



TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.

**FINANCIAL STATEMENTS AS OF AND FOR THE
YEARS ENDED MARCH 31, 2016 AND 2015
AND INDEPENDENT AUDITORS' REPORT**

Deloitte Anjin LLC

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DIRECTORS' REPORT

TO THE MEMBERS OF TATA DAEWOO COMMERCIAL VEHICLE COMPANY LIMITED

The Directors present their fifteenth Annual Report and Audited Statement of Accounts for the year ended March 31, 2016.

1. Financial Results

	<u>April 15 – March 16</u>		<u>April 14 – March 15</u>	
	KRW Billion	Rs. in Crores	KRW Billion	Rs. in Crores
Gross Revenue	879.66	5,096.46	987.95	5,563.03
Cost of Sales	(706.37)	(4,092.51)	(827.72)	(4,660.82)
Gross Profit	173.28	1,003.95	160.22	902.21
Selling & Administrative Expenses	(120.55)	(698.44)	(107.54)	(605.53)
Operating Income	52.73	305.52	52.69	296.68
Net Other Income/ (Expense)	2.54	14.74	16.44	92.58
Income Before Income Tax	55.28	320.25	69.13	389.25
Income Tax	(9.72)	(56.29)	(15.12)	(85.17)
Net Income for year	45.56	263.96	54.00	304.09
Un-appropriated retained Earnings from previous year	126.16	730.91	90.40	529.57 ⁴
Dividend ³	(13.57)	(78.63)	(16.59)	(93.41)
Earned Surplus Reserve ³	(1.36)	(7.87)	(1.66)	(9.34)
Un-appropriated retained earnings	156.79	908.37	126.16	730.91

- 1) The closing exchange rate KRW / INR of 17.26 and 17.76 has been used for converting the results from KRW to Rupees for FY15-16 and FY14-15 respectively
- 2) The results from the 100% Subsidiary Company – Tata Daewoo Commercial Vehicle sales and Distribution Co. Ltd have been included in the above results
- 3) Appropriations to be recommended by the Board for General Meeting approval are given under item 2 below.
- 4) Adjusted to Foreign Exchange rate fluctuation.
- 5) FY14-15 results include a one-time reversal of provisions pertaining to ordinary wage lawsuit (KRW 24.20 Billion)

2. Appropriations, subject to the approval of the Shareholders at the Annual General

Meeting:

a) Dividend:

Considering the Company's financial performance, the Directors propose payment of dividend of KRW 4,500 per share on 3,016,060 Common Shares of KRW 5,000 each, subject to withholding tax @ 10%

b) Earned Surplus Reserve:

The Directors further propose that a sum of KRW 1,358 million, an amount equal to 10% of the Dividend Amount to 'Earned Surplus Reserve' in compliance with the requirement of Commercial Act

3. Operating Results and Profits

The Company continued the strong performance, in the domestic market in spite of increased competition by selling 7,036 vehicles, 2nd highest in its history, registering a growth of 3.3% compared to sales of 6,808 vehicles in previous year. The newly introduced Euro 6 models were well accepted in the market resulting in the market share for both HCV and MCV Segments put together increasing to 31% as compared to 28.7% in the previous year.

However, in export market scenario was very challenging. Factors like - low oil prices, local currency depreciation against the US Dollar, new statutory regulations to reduce imports, slowdown in Chinese economy impacting commodity exporting countries, increased dealer inventory etc adversely impacted company's exports in major markets like Algeria, Russia, Vietnam, South Africa, GCC etc. The export sales were 2,080 units, 57.6% lower compared to 4,902 of previous year.

During the year under review, the Company's total revenue was at KRW 879.66 billion (Rs. 5,096.46 crore) lower by 11.0 % compared to KRW 987.95 billion (Rs. 5,563.03 crore) in FY 2014-15 mainly due to lower export sales partially offset by increase in domestic sales.

The Profit before tax was KRW 55.28 Billion (Rs. 320.25 crore) compared to KRW 69.13 Billion (Rs. 389.25 crore) of previous year which included one-time reversal of provisions pertaining to ordinary wage lawsuit (KRW 24.20 Billion). Better profitability of Euro 6 vehicles, better mix, favorable exchange realizations, continuous material cost reduction, various cost control and inventory initiatives helped in improving profits.

After providing for tax, the profit for the year stood at KRW 45.56 billion (Rs. 263.96 crore) as against KRW 54.00 billion (Rs. 304.09 crore) in the previous year.

4. Domestic Business:

It is estimated that total market for **Heavy Commercial Vehicles** in Korea de-grew by 0.2% during FY 2015-16 as compared to the previous year; whereas the Company achieved a growth rate of 11.0% with sales of 3,562 units as compared to 3,208 units in the previous year. As a result Company's market share in HCV grew to 28.7% as compared with 25.8% in the previous year.

It is estimated that in **Medium Duty Trucks** segment Industry witnessed 9.1% de-growth in FY15-16; whereas, Company's MCV sales de-grew by only 3.5% with sales of 3,474 units as compared to 3,600 units in the previous year. As a result Company's market share in MCV grew from 31.8% in FY14-15 to

33.8% in FY15-16. European manufactures have entered into the MCV market with Volvo & Mercedes Benz launching models in 2015 and MAN & Iveco planning to launch their new models in 2016. In spite of increased competition from Europeans, Company was able to improve its market share in this segment.

5. International Business:

The Company exported 2,080 units, 57.6% lower compared to 4,902 units sold in the previous year. Due to the collapse of oil price, Algerian economy experienced the worst situation since 2009 and the Government kept tightening foreign exchange control and introducing several import regulations (such as Import quota system etc.). As result Company was not able to sell any vehicle to its largest market in Algeria. Company is taking all necessary steps to restart the business in Algeria as early as possible. Apart from this, Company's sales to its other traditional markets like Russia, South Africa etc also decreased significantly mainly due to low oil prices, local currency depreciation as against the US Dollar, overall economic slowdown. The overall economic situation in Vietnam continues to be relatively better than other nearby countries and this along with the anticipated change in the Emission norms to Euro 4 in 2017 has led to increased inventory levels by Hyundai, Chinese & Japanese Vehicle manufacturers in 2015. This resulted in aggressive marketing and increased competition affecting distributor's ability to liquidate existing inventory, although retail sales during FY 15-16 were 902 units.

6. Finances

Company continued its commitment for Capital expenditure. Spend on Capex in FY15-16 was KRW 17.25 Billion as against KRW 24.38 Billion of previous year. Overall borrowings as on 31st March 2016 were KRW 70 Billion as against KRW 40 Billion of 31st March 2015. Apart from this, Company factored at a discount or transferred with recourse totaling KRW 31.60 Billion as on 31st March 2016 (KRW 6.82 Billion as on 31st Mar 2015) for which the company is contingently liable.

7. Performance of Subsidiary company, TDSC

For the year under review, Company's 100% owned subsidiary Tata Daewoo Commercial Vehicle Sales & Distribution Company Limited (TDSC) registered revenue of KRW 48.94 Billion (Rs. 283.56 crore) as against of KRW 36.89 Billion (Rs. 207.71 crore) of previous year due to increased sales in the domestic market.

During the period, TDSC reported a Profit before tax of KRW 0.96 Billion (Rs. 5.58 crore) as against of KRW 0.73 Billion (Rs. 4.11 crore) of previous year. After providing for tax, the profit for the year stood at KRW 0.71 Billion (Rs. 4.09 crore) as against of KRW 0.49 Billion (Rs. 2.78 crore) of previous year.

8. Corporate Governance

As a member of the Tata Group, the Company continues to follow and strengthen its business processes in keeping with the Tata Business Excellence Model, Tata Code of Conduct and best practices in Corporate Governance. The company complies with the requirements of Internal Accounting Control System (IACS), a Korean legislation that requires the external auditors to review the operating effectiveness of accounting internal controls & attest management certification of the same and express an opinion in the audit report.

9. 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 2016-17.

10. Acknowledgements

The Directors wish to convey their appreciation to all of the Company's employees for their personal efforts as well as collective contribution to the Company's performance. The Directors acknowledge the managerial and operational support extended by Tata Motors Limited. The Directors would also like to thank the employee union, customers, suppliers, bankers, Government authorities and all other business associates for the continuous support given by them to the Company and their confidence in its management.

On behalf of the Board of Directors

Guenter Butschek
Chairman

May 19, 2016

INDEPENDENT AUDITORS' REPORT

English Translation of an Independent Auditors' Report Originally Issued in Korean on May 11, 2016

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

Report on the Financial Statements

We have audited the accompanying financial statements of Tata Daewoo Commercial Vehicle Co., Ltd. (the "Company"), which comprise the statements of financial position as of March 31, 2016 and 2015, 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.

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, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with KAS – NPEs.

May 11, 2016

Notice to Readers

This report is effective as of May 11, 2016, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors' report.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2016 AND 2015

<u>ASSETS</u>	<u>2016</u>		<u>2015</u>	
CURRENT ASSETS				
Cash and cash equivalents, net of government subsidy of ₩2,798,114(Rs.162,114) as of March 31, 2016 and ₩884,369,096(Rs.49,798,081) as of March 31, 2015 (Notes 2, 10, 16 and 26)	₩98,613,921,863	Rs.5,713,394,791	₩112,670,774,217	Rs.6,344,396,631
Short-term financial instruments	-	-	60,000,000	3,378,550
Current portion of available-for-sale securities (Notes 2, 6 and 27)	-	-	-	-
Accounts and notes receivable (Notes 2, 16 and 17):				
- Trade, net of allowance for doubtful accounts of ₩1,380,798,921(Rs.79,999,347) as of March 31, 2016, and and 1,112,571,576(Rs.62,647,971) as of March 31, 2015	39,418,289,006	2,283,777,410	107,913,922,242	6,076,542,293
- Other, net of allowance for doubtful accounts of ₩66,976,053(Rs.3,880,392) as of March 31, 2016, and ₩125,543,733(Rs.7,069,262) as of March 31, 2015	6,776,454,397	392,607,438	12,173,454,062	685,476,970
Advance payments, net of allowance for doubtful accounts of ₩15,049,813(Rs.871,941) as of March 31, 2016, and ₩19,414,732(Rs.1,093,227) as of March 31, 2015 (Note 2)	1,489,931,477	86,322,160	1,922,058,269	108,229,486
Foreign currency forward contracts (Notes 2, 19 and 27)	92,100,650	5,336,035	346,616,468	19,517,682
Deferred income tax assets (Notes 2 and 24)	6,743,010,920	390,669,824	5,411,672,576	304,726,736
Inventories, net (Notes 2, 4 and 9)	243,914,045,027	14,131,648,027	153,460,358,572	8,641,223,855
Other current assets (Note 5 and 17)	870,662,845	50,443,593	1,358,369,146	76,488,625
Total Current Assets	397,918,416,185	23,054,199,278	395,317,225,552	22,259,980,828
NON-CURRENT ASSETS				
Long-term financial instruments (Notes 2 and 3)	1,759,240,000	101,925,088	1,486,940,000	83,728,342
Equity method investment securities (Note 7)	3,745,954,329	217,029,356	3,040,598,498	171,213,547
Property, plant and equipment, net (Notes 2, 8 and 9)	199,411,586,714	11,553,309,099	205,336,424,710	11,562,321,554
Intangible assets, net (Notes 2 and 11)	18,572,344,456	1,076,025,921	23,503,042,917	1,323,436,600
Other non-current assets (Notes 2, 12 and 24)	7,891,197,729	457,192,323	7,613,719,843	428,722,167
Total Non-Current Assets	231,380,323,228	13,405,481,787	240,980,725,968	13,569,422,210
TOTAL ASSETS	₩629,298,739,413	Rs.36,459,681,065	₩636,297,951,520	Rs.35,829,403,038

(Continued)

