

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

Financial Statements

March 31, 2019 and 2018

(With Independent Auditors' Report Thereon)

Identified by KPMG

K.JH

Contents

	Page
Independent Auditors' Report	3
Statements of Financial Position	5
Statements of Income	7
Statements of Changes in Equity	8
Statements of Cash Flows	9
Notes to the Financial Statements	11

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, 2019 and 2018, the statements of profit or loss and other comprehensive income , 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, 2019 and 2018, and its financial performance 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.

GAAS legend

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.

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.

Seoul, Korea
May 09, 2019

This report is effective as of May 09, 2019, 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, 2019 AND 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
	(In Korean won)	
CURRENT ASSETS		
Cash and cash equivalents, net of government subsidy of W7,861,202 as of March 31, 2018 (Notes 10 and 16)	W 97,741,439,781	124,302,401,818
Short-term financial instruments (Note 4)	1,454,610,000	2,036,490,000
Accounts and notes receivable (Notes 16 and 17):		
- Trade, net allowance for doubtful accounts of W20,253,686,768 as of March 31, 2019 and W24,439,326,457 as of March 31, 2018	80,805,572,885	56,693,976,837
- Other, net allowance for doubtful accounts of W126,129,431 as of March 31, 2019 and W97,215,693 as of March 31, 2018	11,881,228,716	9,356,835,065
Advance payments, net allowance for doubtful accounts of W6,146,503 as of March 31, 2019 and W7,146,941 as of March 31, 2018	608,503,859	707,547,206
Foreign currency forward contracts (Notes 19 and 28)	-	7,326,734
Current deferred tax assets (Note 25)	21,507,997,195	15,315,849,103
Inventories, net (Notes 5 and 9)	222,742,943,532	233,082,551,298
Other current assets (Note 6)	1,043,390,879	1,127,704,725
Total Current Assets	437,785,686,847	442,630,682,786
NON-CURRENT ASSETS		
Long-term financial instruments (Note 4)	2,291,020,000	2,288,060,000
Equity method investment securities (Note 7)	3,486,011,401	3,633,736,050
Property, plant and equipment, net (Notes 8 and 9)	182,229,889,595	190,794,607,096
Intangible assets, net (Note 11)	6,363,260,351	11,101,168,747
Non-current deferred tax assets (Note 25)	1,274,005,361	1,486,581,232
Other non-current assets (Note 12)	4,894,956,658	6,717,063,583
Total Non-current Assets	200,539,143,366	216,021,216,708
TOTAL ASSETS	W 638,324,830,213	658,651,899,494

(Continued)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF FINANCIAL POSITION, CONTINUED
AS OF MARCH 31, 2019 AND 2018

<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>	<u>2019</u>	<u>2018</u>
	(In Korean won)	
CURRENT LIABILITIES		
Accounts payable (Notes 16, 17 and 28):		
- Trade	W 88,694,324,879	108,164,885,541
- Other	23,454,074,565	21,505,897,182
Short-term borrowings (Notes 13 and 28)	90,000,000,000	60,000,000,000
Advance receipts	5,082,493,438	5,474,479,445
Accrued expenses (Notes 16, 17 and 28)	11,774,019,354	15,380,785,774
Withholdings	3,169,440,124	4,667,904,276
Current income tax liability (Note 25)	-	28,717,780
Current portion of provision for warranties (Note 14)	14,531,345,711	12,807,528,085
Foreign currency forward contracts (Notes 19 and 28)	11,708,304	-
Current portion of long-term borrowing (Notes 13 and 28)	2,500,000,000	-
	<u>239,217,406,375</u>	<u>228,030,198,083</u>
Total Current Liabilities		
NON-CURRENT LIABILITIES		
Long-term borrowing (Notes 13 and 28)	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 ₩128,730,100 as of March 31, 2019 and ₩202,884,500 as of March 31, 2018, and retirement pension fund of ₩57,687,058,390 as of March 31, 2019 and ₩63,969,349,050 as of March 31, 2018 (Note 15)	-	-
Provision for warranties (Note 14)	6,162,935,453	6,602,203,580
	<u>13,718,935,453</u>	<u>6,658,203,580</u>
Total Non-current Liabilities		
	<u>252,936,341,828</u>	<u>234,688,401,663</u>
Total Liabilities		
SHAREHOLDER'S EQUITY		
Common stock (Notes 1 and 20)	15,080,300,000	15,080,300,000
Capital surplus (Note 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 (Note 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	179,896,349,517	218,471,358,963
	<u>385,388,488,385</u>	<u>423,963,497,831</u>
Total Shareholder's Equity		
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>W 638,324,830,213</u>	<u>658,651,899,494</u>

(Concluded)

