

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2015, AND DECEMBER 31, 2014,
AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015
AND 2014

ATTACHMENT: INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Independent Accountants' Review Report

English Translation of Independent Accountants' Review Report Originally Issued in Korean on August 12, 2015

To the Shareholders and Board of Directors of Ssangyong Motor Company:

We have reviewed the accompanying consolidated interim financial statements of Ssangyong Motor Company (the "Company"). The financial statements consist of the consolidated statements of financial position as of June 30, 2015, and December 31, 2014, and the related consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the three and six months ended June 30, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of the accompanying consolidated interim financial statements and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent accountants' responsibility

Our responsibility is to express a conclusion on the accompanying consolidated interim financial statements based on our review. We conducted our review in accordance with standards for review of consolidated interim financial statements in the Republic of Korea. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data, and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Company are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards ("K-IFRS") 1034 Interim Financial Reporting

Other matters

We have given an opinion on the comparative consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of income, retained earnings and cash flows for the year then ended on March 9, 2015, as fairly stated. There is no difference in terms of importance between comparative consolidated financial position as of December 31, 2014, and the current financial position.

August 12, 2015

Notice to Readers

This report is effective as of August 12, 2015, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountant's review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the consolidated financial statements and may result in modifications to the accountants' review report.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2015, AND DECEMBER 31, 2014

	Korean won		Indian rupee	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	(In thousands)		(In thousands)	
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents (Notes 4, 5 and 33)	₩ 120,305,345	₩ 156,765,307	Rs. 6,881,466	Rs. 8,966,976
Trade and other receivables, net (Notes 7, 32 and 33)	160,176,268	176,759,654	9,162,082	10,110,652
Derivative assets (Notes 25 and 33)	369,028	1,232,650	21,108	70,508
Inventories, net (Note 8)	275,612,011	260,679,204	15,765,007	14,910,850
Other current assets (Note 10)	<u>10,037,403</u>	<u>7,792,553</u>	<u>574,139</u>	<u>445,734</u>
Total current assets	<u>566,500,055</u>	<u>603,229,368</u>	<u>32,403,802</u>	<u>34,504,720</u>
NON-CURRENT ASSETS:				
Non-current financial instruments (Notes 5 and 33)	6,000	6,000	343	343
Non-current available-for-sale (“AFS”) financial assets (Notes 6 and 33)	560,000	560,000	32,032	32,032
Non-current other receivables, net (Notes 7 and 33)	38,660,966	39,605,250	2,211,408	2,265,421
Property, plant and equipment, net (Note 11)	1,191,653,873	1,173,736,394	68,162,602	67,137,722
Intangible assets (Note 12)	167,745,733	150,915,434	9,595,056	8,632,363
Deferred income tax assets (Note 23)	17,985	19,069	1,029	1,091
Other non-current assets (Note 10)	<u>354,483</u>	<u>360,473</u>	<u>20,276</u>	<u>20,618</u>
Total non-current assets	<u>1,398,999,040</u>	<u>1,365,202,620</u>	<u>80,022,746</u>	<u>78,089,590</u>
TOTAL ASSETS	<u>1,965,499,095</u>	<u>1,968,431,988</u>	<u>112,426,548</u>	<u>112,594,310</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
CURRENT LIABILITIES:				
Trade and other payables (Notes 18, 32 and 33)	557,253,523	625,271,842	31,874,901	35,765,549
Short-term borrowings (Notes 13, 18 and 33)	175,442,938	99,540,013	10,035,336	5,693,689
Derivative liabilities (Notes 25 and 33)	10,357,250	14,974,250	592,435	856,527
Provision for product warranties (Note 15)	59,420,226	57,556,475	3,398,837	3,292,230
Current portion of other long-term employee benefits obligation	545,579	1,770,267	31,207	101,259
Other current liabilities (Notes 16 and 32)	<u>33,616,024</u>	<u>22,493,217</u>	<u>1,922,837</u>	<u>1,286,614</u>
Total current liabilities	<u>₩ 836,635,540</u>	<u>₩ 821,606,064</u>	<u>Rs. 47,855,553</u>	<u>Rs. 46,995,868</u>

(Continued)

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF JUNE 30, 2015, AND DECEMBER 31, 2014

	Korean won		Indian rupee	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	(In thousands)		(In thousands)	
NON-CURRENT LIABILITIES:				
Long-term borrowing (Notes 13,18 and 33)	₩ 20,000,000	₩ 25,000,000	Rs. 1,144,000	Rs. 1,430,000
Other non-current payables (Note 33)	17,766,958	3,534,693	1,016,270	202,184
Retirement benefit obligation (Note 17)	262,827,052	246,748,389	15,033,708	14,114,008
Other long-term employee benefits obligation	14,557,854	13,849,312	832,709	792,181
Provision for long-term product warranties (Note 15)	85,820,465	80,309,564	4,908,931	4,593,707
Total non-current liabilities	<u>400,972,329</u>	<u>369,441,958</u>	<u>22,935,618</u>	<u>21,132,080</u>
TOTAL LIABILITIES	<u>1,237,607,869</u>	<u>1,191,048,022</u>	<u>70,791,171</u>	<u>68,127,948</u>
SHAREHOLDERS' EQUITY:				
Total shareholders' equity	727,891,226	777,383,966	41,635,377	44,466,362
Capital stock (Note 19)	686,100,480	686,100,480	39,244,947	39,244,947
Other capital surplus (Note 20)	131,678,360	129,383,402	7,532,002	7,400,730
Other capital adjustments (Notes 21 and 25)	(10,894,738)	(13,065,231)	(623,179)	(747,331)
Retained earnings (accumulated deficit) (Note 22)	(78,992,876)	(25,034,685)	(4,518,393)	(1,431,984)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY	<u>727,891,226</u>	<u>777,383,966</u>	<u>41,635,377</u>	<u>44,466,362</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>₩ 1,965,499,095</u>	<u>₩ 1,968,431,988</u>	<u>Rs. 112,426,548</u>	<u>Rs. 112,594,310</u>

(Concluded)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014

	Korean won			
	Three months ended June 30, 2015 (In thousands, except per share amounts)	Six months ended June 30, 2015 (In thousands, except per share amounts)	Three months ended June 30, 2014 (In thousands, except per share amounts)	Six months ended June 30, 2014 (In thousands, except per share amounts)
SALES (Notes 31 and 32)	₩ 835,508,616	₩ 1,595,881,418	₩ 865,782,041	₩ 1,728,341,083
COST OF SALES (Notes 24 and 32)	<u>711,507,744</u>	<u>1,372,958,098</u>	<u>754,022,898</u>	<u>1,486,158,949</u>
GROSS PROFIT	124,000,872	222,923,320	111,759,143	242,182,134
SELLING AND ADMINISTRATIVE EXPENSES (Notes 24 and 26)	<u>143,892,761</u>	<u>277,013,781</u>	<u>127,431,662</u>	<u>258,674,514</u>
OPERATING LOSS	(19,891,889)	(54,090,461)	(15,672,519)	(16,492,380)
NON-OPERATING INCOME (Note 27)	9,141,882	16,817,774	7,721,972	15,282,832
NON-OPERATING EXPENSES (Note 27)	6,377,885	13,288,389	39,210,229	47,544,012
FINANCIAL INCOME (Note 28)	2,066,430	11,226,230	22,033,849	36,671,467
FINANCIAL COST (Note 28)	7,647,567	14,602,389	4,088,260	6,181,876
LOSS BEFORE INCOME TAX EXPENSE	(22,709,029)	(53,937,235)	(29,215,187)	(18,263,969)
INCOME TAX EXPENSE (Note 23)	<u>(7,562)</u>	<u>10,558</u>	<u>(18,725)</u>	<u>190,372</u>
NET LOSS	(22,701,467)	(53,947,793)	(29,196,462)	(18,454,341)
Owners of the Company				
Non-controlling interests				
OTHER COMPREHENSIVE (LOSS) INCOME (Notes 21 and 22)	<u>(331,008)</u>	<u>2,160,095</u>	<u>(4,771,082)</u>	<u>(19,008,170)</u>
TOTAL COMPREHENSIVE LOSS	<u>₩ (23,032,475)</u>	<u>₩ (51,787,698)</u>	<u>₩ (33,967,544)</u>	<u>₩ (37,462,511)</u>
Owners of the Company	(23,032,475)	(51,787,698)	(33,967,544)	(37,462,511)
Non-controlling interests	-	-	-	-
LOSS PER SHARE (Note 29)				
Basic and diluted loss per share	<u>₩ (165)</u>	<u>₩ (393)</u>	<u>₩ (213)</u>	<u>₩ (135)</u>

(Continued)

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014

	Indian rupee			
	Three months ended	Six months ended	Three months ended	Six months ended
	<u>June 30, 2015</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2014</u>
	(In thousands, except per share amounts)		(In thousands, except per share amounts)	
SALES (Notes 31 and 32)	Rs. 47,791,093	Rs. 91,284,417	Rs. 49,522,733	Rs. 98,861,110
COST OF SALES (Notes 24 and 32)	<u>40,698,243</u>	<u>78,533,203</u>	<u>43,130,110</u>	<u>85,008,292</u>
GROSS PROFIT	7,092,850	12,751,214	6,392,623	13,852,818
SELLING AND ADMINISTRATIVE EXPENSES (Notes 24 and 26)	<u>8,230,666</u>	<u>15,845,188</u>	<u>7,289,091</u>	<u>14,796,182</u>
OPERATING LOSS	(1,137,816)	(3,093,974)	(896,468)	(943,364)
NON-OPERATING INCOME (Note 27)	522,916	961,977	441,697	874,178
NON-OPERATING EXPENSES (Note 27)	364,815	760,096	2,242,825	2,719,517
FINANCIAL INCOME (Note 28)	118,200	642,140	1,260,336	2,097,608
FINANCIAL COST (Note 28)	<u>437,441</u>	<u>835,257</u>	<u>233,848</u>	<u>353,603</u>
LOSS BEFORE INCOME TAX EXPENSE	(1,298,956)	(3,085,210)	(1,671,108)	(1,044,698)
INCOME TAX EXPENSE (Note 23)	<u>(433)</u>	<u>604</u>	<u>(1,071)</u>	<u>10,889</u>
NET LOSS	(1,298,523)	(3,085,814)	(1,670,037)	(1,055,587)
Owners of the Company				
Non-controlling interests				
OTHER COMPREHENSIVE (LOSS) INCOME (Notes 21 and 22)	<u>(18,934)</u>	<u>123,557</u>	<u>(272,906)</u>	<u>(1,087,267)</u>
TOTAL COMPREHENSIVE LOSS	<u>Rs. (1,317,457)</u>	<u>Rs. (2,962,257)</u>	<u>Rs. (1,942,943)</u>	<u>Rs. (2,142,854)</u>
Owners of the Company	(1,317,457)	(2,962,257)	(1,942,943)	(2,142,854)
Non-controlling interests	-	-	-	-
LOSS PER SHARE (Note 29)				
Basic and diluted loss per share	<u>Rs. (9)</u>	<u>Rs. (22)</u>	<u>Rs. (12)</u>	<u>Rs. (8)</u>

(Concluded)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

Korean won in thousands

	Other capital surplus							Retained earnings (accumulated deficit)	Total	
	Capital stock	Paid-in capital in excess of par	Gain on capital reduction	Debt to be swapped for equity	Treasury stock	Gain on disposal of treasury stock	Other capital surplus			Other capital adjustments
Balance at January 1, 2014	₩ 686,100,480	₩ 11,452,713	₩ 120,351,580	₩ 931,508	₩ (108,530)	₩ -	₩ (3,243,869)	₩ 27,519,841	₩ 41,194,141	₩ 884,197,864
Net loss	-	-	-	-	-	-	-	-	(18,454,341)	(18,454,341)
Actuarial loss	-	-	-	-	-	-	-	-	(15,530)	(15,530)
Loss on valuation of derivatives	-	-	-	-	-	-	-	(18,790,280)	-	(18,790,280)
Overseas operations translation credit	-	-	-	-	-	-	-	(202,360)	-	(202,360)
Balance at June 30, 2014	<u>₩ 686,100,480</u>	<u>₩ 11,452,713</u>	<u>₩ 120,351,580</u>	<u>₩ 931,508</u>	<u>₩ (108,530)</u>	<u>₩ -</u>	<u>₩ (3,243,869)</u>	<u>₩ 8,527,201</u>	<u>₩ 22,724,270</u>	<u>₩ 846,735,353</u>
Balance at January 1, 2015	₩ 686,100,480	₩ 11,452,713	₩ 118,189,001	₩ 931,508	₩ (1,189,820)	₩ -	₩ -	₩ (13,065,231)	₩ (25,034,685)	₩ 777,383,966
Net loss	-	-	-	-	-	-	-	-	(53,947,793)	(53,947,793)
Actuarial loss	-	-	-	-	-	-	-	-	(10,398)	(10,398)
Gain on valuation of derivatives	-	-	-	-	-	-	-	1,820,300	-	1,820,300
Overseas operations translation credit	-	-	-	-	-	-	-	350,193	-	350,193
Disposal of treasury stock	-	-	-	-	1,189,820	1,105,138	-	-	-	2,294,958
Balance at June 30, 2015	<u>₩ 686,100,480</u>	<u>₩ 11,452,713</u>	<u>₩ 118,189,001</u>	<u>₩ 931,508</u>	<u>₩ -</u>	<u>₩ 1,105,138</u>	<u>₩ -</u>	<u>₩ (10,894,738)</u>	<u>₩ (78,992,876)</u>	<u>₩ 727,891,226</u>

(Continued)