Deloitte Anjin LLC
Lee, Joo Hyun
Partner
May 11, 2016

Guenter Karl Butschek
Director

R. Pisharody
Director

S. B. Borwankar
Director

Kim, Kwan Kju
Representative Director & President

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS OF MARCH 31, 2016 AND 2015

<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>	<u>2016</u>		<u>2015</u>	
CURRENT LIABILITIES				
Accounts payable (Notes 16, 17 and 27):				
- Trade	₩97,893,310,282	Rs.5,671,644,718	₩168,315,181,620	Rs.9,477,686,458
- Other	22,511,026,176	1,304,221,324	21,671,925,947	1,220,327,942
Short-term borrowings (Notes 13 and 27)	70,000,000,000	4,055,590,000	40,000,000,000	2,252,366,392
Advance receipts	4,196,933,175	243,157,717	5,654,408,029	318,394,965
Accrued expenses (Notes 16 and 17)	18,623,143,727	1,078,969,078	12,171,166,306	685,348,149
Withholdings	4,237,321,784	245,497,712	2,501,157,279	140,838,065
Current income tax liability (Notes 2 and 24)	8,255,223,019	478,282,856	10,215,010,684	575,198,669
Foreign currency forward contracts (Notes 2, 19 and 27)	198,022,269	11,472,816	308,580,556	17,375,912
Total Current Liabilities	225,914,980,432	13,088,836,221	260,837,430,421	14,687,536,552
NON-CURRENT LIABILITIES				
Long-term guarantee deposits received	36,000,000	2,085,732	36,000,000	2,027,130
Accrued severance indemnities, net of transfers to the National Pension Fund of ₩214,964,600(Rs.12,454,404) as of March 31, 2016, and ₩218,995,800(Rs.12,331,470) as of March 31, 2015 and retirement pension fund of ₩45,181,410,361(Rs.2,617,675,372) as of March 31, 2016 and ₩35,969,319,526(Rs.2,025,402,161) as of March 31, 2015 (Notes 2 and 15)	3,452,163,849	200,008,017	6,233,659,684	351,012,139
Accrued warranties (Notes 2 and 14)	23,793,539,906	1,378,526,322	22,352,337,736	1,258,641,358
Other non-current liabilities (Notes 10 and 27)	2,271,600,000	131,609,689	1,980,400,000	111,514,660
Total Non-Current Liabilities	29,553,303,755	1,712,229,760	30,602,397,420	1,723,195,287
Total Liabilities	255,468,284,187	14,801,065,981	291,439,827,841	16,410,731,839
SHAREHOLDER'S EQUITY				
Common stock (Notes 1 and 20)	15,080,300,000	873,707,341	15,080,300,000	849,159,023
Capital surplus (Note 20):				
Paid-in capital in excess of par value	92,753,162,813	5,373,839,994	92,753,162,813	5,222,852,668
Gain on capital reduction	50,650,609,388	2,934,544,356	50,650,609,388	2,852,093,259
Accumulated other comprehensive income (Note 6)				
Gain on valuation of available-for-sale securities	-	-	-	-
Retained earnings (Note 21):				
Earned surplus reserve	5,057,000,000	292,987,409	3,398,000,000	191,338,525
Reserve for research and human resource development	38,572,066,667	2,234,749,826	38,572,066,667	2,171,960,666
Unappropriated retained earnings	171,717,316,358	9,948,786,158	144,403,984,811	8,131,267,058
Total Shareholder's Equity	373,830,455,226	21,658,615,084	344,858,123,679	19,418,671,199
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	₩629,298,739,413	Rs.36,459,681,065	₩636,297,951,520	Rs.35,829,403,038

(Concluded)

See accompanying notes to financial statements.

Deloitte Anjin LLC
Lee, Joo Hyun
Partner
May 11, 2016

Guenter Karl Butschek
Director

R. Pisharody
Director

S. B. Borwankar
Director

Kim, Kwan Kju
Representative Director & President

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016		2015	
SALES (Notes 2 and 17):				
Finished goods	₩809,668,771,546	Rs. 46,909,779,617	₩919,499,039,552	Rs. 51,776,218,364
Others	69,986,685,362	4,054,818,590	68,446,553,328	3,854,167,910
	<u>879,655,456,908</u>	<u>50,964,598,207</u>	<u>987,945,592,880</u>	<u>55,630,386,274</u>
COST OF SALES:				
Finished goods	(653,910,362,644)	(37,885,604,681)	(775,144,507,092)	(43,647,735,926)
Others	(52,461,988,432)	(3,039,490,224)	(52,576,346,536)	(2,960,529,899)
	<u>(706,372,351,076)</u>	<u>(40,925,094,905)</u>	<u>(827,720,853,628)</u>	<u>(46,608,265,825)</u>
GROSS PROFIT	173,283,105,832	10,039,503,302	160,224,739,252	9,022,120,449
SELLING AND ADMINISTRATIVE EXPENSES (Notes 23 and 28)	<u>(120,550,782,508)</u>	<u>(6,984,350,686)</u>	<u>(107,537,435,610)</u>	<u>(6,055,342,647)</u>
OPERATING INCOME	<u>52,732,323,324</u>	<u>3,055,152,616</u>	<u>52,687,303,642</u>	<u>2,966,777,802</u>
OTHER INCOME (EXPENSES):				
Interest income	1,457,375,159	84,435,945	1,946,781,295	109,621,619
Interest expense	(1,610,281,791)	(93,294,896)	(1,475,618,330)	(83,090,828)
Rental income	21,660,000	1,254,915	21,660,000	1,219,656
Gain (loss) on foreign currency transactions, net (Note 2)	(1,079,453,782)	(62,540,314)	4,740,955,819	266,959,239
Gain (loss) on foreign currency translation, net (Note 2)	1,481,613,799	85,840,259	2,644,375,304	148,902,552
Gain (loss) on disposal of property, plant and equipment, net	109,019,842	6,316,283	26,895,855	1,514,483
Gain(loss) on disposal of intangible assets, net	48,400,000	2,804,151	-	-
Loss on obsolescence of intangible assets	(424,918,429)	(24,618,499)	-	-
Reversal of other provision for doubtful accounts	62,932,599	3,646,126	8,750,531	492,735
Equity in income of associate	705,355,831	40,866,201	493,873,443	27,809,599
Gain (loss) on derivative instruments transactions, net (Notes 2 and 19)	618,274,933	35,820,995	(438,084,846)	(24,668,190)
Gain(loss) on derivative instruments valuation, net (Notes 2 and 19)	(105,921,619)	(6,136,781)	38,035,912	2,141,770
Loss on disposal of trade accounts receivable	(295,991,124)	(17,148,838)	(403,441,491)	(22,717,451)
Gain on disposal of available-for-sale securities (Notes 2 and 6)	-	-	205,326,273	11,561,750
Others	<u>1,555,639,166</u>	<u>90,129,066</u>	<u>8,631,103,323</u>	<u>486,010,176</u>
Other income(expenses), net	<u>2,543,704,584</u>	<u>147,374,613</u>	<u>16,440,613,088</u>	<u>925,757,110</u>
INCOME BEFORE INCOME TAX EXPENSE	55,276,027,908	3,202,527,229	69,127,916,730	3,892,534,911
INCOME TAX EXPENSE (Notes 2 and 24)	<u>(9,715,366,361)</u>	<u>(562,879,181)</u>	<u>(15,124,961,206)</u>	<u>(851,673,858)</u>
NET INCOME	<u>₩45,560,661,547</u>	<u>Rs. 2,639,648,048</u>	<u>₩54,002,955,524</u>	<u>Rs. 3,040,861,053</u>
NET INCOME PER SHARE (Note 25)	<u>₩15,106</u>	<u>Rs. 875</u>	<u>₩17,905</u>	<u>Rs. 1,008</u>

See accompanying notes to financial statements.

Deloitte Anjin LLC
Lee, Joo Hyun
Partner
May 11, 2016

Guenter Karl Butschek
Director

R. Pisharody
Director

S. B. Borwankar
Director

Kim, Kwan Kju
Representative Director & President

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016		2015	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	₩45,560,661,547	Rs. 2,639,648,048	₩54,002,955,524	Rs. 3,040,861,052
Expenses (income) not involving cash outflows (inflows):				
Depreciation	20,962,934,471	1,214,529,534	24,646,947,145	1,387,848,886
Amortization	5,374,645,290	311,390,824	5,173,916,255	291,338,877
Provision for severance indemnities	6,850,695,057	396,908,720	10,468,341,743	589,463,528
Provision for doubtful accounts	268,227,345	15,540,288	262,459,417	14,778,869
Other provision for doubtful accounts	(62,932,599)	(3,646,126)	(8,750,531)	(492,735)
Loss (gain) on valuation of inventories	5,938,783,343	344,075,291	(535,353,337)	(30,145,297)
Provision for accrued warranties	10,612,809,032	614,874,317	17,219,860,894	969,635,899
Gain on foreign currency translation, net	(154,472,245)	(8,949,658)	(828,169,512)	(46,633,529)
Loss (gain) on derivative instruments transactions, net	(618,274,933)	(35,820,995)	438,084,846	24,668,190
Gain on derivative instruments valuation, net	105,921,619	6,136,781	(38,035,912)	(2,141,770)
Equity in income of associate	(705,355,831)	(40,866,201)	(493,873,443)	(27,809,599)
Loss (gain) on disposal of property, plant and equipment, net	(109,019,842)	(6,316,283)	(26,895,855)	(1,514,483)
Loss(gain) on disposal of intangible assets, net	(48,400,000)	(2,804,151)	-	-
Loss on obsolescence of intangible assets	424,918,429	24,618,499	-	-
Loss on disposal of trade accounts receivable	295,991,124	17,148,838	403,441,491	22,717,451
Gain on disposal of available-for-sale securities	-	-	(205,326,273)	(11,561,750)
Subtotal	49,136,470,260	2,846,819,678	56,476,646,928	3,180,152,537
Changes in assets and liabilities related to operating activities:				
Trade receivable	67,434,871,174	3,906,974,131	(25,483,594,392)	(1,434,959,789)
Other receivables	5,454,068,559	315,992,370	(1,406,221,982)	(79,183,178)
Advance payments	436,491,711	25,289,020	(428,049,165)	(24,103,089)
Current deferred income tax assets	(1,331,338,344)	(77,133,750)	4,253,292,847	239,499,347
Other current assets	487,706,301	28,256,240	(1,126,146,747)	(63,412,377)
Inventories	(96,392,469,798)	(5,584,690,523)	(3,173,054,757)	(178,672,047)
Non-current deferred income tax assets	(349,477,886)	(20,247,700)	(2,072,562,073)	(116,704,229)
Trade payable	(69,771,361,850)	(4,042,343,392)	24,257,479,948	1,365,918,315
Other payables	2,030,693,560	117,652,293	2,844,664,665	160,180,677
Advance receipts	(1,457,474,854)	(84,441,721)	2,873,218,649	161,788,528
Withholdings	1,736,164,505	100,588,163	1,080,006,082	60,814,235
Accrued expenses	6,438,954,226	373,053,691	(22,250,752,021)	(1,252,921,151)
Current income tax liability	(1,959,787,665)	(113,544,218)	4,993,330,594	281,170,250
Payments of warranty claims	(9,171,606,862)	(531,375,387)	(10,831,149,652)	(609,892,937)
Payments of severance indemnities	(424,131,257)	(24,572,893)	(608,353,613)	(34,255,881)
Funded deposit of retirement pension plan	(9,212,090,835)	(533,720,907)	(12,862,009,554)	(724,248,951)
Transfers to the National Pension Fund	4,031,200	233,556	3,134,800	176,518
Other non-current liabilities (Notes 10 and 27)	291,200,000	16,871,254	542,870,000	30,568,554
Subtotal	(105,755,558,115)	(6,127,159,773)	(39,393,896,371)	(2,218,237,205)
Net cash provided by operating activities	(11,058,426,308)	(640,692,047)	71,085,706,081	4,002,776,384

(Continued)