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
	(In Korean won)	
SALES (Note 17):		
Finished goods	₩ 578,157,425,313	789,223,050,555
Others	73,204,399,628	79,035,666,732
	651,361,824,941	868,258,717,287
COST OF SALES:		
Finished goods	(521,712,847,625)	(637,816,198,899)
Others	(54,102,469,462)	(61,478,398,943)
	(575,815,317,087)	(699,294,597,842)
GROSS PROFIT	75,546,507,854	168,964,119,445
SELLING AND ADMINISTRATIVE EXPENSES (Notes 24 and 29)	(110,654,510,248)	(127,324,714,523)
OPERATING INCOME(LOSS)	(35,108,002,394)	41,639,404,922
OTHER INCOME (EXPENSE):		
Interest income	1,857,543,132	1,717,412,082
Interest expense	(2,193,355,770)	(1,347,897,207)
Rental income	29,362,000	24,880,000
Gain (loss) on foreign currency transactions, net	886,655,872	(3,515,761,332)
Gain on foreign currency translation, net	1,121,588,509	566,590,238
Gain (loss) on disposal of property, plant and equipment, net	22,377,465	(8,746,873)
Loss on impairment of property, plant and equipment	(134,000,000)	(125,000,000)
Gain on disposal of intangible assets	-	32,361,233
Reversal of (provision for) other doubtful accounts	(27,913,300)	61,070,427
Equity loss of associate (Note 7)	(147,724,649)	(704,008,764)
Gain (loss) on derivative instruments transactions, net (Note 19)	(632,448,359)	1,963,961,890
Gain (loss) on derivative instruments valuation, net (Note 19)	(11,708,304)	7,326,734
Loss on impairment of other non-current assets	(359,433,990)	-
Loss on disposal of trade accounts receivable	(615,194,545)	(541,262,515)
Others	911,400,687	599,690,276
Other income (expense), net	707,148,748	(1,269,383,811)
INCOME(LOSS) BEFORE INCOME TAX	(34,400,853,646)	40,370,021,111
INCOME TAX BENEFIT (EXPENSE) (Note 25)	6,382,054,200	(6,708,664,747)
NET INCOME(LOSS)	₩ (28,018,799,446)	33,661,356,364
EARNINGS(LOSS) PER SHARE (Note 26)	₩ (9,290)	11,161

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

		Common stock	Capital surplus	Retained earnings	Total shareholder's equity
		(In Korean won)			
Balance at April 1, 2017	₩	15,080,300,000	143,403,772,201	252,025,671,266	410,509,743,467
Cash dividend paid		-	-	(20,207,602,000)	(20,207,602,000)
Net income		-	-	33,661,356,364	33,661,356,364
Balance, March 31, 2018	₩	<u>15,080,300,000</u>	<u>143,403,772,201</u>	<u>265,479,425,630</u>	<u>423,963,497,831</u>
Balance at April 1, 2018	₩	15,080,300,000	143,403,772,201	265,479,425,630	423,963,497,831
Cash dividend paid (Note 22)		-	-	(10,556,210,000)	(10,556,210,000)
Net loss		-	-	(28,018,799,446)	(28,018,799,446)
Balance at 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>

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
	(In Korean won)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income(loss)	₩ (28,018,799,446)	33,661,356,364
Expenses (income) not involving cash outflows (inflows):		
Depreciation	19,438,781,440	20,020,745,754
Amortization	4,915,062,821	5,103,658,669
Provision for severance indemnities	8,076,107,417	9,054,185,457
Provision for (Reversal of) doubtful accounts	(4,185,639,689)	5,590,727,089
Other provision for (reversal of) doubtful accounts	27,913,300	(61,070,427)
Loss on (reversal of) valuation of inventories	9,463,058,159	(6,481,643,598)
Warranties	16,308,886,975	14,313,284,195
Loss (gain) on foreign currency translation, net	(715,464,931)	358,724,576
Loss (gain) on derivative instruments transactions, net	632,448,359	(1,963,961,890)
Loss (gain) on derivative instruments valuation, net	11,708,304	(7,326,734)
Equity loss of associate	147,724,649	704,008,764
Loss (gain) on disposal of property, plant and equipment, net	(22,377,465)	8,746,873
Gain on disposal of intangible asset	-	(32,361,233)
Loss on impairment of property, plant and equipment	134,000,000	125,000,000
Loss on impairment of other non-current assets	359,433,990	-
Loss on disposal of trade accounts receivable	615,194,545	541,262,515
Subtotal	55,206,837,874	47,273,980,010
Changes in assets and liabilities related to operating activities:		
Trade accounts and notes receivable	(19,786,296,078)	9,368,276,812
Other receivables	(2,551,464,025)	3,352,982,655
Advance payments	100,043,785	3,002,486,692
Current deferred tax assets	(6,192,148,092)	276,929,616
Other current assets	84,313,846	(555,371,647)
Inventories	876,549,607	(22,267,624,128)
Non-current deferred tax assets	212,575,871	345,173,271
Trade accounts payable	(19,490,867,768)	(9,229,601,239)
Other payables	2,406,156,784	(3,886,358,489)
Advance receipts	(391,986,007)	2,326,447,660
Withholdings	(1,498,464,152)	(610,466,172)
Accrued expenses	(3,626,971,974)	(3,364,643,709)
Current income tax liability	(28,717,780)	(13,231,272,166)
Payments of warranty claims	(15,024,337,476)	(14,196,031,452)
Payments of severance indemnities	(14,432,552,477)	(1,573,604,647)
Funded deposit of retirement pension plan	7,478,301,777	(10,605,962,093)
Transfers from the National Pension Fund	74,154,400	7,593,000
Other non-current liabilities	(10,000,000)	-
Subtotal	(71,801,709,759)	(60,841,046,036)
Net cash flows from (used in) operating activities	(44,613,671,331)	20,094,290,338

(Continued)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
	(In Korean won)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in short-term financial instruments	₩ (1,477,007,340)	(36,702,130,728)
Decrease in short-term financial instruments	2,058,887,340	39,165,640,728
Acquisition of long-term financial instruments	(2,960,000)	(258,040,000)
Proceeds from sale of property, plant and equipment	43,668,800	15,954,545
Proceeds from sale of intangible asset	-	55,000,000
Acquisition of property, plant and equipment	(11,488,055,274)	(12,391,527,000)
Acquisition of intangible assets	(177,154,425)	(1,627,245,435)
Settlements of currency forward contracts	(625,121,625)	1,583,811,290
Proceeds from other non-current assets	224,661,818	-
Increase in guarantee deposits	(18,000,000)	(1,069,586,000)
Decrease in guarantee deposits	70,000,000	20,000,000
	(11,391,080,706)	(11,208,122,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	175,000,000,000	80,000,000,000
Proceeds from long-term borrowings	10,000,000,000	-
Repayment of short-term borrowings	(145,000,000,000)	(60,000,000,000)
Payment of dividend	(10,556,210,000)	(20,207,602,000)
	29,443,790,000	(207,602,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(26,560,962,037)	8,678,565,738
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	124,302,401,818	115,623,836,080
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	₩ 97,741,439,781	124,302,401,818

(Concluded)

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

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, 2019, 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.

