

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015, AND DECEMBER 31, 2014,
AND FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 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 November 13, 2015

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

We have reviewed the accompanying consolidated financial statements of Ssangyong Motor Company (the "Company"). The financial statements consist of the consolidated statements of financial position as of September 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 nine months ended September 30, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Independent accountants' responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements based on our review. We conducted our review in accordance with standards for review of consolidated 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 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 gave an opinion on the comparative consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of operations, shareholders' equity and cash flows on March 9, 2015, as fairly stated. There is no difference in terms of importance between comparative-purposed consolidated financial position on December 31, 2014, and current financial position.



November 13, 2015

Notice to Readers

This report is effective as of November 13, 2015, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' 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 SEPTEMBER 30, 2015, AND DECEMBER 31, 2014

	<u>Korean won</u>		<u>Indian rupee</u>	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
	(In thousands)		(In thousands)	
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents (Notes 4, 5 and 33)	₩ 94,623,016	₩ 156,765,307	Rs. 5,256,309	Rs. 8,708,313
Trade and other receivables, net (Notes 7, 32 and 33)	153,975,514	176,759,654	8,553,340	9,818,999
Derivative assets (Notes 25 and 33)	214,018	1,232,650	11,889	68,474
Inventories, net (Note 8)	275,565,717	260,679,204	15,307,676	14,480,730
Other current assets (Note 10)	15,500,971	7,792,553	861,079	432,876
Total current assets	<u>539,879,236</u>	<u>603,229,368</u>	<u>29,990,293</u>	<u>33,509,392</u>
NON-CURRENT ASSETS:				
Non-current financial instruments (Notes 5 and 33)	6,000	6,000	333	333
Non-current available-for-sale ("AFS") financial assets (Notes 6 and 33)	560,000	560,000	31,108	31,108
Non-current other receivables, net (Notes 7 and 33)	39,090,351	39,605,250	2,171,469	2,200,072
Property, plant and equipment, net (Note 11)	1,182,452,910	1,173,736,394	65,685,259	65,201,057
Intangible assets (Note 12)	174,691,949	150,915,434	9,704,138	8,383,352
Deferred income tax assets (Note 23)	19,498	19,069	1,083	1,059
Other non-current assets (Note 10)	353,570	360,473	19,641	20,024
Total non-current assets	<u>1,397,174,278</u>	<u>1,365,202,620</u>	<u>77,613,031</u>	<u>75,837,005</u>
TOTAL ASSETS	<u>1,937,053,514</u>	<u>1,968,431,988</u>	<u>107,603,324</u>	<u>109,346,397</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
CURRENT LIABILITIES:				
Trade and other payables (Notes 18, 32 and 33)	534,931,615	625,271,842	29,715,451	34,733,851
Short-term borrowings (Notes 13,18 and 33)	171,053,840	99,540,013	9,502,041	5,529,448
Derivative liabilities (Notes 25 and 33)	17,932,700	14,974,250	996,161	831,820
Provision for product warranties (Note 15)	60,071,320	57,556,475	3,336,962	3,197,262
Current portion of other long-term employee benefits obligation	273,144	1,770,267	15,173	98,338
Other current liabilities (Note 16 and 32)	28,473,741	22,493,217	1,581,716	1,249,499
Total current liabilities	<u>₩ 812,736,360</u>	<u>₩ 821,606,064</u>	<u>Rs. 45,147,504</u>	<u>Rs. 45,640,218</u>

(Continued)

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

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

	Korean won		Indian rupee	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
	(In thousands)		(In thousands)	
NON-CURRENT LIABILITIES:				
Long-term borrowing (Notes 13,18 and 33)	₩ 42,500,000	₩ 25,000,000	Rs. 2,360,875	Rs. 1,388,750
Other non-current payables (Note 33)	15,499,669	3,534,693	861,007	196,352
Retirement benefit obligation (Note 17)	271,426,096	246,748,389	15,077,720	13,706,873
Other long-term employee benefits obligation	14,912,125	13,849,312	828,369	769,329
Provision for long-term product warranties (Note 15)	85,774,076	80,309,564	4,764,750	4,461,196
Total non-current liabilities	<u>430,111,966</u>	<u>369,441,958</u>	<u>23,892,721</u>	<u>20,522,500</u>
TOTAL LIABILITIES	<u>1,242,848,326</u>	<u>1,191,048,022</u>	<u>69,040,225</u>	<u>66,162,718</u>
SHAREHOLDERS' EQUITY:				
Total shareholders' equity	694,205,188	777,383,966	38,563,099	43,183,679
Capital stock (Note 19)	686,100,480	686,100,480	38,112,882	38,112,882
Other capital surplus (Note 20)	131,678,360	129,383,402	7,314,733	7,187,248
Other capital adjustments (Notes 21 and 25)	(17,449,181)	(13,065,231)	(969,302)	(725,774)
Retained earnings (accumulated deficit) (Note 22)	(106,124,471)	(25,034,685)	(5,895,214)	(1,390,677)
Non-controlling interests	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY	<u>694,205,188</u>	<u>777,383,966</u>	<u>38,563,099</u>	<u>43,183,679</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>₩ 1,937,053,514</u>	<u>₩ 1,968,431,988</u>	<u>Rs. 107,603,324</u>	<u>Rs. 109,346,397</u>

(Concluded)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

	Korean won			
	Three months ended September 30, 2015 (In thousands, except per share amounts)	Nine months ended September 30, 2015 (In thousands, except per share amounts)	Three months ended September 30, 2014 (In thousands, except per share amounts)	Nine months ended September 30, 2014 (In thousands, except per share amounts)
SALES (Notes 31 and 32)	₩ 819,452,819	₩ 2,415,334,237	₩ 767,766,803	₩ 2,496,107,886
COST OF SALES (Notes 24 and 32)	<u>686,487,270</u>	<u>2,059,445,367</u>	<u>672,340,551</u>	<u>2,158,499,500</u>
GROSS PROFIT	132,965,549	355,888,870	95,426,252	337,608,386
SELLING AND ADMINISTRATIVE EXPENSES (Notes 24 and 26)	<u>136,532,482</u>	<u>413,546,263</u>	<u>123,686,284</u>	<u>382,360,798</u>
OPERATING LOSS	(3,566,933)	(57,657,393)	(28,260,032)	(44,752,412)
NON-OPERATING INCOME (Note 27)	6,662,797	23,480,571	8,225,057	23,507,889
NON-OPERATING EXPENSES (Note 27)	5,853,234	19,141,624	2,991,970	50,535,981
FINANCIAL INCOME (Note 28)	1,039,221	12,265,451	9,940,069	46,611,535
FINANCIAL COST (Note 28)	25,408,350	40,010,739	2,465,217	8,647,094
LOSS BEFORE INCOME TAX	(27,126,499)	(81,063,734)	(15,552,093)	(33,816,063)
INCOME TAX EXPENSE (Note 23)	<u>(140)</u>	<u>10,418</u>	<u>(1,586)</u>	<u>188,785</u>
NET LOSS	(27,126,359)	(81,074,152)	(15,550,507)	(34,004,848)
Owners of the Company	(27,126,359)	(81,074,152)	(15,550,507)	(34,004,848)
Non-controlling interests	-	-	-	-
OTHER COMPREHENSIVE INCOME (LOSS) (Note 21 and 22)	<u>(6,559,680)</u>	<u>(4,399,584)</u>	<u>(9,624,919)</u>	<u>(28,633,088)</u>
TOTAL COMPREHENSIVE LOSS	<u>₩ (33,686,039)</u>	<u>₩ (85,473,736)</u>	<u>₩ (25,175,426)</u>	<u>₩ (62,637,936)</u>
Owners of the Company	(33,686,039)	(85,473,736)	(25,175,426)	(62,637,936)
Non-controlling interests	-	-	-	-
LOSS PER SHARE (Note 29)				
Basic and diluted loss per share	<u>₩ (198)</u>	<u>₩ (591)</u>	<u>₩ (113)</u>	<u>₩ (248)</u>

(Continued)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

	Indian-Rupee			
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
	(In thousands, except per share amounts)		(In thousands, except per share amounts)	
SALES (Notes 31 and 32)	Rs. 45,520,604	Rs. 134,171,817	Rs. 42,649,446	Rs. 138,658,793
COST OF SALES (Notes 24 and 32)	38,134,368	114,402,190	37,348,518	119,904,647
GROSS PROFIT	7,386,236	19,769,627	5,300,928	18,754,146
SELLING AND ADMINISTRATIVE EXPENSES (Note 24 and 26)	7,584,379	22,972,495	6,870,773	21,240,142
OPERATING LOSS	(198,143)	(3,202,868)	(1,569,845)	(2,485,996)
NON-OPERATING INCOME (Note 27)	370,118	1,304,346	456,902	1,305,863
NON-OPERATING EXPENSES (Note 27)	325,147	1,063,317	166,204	2,807,274
FINANCIAL INCOME (Note 28)	57,729	681,346	552,171	2,589,271
FINANCIAL COST (Note 28)	1,411,434	2,222,597	136,943	480,346
LOSS BEFORE INCOME TAX	(1,506,877)	(4,503,090)	(863,919)	(1,878,482)
INCOME TAX EXPENSE (Note 23)	(8)	579	(88)	10,487
NET LOSS	(1,506,869)	(4,503,669)	(863,831)	(1,888,969)
Owners of the Company	(1,506,869)	(4,503,669)	(863,831)	(1,888,969)
Non-controlling interests	-	-	-	-
OTHER COMPREHENSIVE LOSS (Notes 21 and 22)	(364,390)	(244,396)	(534,664)	(1,590,568)
TOTAL COMPREHENSIVE LOSS	Rs. (1,871,259)	Rs. (4,748,065)	Rs. (1,398,495)	Rs. (3,479,537)
Owners of the Company	(1,871,259)	(4,748,065)	(1,398,495)	(3,479,537)
Non-controlling interests	-	-	-	-
LOSS PER SHARE (Note 29)				
Basic and diluted loss per share	Rs. (11)	Rs. (33)	Rs. (6)	Rs. (14)