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

	Indian rupee in thousands										
	Other capital surplus										Total
	Capital stock	Paid-in capital in excess of par	Gain on capital reduction	Debt to be swapped for equity	Treasury stock	Gain on disposal of treasury stock	Other capital surplus	Other capital adjustments	Retained earnings (accumulated deficit)		
Balance at January 1, 2014	Rs. 39,244,947	Rs. 655,095	Rs. 6,884,110	Rs. 53,282	Rs. (6,208)	Rs. -	Rs. (185,549)	Rs. 1,574,135	Rs. 2,356,305	Rs. 50,576,117	
Net loss	-	-	-	-	-	-	-	-	(1,055,587)	(1,055,587)	
Actuarial loss	-	-	-	-	-	-	-	-	(888)	(888)	
Loss on valuation of derivatives	-	-	-	-	-	-	-	(1,074,804)	-	(1,074,804)	
Overseas operations translation credit	-	-	-	-	-	-	-	(11,575)	-	(11,575)	
Balance at June 30, 2014	<u>Rs. 39,244,947</u>	<u>Rs. 655,095</u>	<u>Rs. 6,884,110</u>	<u>Rs. 53,282</u>	<u>Rs. (6,208)</u>	<u>Rs. -</u>	<u>Rs. (185,549)</u>	<u>Rs. 487,756</u>	<u>Rs. 1,299,830</u>	<u>Rs. 48,433,263</u>	
Balance at January 1, 2015	Rs. 39,244,947	Rs. 655,095	Rs. 6,760,411	Rs. 53,282	Rs. (68,058)	Rs. -	Rs. -	Rs. (747,331)	Rs. (1,431,984)	Rs. 44,466,362	
Net loss	-	-	-	-	-	-	-	-	(3,085,814)	(3,085,814)	
Actuarial loss	-	-	-	-	-	-	-	-	(595)	(595)	
Gain on valuation of derivatives	-	-	-	-	-	-	-	104,121	-	104,121	
Overseas operations translation credit	-	-	-	-	-	-	-	20,031	-	20,031	
Disposal of treasury stock	-	-	-	-	68,058	63,214	-	-	-	131,272	
Balance at June 30, 2015	<u>Rs. 39,244,947</u>	<u>Rs. 655,095</u>	<u>Rs. 6,760,411</u>	<u>Rs. 53,282</u>	<u>Rs. -</u>	<u>Rs. 63,214</u>	<u>Rs. -</u>	<u>Rs. (623,179)</u>	<u>Rs. (4,518,393)</u>	<u>Rs. 41,635,377</u>	

(Concluded)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

	Korean won		Indian rupee	
	Six months ended	Six months ended	Six months ended	Six months ended
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(In thousands)		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	₩ (53,947,793)	₩ (18,454,341)	Rs. (3,085,814)	Rs. (1,055,587)
Adjustment (Note 30)	102,400,827	112,726,873	5,857,327	6,447,977
Changes in net working capital (Note 30)	(49,029,211)	(104,515,968)	(2,804,471)	(5,978,313)
	(576,177)	(10,243,436)	(32,958)	(585,923)
Interests received	1,675,852	4,228,179	95,859	241,852
Interests paid	(1,489,452)	(2,529,015)	(85,197)	(144,660)
Dividend income received	11,000	11,000	629	629
Payment of income tax	(10,558)	(190,372)	(604)	(10,889)
Net cash used in operating activities	(389,335)	(8,723,644)	(22,271)	(498,991)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash inflows from investing activities:				
Decrease in other receivables	4,208,035	-	240,700	-
Disposal of property, plant and equipment	596,652	225,399	34,128	12,893
Decrease in other assets	113,159	1,526	6,474	85
	4,917,846	226,925	281,302	12,978
Cash outflows for investing activities:				
Increase in other receivables	4,109,723	1,669,320	235,076	95,485
Acquisition of property, plant and equipment	76,372,169	74,794,155	4,368,489	4,278,225
Acquisition of intangible assets	31,373,377	30,178,257	1,794,557	1,726,196
	111,855,269	106,641,732	6,398,122	6,099,906
Net cash used in investing activities	(106,937,423)	(106,414,807)	(6,116,820)	(6,086,928)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Cash inflows from financing activities:				
Increase in borrowings	68,494,534	5,359,363	3,917,887	306,556
Increase in government grants	41,028	16,804	2,347	961
Paid-in capital increase	2,294,957	-	131,272	-
	₩ 70,830,519	₩ 5,376,167	Rs. 4,051,506	Rs. 307,517

(Continued)

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

	Korean won		Indian rupee	
	Six months ended	Six months ended	Six months ended	Six months ended
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(In thousands)		(In thousands)	
Cash outflows for financing activities:				
Redemption of borrowings	₩ -	₩ 95,404,765	Rs. -	Rs. 5,457,153
	-	95,404,765	-	5,457,153
Net cash provided by (used in) financing activities	70,830,519	(90,028,598)	4,051,506	(5,149,636)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	36,277	(498,097)	2,075	(28,492)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(36,459,962)	(205,665,146)	(2,085,510)	(11,764,047)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	156,765,307	366,790,832	8,966,976	20,980,436
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	₩ 120,305,345	₩ 161,125,686	Rs. 6,881,466	Rs. 9,216,389

(Concluded)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**AS OF JUNE 30, 2015, AND DECEMBER 31, 2014, AND FOR THE
THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

1. GENERAL:

(1) Parent company overview and recent changes in business environment

Ssangyong Motor Company (the “Company”) was incorporated on December 6, 1962, in the Republic Korea and listed its stocks on the Korea Stock Exchange in May 1975. The Company is headquartered in Dongsak-ro, Pyungtaek, and its factories are located in Pyungtaek, Gyeonggi-do and Changwon, Gyeongsangnam-do, Republic of Korea. The Company manufactures and distributes motor vehicles and parts.

(2) Major shareholders

The Company’s shareholders as of June 30, 2015, are as follows:

Name of shareholder	Number of shares owned	Percentage of ownership (%)
Mahindra & Mahindra Ltd.	99,964,502	72.85
Others	37,255,594	27.15
	<u>137,220,096</u>	<u>100.00</u>

2. SIGNIFICANT ACCOUNTING POLICIES:

The Company and its subsidiaries (the “Group”) summarized consolidated interim financial statements, their period belongs to annual financial report, in accordance with Korean International Reporting Standards (“K-IFRS”) 1034 Interim Financial Reporting. The audited consolidated financial statements of December 31, 2014, are used to understand the consolidated interim financial statements.

The accounting policy is identified with the audited consolidated financial statements of December 31, 2014, except for the accounting policy explained as follows:

The Indian rupee amounts presented in these consolidated financial statements were computed by translating the Korean won into Indian rupees based on the Bank of Korea base rate (₩1 to Rs. 0.057200 at June 30, 2015), solely for the convenience of the reader. These convenience translations into Indian rupees should not be construed as representations that the Korean won amounts have been, could have been or could in the future be, converted at this or any other rate of exchange.

1) First-time adoption of K-IFRSs and their description (change in accounting policy) as follows:

Amendments to K-IFRS 1019 – Employee Benefits

The amendments permit the Group to recognize amount of contributions as a reduction in the service cost in which the related service is rendered if the amount of the contributions is independent of the number of years of service. The application of these amendments has no impact on the disclosure in the Group’s consolidated financial statements.

Annual Improvements to K-IFRS 2010-2012 Cycle

The amendments to K-IFRS 1002 (i) change the definitions of ‘vesting condition’ and ‘market condition’ and (ii) add definitions for ‘performance condition’ and ‘service condition,’ which were previously included within the definition of ‘vesting condition.’ The amendments to K-IFRS 1103 Business Combinations clarify the classification and measurement of the contingent consideration in business combination.

The amendments to K-IFRS 1108 Operating Segments clarify that a reconciliation of the total of the reportable segments' assets should only be provided if the segment assets are regularly provided to the chief operating decision maker. The application of these amendments has no impact on the disclosure in the Group's financial statements.

Annual Improvements to K-IFRS 2011-2013 Cycle

The amendments to K-IFRS 1103 clarify the scope of the portfolio exception for measuring the fair values of the Group's financial assets and financial liabilities on a net basis, including all contracts that are within the scope; the standard does not apply to the accounting for the formation of all types of joint arrangement in the consolidated financial statements or the joint arrangement itself. The amendments to K-IFRS 1113 Fair Value Measurements and K-IFRS 1040 Investment Properties exist and have no impact on the disclosure in the Group's consolidated financial statements.

2) New and revised K-IFRSs issued but not yet effective

The Group has not applied the following new and revised K-IFRSs that have been issued but are not yet effective:

Amendments to K-IFRS 1016 – Property, Plant and Equipment

The amendments to K-IFRS 1016 prohibit the Group from using a revenue-based depreciation method for items of property, plant and equipment. The amendments are effective for the annual periods beginning on or after January 1, 2016.

Amendments to K-IFRS 1038 Intangible Assets

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. The amendments to K-IFRS 1038 rebut presumption that revenue is not an appropriate basis for the amortization of an intangible asset; the presumption can only be rebutted when the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to K-IFRS 1111 Accounting for Acquisitions of Interests in Joint Operations

The amendments to K-IFRS 1111 provide guidance on how to account for the acquisition of joint operation that constitutes a business as defined in K-IFRS 1103. A joint operator is also required to disclose the relevant information required by K-IFRS 1103 and other standards for business combinations. The amendments to K-IFRS 1111 are effective for the annual periods beginning on or after January 1, 2016.

The Group does not anticipate that the amendments referred above will have a significant effect on the Group's consolidated financial statements and disclosures.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS:

In the preparation of the Group's interim consolidated financial statements, management is required to apply accounting policies and make judgments, estimation and assumptions affecting the carrying amounts of assets and liabilities, income and expenses. The estimation and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be different from those estimations. The management's significant judgments about the application of the Group's accounting policies and the main resources of the uncertainty are consistent with those of the annual consolidated financial statements for the year ended December 31, 2014.

4. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents include cash on hand and in banks and highly liquid, short-term financial instruments that may be easily converted into cash and whose risk of value fluctuation is not material.

5. RESTRICTED FINANCIAL ASSETS:

Restricted financial assets as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

	Financial institution	June 30, 2015	December 31, 2014	Notes
Cash and cash equivalents	Shinhan Bank and others	₩ 552,749	₩ 405,689	Government subsidies and others Unconfirmed reorganization debt pledged as collateral
	Woori Bank	956,435	14,147,553	
Long-term financial instruments	Shinhan Bank and others	6,000	6,000	Overdraft deposit
		<u>₩ 1,515,184</u>	<u>₩ 14,559,242</u>	

(Unit: Indian rupee in thousands)

	Financial institution	June 30, 2015	December 31, 2014	Notes
Cash and cash equivalents	Shinhan Bank and others	Rs. 31,617	Rs. 23,205	Government subsidies and others Unconfirmed reorganization debt pledged as collateral
	Woori Bank	54,708	809,240	
Long-term financial instruments	Shinhan Bank and others	343	343	Overdraft deposit
		<u>Rs. 86,668</u>	<u>Rs. 832,788</u>	

6. LONG-TERM AFS FINANCIAL ASSETS:

The Group's long-term AFS financial assets as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

Classification	Ownership (%)	June 30, 2015			December 31, 2014
		Acquisition cost	Net asset value	Book value	Book value
Kihyup Technology Banking Corporation (*)	1.72	₩ 500,000	₩ 675,625	₩ 500,000	₩ 500,000
Korea Management Consultants Association (*)	1.50	60,000	528,903	60,000	60,000
		<u>₩ 560,000</u>	<u>₩ 1,204,528</u>	<u>₩ 560,000</u>	<u>₩ 560,000</u>

(Unit: Indian rupee in thousands)

Classification	Ownership (%)	June 30, 2015			December 31, 2014
		Acquisition cost	Net asset value	Book value	Book value
Kihyup Technology Banking Corporation (*)	1.72	Rs. 28,600	Rs. 38,646	Rs. 28,600	Rs. 28,600
Korea Management Consultants Association (*)	1.50	3,432	30,253	3,432	3,432
		<u>Rs. 32,032</u>	<u>Rs. 68,899</u>	<u>Rs. 32,032</u>	<u>Rs. 32,032</u>

(*) Because the market prices from an active market are not available and the fair values cannot be reliably measured, AFS financial assets are measured at their acquisition costs.

7. TRADE AND OTHER RECEIVABLES:

All current trade and other receivables are due within one year from June 30, 2015, and because the present value discount effect is not material, the fair value of the aforementioned receivables is equal to the book value.

- (1) Details of current portion of trade and other receivables as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

Financial assets	June 30, 2015			
	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Receivables – general	₩ 148,171,254	₩ 7,696,661	₩ 4,399,782	₩ 38,815,693
Less: Allowance for doubtful accounts	(61,255)	(3,472)	(26,702)	(154,727)
	<u>₩ 148,109,999</u>	<u>₩ 7,693,189</u>	<u>₩ 4,373,080</u>	<u>₩ 38,660,966</u>
Financial assets	December 31, 2014			
	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Receivables – general	₩ 155,912,326	₩ 18,513,496	₩ 2,825,393	₩ 39,754,888
Less: Allowance for doubtful accounts	(87,169)	(393,336)	(11,056)	(149,638)
	<u>₩ 155,825,157</u>	<u>₩ 18,120,160</u>	<u>₩ 2,814,337</u>	<u>₩ 39,605,250</u>

(Unit: Indian rupee in thousands)

Financial assets	June 30, 2015			
	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Receivables – general	Rs. 8,475,396	Rs. 440,249	Rs. 251,668	Rs. 2,220,258
Less: Allowance for doubtful accounts	(3,504)	(199)	(1,528)	(8,850)
	<u>Rs. 8,471,892</u>	<u>Rs. 440,050</u>	<u>Rs. 250,140</u>	<u>Rs. 2,211,408</u>
Financial assets	December 31, 2014			
	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Receivables – general	Rs. 8,918,185	Rs. 1,058,972	Rs. 161,612	Rs. 2,273,980
Less: Allowance for doubtful accounts	(4,986)	(22,499)	(632)	(8,559)
	<u>Rs. 8,913,199</u>	<u>Rs. 1,036,473</u>	<u>Rs. 160,980</u>	<u>Rs. 2,265,421</u>

- (2) Credit risk and allowance for doubtful accounts

The above-mentioned trade and non-trade receivables and other receivables are classified as loans and receivables and measured at amortized cost.