The accompanying financial statements will be approved at the annual shareholder's meeting to be held on May 09, 2019.

(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 14 – Provisions for Warranties

Note 25 – Income Taxes

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.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

3. Significant Accounting Policies, Continued

(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.

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.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

3. Significant Accounting Policies, Continued

(4) Equity method investment securities, continued

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.

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	6

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

3. Significant Accounting Policies, Continued

(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.

(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
March 31, 2019 and 2018

3. Significant Accounting Policies, Continued

(9) Effects of foreign exchange fluctuations

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.

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 ₩1,137.8 and ₩1,066.50 to USD1 at March 31, 2019 and 2018, 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.

(12) Derivative 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).

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

3. Significant Accounting Policies, Continued

(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.

4. Restricted Deposits

Deposits which are restricted in use as of March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		<u>2019</u>	<u>2018</u>	<u>Description</u>
Short-term deposits				
Bank Deposit	₩	1,454,610,000	2,036,490,000	Payment guarantee
Long-term deposits				
Personal pension		<u>2,291,020,000</u>	<u>2,288,060,000</u>	Employee personal pension
	₩	<u>3,745,630,000</u>	<u>4,324,550,000</u>	

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

5. **Inventories**

Inventories as of March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		<u>2019</u>	<u>2018</u>
Finished goods	₩	94,978,142,271	86,989,726,997
Work in process		21,846,359,998	24,914,615,583
Raw materials		94,541,264,847	98,255,149,318
Materials in transit		9,245,369,427	16,682,725,565
Parts for service		26,879,662,764	21,525,131,451
Less: allowance for valuation loss		<u>(24,747,855,775)</u>	<u>(15,284,797,616)</u>
	₩	<u>222,742,943,532</u>	<u>233,082,551,298</u>

6. **Other Current Assets**

Other current assets as of March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		<u>2019</u>	<u>2018</u>
Prepaid expenses	₩	853,453,979	1,053,841,674
Prepaid taxes		154,091,700	-
Accrued income		<u>35,845,200</u>	<u>73,863,051</u>
	₩	<u>1,043,390,879</u>	<u>1,127,704,725</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

7. Equity Method Investment Securities

(1) Investment in security accounted for by using the equity method as of March 31, 2019 and 2018 is summarized as follows:

① As of March 31, 2019

(In Korean won)

Investee	Ownership (%)	Acquisition cost	Net asset value	Book value
Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. ("TDSC")	100%	1,000,000,000	3,486,011,401	3,486,011,401

② As of March 31, 2018

(In Korean won)

Investee	Ownership (%)	Acquisition cost	Net asset value	Book value
TDSC	100%	1,000,000,000	3,633,736,050	3,633,736,050

(2) Changes in the balance of investment in security accounted for using the equity method of accounting for the years ended March 31, 2019 and 2018 are as follows:

① For the year ended March 31, 2019

(In Korean won)

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

② For the year ended March 31, 2018

(In Korean won)

Investee		Balance at April 1, 2017	Acquisition	Equity loss	Balance at March 31, 2018
TDSC	₩	4,337,744,814	-	(704,008,764)	3,633,736,050

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

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, 2019 and 2018 is summarized as follows:

① As of and for the year ended March 31, 2019

<i>(In Korean won)</i>					
<u>Investee</u>		<u>Total assets</u>	<u>Total liabilities</u>	<u>Revenue</u>	<u>Net loss</u>
TDSC	₩	9,745,758,093	6,259,746,692	40,297,998,312	(147,724,649)

② As of and for the year ended March 31, 2018

<i>(In Korean won)</i>					
<u>Investee</u>		<u>Total assets</u>	<u>Total liabilities</u>	<u>Revenue</u>	<u>Net loss</u>
TDSC	₩	10,358,522,128	6,724,786,078	48,992,268,577	(704,008,764)

8. Property, Plant and Equipment

(1) Property, plant and equipment and related accumulated depreciation as of March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		<u>2019</u>	<u>2018</u>
Land	₩	55,672,351,701	55,672,351,701
Buildings		96,431,834,200	96,431,834,200
Structures		15,372,652,241	15,372,269,741
Machinery and equipment		100,832,131,317	101,701,719,653
Vehicles		887,100,201	903,458,991
Tools		4,938,784,770	5,130,820,605
Furniture and fixtures		9,159,941,735	9,852,399,847
Computers		10,281,255,309	12,824,618,996
Molds		145,780,689,976	137,028,365,881
Construction in progress		1,234,200,000	2,240,959,367
Total cost		<u>440,590,941,450</u>	<u>437,158,798,982</u>
Less: assets acquired using government subsidy		(386,822,886)	(552,323,068)
Less: accumulated depreciation		<u>(257,974,228,969)</u>	<u>(245,811,868,818)</u>
Property, plant and equipment, net	₩	<u>182,229,889,595</u>	<u>190,794,607,096</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