(Concluded)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 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	-	-	-	-	-	-	-	-	(34,004,848)	(34,004,848)
Actuarial loss	-	-	-	-	-	-	-	-	(120,873)	(120,873)
Loss on valuation of derivatives	-	-	-	-	-	-	-	(28,707,330)	-	(28,707,330)
Overseas operations translation credit	-	-	-	-	-	-	-	195,115	-	195,115
Balance at September 30, 2014	₩ 686,100,480	₩ 11,452,713	₩ 120,351,580	₩ 931,508	₩ (108,530)	₩ -	₩ (3,243,869)	₩ (992,374)	₩ 7,068,420	₩ 821,559,928
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	-	-	-	-	-	-	-	-	(81,074,152)	(81,074,152)
Actuarial loss	-	-	-	-	-	-	-	-	(15,634)	(15,634)
Gain on valuation of derivatives	-	-	-	-	-	-	-	(4,727,710)	-	(4,727,710)
Overseas operations translation credit	-	-	-	-	-	-	-	343,760	-	343,760
Disposal of treasury stock	-	-	-	-	1,189,820	1,105,138	-	-	-	2,294,958
Balance at September 30, 2015	₩ 686,100,480	₩ 11,452,713	₩ 118,189,001	₩ 931,508	₩ -	₩ 1,105,138	₩ -	₩ (17,449,181)	₩ (106,124,471)	₩ 694,205,188

(Continued)

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

	Indian rupee 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	Rs. 38,112,882	Rs. 636,198	Rs. 6,685,530	Rs. 51,745	Rs. (6,029)	Rs. -	Rs. (180,197)	Rs. 1,528,727	Rs. 2,288,335	Rs. 49,117,191	
Net loss	-	-	-	-	-	-	-	-	(1,888,969)	(1,888,969)	
Actuarial loss	-	-	-	-	-	-	-	-	(6,714)	(6,714)	
Loss on valuation of derivatives	-	-	-	-	-	-	-	-	-	-	
Overseas operations translation credit	-	-	-	-	-	-	-	(1,594,693)	-	(1,594,693)	
	-	-	-	-	-	-	-	10,839	-	10,839	
Balance at September 30, 2014	<u>Rs. 38,112,882</u>	<u>Rs. 636,198</u>	<u>Rs. 6,685,530</u>	<u>Rs. 51,745</u>	<u>Rs. (6,029)</u>	<u>Rs. -</u>	<u>Rs. (180,197)</u>	<u>Rs. (55,127)</u>	<u>Rs. 392,652</u>	<u>Rs. 45,637,654</u>	
Balance at January 1, 2015	Rs. 38,112,882	Rs. 636,198	Rs. 6,565,399	Rs. 51,745	Rs. (66,094)	Rs. -	Rs. -	Rs. (725,774)	Rs. (1,390,677)	Rs. 43,183,679	
Net loss	-	-	-	-	-	-	-	-	(4,503,669)	(4,503,669)	
Actuarial loss	-	-	-	-	-	-	-	-	(868)	(868)	
Gain on valuation of derivatives	-	-	-	-	-	-	-	(262,624)	-	(262,624)	
Overseas operations translation credit	-	-	-	-	-	-	-	19,096	-	19,096	
Disposal of treasury stock	-	-	-	-	66,094	61,391	-	-	-	127,485	
Balance at September 30, 2015	<u>Rs. 38,112,882</u>	<u>Rs. 636,198</u>	<u>Rs. 6,565,399</u>	<u>Rs. 51,745</u>	<u>Rs. -</u>	<u>Rs. 61,391</u>	<u>Rs. -</u>	<u>Rs. (969,302)</u>	<u>Rs. (5,895,214)</u>	<u>Rs. 38,563,099</u>	

(Concluded)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

	Korean won		Indian rupee	
	Nine months ended September 30, 2015 (In thousands)	Nine months ended September 30, 2014 (In thousands)	Nine months ended September 30, 2015 (In thousands)	Nine months ended September 30, 2014 (In thousands)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	₩ (81,074,152)	₩ (34,004,848)	Rs. (4,503,669)	Rs. (1,888,969)
Adjustment (Note 30)	161,914,017	146,699,005	8,994,324	8,149,130
Changes in net working capital (Note 30)	(83,570,921)	(173,117,459)	(4,642,365)	(9,616,675)
	(2,731,056)	(60,423,302)	(151,710)	(3,356,514)
Interests received	2,470,099	5,350,279	137,214	297,208
Interests paid	(2,439,447)	(3,000,003)	(135,511)	(166,650)
Dividend income received	11,000	11,000	611	611
Payment of income tax	(10,718)	(188,785)	(595)	(10,487)
Net cash used in operating activities	(2,700,122)	(58,250,811)	(149,991)	(3,235,832)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash inflows from investing activities:				
Decrease in other receivables	6,002,201	-	333,422	-
Disposal of property, plant and equipment	696,697	1,387,430	38,702	77,072
Disposal of intangible assets	-	587,760	-	32,650
Decrease in other assets	113,159	2,125	6,286	118
	6,812,057	1,977,315	378,410	109,840
Cash outflows for investing activities:				
Increase in other receivables	5,976,061	2,566,569	331,970	142,573
Acquisition of property, plant and equipment	96,546,641	114,856,279	5,363,166	6,380,266
Acquisition of intangible assets	46,480,371	49,659,246	2,581,985	2,758,571
	149,003,073	167,082,094	8,277,121	9,281,410
Net cash used in investing activities	(142,191,016)	(165,104,779)	(7,898,711)	(9,171,570)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Cash inflows from financing activities:				
Increase in borrowings	82,570,177	28,845,329	4,586,773	1,602,358
Increase in government grants	42,228	40,273	2,346	2,237
Disposal of Treasury stock	2,294,957	-	127,485	-
	84,907,362	28,885,602	4,716,604	1,604,595

(Continued)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

	Korean won		Indian rupee	
	Nine months ended September 30, 2015	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
	(In thousands)		(In thousands)	
Cash outflows for financing activities:				
Redemption of borrowings	₩ 2,500,000	₩ 95,404,765	Rs. 138,875	Rs. 5,299,735
	<u>2,500,000</u>	<u>95,404,765</u>	<u>138,875</u>	<u>5,299,735</u>
Net cash provided by (used in) financing activities	<u>82,407,362</u>	<u>(66,519,163)</u>	<u>4,577,729</u>	<u>(3,695,140)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>341,485</u>	<u>487,142</u>	<u>18,969</u>	<u>27,061</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(62,142,291)	(289,387,611)	(3,452,004)	(16,075,481)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>156,765,307</u>	<u>366,790,832</u>	<u>8,708,313</u>	<u>20,375,230</u>
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	<u>₩ 94,623,016</u>	<u>₩ 77,403,221</u>	<u>Rs. 5,256,309</u>	<u>Rs. 4,299,749</u>

(Concluded)

See accompanying notes to consolidated financial statements.

SSANGYONG MOTOR COMPANY AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**AS OF SEPTEMBER 30, 2015, AND DECEMBER 31, 2014,
AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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, Kyeonggi-do and Changwon, Kyeongsangnam-do, Republic of Korea. The Company manufactures and distributes motor vehicles and parts.

(2) Major shareholders

The Company’s shareholders as of September 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</u>

2. SIGNIFICANT ACCOUNTING POLICIES:

The Company and its subsidiaries (the “Group”) summarized consolidated financial statement, its period belongs to annual financial report, adopts Korean International Reporting Standards (“K-IFRS”) 1034, Interim Financial Reporting. The audited consolidated financial statement, December 31, 2014, is used to understand the consolidated financial statement.

The account policy is identified with the audited financial statement of December 31, 2014, except for the account 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 Basic Rate (₩1 to Rs. 0.055550 at September 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 IFRSs and its 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) changes the definitions of ‘vesting condition’ and ‘market condition,’; and (ii) add definition 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 consolidated 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 financial statements or the joint arrangement itself. The amendments to K-IFRS 1113, Fair Value Measurements, and K-IFRS 1040, Investment Properties, exist and these amendments have no impact on the disclosure in the Group's consolidated financial statements.