If a credit risk occurs with respect to a dealership sale, which is a major type of the Group's sales, the respective dealership bears all of the risk; the Group manages credit risk on product sales using two management indexes, agreed liability rate and agreed excess rate, and when the management index exceeds the agreed rate, it imposes a release restriction on the respective dealership and transfers a credit risk arising from product sales.

The Group's trade receivables are usually collected within 30 days, but some of the notes receivable are collected within 75 days. Based on the past experience, receivables that are overdue for more than one year are usually not collected, and the Group reserves the full amount of those receivables as an allowance for doubtful accounts. The Group estimates an allowance for the receivables that are overdue for more than 90 days through an individual analysis based on each transacting party; for receivables that are not subject to individual analysis, the Group estimates an allowance based on the historical loss rates.

Some of the trade receivables that are overdue for more than 90 days are not included in the above trade receivables (refer to the aging analysis below); the Group did not reserve an allowance for the aforementioned receivables since their credit ratings did not change materially and they are expected to be collected. The Group has no collaterals pledged or credit enforcement provided for the aforementioned receivables and does not have a legal right to offset those receivables with the debt of the transacting parties.

- 1) Aging analysis of the trade and non-trade receivables that are overdue, but are not impaired as of June 30, 2015, and December 31, 2014, is as follows:

(Unit: Korean won in thousands)

June 30, 2015				
Classification	3-6 months	6-12 months	More than 1 year	Total
Trade receivables	₩ 477,415	₩ 370,921	₩ -	₩ 848,336
Non-trade receivables	64,330	461,874	3,956,832	5,383,036
Non-current other receivables	-	-	103,250	103,250
	<u>₩ 1,441,745</u>	<u>₩ 832,795</u>	<u>₩ 4,060,082</u>	<u>₩ 6,334,622</u>

December 31, 2014				
Classification	3-6 months	6-12 months	More than 1 year	Total
Trade receivables	₩ 1,819,742	₩ 44,594	₩ -	₩ 1,864,336
Non-trade receivables	670,507	7,435	4,734,672	5,412,614
Non-current other receivables	-	-	103,250	103,250
	<u>₩ 2,490,249</u>	<u>₩ 52,029</u>	<u>₩ 4,837,922</u>	<u>₩ 7,380,200</u>

(Unit: Indian rupee in thousands)

June 30, 2015				
Classification	3-6 months	6-12 months	More than 1 year	Total
Trade receivables	Rs. 27,308	Rs. 21,217	Rs. -	Rs. 48,525
Non-trade receivables	55,160	26,419	226,331	307,910
Non-current other receivables	-	-	5,906	5,906
	<u>Rs. 82,468</u>	<u>Rs. 47,636</u>	<u>Rs. 232,237</u>	<u>Rs. 362,341</u>

December 31, 2014				
Classification	3-6 months	6-12 months	More than 1 year	Total
Trade receivables	Rs. 104,089	Rs. 2,551	Rs. -	Rs. 106,640
Non-trade receivables	38,353	425	270,823	309,601
Non-current other receivables	-	-	5,906	5,906
	<u>Rs. 142,442</u>	<u>Rs. 2,976</u>	<u>Rs. 276,729</u>	<u>Rs. 422,147</u>

- 2) Aging analysis of the non-trade receivables and other long-term receivables that are impaired as of June 30, 2015, and December 31, 2014, is as follows:

(Unit: Korean won in thousands)

June 30, 2015				
Classification	3-6 months	6-12 months	More than 1 year	Total
Non-current other receivables	₩ -	₩ -	₩ 47,349	₩ 47,349

December 31, 2014				
Classification	3-6 months	6-12 months	More than 1 year	Total
Non-trade receivables	₩ -	₩ -	₩ 388,237	₩ 388,237
Non-current other receivables	-	-	47,349	47,349
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 435,586</u>	<u>₩ 435,586</u>

(Unit: Indian rupee in thousands)

June 30, 2015				
Classification	3-6 months	6-12 months	More than 1 year	Total
Non-current other receivables	Rs. -	Rs. -	Rs. 2,708	Rs. 2,708

December 31, 2014				
Classification	3-6 months	6-12 months	More than 1 year	Total
Non-trade receivables	Rs. -	Rs. -	Rs. 22,207	Rs. 22,207
Non-current other receivables	-	-	2,708	2,708
	Rs. -	Rs. -	Rs. 24,915	Rs. 24,915

3) Changes in allowance for trade and other receivables for the six months ended June 30, 2015 and 2014, are as follows:

(Unit: Korean won in thousands)

Six months ended June 30, 2015				
Classification	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Beginning balance	₩ 87,169	₩ 393,336	₩ 11,056	₩ 149,638
Bad debt expense	(25,914)	(21,183)	15,646	5,089
Write-offs	-	(368,681)	-	-
Ending balance	₩ 61,255	₩ 3,472	₩ 26,702	₩ 154,727

Six months ended June 30, 2014				
Classification	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Beginning balance	₩ 208,701	₩ 491,039	₩ -	₩ 241,459
Bad debt expense	5,602	(12,884)	-	4,903
Ending balance	₩ 214,303	₩ 478,155	₩ -	₩ 246,362

(Unit: Indian rupee in thousands)

Six months ended June 30, 2015				
Classification	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Beginning balance	Rs. 4,986	Rs. 22,499	Rs. 632	Rs. 8,559
Bad debt expense	(1,482)	(1,211)	896	291
Write-offs	-	(21,089)	-	-
Ending balance	Rs. 3,504	Rs. 199	Rs. 1,528	Rs. 8,850

Six months ended June 30, 2014				
Classification	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Beginning balance	Rs. 11,938	Rs. 28,087	Rs. -	Rs. 13,811
Bad debt expense	320	(737)	-	280
Ending balance	Rs. 12,258	Rs. 27,350	Rs. -	Rs. 14,091

The Group estimates allowances for doubtful accounts through individual analysis, and an allowance for the receivables that are not subject to separate individual analysis is estimated based on the historical collection rates. For troubled receivables (default, liquidation, bankruptcy, court receivership, workout, disappearance, full-scale capital erosion, etc.), the Group assesses collectability of each receivable through an individual analysis and reserves 100% allowance. For the receivables that are not subject to individual analysis, the allowance is estimated by applying the average loss rate for the past three years to the remaining balance of the receivables at the end of a reporting period; the three-year average loss rate is calculated by dividing the amount of actual loss occurred in the past three years by the average balance of the receivables.

8. INVENTORIES:

Details of the inventories as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

	<u>June 30, 2015</u>		<u>December 31, 2014</u>	
Merchandises	₩	46,011,481	₩	54,471,562
Finished goods		56,748,082		43,801,591
Work in process		30,717,961		29,184,732
Raw materials		58,263,271		51,686,249
Submaterials		530,091		601,473
Supplies		3,828,084		3,821,024
Goods in transit		79,513,041		77,112,573
Total	₩	<u>275,612,011</u>	₩	<u>260,679,204</u>

(Unit: Indian rupee in thousands)

	<u>June 30, 2015</u>		<u>December 31, 2014</u>	
Merchandises	Rs.	2,631,857	Rs.	3,115,773
Finished goods		3,245,990		2,505,451
Work in process		1,757,067		1,669,367
Raw materials		3,332,659		2,956,453
Submaterials		30,321		34,404
Supplies		218,967		218,563
Goods in transit		4,548,146		4,410,839
Total	Rs.	<u>15,765,007</u>	Rs.	<u>14,910,850</u>

The Group is using the “lower of cost or market method” in the consolidated statements of financial position in case inventories’ market value decreases under the acquisition cost. On the other hand, loss on valuation of inventories, which was added to “cost of sales” in current period due to the application of “lower of cost or market method,” is ₩2,128,836 thousand (Rs. 121,769 thousand).

9. CONSOLIDATED SUBSIDIARIES:

(1) Details of investments in subsidiaries

Details of investments in subsidiaries accounted for using the equity method as of June 30, 2015, are as follows:

<u>Name of subsidiary</u>	<u>Location</u>	<u>Ownership (%)</u>	<u>Closing month</u>	<u>Industry</u>
Ssangyong Motor (Shanghai) Co., Ltd.	China	100.00	December	Car Sales
Ssangyong European Parts Center B.V.	Netherland	100.00	December	A/S & Sales

(2) Summarized financial information of subsidiaries

The summarized financial information of the Group’s subsidiaries as of and for the six months ended June 30, 2015 and 2014, is as follows:

(Unit: Korean won in thousands)

<u>Companies</u>	<u>June 30, 2015</u>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>
Ssangyong Motor (Shanghai) Co., Ltd.	₩ 5,461,162	₩ 847,086	₩ 4,614,076
Ssangyong European Parts Center B.V.	7,785,173	11,104,170	(3,318,997)

<u>Companies</u>	<u>Six months ended June 30, 2015</u>		
	<u>Sales</u>	<u>Net (loss) income</u>	<u>Comprehensive (loss) income</u>
Ssangyong Motor (Shanghai) Co., Ltd.	₩ 1,146,259	₩ (1,193,183)	₩ (1,034,707)
Ssangyong European Parts Center B.V.	6,796,509	414,225	651,620

(Unit: Indian rupee in thousands):

Companies	June 30, 2015		
	Assets	Liabilities	Equity
Ssangyong Motor (Shanghai) Co., Ltd.	Rs. 312,378	Rs. 48,453	Rs. 263,925
Ssangyong European Parts Center B.V.	445,312	635,159	(189,847)

Companies	Six months ended June 30, 2015		
	Sales	Net (loss) income	Comprehensive (loss) income
Ssangyong Motor (Shanghai) Co., Ltd.	Rs. 65,566	Rs. (68,250)	Rs. (59,185)
Ssangyong European Parts Center B.V.	388,760	23,694	37,273

(Unit: Korean won in thousands)

Companies	December 31, 2014		
	Assets	Liabilities	Equity
Ssangyong Motor (Shanghai) Co., Ltd.	₩ 7,017,149	₩ 842,529	₩ 6,174,620
Ssangyong European Parts Center B.V.	7,158,932	11,129,549	(3,970,617)

Companies	Year ended December 31, 2014		
	Sales	Net income	Comprehensive income
Ssangyong Motor (Shanghai) Co., Ltd.	₩ 6,512,641	₩ 491,881	₩ 537,559
Ssangyong European Parts Center B.V.	14,118,627	116,206	476,709

(Unit: Indian rupee in thousands)

Companies	December 31, 2014		
	Assets	Liabilities	Equity
Ssangyong Motor (Shanghai) Co., Ltd.	Rs. 401,381	Rs. 48,193	Rs. 353,188
Ssangyong European Parts Center B.V.	409,491	636,610	(227,119)

Companies	Year ended December 31, 2014		
	Sales	Net income	Comprehensive income
Ssangyong Motor (Shanghai) Co., Ltd.	Rs. 372,523	Rs. 28,136	Rs. 30,748
Ssangyong European Parts Center B.V.	807,585	6,647	27,268

10. OTHER ASSETS:

Carrying values of the Group's other assets as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

Account	June 30, 2015	December 31, 2014
Other current assets:		
Advance payments	₩ 2,219,704	₩ 2,196,221
Less: Allowance for doubtful accounts	(9,581)	(10,298)
Prepaid expenses	7,618,997	4,811,936
Income tax refundable	208,283	794,694
	<u>₩ 10,037,403</u>	<u>₩ 7,792,553</u>
Other non-current assets:		
Other non-current assets	<u>₩ 354,483</u>	<u>₩ 360,473</u>

(Unit: Indian rupee in thousands)

Account	June 30, 2015	December 31, 2014
Other current assets		
Advance payments	Rs. 126,967	Rs. 125,624
Less: Allowance for doubtful accounts	(548)	(589)
Prepaid expenses	435,807	275,243
Income tax refundable	11,913	45,456
	Rs. 574,139	Rs. 445,734
Other non-current assets		
Other non-current assets	Rs. 20,276	Rs. 20,618

11. PROPERTY, PLANT AND EQUIPMENT:

(1) Carrying amounts of property, plant and equipment as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

	June 30, 2015				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Land	₩ 475,531,313	₩ -	₩ -	₩ -	₩ 475,531,313
Buildings	532,563,311	1,626,777	191,260,306	148,366,786	191,309,442
Structures	106,078,709	145,987	60,025,781	29,156,376	16,750,565
Machinery	1,301,057,644	535,455	1,020,563,064	98,795,779	181,163,346
Vehicles	9,368,231	-	6,773,831	1,127,904	1,466,496
Tools and molds	1,017,644,986	10,783	582,957,756	162,340,091	272,336,356
Equipment	67,826,086	10,667	40,971,000	4,488,467	22,355,952
Construction in progress	30,309,381	-	-	-	30,309,381
Machinery in transit	431,022	-	-	-	431,022
	₩ 3,540,810,683	₩ 2,329,669	₩ 1,902,551,738	₩ 444,275,403	₩ 1,191,653,873
	December 31, 2014				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Land	₩ 475,531,313	₩ -	₩ -	₩ -	₩ 475,531,313
Buildings	530,841,465	1,650,125	186,171,422	148,371,912	194,648,006
Structures	105,440,373	156,164	59,172,283	29,156,376	16,955,550
Machinery	1,255,831,372	593,294	1,008,322,247	98,853,954	148,061,877
Vehicles	9,621,509	-	6,785,350	1,194,962	1,641,197
Tools and molds	891,332,596	14,909	550,255,759	162,637,823	178,424,105
Equipment	67,166,387	15,571	38,058,387	4,542,664	24,549,765
Construction in progress	131,569,206	-	-	-	131,569,206
Machinery in transit	2,355,375	-	-	-	2,355,375
	₩ 3,469,689,596	₩ 2,430,063	₩ 1,848,765,448	₩ 444,757,691	₩ 1,173,736,394