8. Property, Plant and Equipment, Continued

(2) Changes in property, plant and equipment for the year ended March 31, 2019 and 2018 are as follows:

(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>

(In Korean won)

		2018					
		April 1	Acquisitions	Disposals	Transfer	Depreciation	March 31
Land	₩	55,672,351,701	-	-	-	-	55,672,351,701
Buildings		69,360,352,978	140,968,000	-	-	(2,476,391,625)	67,024,929,353
Structures		8,027,115,073	1,033,400,000	-	-	(763,868,880)	8,296,646,193
Machinery and equipment		24,274,761,444	2,834,643,400	(24,666,418)	375,600,000	(4,533,233,956)	22,927,104,470
Vehicles		109,285,885	67,175,239	(2,000)	-	(61,791,033)	114,668,091
Tools		1,019,579,361	328,508,105	-	459,978,366	(347,198,814)	1,460,867,018
Furniture and fixtures		2,819,906,409	878,994,523	(27,000)	-	(890,721,877)	2,808,152,055
Computers		1,348,499,244	550,274,000	(6,000)	-	(498,426,156)	1,400,341,088
Molds		33,742,731,173	4,942,578,000	-	612,392,000	(10,449,113,413)	28,848,587,760
Construction in progress		1,708,892,000	2,105,037,733	(125,000,000)	(1,447,970,366)	-	2,240,959,367
	₩	<u>198,083,475,268</u>	<u>12,881,579,000</u>	<u>(149,701,418)</u>	<u>-</u>	<u>(20,020,745,754)</u>	<u>190,794,607,096</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

8. Property, Plant and Equipment, Continued

(3) The officially declared value of land at March 31, 2019 and 2018, as announced by the Ministry of Land, Infrastructure and Transport, is as follows:

<i>(In Korean won)</i>		Book value	Declared value	
			2019	2018
Plant site	₩	55,487,999,429	77,194,712,690	81,363,740,460
Housing		184,352,272	221,106,430	210,567,994
	₩	<u>55,672,351,701</u>	<u>77,415,819,120</u>	<u>81,574,308,454</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, 2019 is summarized as follows:

(In Korean won)

Related assets	Risk		Book value	Insured amount	Insurance company
Inventories	Fire and comprehensive liability	₩	213,497,574,105	736,728,214,265	Dongbu Insurance Co., Ltd.
Property, plant and equipment			125,323,337,894		
		₩	<u>338,820,911,999</u>	<u>736,728,214,265</u>	

10. Government Subsidy

The Company received a subsidy from the Ministry of Trade, Industry & Energy and Korea Agency for Infrastructure Technology Advancement.

As of March 31, 2018, unused portion of such government subsidy ₩7,861,202, is presented as a contra cash and cash equivalents account.

As of March 31, 2019 and March 31, 2018, the subsidy with recourse obligation amounting to ₩2,430,000,000 is recorded as other accounts payable.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

11. Intangible Assets

(1) Details of intangible assets as of March 31, 2019 and 2018 are as follows:

		2019			2018		
		Acquisition cost	Accumulated amortization	Book value	Acquisition cost	Accumulated amortization	Book value
<i>(In Korean won)</i>							
Development costs	₩	6,018,987,239	(2,488,295,733)	3,530,691,506	5,841,832,814	(1,923,933,809)	3,917,899,005
Software		3,514,005,559	(2,544,778,964)	969,226,595	4,114,284,051	(2,521,041,059)	1,593,242,992
Industrial rights		37,266,845,000	(35,403,502,750)	1,863,342,250	37,266,845,000	(31,676,818,250)	5,590,026,750
	₩	46,799,837,798	(40,436,577,447)	6,363,260,351	47,222,961,865	(36,121,793,118)	11,101,168,747

(2) Changes in intangible assets for the years ended March 31, 2019 and 2018 are as follows:

		April 1, 2018	Acquisition	Disposal	Amortization	March 31, 2019
		<i>(In Korean won)</i>				
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
	₩	11,101,168,747	177,154,425	-	(4,915,062,821)	6,363,260,351

		April 1, 2017	Acquisition	Obsolescence	Amortization	March 31, 2018
		<i>(In Korean won)</i>				
Development costs	₩	3,004,552,495	1,627,245,435	(22,638,767)	(691,260,158)	3,917,899,005
Software		2,278,957,003	-	-	(685,714,011)	1,593,242,992
Industrial rights		9,316,711,250	-	-	(3,726,684,500)	5,590,026,750
	₩	14,600,220,748	1,627,245,435	(22,638,767)	(5,103,658,669)	11,101,168,747

(3) Major item of intangible assets as of March 31, 2019 is as follows:

<i>(In Korean won)</i>		Description	Book value	Remaining useful lives
	₩	Intellectual property right	1,863,342,250	6 months

12. Other Non-Current Assets

Other non-current assets as of March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		2019	2018
Guarantee deposits	₩	2,945,181,000	2,987,181,000
Deposit for severance benefit insurance		1,412,541,458	2,608,552,575
Others		537,234,200	1,121,330,008
	₩	4,894,956,658	6,717,063,583

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

13. Borrowings

(1) Short-term borrowings as of March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		Annual interest rate at Mar. 31, 2019	Amount	
Description	Lender		2019	2018
General loan and Others	KEB HANA and others	2.60 ~ 3.43 %	₩ 90,000,000,000	60,000,000,000

(2) Long-term borrowings as of March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		Annual interest rate at Mar. 31, 2019	Amount	
Description	Lender		2019	2018
General loan	Shin Han	3.46 %	₩ 10,000,000,000	-

