

**TATA DAEWOO COMMERCIAL VEHICLE SALES
& DISTRIBUTION CO., LTD.**

**FINANCIAL STATEMENTS AS OF AND FOR THE
YEARS ENDED MARCH 31, 2015 AND 2014
AND INDEPENDENT AUDITORS' REPORT**

Deloitte Anjin LLC

INDEX

Sr. No	Particulars	Page
1	Directors' Report	3-4
2	Independent Auditors Report	5-6
3	Financial Statements	
	- Balance Sheet	7
	- Statement of Income	8
	- Cash Flow Statement	9
	- Statement of changes in Shareholders' Equity	10
	- Notes to Accounts	11-22

DIRECTORS' REPORT

TO THE MEMBERS OF TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO. LTD

The Directors present their Fifth Annual Report and Audited Statement of Accounts for the year ended March 31, 2015.

1. Financial Results

	<u>April 2014 – March 2015</u>		<u>April 2013 – March 2014</u>	
	KRW Million	Rs. in Crores	KRW Million	Rs. in Crores
Operating Revenue	36,887	207.71	34,727	194.51
Operating Expenses	(36,266)	(204.21)	(33,361)	(186.86)
Operating Income	621	3.50	1,366	7.65
Net Other Income/ (Expense)	109	0.61	77	0.43
Income Before Income Tax	730	4.11	1,443	8.08
Income Tax	(236)	(1.33)	(357)	(2.00)
Net Income for year	494	2.78	1,087	6.09
Un-appropriated retained Earnings from previous year	1,477	8.32	390	2.24 ²
Un-appropriated retained earnings	1,971	11.10	1,477	8.32 ²

- 1) The closing exchange rate KRW / INR of 17.76 and 17.85 has been used for converting the results from KRW to Rupees for FY14-15 and FY13-14 respectively
- 2) Adjusted to Foreign Exchange Rate Fluctuation

2. Operating Results and Profits

2014-15 was a very encouraging year for the Company. Company sold 6,808 vehicles, highest in its history, registering a growth of 3.4% compared to sales of 6,584 vehicles in previous year. During the year under review, the Company's total revenue was at KRW 36,887 million (Rs. 207.71 crore) which was higher by 6.2% as compared to KRW 34,727 million (Rs. 194.51 crore) in FY 2013-14. Company reported Profit before Tax at KRW 730 million (Rs. 4.11 crore) as compared to KRW 1,443 million (Rs. 8.08 crore) in FY 2013-14. After providing for tax, the profit for the year stood at KRW 494 million (Rs. 2.78 crore), against KRW 1,087 million (Rs. 6.09 crore) in the previous year.

3. Vehicle Sales

It was estimated that, total market for **Heavy Commercial Vehicles** in Korea grew by 21.1% during FY 2014-15 as compared to the previous year; whereas the Company achieved growth rate of 7.1% with sales of 3,208 units of HCV in FY 2014-15 as compared to 2,995 units in the previous year. It is estimated that in **Medium Duty Trucks** segment Industry witnessed 2.5% growth in FY14-15. Whereas, Company MCV sales grew marginally by 0.3% with sales of 3,600 units in FY 2014-15 as compared to 3,589 units in the previous year. In both HCV and MCV segment Company's market share reduced compared to last year. In January 2015, company successfully launched Euro 6 HCV and MCV models in Korean market. So far response for such product has been encouraging.

4. Finance

During the current year, the Company's liquidity position was adequate from its operations and hence your company had not resorted to any borrowings.

5. Corporate Governance

As a member of the Tata Group, the Company continues to follow and strengthen its business processes in keeping with Tata Code of Conduct and best practices in Corporate Governance.

6. Audit

Under the Korean commercial law, the Company's External Auditors, Deloitte Anjin LLC, Seoul would hold office until the arrangement is changed. However, for the sake of good order, the shareholders' approval would be sought for their re-appointment for the financial year 2015-16.

7. Acknowledgements

The Directors wish to convey their appreciation to all of the Company's employees, Dealers & Sales Representatives for their personal efforts as well as collective contribution to the Company's performance. The Directors acknowledge with gratitude the managerial and operational support extended by Tata Daewoo Commercial Vehicle Co. Ltd. They are also grateful to the Customers, Capital Companies, Bankers and all other business associates for their valuable contribution.

On behalf of the Board of Directors

Kwan Kju Kim
Chairman

May 15, 2015.

INDEPENDENT AUDITORS' REPORT

English Translation of a Report Originally Issued in Korean

To the Board of Directors and the Shareholder of
Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd.:

Report on the Financial Statements

We have audited the accompanying financial statements of Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. (the "Company"), which comprise the statements of financial position as of March 31, 2015 and 2014, and the statements of income, statements of changes in shareholder's equity and statements of cash flows, all expressed in Korean won, for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea ("KAS – NPEs") 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.

Auditors' Responsibility

Our responsibility is to express an audit opinion on these financial statements based on our audits. We conducted our audits in accordance with Korean Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with KAS – NPEs.