(Unit: Indian rupee in thousands)

	June 30, 2015				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Land	Rs. 27,200,391	Rs. -	Rs. -	Rs. -	Rs. 27,200,391
Buildings	30,462,621	93,052	10,940,090	8,486,580	10,942,899
Structures	6,067,702	8,350	3,433,475	1,667,745	958,132
Machinery	74,420,497	30,628	58,376,207	5,651,119	10,362,543
Vehicles	535,863	-	387,463	64,516	83,884
Tools and molds	58,209,293	616	33,345,184	9,285,853	15,577,640
Equipment	3,879,652	609	2,343,541	256,740	1,278,762

June 30, 2015					
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Construction in progress	Rs. 1,733,697	Rs. -	Rs. -	Rs. -	Rs. 1,733,697
Machinery in transit	24,654	-	-	-	24,654
	<u>Rs. 202,534,370</u>	<u>Rs. 133,255</u>	<u>Rs. 108,825,960</u>	<u>Rs. 25,412,553</u>	<u>Rs. 68,162,602</u>

December 31, 2014					
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Land	Rs. 27,200,391	Rs. -	Rs. -	Rs. -	Rs. 27,200,391
Buildings	30,364,132	94,387	10,649,005	8,486,873	11,133,867
Structures	6,031,189	8,933	3,384,655	1,667,745	969,856
Machinery	71,833,554	33,936	57,676,033	5,654,446	8,469,139
Vehicles	550,350	-	388,122	68,352	93,876
Tools and molds	50,984,224	852	31,474,629	9,302,883	10,205,860
Equipment	3,841,917	890	2,176,940	259,840	1,404,247
Construction in progress	7,525,759	-	-	-	7,525,759
Machinery in transit	134,727	-	-	-	134,727
	<u>Rs. 198,466,243</u>	<u>Rs. 138,998</u>	<u>Rs. 105,749,384</u>	<u>Rs. 25,440,139</u>	<u>Rs. 67,137,722</u>

(2) Changes in the carrying amounts of property, plant and equipment for the six months ended June 30, 2015 and 2014, are as follows:

(Unit: Korean won in thousands)

Six months ended June 30, 2015						
	Beginning balance	Acquisition	Disposal	Other(**)	Depreciation(*)	Ending balance
Land	₩ 475,531,313	₩ -	₩ -	₩ -	₩ -	₩ 475,531,313
Buildings	194,648,006	31,446	1,242	1,706,040	5,074,808	191,309,442
Structures	16,955,550	165,721	-	472,881	843,587	16,750,565
Machinery	148,061,877	2,389,700	2,199	45,713,753	14,999,785	181,163,346
Vehicles	1,641,197	27,435	5,327	98,191	295,000	1,466,496
Tools and molds	178,424,105	20,748,264	160	107,437,546	34,273,399	272,336,356
Equipment	24,549,765	989,625	2,403	(3,810)	3,177,225	22,355,952
Construction in progress	131,569,206	51,654,433	-	(152,914,258)	-	30,309,381
Machinery in transit	2,355,375	365,545	-	(2,289,898)	-	431,022
	<u>₩ 1,173,736,394</u>	<u>₩ 76,372,169</u>	<u>₩ 11,331</u>	<u>₩ 220,445</u>	<u>₩ 58,663,804</u>	<u>₩ 1,191,653,873</u>

(*) Depreciation cost of suspended assets' amount of ₩9,478 thousand (Rs. 541 thousand) is excluded from the depreciation cost in consolidated statements of cash flows.

(**) Capitalization cost that has flowed into construction in progress and other property, plant and equipment is ₩339,095 thousand (Rs. 19,396 thousand) in this period.

Six months ended June 30, 2014						
	Beginning balance	Acquisition	Disposal	Other(**)	Depreciation(*)	Ending balance
Land	₩ 475,305,570	₩ 126	₩ -	₩ -	₩ -	₩ 475,305,696
Buildings	193,689,175	5,303	-	1,653,438	4,757,083	190,590,833
Structures	16,849,781	101,086	-	36,086	805,144	16,181,809
Machinery	99,266,258	134,221	100,408	5,378,694	16,507,251	88,171,514
Vehicles	1,946,974	87,370	18	(10,439)	264,132	1,759,755
Tools and molds	201,515,830	1,159,700	2,445	4,363,509	26,039,752	180,996,842
Equipment	23,800,493	1,032,425	6,047	202,211	2,783,949	22,245,133
Construction in progress	70,917,106	62,324,060	97,167	(10,039,925)	-	123,104,074
Machinery in transit	862,440	9,949,864	-	(1,591,374)	-	9,220,930
	<u>₩ 1,084,153,627</u>	<u>₩ 74,794,155</u>	<u>₩ 206,085</u>	<u>₩ (7,800)</u>	<u>₩ 51,157,311</u>	<u>₩ 1,107,576,586</u>

(*) Depreciation cost of suspended assets' amount of ₩10,588 thousand (Rs. 606 thousand) is excluded from the depreciation cost in consolidated statements of cash flows.

(Unit: Indian rupee in thousands)

	Six months ended June 30, 2015					
	Beginning balance	Acquisition	Disposal	Other(**)	Depreciation(*)	Ending balance
Land	Rs. 27,200,391	Rs. -	Rs. -	Rs. -	Rs. -	Rs. 27,200,391
Buildings	11,133,867	1,799	71	97,583	290,279	10,942,899
Structures	969,856	9,479	-	27,050	48,253	958,132
Machinery	8,469,139	136,691	126	2,614,827	857,988	10,362,543
Vehicles	93,876	1,569	305	5,618	16,874	83,884
Tools and molds	10,205,860	1,186,801	9	6,145,426	1,960,438	15,577,640
Equipment	1,404,247	56,607	137	(219)	181,736	1,278,762
Construction in progress	7,525,759	2,954,634	-	(8,746,696)	-	1,733,697
Machinery in transit	134,727	20,909	-	(130,982)	-	24,654
	<u>Rs. 67,137,722</u>	<u>Rs. 4,368,489</u>	<u>Rs. 648</u>	<u>Rs. 12,607</u>	<u>Rs. 3,355,568</u>	<u>Rs. 68,162,602</u>

	Six months ended June 30, 2014					
	Beginning balance	Acquisition	Disposal	Other	Depreciation(*)	Ending balance
Land	Rs. 27,187,479	Rs. 7	Rs. -	Rs. -	Rs. -	Rs. 27,187,486
Buildings	11,079,021	303	-	94,577	272,105	10,901,796
Structures	963,807	5,782	-	2,064	46,054	925,599
Machinery	5,678,030	7,677	5,743	307,661	944,215	5,043,410
Vehicles	111,367	4,998	1	(597)	15,108	100,659
Tools and molds	11,526,705	66,335	140	249,593	1,489,474	10,353,019
Equipment	1,361,388	59,055	346	11,566	159,243	1,272,420
Construction in progress	4,056,458	3,564,936	5,558	(574,284)	-	7,041,552
Machinery in transit	49,332	569,132	-	(91,027)	-	527,437
	<u>Rs. 62,013,587</u>	<u>Rs. 4,278,225</u>	<u>Rs. 11,788</u>	<u>Rs. (447)</u>	<u>Rs. 2,926,199</u>	<u>Rs. 63,353,378</u>

(3) The assets pledged as collateral for the Group's borrowings as of June 30, 2015, are as follows:

(Unit: Korean won in thousands)

Assets pledged as collaterals	Details	Book value	Maximum amount
Land	Chilgoe-dong Pyeongtaek, Gyeonggi-do	₩ 340,071,778	231 billion
Buildings and structures	150-3 (factory site) and others	63,211,568	Korean won
Machinery	Pyeongtaek plant production facilities	7,711,144	
		<u>₩ 410,994,490</u>	

(Unit: Indian rupee in thousands)

Assets pledged as collaterals	Details	Book value	Maximum amount
Land	Chilgoe-dong Pyeongtaek, Gyeonggi-do	Rs. 19,452,106	13.2 billion rupee
Buildings and structures	150-3 (factory site) and others	3,615,702	
Machinery	Pyeongtaek plant production facilities	441,077	
		<u>Rs. 23,508,885</u>	

(4) Borrowing costs and capitalized interest, which is the capital, for the six months ended June 30, 2015 and 2014, are as follows.

(Unit: Korean won in thousands)

Account	Six months ended June 30, 2015	Six months ended June 30, 2014
Capitalized interest expenses(*)	₩ 1,074,168	₩ -
Capitalization interest rate	4.05%	-

(Unit: Indian rupee in thousands)

Account	Six months ended June 30, 2015		Six months ended June 30, 2014	
	Rs.		Rs.	
Capitalized interest expenses(*)		61,442		-
Capitalization interest rate		4.05%		-

(*) Borrowing costs that have been capitalized during the year in development costs are ₩735,073 thousand (Rs. 42,046 thousand).

12. INTANGIBLE ASSETS:

(1) Details of intangible assets as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

	June 30, 2015				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Book value
Development cost	₩ 148,086,281	₩ -	₩ 25,107,040	₩ -	₩ 122,979,241
Patents	2,295,770	21,340	944,080	36,010	1,294,340
Other intangible assets	58,079,134	16,528	14,014,349	576,105	43,472,152
	<u>₩ 208,461,185</u>	<u>₩ 37,868</u>	<u>₩ 40,065,469</u>	<u>₩ 612,115</u>	<u>₩ 167,745,733</u>

	December 31, 2014				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Book value
Development cost	₩ 28,564,573	₩ -	₩ 14,341,540	₩ -	₩ 14,223,033
Patents	1,873,286	21,966	756,331	31,378	1,063,611
Other intangible assets	146,951,689	26,563	10,707,300	589,036	135,628,790
	<u>₩ 177,389,548</u>	<u>₩ 48,529</u>	<u>₩ 25,805,171</u>	<u>₩ 620,414</u>	<u>₩ 150,915,434</u>

(Unit: Indian rupee in thousands):

	June 30, 2015				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Book value
Development cost	Rs. 8,470,535	Rs. -	Rs. 1,436,123	Rs. -	Rs. 7,034,412
Patents	131,318	1,221	54,001	2,060	74,036
Other intangible assets	3,322,126	945	801,620	32,953	2,486,608
	<u>Rs. 11,923,979</u>	<u>Rs. 2,166</u>	<u>Rs. 2,291,744</u>	<u>Rs. 35,013</u>	<u>Rs. 9,595,056</u>

	December 31, 2014				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Book value
Development cost	Rs. 1,633,894	Rs. -	Rs. 820,336	Rs. -	Rs. 813,558
Patents	107,152	1,256	43,263	1,795	60,838
Other intangible assets	8,405,637	1,518	612,459	33,693	7,757,967
	<u>Rs. 10,146,683</u>	<u>Rs. 2,774</u>	<u>Rs. 1,476,058</u>	<u>Rs. 35,488</u>	<u>Rs. 8,632,363</u>

(2) Changes in intangible assets for the six months ended June 30, 2015 and 2014, are as follows:

(Unit: Korean won in thousands)

	Six months ended June 30, 2015						
	Beginning balance	Acquisition(*)	Transfer	Depreciation	Impairment loss	Other(**)	Ending balance
Development cost	₩ 14,223,033	₩ 1,881,970	₩ 118,722,633	₩ 11,855,500	₩ -	₩ 7,105	₩ 122,979,241
Patents	1,063,611	422,040	-	186,679	4,632	-	1,294,340
Other intangible assets	<u>135,628,790</u>	<u>29,068,780</u>	<u>(118,722,633)</u>	<u>3,304,319</u>	<u>-</u>	<u>801,534</u>	<u>43,472,152</u>
	<u>₩ 150,915,434</u>	<u>₩ 31,372,790</u>	<u>₩ -</u>	<u>₩ 15,346,498</u>	<u>₩ 4,632</u>	<u>₩ 808,639</u>	<u>₩ 167,745,733</u>

(*) Of the acquisition amount of industrial rights, the amount obtained in government subsidy is ₩587 thousand (Rs. 34 thousand).

(**) Of the current-year other intangible assets, the amount that has flowed into the capital of the cost is ₩735,073 in thousands (Rs. 42,046 thousand).

	Six months ended June 30, 2014					
	Beginning balance	Acquisition(*)	Depreciation	Impairment loss	Other(*)	Ending balance
Development cost	₩ 5,107,302	₩ -	₩ 2,413,114	₩ -	₩ -	₩ 2,694,188
Patents	736,258	168,889	124,807	17,056	-	763,284
Other intangible assets	<u>83,683,702</u>	<u>29,992,564</u>	<u>3,063,867</u>	<u>-</u>	<u>(1,442)</u>	<u>110,610,957</u>
	<u>₩ 89,527,262</u>	<u>₩ 30,161,453</u>	<u>₩ 5,601,788</u>	<u>₩ 17,056</u>	<u>₩ (1,442)</u>	<u>₩ 114,068,429</u>

(*) Of the acquisition amount of other intangible assets, the amount obtained in government subsidy is ₩16,804 thousand (Rs. 961 thousand).