14. Provision for Warranties

Changes in provisions for warranty claims for the years ended March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		2019	2018
Beginning of the year	₩	19,409,731,665	19,292,478,922
Provision for warranty claims, net		16,308,886,975	14,313,284,195
Payments		(15,024,337,476)	(14,196,031,452)
End of the year	₩	20,694,281,164	19,409,731,665
Thereof non-current	₩	(6,162,935,453)	(6,602,203,580)

15. Accrued Severance Indemnities

(1) Changes in retirement and severance benefits for the years ended March 31, 2019 and 2018 are as follows:

<i>(In Korean won)</i>		2019	2018
Provision for retirement and severance benefits at beginning of the year	₩	64,172,233,550	56,691,652,740
Accrual for retirement and severance benefits		8,076,107,417	9,054,185,457
Payments		(14,432,552,477)	(1,573,604,647)
Provision for retirement and severance benefits at end of the year		57,815,788,490	64,172,233,550
Transfer to National Pension Fund		(128,730,100)	(202,884,500)
Deposit for severance benefit insurance		(57,687,058,390)	(63,969,349,050)
Net balance at end of the year	₩	-	-

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

15. Accrued Severance Indemnities, Continued

(2) Changes in retirement pension assets for the years ended March 31, 2019 and 2018 are as follows:

<i>(In Korean won)</i>		<u>2019</u>	<u>2018</u>
Beginning balance	₩	66,577,901,625	55,971,939,532
Deposits		3,500,000,000	11,306,000,000
Payments		(11,771,744,880)	(1,219,984,834)
Interest accrued		793,443,103	519,946,927
Ending balance	₩	<u>59,099,599,848</u>	<u>66,577,901,625</u>

(3) Pension plan assets as of March 31, 2019 and 2018 are summarized as follows:

<i>(In Korean won)</i>		<u>2019</u>	<u>2018</u>
Time deposit	₩	59,099,599,848	66,577,901,625

16. Assets and Liabilities Denominated in Foreign Currencies

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

<i>(In Korean won)</i>		<u>2019</u>		<u>Translation into won</u>
	<u>Foreign currency</u>		<u>Exchange rate</u>	
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	<u>3,556,913</u>	1,277.46	<u>4,543,814,081</u>
Total foreign currency denominated assets				₩ <u>95,458,643,789</u>
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	<u>53,582</u>	1,277.46	<u>68,448,862</u>
Total foreign currency denominated liabilities				₩ <u>5,450,298,452</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

16. Assets and Liabilities Denominated in Foreign Currencies, Continued

(2) Assets and liabilities denominated in foreign currencies as of March 31, 2018 are as follows:

(In Korean won)

		2018		
		Foreign currency	Exchange rate	Translation into won
Cash and cash equivalents	USD	8,942,582 W	1,066.50 W	9,537,263,574
	EUR	3,600,735	1,311.95	4,723,984,060
Accounts receivable - trade	USD	32,211,733	1,066.50	34,353,813,389
	EUR	1,609,578	1,311.95	2,111,685,803
	ZAR	60,173,988	90.08	5,420,472,838
Accounts receivable - others	USD	18,447	1,066.50	19,673,598
	EUR	1,830,142	1,311.95	2,401,054,797
Total foreign currency denominated assets			W	58,567,948,059
Accounts payable - trade	USD	1,098,657	1,066.50 W	1,171,717,307
	EUR	7,112,470	1,311.95	9,331,205,324
	CNY	483,919	169.68	82,111,408
Accounts payable - others	USD	904,233	1,066.50	964,364,953
	EUR	2,669	1,311.95	3,501,595
Accrued expenses	USD	692,259	1,066.50	738,293,969
	EUR	35,700	1,311.95	46,836,615
	ZAR	65,065	90.08	5,861,055
Total foreign currency denominated liabilities			W	12,343,892,226

17. Related Party Transactions

(1) Details of parent and subsidiary relationships as of March 31, 2019 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

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

17. Related Party Transactions, Continued

(2) Significant transactions which occurred in the normal course of business with related parties for the years ended March 31, 2019 and 2018 are as follows:

<i>(In Korean won)</i>					
<u>Transaction</u>	<u>Name</u>		<u>2019</u>	<u>2018</u>	
Sales to	Tata Motors Limited	₩	1,810,003,763	660,809,455	
	TDSC		212,459,415	225,606,852	
	Tata Motors Thailand Ltd.		15,692,814	98,397,545	
	Tata Motors (SA)(PTY) Ltd.		7,912,705,427	1,601,555,094	
	Total	₩	9,950,861,419	2,586,368,946	
Purchase from	Tata Motors Limited	₩	16,437,274	114,936,432	
	Tata Technologies Pte., Ltd.		1,540,846,173	1,676,589,063	
	Tata Cummins Ltd		608,927,022	-	
	Total	₩	2,166,210,469	1,791,525,495	
Fee and charge to	TDSC	₩	43,902,241,786	54,622,008,497	
	Total	₩	43,902,241,786	54,622,008,497	
Other to	Tata Motors Limited	₩	789,685,361	722,541,727	
	Tata Motors Thailand Ltd.		436,303,800	-	
	Tata Motors Limited Holdings Pte., Ltd		10,556,210,000	20,207,602,000	
	Tata Sons Limited		-	2,172,812,153	
	Total	₩	11,782,199,161	23,102,955,880	
Other from	Tata Motors Limited		29,802,248	-	
	TDSC	₩	575,045	455,855	
	Total	₩	30,377,293	455,855	

(3) Account balances with related parties as of March 31, 2019 and 2018 are as follows:

① As of March 31, 2019

<i>(In Korean won)</i>						
<u>Name</u>		<u>Receivables</u>			<u>Payables</u>	
		<u>Accounts receivable - trade</u>	<u>Accounts receivable - others</u>	<u>Advance Payment</u>	<u>Other payables</u>	<u>Accrued expenses</u>
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	₩	8,263,464,125	15,137,291	26,299,840	5,011,291,641	289,627,109

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

17. Related Party Transactions, Continued

② As of March 31, 2018

<i>(In Korean won)</i>		Receivables		Payables	
Name		Accounts receivable - trade	Advance payment	Other payables	Accrued expenses
Tata Motors Limited	₩	168,253,323	26,299,840	87,943,246	456,106,835
TDSC		18,700,000	-	4,321,970,405	-
Tata Motors Thailand Ltd.		9,006,454	-	-	-
Tata Motors (SA) (PTY) Ltd.		1,752,595,399	-	-	-
Tata Technologies Pte., Ltd.		-	-	177,791,903	-
Tata Sons Limited		-	-	523,250	2,170,646,791
Total	₩	<u>1,948,555,176</u>	<u>26,299,840</u>	<u>4,588,228,804</u>	<u>2,626,753,626</u>

18. Commitments and Contingencies

(1) The Company's significant pending litigations as of March 31, 2019 are as follows:

<i>(In Korean won)</i>					
Court	Plaintiff	Defendant	Descriptions	Amount of claim	Progress
<i>Seoul</i>	Kwangsin	The Company and others	Claim for repair	286,122,513	Lose in first trial and appellate proceeding
<i>Gunsan</i>	Kim, Youngnam and 2 people	The Company	Confirmation of employee status	528,768,665	Proceeding in first trial
<i>Jeju</i>	Kim, Miza	The Company and others	Claim for repair	100,000,000	Proceeding in first trial
<i>Seoul</i>	KB insurance Company	The Company	Claim for damage	7,370,000	Proceeding in first trial

As of March 31, 2019, 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, 2019 and 2018

18. Commitments and Contingencies, Continued

(2) Comprehensive bank facilities as of March 31, 2019 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
KEB HANA	KRW	12,300,000,000	USD	4,389,200	(*1)	July 19, 2018-July 19, 2019	Export-Import finance and working capital
			EUR	430,950			Foreign exchange and derivatives
	USD	5,700,000	USD	-		July 19, 2018-July 19, 2019	Export finance
	USD	7,000,000	USD	3,735,810		June 10, 2016-June 10, 2019	Seller's loan
	KRW	15,000,000,000	KRW	10,204,145,692		Jan. 17, 2019-Jan. 17, 2020	General loan
	KRW	10,000,000,000	KRW	10,000,000,000		Oct. 07, 2018-Oct. 07, 2019	General loan
	KRW	10,000,000,000	KRW	10,000,000,000		Dec. 15, 2018-Dec. 15, 2019	General loan
	KRW	10,000,000,000	KRW	5,000,000,000		Mar. 27, 2019-Mar. 27, 2020	Import finance
	USD	3,000,000	EUR	342,099		Nov. 24, 2018-Nov. 24, 2019	Employee welfare
	KRW	9,900,000,000	KRW	2,755,031,355		Jan. 15, 2013-Feb. 16, 2023	General loan
Exim Bank	KRW	30,000,000,000	KRW	30,000,000,000		Sept. 14, 2018-Sept. 14, 2019	Seller's loan
Shinhan Bank	KRW	10,000,000,000	KRW	3,120,899,936		Oct. 08, 2018-Oct. 08, 2019	Import finance
	USD	3,000,000	EUR	476,927		Oct. 08, 2018-Oct. 08, 2019	General loan
	KRW	10,000,000,000	KRW	10,000,000,000		Mar. 20, 2019-Mar. 20, 2020	General loan
	KRW	10,000,000,000	KRW	10,000,000,000		Feb. 17, 2019-Feb. 17, 2020	General loan
	KRW	10,000,000,000	KRW	10,000,000,000		Mar. 27, 2019-Mar. 27, 2021	Export-Import finance and working capital
ANZ Bank	USD	20,000,000	USD	-		June 30, 2018-June 30, 2019	Foreign exchange and derivatives
	USD	20,000,000	EUR	1,000,000	(*2)	June 30, 2018-June 30, 2019	General loan
Kookmin Bank	KRW	15,000,000,000	KRW	15,000,000,000		Mar. 27, 2019-Mar. 27, 2020	Import finance
	USD	5,000,000	USD	-		Sept. 06, 2018-Sept. 06, 2019	Export finance
	USD	5,000,000	USD	2,953,000	(*1)	Sept. 06, 2018-Sept. 06, 2019	Import finance
		EUR	649,250	Foreign exchange and derivatives			
Jeonbuk Bank	USD	3,000,000	USD	-		Aug. 18, 2018-Aug. 18, 2019	
HSBC	USD	10,000,000	USD	-		Oct. 31, 2018-Oct. 31, 2019	
Total	KRW	152,200,000,000	KRW	116,080,076,983			
	USD	81,700,000	USD	11,078,010			
			EUR	2,899,226			

(*1) As of March 31, 2019, the utilized line of credit includes accounts receivable that the Company factored at a discount or transferred with recourse.

(*2) These amounts represent contract amounts of derivatives held by the Company as of March 31, 2019.

(3) The Company has provided payment guarantee amounting to ₩1,454,610,000 to IBK Bank in favor of the borrowings of Sekyung Auto Trading Co., Ltd. and Frendit Co., Ltd. as of March 31, 2019, for which it will be contingently liable.