2) New and revised IFRSs issued but not yet effective

The Group has not applied the following new and revised 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 rebuts presumption that revenue is not an appropriate basis for the amortization of an intangible assets, which the presumption can only be rebutted when the intangible asset 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 these 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 September 30, 2015, and December 31, 2014, are as follows:

Unit: Korean won in thousands

	Financial institution	September 30, 2015	December 31, 2014	Notes
Cash and cash equivalents	Shinhan Bank and others	₩ 685,543	₩ 405,689	Government subsidies and others Unconfirmed reorganization debt pledged as collateral
	Woori Bank	957,062	14,147,553	
Long-term financial instruments	Shinhan Bank and others	6,000	6,000	Overdraft deposit
		<u>₩ 1,648,605</u>	<u>₩ 14,559,242</u>	

Unit: Indian rupee in thousands

	Financial institution	September 30, 2015	December 31, 2014	Notes
Cash and cash equivalents	Shinhan Bank and others	Rs. 38,082	Rs. 22,536	Government subsidies and others Unconfirmed reorganization debt pledged as collateral
	Woori Bank	53,165	785,897	
Long-term financial instruments	Shinhan Bank and others	333	333	Overdraft deposit
		<u>Rs. 91,580</u>	<u>Rs. 808,766</u>	

6. LONG-TERM AFS FINANCIAL ASSETS:

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

Unit: Korean won in thousands

Classification	Ownership (%)	September 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 (%)	September 30, 2015			December 31, 2014
		Acquisition cost	Net asset value	Book value	Book value
Kihyup Technology Banking Corporation (*)	1.72	Rs. 27,775	Rs. 37,531	Rs. 27,775	Rs. 27,775
Korea Management Consultants Association (*)	1.50	3,333	29,381	3,333	3,333
		<u>Rs. 31,108</u>	<u>Rs. 66,912</u>	<u>Rs. 31,108</u>	<u>Rs. 31,108</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 September 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 September 30, 2015, and December 31, 2014, are as follows:

Unit: Korean won in thousands

Financial Assets	September 30, 2015			
	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Receivables – general	₩ 142,816,460	₩ 7,714,662	₩ 3,630,032	₩ 39,252,723
Less: Allowance for doubtful accounts	(165,044)	(3,691)	(16,905)	(162,372)
	<u>₩ 142,651,416</u>	<u>₩ 7,710,971</u>	<u>₩ 3,613,127</u>	<u>₩ 39,090,351</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	₩ 2,825,391	₩ 39,754,888
Less: Allowance for doubtful accounts	(87,169)	(393,336)	(11,054)	(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	September 30, 2015			
	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Receivables – general	Rs. 7,933,454	Rs. 428,549	Rs. 201,649	Rs. 2,180,489
Less: Allowance for doubtful accounts	(9,168)	(205)	(939)	(9,020)
	<u>Rs. 7,924,286</u>	<u>Rs. 428,344</u>	<u>Rs. 200,710</u>	<u>Rs. 2,171,469</u>

Financial Assets	December 31, 2014			
	Trade receivables	Non-trade receivables	Other receivables	Non-current other receivables
Receivables – general	Rs. 8,660,930	Rs. 1,028,425	Rs. 156,950	Rs. 2,208,384
Less: Allowance for doubtful accounts	(4,842)	(21,850)	(614)	(8,312)
	<u>Rs. 8,656,088</u>	<u>Rs. 1,006,575</u>	<u>Rs. 156,336</u>	<u>Rs. 2,200,072</u>

- (2) Credit risk and allowance for doubtful accounts

The above 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 September 30, 2015, and December 31, 2014, is as follows:

Unit: Korean won in thousands

September 30, 2015				
Classification	3-6 months	6-12 months	Over 1 year	Total
Trade receivables	₩ 589,428	₩ 609,977	₩ -	₩ 1,199,405
Non-trade receivables	1,425,985	142,178	4,205,166	5,773,329
Non-current other receivables	-	-	103,250	103,250
	<u>₩ 2,015,413</u>	<u>₩ 752,155</u>	<u>₩ 4,308,416</u>	<u>₩ 7,075,984</u>

December 31, 2014				
Classification	3-6 months	6-12 months	Over 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

September 30, 2015				
Classification	3-6 months	6-12 months	Over 1 year	Total
Trade receivables	Rs. 32,743	Rs. 33,884	Rs. -	Rs. 66,627
Non-trade receivables	79,213	7,898	233,597	320,708
Non-current other receivables	-	-	5,736	5,736
	<u>Rs. 111,956</u>	<u>Rs. 41,782</u>	<u>Rs. 239,333</u>	<u>Rs. 393,071</u>

December 31, 2014				
Classification	3-6 months	6-12 months	Over 1 year	Total
Trade receivables	Rs. 101,087	Rs. 2,477	Rs. -	Rs. 103,564
Non-trade receivables	37,247	413	263,011	300,671
Non-current other receivables	-	-	5,736	5,736
	<u>Rs. 138,334</u>	<u>Rs. 2,890</u>	<u>Rs. 268,747</u>	<u>Rs. 409,971</u>

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

Unit: Korean won in thousands

September 30, 2015				
Classification	3-6 months	6-12 months	Over 1 year	Total
Non-current other receivables	₩ -	₩ -	₩ 47,349	₩ 47,349

December 31, 2014				
Classification	3-6 months	6-12 months	Over 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

Classification	September 30, 2015			
	3-6 months	6-12 months	Over 1 year	Total
Non-current other receivables	Rs. -	Rs. -	Rs. 2,630	Rs. 2,630

Classification	December 31, 2014			
	3-6 months	6-12 months	Over 1 year	Total
Non-trade receivables	Rs. -	Rs. -	Rs. 21,567	Rs. 21,567
Non-current other receivables	-	-	2,630	2,630
	Rs. -	Rs. -	Rs. 24,197	Rs. 24,197

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

Unit: Korean won in thousands

Classification	Nine months ended September 30, 2015			
	Trade Receivables	Non-trade Receivables	Other Receivables	Non-current other receivables
Beginning balance	₩ 87,169	₩ 393,336	₩ 11,054	₩ 149,638
Bad debt expense	77,875	(20,964)	5,851	12,734
Write-offs	-	(368,681)	-	-
Ending balance	₩ 165,044	₩ 3,691	₩ 16,905	₩ 162,372

Classification	Nine months ended September 30, 2014			
	Trade Receivables	Non-trade Receivables	Other Receivables	Non-current other receivables
Beginning balance	₩ 208,701	₩ 491,039	₩ -	₩ 241,459
Bad debt expense	252,819	(94,854)	3,126	8,934
Ending balance	₩ 461,520	₩ 396,185	₩ 3,126	₩ 250,393

Unit: Indian rupee in thousands

Classification	Nine months ended September 30, 2015			
	Trade Receivables	Non-trade Receivables	Other Receivables	Non-current other receivables
Beginning balance	Rs. 4,842	Rs. 21,850	Rs. 614	Rs. 8,312
Bad debt expense	4,326	(1,165)	325	708
Write-offs	-	(20,480)	-	-
Ending balance	Rs. 9,168	Rs. 205	Rs. 939	Rs. 9,020

Classification	Nine months ended September 30, 2014			
	Trade Receivables	Non-trade Receivables	Other Receivables	Non-current other receivables
Beginning balance	Rs. 11,593	Rs. 27,277	Rs. -	Rs. 13,413
Bad debt expense	14,044	(5,269)	174	496
Ending balance	Rs. 25,637	Rs. 22,008	Rs. 174	Rs. 13,909

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 collectibility 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 September 30, 2015, and December 31, 2014, are as follows:

Unit: Korean won in thousands

	<u>September 30, 2015</u>		<u>December 31, 2014</u>	
Merchandises	₩	43,012,017	₩	54,471,562
Finished goods		69,919,537		43,801,591
Work in process		29,330,466		29,184,732
Raw materials		57,763,473		51,686,249
Submaterials		489,268		601,473
Supplies		3,703,320		3,821,024
Goods in transit		71,347,636		77,112,573
Total	₩	<u>275,565,717</u>	₩	<u>260,679,204</u>

Unit: Indian rupee in thousands

	<u>September 30, 2015</u>		<u>December 31, 2014</u>	
Merchandises	Rs.	2,389,318	Rs.	3,025,895
Finished goods		3,884,030		2,433,178
Work in process		1,629,307		1,621,212
Raw materials		3,208,761		2,871,171
Submaterials		27,179		33,412
Supplies		205,720		212,259
Goods in transit		3,963,361		4,283,603
Total	Rs.	<u>15,307,676</u>	Rs.	<u>14,480,730</u>

The Group is using the “lower of cost or market method” on the consolidated statements of financial position in the case of inventories’ market value decrease under the acquisition cost. On the other hand, loss on valuation of inventories that was added to “cost of sales” on current period due to the application of “lower of cost or market method,” is ₩3,625,534 thousand (Rs. 201,398 thousand).