(Unit: Indian rupee in thousands)

	Six months ended June 30, 2015						
	Beginning balance	Acquisition(*)	Transfer	Depreciation	Impairment loss	Other(**)	Ending balance
Development cost	Rs. 813,558	Rs. 107,649	Rs. 6,790,935	Rs. 678,135	Rs. -	Rs. 405	Rs. 7,034,412
Patents	60,838	24,140	-	10,678	264	-	74,036
Other intangible assets	<u>7,757,967</u>	<u>1,662,734</u>	<u>(6,790,935)</u>	<u>189,007</u>	<u>-</u>	<u>45,849</u>	<u>2,486,608</u>
	<u>Rs. 8,632,363</u>	<u>Rs. 1,794,523</u>	<u>Rs. -</u>	<u>Rs. 877,820</u>	<u>Rs. 264</u>	<u>Rs. 46,254</u>	<u>Rs. 9,595,056</u>

	Six months ended June 30, 2014					
	Beginning balance	Acquisition(*)	Depreciation	Impairment loss	Other(*)	Ending balance
Development cost	Rs. 292,138	Rs. -	Rs. 138,030	Rs. -	Rs. -	Rs. 154,108
Patents	42,114	9,660	7,139	976	-	43,659
Other intangible assets	<u>4,786,708</u>	<u>1,715,575</u>	<u>175,253</u>	<u>-</u>	<u>(82)</u>	<u>6,326,948</u>
	<u>Rs. 5,120,960</u>	<u>Rs. 1,725,235</u>	<u>Rs. 320,422</u>	<u>Rs. 976</u>	<u>Rs. (82)</u>	<u>Rs. 6,524,715</u>

(3) Amortization of the Group's intangible assets for the six months ended June 30, 2015 and 2014, is as follows:

Account	Korean won in thousands		Indian rupee in thousands	
	Six months ended June 30, 2015	Six months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Cost of goods manufactured	₩ 11,855,499	₩ 2,231,448	Rs. 678,135	Rs. 127,638
Selling and administrative expenses	<u>3,490,999</u>	<u>3,370,340</u>	<u>199,685</u>	<u>192,784</u>
	<u>₩ 15,346,498</u>	<u>₩ 5,601,788</u>	<u>Rs. 877,820</u>	<u>Rs. 320,422</u>

13. **BORROWINGS:**

(1) The Group's short-term borrowings as of June 30, 2015, and December 31, 2014, consist of the following:

(Unit: Korean won in thousands)

<u>Creditor</u>	<u>Type</u>	<u>Interest rate (%)</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Korea Development Bank	Operating fund	CD + 1.99	₩ 30,000,000	₩ 30,000,000
Woori Bank(*)	Operating fund	CD + 2.00	10,000,000	5,000,000
BOA and others	Banker's usance	0.45-1.21	135,442,938	64,540,013
			<u>₩ 175,442,938</u>	<u>₩ 99,540,013</u>

(Unit: Indian rupee in thousands)

<u>Creditor</u>	<u>Type</u>	<u>Interest rate (%)</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Korea Development Bank	Operating fund	CD + 1.99	Rs. 1,716,000	Rs. 1,716,000
Woori Bank(*)	Operating fund	CD + 2.00	572,000	286,000
BOA and others	Banker's usance	0.45-1.21	7,747,336	3,691,689
			<u>Rs. 10,035,336</u>	<u>Rs. 5,693,689</u>

(*) Of the amount of long-term borrowings, the amount is within one-year arrival worth.

(2) The Group's long-term borrowings as of June 30, 2015, and December 31, 2014, consist of the following:

(Unit: Korean won in thousands)

<u>Creditor</u>	<u>Type</u>	<u>Interest rate (%)</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Woori Bank	Operating fund	CD + 2.0	₩ 30,000,000	₩ 30,000,000
Net: within one-year arrival worth			(10,000,000)	(5,000,000)
			<u>₩ 20,000,000</u>	<u>₩ 25,000,000</u>

(Unit: Indian rupee in thousands)

<u>Creditor</u>	<u>Type</u>	<u>Interest rate (%)</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Woori Bank	Operating fund	CD + 2.0	Rs. 1,716,000	Rs. 1,716,000
Net: within one-year arrival worth			(572,000)	(286,000)
			<u>Rs. 1,144,000</u>	<u>Rs. 1,430,000</u>

(3) The Group provided the following collaterals in relation to its borrowings:

<u>Creditor</u>	<u>Assets pledged as collaterals</u>	<u>Pledged date</u>	<u>Maximum credit amount</u>
Korea Development Bank	Land, buildings and machinery	2009-08-13	195 billion Korean won (11.1 billion rupee)
Woori Bank	Land, buildings and machinery	2014-10-29	36 billion Korean won (2.1 billion rupee)

14. **OTHER FINANCIAL LIABILITIES:**

Carrying amounts of the Group's other financial liabilities as of June 30, 2015, and December 31, 2014, are as follows:

<u>Classification</u>	<u>Korean won in thousands</u>		<u>Indian rupee in thousands</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Other current financial liabilities:				
Accrued expenses	<u>₩ 27,083,329</u>	<u>₩ 29,715,325</u>	<u>Rs. 1,549,166</u>	<u>Rs. 1,699,717</u>

15. PROVISION FOR PRODUCT WARRANTIES:

The Group provides warranties for the sale of its products and establishes a provision for product warranties for the amount of expected warranty costs. Provisions for product warranties for the six months ended June 30, 2015 and 2014, are as follows:

(Unit: Korean won in thousands)

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>	<u>Current</u>	<u>Non-current</u>
Six months ended June 30, 2015	₩ 137,866,039	₩ 56,470,400	₩ 49,095,748	₩ 145,240,691	₩ 59,420,226	₩ 85,820,465
Six months ended June 30, 2014	₩ 125,479,981	₩ 58,815,637	₩ 52,446,148	₩ 131,849,470	₩ 55,208,998	₩ 76,640,472

(Unit: Indian rupee in thousands)

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>	<u>Current</u>	<u>Non-current</u>
Six months ended June 30, 2015	Rs. 7,885,937	Rs. 3,230,108	Rs. 2,808,277	Rs. 8,307,768	Rs. 3,398,837	Rs. 4,908,931
Six months ended June 30, 2014	Rs. 7,177,455	Rs. 3,364,254	Rs. 2,999,920	Rs. 7,541,789	Rs. 3,157,955	Rs. 4,383,834

16. OTHER CURRENT LIABILITIES:

Carrying amounts of the Group's other liabilities as of June 30, 2015, and December 31, 2014, are as follows:

<u>Classification</u>	<u>Korean won in thousands</u>		<u>Indian rupee in thousands</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Other liabilities				
Advances from customers	₩ 4,956,433	₩ 2,982,710	Rs. 283,508	Rs. 170,611
Deposits received	767,575	763,400	43,906	43,667
Withholdings	27,892,016	18,747,107	1,595,423	1,072,336
	<u>₩ 33,616,024</u>	<u>₩ 22,493,217</u>	<u>Rs. 1,922,837</u>	<u>Rs. 1,286,614</u>

17. RETIREMENT BENEFIT OBLIGATION:

(1) Defined benefit plans and related liabilities arising from the Group's consolidated financial statements' configuration items as of June 30, 2015, and December 31, 2014, are as follows:

<u>Classification</u>	<u>Korean won in thousands</u>		<u>Indian rupee in thousands</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Present value of defined benefit obligation	₩ 264,220,219	₩ 248,189,001	Rs. 15,113,397	Rs. 14,196,411
Fair value of plan assets	(1,393,167)	(1,440,612)	(79,689)	(82,403)
	<u>₩ 262,827,052</u>	<u>₩ 246,748,389</u>	<u>Rs. 15,033,708</u>	<u>Rs. 14,114,008</u>

(2) Changes in the Group's defined benefit obligation for the six months ended June 30, 2015 and 2014, are as follows:

(Unit: Korean won in thousands)

	Six months ended June 30, 2015		
	Present value of defined benefit obligations	Fair value of scheme assets	Total
Beginning balance	₩ 248,189,001	₩ (1,440,612)	₩ 246,748,389
Net current service cost	18,820,542	-	18,820,542
Interest cost (income)	4,200,489	(24,324)	4,176,165
Subtotal	271,210,032	(1,464,936)	269,745,096
Actuarial gain or loss:			
Actuarial gain or loss	-	10,398	10,398
Payments:			
Benefit payment from plan assets	(61,371)	61,371	-
Benefit payment from Company	(6,928,442)	-	(6,928,442)
Ending balance	₩ 264,220,219	₩ (1,393,167)	₩ 262,827,052
	Six months ended June 30, 2014		
	Present value of defined benefit obligations	Fair value of scheme assets	Total
Beginning balance	₩ 176,130,156	₩ (1,474,038)	₩ 174,656,118
Net current service cost	17,630,084	-	17,630,084
Interest cost (income)	3,795,156	(32,093)	3,763,063
Past service costs (including curtailments)	29,217,170	-	29,217,170
Subtotal	226,772,566	(1,506,131)	225,266,435
Actuarial gain or loss:			
Actuarial gain or loss	-	15,530	15,530
Payments:			
Benefit payment from plan assets	(32,248)	32,248	-
Benefit payment from Company	(2,915,550)	-	(2,915,550)
Replaced with accounts payable	(60,600)	-	(60,600)
Ending balance	₩ 223,764,168	₩ (1,458,353)	₩ 222,305,815

(Unit: Indian rupee in thousands)

	Six months ended June 30, 2015		
	Present value of defined benefit obligations	Fair value of scheme assets	Total
Beginning balance	Rs. 14,196,411	Rs. (82,403)	Rs. 14,114,008
Net current service cost	1,076,535	-	1,076,535
Interest cost (income)	240,268	(1,391)	238,877
Subtotal	15,513,214	(83,794)	15,429,420
Actuarial gain or loss:			
Actuarial gain or loss	-	595	595
Payments:			
Benefit payment from plan assets	(3,510)	3,510	-
Benefit payment from Company	(396,307)	-	(396,307)
Ending balance	Rs. 15,113,397	Rs. (79,689)	Rs. 15,033,708
	Six months ended June 30, 2014		
	Present value of defined benefit obligations	Fair value of scheme assets	Total
Beginning balance	Rs. 10,074,645	Rs. (84,315)	Rs. 9,990,330
Net current service cost	1,008,441	-	1,008,441
Interest cost (income)	217,083	(1,836)	215,247
Past service costs (including curtailments)	1,671,222	-	1,671,222
Subtotal	12,971,391	(86,151)	12,885,240
Actuarial gain or loss:			
Actuarial gain or loss	-	888	888

	Six months ended June 30, 2014		
	Present value of defined benefit obligations	Fair value of scheme assets	Total
Payments:			
Benefit payment from plan assets	Rs. (1,845)	Rs. 1,845	Rs. -
Benefit payment from Company	(166,769)	-	(166,769)
Replaced with accounts payable	(3,466)	-	(3,466)
Ending balance	<u>Rs. 12,799,311</u>	<u>Rs. (83,418)</u>	<u>Rs. 12,715,893</u>

(3) Actuarial assumptions used as of June 30, 2015, and December 31, 2014, are as follows:

	June 30, 2015	December 31, 2014
Discount rate (%)	3.41	3.41
Expected rate of salary increase (%)	5.31	5.31

18. CONTINGENCIES AND COMMITMENTS:

The major commitments and contingent liabilities as of June 30, 2015, are as follows:

- (1) The Group carries product liability insurance for all products that it sells.
- (2) As of June 30, 2015, the Group has been providing guarantees from Korea Development Bank, etc., amounting to USD 268 million (execution amount USD 131 million) related to import letter of credit.
- (3) The following are the major loan arrangements with the financial institutions as of June 30, 2015.

(Unit: Korean won in thousands)

Financial institution	Classification	Limit	Exercise price
KDB	Operating purpose loans	₩ 30,000,000	₩ 30,000,000
Woori	Operating purpose loans	30,000,000	30,000,000
JP Morgan	Current purpose loans	50,000,000	-
Deutsche Bank	Current purpose loans	17,000,000	-
BNP Paribas	Current purpose loans	15,000,000	-
Nonghyup Bank	Limit purpose loans	15,000,000	-
Total		<u>₩ 157,000,000</u>	<u>₩ 60,000,000</u>

(Unit: Indian rupee in thousands)

Financial institution	Classification	Limit	Exercise price
KDB	Operating purpose loans	Rs. 1,716,000	Rs. 1,716,000
Woori	Operating purpose loans	1,716,000	1,716,000
JP Morgan	Current purpose loans	2,860,000	-
Deutsche Bank	Current purpose loans	972,400	-
BNP Paribas	Current purpose loans	858,000	-
Nonghyup Bank	Limit purpose loans	858,000	-
Total		<u>Rs. 8,980,400</u>	<u>Rs. 3,432,000</u>

(4) Pending litigations

As of June 30, 2015, the Group has two pending litigations as a plaintiff, with claims amounting to ₩5,585 million (Rs. 319 million), and 31 pending litigations as a defendant, with claims amounting to ₩22,898 million (Rs. 1,310 million). The Group recognized other payables amounting to ₩26,437 million (Rs. 1,512 million) that are expected to be a probable loss and can be reasonably estimated as of June 30, 2015.