May 12, 2015

Notice to Readers

This report is effective as of May 12, 2015, the auditor’s report date. Certain subsequent events or circumstances may have occurred between the auditor’s report date and the time the auditor’s report is read. Such events or circumstances could significantly affect the financial statements and may result in modifications to the auditor’s report

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.
STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2015 AND 2014

<u>ASSETS</u>	<u>March 31, 2015</u>		<u>March 31, 2014</u>	
CURRENT ASSETS				
Cash and cash equivalents (Notes 2 and 12)	₩2,710,489,961	Rs.152,625,412	₩3,409,258,554	Rs.190,958,504
Short-term financial instrument	2,070,000,000	116,559,961	-	-
Accounts receivable (Notes 2 and 7)				
- Trade, net of allowance for doubtful accounts of				
₩41,324,491(Rs.2,326,947) as of March 31, 2015 and				
₩45,890,919(Rs.2,570,430) as of March 31, 2014	4,091,124,615	230,367,790	4,543,200,962	254,472,591
Other receivables	38,732,000	2,180,966	41,832,570	2,343,115
Deferred income tax assets (Notes 2 and 10)	54,978,216	3,095,777	64,637,474	3,620,457
Total Current Assets	8,965,324,792	504,829,906	8,058,929,560	451,394,667
NON-CURRENT ASSETS				
Property and equipment, net (Notes 2 and 3)	402,088,938	22,641,290	395,852,540	22,172,390
Intangible assets (Notes 2 and 4)	38,524,809	2,169,300	65,718,791	3,681,024
Other non-current assets (Note 5)	545,978,518	30,743,592	419,963,853	23,522,906
Total Non-Current Assets	986,592,265	55,554,182	881,535,184	49,376,320
Total Assets	₩9,951,917,057	Rs.560,384,088	₩8,940,464,744	Rs.500,770,987
<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>				
CURRENT LIABILITIES				
Accounts payable (Notes 7 and 15)	₩4,137,202,913	Rs.232,962,420	₩4,317,083,423	Rs.241,807,355
Accrued expenses (Notes 7 and 15)	211,425,704	11,905,204	164,737,246	9,227,220
Withholdings	276,626,156	15,576,586	300,825,296	16,849,748
Advanced receipts	788,000	44,372	-	-
Income tax payable (Notes 2 and 11)	166,159,026	9,356,275	212,542,894	11,904,897
Total Current Liabilities	4,792,201,799	269,844,857	4,995,188,859	279,789,220
NON-CURRENT LIABILITIES				
Accrued severance indemnities (Notes 2 and 6)	1,239,916,760	69,818,671	1,058,200,830	59,271,670
Long-term other payable (Note 15)	879,200,000	49,507,013	340,350,000	19,063,595
Total Non-Current Liabilities	2,119,116,760	119,325,684	1,398,550,830	78,335,265
Total Liabilities	6,911,318,559	389,170,541	6,393,739,689	358,124,485
SHAREHOLDER'S EQUITY				
Common stock (Notes 1 and 8)	1,000,000,000	56,309,160	1,000,000,000	56,011,740
Retained earnings (Note 9):				
Earned surplus reserve	70,000,000	3,941,641	70,000,000	3,920,822
Unappropriated retained earnings	1,970,598,498	110,962,746	1,476,725,055	82,713,940
Total Shareholder's Equity	3,040,598,498	171,213,547	2,546,725,055	142,646,502
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	₩9,951,917,057	Rs.560,384,088	₩8,940,464,744	Rs.500,770,987

See accompanying notes to financial statements.