9. CONSOLIDATED SUBSIDIARIES:

(1) Details of investments in subsidiaries

Details of investment in securities accounted for using equity method as of September 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 nine months ended September 30, 2015 and 2014, is as follows:

Unit: Korean won in thousands

<u>Companies</u>	<u>September 30, 2015</u>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>
Ssangyong Motor (Shanghai) Co., Ltd.	₩ 5,407,507	₩ 903,755	₩ 4,503,752
Ssangyong European Parts Center B.V.	8,694,079	11,718,513	(3,024,434)

<u>Companies</u>	<u>Nine months ended September 30, 2015</u>		
	<u>Sales</u>	<u>Net income (loss)</u>	<u>Comprehensive Income (loss)</u>
Ssangyong Motor (Shanghai) Co., Ltd.	₩ 1,251,905	₩ (1,500,370)	₩ (1,155,961)
Ssangyong European Parts Center B.V.	11,004,584	901,155	946,183

Unit: Indian rupee in thousands

Companies	September 30, 2015		
	Assets	Liabilities	Equity
Ssangyong Motor (Shanghai) Co., Ltd.	Rs. 300,387	Rs. 50,204	Rs. 250,183
Ssangyong European Parts Center B.V.	482,956	650,963	(168,007)

Companies	Nine months ended September 30, 2015		
	Sales	Net income (loss)	Comprehensive Income (loss)
Ssangyong Motor (Shanghai) Co., Ltd.	Rs. 69,543	Rs. (83,346)	Rs. (64,214)
Ssangyong European Parts Center B.V.	611,305	50,059	52,560

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. 389,803	Rs. 46,803	Rs. 343,000
Ssangyong European Parts Center B.V.	397,679	618,247	(220,568)

Companies	Year ended December 31, 2014		
	Sales	Net income	Comprehensive Income
Ssangyong Motor (Shanghai) Co., Ltd.	Rs. 361,777	Rs. 27,324	Rs. 29,861
Ssangyong European Parts Center B.V.	784,290	6,455	26,481

10. OTHER ASSETS:

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

Unit: Korean won in thousands

Account	September 30, 2015	December 31, 2014
Other current assets		
Advance payments	₩ 1,533,175	₩ 2,196,221
Less: Allowance for doubtful accounts	(4,213)	(10,298)
Prepaid expenses	13,664,657	4,811,936
Income tax refundable	307,352	794,694
	<u>₩ 15,500,971</u>	<u>₩ 7,792,553</u>
Other non-current assets		
Other non-current assets	₩ 353,570	₩ 360,473

Unit: Indian rupee in thousands

Account	September 30, 2015	December 31, 2014
Other current assets		
Advance payments	Rs. 85,168	Rs. 122,000
Less: Allowance for doubtful accounts	(234)	(572)
Prepaid expenses	759,072	267,303
Income tax refundable	17,073	44,145
	Rs. 861,079	Rs. 432,876
Other non-current assets		
Other non-current assets	Rs. 19,641	Rs. 20,024

11. PROPERTY, PLANT AND EQUIPMENT:

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

Unit: Korean won in thousands

	September 30, 2015				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Land	₩ 475,531,313	₩ -	₩ -	₩ -	₩ 475,531,313
Buildings	533,754,378	1,615,103	193,830,374	148,366,786	189,942,115
Structures	106,702,592	140,898	60,457,769	29,156,376	16,947,549
Machinery	1,301,327,353	484,914	1,025,174,903	98,784,494	176,883,042
Vehicles	8,699,361	-	6,459,493	900,651	1,339,217
Tools and molds	1,025,381,450	8,720	600,071,740	162,276,460	263,024,530
Equipment	69,276,729	8,656	42,468,952	4,412,837	22,386,284
Construction in progress	35,869,231	-	-	-	35,869,231
Machinery in transit	529,629	-	-	-	529,629
	₩ 3,557,072,036	₩ 2,258,291	₩ 1,928,463,231	₩ 443,897,604	₩ 1,182,452,910
	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

	September 30, 2015				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Land	Rs. 26,415,764	Rs. -	Rs. -	Rs. -	Rs. 26,415,764
Buildings	29,650,056	89,719	10,767,277	8,241,775	10,551,285
Structures	5,927,329	7,827	3,358,429	1,619,637	941,436
Machinery	72,288,734	26,937	56,948,466	5,487,479	9,825,852
Vehicles	483,250	-	358,825	50,031	74,394
Tools and molds	56,959,940	484	33,333,985	9,014,457	14,611,014
Equipment	3,848,322	482	2,359,150	245,133	1,243,557

September 30, 2015					
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Construction in progress	1,992,536	-	-	-	1,992,536
Machinery in transit	29,421	-	-	-	29,421
	<u>Rs. 197,595,352</u>	<u>Rs. 125,449</u>	<u>Rs. 107,126,132</u>	<u>Rs. 24,658,512</u>	<u>Rs. 65,685,259</u>

December 31, 2014					
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Carrying amount
Land	Rs. 26,415,764	Rs. -	Rs. -	Rs. -	Rs. 26,415,764
Buildings	29,488,243	91,664	10,341,822	8,242,060	10,812,697
Structures	5,857,213	8,675	3,287,020	1,619,637	941,881
Machinery	69,761,433	32,957	56,012,301	5,491,337	8,224,838
Vehicles	534,475	-	376,926	66,380	91,169
Tools and molds	49,513,526	829	30,566,707	9,034,531	9,911,459
Equipment	3,731,093	866	2,114,143	252,345	1,363,739
Construction in progress	7,308,669	-	-	-	7,308,669
Machinery in transit	130,841	-	-	-	130,841
	<u>Rs. 192,741,257</u>	<u>Rs. 134,991</u>	<u>Rs. 102,698,919</u>	<u>Rs. 24,706,290</u>	<u>Rs. 65,201,057</u>

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

Unit: Korean won in thousands

Nine months ended September 30, 2015						
	Beginning balance	Acquisition	Disposal	Other(*)	Depreciation (**)	Ending balance
Land	₩ 475,531,313	₩ -	₩ -	₩ -	₩ -	₩ 475,531,313
Buildings	194,648,006	138,021	1,242	2,790,532	7,633,202	189,942,115
Structures	16,955,550	394,604	-	867,881	1,270,486	16,947,549
Machinery	148,061,877	2,388,694	2,511	48,450,050	22,015,068	176,883,042
Vehicles	1,641,197	30,328	5,345	100,066	427,029	1,339,217
Tools and molds	178,424,105	21,553,664	5,817	115,009,699	51,957,121	263,024,530
Equipment	24,549,765	2,540,463	3,313	236,450	4,937,081	22,386,284
Construction in progress	131,569,206	69,036,715	-	(164,736,690)	-	35,869,231
Machinery in transit	2,355,375	464,152	-	(2,289,898)	-	529,629
	<u>₩1,173,736,394</u>	<u>₩ 96,546,641</u>	<u>₩ 18,228</u>	<u>₩ 428,090</u>	<u>₩ 88,239,987</u>	<u>₩1,182,452,910</u>

(*) Capitalization cost that has flowed into construction in progress and other property, plant and equipment is ₩543,833 thousand in this period.

(**) Depreciation cost of suspended assets amounting to ₩14,216 thousand is excluded from the depreciation cost in the consolidated statements of cash flows.

Nine months ended September 30, 2014						
	Beginning balance	Acquisition	Disposal	Other	Depreciation(*)	Ending balance
Land	₩ 475,305,570	₩ 200,035	₩ -	₩ -	₩ -	₩ 475,505,605
Buildings	193,689,175	496,218	-	2,742,518	7,185,708	189,742,203
Structures	16,849,781	159,689	1	216,085	1,209,437	16,016,117
Machinery	99,266,258	138,220	104,849	29,998,246	22,169,412	107,128,463
Vehicles	1,946,974	160,766	27,730	(7,077)	393,876	1,679,057
Tools and molds	201,515,830	1,687,701	3,717	5,957,094	37,763,145	171,393,763
Equipment	23,800,493	1,634,032	7,278	2,052,483	4,273,146	23,206,584
Construction in progress	70,917,106	99,833,780	97,167	(39,356,902)	-	131,296,817
Machinery in transit	862,440	10,545,838	-	(1,608,563)	-	9,799,715
	<u>₩1,084,153,627</u>	<u>₩ 114,856,279</u>	<u>₩ 240,742</u>	<u>₩ (6,116)</u>	<u>₩ 72,994,724</u>	<u>₩1,125,768,324</u>

(*) Depreciation cost of suspended assets amounting to ₩15,327 thousand is excluded from the depreciation cost in consolidated statements of cash flows.

