382,500	-	-	(836,462,242)	7,460,566,451
Machinery and equipment		22,927,104,470	1,675,700,000	(4,774,666)	20,000,000	(4,493,969,229)	20,124,060,575
Vehicles		114,668,091	-	(2,000)	-	(38,293,539)	76,372,552
Tools		1,460,867,018	54,872,000	(461,376)	-	(426,324,131)	1,088,953,511
Furniture and fixtures		2,808,152,055	19,610,410	(4,311,000)	-	(943,101,286)	1,880,350,179
Computers		1,400,341,088	8,920,364	(1,077,959)	64,729,367	(470,823,414)	1,002,089,446
Molds		28,848,587,760	8,346,070,000	(10,664,334)	1,711,830,000	(9,752,597,548)	29,143,225,878
Construction in progress		2,240,959,367	923,800,000	(134,000,000)	(1,796,559,367)	-	1,234,200,000
	₩	<u>190,794,607,096</u>	<u>11,029,355,274</u>	<u>(155,291,335)</u>	<u>-</u>	<u>(19,438,781,440)</u>	<u>182,229,889,595</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

8. Property, Plant and Equipment, Continued

(3) The officially declared value of land at March 31, 2020 and 2019, as announced by the Ministry of Land, Infrastructure and Transport, is as follows:

		Book value	Declared value	
			2020	2019
<i>(In Korean won)</i>				
Plant site	₩	55,487,999,429	72,675,726,860	77,194,712,690
Housing		184,352,272	221,959,542	221,106,430
	₩	<u>55,672,351,701</u>	<u>72,897,686,402</u>	<u>77,415,819,120</u>

The officially declared value which is used for government purposes is not intended to represent fair value.

9. Insured Assets

Listing and description of insured assets as of March 31, 2020 is summarized as follows:

(In Korean won)

Related assets		Book value	Insured amount	Insurance Company (Risk)
Inventories	₩	163,908,473,836	729,363,591,384	DB Insurance Co., Ltd.
Property, plant and equipment		111,052,252,310		(Fire and comprehensive liability)
	₩	<u>274,960,726,146</u>	<u>729,363,591,384</u>	

Besides, the company also takes out an occupational health and safety insurance for employees, automobile third party liability insurance, product liability insurance by the Product Liability Law, insurance on cargo, commercial general liability insurance, etc.

10. Government Subsidy

The Company received a subsidy from the Ministry of Land, Infrastructure and Transport for Infrastructure Technology Advancement.

As of March 31, 2020 and March 31, 2019, the subsidy with recourse obligation amounting to ₩2,430 million is recorded as other accounts payable.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
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11. Intangible Assets

(1) Details of intangible assets as of March 31, 2020 and 2019 are as follows:

(In Korean won)

	2020			2019		
	Acquisition cost	Accumulated amortization	Book value	Acquisition cost	Accumulated amortization	Book value
Development costs ₩	6,918,316,421	(2,821,809,627)	4,096,506,794	6,018,987,239	(2,488,295,733)	3,530,691,506
Software	3,209,673,559	(2,809,207,226)	400,466,333	3,514,005,559	(2,544,778,964)	969,226,595
Industrial rights	37,266,845,000	(37,266,845,000)	-	37,266,845,000	(35,403,502,750)	1,863,342,250
₩	<u>47,394,834,980</u>	<u>(42,897,861,853)</u>	<u>4,496,973,127</u>	<u>46,799,837,798</u>	<u>(40,436,577,447)</u>	<u>6,363,260,351</u>

(2) Changes in intangible assets for the years ended March 31, 2020 and 2019 are as follows:

(In Korean won)

	April 1, 2019	Acquisition	Amortization	March 31, 2020
Development costs ₩	3,530,691,506	899,329,182	(333,513,894)	4,096,506,794
Software	969,226,595	-	(568,760,262)	400,466,333
Industrial rights	1,863,342,250	-	(1,863,342,250)	-
₩	<u>6,363,260,351</u>	<u>899,329,182</u>	<u>(2,765,616,406)</u>	<u>4,496,973,127</u>

(In Korean won)

	April 1, 2018	Acquisition	Amortization	March 31, 2019
Development costs ₩	3,917,899,005	177,154,425	(564,361,924)	3,530,691,506
Software	1,593,242,992	-	(624,016,397)	969,226,595
Industrial rights	5,590,026,750	-	(3,726,684,500)	1,863,342,250
₩	<u>11,101,168,747</u>	<u>177,154,425</u>	<u>(4,915,062,821)</u>	<u>6,363,260,351</u>