19. CAPITAL STOCK:

As of June 30, 2015, and December 31, 2014, the number of authorized shares is three billion shares. Details of capital stock are as follows:

(Unit: Korean won in thousands, except par value)

Classification	No. of shares authorized	Shares outstanding	Par value	Capital stock
June 30, 2015	3,000,000,000	137,220,096	₩ 5,000	₩ 686,100,480
December 31, 2014	3,000,000,000	137,220,096	₩ 5,000	₩ 686,100,480

(Unit: Indian rupee in thousands, except par value)

Classification	No. of shares authorized	Shares outstanding	Par value	Capital stock
June 30, 2015	3,000,000,000	137,220,096	Rs. 286	Rs. 39,244,947
December 31, 2014	3,000,000,000	137,220,096	Rs. 286	Rs. 39,244,947

20. OTHER CAPITAL SURPLUS:

Details of other capital surplus and retained earnings as of June 30, 2015, and December 31, 2014, are as follows:

		June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
		(Korean won in thousands)		(Indian rupee in thousands)	
Other capital surplus	Paid-in capital in excess of par value	₩ 11,452,713	₩ 11,452,713	Rs. 655,095	Rs. 655,095
	Gain on retirement of capital stock	118,189,001	118,189,001	6,760,411	6,760,411
	Debt converted to equity	931,508	931,508	53,282	53,282
	Treasury stock	-	(1,189,820)	-	(68,058)
	Gain on disposal of treasury stock	1,105,138	-	63,214	-
		<u>₩ 131,678,360</u>	<u>₩ 129,383,402</u>	<u>Rs. 7,532,002</u>	<u>Rs. 7,400,730</u>

21. OTHER CAPITAL ADJUSTMENTS:

(1) Details of the Group's other capital adjustments as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

Classification	June 30, 2015	December 31, 2014
Other capital adjustments	₩ (12,347,000)	₩ (14,167,300)
Gain on overseas operation translation	1,452,262	1,102,069
	<u>₩ (10,894,738)</u>	<u>₩ (13,065,231)</u>

(Unit: Indian rupee in thousands)

Classification	June 30, 2015	December 31, 2014
Other capital adjustments	Rs. (706,248)	Rs. (810,369)
Gain on overseas operation translation	83,069	63,038
	<u>Rs. (623,179)</u>	<u>Rs. (747,331)</u>

- (2) Changes in the Group's gain (loss) on valuation of derivatives for the six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Indian rupee in thousands	
	Six months ended June 30, 2015	Six months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Beginning balance	₩ (14,167,300)	₩ 26,833,680	Rs. (810,369)	Rs. 1,534,886
Gain (loss) on valuation of derivatives	(6,832,500)	5,241,900	(390,819)	299,837
Reclassified to net income	<u>8,652,800</u>	<u>(24,032,180)</u>	<u>494,940</u>	<u>(1,374,641)</u>
Ending balance	<u>₩ (12,347,000)</u>	<u>₩ 8,043,400</u>	<u>Rs. (706,248)</u>	<u>Rs. 460,082</u>

- (3) Changes in the Group's gain (loss) on overseas operation translation credit for the six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Indian rupee in thousands	
	Six months ended June 30, 2015	Six months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Beginning balance	₩ 1,102,069	₩ 686,161	Rs. 63,038	Rs. 39,248
Cumulative effect of foreign currency translation	<u>350,193</u>	<u>(202,360)</u>	<u>20,031</u>	<u>(11,575)</u>
Ending balance	<u>₩ 1,452,262</u>	<u>₩ 483,801</u>	<u>Rs. 83,069</u>	<u>Rs. 27,673</u>

22. ACCUMULATED DEFICIT:

- (1) Details of accumulated deficit as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

	June 30, 2015	December 31, 2014
Deficit	₩ (78,992,876)	₩ (25,034,685)

(Unit: Indian rupee in thousands)

	June 30, 2015	December 31, 2014
Deficit	Rs. (4,518,393)	Rs. (1,431,984)

- (2) Changes in deficit (retained earnings) for the six months ended June 30, 2015 and 2014, are as follows:

(Unit: Korean won in thousands)

	Six months ended June 30, 2015	Six months ended June 30, 2014
Beginning balance	₩ (25,034,685)	₩ 41,194,141
Net loss	(53,947,793)	(18,454,341)
Actuarial loss	<u>(10,398)</u>	<u>(15,530)</u>
Ending balance	<u>₩ (78,992,876)</u>	<u>₩ 22,724,270</u>

(Unit: Indian rupee in thousands)

	Six months ended June 30, 2015	Six months ended June 30, 2014
Beginning balance	Rs. (1,431,984)	Rs. 2,356,305
Net loss	(3,085,814)	(1,055,587)
Actuarial loss	<u>(595)</u>	<u>(888)</u>
Ending balance	<u>Rs. (4,518,393)</u>	<u>Rs. 1,299,830</u>

23. INCOME TAX:

(1) Composition of income tax expense for the six months ended June 30, 2015 and 2014, is as follows:

	Korean won in thousands		Indian rupee in thousands	
	Six months ended June 30, 2015	Six months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Income tax expense of parent company	₩ -	₩ -	Rs. -	Rs. -
Income tax expense of subsidiary company	10,558	190,372	604	10,889
Income tax expense of consolidated company	₩ 10,558	₩ 190,372	Rs. 604	Rs. 10,889

(2) As of June 30, 2015, and December 31, 2014, deferred income tax assets are ₩17,985 thousand (Rs. 1,029 thousand) and ₩19,069 thousand (Rs. 1,091 thousand), respectively.

24. EXPENSES BY CATEGORY:

Details of expenses classified by category for the six months ended June 30, 2015 and 2014, are as follows

	Korean won in thousands		Indian rupee in thousands	
	Six months ended June 30, 2015	Six months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Changes in inventories	₩ (5,967,298)	₩ (20,740,334)	Rs. (341,329)	Rs. (1,186,347)
Raw materials and merchandise goods used	1,102,879,646	1,259,550,891	63,084,716	72,046,311
Salaries	235,739,668	252,338,414	13,484,309	14,433,757
Depreciation	58,663,804	51,157,311	3,355,568	2,926,199
Amortization	15,346,498	5,601,788	877,820	320,422
Other	243,309,561	196,925,393	13,917,307	11,264,132
Total(*)	₩ 1,649,971,879	₩ 1,744,833,463	Rs. 94,378,391	Rs. 99,804,474

(*) The sum of selling and administrative expenses and cost of sales

25. DERIVATIVE FINANCIAL INSTRUMENTS:

The Group has a derivative contract with financial institutions, such as Korea Development Bank, to minimize the risks of exchange rate fluctuation by fitting the amount and period of expected foreign currency transactions (hedged items). Gain on valuation of derivatives for ₩56,000 thousand (Rs. 3,203 thousand) and loss on valuation of derivatives for ₩12,403,000 thousand (Rs. 709,452 thousand) applied to cash flow risk aversion accounting treatment are recognized as other capital components, and gain on valuation of derivatives for ₩1,986,200 thousand (Rs. 113,611 thousand), which is an inefficient part, is recognized as current income for the six months ended June 30, 2015. Gain on valuation of derivatives for ₩323,828 thousand (Rs. 18,523 thousand) applied to financial assets at fair value through profit or loss is recognized as current income for the six months ended June 30, 2015.

26. SELLING AND ADMINISTRATIVE EXPENSES:

(1) Details of the selling expenses for the three and six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Korean won in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Warranty expenses	₩ 25,113,768	₩ 43,685,962	₩ 12,596,147	₩ 35,755,463
Sales commissions	50,473,900	93,447,886	36,726,058	75,890,643
Advertising expenses	1,883,617	8,565,912	5,023,270	8,372,584
Export expenses	11,407,159	23,513,650	19,181,418	35,319,762
Others	10,543,066	21,164,469	10,956,064	18,605,077
	<u>₩ 99,421,510</u>	<u>₩ 190,377,879</u>	<u>₩ 84,482,957</u>	<u>₩ 173,943,529</u>

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Warranty expenses	Rs. 1,436,508	Rs. 2,498,837	Rs. 720,500	Rs. 2,045,212
Sales commissions	2,887,107	5,345,219	2,100,731	4,340,945
Advertising expenses	107,743	489,970	287,331	478,912
Export expenses	652,489	1,344,981	1,097,177	2,020,290
Others	603,063	1,210,608	626,687	1,064,211
	<u>Rs. 5,686,910</u>	<u>Rs. 10,889,615</u>	<u>Rs. 4,832,426</u>	<u>Rs. 9,949,570</u>

(2) Details of the administrative expenses for the three and six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Korean won in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Salaries	₩ 13,186,427	₩ 25,385,236	₩ 12,464,660	₩ 24,410,963
Postemployment benefits	2,177,301	4,053,161	1,979,022	3,528,730
Employee benefits	2,782,124	5,472,164	3,370,617	5,938,113
Rent expense	2,799,595	5,634,355	2,631,884	5,249,228
Service fees	6,532,269	13,137,236	5,362,495	11,733,867
Depreciation	2,865,876	5,768,555	1,722,054	3,426,247
R&D expenses	2,723,105	6,967,986	4,311,650	10,935,535
Amortization	1,750,705	3,490,999	1,726,135	3,370,341
Bad debt expense	(51,824)	(25,914)	(162,042)	5,602
Other administrative expenses	9,705,673	16,752,124	9,542,230	16,132,359
	<u>₩ 44,471,251</u>	<u>₩ 86,635,902</u>	<u>₩ 42,948,705</u>	<u>₩ 84,730,985</u>

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Salaries	Rs. 754,264	Rs. 1,452,035	Rs. 712,979	Rs. 1,396,307
Postemployment benefits	124,542	231,841	113,200	201,843
Employee benefits	159,137	313,008	192,799	339,660
Rent expense	160,137	322,285	150,544	300,256
Service fees	373,646	751,450	306,735	671,177
Depreciation	163,928	329,961	98,501	195,981
R&D expenses	155,762	398,569	246,626	625,513
Amortization	100,140	199,685	98,735	192,784
Bad debt expense	(2,964)	(1,482)	(9,269)	320
Other administrative expenses	555,164	958,221	545,815	922,771
	<u>Rs. 2,543,756</u>	<u>Rs. 4,955,573</u>	<u>Rs. 2,456,665</u>	<u>Rs. 4,846,612</u>

27. NON-OPERATING INCOME (EXPENSES):

(1) Details of the Group's non-operating income for the three and six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Korean won in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Commission income	₩ 91,307	₩ 301,868	₩ 540,981	₩ 1,231,840
Gain on foreign currency transactions	2,647,821	5,408,552	2,252,785	4,503,037
Gain on foreign currency translation	(116,286)	400,381	(27,812)	349,014
Gain on disposal of property, plant and equipment	581,589	590,739	50,506	69,526
Others	5,937,451	10,116,234	4,905,512	9,129,415
	<u>₩ 9,141,882</u>	<u>₩ 16,817,774</u>	<u>₩ 7,721,972</u>	<u>₩ 15,282,832</u>

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Commission income	Rs. 5,223	Rs. 17,267	Rs. 30,944	Rs. 70,461
Gain on foreign currency transactions	151,455	309,369	128,859	257,574
Gain on foreign currency translation	(6,652)	22,902	(1,591)	19,964
Gain on disposal of property, plant and equipment	33,267	33,790	2,889	3,977
Others	339,623	578,649	280,596	522,202
	<u>Rs. 522,916</u>	<u>Rs. 961,977</u>	<u>Rs. 441,697</u>	<u>Rs. 874,178</u>

(2) Details of the Group's other non-operating expense for the three and six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Korean won in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Loss on foreign currency transactions	₩ 2,294,310	₩ 4,088,000	₩ 4,667,873	₩ 6,568,022
Loss on foreign currency translation	(264,493)	846,955	788,643	1,043,007
Loss on disposal of property, plant and equipment	1,625	5,418	23,808	50,212
Loss on disposal of trade receivables	3,005,592	4,589,854	3,053,293	7,749,983
Others	1,340,851	3,758,162	30,676,612	32,132,788
	<u>₩ 6,377,885</u>	<u>₩ 13,288,389</u>	<u>₩ 39,210,229</u>	<u>₩ 47,544,012</u>

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Loss on foreign currency transactions	Rs. 131,235	Rs. 233,834	Rs. 267,002	Rs. 375,691
Loss on foreign currency translation	(15,129)	48,446	45,110	59,660
Loss on disposal of property, plant and equipment	93	310	1,362	2,872

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Loss on disposal of trade receivables	171,920	262,540	174,648	443,299
Others	76,696	214,966	1,754,703	1,837,995
	<u>Rs. 364,815</u>	<u>Rs. 760,096</u>	<u>Rs. 2,242,825</u>	<u>Rs. 2,719,517</u>

28. FINANCIAL INCOME AND COST:

(1) Details of the Group's financial income for the three and six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Korean won in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Interest income	₩ 797,094	₩ 1,729,221	₩ 1,137,834	₩ 3,096,695
Dividend income	5,000	11,000	-	11,000
Gain on foreign currency transactions	3,917,712	5,848,792	868,572	2,062,530
Gain on foreign currency translation	(3,882,454)	395,239	860,650	924,587
Gain on disposal of derivatives	803,300	921,150	19,914,055	29,907,855
Gain on valuation of derivatives	425,778	2,320,828	(747,262)	668,800
	<u>₩ 2,066,430</u>	<u>₩ 11,226,230</u>	<u>₩ 22,033,849</u>	<u>₩ 36,671,467</u>

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Interest income	Rs. 45,594	Rs. 98,912	Rs. 65,084	Rs. 177,131
Dividend income	286	629	-	629
Gain on foreign currency transactions	224,093	334,551	49,683	117,977
Gain on foreign currency translation	(222,077)	22,608	49,228	52,886
Gain on disposal of derivatives	45,949	52,690	1,139,084	1,710,729
Gain on valuation of derivatives	24,355	132,750	(42,743)	38,256
	<u>Rs. 118,200</u>	<u>Rs. 642,140</u>	<u>Rs. 1,260,336</u>	<u>Rs. 2,097,608</u>

(2) Details of the Group's financial cost for the three and six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Korean won in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Interest expense	₩ 298,688	₩ 564,923	₩ 454,554	₩ 1,647,906
Loss on foreign currency transactions	914,733	3,090,392	4,047,367	4,531,818
Loss on foreign currency translation	2,680,346	2,803,374	(393,711)	2,152
Loss on disposal of derivatives	3,743,000	8,132,900	-	-
Loss on valuation of derivatives	10,800	10,800	(19,950)	-
	<u>₩ 7,647,567</u>	<u>₩ 14,602,389</u>	<u>₩ 4,088,260</u>	<u>₩ 6,181,876</u>

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Interest expense	Rs. 17,085	Rs. 32,314	Rs. 26,000	Rs. 94,260
Loss on foreign currency transactions	52,322	176,770	231,509	259,220
Loss on foreign currency translation	153,316	160,353	(22,520)	123
Loss on disposal of derivatives	214,100	465,202	-	-

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Loss on valuation of derivatives	618	618	(1,141)	-
	<u>Rs. 437,441</u>	<u>Rs. 835,257</u>	<u>Rs. 233,848</u>	<u>Rs. 353,603</u>

(3) Details of the Group's financial net profit for the three and six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Korean won in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Loan and receivables	₩ (3,061,415)	₩ 1,514,563	₩ (1,241,154)	₩ (98,064)
AFS financial assets	5,000	11,000	-	11,000
Derivative assets/ liabilities	(2,524,722)	(4,901,722)	19,186,743	30,576,655
	<u>₩ (5,581,137)</u>	<u>₩ (3,376,159)</u>	<u>₩ 17,945,589</u>	<u>₩ 30,489,591</u>