Unit: Indian rupee in thousands

Nine months ended September 30, 2015							
	Beginning balance	Acquisition	Disposal	Other(*)	Depreciation(**)	Ending balance	
Land	Rs. 26,415,764	Rs. -	Rs. -	Rs. -	Rs. -	Rs. 26,415,764	
Buildings Structures	10,812,697	7,667	69	155,014	424,024	10,551,285	
	941,881	21,919	-	48,211	70,575	941,436	
Machinery	8,224,838	132,692	140	2,691,399	1,222,937	9,825,852	
Vehicles	91,169	1,685	297	5,558	23,721	74,394	
Tools and molds	9,911,459	1,197,306	323	6,388,790	2,886,218	14,611,014	
Equipment	1,363,739	141,123	184	13,134	274,255	1,243,557	
Construction in progress	7,308,669	3,834,990	-	(9,151,123)	-	1,992,536	
Machinery in transit	130,841	25,784	-	(127,204)	-	29,421	
	<u>Rs. 65,201,057</u>	<u>Rs. 5,363,166</u>	<u>Rs. 1,013</u>	<u>Rs. 23,779</u>	<u>Rs. 4,901,730</u>	<u>Rs. 65,685,259</u>	

(*) Capitalization cost that has flowed into construction in progress and other property, plant and equipment is Rs. 30,210 thousand in this period.

(**) Depreciation cost of suspended assets amounting to Rs. 788 thousand is excluded from the depreciation cost in the consolidated statements of cash flows.

Nine months ended September 30, 2014							
	Beginning balance	Acquisition	Disposal	Other	Depreciation(*)	Ending balance	
Land	Rs. 26,403,224	Rs. 11,112	Rs. -	Rs. -	Rs. -	Rs. 26,414,336	
Buildings Structures	10,759,434	27,565	-	152,347	399,166	10,540,180	
	936,005	8,871	-	12,004	67,184	889,696	
Machinery	5,514,241	7,678	5,824	1,666,403	1,231,511	5,950,987	
Vehicles	108,154	8,931	1,540	(393)	21,880	93,272	
Tools and molds	11,194,204	93,752	206	330,917	2,097,743	9,520,924	
Equipment	1,322,117	90,770	405	114,015	237,373	1,289,124	
Construction in progress	3,939,445	5,545,766	5,398	(2,186,276)	-	7,293,537	
Machinery in transit	47,909	585,821	-	(89,356)	-	544,374	
	<u>Rs. 60,224,733</u>	<u>Rs. 6,380,266</u>	<u>Rs. 13,373</u>	<u>Rs. (339)</u>	<u>Rs. 4,054,857</u>	<u>Rs. 62,536,430</u>	

(*) Depreciation cost of suspended assets amounting to Rs. 851 thousand is excluded from the depreciation cost in the consolidated statements of cash flows.

(3) The assets pledged as collateral for the Group's borrowings as of September 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	₩ 366,132,440	267 billion Korean won
buildings and structures	150-3 (factory site) and others	76,765,181	
Machinery	Pyeongtaek plant production facilities	6,631,627	
		<u>₩ 449,529,248</u>	

Unit: Indian rupee in thousands

Assets pledged as collaterals	Details	Book value	Maximum amount
Land	Chilgoe-dong Pyeongtaek, Gyeonggi-do	Rs. 20,338,657	15 billion rupee
buildings and structures	150-3 (factory site) and others	4,264,306	
Machinery	Pyeongtaek plant production facilities	368,387	
		<u>Rs. 24,971,350</u>	

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

Unit: Korean won in thousands

Account	Nine months ended September 30, 2015		Nine months ended September 30, 2014	
Capitalized interest expenses(*)	₩	1,652,355	₩	-
Capitalization interest rate		4.02%		-

Unit: Indian rupee in thousands

Account	Nine months ended September 30, 2015		Nine months ended September 30, 2014	
Capitalized interest expenses(*)	Rs.	91,788	Rs.	-
Capitalization interest rate		4.02%		-

- (*) Borrowing costs that have been capitalized during the year in development costs are ₩1,108,522 thousand (Rs. 61,578 thousand).

12. INTANGIBLE ASSETS:

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

Unit: Korean won in thousands

	September 30, 2015				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Book value
Development cost	₩ 148,086,281	₩ -	₩ 31,813,587	₩ -	₩ 116,272,694
Patents	2,550,707	21,906	1,051,812	37,564	1,439,425
Other intangible assets	73,312,657	14,093	15,742,629	576,105	56,979,830
	<u>₩ 223,949,645</u>	<u>₩ 35,999</u>	<u>₩ 48,608,028</u>	<u>₩ 613,669</u>	<u>₩ 174,691,949</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

	September 30, 2015				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Book value
Development cost	Rs. 8,226,193	Rs. -	Rs. 1,767,245	Rs. -	Rs. 6,458,948
Patents	141,692	1,217	58,428	2,087	79,960
Other intangible assets	4,072,518	783	874,502	32,003	3,165,230
	<u>Rs. 12,440,403</u>	<u>Rs. 2,000</u>	<u>Rs. 2,700,175</u>	<u>Rs. 34,090</u>	<u>Rs. 9,704,138</u>
	December 31, 2014				
	Acquisition cost	Government subsidies	Accumulated depreciation	Accumulated impairment loss	Book value
Development cost	Rs. 1,586,762	Rs. -	Rs. 796,673	Rs. -	Rs. 790,089
Patents	104,061	1,220	42,014	1,743	59,084
Other intangible assets	8,163,166	1,475	594,791	32,721	7,534,179
	<u>Rs. 9,853,989</u>	<u>Rs. 2,695</u>	<u>Rs. 1,433,478</u>	<u>Rs. 34,464</u>	<u>Rs. 8,383,352</u>

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

Unit: Korean won in thousands

	Nine months ended September 30, 2015						
	Beginning balance	Acquisition(*)	Transfer	Depreciation	Impairment loss	Other(**)	Ending balance
Development cost	₩ 14,223,033	₩ 1,881,970	₩ 118,722,633	₩ 18,562,046	₩ -	₩ 7,104	₩ 116,272,694
Patents	1,063,611	675,777	-	293,777	6,186	-	1,439,425
Other intangible assets	135,628,790	43,920,837	(118,722,633)	5,022,147	-	1,174,983	56,979,830
	<u>₩ 150,915,434</u>	<u>₩ 46,478,584</u>	<u>₩ -</u>	<u>₩ 23,877,970</u>	<u>₩ 6,186</u>	<u>₩ 1,182,087</u>	<u>₩ 174,691,949</u>

(*) Of the acquisition amount of industrial rights, the amount that you obtained in government subsidy is ₩1,787 thousand.

(**) Of the current year other intangible assets, the amount that has flowed into the capital of the cost is ₩1,108,522 thousand.

	Nine months ended September 30, 2014						
	Beginning balance	Acquisition(*)	Disposal	Depreciation	Impairment loss	Other	Ending balance
Development cost	₩ 5,107,302	₩ -	₩ -	₩ 3,619,671	₩ -	₩ -	₩ 1,487,631
Patents	736,258	346,955	-	200,232	22,541	-	860,440
Other intangible assets	83,683,702	49,272,017	587,760	4,629,821	(97,760)	(2,042)	127,833,856
	<u>₩ 89,527,262</u>	<u>₩ 49,618,972</u>	<u>₩ 587,760</u>	<u>₩ 8,449,724</u>	<u>₩ (75,219)</u>	<u>₩ (2,042)</u>	<u>₩ 130,181,927</u>

(*) Of the acquisition amount of other intangible assets, the amount that you obtained in government subsidy is ₩40,274 thousand.

Unit: Indian rupee in thousands

	Nine months ended September 30, 2015						
	Beginning balance	Acquisition(*)	Transfer	Depreciation	Impairment loss	Other(**)	Ending balance
Development cost	Rs. 790,089	Rs. 104,543	Rs. 6,595,042	Rs. 1,031,122	Rs. -	Rs. 396	Rs. 6,458,948
Patents	59,084	37,539	-	16,319	344	-	79,960
Other intangible assets	7,534,179	2,439,802	(6,595,042)	278,980	-	65,271	3,165,230
	<u>Rs. 8,383,352</u>	<u>Rs. 2,581,884</u>	<u>Rs. -</u>	<u>Rs. 1,326,421</u>	<u>Rs. 344</u>	<u>Rs. 65,667</u>	<u>Rs. 9,704,138</u>

(*) Of the acquisition amount of industrial rights, the amount that you obtained in government subsidy is Rs. 101 thousand.

(**) Of the current year other intangible assets, the amount that has flowed into the capital of the cost is Rs. 61,578 thousand.

	Nine months ended September 30, 2015						
	Beginning balance	Acquisition(*)	Disposal	Depreciation	Impairment loss	Other	Ending balance
Development cost	Rs. 283,711	Rs. -	Rs. -	Rs. 201,072	Rs. -	Rs. -	Rs. 82,639
Patents	40,899	19,273	-	11,123	1,252	-	47,797
Other intangible assets	4,648,630	2,737,061	32,650	257,187	(5,431)	(113)	7,101,172
	<u>Rs. 4,973,240</u>	<u>Rs. 2,756,334</u>	<u>Rs. 32,650</u>	<u>Rs. 469,382</u>	<u>Rs. (4,179)</u>	<u>Rs. (113)</u>	<u>Rs. 7,231,608</u>

(*) Of the acquisition amount of other intangible assets, the amount that you obtained in government subsidy is Rs. 2,237 thousand.