In addition to the above line of credit arrangements, as of March 31, 2019, export financing arrangements were provided to the Company by KEB Hana Bank totaling USD1,085,068 and EUR2,992,900 for which the Company is contingently liable.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

19. Derivatives

(1) The Company maintains foreign currency forward contracts with financial institutions and details of such contracts as of March 31, 2019 and 2018 are as follows:

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

		March 31, 2018									
		Contract amount						Fair value			
		Foreign	Rate		Amount		Assets	Liabilities	Net		
Bank	Foreign	currency									
Buying	KEB HANA	EUR	2,000,000	USD	1.2274	USD	2,454,800	₩	7,326,734	-	7,326,734

(2) Gains or losses in connection with foreign currency forward contracts for the years ended March 31, 2019 and 2018 are as follows:

		2019	2018
Gain on derivative instruments valuation	₩	-	7,326,734
Loss on derivative instruments valuation		(11,708,304)	-
Gain on derivative instruments transactions		81,961,841	2,047,411,890
Loss on derivative instruments transactions		(714,410,200)	(83,450,000)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

20. Shareholder's Equity

Common stock and capital surplus as of March 31, 2019 and 2018 are as follows:

<i>(In Korean won except for share data)</i>	<u>2019</u>	<u>2018</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	<u>5,000</u>	<u>5,000</u>
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	<u>50,650,609,388</u>	<u>50,650,609,388</u>
Total	₩ <u>158,484,072,201</u>	<u>158,484,072,201</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

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

<i>(In Korean won)</i>	<u>2019</u>	<u>2018</u>
RETAINED EARNINGS BEFORE		
APPROPRIATIONS:		
Beginning of the year	₩ 207,915,148,963	184,810,002,599
Net income (loss)	<u>(28,018,799,446)</u>	<u>33,661,356,364</u>
End of the year	179,896,349,517	218,471,358,963
APPROPRIATIONS;		
Cash dividends	<u>-</u>	<u>10,556,210,000</u>
UNAPPROPRIATED RETAINED EARNINGS		
TO BE CARRIED FORWARD TO		
SUBSEQUENT YEAR	<u>₩ 179,896,349,517</u>	<u>207,915,148,963</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

22. Dividends

Details of dividends for common stocks included in the Company's statements of appropriations of retained earnings for the years ended March 31, 2019 and 2018 are as follows:

(1) Dividends (in Korean won and shares):

	<u>2019</u>	<u>2018</u>
Dividends per share (dividend ratio)	-	3,500(70%)
Number of shares outstanding	<u>3,016,060</u>	<u>3,016,060</u>
Dividend	₩ -	<u>10,556,210,000</u>

(2) Dividend Payout Ratios

	<u>2019</u>	<u>2018</u>
Dividends	₩ -	10,556,210,000
Net income (loss)	<u>(28,018,799,446)</u>	<u>33,661,356,364</u>
Payout ratio	-	<u>31.36%</u>

23. Comprehensive Income

Comprehensive income for the years ended March 31, 2019 and 2018 are same as net income.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

24. Selling, General and Administrative Expenses

Details of selling, general and administrative expenses for the years ended March 31, 2019 and 2018 are as follows:

		<u>2019</u>	<u>2018</u>
Salaries	₩	17,727,165,885	18,469,722,160
Provision for severance indemnities		1,245,430,487	1,595,995,605
Other employee benefits		3,785,262,804	3,781,442,081
Utilities		165,779,671	183,861,463
Vehicle maintenance		136,220,167	162,041,719
Repairs		609,910,906	571,184,472
Rental		1,319,574,697	1,242,417,174
Insurance		183,315,359	159,302,357
Depreciation		1,028,760,008	958,194,036
Amortization		4,915,062,821	5,103,658,669
Supplies		146,418,953	121,712,361
Publication		176,187,725	146,090,132
Communication		247,539,248	268,659,489
Freight and storage		6,426,194,801	5,507,066,017
Taxes and dues		366,831,022	391,544,745
Travel		465,014,773	526,708,903
Fee and charges		53,554,463,939	61,874,493,450
Entertainment		106,597,510	112,470,901
Advertising		55,140,600	145,484,050
Training		56,551,500	207,417,745
Outsourcing		2,065,870,465	1,765,662,748
Research and development		349,623,704	818,836,319
Sales promotion, net		2,323,876,993	1,658,530,975
Provision for warranty, net		16,308,886,975	14,313,284,195
Packaging		744,771,945	942,157,389
Overseas marketing		302,334,034	656,357,568
Provision for (Reversal of) doubtful accounts, net		(4,185,639,689)	5,590,727,089
Others		27,362,945	49,690,711
		<u>110,654,510,248</u>	<u>127,324,714,523</u>
Total	₩		

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

25. **Income Taxes**

(1) The components of income tax expense(benefit) for the years ended March 31, 2019 and 2018 are as follows:

(In Korean won)

		<u>2019</u>	<u>2018</u>
Current tax expense	₩	(402,481,979)	6,086,561,860
Changes in deferred tax for temporary differences		<u>(5,979,572,221)</u>	<u>622,102,887</u>
Income tax expense(benefit) in continuing operation	₩	<u>(6,382,054,200)</u>	<u>6,708,664,747</u>

(2) The income tax expense(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, 2019 and 2018 for the following reasons:

(In Korean won)