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016		2015	
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of short-term financial instruments	(₩60,000,000)	(Rs. 3,476,220)	(₩60,000,000)	(Rs. 3,378,550)
Proceeds from short-term financial instruments	120,000,000	6,952,440	-	-
Acquisition of long-term financial instruments	(272,300,000)	(15,776,245)	(253,040,000)	(14,248,470)
Proceeds from sale of property, plant and equipment	272,985,500	15,815,961	28,348,000	1,596,252
Proceeds from sale of intangible assets	48,400,000	2,804,151	-	-
Proceeds from available for sale of securities	-	-	605,326,273	34,085,414
Acquisition of property, plant and equipment	(16,565,227,133)	(959,739,564)	(23,704,200,862)	(1,334,763,635)
Acquisition of intangible assets	(682,265,258)	(39,528,402)	(680,108,614)	(38,296,345)
Acquisition of other non current assets	(20,000,000)	(1,158,740)	-	-
Settlements of currency forward contracts	656,310,845	38,024,681	(345,100,000)	(19,432,291)
Payment of guarantee deposits	(75,000,000)	(4,345,275)	(32,300,000)	(1,818,786)
Receipt of guarantee deposits	167,000,000	9,675,479	68,000,000	3,829,023
Net cash used in investing activities	(16,410,096,046)	(950,751,734)	(24,373,075,203)	(1,372,427,388)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term borrowings	100,000,000,000	5,793,700,000	40,000,000,000	2,252,366,392
Repayment of short-term borrowings	(70,000,000,000)	(4,055,590,000)	(30,000,000,000)	(1,689,274,794)
Repayment of long-term borrowings	-	-	(10,000,000,000)	(563,091,598)
Payment of dividend	(16,588,330,000)	(961,078,075)	-	-
Net cash used in financing activities	13,411,670,000	777,031,925	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,056,852,354)	(814,411,856)	46,712,630,878	2,630,348,996
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF THE PERIOD	112,670,774,217	6,527,806,646	65,958,143,339	3,714,047,637
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	₩98,613,921,863	Rs. 5,713,394,791	₩112,670,774,217	Rs. 6,344,396,631

(Concluded)

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	Common stock	Capital surplus	Accumulated other comprehensive income	Retained earnings	Total shareholder's equity
Balance, April 1, 2014	₩15,080,300,000 Rs.849,159,023	₩143,403,772,201 Rs.8,074,945,926	₩158,020,200 Rs.8,897,985	₩132,371,095,954 Rs.7,453,705,196	₩291,013,188,355 Rs.16,386,708,130
Proceeds from available-for- sale securities			(₩158,020,200) (Rs.8,897,985)		(158,020,200) (Rs.8,897,985)
Net income	₩- Rs.-	₩- Rs.-	₩- Rs.-	₩54,002,955,524 Rs.3,040,861,053	54,002,955,524 Rs.3,040,861,054
Balance, March 31, 2015	₩15,080,300,000 Rs.849,159,023	₩143,403,772,201 Rs.8,074,945,926	₩- Rs.-	₩186,374,051,478 Rs.10,494,566,249	₩344,858,123,679 Rs.19,418,671,199
Balance, April 1, 2015	₩15,080,300,000 Rs.873,707,341	₩143,403,772,201 Rs.8,308,384,350	₩- Rs.-	₩186,374,051,478 Rs.10,797,953,420	₩344,858,123,679 Rs.19,980,045,112
Cash dividend paid				(₩16,588,330,000) (Rs.961,078,075)	(₩16,588,330,000) (Rs.961,078,075)
Net income	₩- Rs.-	₩- Rs.-	₩- Rs.-	₩45,560,661,547 Rs.2,639,648,049	₩45,560,661,547 Rs.2,639,648,049
Balance, March 31, 2016	₩15,080,300,000 Rs.873,707,341	₩143,403,772,201 Rs.8,308,384,350	₩- Rs.-	₩215,346,383,025 Rs.12,476,523,394	₩373,830,455,226 Rs.21,658,615,084

See accompanying notes to financial statements.

TATA DAEWOO COMMERCIAL VEHICLE CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF MARCH 31, 2016 AND 2015,
AND FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

1. GENERAL:

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, 2016, the Company’s common stock totaled ₩15,080,300,000 (Rs.873,707,341) all of which is owned by TML Holdings Pte. Ltd., a wholly owned subsidiary of Tata Motors Limited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

These accompanying 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 accompanying financial statements will be approved at the annual shareholder’s meeting to be held on May 19, 2016.

The Company’s significant accounting policies used for the preparation of the financial statements are as follows:

a. 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, which 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

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. 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 year-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.

d. 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 in 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 in 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. The goodwill portion, which is amortized over useful lives within 20 years on a straight-line method, and the negative goodwill portion, which is amortized over the weighted-average useful lives of depreciable non-monetary assets of the investee, are included in “equity in income (loss) of associates.”

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 in income (loss) of associates" in accordance with the investee's methods of accounting for the assets and liabilities.

4) Elimination of unrealized gain or loss from intercompany transactions

The Company's proportionate share in the gain (loss) arising from transactions between the Company and the investee, which remains in the book value of assets held as of 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 is 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.

e. 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 increases 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
Other	6

f. Intangible Assets (excluding Goodwill)

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.

g. 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.

h. 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.

i. Effects of Foreign Exchange Fluctuations

1) Functional currency and reporting currency

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

2) Foreign currency transaction

The Company records transactions made in foreign currency converted at the transaction-date exchange rate. Non-monetary foreign exchange items, which are estimated by historical

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

In addition, monetary assets and liabilities denominated in foreign currency are translated into Korean won at the base rates announced by Seoul Money Brokerage Services, Ltd. on the dates of the statements of financial position, which were ₩1,153.50 and ₩1,105.00 to US\$1, and ₩1,307.43 and ₩1,196.77 to EUR 1 at March 31, 2016 and 2015, respectively.

j. 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.

k. 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.

l. 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).

m. Revenue Recognition

Sales of finished goods and sales of auto parts included in sales - others are recognized at the time of delivery to customers. Repair service revenues included in sales - others are recognized upon completion of services, and service revenues included in sales - others are recognized when related revenue activities are completed, amounts are estimable and economic benefits are highly expected.

n. Income Tax Expense

The Company recognizes deferred income 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 income 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 income tax asset (liability), which does not relate to a specific asset (liability) account in the statement of financial position, such as a deferred income tax asset recognized for tax loss carryforwards, is classified as a current or non-current asset (liability) depending on the expected reversal period. Deferred income 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.

o. 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 estimates and associated assumptions are also applied to measure 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.

3. RESTRICTED DEPOSITS:

Long-term financial instruments, restricted in use for payment of employees' retirement benefits as of March 31, 2016 and 2015, are as follows (In Korean won):

	2016		2015	
Long-term financial instruments:				
Personal pension	₩1,759,240,000	Rs.101,925,088	₩1,486,940,000	Rs.83,728,342

4. INVENTORIES:

Details of inventory valuation as of March 31, 2016 and 2015 are as follows (In Korean won):

		2016					
		Acquisition cost		Lower of cost or market value		Valuation allowance	
Finished goods	₩86,014,988,965	Rs.4,983,450,416	₩82,001,039,602	Rs. 4,750,894,231	(₩4,013,949,363)	(Rs. 232,556,184)	
Work in process	17,050,682,291	987,865,380	17,050,682,291	987,865,380	-	-	
Raw materials	110,767,931,867	6,417,561,669	106,375,975,058	6,163,104,867	(4,391,956,809)	(254,456,802)	
Materials in transit	24,615,760,648	1,426,163,325	24,615,760,648	1,426,163,325	-	-	
Parts for service	19,149,543,617	1,109,467,109	13,870,587,428	803,620,224	(5,278,956,189)	(305,846,885)	
Total	₩257,598,907,388	Rs. 14,924,507,899	₩243,914,045,027	Rs. 14,131,648,027	(₩13,684,862,361)	(Rs.792,859,871)	

		2015					
		Acquisition cost		Lower of cost or market value		Valuation allowance	
Finished goods	₩45,194,742,955	Rs.2,544,878,004	₩44,531,742,955	Rs.2,507,545,031	(₩663,000,000)	(Rs.37,332,973)	
Work in process	18,609,962,476	1,047,911,351	18,609,962,476	1,047,911,351	-	-	
Raw materials	70,535,703,999	3,971,806,229	69,041,230,817	3,887,653,700	(1,494,473,182)	(84,152,529)	
Materials in transit	8,799,357,201	495,484,411	8,799,357,201	495,484,411	-	-	
Parts for service	18,066,670,959	1,017,319,062	12,478,065,123	702,629,363	(5,588,605,836)	(314,689,699)	
Total	₩161,206,437,590	Rs.9,077,399,057	₩153,460,358,572	Rs.8,641,223,855	(₩7,746,079,018)	(Rs.436,175,201)	

5. OTHER CURRENT ASSETS:

Other current assets as of March 31, 2016 and 2015 are summarized as follows (In Korean won):

	2016		2015	
Prepaid expenses	₩851,680,523	Rs.49,343,814	₩133,228,665	Rs.7,501,994
Accrued income	18,982,322	1,099,779	12,433,819	700,138
Prepaid tax			1,212,706,662	68,286,493
Total	₩870,662,845	Rs.50,443,593	₩1,358,369,146	Rs.76,488,625

6. AVAILABLE-FOR-SALE SECURITIES:

The changes in unrealized gain on available-for-sale securities for the year ended March 31, 2015, are summarized as follows (In Korean won):

Details	April 1, 2014	Gain on evaluation	Realization by disposal	March 31, 2015
Debt securities	₩202,590,000	₩-	₩202,590,000	₩-
	Rs.11,407,673	Rs.-	Rs.11,407,673	Rs.-
Tax effect	(₩44,569,800)	₩-	(₩44,569,800)	(₩-)
	(Rs.2,509,688)	Rs.-	(Rs.2,509,688)	(Rs.-)
Net	₩158,020,200	₩-	₩158,020,200	₩-
	Rs.8,897,985	Rs.-	Rs.8,897,985	Rs.-

7. EQUITY METHOD INVESTMENT SECURITIES:

(a) Details of equity securities accounted for using the equity method as of March 31, 2016 and 2015, are as follows (In Korean won):

Investee	2016			
	Ownership (%)	Acquisition cost	Net asset value	Book value
Tata Daewoo Commercial Vehicle Sales & Distribution Co., Ltd. ("TDSC")	100%	₩1,000,000,000	₩3,745,954,329	₩3,745,954,329
		<u>Rs.57,937,000</u>	<u>Rs.217,029,356</u>	<u>Rs.217,029,356</u>
Investee	2015			
	Ownership (%)	Acquisition cost	Net asset value	Book value
TDSC	100%	₩1,000,000,000	₩3,040,598,498	₩3,040,598,498
		<u>Rs.56,309,160</u>	<u>Rs.171,213,547</u>	<u>Rs.171,213,547</u>

- (b) Changes in equity securities accounted for using the equity method for the years ended March 31, 2016 and 2015, are as follows (In Korean won):

Investee	2016			
	April 1, 2015	Acquisition	Equity in income	March 31, 2016
TDSC	₩3,040,598,498	₩-	₩705,355,831	₩3,745,954,329
	<u>Rs. 176,163,155</u>	<u>Rs.-</u>	<u>Rs. 40,866,201</u>	<u>Rs. 217,029,356</u>
Investee	2015			
	April 1, 2014	Acquisition	Equity in income	March 31, 2015
TDSC	₩2,546,725,055	₩-	₩493,873,443	₩3,040,598,498
	<u>Rs.143,403,948</u>	<u>Rs.-</u>	<u>Rs.27,809,599</u>	<u>Rs.171,213,547</u>

- (c) The condensed financial information of the investee as of March 31, 2016 and 2015, and for the years ended March 31, 2016 and 2015, is as follows (In Korean won):