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

Account	Korean won in thousands		Indian rupee in thousands	
	Nine months ended September 30, 2015	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Cost of goods manufactured	₩ 18,562,046	₩ 3,347,170	Rs. 1,031,121	Rs. 185,935
Selling and administrative expenses	5,315,924	5,102,554	295,300	283,447
	<u>₩ 23,877,970</u>	<u>₩ 8,449,724</u>	<u>Rs. 1,326,421</u>	<u>Rs. 469,382</u>

13. BORROWINGS:

- (1) The Group's short-term borrowings as of September 30, 2015, and December 31, 2014, consist of the follows.

Unit: Korean won in thousands

Creditor	Type	Interest rate (%)	September 30, 2015	December 31, 2014
Korea Development Bank	Operating fund	CD + 1.99	₩ 30,000,000	₩ 30,000,000
Woori Bank(*)	Operating fund	CD + 2.00	15,000,000	5,000,000
BOA and others	Banker's usance	0.35-1.27	126,053,840	64,540,013
			<u>₩ 171,053,840</u>	<u>₩ 99,540,013</u>

Unit: Indian rupee in thousands

Creditor	Type	Interest rate (%)	September 30, 2015	December 31, 2014
Korea Development Bank	Operating fund	CD + 1.99	Rs. 1,666,500	Rs. 1,666,500
Woori Bank(*)	Operating fund	CD + 2.00	833,250	277,750
BOA and others	Banker's usance	0.35-1.27	7,002,291	3,585,198
			<u>Rs. 9,502,041</u>	<u>Rs. 5,529,448</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 September 30, 2015, and December 31, 2014, consist of the follows:

Unit: Korean won in thousands

Creditor	Type	Interest rate (%)	September 30, 2015	December 31, 2014
Woori Bank	Operating fund	CD + 2.0	₩ 57,500,000	₩ 30,000,000
Net: Within one year arrival worth			(15,000,000)	(5,000,000)
			<u>₩ 42,500,000</u>	<u>₩ 25,000,000</u>

Unit: Indian rupee in thousands

Creditor	Type	Interest rate (%)	September 30, 2015	December 31, 2014
Woori Bank	Operating fund	CD + 2.0	Rs. 3,194,125	Rs. 1,666,500
Net: within one year arrival worth			(833,250)	(277,750)
			<u>Rs. 2,360,875</u>	<u>Rs. 1,388,750</u>

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

Creditor	Assets pledged as collaterals	Pledged date	Maximum credit amount
Korea Development Bank	Land, buildings and machinery	2009-08-13	195 billion Korean won (11 billion rupee)
Woori Bank	Land, buildings and machinery	2014-10-29	36 billion Korean won (2 billion rupee)
Woori Bank	Land, buildings and machinery	2015-08-07	36 billion Korean won (2 billion rupee)

14. OTHER FINANCIAL LIABILITIES:

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

Classification	Korean won in thousands		Indian rupee in thousands	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Other current financial liabilities:				
Accrued expenses	₩ 34,822,526	₩ 29,715,325	Rs. 1,934,391	Rs. 1,650,686

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 nine months ended September 30, 2015 and 2014, are as follows:

Unit: Korean won in thousands

	Beginning Balance	Increase	Decrease	Ending Balance	Current	Non-current
Nine months ended						
September 30, 2015	₩ 137,866,039	₩ 84,488,479	₩ 76,509,122	₩ 145,845,396	₩ 60,071,320	₩ 85,774,076
Nine months ended						
September 30, 2014	₩ 125,479,981	₩ 83,334,216	₩ 75,584,584	₩ 133,229,613	₩ 55,802,895	₩ 77,426,718

Unit: Indian rupee in thousands

	Beginning Balance	Increase	Decrease	Ending Balance	Current	Non-current
Nine months ended						
September 30, 2015	Rs. 7,658,458	Rs. 4,693,336	Rs. 4,250,082	Rs. 8,101,712	Rs. 3,336,962	Rs. 4,764,750
Nine months ended						
September 30, 2014	Rs. 6,970,413	Rs. 4,629,215	Rs. 4,198,724	Rs. 7,400,904	Rs. 3,099,851	Rs. 4,301,053

16. OTHER CURRENT LIABILITIES:

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

Classification	Korean won in thousands		Indian rupee in thousands	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Other liabilities				
Advances from customers	₩ 6,262,269	₩ 2,982,710	Rs. 347,869	Rs. 165,690
Deposits received	761,315	763,400	42,291	42,407
Withholdings	21,450,157	18,747,107	1,191,556	1,041,402
	₩ 28,473,741	₩ 22,493,217	Rs. 1,581,716	Rs. 1,249,499

17. RETIREMENT BENEFIT OBLIGATION:

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

Classification	Korean won in thousands		Indian rupee in thousands	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Present value of defined benefit obligation	₩ 272,799,566	₩ 248,189,001	Rs. 15,154,016	Rs. 13,786,899
Fair value of plan assets	(1,373,470)	(1,440,612)	(76,296)	(80,026)
	<u>₩ 271,426,096</u>	<u>₩ 246,748,389</u>	<u>Rs. 15,077,720</u>	<u>Rs. 13,706,873</u>

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

Unit: Korean won in thousands

	Nine months ended September 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	28,230,813	-	28,230,813
Interest cost (income)	6,300,733	(36,486)	6,264,247
Subtotal	<u>282,720,547</u>	<u>(1,477,098)</u>	<u>281,243,449</u>
Actuarial gain or loss			
Actuarial gain or loss	-	15,634	15,634
Payments			
Benefit payment from plan assets	(87,994)	87,994	-
Benefit payment from Company	(9,832,987)	-	(9,832,987)
Ending balance	<u>₩ 272,799,566</u>	<u>₩ (1,373,470)</u>	<u>₩ 271,426,096</u>

	Nine months ended September 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	25,867,112	-	25,867,112
Interest cost (income) on DBO	5,764,601	(47,374)	5,717,227
Previous service costs	25,357,362	-	25,357,362
Subtotal	<u>233,119,231</u>	<u>(1,521,412)</u>	<u>231,597,819</u>
Actuarial gain or loss			
Actuarial gain or loss	-	22,682	22,682
DBO (gain) loss due to experience	(6,308,363)	-	(6,308,363)
DBO (gain) loss due to changes in financial assumptions	6,406,554	-	6,406,554
Subtotal	<u>98,191</u>	<u>22,682</u>	<u>120,873</u>
Payments			
Benefit payment from plan assets	(37,032)	37,032	-
Benefit payment from company	(3,803,191)	-	(3,803,191)
Replaced with accounts payable	(2,021,058)	-	(2,021,058)
Ending balance	<u>₩ 227,356,141</u>	<u>₩ (1,461,698)</u>	<u>₩ 225,894,443</u>

Unit: Indian rupee in thousands

Nine months ended September 30, 2015			
	Present value of defined benefit obligations	Fair value of scheme assets	Total
Beginning balance	Rs. 13,786,899	Rs. (80,026)	Rs. 13,706,873
Net current service cost	1,568,222	-	1,568,222
Interest cost (income) on DBO	350,006	(2,027)	347,979
Subtotal	<u>15,705,127</u>	<u>(82,053)</u>	<u>15,623,074</u>
Actuarial gain or loss			
Actuarial gain or loss	-	868	868
Payments			
Benefit payment from plan assets	(4,889)	4,889	-
Benefit payment from company	(546,222)	-	(546,222)
Ending balance	<u>Rs. 15,154,016</u>	<u>Rs. (76,296)</u>	<u>Rs. 15,077,720</u>

Nine months ended September 30, 2014			
	Present value of defined benefit obligations	Fair value of scheme assets	Total
Beginning balance	Rs. 9,784,030	Rs. (81,883)	Rs. 9,702,147
Net current service cost	1,436,918	-	1,436,918
Interest cost (income) on DBO	320,224	(2,632)	317,592
Previous service costs	1,408,601	-	1,408,601
Subtotal	<u>12,949,773</u>	<u>(84,515)</u>	<u>12,865,258</u>
Actuarial gain or loss			
Actuarial gain or loss	-	1,260	1,260
DBO (Gain) Loss due to experience	(350,430)	-	(350,430)
DBO (Gain) Loss due to Changes in Financial Assumptions	355,884	-	355,884
Subtotal	<u>5,454</u>	<u>1,260</u>	<u>6,714</u>
Payments			
Benefit payment from plan assets	(2,057)	2,057	-
Benefit payment from Company	(211,267)	-	(211,267)
Replaced with accounts payable	(112,270)	-	(112,270)
Ending balance	<u>Rs. 12,629,633</u>	<u>Rs. (81,198)</u>	<u>Rs. 12,548,435</u>

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

	September 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 September 30, 2015, are as follows:

- (1) The Group carries product liability insurance for all products that it sells.
- (2) As of September 30, 2015, the Group has been providing guarantees from Korea Development Bank, etc. amounting to USD 294 million (execution amount USD 145 million) related to import L/C.

(3) The followings are the major loan arrangements with the financial institutions as of September 30, 2015.