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Loan and receivables	Rs. (175,113)	Rs. 86,634	Rs. (70,994)	Rs. (5,609)
AFS financial assets	286	629	-	629
Derivative assets/ liabilities	144,414	(280,380)	1,097,482	1,748,985
	<u>Rs. (319,241)</u>	<u>Rs. (193,117)</u>	<u>Rs. 1,026,488</u>	<u>Rs. 1,744,005</u>

29. LOSS PER SHARE:

(1) Basic income (loss) per share for the three and six months ended June 30, 2015 and 2014, is calculated as follows (Unit: Korean won and Indian rupee in thousands, except for earnings per share):

	Korean won in thousands		Korean won in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Net loss	₩ (22,701,467)	₩ (53,947,793)	₩ (29,196,462)	₩ (18,454,341)
Loss contributed to common stocks	(22,701,467)	(53,947,793)	(29,196,462)	(18,454,341)
Number of common stocks outstanding	<u>137,220,096</u>	<u>137,143,448</u>	<u>137,198,390</u>	<u>137,198,390</u>
Basic and diluted loss per share(*)	<u>₩ (165)</u>	<u>₩ (393)</u>	<u>₩ (213)</u>	<u>₩ (135)</u>

	Indian rupee in thousands		Indian rupee in thousands	
	Three months ended	Six months ended	Three months ended	Six months ended
	June 30, 2015	June 30, 2015	June 30, 2014	June 30, 2014
Net loss	Rs. (1,298,523)	Rs. (3,085,814)	Rs. (1,670,037)	Rs. (1,055,587)
Loss contributed to common stocks	(1,298,523)	(3,085,814)	(1,670,037)	(1,055,587)
Number of common stocks outstanding	<u>137,220,096</u>	<u>137,143,448</u>	<u>137,198,390</u>	<u>137,198,390</u>
Basic and diluted loss per share(*)	<u>Rs. (9)</u>	<u>Rs. (22)</u>	<u>Rs. (12)</u>	<u>Rs. (8)</u>

(*) Basic and diluted loss per share for the three and six months ended June 30, 2015 and 2014, are identical since there are no dilutive potential common shares.

- (2) The number of shares outstanding for the six months ended June 30, 2015 and 2014, is calculated as follows:

Six months ended June 30, 2015					
	Time interval		Outstanding	Weighted- average impact	Outstanding
	Common stock	2015-01-01	2015-06-30	137,220,096	181/181
Treasury stock	2015-01-01	2015-02-22	(237,964)	53/181	(69,679)
Treasury stock	2015-02-23	2015-02-23	(221,997)	1/181	(1,227)
Treasury stock	2015-02-24	2015-02-24	(191,997)	1/181	(1,061)
Treasury stock	2015-02-25	2015-02-25	(161,997)	1/181	(895)
Treasury stock	2015-02-26	2015-02-26	(121,997)	1/181	(674)
Treasury stock	2015-02-27	2015-03-01	(71,997)	3/181	(1,193)
Treasury stock	2015-03-02	2015-03-17	(21,706)	16/181	(1,919)
Total					<u>137,143,448</u>

Six months ended June 30, 2014					
	Time interval		Outstanding	Weighted- average impact	Outstanding
	Common stock	2014-01-01	2014-06-30	137,220,096	181/181
Treasury stock	2014-01-01	2014-06-30	(21,706)	181/181	(21,706)
Total					<u>137,198,390</u>

30. CASH FLOWS FROM OPERATING ACTIVITIES:

Details of cash flows from operating activities for the six months ended June 30, 2015 and 2014, are as follows:

	Korean won in thousands		Indian rupee in thousands	
	Six months ended	Six months ended	Six months ended	Six months ended
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
1. Net loss	₩ (53,947,793)	₩ (18,454,341)	Rs. (3,085,814)	Rs. (1,055,587)
2. Adjustments	102,400,827	112,726,873	5,857,327	6,447,977
Retirement benefits	22,996,707	21,393,147	1,315,412	1,223,688
Depreciation	58,654,326	51,146,723	3,355,027	2,925,593
Amortization	15,346,498	5,601,788	877,820	320,422
Loss on disposal of trade receivables	4,589,854	7,749,983	262,540	443,299
Loss (gain) on foreign currency translation	2,854,709	(228,442)	163,289	(13,067)
Gain on disposal of property, plant and equipment	(585,321)	(19,314)	(33,480)	(1,105)
Interest income/expense	(1,164,298)	(1,448,789)	(66,598)	(82,871)
Gain on dividends	(11,000)	(11,000)	(629)	(629)
Loss (gain) on valuation of inventories	2,128,836	(237,004)	121,769	(13,557)
Others	(2,409,484)	28,779,781	(137,823)	1,646,204
3. Changes in working capital	(49,029,211)	(104,515,968)	(2,804,471)	(5,978,313)
Decrease in trade receivables	3,290,046	21,712,218	188,190	1,241,938
Decrease in non-trade receivables	10,708,667	2,665,713	612,536	152,479
Increase in inventories	(17,345,984)	(12,791,407)	(992,190)	(731,668)
Increase in other assets	(1,941,930)	(819,992)	(111,078)	(46,904)
Increase (decrease) in trade payables	1,972,844	(69,919,900)	112,847	(3,999,418)
Decrease in other payables	(63,565,287)	(39,315,278)	(3,635,934)	(2,248,834)
Decrease in accrued charges	(2,781,635)	(1,999,412)	(159,110)	(114,366)
Increase in provision of product warranties	7,374,652	6,369,489	421,830	364,335
Payment of severance indemnities	(6,928,442)	(2,915,550)	(396,307)	(166,769)
Increase (decrease) in other liabilities	20,187,858	(7,501,849)	1,154,745	(429,106)
Net cash used in operating activities	₩ (576,177)	₩ (10,243,436)	Rs. (32,958)	Rs. (585,923)

31. SEGMENT INFORMATION:

- (1) The Group determined itself as a single reportable segment in light of nature of goods or service creating operating income and trait of assets providing service. Therefore, writing disclosure according to reportable segment's operating income, income before income tax and its assets and liabilities is omitted.
- (2) Information of each sales region for the six months ended June 30, 2015 and 2014, is as follows:

(Unit: Korean won and Indian rupee in thousands)

Sales region	Six months ended June 30, 2015			
Republic of Korea	₩	1,136,356,840	Rs.	64,999,611
Europe		221,868,508		12,690,879
Asia Pacific		97,456,567		5,574,516
Others		144,820,259		8,283,718
Consolidation adjustment		(4,620,756)		(264,307)
	₩	1,595,881,418	Rs.	91,284,417

Sales region	Six months ended June 30, 2014			
Republic of Korea	₩	955,661,283	Rs.	54,663,825
Europe		424,747,990		24,295,585
Asia Pacific		167,912,858		9,604,615
Others		184,650,766		10,562,025
Consolidation adjustment		(4,631,814)		(264,940)
	₩	1,728,341,083	Rs.	98,861,110

Non-current assets are not separately disclosed as all are located in Korea, and main customer information is not disclosed as most of the Group sales are generated through contracting with individuals and foreign authorized agencies.

- (3) Information of each sales product and service for the six months ended June 30, 2015 and 2014, is as follows:

(Unit: Korean won and Indian rupee in thousands)

Sales	Six months ended June 30, 2015			
Automobile	₩	1,418,935,840	Rs.	81,163,130
Products		165,395,185		9,460,605
Others		11,550,393		660,683
	₩	1,595,881,418	Rs.	91,284,418

Sales	Six months ended December 31, 2014			
Automobile	₩	1,547,020,537	Rs.	88,489,575
Products		168,955,716		9,664,267
Others		12,364,830		707,268
	₩	1,728,341,083	Rs.	98,861,110

32. RELATED-PARTY TRANSACTIONS:

- (1) Details of related parties as of June 30, 2015, are as follows:

	Related parties
Controlling company	Mahindra & Mahindra Ltd.
Other affiliated companies	Mahindra Vehicle Manufacturing Ltd. Mahindra & Mahindra South Africa Ltd.

The transactions between the Company and its subsidiaries are eliminated in the consolidated financial statements and not separately disclosed in the notes related to receivables and payables.

(2) Major transactions with related parties for the six months ended June 30, 2015 and 2014, are as follows:

(Unit: Korean won in thousands)

	Company	Description	Three months ended		Six months ended	
			June 30, 2015		June 30, 2014	
Transactions with controlling company	Mahindra & Mahindra Ltd.	Sales	₩	890,104	₩	576,736
		Other income		13,221		28,158
		Purchases		1,281,142		-
		Property, plant and equipment and intangible asset purchases		-		-
		Other expenses	₩	47,476	₩	1,133,686
Transaction with other affiliates	Mahindra Vehicle Manufacturing Ltd. Mahindra & Mahindra South Africa Ltd.	Sales		5,054,654		6,737,087
		Other income		9,937		31,091
		Purchases		-		-
		Property, plant and equipment and intangible asset purchases		-		-
		Other expenses	₩	188,907	₩	49,642

(Unit: Indian rupee in thousands):

	Company	Description	Three months ended		Six months ended	
			June 30, 2015		June 30, 2014	
Transactions with controlling company	Mahindra & Mahindra Ltd.	Sales	Rs.	50,914	Rs.	32,989
		Other income		756		1,611
		Purchases		73,281		-
		Property, plant and equipment and intangible asset purchases		-		-
		Other expenses	Rs.	2,716	Rs.	64,847
Transaction with other affiliates	Mahindra Vehicle Manufacturing Ltd. Mahindra & Mahindra South Africa Ltd.	Sales	Rs.	289,126	Rs.	385,361
		Other income		568		1,778
		Purchases		-		-
		Property, plant and equipment and intangible asset purchases		-		-
		Other expenses	Rs.	10,805	Rs.	2,840

The bad debt expense recognized for the six months ended June 30, 2015 and 2014, does not exist.

(3) Outstanding receivables and payables from transactions with related parties as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

	June 30, 2015		December 31, 2014	
Receivables from and payables to controlling company:				
Trade receivables	₩	84,907	₩	40,507
Non-trade receivables		233,081		159,510
Trade payables		198,571		205,628
Non-trade payables	₩	46,199	₩	982,293
Receivables from and payables to affiliates:				
Trade receivables	₩	53,407	₩	1,459,978
Non-trade receivables		3,250		23,435
Trade payables		-		-
Non-trade payables	₩	104,548	₩	125,892

(Unit: Indian rupee in thousands)

	June 30, 2015		December 31, 2014	
Receivables from and payables to controlling company:				
Trade receivables	Rs.	4,857	Rs.	2,317
Non-trade receivables		13,332		9,124
Trade payables		11,358		11,762
Non-trade payables	Rs.	2,643	Rs.	56,187

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Receivables from and payables to affiliates:		
Trade receivables	Rs. 3,055	Rs. 83,511
Non-trade receivables	186	1,340
Trade payables	-	-
Non-trade payables	<u>Rs. 5,980</u>	<u>Rs. 7,201</u>

The Group did not recognize allowance for the above-mentioned receivables, and no bad debt expense was recognized for the six months ended June 30, 2015.

(4) Loan and borrowing transactions with related parties for six months ended June 30, 2014, are as follows:

(Unit: Korean won in thousands)

<u>Six months ended June 30, 2014</u>	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Controlling company				
Mahindra & Mahindra Ltd.				
Bonds	₩ 95,404,765	₩ -	₩ 95,404,765	₩ -

(Unit: Indian rupee in thousands)

<u>Six months ended June 30, 2014</u>	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Controlling company				
Mahindra & Mahindra Ltd.				
Bonds	Rs. 5,457,153	Rs. -	Rs. 5,457,153	Rs. -

(5) Details of compensation for key executives for the six months ended June 30, 2015 and 2014, are as follows:

	<u>Korean won in thousands</u>		<u>Indian rupee in thousands</u>	
	<u>Six months ended June 30, 2015</u>	<u>Six months ended June 30, 2014</u>	<u>Six months ended June 30, 2015</u>	<u>Six months ended June 30, 2014</u>
Short-term employee benefits	₩ 414,558	₩ 451,999	Rs. 23,713	Rs. 25,854
Retirement benefits	₩ 17,287	₩ 19,791	Rs. 989	Rs. 1,132

33. FINANCIAL INSTRUMENTS:

(1) Capital risk management

The Group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio, on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Group compared to last year.