Investee	2016			
	Total assets	Total liabilities	Revenue	Net income
TDSC	₩10,431,402,861	₩6,685,448,532	₩48,942,303,481	₩705,355,831
	<u>Rs. 604,364,188</u>	<u>Rs. 387,334,832</u>	<u>Rs. 2,835,570,237</u>	<u>Rs. 40,866,201</u>
Investee	2015			
	Total assets	Total Liabilities	Revenue	Net income
TDSC	₩9,951,917,057	₩6,911,318,559	₩36,887,072,706	₩493,873,443
	<u>Rs.560,384,088</u>	<u>Rs.389,170,541</u>	<u>Rs.2,077,080,072</u>	<u>Rs.27,809,599</u>

8. PROPERTY, PLANT AND EQUIPMENT:

- (a) The book value and standard value of land declared by the Korean government for the purpose of taxes and land policies as of March 31, 2016 and 2015, are as follows (In Korean won):

Type	Book value		Standard value	
	2016	2015	2016	2015
Plant site	₩55,487,999,429	₩55,487,999,429	₩97,495,263,640	₩94,162,884,690
	<u>Rs.3,124,808,223</u>	<u>Rs.3,124,482,627</u>	<u>Rs.5,648,583,090</u>	<u>Rs.5,302,232,922</u>
Housing	₩184,352,272	₩184,352,272	₩178,199,940	₩176,142,435
	<u>Rs.10,680,818</u>	<u>Rs.10,380,722</u>	<u>Rs.10,324,370</u>	<u>Rs.9,918,433</u>
Total	₩55,672,351,701	₩55,672,351,701	₩97,673,463,580	₩94,339,027,125
	<u>Rs.3,225,489,041</u>	<u>Rs.3,134,863,349</u>	<u>Rs.5,658,907,460</u>	<u>Rs.5,312,151,355</u>

(b) Property, plant and equipment and related accumulated depreciation as of March 31, 2016 and 2015, are summarized as follows (In Korean won):

	2016		2015	
Land	₩55,672,351,701	Rs. 3,225,489,041	₩55,672,351,701	Rs.3,134,863,349
Buildings	95,200,820,880	5,515,649,959	94,995,120,880	5,349,095,443
Structures	10,922,069,741	632,791,955	10,762,069,741	606,003,105
Machinery and equipment	96,742,097,213	5,604,946,886	95,331,221,213	5,368,020,970
Vehicles	890,554,533	51,596,058	1,232,417,658	69,396,403
Tools	4,229,902,408	245,067,856	3,904,947,227	219,884,297
Furniture and fixtures	8,038,323,506	465,716,349	7,172,978,687	403,904,403
Computers	12,118,481,996	702,108,491	11,684,339,440	657,935,337
Molds	121,208,567,985	7,022,460,803	102,697,544,155	5,782,812,426
Construction in progress	<u>3,157,100,000</u>	<u>182,912,903</u>	<u>11,475,730,793</u>	<u>646,188,759</u>
Total cost	408,180,269,963	23,648,740,301	394,928,721,495	22,238,104,492
Less : Assets acquired using government subsidy	(591,349,152)	(34,260,996)	(299,380,850)	(16,857,884)
Accumulated depreciation	<u>(208,177,334,097)</u>	<u>(12,061,170,206)</u>	<u>(189,292,915,935)</u>	<u>(10,658,925,054)</u>
Net	<u>₩199,411,586,714</u>	<u>Rs.11,553,309,099</u>	<u>₩205,336,424,710</u>	<u>Rs.11,562,321,554</u>

(c) Changes in property, plant and equipment for the years ended March 31, 2016 and 2014:

	April 1, 2015	Acquisition	Disposition	Transfer(Note)	Depreciation	March 31, 2016
Land	W55,672,351,701 Rs. 3,225,489,041	W- Rs.-	W- Rs.-	W- Rs.-	W- Rs.-	W55,672,351,701 Rs. 3,225,489,041
Buildings	W72,956,167,366 Rs. 4,226,861,469	W205,700,000 Rs. 11,917,641	W- Rs.-	W- Rs.-	(W2,434,798,592) (Rs. 141,064,926)	W70,727,068,774 Rs. 4,097,714,184
Structures	W5,617,684,595 Rs. 325,471,792	W160,000,000 Rs. 9,269,920	W- Rs.-	W- Rs.-	(W553,878,103) (Rs. 32,090,036)	W5,223,806,492 Rs. 302,651,677
Machinery and equipment	W27,756,913,452 Rs. 1,608,152,295	W3,222,715,000 Rs. 186,714,439	(W137,000) (Rs. 7,937)	W136,500,000 Rs.7,908,401	(W4,434,090,411) (Rs. 256,897,896)	W26,681,901,041 Rs. 1,545,869,301
Vehicles	W385,867,010 Rs. 22,355,977	W66,121,540 Rs. 3,830,884	(W163,814,658) (Rs. 9,490,930)	W- Rs.-	(W107,416,754) (Rs. 6,223,404)	W180,757,138 Rs. 10,472,526
Tools	W1,461,983,872 Rs. 84,702,960	W203,255,181 Rs. 11,775,995	W- Rs.-	W- Rs.-	(W374,562,911) (Rs. 21,701,051)	W1,290,676,142 Rs. 74,777,904
Furniture and fixtures	W2,787,307,968 Rs. 161,488,262	W871,234,819 Rs. 50,476,732	(W14,000) (Rs. 811)	W- Rs.-	(W793,963,841) (Rs. 45,999,883)	W2,864,564,946 Rs. 165,964,299
Computers	W1,431,058,854 Rs. 82,911,257	W434,142,556 Rs. 25,152,917	W- Rs.-	W- Rs.-	(W418,478,375) (Rs. 24,245,382)	W1,446,723,035 Rs. 83,818,792
Molds	W25,791,359,099 Rs. 1,494,273,972	W7,813,823,830 Rs. 452,709,511	W- Rs.-	W10,407,200,000 Rs. 602,961,946	(W11,845,745,484) (Rs. 686,306,956)	W32,166,637,445 Rs. 1,863,638,474
Construction in progress	W11,475,730,793 <u>Rs. 664,869,415</u>	W2,411,669,207 <u>Rs. 139,724,879</u>	W- Rs.-	(W10,730,300,000) <u>(Rs. 621,681,391)</u>	W- Rs.-	W3,157,100,000 <u>Rs. 182,912,903</u>
Total	W205,336,424,710 Rs. 11,896,576,440	W15,388,662,133 Rs. 891,572,918	(W163,965,658) (Rs.9,499,678)	(W186,600,000) (Rs. 10,811,044)	(W20,962,934,471) (Rs. 1,214,529,534)	W199,411,586,714 Rs. 11,553,309,099

(Note) Construction in progress amounting to W186,600,000(Rs.10,811,044) was transferred to intangible assets (see Note11).

	April 1, 2014	Acquisition	Disposition	Transfer(Note)	Depreciation	March 31, 2015
Land	W55,672,351,701 Rs.3,134,863,349	W- Rs.-	W- Rs.-	W- Rs.-	W- Rs.-	W55,672,351,701 Rs.3,134,863,349
Buildings	W74,213,572,894 Rs.4,178,903,936	W1,164,050,000 Rs.65,546,677	W- Rs.-	W- Rs.-	(W2,421,455,528) (Rs.136,350,126)	W72,956,167,366 Rs.4,108,100,487
Structures	W6,139,229,345 Rs.345,694,846	W27,000,000 Rs.1,520,347	W- Rs.-	W- Rs.-	(W548,544,750) (Rs.30,888,094)	W5,617,684,595 Rs.316,327,100
Machinery and equipment	W29,946,322,034 Rs.1,686,252,233	W5,097,935,955 Rs.287,060,490	(W1,122,145) (Rs.63,187)	W332,480,000 Rs.18,721,669	(W7,618,702,392) (Rs.429,002,731)	W27,756,913,452 Rs.1,562,968,475
Vehicles	W524,577,258 Rs.29,538,505	W- Rs.-	(W5,000) (Rs.282)	W- Rs.-	(W138,705,248) (Rs.7,810,376)	W385,867,010 Rs.21,727,847
Tools	W981,497,430 Rs.55,267,296	W792,069,854 Rs.44,600,788	W- Rs.-	W- Rs.-	(W311,583,412) (Rs.17,545,000)	W1,461,983,872 Rs.82,323,083
Furniture and fixtures	W1,539,414,733 Rs.86,683,150	W1,953,378,000 Rs.109,993,074	(W14,000) (Rs.788)	W- Rs.-	(W705,470,765) (Rs.39,724,466)	W2,787,307,968 Rs.156,950,970
Computers	W1,540,688,303 Rs.86,754,864	W371,178,980 Rs.20,900,777	W- Rs.-	W- Rs.-	(W480,808,429) (Rs.27,073,919)	W1,431,058,854 Rs.80,581,722
Molds	W29,531,736,720 Rs.1,662,907,282	W8,337,610,000 Rs.469,483,814	(W311,000) (Rs.17,512)	W344,000,000 Rs.19,370,351	(W12,421,676,621) (Rs.699,454,174)	W25,791,359,099 Rs.1,452,289,761
Construction in progress	W5,693,633,320 <u>Rs.320,603,709</u>	W6,530,077,473 <u>Rs.367,703,176</u>	W- Rs.-	(W747,980,000) <u>(Rs.42,118,125)</u>	W- Rs.-	W11,475,730,793 <u>Rs.646,188,759</u>
Total	W205,783,023,738 Rs.11,587,469,170	W24,273,300,262 Rs.1,366,809,143	(W1,452,145) (Rs.81,769)	(W71,500,000) (Rs.4,026,105)	(W24,646,947,145) (Rs.1,387,848,886)	W205,336,424,710 Rs.11,562,321,554

(Note) Construction in progress amounting to W71,500,000(Rs.4,026,105) was transferred to intangible assets (see Note 11).

9. INSURANCE:

As of March 31, 2016, certain assets of the Company are insured with Dongbu Insurance Co., Ltd. as follows (In Korean won):

Asset	Risk	Book value	Coverage
Inventories		₩219,298,284,379	₩584,642,919,607
	Fire and comprehensive	Rs. 12,705,484,702	Rs. 33,872,456,833
Property, plant and equipment	liability	₩140,582,135,013	
		Rs. 8,144,907,156	
		₩359,880,419,392	₩584,642,919,607
		Rs. 20,850,391,858	Rs.30,622,614,342

Additionally, as of March 31, 2016, the Company maintains insurance policies covering loss and liability arising from workmen's accidents, automobile accidents, product liability and international shipment of goods and other.

10. GOVERNMENT SUBSIDY:

The Company received a subsidy from the Ministry of Trade, Industry & Energy and Korea Agency for Infrastructure Technology Advancement for development of the high efficiency transmission and middle lower floor bus.

As of March 31, 2016 and 2015, unused portion of such government subsidy totaling ₩2,798,114(Rs.162,114) and ₩884,369,096(Rs.49,798,081), respectively, is presented as a contra cash and cash equivalents account.

As of March 31, 2016 and 2015, the subsidy with recourse obligation amounting to ₩2,271,600,000(Rs.131,609,689) and ₩1,980,400,000(Rs.111,514,660), respectively, is recorded as other non-current liabilities.