Unit: Korean won in thousands

<u>Financial institution</u>	<u>Classification</u>	<u>Limit</u>	<u>Exercise price</u>
KDB	Operating purpose loans	₩ 30,000,000	₩ 30,000,000
Woori Bank	Operating purpose loans	30,000,000	27,500,000
Woori Bank	Operating purpose loans	30,000,000	30,000,000
Nonghyup Bank	Limit purpose loans	15,000,000	-
JP Morgan	Current purpose loans	50,000,000	-
BNP Paribas	Current purpose loans	15,000,000	-
Deutsche Bank	Current purpose loans	17,000,000	-
BOA	Current purpose loans	15,000,000	-
Total		₩ 202,000,000	₩ 87,500,000

Unit: Indian rupee in thousands

<u>Financial institution</u>	<u>Classification</u>	<u>Limit</u>	<u>Exercise price</u>
KDB	Operating purpose loans	Rs. 1,666,500	Rs. 1,666,500
Woori Bank	Operating purpose loans	1,666,500	1,527,625
Woori Bank	Operating purpose loans	1,666,500	1,666,500
Nonghyup Bank	Limit purpose loans	833,250	-
JP Morgan	Current purpose loans	2,777,500	-
BNP Paribas	Current purpose loans	833,250	-
Deutsche Bank	Current purpose loans	944,350	-
BOA	Current purpose loans	833,250	-
Total		Rs. 11,221,100	Rs. 4,860,625

(4) Pending litigations

As of September 30, 2015, the Group has four pending litigations as a plaintiff, with claims amounting to ₩5,585million (Rs. 310 million), and 27 pending litigations as a defendant, with claims amounting to ₩22,735 million (Rs. 1,263 million). The Group recognized other payables amounting to ₩26,946 million (Rs. 1,497 million) that are expected to be a probable loss and can be reasonably estimated as of September 30, 2015.

19. CAPITAL STOCK:

As of September 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)

<u>Classification</u>	<u>No. of shares</u>		<u>Par value</u>	<u>Capital stock</u>
	<u>authorized</u>	<u>Shares outstanding</u>		
September 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)

<u>Classification</u>	<u>No. of shares</u>		<u>Par value</u>	<u>Capital stock</u>
	<u>Authorized</u>	<u>Shares outstanding</u>		
September 30, 2015	3,000,000,000	137,220,096	Rs. 278	Rs. 38,112,882
December 31, 2014	3,000,000,000	137,220,096	Rs. 278	Rs. 38,112,882

20. OTHER CAPITAL SURPLUS:

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

	September 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. 636,198	Rs. 636,198
Gain on retirement of capital stock	118,189,001	118,189,001	6,565,399	6,565,399
Debt converted to equity	931,508	931,508	51,745	51,745
Treasury stock	-	(1,189,820)	-	(66,094)
Gain on disposal of treasury stock	1,105,138	-	61,391	-
	<u>₩ 131,678,360</u>	<u>₩ 129,383,402</u>	<u>Rs. 7,314,733</u>	<u>Rs. 7,187,248</u>

21. OTHER CAPITAL ADJUSTMENTS:

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

Unit: Korean won in thousands

	Classification	September 30, 2015	December 31, 2014
Other capital adjustments	Loss on valuation of derivatives	₩ (18,895,010)	₩ (14,167,300)
	Gain on overseas operation translation	1,445,829	1,102,069
		<u>₩ (17,449,181)</u>	<u>₩ (13,065,231)</u>

Unit: Indian rupee in thousands

	Classification	September 30, 2015	December 31, 2014
Other capital adjustments	Loss on valuation of derivatives	Rs. (1,049,618)	Rs. (786,994)
	Gain on overseas operation translation	80,316	61,220
		<u>Rs. (969,302)</u>	<u>Rs. (725,774)</u>

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

	Korean won in thousands		Indian rupee in thousands	
	Nine months ended September 30, 2015	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Beginning balance	₩ (14,167,300)	₩ 26,833,680	Rs. (786,994)	Rs. 1,490,611
Gain (loss) on valuation of derivatives	(17,783,260)	(1,873,650)	(987,860)	(104,081)
Reclassified to net income	13,055,550	(26,833,680)	725,236	(1,490,612)
Ending balance	<u>₩ (18,895,010)</u>	<u>₩ (1,873,650)</u>	<u>Rs. (1,049,618)</u>	<u>Rs. (104,082)</u>

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

	Korean won in thousands		Indian rupee in thousands	
	Nine months ended September 30, 2015	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Beginning balance	₩ 1,102,069	₩ 686,161	Rs. 61,220	Rs. 38,116
Cumulative effect of foreign currency translation	343,760	195,115	19,096	10,839
Ending balance	<u>₩ 1,445,829</u>	<u>₩ 881,276</u>	<u>Rs. 80,316</u>	<u>Rs. 48,955</u>

22. ACCUMULATED DEFICIT:

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

Unit: Korean won in thousands

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Deficit	₩ (106,124,471)	₩ (25,034,685)

Unit: Indian rupee in thousands

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Deficit	Rs. (5,895,214)	Rs. (1,390,677)

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

Unit: Korean won in thousands

	<u>Nine months ended September 30, 2015</u>	<u>Nine months ended September 30, 2014</u>
Beginning balance	₩ (25,034,685)	₩ 41,194,141
Net loss	(81,074,152)	(34,004,848)
Actuarial loss	(15,634)	(120,873)
Ending balance	<u>₩ (106,124,471)</u>	<u>₩ 7,068,420</u>

Unit: Indian rupee in thousands

	<u>Nine months ended September 30, 2015</u>	<u>Nine months ended September 30, 2014</u>
Beginning balance	Rs. (1,390,677)	Rs. 2,288,335
Net loss	(4,503,669)	(1,888,969)
Actuarial loss	(868)	(6,714)
Ending balance	<u>Rs. (5,895,214)</u>	<u>Rs. 392,652</u>

23. INCOME TAX:

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

	<u>Korean won in thousands</u>		<u>Indian rupee in thousands</u>	
	<u>Nine months ended September 30, 2015</u>	<u>Nine months ended September 30, 2014</u>	<u>Nine months ended September 30, 2015</u>	<u>Nine months ended September 30, 2014</u>
Income tax expense of Parent Company	₩ -	₩ -	Rs. -	Rs. -
Income tax expense of Subsidiary Company	10,418	188,785	579	10,487
Income tax expense of Consolidated Company	<u>₩ 10,418</u>	<u>₩ 188,785</u>	<u>Rs. 579</u>	<u>Rs. 10,487</u>

(2) As of September 30, 2015, and December 31, 2014, deferred income tax assets are ₩19,498 thousand (Rs. 1,083 thousand) and deferred income tax assets ₩19,069 thousand (Rs. 1,059 thousand), respectively

24. EXPENSES BY CATEGORY:

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

	Korean won in thousands		Indian rupee in thousands	
	Nine months ended September 30, 2015	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Changes in inventories	₩ (14,361,767)	₩ (2,730,878)	Rs. (797,796)	Rs. (151,700)
Raw materials and merchandise goods used	1,652,624,178	1,749,847,120	91,803,273	97,204,008
Salaries	362,044,270	368,639,804	20,111,559	20,477,941
Depreciation	88,239,987	72,994,724	4,901,730	4,054,857
Amortization	23,877,970	8,449,724	1,326,421	469,382
Other	360,566,992	343,659,804	20,029,498	19,090,301
Total(*)	₩ 2,472,991,630	₩ 2,540,860,298	Rs. 137,374,685	Rs. 141,144,789

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

25. DERIVATIVES 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). Loss on valuation of derivatives for ₩18,895,010 thousand (Rs. 1,049,618 thousand) applied to cash flow risk aversion accounting treatment is recognized as other capital components, and gain on valuation of derivatives for ₩1,019,010 thousand (Rs. 56,606 thousand) which is an inefficient part is recognized as current income for the nine months ended September 30, 2015. And gain on valuation of derivatives for ₩214,018 thousand (Rs. 11,890 thousand) applied to financial asset at fair value through profit or loss is recognized as current income for the nine months ended September 30, 2015.