12. Other Non-Current Assets

Other non-current assets as of March 31, 2020 and 2019 are summarized as follows:

(In Korean won)

	2020	2019
Guarantee deposits ₩	2,922,937,500	2,945,181,000
Deposit for severance benefit insurance	-	1,412,541,458
Others	537,234,200	537,234,200
₩	<u>3,460,171,700</u>	<u>4,894,956,658</u>

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Notes to the Financial Statements
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13. Borrowings

(1) Short-term borrowings as of March 31, 2020 and 2019 are summarized as follows:

(In Korean won)

Description	Lender	Annual interest rate at 31 March, 2020	Amount	
			2020	2019
General loan and others	HANA Bank and others	2.55~ 4.38%	₩ 95,000,000,000	90,000,000,000

(2) Long-term borrowings as of March 31, 2020 and 2019 are summarized as follows:

(In Korean won)

Description	Lender	Annual interest rate at 31 March, 2020	Amount	
			2020	2019
General loan	Shin Han Bank	2.65%	₩ 7,500,000,000	10,000,000,000
Loss: Current portion			(5,000,000,000)	(2,500,000,000)
			₩ 2,500,000,000	7,500,000,000

14. Provisions

(1) Changes in provisions for warranty claims for the years ended March 31, 2020 and 2019 are summarized as follows:

(In Korean won)

		2020	2019
Beginning of the year	₩	20,694,281,164	19,409,731,665
Provision for warranty claims, net		14,479,836,778	16,308,886,975
Payments		(16,591,446,794)	(15,024,337,476)
End of the year	₩	18,582,671,148	20,694,281,164
Thereof current	₩	12,483,589,775	14,531,345,711
Thereof non-current	₩	6,099,081,373	6,162,935,453

(2) As of March 31, 2020 the Company recognized a provision of ₩25,000 million for expected restructuring costs.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
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15. **Accrued Severance Indemnities**

(1) Changes in retirement and severance benefits for the years ended March 31, 2020 and 2019 are as follows:

(In Korean won)

	<u>2020</u>	<u>2019</u>
Provision for retirement and severance benefits at beginning of the year	₩ 57,815,788,490	64,172,233,550
Accrual for retirement and severance benefits	7,850,922,572	8,076,107,417
Payments	<u>(24,780,961,232)</u>	<u>(14,432,552,477)</u>
Provision for retirement and severance benefits at end of the year	40,885,749,830	57,815,788,490
Transfer to National Pension Fund	(78,062,400)	(128,730,100)
Deposit for severance benefit insurance	<u>(37,641,108,007)</u>	<u>(57,687,058,390)</u>
Net balance at end of the year	₩ <u>3,166,579,423</u>	-

(2) Changes in retirement pension assets for the years ended March 31, 2020 and 2019 are as follows:

(In Korean won)

	<u>2020</u>	<u>2019</u>
Beginning balance	₩ 59,099,599,848	66,577,901,625
Deposits	-	3,500,000,000
Payments	(22,165,219,555)	(11,771,744,880)
Interest accrued	<u>706,727,714</u>	<u>793,443,103</u>
Ending balance	₩ <u>37,641,108,007</u>	59,099,599,848

(3) Pension plan assets as of March 31, 2020 and 2019 are summarized as follows:

(In Korean won)

	<u>2020</u>	<u>2019</u>
Time deposit	₩ 37,641,108,007	59,099,599,848

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16. Assets and Liabilities Denominated in Foreign Currencies

(1) Assets and liabilities denominated in foreign currencies as of March 31, 2020 are as follows:

		2020		
		Foreign currency	Exchange rate	Translation into won
Cash and cash equivalents	USD	6,163,286 ₩	1,222.60 ₩	7,535,233,953
	EUR	1,153,439	1,348.65	1,555,585,898
Accounts receivable – trade	USD	45,925,187	1,222.60	56,148,133,724
	EUR	3,762,932	1,348.65	5,074,877,824
	ZAR	178,231,501	68.08	12,134,000,566
Accounts receivable - others	USD	23,620	1,222.60	28,878,252
Total foreign currency denominated assets				₩ 82,476,710,217
Accounts payable - trade	USD	2,685,482	1,222.60 ₩	3,283,269,926
	EUR	9,670,855	1,348.65	13,042,597,921
	CNY	726,486	172.43	125,267,902
Accounts payable - others	USD	918,240	1,222.60	1,122,640,346
Accrued expenses	USD	708,436	1,222.60	866,134,098
	EUR	4,873,944	1,348.65	6,573,244,414
Total foreign currency denominated liabilities				₩ 25,013,154,607