Deloitte Anjin LLC
Lee, Joo Hyun
Partner

Kim, Kwan Kju
Chairman

Chung, Nak Cho
Representative Director

Abhay Bawale
Director

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.
STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	2015		2014	
OPERATING REVENUE (Notes 2 and 7)				
Service fee	₩41,095,142,128	Rs.2,314,032,926	₩38,388,071,666	Rs.2,150,182,692
Sales incentive	<u>(4,208,069,422)</u>	<u>(236,952,854)</u>	<u>(3,660,769,062)</u>	<u>(205,046,045)</u>
Net	<u>36,887,072,706</u>	<u>2,077,080,072</u>	<u>34,727,302,604</u>	<u>1,945,136,647</u>
OPERATING EXPENSES (Notes 13 and 14)				
Salaries	(4,038,564,972)	(227,408,200)	(3,522,886,729)	(197,323,016)
Provision for severance indemnities	(396,902,510)	(22,349,247)	(289,886,062)	(16,237,023)
Other employee benefits	(841,360,494)	(47,376,303)	(805,231,311)	(45,102,407)
Utilities	(18,897,493)	(1,064,102)	(16,706,804)	(935,777)
Vehicle maintenance	(133,579,228)	(7,521,734)	(120,089,082)	(6,726,398)
Repairs	(2,410,345)	(135,725)	(322,818)	(18,082)
Rental	(405,925,937)	(22,857,348)	(399,062,197)	(22,352,168)
Insurance premium	(30,551,671)	(1,720,339)	(25,690,365)	(1,438,962)
Depreciation	(144,090,585)	(8,113,620)	(134,195,542)	(7,516,526)
Amortization	(27,193,982)	(1,531,270)	(27,193,983)	(1,523,182)
Supplies	(17,989,010)	(1,012,946)	(31,671,971)	(1,774,002)
Publication	(38,295,183)	(2,156,370)	(56,101,562)	(3,142,346)
Communication	(99,801,990)	(5,619,766)	(100,512,207)	(5,629,864)
Taxes and dues	(2,445,239)	(137,689)	(6,746,384)	(377,877)
Travel	(134,751,095)	(7,587,721)	(84,768,280)	(4,748,019)
Training	(70,660,576)	(3,978,838)	(63,345,872)	(3,548,113)
Sales commission	(21,238,042,501)	(1,195,896,329)	(19,846,590,918)	(1,111,642,092)
Fee and charges	(1,268,513,147)	(71,428,910)	(1,937,717,559)	(108,534,932)
Entertainment	(70,072,201)	(3,945,707)	(67,120,180)	(3,759,518)
Advertising	(78,735,000)	(4,433,502)	(15,100,000)	(845,777)
Outsourcing	(2,171,270,231)	(122,262,402)	(2,067,897,540)	(115,826,539)
Sales promotion	(4,994,617,742)	(281,242,729)	(3,671,254,431)	(205,633,349)
Expenditure for meeting	(21,611,153)	(1,216,906)	(33,184,673)	(1,858,731)
Provision for doubtful accounts	4,566,428	257,132	(14,242,639)	(797,755)
Others	<u>(24,117,000)</u>	<u>(1,358,008)</u>	<u>(23,590,878)</u>	<u>(1,321,366)</u>
Total	<u>(36,265,832,857)</u>	<u>(2,042,098,579)</u>	<u>(33,361,109,987)</u>	<u>(1,868,613,821)</u>
OPERATING INCOME	<u>621,239,849</u>	<u>34,981,493</u>	<u>1,366,192,617</u>	<u>76,522,826</u>
OTHER INCOME (EXPENSES):				
Interest income	75,777,067	4,266,943	44,662,535	2,501,626
Others	<u>33,105,826</u>	<u>1,864,161</u>	<u>32,339,143</u>	<u>1,811,372</u>
Other income, net	<u>108,882,893</u>	<u>6,131,104</u>	<u>77,001,678</u>	<u>4,312,998</u>
INCOME BEFORE INCOME TAX EXPENSE	730,122,742	41,112,597	1,443,194,295	80,835,824
INCOME TAX EXPENSE (Notes 2 and 10)	<u>(236,249,299)</u>	<u>(13,303,000)</u>	<u>(356,595,396)</u>	<u>(19,973,529)</u>
NET INCOME	<u>₩493,873,443</u>	<u>Rs.27,809,597</u>	<u>₩1,086,598,899</u>	<u>Rs.60,862,295</u>
NET INCOME PER SHARE (Note 11)	<u>₩2,469</u>	<u>Rs.139</u>	<u>₩5,433</u>	<u>Rs.304</u>

See accompanying notes to financial statements.

Deloitte Anjin LLC
Lee, Joo Hyun
Partner

Kim, Kwan Kju
Chairman

Chung, Nak Cho
Representative Director

Abhay Bawale
Director

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	2015		2014	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	₩493,873,443	Rs.27,809,599	₩1,086,598,899	Rs.60,862,295
Expenses (income) not involving cash outflows (inflows):				
Depreciation	144,090,585	8,113,620	134,195,542	7,516,526
Amortization	27,193,982	1,531,270	27,193,983	1,523,182
Provision for severance indemnities	396,902,510	22,349,247	289,886,062	16,237,023
Allowance for doubtful accounts	-	-	14,242,639	797,755
Reversal of allowance for doubtful accounts	(4,566,428)	(257,132)	-	-
Loss on disposition of tangible assets	4,412,380	248,457	19,597,684	1,097,700
Subtotal	568,033,029	31,985,462	485,115,910	27,172,186
Changes in assets and liabilities related to operating activities:				
Accounts receivable	456,642,775	25,713,171	(1,424,263,838)	(79,775,494)
Other receivables	3,100,570	174,590	(27,232,310)	(1,525,329)
Current deferred income tax assets	9,659,258	543,905	73,316,956	4,106,610
Non-current deferred income tax assets	(116,514,665)	(6,560,843)	(91,052,734)	(5,100,022)
Other payables	(179,880,510)	(10,128,920)	1,686,798,042	94,480,493
Advanced receipts	788,000	44,372	(563,000)	(31,535)
Withholdings	(24,199,140)	(1,362,633)	40,706,096	2,280,019
Accrued expenses	46,688,458	2,628,988	51,061,075	2,860,020
Prepaid taxes	-	-	1,724,450	96,589
Payment of severance indemnities	(213,186,580)	(12,004,357)	(14,105,361)	(790,066)
Transfer of severance indemnities	(2,000,000)	(112,618)	166,873,999	9,346,903
Long-term other payable	538,850,000	30,342,191	340,350,000	19,063,596
Income tax payable	(46,383,868)	(2,611,837)	212,542,894	11,904,897
Subtotal	473,564,298	26,666,009	1,016,156,269	56,916,681
Net cash provided by operating activities	1,535,470,770	86,461,070	2,587,871,078	144,951,162
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of short-term financial instrument	(2,070,000,000)	(116,559,961)	-	-
Acquisition of property and equipment	(154,739,363)	(8,713,244)	(19,310,000)	(1,081,587)
Receipt of guarantee deposits	(9,500,000)	(534,937)	-	-
Payment of guarantee deposits	-	-	75,000	4,201
Net cash used in investing activities	(2,234,239,363)	(125,808,142)	(19,235,000)	(1,077,386)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(698,768,593)	(39,347,072)	2,568,636,078	143,873,776
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,409,258,554	191,972,484	840,622,476	47,084,728
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	₩2,710,489,961	Rs.152,625,412	₩3,409,258,554	Rs.190,958,504