11. INTANGIBLE ASSETS:

(a) Details of intangible assets as of March 31, 2016 and 2015, are as follows (In Korean won):

	2016			2015		
	Acquisition cost	Accumulated amortization	Book value	Acquisition cost	Accumulated amortization	Book value
Development costs	₩4,840,818,809	(₩1,897,945,990)	₩2,942,872,819	₩5,172,364,050	(₩1,423,333,315)	₩3,749,030,735
	Rs. 280,462,519	(Rs.109,961,297)	Rs. 170,501,223	Rs. 291,251,474	(Rs.80,146,703)	Rs. 211,104,771
Software	₩3,755,083,175	(₩1,169,007,288)	₩2,586,075,887	₩5,743,889,315	(₩2,759,957,383)	₩2,983,931,932
	Rs. 217,558,254	(Rs.67,728,775)	Rs.149,829,479	Rs.323,433,581	(Rs.155,410,881)	Rs.168,022,700
Industrial rights	₩37,266,845,000	(₩24,223,449,250)	₩13,043,395,750	₩37,266,845,000	(₩20,496,764,750)	₩16,770,080,250
	Rs. 2,159,129,199	(Rs.1,403,433,979)	Rs.755,695,220	Rs.2,098,464,731	(Rs.1,154,155,602)	Rs.944,309,129
	₩45,862,746,984	(₩27,290,402,528)	₩18,572,344,456	₩48,183,098,365	(₩24,680,055,448)	₩23,503,042,917
Total	Rs.2,657,149,972	(Rs.1,581,124,051)	Rs.1,076,025,921	Rs.2,713,149,786	(Rs.1,389,713,186)	Rs.1,323,436,600

(b) Changes in intangible assets for the years ended March 31, 2016 and 2015, are as follows (In Korean won):

	2016					
	April 1, 2015	Acquisition	Transferred	Obsolescence	Amortization	March 31, 2016
Development costs	₩3,749,030,735 Rs. 217,207,594	₩175,604,199 Rs.10,173,980	₩- Rs.-	₩- Rs.-	(₩981,762,115) (Rs.56,880,352)	₩2,942,872,819 Rs. 170,501,222
Software	₩2,983,931,932 Rs.172,880,064	₩506,661,059 Rs.29,354,422	₩186,600,000 Rs. 10,811,044	(₩424,918,429) (Rs.24,618,499)	(₩666,198,675) (Rs. 38,597,553)	₩2,586,075,887 Rs. 149,829,478
Industrial rights	₩16,770,080,250 Rs971,608,139	₩- Rs.-	₩- Rs.-	₩- Rs.-	(₩3,726,684,500) (Rs. 215,912,920)	₩13,043,395,750 Rs. 755,695,219
Total	₩23,503,042,917 Rs.1,361,695,797	₩682,265,258 Rs.39,528,402	₩186,600,000 Rs. 10,811,044	(₩424,918,429) (Rs.24,618,499)	(₩5,374,645,290) (Rs.311,390,825)	₩18,572,344,456 Rs.1,076,025,921

	2015				
	April 1, 2014	Acquisition	Transfer	Amortization	March 31, 2015
Development costs	₩4,079,897,339 Rs.229,735,591	₩344,330,062 Rs.19,388,936	₩- Rs-	(₩675,196,666) (Rs. 38,019,757)	₩3,749,030,735 Rs.211,104,770
Software	₩3,348,688,469 Rs.188,561,834	₩335,778,552 Rs.18,907,408	₩71,500,000 Rs4,026,105	(₩772,035,089) (Rs. 43,472,647)	₩2,983,931,932 Rs.168,022,700
Industrial rights	₩20,496,764,750 Rs.1,154,155,602	₩- Rs.-	₩- Rs.-	(₩3,726,684,500) (Rs.209,846,473)	₩16,770,080,250 Rs.944,309,129
Total	₩27,925,350,558 Rs.1,572,453,027	₩680,108,614 Rs.38,296,345	₩71,500,000 Rs.4,026,105	(₩5,173,916,255) (Rs.291,338,877)	₩23,503,042,917 Rs.1,323,436,600

(C) Major item of intangible assets as of March 31, 2016, is as follows (In Korean won):

Description	Book value	Remaining useful lives
Intellectual property right	₩13,043,395,750 Rs.755,695,220	3 years

12. OTHER NON-CURRENT ASSETS:

Details of other non-current assets as of March 31, 2016 and 2015 are as follows (In Korean won):

	2016		2015	
Guarantee deposits	₩666,595,000	Rs.38,620,515	₩758,595,000	Rs.42,715,847
Deferred income tax assets	6,103,272,721	353,605,312	5,753,794,835	323,991,353
Others	1,121,330,008	64,966,497	1,101,330,008	62,014,967
Total	₩7,891,197,729	Rs.457,192,323	₩7,613,719,843	Rs.428,722,167

13. SHORT TERM BORROWINGS:

Details of Short-term borrowings as of March 31, 2016 and 2015 are as follows (In Korean won):

Type	Lender	Annual interest rates at March 31, 2016	Amount	
			2016	2015
General loan	KEB HANA Bank and others	2.68 -3.44%	₩70,000,000,000 Rs.4,055,590,000	₩40,000,000,000 Rs.2,252,366,392

14. ACCRUED WARRANTIES:

Changes in accrued warranties for the years ended March 31, 2016 and 2015, are summarized as follows (In Korean won):

	2016		2015	
Beginning of the year	₩22,352,337,736	Rs.1,295,027,391	₩15,963,626,494	Rs.898,898,396
Provision for warranty claims	10,612,809,032	614,874,317	17,219,860,894	969,635,899
Payments	(9,171,606,862)	(531,375,387)	(10,831,149,652)	(609,892,937)
End of the year	₩23,793,539,906	Rs.1,378,526,322	₩22,352,337,736	Rs.1,258,641,358

15. ACCRUED SEVERANCE INDEMNITIES:

(a) Changes in accrued severance indemnities for the years ended March 31, 2016 and 2015, are summarized as follows (In Korean won):

	2016		2015	
Beginning of the year	₩42,421,975,010	Rs.2,457,801,966	₩32,561,986,880	Rs.1,833,538,123
Provision for severance indemnities	6,850,695,057	396,908,720	10,468,341,743	589,463,528
Payments	(424,131,257)	(24,572,893)	(608,353,613)	(34,255,881)
End of the year	48,848,538,810	2,830,137,793	42,421,975,010	2,388,745,770
Less: Transfers to				
the National Pension Fund	(214,964,600)	(12,454,404)	(218,995,800)	(12,331,470)
Retirement pension fund	(45,181,410,361)	(2,617,675,372)	(35,969,319,526)	(2,025,402,161)
End of the year, net	₩3,452,163,849	Rs.200,008,017	₩6,233,659,684	Rs.351,012,139

(a) Details of changes in retirement pension fund for the years ended March 31, 2016 and 2015, are summarized as follows (In Korean won):

	2016		2015	
Beginning balance	₩35,969,319,526	Rs.2,083,954,465	₩23,107,309,972	Rs.1,301,153,211
Deposits	9,000,000,000	521,433,000	12,850,000,000	723,572,704
Payments	(373,588,245)	(21,644,582)	(584,976,862)	(32,939,556)
Interest accrued	585,679,080	33,932,489	596,986,416	33,615,804
Ending	₩45,181,410,361	Rs.2,617,675,372	₩35,969,319,526	Rs.2,025,402,161

16. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES:

Assets and liabilities denominated in foreign currencies as of March 31, 2016 and 2015, are summarized as follows (In Korean won and in each foreign currency):

		2016			2015		
		Foreign currencies	Won equivalent	Rupee equivalent	Foreign currencies	Won equivalent	Rupee equivalent
Assets:							
Cash and cash equivalents	US\$	3,094,413	₩3,569,405,811	Rs.206,800,664	37,723,263	₩41,684,206,023	Rs.2,347,202,619
	EUR	3,896,215	5,094,028,953	295,132,755	22,529	26,962,091	1,518,213
	AUD	87	76,506	4,433	144	121,411	6,837
	ZAR	-	-	-	845,518	76,984,414	4,334,928
Accounts receivable – trade	US\$	8,110,631	9,355,612,915	542,036,145	68,643,014	75,850,530,027	4,271,079,617
	EUR	52,000	67,986,360	3,938,926	109,000	130,447,930	7,345,413
	ZAR	33,810,784	2,612,897,388	151,383,436	31,256,302	2,845,886,295	160,249,466
Accounts receivable – other	US\$	5,679	6,551,004	379,546	4,773	5,273,855	296,966
	EUR	52,000	67,986,360	3,938,926	-	-	-
Total			<u>₩20,774,545,297</u>	<u>Rs.1,203,614,831</u>		<u>₩120,620,412,046</u>	<u>Rs.6,792,034,059</u>
Liabilities:							
Accounts payable - trade	US\$	1,522,338	₩1,756,016,711	Rs.101,738,340	2,134,506	₩2,358,628,585	Rs.132,812,394
	EUR	19,827,668	25,923,288,099	1,501,917,543	4,854,624	5,809,868,319	327,148,804
	JPY	-	-	-	419,760	3,862,883	217,516
	CNY	13,122	2,331,684	135,091	1,010,860	179,953,293	10,133,019
Accounts payable - other	US\$	549,564	633,921,846	36,727,530	1,540,677	1,702,447,744	95,863,402
	EUR	-	-	-	281,500	336,890,755	18,970,035
	GBP	35,556	58,966,746	3,416,356	-	-	-
Accrued expenses	US\$	713,178	822,651,090	47,661,936	1,350,141	1,491,905,943	84,007,970
	EUR	5,548	7,253,622	420,253	169,000	202,254,130	11,388,760
Total			<u>₩29,204,429,798</u>	<u>Rs.1692,017,049</u>		<u>₩12,085,811,652</u>	<u>Rs.680,541,900</u>

17. RELATED-PARTY TRANSACTIONS:

(a) Related parties

As of March 31, 2016, the related parties of the Company are summarized as follows:

Ultimate parent:	Tata Motors Limited
Parent:	TML Holdings Pte. Ltd.
Subsidiary:	TDSC
Others:	Tata Motors Limited's subsidiaries and associates

(b) The Company's transactions with related parties for the years ended March 31, 2016 and 2015, are summarized as follows (In Korean won):

	2016		2015	
Sales to:				
Tata Motors Limited	₩1,815,187,053	Rs.105,166,492	₩2,277,300,031	Rs.128,232,851
TDSC	214,499,600	12,427,463	261,419,931	14,720,337
Tata Motors Thailand Ltd.	3,670,924,480	212,682,352	734,403,702	41,353,655
Tata Motors (SA) (PTY) Ltd.	-	-	4,716,166,969	265,563,400
Total	₩5,700,611,133	Rs.330,276,307	₩7,989,290,633	Rs.449,870,243
Purchase from:				
Tata Motors Limited	₩656,251,809	Rs.38,021,261	₩35,376,432	Rs.1,992,017
TML Drivelines Ltd.	27,495,930	1,593,032	23,151,713	1,303,654
Tata Technologies Pte. Ltd.	1,963,745,252	113,773,509	1,774,929,723	99,944,801
Tata Cummins Limited	1,256,543,614	72,800,367	395,536,960	22,272,354
Tata Autocomp system	610,072	35,346	-	-
Total	₩3,904,646,677	Rs.226,223,515	₩2,228,994,828	Rs.125,512,826
Fee and charges to: TDSC	₩53,828,356,338	3,118,653,481	₩40,401,175,798	2,274,956,265
Total	₩53,828,356,338	3,118,653,481	₩40,401,175,798	2,274,956,265
Other to:				
Tata Motors Limited	₩6,369,800	Rs.369,047	₩-	Rs.-
Tata Motors Limited Holdings Pte. Ltd.	16,588,330,000	961,078,075	-	-
TDSC	47,095,698	2,728,583	27,109,280	1,526,501
Tata Sons Limited	-	-	1,066,532	60,056
Total	₩16,641,795,498	Rs.964,175,706	₩28,175,812	Rs.1,586,556
Other from:				
Tata Motors Limited	₩1,039,868,731	Rs.60,246,875	₩946,449,442	Rs.53,293,773
TDSC	19,643,317	1,138,075	-	-
Tata Motors Thailand Ltd.	-	-	1,568,336	88,312
Tata Sons Limited	2,201,140,417	127,527,472	2,515,435,202	141,642,043
Total	₩3,260,652,465	Rs.188,912,422	₩3,463,452,980	Rs.195,024,127