(2) Assets and liabilities denominated in foreign currencies as of March 31, 2019 are as follows:

		2019		
		Foreign currency	Exchange rate	Translation into won
Cash and cash equivalents	USD	19,912,316 ₩	1,137.80 ₩	22,656,233,076
	EUR	721,339	1,277.46	921,482,000
Accounts receivable - trade	USD	48,912,164	1,137.80	55,652,260,072
	EUR	1,086,750	1,277.46	1,388,279,655
	ZAR	131,534,984	77.97	10,255,782,706
Accounts receivable - others	USD	35,852	1,137.80	40,792,199
	EUR	3,556,913	1,277.46	4,543,814,081
Total foreign currency denominated assets				₩ 95,458,643,789
Accounts payable - trade	USD	650,897	1,137.80 ₩	740,590,582
	EUR	2,507,140	1,277.46	3,202,771,564
	CNY	139,211	168.74	23,490,430
Accounts payable - others	USD	752,792	1,137.80	856,526,432
Accrued expenses	USD	490,834	1,137.80	558,470,582
	EUR	53,582	1,277.46	68,448,862
Total foreign currency denominated liabilities				₩ 5,450,298,452

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

17. Related Party Transactions

(1) Details of parent and subsidiary relationships as of March 31, 2020 are as follows:

Relationship	Related parties
Ultimate controlling party	Tata Motors Limited
Immediate Parent	TML Holdings Pte., Ltd.
Controlled subsidiary	TDSC
Others	Tata Motors Limited's subsidiaries and associates

(2) Significant transactions which occurred in the normal course of business with related parties for the years ended March 31, 2020 and 2019 are as follows:

(In Korean won)

Transaction	Name		2020	2019
Sales to	Tata Motors Limited	₩	528,947,111	1,810,003,763
	TDSC		385,426,268	212,459,415
	Tata Motors Thailand Ltd.		18,611,189	15,692,814
	Tata Motors (SA)(PTY) Ltd.		11,894,916,555	7,912,705,427
	Total	₩	<u>12,827,901,123</u>	<u>9,950,861,419</u>
Purchase from	Tata Motors Limited	₩	23,482,123	16,437,274
	Tata Technologies Pte., Ltd.		1,713,956,344	1,540,846,173
	Tata Cummins Ltd.		490,510,604	608,927,022
	Total	₩	<u>2,227,949,071</u>	<u>2,166,210,469</u>
Fee and charge to	TDSC	₩	<u>43,338,185,974</u>	<u>43,902,241,786</u>
Other to	Tata Motors Limited	₩	962,536,899	789,685,361
	Tata Motors Thailand Ltd.		111,736,800	436,303,800
	TML Holdings Pte., Ltd.		-	10,556,210,000
	Tata Motors (SA)(PTY) Ltd.		20,669,098	-
	Total	₩	<u>1,094,942,797</u>	<u>11,782,199,161</u>
Other from	Tata Motors Limited		61,864,997	29,802,248
	TDSC	₩	-	575,045
	Total	₩	<u>61,864,997</u>	<u>30,377,293</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

17. Related Party Transactions, Continued

(3) Account balances with related parties as of March 31, 2020 and 2019 are as follows:

① As of March 31, 2020

(In Korean won)

Name		Receivables		Payables		
		Accounts receivable - trade	Advance Payment	Accounts payables - trade	Other payables	Accrued expenses
Tata Motors Limited	₩	3,826,994	26,299,840	23,834,758	96,870,413	8,722,823
TDSC		36,707,220	-	-	4,155,434,150	-
Tata Motors (SA) (PTY) Ltd.		11,702,373,366	-	-	-	-
Tata Cummins Ltd.		-	-	170,925,593	-	-
Tata Technologies Pte., Ltd.		-	-	-	120,338,184	-
Total	₩	<u>11,742,907,580</u>	<u>26,299,840</u>	<u>194,760,351</u>	<u>4,372,642,747</u>	<u>8,722,823</u>

② As of March 31, 2019

(In Korean won)