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	Common stock	Retained earnings	Total shareholder's equity
Balance at April 1, 2013	₩1,000,000,000 Rs.56,011,740	₩460,126,156 Rs.25,772,467	₩1,460,126,156 Rs.81,784,207
Net income	₩- Rs.-	₩1,086,598,899 Rs.60,862,295	₩1,086,598,899 Rs.60,862,295
Balance at March 31, 2014	₩1,000,000,000 Rs.56,011,740	₩1,546,725,055 Rs.86,634,762	₩2,546,725,055 Rs.142,646,502
Balance at April 1, 2014	₩1,000,000,000 Rs.56,309,160	₩1,546,725,055 Rs.87,094,788	₩2,546,725,055 Rs.143,403,948
Net income	₩- Rs.-	₩493,873,443 Rs.27,809,599	₩493,873,443 Rs.27,809,599
Balance at March 31, 2015	₩1,000,000,000 Rs.56,309,160	₩2,040,598,498 Rs.114,904,387	₩3,040,598,498 Rs.171,213,547

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

1. GENERAL:

Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. (the “Company”), located in Seoul, Republic of Korea, is engaged in sales agent service of commercial vehicles. The Company was incorporated on April 9, 2010.

As of March 31, 2015, the Company’s capital stock amounts to ₩1,000,000,000(Rs.56,309,160), and its common shares are wholly owned by Tata Daewoo Commercial Vehicle Co., Ltd.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Company has prepared the accompanying financial statements in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea (“KAS-NPEs”).

These financial statements are prepared in the Korean language (Hangul). Accordingly, these financial statements are intended for use by those who are informed about KAS-NPEs and Korean practices. In addition, these financial statements have been condensed, restructured and translated into English, with certain expanded descriptions from the Korean language financial statements.

The financial statements will be approved at the annual shareholder’s meeting to be held on May 15, 2015.

The significant accounting policies followed by the Company in the preparation of the financial statements are as follows:

a. Cash and Cash Equivalents

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

b. 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.

c. Property, Plant and Equipment

Property, plant and equipment are stated at cost (acquisition cost or manufacturing cost, plus expenditures directly related to preparing the asset ready for use in time and bringing asset to the required place, net of sales discount given). 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 incurred can be objectively measured to replace an existing asset, then 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 the 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 operating expense.

Depreciation is computed using the straight-line method over the following economic useful lives:

	<u>Useful lives (in years)</u>
Tools	6
Furniture and fixtures	6
Computers	6

d. Intangible Assets (excluding Goodwill)

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

e. Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of assets, except for financial assets, inventories, assets generated from construction contracts, deferred tax assets, biological assets and non-current assets of discontinued operations 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 a tangible asset (an individual asset or cash-generating unit) has an indication of impairment and 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, in regard to 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 (or cash-generating unit(s)). The allocated amounts to individual assets cannot be lower than the larger of estimated recovered amount, value in use amount or zero.

An impairment loss recognized for goodwill cannot be reversed subsequently; impairment loss recognized for assets other than goodwill is subjected to revaluation for a reversal of impairment loss that was recognized in prior years. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of impairment loss is recognized immediately in profit or loss.

f. Accrued Severance Indemnities

In accordance with the Company's policy, all employees are entitled to receive lump-sum severance payments upon termination of their employment, based on their rate of pay at the time of termination and tenure of service.

g. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events. It is 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.

h. Income Tax Expense

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 statements of financial position, such as a deferred tax asset recognized for tax loss carry forwards, 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 income tax expenses are included in income tax expense in the statements of income, and additional income tax or tax refunds for the prior periods are included in income tax expense for the current period, when recognized.

i. Revenues

Revenues for the sales agent service of commercial vehicles are recognized when related revenue activities are completed, revenues are measurable and economic benefits are highly expected.