(c) Account balances due from or to related parties as of March 31, 2016 and 2015, are summarized as follows (In Korean won):

Account balances	2016		2015	
Accounts receivable - trade:				
Tata Motors Limited	₩110,534,968	Rs.6,404,064	₩345,822,082	Rs.19,472,951
TDSC	553,080	32,044	19,580,000	1,102,533
Tata Motors Thailand Ltd.	16,022,484	928,295	8,421,382	474,201
Tata Motors (SA) (PTY) Ltd.	2,350,145,388	136,160,373	2,845,886,297	160,249,466
Accounts receivable - other:				
Tata Motors Limited	4,979,660	288,507	-	-
TDSC	-		537,739	30,280
Total	₩2,482,235,580	Rs.143,813,283	₩3,220,247,500	Rs.181,329,431
Accounts payable - trade:				
Tata Motors Limited	₩139,353,182	Rs.8,073,705	₩21,558,904	Rs.1,213,964
Tata Cummins Limited	-		216,734,700	12,204,149
Accounts payable - other:				
Tata Motors Limited	292,994,134	16,975,201	140,993,326	7,939,216
TDSC	5,425,882,481	314,359,353	4,132,449,106	232,694,737
Tata Technologies Pte., Ltd.	251,410,323	14,565,960	166,611,582	9,381,758
Tata Sons Limited	-		552,500	31,111
Accrued expense:				
Tata Motors Limited	-		442,026,039	24,890,115
Tata Sons Limited	2,199,138,641	127,411,495	2,526,470,076	142,263,407
Total	₩8,308,778,761	Rs.481,385,715	₩7,647,396,233	Rs.430,618,457

18. COMMITMENTS AND CONTINGENCIES:

(a) Details of pending litigations as of March 31, 2016, are as follows (In Korean won):

<u>District court</u>	<u>Plaintiff</u>	<u>Defendant</u>	<u>Description</u>	<u>Claim amount</u>	<u>Status</u>
Seoul	IBK Capital	TDCV and one person	Claims for refund	₩146,320,000 Rs. 8,477,342	Proceeding in second trial
Incheon	Park, Sunyang	TDCV and 4 people	Claim for repair	₩5,997,175 Rs.347,458	Proceeding in first trial
Seoul	Tae, Wonsung and others	TDCV and five other companies	Claims for loss resulted in price fixing	₩3,351,000,100 Rs.194,146,893	Proceeding in first trial

As of March 31, 2016, the ultimate outcome of the legal cases cannot presently be predicted and outflow of resources is not probable.

The probability of payment in relation to the ordinary wage case to employees proved to be eliminated based on the outcome of ordinary wage case in high court, accordingly, the Company reversed KRW 24,207million (Rs.1,363,075,832)for the period ended March 31, 2015

(b) As of March 31, 2016, comprehensive banking facilities are provided by third parties for the Company as follows (In Korean won and in each foreign currency):

Provider	Credit limit	Amount utilized	Period	Description
KEB HANA	₩20,000,000,000	US\$1,597,300 (Note 1) EUR754,236	Jul. 19, 2015-Jul. 19, 2016	Export-Import finance and working capital
		EUR11,000,000 (Note 2)	Jul. 19, 2015-Jul. 19, 2016	Foreign exchange and derivatives
	₩25,000,000,000	₩7,884,426,958	Jan. 17, 2016-Jan. 17, 2017	Seller's loan
	₩10,000,000,000	₩10,000,000,000	Oct. 07, 2015-Oct. 07, 2016	General loan
	₩10,000,000,000	₩10,000,000,000	Dec. 15, 2015-Dec. 15, 2016	General loan
	US\$3,000,000	-	Nov. 24, 2015-Nov. 24, 2016	Import finance
Exim Bank	₩20,000,000,000	₩10,000,000,000	Sep. 03, 2015-Sep. 02, 2016	Import finance
Shinhan Bank	₩10,000,000,000	₩2,188,865,348	Oct. 09, 2015-Oct. 09, 2016	Seller's loan
	US\$3,000,000	US\$123,120	Oct. 09, 2015-Oct. 09, 2016	Import finance
		EUR930,880		
	₩10,000,000,000	₩8,943,813,755 (Note 1)	Sep. 08, 2015-Sep. 08, 2016	Working capital
	₩15,000,000,000	₩15,000,000,000	Mar. 20, 2016-Mar. 20, 2017	General loan
	₩10,000,000,000	₩10,000,000,000	Feb. 17, 2016-Feb. 17, 2017	General loan
KDB	US\$2,000,000	-	Jun. 29, 2015-Jun. 29, 2016	Import finance
	₩6,000,000,000	-	Aug. 20, 2014-Aug. 20, 2016	Foreign exchange and derivatives
ANZ Bank	US\$20,000,000	₩10,000,000,000	Jun. 30, 2015-Jun. 30, 2016	Export-Import finance and working capital
	US\$20,000,000	EUR4,000,000 (Note 2)	Jun. 30, 2015-Jun. 30, 2016	Foreign exchange and derivatives
Kookmin Bank	US\$5,000,000	US\$123,120 EUR1,585,562	Sep. 06, 2015-Sep. 06, 2016	Import finance
	US\$5,000,000	US\$2,012,500 (Note 1)	Sep. 06, 2015-Sep. 06, 2016	Export finance
	₩10,000,000,000	₩9,674,653,269 (Note 1)	Sep. 09, 2015-Sep. 09, 2016	Export-Import finance and working capital
Jeonbuk Bank	₩5,000,000,000	₩5,000,000,000	Oct. 09, 2015-Oct. 09, 2016	General loan
	₩10,000,000,000	₩8,966,778,504 (Note 1)	Sep. 08, 2015-Sep. 08, 2016	Working capital
HSBC	US\$10,000,000	EUR8,000,000 (Note 2)	Oct. 31, 2015-Oct. 31, 2016	Foreign exchange and derivatives
Total	₩161,000,000,000 US\$68,000,000	₩107,658,537,834 US\$3,856,040 EUR26,270,678		

(Note 1) As of March 31, 2016, the utilized line of credit includes accounts receivable that the Company factored at a discount or transferred with recourse totaling US\$2,768,800, EUR164,000 and ₩27,585,245,528 for which the Company is contingently liable.

(Note 2) These amounts represent contract amounts of derivatives held by the Company as of March 31, 2016.

In addition to the above line of credit arrangements, as of March 31, 2016, KEB Hana bank provided the Company with export financing arrangements totaling US\$523,600 for which the Company is contingently liable.

19. DERIVATIVES:

The Company maintains foreign currency forward contracts with banks and details of such contracts as of March 31, 2016 and 2015, are as follows (In Korean won and in each foreign currency):

2016							
	Bank	Contract amount		Fair value			
		Foreign currency	Rate	Amount	Assets	Liabilities	Net
Buying	ANZ	EUR4,000,000	1317.37~1329.30	₩5,287,590,000		(₩48,264,104)	(₩48,264,104)
					-		
				Rs.306,347,102	-	(Rs.2,796,277)	(Rs.2,796,277)
"	HSBC	EUR8,000,000	1296.20~1329.20	₩10,482,850,000	₩51,937,492	(₩42,150,045)	₩9,787,447
				Rs.607,344,880	Rs.3,009,102	(Rs.2,442,047)	Rs.567,055
"	KEB HANA	EUR11,000,000	1302.60~1336.80	₩14,501,200,000	₩40,163,158	(₩107,608,120)	(₩67,444,962)
				Rs.840,156,024	Rs.2,326,933	(Rs6,234,492)	(Rs.3,907,559)
		EUR23,000,000		₩30,271,640,000	₩92,100,650	(₩198,022,269)	(₩105,921,619)
				Rs.1,753,848,007	Rs.5,336,035	(Rs.11,472,816)	(Rs.6,136,781)
2015							
	Bank	Contract amount		Fair value			
		Foreign currency	Rate	Amount	Assets	Liabilities	Net
Selling	ANZ	US\$7,000,000	1070.30~1111.05	₩7,650,950,000	₩4,800,712	(₩105,196,827)	(₩100,396,115)
				Rs.430,818,566	Rs.270,324	(Rs.5,923,545)	(Rs.5,653,221)
"	HSBC	US\$5,000,000	1062.00~1138.90	₩5,522,920,000	₩55,832,335	(₩70,696,795)	(₩14,864,460)
				Rs.310,990,985	Rs.3,143,872	(Rs.3,980,877)	(Rs.837,005)
"	KEB HANA	US\$28,000,000	1071.20~1140.60	₩31,074,150,000	₩174,947,046	(₩132,686,934)	₩42,260,112
				Rs.1,749,759,278	Rs.9,851,121	(Rs.7,471,490)	Rs.2,379,631
Buying	KEB HANA	EUR4,000,000	1.0550~1.0618	₩4,233,600	₩111,036,375	-	₩111,036,375
				Rs.238,390	Rs.6,252,365		Rs.6,252,365
		US\$40,000,000		₩44,248,020,000	₩346,616,468	(₩308,580,556)	₩38,035,912
		EUR4,000,000		Rs.2,491,568,830	Rs.19,517,682	(Rs.17,375,912)	Rs.2,141,770
		US\$4,233,600				-	

Gains and losses recognized in connection with foreign currency forward contracts for the years ended March 31, 2016 and 2015, are summarized as follows (In Korean won):

	2016	2015
Gain on foreign currency forward valuation	₩92,100,650 Rs. 5,336,035	₩346,616,468 Rs.19,517,682
Loss on foreign currency forward valuation	(₩198,022,269) (Rs.11,472,816)	(₩308,580,556) (Rs.17,375,912)
Gain on foreign currency forward transactions	₩2,839,498,453 Rs.164,512,022	₩654,115,154 Rs.36,832,675
Loss on foreign currency forward transactions	(₩2,221,223,520) (Rs.128,691,027)	(₩1,092,200,000) (Rs.61,500,864)

20. COMMON STOCK AND CAPITAL SURPLUS:

Common stock and capital surplus as of March 31, 2016 and 2015, are as follows (In Korean won, except for share data):

	2016		2015	
Number of shares:				
Authorized	70,000,000		70,000,000	
Issued and outstanding	3,016,060		3,016,060	
Par value	₩5,000	Rs.290	₩5,000	Rs.282
Common stock	₩15,080,300,000	Rs. 873,707,341	₩15,080,300,000	Rs.849,159,023
Capital surplus:				
Paid-in capital in excess of par value	₩92,753,162,813	Rs.5,373,839,994	₩92,753,162,813	Rs.5,222,852,668
Gain from capital reduction	50,650,609,388	2,934,544,356	50,650,609,388	2,852,093,259
Total	₩158,484,072,201	Rs.9,182,091,691	₩158,484,072,201	Rs.8,924,104,949

21. RETAINED EARNINGS:

(a) Earned Surplus Reserve:

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

(b) 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, which was used for its own purpose, is regarded as 'Discretionary Appropriated Retained Earnings.'