Name		Receivables			Payables	
		Accounts receivable - trade	Accounts receivable - others	Advance Payment	Other payables	Accrued expenses
Tata Motors Limited	₩	92,786,407	15,137,291	26,299,840	41,365,504	289,627,109
TDSC		18,700,000	-	-	4,839,990,968	-
Tata Motors (SA) (PTY) Ltd.		8,151,977,718	-	-	-	-
Tata Technologies Pte., Ltd.		-	-	-	129,935,169	-
Total	₩	<u>8,263,464,125</u>	<u>15,137,291</u>	<u>26,299,840</u>	<u>5,011,291,641</u>	<u>289,627,109</u>

18. Commitments and Contingencies

(1) The Company's significant pending litigations as of March 31, 2020 are as follows:

(In Korean won)

Court	Plaintiff	Defendant	Descriptions	Amount of claim	Progress
Seoul	Kwangsin	The Company and others	Claim for repair	286,122,513	Lose in first trial and appellate proceeding
Jeju	Kim, Miza	The Company and others	Claim for repair	100,000,000	Proceeding in first trial
Gwangju	Korea freight forwarders association	The Company and others	Claim for damage	82,124,000	Proceeding in first trial

As of March 31, 2020, the ultimate outcome of the legal cases cannot presently be predicted, and outflow of resources is not probable.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

18. Commitments and Contingencies, Continued

(2) Comprehensive bank facilities as of March 31, 2020 are provided by financial institutions for the Company as follows:

(In Korean won and in each foreign currency)

Provider		Credit limit	Amount utilized	Period	Description
HANA Bank	KRW	12,300,000,000	USD -	Jun. 10, 2019-Jun. 10, 2020	Export-Import finance and working capital
	USD	5,700,000	USD 1,000,000	Jun. 10, 2019-Jun. 10, 2020	Foreign exchange and derivatives
			EUR 3,000,000		
	USD	7,000,000	USD 797,330	Jun. 10, 2019-Jun. 10, 2020	Export finance
	KRW	15,000,000,000	KRW 3,453,371,449	Jan. 17, 2020-Jan. 17, 2021	Seller's loan
	KRW	10,000,000,000	KRW 10,000,000,000	Oct. 07, 2019-Oct. 07, 2020	General loan
	KRW	10,000,000,000	KRW 10,000,000,000	Dec. 15, 2019-Dec. 15, 2020	General loan
	KRW	10,000,000,000	KRW 10,000,000,000	Mar. 27, 2020-Mar. 27, 2021	General loan
Exim Bank	USD	3,000,000	EUR 733,596	Nov. 24, 2019-Nov. 24, 2020	Import finance
	KRW	7,670,000,000	KRW 1,640,019,363	Jan. 08, 2014-Feb. 16, 2023	Employee welfare
	KRW	10,000,000,000	KRW -	Sep. 12, 2019-Sep. 12, 2020	General loan
	KRW	20,000,000,000	KRW 20,000,000,000	Dec. 19, 2019-Dec. 19, 2020	General loan
Shinhan Bank	KRW	8,000,000,000	KRW 1,358,757,213	Oct. 08, 2019-Oct. 08, 2020	Seller's loan
	USD	3,000,000	EUR -	Oct. 08, 2019-Oct. 08, 2020	Import finance
	KRW	10,000,000,000	KRW 10,000,000,000	Mar. 20, 2020-Mar. 20, 2021	General loan
	KRW	10,000,000,000	KRW 10,000,000,000	Feb. 17, 2020-Feb. 17, 2021	General loan
ANZ Bank	KRW	7,500,000,000	KRW 7,500,000,000	Mar. 27, 2019-Sep. 27, 2021	General loan
	USD	20,000,000	KRW 10,000,000,000	Jun. 30, 2019-Jun. 30, 2020	Export-Import finance and working capital
	USD	20,000,000	USD 3,000,000 EUR 1,000,000	Jun. 30, 2019-Jun. 30, 2020	Foreign exchange and derivatives
Kookmin Bank	KRW	15,000,000,000	KRW 15,000,000,000	Mar. 27, 2020-Mar. 27, 2021	General loan
	USD	5,000,000	EUR 2,418,056	Sep. 13, 2019-Sep. 13, 2020	Import finance
	USD	3,500,000	USD -	Sep. 13, 2019-Sep. 13, 2020	Export finance
HSBC	USD	10,000,000	USD 3,000,000	Oct. 31, 2019-Oct. 31, 2020	Foreign exchange and derivatives
			EUR 2,000,000		
Total	KRW	145,470,000,000	KRW 108,952,148,025		
	USD	77,200,000	USD 7,797,330		
			EUR 9,151,652		

In addition to the above line of credit arrangements, as of March 31, 2020, export financing arrangements were provided to the Company by HANA Bank totaling USD 512,500 for which the Company is contingently liable.