3. PROPERTY AND EQUIPMENT:

(a) Property and equipment and related accumulated depreciation as of March 31, 2015 and 2014, are summarized as follows (in Korean won):

	2015		2014	
Tools	₩105,914,000	Rs 5,963,928	₩67,914,000	Rs.3,803,981
Furniture and fixtures	692,527,117	38,995,620	592,761,270	33,201,591
Computers	152,959,800	8,613,038	150,426,800	8,425,667
Total cost	951,400,917	53,572,586	811,102,070	45,431,239
Less: Accumulated depreciation	(549,311,979)	(30,931,296)	(415,249,530)	(23,258,849)
Net	₩402,088,938	Rs 22,641,290	₩395,852,540	Rs.22,172,390

(b) Changes in property and equipment for the years ended March 31, 2015 and 2014, are as follows (in Korean won):

	2015				
	April 1, 2014	Acquisition	Disposition	Depreciation	March 31, 2015
Tools	₩32,080,638 Rs.1,806,434	₩38,000,000 Rs.2,139,748	₩- Rs.-	(₩11,846,786) (Rs.667,083)	₩58,233,852 Rs.3,279,099
Furniture and fixtures	₩297,733,173 Rs.16,765,105	₩114,206,363 Rs.6,430,864	(₩4,412,380) (Rs.248,457)	(₩106,931,942) (Rs.6,021,248)	₩300,595,214 Rs.16,926,264
Computers	₩66,038,729 Rs.3,718,585	₩2,533,000 Rs.142,631	₩- Rs.-	(₩25,311,857) (Rs.1,425,289)	₩43,259,872 Rs.2,435,927
Total	₩395,852,540 Rs.22,290,124	₩154,739,363 Rs.8,713,244	(₩4,412,380) (Rs.248,457)	(₩144,090,585) (Rs.8,113,620)	₩402,088,938 Rs.22,641,290
	2014				
	April 1, 2013	Acquisition	Disposition	Depreciation	March 31, 2014
Tools	₩43,399,630 Rs.2,430,889	₩- Rs.-	₩- Rs.-	(₩11,318,992) (Rs.633,996)	₩32,080,638 Rs.1,796,893
Furniture and fixtures	₩395,826,274 Rs.22,170,918	₩19,310,000 Rs.1,081,587	(₩19,597,684) (Rs.1,097,700)	(₩97,805,417) (Rs.5,478,252)	₩297,733,173 Rs.16,676,553
Computers	₩91,109,862 Rs.5,103,322	₩- Rs.-	₩- Rs.-	(₩25,071,133) (Rs.1,404,278)	₩66,038,729 Rs.3,698,944
Total	₩530,335,766 Rs.29,705,029	₩19,310,000 Rs.2,079,817	(₩19,597,684) (Rs.10,97,700)	(₩134,195,542) (Rs.7,516,526)	₩395,852,540 Rs.22,172,390

4. INTANGIBLE ASSETS:

Details of intangible assets as of March 31, 2015 and 2014, are as follows (in Korean

	March 31, 2015			March 31, 2014		
	Acquisition cost	Accumulated amortization	Book value	Acquisition cost	Accumulated amortization	Book value
Development costs	₩163,163,895	(₩124,639,086)	₩38,524,809	₩163,163,895	(₩97,445,104)	₩65,718,791
	<u>Rs.9,187,622</u>	<u>(Rs.7,018,322)</u>	<u>Rs.2,169,300</u>	<u>Rs.9,139,094</u>	<u>(Rs.5,458,070)</u>	<u>Rs.3,681,024</u>

(a) Changes in intangible assets, consisting of development costs, for the years ended March 31, 2015 and 2014, are as follows (in Korean won):

	2015		2014	
Beginning	₩65,718,791	Rs.3,700,570	₩92,912,774	Rs.5,204,206
Amortization	<u>(27,193,982)</u>	<u>(1,531,270)</u>	<u>(27,193,983)</u>	<u>(1,523,182)</u>
Ending	<u>₩38,524,809</u>	<u>Rs.2,169,300</u>	<u>₩65,718,791</u>	<u>Rs.3,681,024</u>

(b) Major item of development costs as of March 31, 2015, is as follows (in Korean won):

Description	Book value	Remaining useful life
Enterprise resource planning system	₩38,524,809 <u>Rs.2,169,300</u>	<u>1.42 years</u>

5. OTHER NON-CURRENT ASSETS:

Details of other non-current assets as of March 31, 2015 and 2014, are as follows (in Korean won):

	<u>2015</u>		<u>2014</u>	
Guarantee deposits	₩230,075,000	Rs.12,955,330	₩220,575,000	Rs.12,354,789
Deferred tax assets	<u>315,903,518</u>	<u>17,788,262</u>	<u>199,388,853</u>	<u>11,168,117</u>
Total	<u>₩545,978,518</u>	<u>Rs.30,743,592</u>	<u>₩419,963,853</u>	<u>Rs.23,522,906</u>