(c) Statements of Appropriations of Retained Earnings:

	2016		2015	
RETAINED EARNINGS BEFORE				
APPROPRIATIONS				
Beginning of the year	₩126,156,654,811	Rs.7,309,138,110	₩90,401,029,287	Rs.50,90,406,005
Net income	45,560,661,547	2,639,648,048	54,002,955,524	3,040,861,053
End of the year	171,717,316,358	9,948,786,158	144,403,984,811	8,131,267,058
APPROPRIATIONS				
Cash dividends	13,572,270,000	786,336,607	16,588,330,000	934,074,925
Earned surplus reserve	1,358,000,000	78,678,446	1,659,000,000	93,416,896.
Total Appropriations	14,930,270,000	865,015,053	18,247,330,000	1,027,491,821
UNAPPROPRIATED RETAINED				
EARNINGS TO BE CARRIED				
FORWARD TO SUBSEQUENT YEAR	₩156,787,046,358	Rs.9,083,771,105	₩126,156,654,811	Rs.7,103,775,237

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, 2016 and 2015 are as follows:

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

	2016	2015
Dividends per share (dividend ratio)	₩4,500(90%)	₩5,500(110%)
Number of shares outstanding	3,016,060	3,016,060
	₩13,572,270,000	₩16,588,330,000
Dividend	Rs.786,336,606	Rs. 934,074,925

(b) Dividend Payout Ratios

	2016		2015	
Dividends	₩13,572,270,000	Rs.786,336,607	₩16,588,330,000	Rs.934,074,925
Net				
income	45,560,661,547	2,639,648,048	54,002,955,524	3,040,861,053
	29.79%		30.72%	

23. COMPREHENSIVE INCOME:

	2016		2015	
Net income	₩45,560,661,547	Rs.2,639,648,048	₩54,002,955,524	Rs.3,040,861,054
Other comprehensive income:				
Realized gain on available-for-sale-securities			(202,590,000)	(11,407,673)
Tax effect			44,569,800	2,509,688
Comprehensive income(loss)	₩45,560,661,547	Rs.2,639,648,048	₩53,844,935,324	Rs.3,031,963,069

24. SELLING AND ADMINISTRATIVE EXPENSES:

Details of selling and administrative expenses for the years ended March 31, 2016 and 2015, are as follows:

	2016		2015	
Salaries	W16,563,646,773	Rs.959,648,003	W11,591,302,448	Rs.652,696,502
Provision for severance indemnities	1,497,001,220	86,731,760	1,749,531,406	98,514,644
Other employee benefits	3,290,707,981	190,653,748	3,078,569,516	173,351,663
Utilities	171,803,650	9,953,788	182,901,956	10,299,055
Vehicle maintenance	172,264,727	9,980,501	198,455,398	11,174,857
Repairs	404,166,405	23,416,189	408,697,318	23,013,403
Rental	1,261,335,776	73,078,011	1,285,198,333	72,368,438
Insurance	150,548,337	8,722,319	143,263,269	8,067,034
Depreciation	987,189,059	57,194,773	1,052,937,825	59,290,044
Amortization	5,374,645,290	311,390,824	5,173,916,255	291,338,877
Supplies	118,001,307	6,836,642	128,364,342	7,228,088
Publication	150,095,949	8,696,109	251,272,288	14,148,931
Communication	275,003,434	15,932,874	281,888,989	15,872,932
Freight and storage	5,381,640,063	311,796,080	11,453,601,129	644,942,656
Taxes and dues	316,443,719	18,333,800	288,209,064	16,228,810
Travel	581,996,494	33,719,131	437,065,382	24,667,094
Fee and charges	63,960,713,412	3,705,691,853	47,599,970,918	2,680,314,369
Entertainment	100,324,825	5,812,519	104,794,500	5,900,891
Advertising	98,183,850	5,688,478	141,066,273	7,887,014
Training	338,521,291	19,612,908	100,735,637	5,672,339
Outsourcing	2,543,985,754	147,390,903	2,331,590,338	131,289,893
Research and development	506,094,157	29,321,577	109,191,374	6,148,475
Sales promotion	4,074,620,898	236,071,311	740,454,441	41,694,367
Provision for warranty	10,612,809,032	614,874,317	17,219,860,894	969,635,899
Packaging	1,016,457,070	58,890,473	591,905,246	33,329,687
Overseas marketing	302,896,045	17,548,888	566,111,046	31,877,237
Provision for doubtful accounts	268,227,345	15,540,288	262,459,417	14,778,869
Others	31,458,645	1,822,620	64,120,608	3,610,580
Total	W120,550,782,508	Rs.6,984,350,686	W107,537,435,610	Rs.6,055,342,647

25. INCOME TAX:

- (a) The components of income tax expense for the years ended March 31, 2016 and 2015, are as follows (In Korean won):

	2016		2015	
Income tax currently payable at statutory income tax rate	₩11,396,182,591	Rs.660,260,631	₩12,959,214,074	Rs.729,722,456
Changes in deferred tax assets related to temporary differences (Note)	(1,680,816,230)	(97,381,450)	2,136,160,974	120,285,430
Income tax relating to components of other Comprehensive income	-	-	29,586,158	1,665,972
	<u>₩9,715,366,361</u>	<u>Rs. 562,879,181</u>	<u>₩15,124,961,206</u>	<u>Rs.851,673,858</u>

(Note) Changes in deferred tax assets-net related to temporary differences for the years ended March 31, 2016 and 2015, are as follows (In Korean won):

	2016		2015	
Beginning of the year	₩11,165,467,411	Rs.646,893,685	₩13,301,628,385	Rs.749,003,518
End of the year	<u>(12,846,283,641)</u>	<u>(744,275,135)</u>	<u>(11,165,467,411)</u>	<u>(628,718,089)</u>
	<u>(₩1,680,816,230)</u>	<u>Rs.97,381,450</u>	<u>₩2,136,160,974</u>	<u>Rs.120,285,429</u>

- (b) A reconciliation of income tax expense and accounting income before income tax expense for the years ended March 31, 2016 and 2015, is as follows (In Korean won):

	2016		2015	
Income before income tax expense	₩55,276,027,908	Rs.3,202,527,229	₩69,127,916,730	Rs.3,892,534,911
Tax rate	24.20%		24.20%	
Tax charge at the tax rate	13,376,798,754	775,011,589	16,728,955,849	941,993,448
Adjustments:				
Non deductible expenses	85,861,315	4,974,547	42,606,829	2,399,155
Tax credit	(522,692,609)	(30,283,242)	(1,000,571,532)	(56,341,342)
Others	<u>(3,224,601,099)</u>	<u>(186,823,714)</u>	<u>(646,029,940)</u>	<u>(36,377,403)</u>
Income tax expense	<u>₩9,715,366,361</u>	<u>Rs.562,879,180</u>	<u>₩15,124,961,206</u>	<u>Rs.851,673,858</u>
Effective tax rate	<u>17.58%</u>		<u>21.88%</u>	

(c) Changes in cumulative temporary differences and deferred income tax assets for the years ended March 31, 2016 and 2015, are as follows (In Korean won):

Account	2016			
	April 1, 2015	Decrease	Increase	March 31, 2016
<u>Deferred tax assets (current):</u>				
Accrued expenses	₩13,553,966,646 Rs.785,276,165	₩13,553,966,646 Rs.785,276,165	₩10,152,868,092 Rs.588,226,718	₩10,152,868,092 Rs.588,226,718
Allowance for doubtful accounts	₩25,342,744 Rs.1,468,282	₩25,342,744 Rs.1,468,282	₩972,808,042 Rs.56,361,579	₩972,808,042 Rs.56,361,579
Valuation of inventories	₩7,905,522,101 Rs.458,022,233	₩7,905,522,101 Rs.458,022,233	₩13,785,318,792 Rs.798,680,014	₩13,785,318,792 Rs.798,680,014
Loss on currency forward valuation	₩308,580,556 Rs.17,878,231	₩308,580,556 Rs.17,878,231	₩198,022,269 Rs.11,472,816	₩198,022,269 Rs.11,472,816
Government subsidy	₩3,164,149,947 Rs. 183,321,355	₩2,606,973,175 Rs.151,040,204	₩2,308,570,494 Rs.133,751,648	₩2,865,747,266 Rs.166,032,799
Gain on currency forward valuation	(₩346,616,468) (Rs.20,081,918)	(₩346,616,468) (Rs.20,081,918)	(₩92,100,650) (Rs.5,336,035)	(₩92,100,650) (Rs.5,336,035)
Accrued interest income	(₩12,433,819) (Rs.720,378)	(₩12,433,819) (Rs.720,378)	(₩18,982,322) (Rs.1,099,778)	(₩18,982,322) (Rs.1,099,778)
Subtotal	₩24,598,511,707 Rs.1,425,163,972	₩24,041,334,935 Rs. 1,392,882,822	₩27,306,504,717 Rs. 1,582,056,963	₩27,863,681,489 Rs. 1,614,338,114
Tax rate (Note 1)	22%			24.20%
Ccurrent deferred tax assets	₩5,411,672,576 Rs.313,536,074			₩6,743,010,920 Rs.390,669,824
<u>Deferred tax assets (non-current):</u>				
Accrued severance indemnities	₩1,369,603,603 Rs.79,350,723	₩- Rs.-	₩1,369,603,603 Rs.79,350,723	₩- Rs.-
Accrued warranties	₩22,352,337,736 Rs.1,295,027,391	₩22,352,337,736 Rs.1,295,027,391	₩2,3793,539,906 Rs.1,378,526,321	₩2,3793,539,906 Rs.1,378,526,321
Depreciation	₩5,691,758,388 Rs.329,763,405	₩1,815,256,266 Rs.105,170,502	₩296,047,514 Rs.17,152,104	₩4,172,549,636 Rs.241,745,008
Reserve for research and human resource development	(₩1,000,000,000) (Rs.57,937,000)	(₩1,000,000,000) (Rs.57,937,000)	₩- Rs.-	₩- Rs.-
Available-for-sale securities	(₩202,590,000) (Rs.11,407,673)	(₩202,590,000) (Rs.11,407,673)	₩- Rs.-	₩- Rs.-
Equity method investment securities	(₩2,040,598,498) (Rs.118,226,155)	₩- Rs.-	(₩705,355,831) (Rs.40,866,200)	(₩2,745,954,329) (Rs.159,092,355)
Accelerating depreciation	(₩219,488,342) (Rs.12,716,496)	(₩219,488,342) (Rs.12,716,496)	₩- Rs.-	₩- Rs.-
Subtotal	₩26,153,612,887 Rs.1,515,261,869	₩22,948,105,660 Rs.1,329,544,397	₩22,014,627,986 Rs.1,275,461,501	₩25,220,135,213 Rs.1,461,178,973
Tax rate (Note 1)	22%			24.20%
Non-current deferred tax assets	₩5,753,794,835 Rs.333,357,611			₩6,103,272,721 Rs.353,605,311
Deferred tax assets (Note 2)	₩11,165,467,411 Rs.646,893,685			₩12,846,283,641 Rs.744,275,135