(3) The Company has provided payment guarantee amounting to ₩986,700,000 to IBK Bank in favor of the borrowings of Sekyung Auto Trading Co., Ltd. as of March 31, 2020, for which it will be contingently liable.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
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19. Derivatives

(1) The Company maintains foreign currency forward contracts with financial institutions and details of such contracts as of March 31, 2020 and 2019 are as follows:

		March 31, 2020								
		Contract amount					Fair value			
		Foreign currency	Rate	Amount	Assets	Liabilities	Net			
Bank										
Buying	Hana Bank	EUR	3,000,000	USD 1.0906	USD 3,271,900	₩ 51,160,071	-	51,160,071		
	HSBC		2,000,000	1.0986	2,197,200	15,562,475	-	15,562,475		
	ANZ Bank		1,000,000	1.1086	1,108,600	-	(6,276,990)	(6,276,990)		
		EUR	6,000,000		USD 6,577,700	₩ 66,722,546	(6,276,990)	60,445,556		
Selling	Hana Bank	USD	1,000,000	KRW 1203.15	KRW 1,203,150,000	₩ -	(17,173,464)	(17,173,464)		
	HSBC		3,000,000	1204.83	3,614,500,000	-	(48,724,278)	(48,724,278)		
	ANZ Bank		3,000,000	1194.87	3,584,600,000	-	(79,991,819)	(79,991,819)		
		USD	7,000,000		KRW 8,402,250,000	₩ -	(145,889,561)	(145,889,561)		

		March 31, 2019								
		Contract amount					Fair value			
		Foreign currency	Rate	Amount	Assets	Liabilities	Net			
Bank										
Buying	ANZ Bank	EUR	1,000,000	USD 1.1349	USD 1,134,900	₩ -	(11,708,304)	(11,708,304)		

(2) Gains or losses in connection with foreign currency forward contracts for the years ended March 31, 2020 and 2019 are as follows:

		2020	2019
Gain on derivative instruments transactions	₩	356,130,055	81,961,841
Loss on derivative instruments transactions		(591,500,741)	(714,410,200)
Loss on derivative instruments transactions, net	₩	(235,370,686)	(632,448,359)
Gain on derivative instruments valuation	₩	66,722,546	-
Loss on derivative instruments valuation		(152,166,551)	(11,708,304)
Loss on derivative instruments valuation, net	₩	(85,444,005)	(11,708,304)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2020 and 2019

20. Shareholder's Equity

Common stock and capital surplus as of March 31, 2020 and 2019 are as follows:

(In Korean won except for share data)

	<u>2020</u>	<u>2019</u>
Number of shares:		
Authorized	70,000,000 shares	70,000,000 shares
Issued and outstanding	3,016,060 shares	3,016,060 shares
Par value	5,000	5,000
Common stock	₩ 15,080,300,000	15,080,300,000
Capital surplus:		
Paid-in capital in excess of par value	92,753,162,813	92,753,162,813
Gain from capital reduction	50,650,609,388	50,650,609,388
Total	₩ <u>158,484,072,201</u>	<u>158,484,072,201</u>

21. Retained Earnings

(1) Earned surplus reserve

The Korean Commercial Code requires the Company to appropriate a legal reserve in an amount equal to at least 10% of cash dividends for each accounting period until the reserve equals 50% of stated capital. The legal reserve may be used to reduce a deficit or may be transferred to common stock in connection with a free issue of shares.

(2) Reserve for research and human resources development

Under the Special Tax Treatment Control Law, the Company appropriated retained earnings for research and human resources development. The reserve used for its original purpose and the remaining balance after use are restored to retained earnings and can be used for dividends.

(3) Statements of Appropriations of Retained Earnings

(In Korean won)

	<u>2020</u>	<u>2019</u>
Retained earnings before appropriations		
Beginning of the year	₩ 179,896,349,517	207,915,148,963
Net loss	(68,854,771,333)	(28,018,799,446)
End of the year	111,041,578,184	179,896,349,517
Appropriations	-	-
Unappropriated retained earnings to be carried forward to subsequent year	₩ <u>111,041,578,184</u>	<u>179,896,349,517</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
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22. Comprehensive Income

Comprehensive income for the years ended March 31, 2020 and 2019 are same as net income.