6. ACCRUED SEVERANCE INDEMNITIES:

Changes of accrued severance indemnities for the years ended March 31, 2015 and 2014, are summarized as follows (in Korean won):

	<u>2015</u>		<u>2014</u>	
Beginning	₩1,058,200,830	Rs.59,586,400	₩615,546,130	Rs.34,477,810
Provision for severance indemnities	396,902,510	22,349,247	289,886,062	16,237,023
Succession of provision for severance indemnities	(2,000,000)	(112,618)	166,873,999	9,346,903
Payments	<u>(213,186,580)</u>	<u>(12,004,357)</u>	<u>(14,105,361)</u>	<u>(790,066)</u>
Ending	<u>₩1,239,916,760</u>	<u>Rs.69,818,671</u>	<u>₩1,058,200,830</u>	<u>Rs.59,271,670</u>

7. RELATED-PARTY TRANSACTIONS:

(a) Related parties

As of March 31, 2015, the related parties of the Company are summarized as follows:

Ultimate parent:	Tata Motors Limited
Parent:	Tata Daewoo Commercial Vehicle Co., Ltd. ("TDCV")
Other:	Tata Motors Limited's subsidiaries and associates

(b) The Company's significant transactions with related parties for the years ended March 31, 2015 and 2014, are summarized as follows (in Korean won):

<u>Transactions</u>	<u>2015</u>		<u>2014</u>	
Sales agent service to:				
TDCV	<u>₩40,401,175,798</u>	<u>Rs.2,274,956,265</u>	<u>₩37,712,870,850</u>	<u>Rs.2,112,363,519</u>
Others to :				
TDCV	₩288,529,211	Rs.16,246,837	₩854,470,312	Rs.47,860,369
Tata Sons Limited	38,427,513	2,163,821	-	-
	<u>₩326,956,724</u>	<u>Rs.18,410,658</u>	<u>₩303,202,527</u>	<u>Rs.16,982,901</u>

(c) Account balances due from or to related parties as of March 31, 2015 and 2014, are summarized as follows (in Korean won):

Account balance	March 31, 2015		March 31, 2014	
Accounts receivable - trade:				
TDCV	₩4,132,449,106	Rs.232,694,737	₩4,589,091,881	Rs.257,043,022
Accounts payable - other:				
TDCV	₩20,117,739	Rs.1,132,813	₩22,167,818	Rs.1,241,658
Accrued expense:				
Tata Sons Limited	₩38,427,513	Rs.2,163,821	₩22,167,818	Rs.1,241,658

8. COMMON STOCK:

Common stock as of March 31, 2015 and 2014, is as follows (in Korean won, except for share data):

	March 31, 2015		March 31, 2014	
Number of shares:				
Authorized	800,000		800,000	
Issued and outstanding	200,000		200,000	
Par value	₩5,000	Rs.282	₩5,000	Rs.280
Common stock	₩1,000,000,000	Rs.56,309,160	₩1,000,000,000	Rs.56,011,740

9. RETAINED EARNINGS:

(a) Earned Surplus Reserve

Under the Commercial Code of Republic of Korea, the Company is required to appropriate at least 10% of the cash dividends paid each year to earned surplus reserve, until such reserve equals 50% of the capital stock. This reserve may not be utilized for cash dividends, but may be used to offset against future deficit, if any, or may be transferred to capital stock.

(b) Statements of Appropriations of Retained Earnings

	2015		2014	
RETAINED EARNINGS BEFORE APPROPRIATIONS:				
Beginning of the year	₩1,476,725,055	Rs.83,153,147	₩390,126,156	Rs.21,851,645
Net income(loss)	493,873,443	27,809,599	1,086,598,899	60,862,295
End of the year	1,970,598,498	110,962,746	1,476,725,055	82,713,940
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR	₩1,970,598,498	Rs.110,962,746	₩1,476,725,055	Rs.82,713,940

10. INCOME TAX:

(a) The components of income tax expenses for the years ended March 31, 2015 and 2014, are as follows (in Korean won):

	<u>2015</u>		<u>2014</u>	
Income tax currently payable at statutory income tax rate	₩343,104,706	Rs.19,319,938	₩374,331,174	Rs.20,966,941
Changes in deferred tax assets related to temporary differences (Note)	<u>(106,855,407)</u>	<u>(6,016,938)</u>	<u>(17,735,778)</u>	<u>(993,412)</u>
	<u>₩236,249,299</u>	<u>Rs.13,303,000</u>	<u>₩356,595,396</u>	<u>Rs.19,973,529</u>

(Note) Changes in deferred tax assets related to temporary differences for the years ended March 31, 2015 and 2014, are as follows (in Korean won):

	<u>2015</u>		<u>2014</u>	
Beginning of the period	₩264,026,327	Rs.14,867,101	₩246,290,549	Rs.13,795,162
End of the period	<u>(370,881,734)</u>	<u>(20,884,039)</u>	<u>(264,026,327)</u>	<u>(14,788,574)</u>
Changes in deferred tax assets	<u>(₩106,855,407)</u>	<u>(Rs.6,016,938)</u>	<u>(₩17,735,778)</u>	<u>(Rs.993,412)</u>