2015				
Account	April 1, 2014	Decrease	Increase	March 31, 2015
<u>Deferred tax assets (current):</u>				
Accrued expenses	W33,150,167,759 Rs.1,866,658,094	W 33,150,167,759 Rs.1,866,658,094	W13,553,966,646 Rs.763,212,474	W13,553,966,646 Rs.763,212,474
Allowance for doubtful accounts	W46,675,292 Rs.2,625,246	W 46,675,292 Rs.2,628,246	W25,342,744 Rs.1,427,029	W25,342,744 Rs.1,427,029
Valuation of inventories	W8,440,875,438 Rs.475,298,604	W 8,281,432,355 Rs.466,320,498	W7,746,079,018 Rs.436,175,201	W7,905,522,101 Rs.445,153,307
Loss on currency forward valuation	W3,318,012 Rs.186,834	W 3,318,012 Rs.186,834	W308,580,556 Rs.17,375,912	W308,580,556 Rs.17,375,912
Government subsidy	W2,465,584,561 Rs.138,834,995	W 1,197,067,217 Rs.67,405,849	W1,895,632,603 Rs.106,741,479	W3,164,149,947 Rs.178,170,625
Gain on currency forward valuation	(W96,302,858) (Rs.5,422,733)	(W96,302,858) (Rs.5,422,733)	(W346,616,468) (Rs.19,517,682)	(W346,616,468) (Rs.19,517,682)
Accrued interest income	(W78,657,191) (Rs.4,429,120)	(W78,657,191) (Rs.4,429,120)	(W12,433,819) (Rs.700,138)	(W12,433,819) (Rs.700,138)
Subtotal	W43,931,661,013 Rs.2,473,511,707	W42,503,700,586 Rs.2,393,347,668	W23,170,551,280 Rs.1,304,714,275	W24,598,511,707 Rs.1,385,121,527
Tax rate (Note 1)	22%			22%
Ccurrent deferred tax assets	W9,664,965,423 Rs.544,226,083			W5,411,672,576 Rs.304,726,736
<u>Deferred tax assets (non-current):</u>				
Accrued severance indemnities	W4,348,248,276 Rs.244,846,207	W- Rs.-	(W2,978,644,673) (Rs.167,724,979)	W1,369,603,603 Rs.77,121,228
Accrued warranties	W15,963,626,494 Rs.898,898,395	W 15,963,626,494 Rs.898,898,395	W22,352,337,736 Rs.1,258,641,358	W22,352,337,736 Rs.1,258,641,358
Depreciation	W5,075,627,243 Rs.285,804,306	W576,239,518 Rs.32,447,563	W1,192,370,663 Rs.67,141,390	W5,691,758,388 Rs.320,498,133
Reserve for research and human resource development	(W6,666,666,666) (Rs.375,394,399)	(W5,666,666,666) (319,085,239)	W- Rs.-	(W1,000,000,000) (Rs.56,309,160)
Available-for-sale securities	(W202,590,000) (Rs.11,407,673)	(W202,590,000) (Rs.11,407,673)	W- Rs.-	W- Rs.-
Equity method investment securities	(W1,546,725,055) (Rs.87,094,788)	W- Rs.-	(W493,873,443) (Rs.27,809,599)	(W2,040,598,498) (Rs.114,904,387)
Accelerating depreciation	(W441,234,100) (Rs.24,845,521)	(W221,745,758) (Rs.12,486,317)	W- Rs.-	(W219,488,342) (Rs.12,359,204)
Subtotal	W16,530,286,192 Rs.930,806,527	W10,448,384,552 Rs.588,366,729	W20,072,190,283 Rs.1,130,248,170	W26,153,612,887 Rs.1,472,687,968
Tax rate (Note 1)	22%			22%
Non-current deferred tax assets	W3,636,662,962 Rs.204,777,436			W5,753,794,835 Rs.323,991,353
Deferred tax assets (Note 2)	W13,301,628,385 Rs.749,003,518			W11,165,467,411 Rs.628,719,089

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

(Note 2) Deductible temporary differences are recorded to the extent that the resulting deferred tax assets are certain to be realized as of March 31, 2016 and 2015.

(d) Current income tax asset and current income tax liability as of March 31, 2016 and 2015, are as follows (In Korean won):

	<u>2016</u>	<u>2015</u>
Current income tax asset	(₩5,837,709,850) (Rs.338,219,396)	(₩2,729,219,748) (Rs.153,680,071)
Current income tax liability	₩14,092,932,869 Rs.816,502,252	₩12,944,230,432 Rs.728,878,740
Current income tax liability, net	₩8,255,223,019 Rs.478,282,856	₩10,215,010,684 Rs.575,198,669

26. NET INCOME PER SHARE:

The Company's net income per share for the years ended March 31, 2016 and 2015, is as follows (In Korean won except for the share data in shares):

	<u>2016</u>	<u>2015</u>
Net income for common shareholder	₩45,560,661,547 Rs.2,639,648,048	₩54,002,955,524 Rs.3,040,861,053
Weighted-average number of common shares outstanding (Note)	<u>3,016,060</u>	<u>3,016,060</u>
Net income and ordinary income per share	₩15,106 Rs.875	₩17,905 Rs.1,008

(Note) Weighted-average number of shares outstanding for the years ended March 31, 2016 and 2015, was the same as the issued number of shares, as there was no change of outstanding shares of common stock during the years ended March 31, 2016 and 2015.

27. STATEMENTS OF CASH FLOWS:

The statements of cash flows are presented using the indirect method and non-cash transactions for the years ended March 31, 2016 and 2015, are as follows (In Korean won):

	<u>2016</u>	<u>2015</u>
Transfer from construction in progress to		
Machinery and equipment	₩136,500,000 Rs.7,908,401	₩332,480,000 Rs.18,721,669
Molds	10,407,200,000 602,961,946	344,000,000 19,370,351
Software	186,600,000 10,811,044	71,500,000 4,026,105
Increase(Decrease) of other payables due to acquisition of construction in progress	(1,176,565,000) (68,166,646)	569,099,400 32,045,509

28. FINANCIAL INSTRUMENTS:

(a) Financial instruments that are measured subsequent to initial recognition at fair value as of March 31, 2016 and 2015, are as follows (In Korean won):

	2016		2015	
Financial Instruments Assets				
Foreign currency forward contracts (Note)	₩92,100,650	Rs.5,336,035	₩346,616,468	Rs.19,517,682
Financial Instruments Liabilities				
Foreign currency forward contracts (Note)	₩198,022,269	Rs.11,472,816	₩308,580,556	Rs.17,375,912

Note: Foreign currency forward contracts are stated at the market value at fair value

(b) The maturity analysis of financial liabilities as of March 31, 2016 and 2015 is as follows (In Korean won):

Account	2016			
	Less than 3 months	3 months - 1 year	1 - 5 years	Total
Short-term borrowings	₩10,000,000,000 Rs.579,370,000	₩60,000,000,000 Rs.3,476,220,000	₩- Rs.-	₩70,000,000,000 Rs.4,055,590,000
Accounts payable, trade	₩97,893,310,282 Rs.5,671,644,718	₩- Rs.-	₩- Rs.-	₩97,893,310,282 Rs.5,671,644,718
Accounts payable, other	₩22,511,026,176 Rs.1,304,221,324	₩- Rs.-	₩- Rs.-	₩22,511,026,176 Rs.1,304,221,324
Foreign currency forward contracts	₩184,262,167 Rs.10,675,597	₩13,760,102 Rs.797,219	₩- Rs.-	₩198,022,269 Rs.11,472,816
Other non-current liabilities	₩- Rs.-	₩- Rs.-	₩2,271,600,000 Rs.131,609,689	₩2,271,600,000 Rs.131,609,689
Total	₩130,588,598,625 Rs.7,565,911,639	₩60,013,760,102 Rs.3,477,017,219	₩2,271,600,000 Rs.131,609,689	₩192,873,958,727 Rs.11,174,538,547
Account	2015			
	Less than 3 months	3 months - 1 year	1 - 5 years	Total
Short-term borrowings	₩- Rs.-	₩40,000,000,000 Rs.2,252,366,392	₩- Rs.-	₩40,000,000,000 Rs.2,252,366,392
Accounts payable, trade	₩168,315,181,620 Rs.9,477,686,458	₩- Rs.-	₩- Rs.-	₩168,315,181,620 Rs.9,477,686,458
Accounts payable, other	₩21,671,925,947 Rs.1,220,327,942	₩- Rs.-	₩- Rs.-	₩21,671,925,947 Rs.1,220,327,942
Current portion of long-term borrowings	₩292,360,961 Rs.16,462,600	₩16,219,595 Rs.913,312	₩- Rs.-	₩308,580,556 Rs.17,375,912
Other non-current liabilities	₩- Rs.-	₩- Rs.-	₩1,980,400,000 Rs.111,514,660	₩1,980,400,000 Rs.111,514,660
Total	₩190,279,468,528 Rs.10,714,477,000	₩40,016,219,595 Rs.2,253,279,704	₩1,980,400,000 Rs.111,514,660	₩232,276,088,123 Rs.13,079,271,364

(c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding by keeping committed credit lines available and maintaining enough reserves to avoid any potential cash shortfalls.

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, 2016 and 2015, are as follows (In Korean won):

	<u>2016</u>		<u>2015</u>	
Wages and salaries	₩96,417,717,764	Rs.5,586,153,314	₩77,275,955,166	Rs.4,351,344,109
Provision for severance indemnities	6,850,695,057	396,908,720	10,468,341,743	589,463,528
Employee welfare	17,969,628,780	1,041,106,383	15,790,082,970	889,126,305
Rent	2,947,986,411	170,797,489	2,885,014,599	162,452,748
Depreciation	20,962,934,471	1,214,529,534	24,646,947,145	1,387,848,886
Taxes and dues	<u>1,327,379,972</u>	<u>76,904,413</u>	<u>1,142,343,007</u>	<u>64,324,3757</u>
Total	<u>₩146,476,342,455</u>	<u>Rs.8,486,399,853</u>	<u>₩132,208,684,630</u>	<u>Rs.7,444,559,953</u>

**Independent Accountants' Review Report
on Internal Accounting Control System ("IACS")**

English Translation of a Report Originally Issued in Korean

To Chief Executive Officer of
Tata Daewoo Commercial Vehicle Co., Ltd.

We have reviewed the accompanying Report on the Management's Assessment of IACS (the "Management's Report") of Tata Daewoo Commercial Vehicle Co., Ltd. (the "Company") as of March 31, 2016. The Management's Report, and the design and operation of IACS are the responsibility of the Company's management. Our responsibility is to review the Management's Report and issue a review report based on our procedures. The Company's management stated in the accompanying Management's Report that "based on the assessment of the IACS as of March 31, 2016, the Company's IACS has been appropriately designed and is operating effectively as of March 31, 2016, in all material respects, in accordance with the IACS Framework established by the Korea Listed Companies Association."

We conducted our review in accordance with the IACS Review Standards established by the Korean Institute of Certified Public Accountants. Those standards require that we plan and perform a review, objective of which is to obtain a lower level of assurance than an audit, of the Management's Report in all material respects. A review includes obtaining an understanding of a company's IACS and making inquiries regarding the Management's Report and, when deemed necessary, performing a limited inspection of underlying documents and other limited procedures. The Company's design and operation of IACS and management's report on the assessment of IACS were performed in accordance with Chapter 5 (application for a large-sized non-listed company) of the IACS Framework. Therefore, we have performed the review in accordance with the Chapter 14 (special application for a large-sized non-listed corporation) of the IACS Review Standards established by the Korean Institute of Certified Public Accountants.

A company's IACS represents internal accounting policies and a system to manage and operate such policies to provide reasonable assurance regarding the reliability of financial statements prepared, in accordance with accounting principles generally accepted in the Republic of Korea, for the purpose of preparing and disclosing reliable accounting information. Because of its inherent limitations, IACS may not prevent or detect a material misstatement of the financial statements. Also, projections of any evaluation of effectiveness of IACS to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our review, nothing has come to our attention that causes us to believe that the Management's Report referred to above is not fairly stated, in all material respects, in accordance with the IACS Framework established by the Korea Listed Companies Association.

Our review is based on the Company's IACS as of March 31, 2016, and we did not review its IACS subsequent to March 31, 2016. This report has been prepared pursuant to the Acts on External Audit for Stock Companies in the Republic of Korea and may not be appropriate for other purposes or for other users.

May 11, 2016



Report on the Assessment of Internal Accounting Control System ("IACS")

**To the Board of Directors and the Auditor of
Tata Daewoo Commercial Vehicle Co., Ltd**

I, as the Internal Accounting Control Officer ("IACO") of Tata Daewoo Commercial Vehicle Co., Ltd (the "Company"), assessed the status of the design and operation of the Company's IACS for the year ended March 31, 2016.

The Company's management including IACO is responsible for designing and operating IACS. I, as the IACO, assessed whether the IACS has been appropriately designed is effectively operating to prevent and detect any error or fraud which may cause any misstatement of the financial statements, for the purpose of preparing and disclosing reliable financial statements. I, as the IACO, applied IACS Framework established by the Korea Listed Companies Association for the assessment of design and operation of the IACS.

Based on the assessment of the IACS, as of March 31, 2016, the Company did not identify any material weakness, in all material respects, in accordance with the IACS Framework.

April 29, 2016

Abhay P. Bawale
Internal Accounting Control Officer

Kim, Kwan Kju
President & CEO

TATA DAEWOO

Tata Daewoo Commercial Vehicle Company Limited
172 Dongjangan-ro (St.), Gunsan-si, Jeollabuk-do, 573-715, Korea
Tel 82.63.469.3114 FAX 82.63.469.3366 www.tata-daewoo.com