23. Selling, General and Administrative Expenses

Details of selling, general and administrative expenses for the years ended March 31, 2020 and 2019 are as follows:

(In Korean won)

		<u>2020</u>	<u>2019</u>
Salaries	₩	19,086,042,811	17,727,165,885
Provision for severance indemnities		1,430,459,821	1,245,430,487
Other employee benefits		3,780,164,920	3,785,262,804
Utilities		154,032,121	165,779,671
Vehicle maintenance		113,519,946	136,220,167
Repairs		547,285,013	609,910,906
Rental		1,120,465,291	1,319,574,697
Insurance		176,402,850	183,315,359
Depreciation		916,004,026	1,028,760,008
Amortization		2,765,616,406	4,915,062,821
Supplies		133,090,920	146,418,953
Publication		130,387,452	176,187,725
Communication		218,109,233	247,539,248
Freight and storage		5,677,207,864	6,426,194,801
Taxes and dues		436,270,937	366,831,022
Travel		436,638,126	465,014,773
Fee and charges		55,324,383,173	53,554,463,939
Entertainment		63,438,884	106,597,510
Advertising		102,413,500	55,140,600
Training		51,218,210	56,551,500
Outsourcing		1,842,461,675	2,065,870,465
Research and development		55,111,224	349,623,704
Sales promotion, net		8,474,368,701	2,323,876,993
Provision for warranty, net		14,479,836,778	16,308,886,975
Provision for restructuring		25,000,000,000	-
Packaging		704,255,694	744,771,945
Overseas marketing		300,082,848	302,334,034
Provision for (Reversal of) doubtful accounts, net		3,186,249,150	(4,185,639,689)
Others		43,903,746	27,362,945
Total	₩	<u>146,749,421,320</u>	<u>110,654,510,248</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
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24. Income Taxes

(1) The components of income tax benefit for the years ended March 31, 2020 and 2019 are as follows:

(In Korean won)

		<u>2020</u>	<u>2019</u>
Current tax benefit	₩	-	(402,481,979)
Changes in deferred tax for temporary differences		<u>(19,466,250,933)</u>	<u>(5,979,572,221)</u>
Income tax benefit in continuing operation	₩	<u>(19,466,250,933)</u>	<u>(6,382,054,200)</u>

(2) The income tax benefit calculated by applying statutory tax rates to the Company's income before income taxes for the years differs from the actual tax expense in the statements of income for the years ended March 31, 2020 and 2019 for the following reasons:

(In Korean won)

		<u>2020</u>	<u>2019</u>
Loss before income taxes	₩	(88,321,022,266)	(34,400,853,646)
Tax rate		22%	22%
Income taxes at normal tax rates		(19,430,624,899)	(7,568,187,802)
Tax effects of permanent difference		114,507,267	251,566,083
Tax credit		(150,133,301)	(166,987,859)
Tax refund		-	(402,481,979)
Tax effects of tax rate		-	1,504,682,689
Others		<u>-</u>	<u>(645,332)</u>
Income tax benefit	₩	<u>(19,466,250,933)</u>	<u>(6,382,054,200)</u>
Effective tax rate		<u>-</u>	<u>-</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

24. Income Taxes, Continued

(3) Changes in temporary differences and deferred tax assets (liabilities) for the years ended March 31, 2020 and 2019 are as follows:

<i>(In Korean won)</i>		2020			
Account		April 1	Decrease	Increase	March 31
Temporary differences (current):					
Accrued expenses	₩	8,215,880,183	8,215,880,183	12,207,451,702	12,207,451,702
Provision for warranties		14,531,345,711	14,531,345,711	12,483,589,775	12,483,589,775
Allowance for doubtful accounts		19,249,150,021	19,249,150,021	22,395,806,265	22,395,806,265
Valuation of inventories		24,848,312,206	24,747,855,775	28,611,700,022	28,712,156,453
Loss on currency forward valuation		11,708,304	11,708,304	152,166,551	152,166,551
Government subsidy		2,816,828,886	141,873,171	-	2,674,955,715
Gain on currency forward valuation		-	-	(66,722,546)	(66,722,546)
Accrued interest income		(35,845,200)	(35,845,200)	(145,017,631)	(145,017,631)
Provision for restructuring		-	-	25,000,000,000	25,000,000,000
Tax loss carry forward		<u>27,367,207,781</u>	<u>27,367,207,781</u>	-	-
Subtotal		97,004,587,892	94,229,175,746	100,638,974,138	103,414,386,284
Tax rate (*1)		<u>22.0%</u>			<u>22.0%</u>
DTA – Temporary differences		21,341,009,336			22,751,164,982
DTA – Tax credit carry forward		<u>166,987,859</u>			<u>317,121,160</u>
Current deferred tax assets	₩	<u>21,507,997,195</u>			<u>23,068,286,142</u>
Temporary differences (non-current):					
Accrued severance indemnities		-	-	3,166,579,423	3,166,579,423
Accrued warranties	₩	6,162,935,453	6,162,935,453	6,099,081,373	6,099,081,373
Depreciation		1,754,575,416	287,101,227	410,886,793	1,878,360,982
Loss on impairment of tangible assets		-	-	222,178,153	222,178,153
Equity method investment securities		(2,486,011,401)	(341,816,096)	-	(2,144,195,305)
Loss on impairment of other non-current assets		359,433,990	359,433,990	-	-
Tax loss carry forward		-	-	77,959,665,131	77,959,665,131
Subtotal		5,790,933,458	6,467,654,574	87,858,390,873	87,181,669,757
Tax rate (*1)		<u>22.0%</u>			<u>22.0%</u>
Non-current deferred tax assets		<u>1,274,005,361</u>			<u>19,179,967,347</u>
Deferred tax assets (*2)	₩	<u>22,782,002,556</u>			<u>42,248,253,489</u>

(*1) Tax rate is the enacted tax rate that is expected to be applicable to future taxable income in the periods in which the deferred tax liability and asset are expected to be settled or realized.

(*2) Deductible temporary differences are recorded to the extent that the resulting deferred tax assets are certain to be realized as of March 31, 2020.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
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24. Income Taxes, Continued

<i>(In Korean won)</i>		2019			
Account		April 1	Decrease	Increase	March 31
Temporary differences (current):					
Accrued expenses	₩	8,556,187,429	8,556,187,429	8,215,880,183	8,215,880,183
Provision for warranties		12,807,528,085	12,807,528,085	14,531,345,711	14,531,345,711
Allowance for doubtful accounts		23,630,668,609	23,630,668,609	19,249,150,021	19,249,150,021
Valuation of inventories		15,385,254,047	15,284,797,616	24,747,855,775	24,848,312,206
Loss on currency forward valuation		-	-	11,708,304	11,708,304
Government subsidy		2,990,184,270	173,586,311	230,927	2,816,828,886
Gain on currency forward valuation		(7,326,734)	(7,326,734)	-	-
Accrued interest income		(73,863,051)	(73,863,051)	(35,845,200)	(35,845,200)
Tax loss carry forward		-	-	27,367,207,781	27,367,207,781
Subtotal		63,288,632,655	60,371,578,265	94,087,533,502	97,004,587,892
Tax rate (*1)		24.20%			22.0%
DTA – Temporary differences		15,315,849,103			21,341,009,336
DTA – Tax credit carry forward		-			166,987,859
Current deferred tax assets	₩	15,315,849,103			21,507,997,195
Temporary differences (non-current):					
Accrued warranties	₩	6,602,203,580	6,602,203,580	6,162,935,453	6,162,935,453
Depreciation		2,174,430,121	763,271,574	343,416,869	1,754,575,416
Equity method investment securities		(2,633,736,050)	(147,724,649)	-	(2,486,011,401)
Loss on impairment of other non-current assets		-	-	359,433,990	359,433,990
Subtotal		6,142,897,651	7,217,750,505	6,865,786,312	5,790,933,458
Tax rate (*1)		24.20%			22.0%
Non-current deferred tax assets		1,486,581,232			1,274,005,361
Deferred tax assets (*2)	₩	16,802,430,335			22,782,002,556

(*1) Tax rate is the enacted tax rate that is expected to be applicable to future taxable income in the periods in which the deferred tax liability and asset are expected to be settled or realized.

(*2) Deductible temporary differences are recorded to the extent that the resulting deferred tax assets are certain to be realized as of March 31, 2019.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Notes to the Financial Statements

March 31, 2020 and 2019

24. Income Taxes, Continued

(4) Current income tax asset and current income tax liability as of March 31, 2020 and 2019 are as follows:

(In Korean won)

	<u>2020</u>	<u>2019</u>
Current income tax asset	₩ (187,589,400)	(154,091,700)
Current income tax liability	-	-
Current income tax asset, net	<u>₩ (187,589,400)</u>	<u>(154,091,700)</u>

25. Earnings (Loss) per Share

The Company's earnings per share for the years ended March 31, 2020 and 2019 is as follows:

(In Korean won except for share data)

	<u>2020</u>	<u>2019</u>
Net loss	₩ (68,854,771,333)	(28,018,799,446)
Weighted-average number of common shares outstanding (*)	<u>3,016,060</u>	<u>3,016,060</u>
Loss per share	<u>₩ (22,829)</u>	<u>(9,290)</u>

(*) Weighted-average number of shares outstanding for the years ended March 31, 2020 and 2019, was the same as the issued number of shares, as there was no change in outstanding shares of common stock for the years ended March 31, 2020 and 2019.