(b) A reconciliation of income tax expenses and accounting income before income tax expenses for the years ended March 31, 2015 and 2014, is as follows (in Korean won):

	<u>2015</u>		<u>2014</u>	
Income(loss) before income tax expenses(benefits)	₩730,122,742	Rs.41,112,598	₩1,443,194,295	Rs.80,835,823
Tax rate	22%		22%	
Tax effect at the tax rate	160,627,003	9,044,772	317,502,745	17,783,881
Adjustments:				
Non-deductible expense	97,622,296	5,497,029	46,424,847	2,600,336
Others	<u>(22,000,000)</u>	<u>(1,238,802)</u>	<u>(7,332,196)</u>	<u>(410,689)</u>
Income tax expenses(benefits)	<u>₩236,249,299</u>	<u>Rs.13,303,000</u>	<u>₩356,595,396</u>	<u>(Rs.19,973,529)</u>
Effective tax rate(Note)	<u>32.36%</u>		<u>24.71%</u>	

(c) Changes in cumulative temporary differences and deferred income tax assets for the years ended March 31, 2015 and 2014, are as follows (in Korean won):

Account	2015			March 31, 2015
	April 1, 2014	Decrease	Increase	
<u>Deferred tax assets (current):</u>				
	₩164,737,246	₩164,737,246	₩172,998,191	₩172,998,191
Accrued expenses	Rs.9,276,216	Rs.9,276,216	Rs.9,741,383	Rs.9,741,383
	₩129,069,453	₩129,069,453	₩76,902,789	₩76,902,789
Depreciation	Rs.7,267,792	Rs.7,267,792	Rs.4,330,331	Rs.4,330,331
	₩293,806,699	₩293,806,699	₩249,900,980	₩249,900,980
Subtotal	Rs.16,544,008	<u>Rs.16,544,008</u>	<u>Rs.14,071,714</u>	Rs.14,071,714
Tax rate (Note a)	22%			22%
Current deferred tax assets	₩64,637,474			₩54,978,216
(Note b)	<u>Rs.3,639,682</u>			<u>Rs.3,095,777</u>
<u>Deferred tax assets (non-current):</u>				
Accrued severance	₩782,322,966	₩-	₩333,602,118	₩1,115,925,084
indemnities	Rs.44,051,949	Rs. -	Rs.18,784,855	Rs.62,836,804
	₩123,990,000	₩123,990,000	₩320,000,000	₩320,000,000
Long-term other payable	Rs.6,981,773	Rs.6,981,773	Rs.18,018,931	Rs.18,018,931
	₩906,312,966	₩123,990,000	₩653,602,118	₩1,435,925,084
Subtotal	Rs.51,033,722	<u>Rs.6,981,773</u>	<u>Rs.36,803,786</u>	Rs.80,855,735
Tax rate (Note a)	22%			22%
Non-current deferred tax	₩199,388,853			₩315,903,518
assets	<u>Rs.11,227,419</u>			<u>Rs.17,788,262</u>
Deferred tax assets	₩264,026,327			₩370,881,734
(Note b)	<u>Rs.14,867,101</u>			<u>Rs.20,884,039</u>

2014

Account	2014			March 31, 2014
	April 1, 2013	Decrease	Increase	
<u>Deferred tax assets (current):</u>				
	W113,676,171	W113,676,171	W164,737,246	W164,737,246
Accrued expenses	Rs.6,367,200	Rs.6,367,200	Rs.9,227,220	Rs.9,227,220
	W181,236,117	W181,236,117	W129,069,453	W129,069,453
Depreciation	Rs.10,151,350	Rs.10,151,350	Rs.7,229,405	Rs.7,229,405
	W332,153,302	W332,153,302	W-	W-
Loss carried forward	Rs.18,604,484	Rs.18,604,484	Rs.-	Rs.-
	W627,065,590	W627,065,590	W293,806,699	W293,806,699
Subtotal	Rs.35,123,034	<u>Rs.35,123,034</u>	<u>Rs.16,456,625</u>	Rs.16,456,625
Tax rate (Note a)	22%			22%
Current deferred tax assets	W137,954,430			W64,637,474
(Note b)	<u>Rs.7,727,068</u>			<u>Rs.3,620,457</u>
<u>Deferred tax assets (non-current):</u>				
Accrued severance	W492,436,904	W-	W289,886,062	W782,322,966
indemnities	Rs.27,582,248	Rs.-	Rs.16,237,023	Rs.43,819,271
	W-	-	W123,990,000	W123,990,000
Long-term other payable	Rs.-	Rs.-	Rs.6,944,896	Rs.6,944,896
	W492,436,904	W-	W413,876,062	W906,312,966
Subtotal	Rs.27,582,248	<u>Rs.-</u>	<u>Rs.23,181,918</u>	Rs.50,764,166
Tax rate (Note a)	22%			22%
Non-current deferred tax	W108,336,119			W199,388,853
assets	<u>Rs.246,290,549</u>			<u>Rs.11,168,117</u>
Deferred tax assets	W246,290,549			W264,026,327
(Note b)	<u>Rs.13,795,162</u>			<u>Rs.14,788,574</u>

(Note a) Tax rate is the enacted tax rate that is expected to be applicable to future taxable income in the periods the deferred income tax asset is expected to be realized.