		<u>2019</u>	<u>2018</u>
Income(loss) before income taxes	₩	(34,400,853,646)	40,370,021,111
Tax rate		24.2%	24.2%
Income taxes at normal tax rates		(8,325,006,582)	9,769,545,109
Tax effects of permanent difference		251,566,083	287,019,812
Tax credit		(166,987,859)	(315,536,740)
Tax refund		(316,201,490)	(2,587,846,630)
Others		<u>2,174,575,648</u>	<u>(444,516,804)</u>
Income tax expense(benefit)	₩	<u>(6,382,054,200)</u>	<u>6,708,664,747</u>
Effective tax rate		<u>-</u>	<u>16.6%</u>

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

25. Income Taxes, Continued

(3) Changes in temporary differences and deferred tax assets (liabilities) for the years ended March 31, 2019 and 2018 are as follows:

<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%
Tax credit carry forward		-	-	166,987,859	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

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

25. Income Taxes, Continued

<i>(In Korean won)</i>		2018			March 31
		April 1	Decrease	Increase	
Temporary differences (current):					
Accrued expenses	₩	8,371,880,030	8,371,880,030	8,556,187,429	8,556,187,429
Provision for warranties		12,652,006,440	12,652,006,440	12,807,528,085	12,807,528,085
Allowance for doubtful accounts		17,933,584,385	17,933,584,385	23,630,668,609	23,630,668,609
Valuation of inventories		21,866,897,645	21,766,441,214	15,284,797,616	15,385,254,047
Loss on currency forward valuation		380,150,600	380,150,600	-	-
Government subsidy		3,268,853,069	448,662,439	169,993,640	2,990,184,270
Gain on currency forward valuation		-	-	(7,326,734)	(7,326,734)
Accrued interest income		(40,402,254)	(40,402,254)	(73,863,051)	(73,863,051)
	Subtotal	64,432,969,915	61,512,322,854	60,367,985,594	63,288,632,655
Tax rate (*1)		24.20%		24.20%	
Current deferred tax assets	₩	15,592,778,719		15,315,849,103	
Temporary differences (non-current):					
Accrued warranties	₩	6,640,472,482	6,640,472,482	6,602,203,580	6,602,203,580
Depreciation		4,266,505,815	2,330,524,713	238,449,019	2,174,430,121
Equity method investment securities		(3,337,744,814)	(704,008,764)	-	(2,633,736,050)
	Subtotal	7,569,233,483	8,266,988,431	6,840,652,599	6,142,897,651
Tax rate (*1)		24.20%		24.20%	
Non-current deferred tax assets		1,831,754,503		1,486,581,232	
Deferred tax assets (*2)	₩	17,424,533,222		16,802,430,335	

(*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 and 2018, respectively.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

25. Income Taxes, Continued

(4) Current income tax asset and current income tax liability as of March 31, 2019 and 2018 are as follows:

(In Korean won)

		<u>2019</u>	<u>2018</u>
Current income tax asset	₩	(154,091,700)	(8,920,026,480)
Current income tax liability		-	8,948,744,260
Current income tax liability(asset), net	₩	<u>(154,091,700)</u>	<u>28,717,780</u>

26. Earnings per Share

The Company's earnings per share for the years ended March 31, 2019 and 2018 is as follows:

(In Korean won except for share data)

		<u>2019</u>	<u>2018</u>
Net income (loss)	₩	(28,018,799,446)	33,661,356,364
Weighted-average number of common shares outstanding (*)		<u>3,016,060</u>	<u>3,016,060</u>
Earnings (Loss) per share	₩	<u>(9,290)</u>	<u>11,161</u>

(*) Weighted-average number of shares outstanding for the years ended March 31, 2019 and 2018, 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, 2019 and 2018.

27. Non-cash Investing and Financing Activities

Significant non-cash investing and financing activities for the years ended March 31, 2019 and 2018 are as follows

(In Korean won)

		<u>2019</u>	<u>2018</u>
Transfer from construction in progress to molds	₩	1,711,830,000	612,392,000
Transfer from construction in progress to machinery		20,000,000	375,600,000
Transfer from construction in progress to tools		64,729,367	459,978,366
Earned surplus reserve		-	2,021,000,000
Increase(decrease) of other payables due to acquisition of construction in progress		(458,700,000)	490,052,000

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
Notes to the Financial Statements
March 31, 2019 and 2018

28. Financial Instruments

(1) Financial instruments that are measured subsequent to initial recognition at fair value as of March 31, 2019 and 2018 are as follows:

<i>(In Korean won)</i>		<u>2019</u>	<u>2018</u>
Financial instrument assets			
Foreign currency forward contracts (*)	₩	-	7,326,734
Financial instrument liabilities			
Foreign currency forward contracts (*)	₩	(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, 2019 and 2018 is as follows:

<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>

<i>(In Korean won)</i>		<u>2018</u>		
<u>Account</u>		<u>3 months or less</u>	<u>3-12 months</u>	<u>Total</u>
Short-term borrowings	₩	-	60,000,000,000	60,000,000,000
Accounts payable, trade		108,164,885,541	-	108,164,885,541
Accounts payable, other		21,505,897,182	-	21,505,897,182
Accrued expenses		5,779,762,980	9,601,022,794	15,380,785,774
Total	₩	<u>135,450,545,703</u>	<u>69,601,022,794</u>	<u>205,051,568,497</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, 2019 and 2018

29. 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, 2019 and 2018 are as follows:

(In Korean won)

	<u>2019</u>	<u>2018</u>
Wages and salaries	₩ 98,470,330,495	110,190,026,553
Provision for severance indemnities	8,076,107,417	9,054,185,457
Employee welfare	20,763,471,138	19,994,994,575
Rent	2,987,773,449	2,898,648,615
Depreciation	19,438,781,440	20,020,745,754
Amortization	4,915,062,821	5,103,658,669
Taxes and dues	1,257,216,771	1,319,772,817