The Group uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Group is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Debt (A)	₩ 1,237,607,867	₩ 1,191,048,022
Equity (B)	<u>727,891,226</u>	<u>777,383,966</u>
Debt ratio (A/ B)	<u>170.03%</u>	<u>153.21%</u>

(Unit: Indian rupee in thousands)

	June 30, 2015		December 31, 2014	
Debt (A)	Rs.	70,791,171	Rs.	68,127,948
Equity (B)		41,635,377		44,466,362
Debt ratio (A/ B)		170.03%		153.21%

(2) Details of financial assets and liabilities by category as of June 30, 2015, and December 31, 2014, are as follows:

1) Financial assets

(Unit: Korean won in thousands)

Financial assets	June 30, 2015					
	Loans and receivables	AFS financial assets	Financial asset at fair value through profit or loss	Designated to hedge item	Total	Fair value
Cash and cash equivalents	₩ 120,305,345	₩ -	₩ -	₩ -	₩ 120,305,345	₩ 120,305,345
Non-current financial instruments	6,000	-	-	-	6,000	6,000
Trade and other receivables	198,837,234	-	-	-	198,837,234	198,837,234
AFS financial assets	-	560,000	-	-	560,000	560,000
Derivative assets	-	-	323,828	45,200	369,028	369,028
	<u>₩ 319,148,579</u>	<u>₩ 560,000</u>	<u>₩ 323,828</u>	<u>₩ 45,200</u>	<u>₩ 320,077,607</u>	<u>₩ 320,077,607</u>

Financial assets	December 31, 2014					
	Loans and receivables	AFS financial assets	Financial asset at fair value through profit or loss	Designated to hedge item	Total	Fair value
Cash and cash equivalents	₩ 156,765,307	₩ -	₩ -	₩ -	₩ 156,765,307	₩ 156,765,307
Non-current financial instruments	6,000	-	-	-	6,000	6,000
Trade and other receivables	216,364,904	-	-	-	216,364,904	216,364,904
AFS financial assets	-	560,000	-	-	560,000	560,000
Derivative assets	-	-	1,232,650	1,232,650	1,232,650	1,232,650
	<u>₩ 373,136,211</u>	<u>₩ 560,000</u>	<u>₩ 1,232,650</u>	<u>₩ 1,232,650</u>	<u>₩ 374,928,861</u>	<u>₩ 374,928,861</u>

(Unit: Indian rupee in thousands)

Financial assets	June 30, 2015					
	Loans and receivables	AFS financial assets	Financial asset at fair value through profit or loss	Designated to hedge item	Total	Fair value
Cash and cash equivalents	Rs. 6,881,466	Rs. -	Rs. -	Rs. -	Rs. 6,881,466	Rs. 6,881,466
Non-current financial instruments	343	-	-	-	343	343
Trade and other receivables	11,373,490	-	-	-	11,373,490	11,373,490
AFS financial assets	-	32,032	-	-	32,032	32,032
Derivative assets	-	-	18,523	2,585	21,108	21,108
	<u>Rs. 18,255,299</u>	<u>Rs. 32,032</u>	<u>Rs. 18,523</u>	<u>Rs. 2,585</u>	<u>Rs. 18,308,439</u>	<u>Rs. 18,308,439</u>

Financial assets	December 31, 2014					
	Loans and receivables	AFS financial assets	Financial asset at fair value through profit or loss	Designated to hedge item	Total	Fair value
Cash and cash equivalents	Rs. 8,966,976	Rs. -	Rs. -	Rs. -	Rs. 8,966,976	Rs. 8,966,976
Non-current financial instruments	343	-	-	-	343	343
Trade and other receivables	12,376,073	-	-	-	12,376,073	12,376,073
AFS financial assets	-	32,032	-	-	32,032	32,032
Derivative assets	-	-	70,508	70,508	70,508	70,508
	<u>Rs. 21,343,392</u>	<u>Rs. 32,032</u>	<u>Rs. 70,508</u>	<u>Rs. 70,508</u>	<u>Rs. 21,445,932</u>	<u>Rs. 21,445,932</u>

2) Financial liabilities

(Unit: Korean won in thousands):

June 30, 2015				
Financial liabilities	Financial liability measured at amortized cost	Derivatives designated to hedge item	Total	Fair value
Trade and other payables	₩ 575,020,481	₩ -	₩ 575,020,481	₩ 575,020,481
Debt	195,442,938	-	195,442,938	195,442,938
Derivative liabilities	-	10,357,250	10,357,250	10,357,250
	<u>₩ 770,463,419</u>	<u>₩ 10,357,250</u>	<u>₩ 780,820,669</u>	<u>₩ 780,820,669</u>

December 31, 2014				
Financial liabilities	Financial liability measured at amortized cost	Derivatives designated to hedge item	Total	Fair value
Trade and other payables	₩ 628,806,535	₩ -	₩ 628,806,535	₩ 628,806,535
Debt	124,540,013	-	124,540,013	124,540,013
Derivative liabilities	-	14,974,250	14,974,250	14,974,250
	<u>₩ 753,346,548</u>	<u>₩ 14,974,250</u>	<u>₩ 768,320,798</u>	<u>₩ 768,320,798</u>

(Unit: Indian rupee in thousands):

June 30, 2015				
Financial liabilities	Financial liability measured at amortized cost	Derivatives designated to hedge item	Total	Fair value
Trade and other payables	Rs. 32,891,171	Rs. -	Rs. 32,891,171	Rs. 32,891,171
Debt	11,179,336	-	11,179,336	11,179,336
Derivative liabilities	-	592,435	592,435	592,435
	<u>Rs. 44,070,507</u>	<u>Rs. 592,435</u>	<u>Rs. 44,662,942</u>	<u>Rs. 44,662,942</u>

December 31, 2014				
Financial liabilities	Financial liability measured at amortized cost	Derivatives designated to hedge item	Total	Fair value
Trade and other payables	Rs. 35,967,733	Rs. -	Rs. 35,967,733	Rs. 35,967,733
Debt	7,123,689	-	7,123,689	7,123,689
Derivative liabilities	-	856,527	856,527	856,527
	<u>Rs. 43,091,422</u>	<u>Rs. 856,527</u>	<u>Rs. 43,947,949</u>	<u>Rs. 43,947,949</u>

(3) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Group operates a risk management policy and a program that performs close monitoring of, and responding to, each risk factor.

Financial assets that are subject to the financial risk management consist of cash and cash equivalents, AFS financial assets, trade receivables, other receivables and others. Financial liabilities subject to the financial risk management consist of trade payables, other payables, borrowings, bonds and others.

1) Market risk

a. Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group assesses, manages and reports, on a regular basis, the foreign currency risk for its receivables and payables denominated in foreign currency.

The table below shows the sensitivity for each foreign currency when exchange rates change 10 %. Sensitivity analysis only includes foreign currency monetary items that are not paid, and it adjusts the translation assuming exchange rate changes 10% at the period six months ended of June 30, 2015.

Current income will increase when foreign exchange rate increases (weaker KRW); likewise, current loss will increase when foreign exchange rate decreases (stronger KRW) with respect to the relevant currency as per following table.

Currency	Korean won in thousands		Indian rupee in thousands	
	10% increase	10% decrease	10% increase	10% decrease
USD	₩ 927,900	₩ (927,900)	Rs. 53,076	Rs. (53,076)
EUR	(6,557,390)	6,557,390	(375,083)	375,083
JPY	(6,802,947)	6,802,947	(389,129)	389,129
Others	581,298	(581,298)	33,250	(33,250)
	₩ (11,851,139)	₩ 11,851,139	Rs. (677,886)	Rs. 677,886

In order to minimize the risk of foreign exchange fluctuation, the Group has a policy of entering into foreign exchange forward agreement, which is accounted for as hedge accounting for future expected transactions.

The cumulative benefits of cash flow hedging related to forward contracts deferred to equity, amount to 12,347,000 thousand won (Rs. 706,248 thousand), and this amount will be reclassified as current income or loss, when the contracts are settled. Future transactions related to forward transactions will occur within 12 months at the latest starting from the end of current period.

b. Interest rate risk.

Sensitivity analysis was conducted assuming floating rate debt current balance is the same during the whole reporting period. When reporting interest rate risk to management internally, 0.5% variation is used, representing management's assessment about reasonably possible fluctuations of interest rates.

When other variables are constant and the interest rate is lower or higher by 0.5% than the current rate, the Group's current income will decrease/increase ₩148,767 thousand (Rs. 8,509 thousand) for the six months ended June 30, 2015, due to floating rate debt's interest rate risk.

2) Credit risk

Credit risk arises from transactions in the ordinary course of business and investment activities and when a customer or a transacting party fails to perform obligations defined by respective contract terms. In order to manage the aforementioned credit risk, the Group regularly assesses credit ratings of its customers and transacting parties based on their financial status and past experiences and establishes credit limit for each customer or transacting party.

As of June 30, 2015, and December 31, 2014, the maximum exposed amounts of credit risk for financial assets maintained by the Group are as follows.

	June 30, 2015		December 31, 2014	
	(Korean won in thousands)		(Indian rupee in thousands)	
Trade and other receivables	₩	198,837,234	₩	216,364,904
			Rs.	11,373,490
			Rs.	12,376,073

3) Liquidity risk

The Group establishes short-term and long-term fund management plans; consequently, exposures to liquidity risk. The Group analyzes and reviews actual cash out flows and its budget to correspond the maturities of financial liabilities to those of financial assets. Management of the Group believes that the financial liabilities may be redeemed by cash flows arising from operating activities and financial assets. To manage risks arising from installment sales receivables, the Group has entered into a factoring agreement with capital financial institutions.

Maturity analysis of non-derivative financial liabilities according to their remaining maturities as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

	June 30, 2015		
	Within year	More than 1 year	Total
Trade payables	₩ 370,105,360	₩ -	₩ 370,105,360
Non-trade payables	160,064,834	-	160,064,834
Short-term borrowings	176,204,034	-	176,204,034
Derivative liabilities	10,357,250	-	10,357,250
Other payables	27,083,329	-	27,083,329
Long-term borrowings	-	21,421,616	21,421,616
Other non-current payables	-	17,766,958	17,766,958
	<u>₩ 743,814,807</u>	<u>₩ 39,188,574</u>	<u>₩ 783,003,381</u>

	December 31, 2014		
	Within year	More than 1 year	Total
Trade payables	₩ 367,063,799	₩ -	₩ 367,063,799
Non-trade payables	228,492,719	-	228,492,719
Short-term borrowings	100,926,284	-	100,926,284
Derivative liabilities	14,974,250	-	14,974,250
Other payables	29,715,324	-	29,715,324
Long-term borrowings	-	27,212,632	27,212,632
Other non-current payables	-	3,534,693	3,534,693
	<u>₩ 741,172,376</u>	<u>₩ 30,747,325</u>	<u>₩ 771,919,701</u>

(Unit: Indian rupee in thousands)

	June 30, 2015		
	Within year	More than 1 year	Total
Trade payables	Rs. 21,170,027	Rs. -	Rs. 21,170,027
Non-trade payables	9,155,709	-	9,155,709
Short-term borrowings	10,078,871	-	10,078,871
Derivative liabilities	592,435	-	592,435
Other payables	1,549,165	-	1,549,165
Long-term borrowings	-	1,225,316	1,225,316
Other non-current payables	-	1,016,270	1,016,270
	<u>Rs. 42,546,207</u>	<u>Rs. 2,241,586</u>	<u>Rs. 44,787,793</u>

	December 31, 2014		
	Within year	More than 1 year	Total
Trade payables	Rs. 20,996,049	Rs. -	Rs. 20,996,049
Non-trade payables	13,069,784	-	13,069,784
Short-term borrowings	5,772,983	-	5,772,983
Derivative liabilities	856,527	-	856,527
Other payables	1,699,716	-	1,699,716
Long-term borrowings	-	1,556,563	1,556,563
Other non-current payables	-	202,184	202,184
	<u>Rs. 42,395,059</u>	<u>Rs. 1,758,747</u>	<u>Rs. 44,153,806</u>

Funding arrangements as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

		June 30, 2015		December 31, 2014	
		Used	Unused	Used	Unused
Borrowing limit commitments	Used	₩ 60,000,000		₩ 60,000,000	
	Unused		97,000,000		65,000,000
	Total	<u>₩ 157,000,000</u>		<u>₩ 125,000,000</u>	

(Unit: Indian rupee in thousands)

		June 30, 2015		December 31, 2014	
Borrowing limit commitments	Used	Rs.	3,432,000	Rs.	3,432,000
	Unused		5,548,400		3,718,000
	Total	Rs.	8,980,400	Rs.	7,150,000

(4) Fair value of financial instruments

- 1) The Group's management deems that the differences between carrying value and fair value of financial assets and financial liabilities recognized as amortized cost in consolidated financial statements are not significant.
- 2) Valuation methods and assumptions applied in fair value measurement

The fair values of financial instruments (i.e., government bonds and unsecured corporate bonds) traded on active markets are determined with reference to quoted market prices. The Group uses the closing price as the quoted market price for its financial assets.

The fair values of derivatives where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Non-option derivatives are evaluated by discounted cash flow method using the yield curve available. Options are evaluated by option-pricing models. Foreign exchange forward contracts are determined using the yield curve derived from market interest rates with the same maturity of forward contracts. To measure interest rate swaps, the cash flows are estimated by the yield curve derived from market interest rate and discounted to calculate the present value of swaps.

Fair values of other financial assets and liabilities (except those stated above) are calculated by generally accepted valuation models based on discounted cash flow analysis.

- 3) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2 or 3, based on the degree to which the fair value is observable.

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly

Level 3 Inputs that are not based on observable market data

Fair values of financial instruments by heirarchy level as of June 30, 2015, and December 31, 2014, are as follows:

(Unit: Korean won in thousands)

Type	June 30, 2015			
	Level 1	Level 2	Level 3	Fair value
Derivative assets designated to hedge item	₩ -	₩ 369,028	₩ -	₩ 369,028
Derivative liabilities designated to hedge item	-	10,357,250	-	10,357,250
Type	December 31, 2014			
Level 1	Level 2	Level 3	Fair value	
Derivative assets designated to hedge item	₩ -	₩ 1,232,650	₩ -	₩ 1,232,650
Derivative liabilities designated to hedge item	-	14,974,250	-	14,974,250

(Unit: Indian rupee in thousands)

Type	June 30, 2015			
	Level 1	Level 2	Level 3	Fair value
Derivative assets designated to hedge item	Rs. -	Rs. 21,108	Rs. -	Rs. 21,108
Derivative liabilities designated to hedge item	-	592,435	-	592,435

Type	December 31, 2014			
	Level 1	Level 2	Level 3	Fair value
Derivative assets designated to hedge item	Rs. -	Rs. 70,508	Rs. -	Rs. 70,508
Derivative liabilities designated to hedge item	-	856,527	-	856,527

- 4) The Group measures the foreign exchange forward contract (derivative assets: ₩369,028 thousand (Rs. 21,108 thousand) and derivative liabilities: ₩10,357,250 thousand (Rs. 592,435 thousand)) based on the forward rate announced officially in the market as of June 30, 2015. In the event that no corresponding forward rate with residual period of the foreign exchange forward contract in the market exists, the Group measures the market value through interpolation method. As input factors used in measuring market value of foreign exchange forward are from observable exchange forward rate, the Group classified the fair value of the foreign exchange forward as Level 2.