(Note b) Deductible temporary differences are recorded to the extent that the resultant deferred tax assets are certain to be realized as of March 31, 2015 and 2014.

(d) Prepaid income tax and income tax payable as of March 31, 2015 and 2014, are as follows (in Korean won):

	<u>March 31, 2015</u>		<u>March 31, 2014</u>	
Current income tax asset	₩176,945,680	Rs.9,963,663	₩161,788,280	Rs.9,062,043
Current income tax liability	<u>(343,104,706)</u>	<u>(19,319,938)</u>	<u>(374,331,174)</u>	<u>(20,966,940)</u>
Current income tax asset (liability), net	<u>(₩166,159,026)</u>	<u>(Rs.9,356,275)</u>	<u>(₩212,542,894)</u>	<u>(Rs.11,904,897)</u>

11. NET INCOME PER SHARE:

The Company's earnings per share for the years ended March 31, 2015 and 2014, are as follows (in Korean won, except for the share data in share):

	<u>2015</u>		<u>2014</u>	
Net income for common shareholder	₩1,086,598,899	Rs.27,809,599	₩1,086,598,899	Rs.60,862,295
Weighted-average number of common shares outstanding (Note)	<u>200,000</u>		<u>200,000</u>	
Net income(loss) per share	<u>₩5,433</u>	<u>Rs.139</u>	<u>₩5,433</u>	<u>Rs.304</u>

(Note) Weighted-average number of shares outstanding for the years ended March 31, 2015 and 2014, are the same as the issued number of shares, as there was no change in outstanding shares of common stock during the period.

12. STATEMENTS OF CASH FLOWS:

The statements of cash flows are presented using the indirect method, and there were no significant non-cash transactions cash for the years ended March 31, 2015 and 2014.

13. VALUE-ADDED INFORMATION:

Details of value-added information included in operating expenses for the years ended March 31, 2015 and 2014, are as follows (in Korean won):

	<u>2015</u>		<u>2014</u>	
Salaries	₩4,038,564,972	Rs.227,408,200	₩3,522,886,729	Rs.197,323,016
Provision for severance indemnities	396,902,510	22,349,247	289,886,062	16,237,023
Employee welfare	841,360,494	47,376,303	805,231,311	45,102,407
Rent	405,925,937	22,857,348	399,062,197	22,352,168
Depreciation	144,090,585	8,113,620	134,195,542	7,516,526
Taxes and dues	<u>2,445,239</u>	<u>137,689</u>	<u>6,746,384</u>	<u>377,877</u>
Total	<u>₩5,829,289,737</u>	<u>Rs.328,242,407</u>	<u>₩5,158,008,225</u>	<u>Rs.288,909,017</u>

14. EMPLOYEE WELFARE:

In connection with the employee welfare, the Company maintains various employee welfare programs, including scholarship, medical insurance, workers' compensation, paid absence, subsidies to pension contributions and other.

15. FINANCIAL INSTRUMENT:

The maturity analysis of financial liabilities as of March 31, 2015 and 2014, is as follows (in Korean won):

Description	2015			
	Less than 3 months	Three months–one year	1 year–5 years	Total
Accounts payable	₩4,137,202,913 Rs.232,962,420	₩- Rs.-	₩- Rs.-	₩4,137,202,913 Rs.232,962,420
Accrued expenses	₩53,927,513 Rs.3,036,613	₩157,498,191 Rs.8,868,591	₩- Rs.-	₩211,425,704 11,905,204
Long-term other payable	₩- Rs.-	₩- Rs.-	₩879,200,000 Rs.49,507,013	₩879,200,000 Rs.49,507,013
	₩4,191,130,426 Rs.235,999,033	₩157,498,191 Rs.8,868,591	₩879,200,000 Rs.49,507,013	₩5,227,828,617 Rs.294,374,637

Description	2014			
	Less than 3 months	Three months–one year	1 year–5 years	Total
Accounts payable	₩4,317,083,423 Rs.241,807,355	₩- Rs.-	₩- Rs.-	₩4,317,083,423 Rs.241,807,355
Accrued expenses	15,500,000 Rs.868,182	149,237,246 Rs.8,359,038	- Rs.-	164,737,246 Rs.9,227,220
Long-term other payable	- Rs.-	- Rs.-	340,350,000 Rs.19,063,595	340,350,000 Rs.19,063,595
	₩4,332,583,423 Rs.242,675,537	₩149,237,246 Rs.8,359,038	₩340,350,000 Rs.19,063,595	₩4,822,170,669 Rs.270,098,170

16. The Company has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.