26. Non-cash Investing and Financing Activities

Significant non-cash investing and financing activities for the years ended March 31, 2020 and 2019 are as follows :

(In Korean won)

	<u>2020</u>	<u>2019</u>
Transfer from construction in progress to buildings	₩ 554,400,000	-
Transfer from construction in progress to machinery	45,600,000	20,000,000
Transfer from construction in progress to molds	323,400,000	1,711,830,000
Transfer from construction in progress to Computers	-	64,729,367
Transfer from construction in progress to furniture and fixtures	8,000,000	-
Reclassification of current portion of long-term borrowings	5,000,000,000	-
Decrease of other payables due to acquisition of construction in progress	(321,890,000)	(458,700,000)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

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March 31, 2020 and 2019

27. Financial Instruments

(1) Financial instruments that are measured subsequent to initial recognition at fair value as of March 31, 2020 and 2019 are as follows:

<i>(In Korean won)</i>		<u>2020</u>	<u>2019</u>
Financial instrument assets			
Foreign currency forward contracts (*)	₩	66,722,546	-
Financial instrument liabilities			
Foreign currency forward contracts (*)	₩	(152,166,551)	(11,708,304)

(*) Foreign currency forward contracts are stated at the market value as fair value.

(2) The maturity analysis of financial liabilities as of March 31, 2020 and 2019 is as follows:

<i>(In Korean won)</i>		<u>2020</u>			
<u>Account</u>		<u>3 months or less</u>	<u>3-12 months</u>	<u>1 – 3 years</u>	<u>Total</u>
Short-term borrowings	₩	10,000,000,000	85,000,000,000	-	95,000,000,000
Accounts payable - trade		75,145,525,545	-	-	75,145,525,545
Accounts payable - other		20,534,278,714	-	-	20,534,278,714
Accrued expenses		7,696,663,111	11,996,779,892	-	19,693,443,003
Long-term borrowings		1,250,000,000	3,750,000,000	2,500,000,000	7,500,000,000
Foreign currency forward contracts		152,166,551	-	-	152,166,551
Total	₩	<u>114,778,633,921</u>	<u>100,746,779,892</u>	<u>2,500,000,000</u>	<u>218,025,413,813</u>

<i>(In Korean won)</i>		<u>2019</u>			
<u>Account</u>		<u>3 months or less</u>	<u>3-12 months</u>	<u>1 – 3 years</u>	<u>Total</u>
Short-term borrowings	₩	15,000,000,000	75,000,000,000	-	90,000,000,000
Accounts payable - trade		88,694,324,879	-	-	88,694,324,879
Accounts payable - other		23,454,074,565	-	-	23,454,074,565
Accrued expenses		4,601,904,024	7,172,115,330	-	11,774,019,354
Long-term borrowings		-	2,500,000,000	7,500,000,000	10,000,000,000
Foreign currency forward contracts		11,708,304	-	-	11,708,304
Total	₩	<u>131,762,011,772</u>	<u>84,672,115,330</u>	<u>7,500,000,000</u>	<u>223,934,127,102</u>

(3) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2020 and 2019

28. Value Added Information

Details of value-added information included in cost of goods manufactured and selling and administrative expenses for the years ended March 31, 2020 and 2019 are as follows:

(In Korean won)

	<u>2020</u>	<u>2019</u>
Wages and salaries	₩ 88,740,031,631	98,470,330,495
Provision for severance indemnities	7,850,922,572	8,076,107,417
Employee welfare	19,365,441,116	20,763,471,138
Rent	2,877,942,557	2,987,773,449
Depreciation	19,185,707,534	19,438,781,440
Amortization	2,765,616,406	4,915,062,821
Taxes and dues	1,270,540,165	1,257,216,771

29. Date of Authorization for Issue

The financial statements were authorized for issue on May 7, 2020, at the board of directors and will be approved at the annual shareholder's meeting to be held on June 26, 2020.