26. SELLING AND ADMINISTRATIVE EXPENSES:

(1) Details of the Group's selling expenses for the nine months ended September 30, 2015 and 2014, are as follows:

	Korean Won in thousands		Korean Won in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Warranty expenses	₩ 18,266,087	₩ 61,952,049	₩ 18,105,714	₩ 53,861,178
Sales commissions	48,939,368	142,387,254	38,655,486	114,546,129
Advertising expenses	5,972,655	14,538,567	3,918,427	12,291,011
Export expenses	10,709,559	34,223,209	13,824,882	49,144,643
Others	8,902,524	30,066,993	8,533,062	27,138,138
	₩ 92,790,193	₩ 283,168,072	₩ 83,037,571	₩ 256,981,099

	Indian-Rupee in thousands		Indian-Rupee in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Warranty expenses	Rs. 1,014,681	Rs. 3,441,436	Rs. 1,005,772	Rs. 2,991,988
Sales commissions	2,718,582	7,909,612	2,147,312	6,363,037
Advertising expenses	331,781	807,617	217,669	682,766
Export expenses	594,916	1,901,099	767,972	2,729,985
Others	494,535	1,670,221	474,012	1,507,524
	Rs. 5,154,495	Rs. 15,729,985	Rs. 4,612,737	Rs. 14,275,300

- (2) Details of the Group's administrative expenses for the nine months ended September 30, 2015 and 2014, are as follows :

	Korean Won in thousands		Korean Won in thousands	
	Three months ended	Nine months ended	Three months ended	Nine months ended
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
Salaries	₩ 12,487,323	₩ 37,872,559	₩ 11,646,619	₩ 36,057,582
Post-employment benefits	1,831,392	5,884,553	1,627,654	5,156,385
Employee benefits	3,397,144	8,869,308	3,806,829	9,744,943
Rent expense	2,864,707	8,499,062	2,639,019	7,888,247
Service fees	6,486,609	19,623,845	4,939,127	16,672,994
Depreciation	2,929,232	8,697,787	1,763,863	5,190,110
R&D expenses	4,074,674	11,042,660	4,219,682	15,155,217
Amortization	1,824,925	5,315,924	1,732,213	5,102,554
Bad debt expense	103,789	77,875	247,217	252,819
Other administrative expenses	7,742,494	24,494,618	8,026,490	24,158,848
	<u>₩ 43,742,289</u>	<u>₩ 130,378,191</u>	<u>₩ 40,648,713</u>	<u>₩ 125,379,699</u>

	Indian-Rupee in thousands		Indian-Rupee in thousands	
	Three months ended	Nine months ended	Three months ended	Nine months ended
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
Salaries	Rs. 693,671	Rs. 2,103,821	Rs. 646,970	Rs. 2,002,999
Post-employment benefits	101,734	326,887	90,416	286,437
Employee benefits	188,711	492,690	211,469	541,332
Rent expense	159,134	472,123	146,598	438,192
Service fees	360,331	1,090,105	274,369	926,185
Depreciation	162,719	483,162	97,983	288,311
R&D expenses	226,348	613,420	234,403	841,872
Amortization	101,375	295,300	96,224	283,447
Bad debt expense	5,765	4,326	13,733	14,044
Other administrative expenses	430,096	1,360,676	445,871	1,342,023
	<u>Rs. 2,429,884</u>	<u>Rs. 7,242,510</u>	<u>Rs. 2,258,036</u>	<u>Rs. 6,964,842</u>

27. NON-OPERATING INCOME (EXPENSES):

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

	Korean Won in thousands		Korean Won in thousands	
	Three months ended	Nine months ended	Three months ended	Nine months ended
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
Commission income	₩ 108,046	₩ 409,914	₩ 328,148	₩ 1,559,987
Gain on foreign currency transactions	1,882,040	7,290,592	3,559,794	8,062,830
Gain on foreign currency translation	671,519	1,071,900	142,830	491,844
Gain on disposal of property, plant and equipment	99,626	690,365	1,133,785	1,203,311
Others	3,901,566	14,017,800	3,060,500	12,189,917
	<u>₩ 6,662,797</u>	<u>₩ 23,480,571</u>	<u>₩ 8,225,057</u>	<u>₩ 23,507,889</u>

	Indian-Rupee in thousands		Indian-Rupee in thousands	
	Three months ended	Nine months ended	Three months ended	Nine months ended
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
Commission income	Rs. 6,002	Rs. 22,771	Rs. 18,229	Rs. 86,657
Gain on foreign currency transactions	104,547	404,992	197,747	447,890
Gain on foreign currency translation	37,303	59,544	7,934	27,322
Gain on disposal of property, plant and equipment	5,534	38,350	62,982	66,844
Others	216,732	778,689	170,010	677,150
	<u>Rs. 370,118</u>	<u>Rs. 1,304,346</u>	<u>Rs. 456,902</u>	<u>Rs. 1,305,863</u>

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

	Korean Won in thousands		Korean Won in thousands	
	Three months ended	Nine months ended	Three months ended	Nine months ended
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
Loss on foreign currency transactions	₩ 3,571,189	₩ 7,659,189	₩ 1,651,843	₩ 8,219,865
Loss on foreign currency translation	(197,946)	649,009	80,224	1,123,230
Loss on disposal of property, plant and equipment	6,478	11,896	6,411	56,623
Loss on disposal of trade receivables	2,096,277	6,686,131	2,607,253	10,357,237
Others	377,236	4,135,399	(1,353,761)	30,779,026
	<u>₩ 5,853,234</u>	<u>₩ 19,141,624</u>	<u>₩ 2,991,970</u>	<u>₩ 50,535,981</u>

	Indian-Rupee in thousands		Indian-Rupee in thousands	
	Three months ended	Nine months ended	Three months ended	Nine months ended
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
Loss on foreign currency transactions	Rs. 198,380	Rs. 425,468	Rs. 91,760	Rs. 456,614
Loss on foreign currency translation	(10,996)	36,052	4,456	62,395
Loss on disposal of property, plant and equipment	360	661	356	3,145
Loss on disposal of trade receivables	116,448	371,415	144,833	575,345
Others	20,955	229,721	(75,201)	1,709,775
	<u>Rs. 325,147</u>	<u>Rs. 1,063,317</u>	<u>Rs. 166,204</u>	<u>Rs. 2,807,274</u>

28. FINANCIAL INCOME AND COST:

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

	Korean Won in thousands		Korean Won in thousands	
	Three months ended	Nine months ended	Three months ended	Nine months ended
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
Interest income	₩ 833,077	₩ 2,562,298	₩ 1,089,215	₩ 4,185,911
Dividend income	-	11,000	-	11,000
Gain on foreign currency transactions	1,369,217	7,218,009	2,159,809	4,222,337
Gain on foreign currency translation	(364,526)	30,713	280,115	1,204,702

	Korean Won in thousands		Korean Won in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Gain on disposal of derivatives	236,003	1,157,153	6,584,100	36,491,955
Gain on valuation of derivatives	(1,034,550)	1,286,278	(173,170)	495,630
	<u>₩ 1,039,221</u>	<u>₩ 12,265,451</u>	<u>₩ 9,940,069</u>	<u>₩ 46,611,535</u>

	Indian-Rupee in thousands		Indian-Rupee in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Interest income	Rs. 46,277	Rs. 142,335	Rs. 60,506	Rs. 232,527
Dividend income	-	611	-	611
Gain on foreign currency transactions	76,060	400,960	119,977	234,551
Gain on foreign currency translation	(20,250)	1,705	15,559	66,920
Gain on disposal of derivatives	13,110	64,280	365,747	2,027,128
Gain on valuation of derivatives	(57,468)	71,455	(9,618)	27,534
	<u>Rs. 57,729</u>	<u>Rs. 681,346</u>	<u>Rs. 552,171</u>	<u>Rs. 2,589,271</u>

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

	Korean Won in thousands		Korean Won in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Interest expense	₩ 401,817	₩ 966,740	₩ 461,567	₩ 2,109,473
Loss on foreign currency transactions	4,262,557	7,352,949	1,226,152	5,757,971
Loss on foreign currency translation	6,167,737	8,971,111	165,398	167,550
Loss on disposal of AFS	10,089	10,089	-	-
Loss on disposal of derivatives	14,523,700	22,656,600	413,650	413,650
Loss on valuation of derivatives	42,450	53,250	198,450	198,450
	<u>₩ 25,408,350</u>	<u>₩ 40,010,739</u>	<u>₩ 2,465,217</u>	<u>₩ 8,647,094</u>

	Indian-Rupee in thousands		Indian-Rupee in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Interest expense	Rs. 22,321	Rs. 53,702	Rs. 25,640	Rs. 117,181
Loss on foreign currency transactions	236,785	408,456	68,113	319,855
Loss on foreign currency translation	342,618	498,345	9,188	9,307
Loss on disposal of AFS	560	560	-	-
Loss on disposal of derivatives	806,792	1,258,575	22,978	22,978
Loss on valuation of derivatives	2,358	2,959	11,024	11,025
	<u>Rs. 1,411,434</u>	<u>Rs. 2,222,597</u>	<u>Rs. 136,943</u>	<u>Rs. 480,346</u>

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

	Korean Won in thousands		Korean Won in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Loan and receivables	₩ (8,994,343)	₩ (7,479,780)	₩ 1,676,021	₩ 1,577,956
AFS financial assets	(10,089)	911	-	11,000
Derivative assets/liabilities	(15,364,697)	(20,266,419)	5,798,831	36,375,485
	<u>₩ (24,369,129)</u>	<u>₩ (27,745,288)</u>	<u>₩ 7,474,852</u>	<u>₩ 37,964,441</u>

	Indian-Rupee in thousands		Indian-Rupee in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Loan and receivables	Rs. (499,636)	Rs. (415,502)	Rs. 93,103	Rs. 87,656
AFS financial assets	(560)	51	-	611
Derivative assets/liabilities	(853,509)	(1,125,800)	322,125	2,020,658
	<u>Rs. (1,353,705)</u>	<u>Rs. (1,541,251)</u>	<u>Rs. 415,228</u>	<u>Rs. 2,108,925</u>

29. LOSS PER SHARE:

- (1) Basic loss per share for the nine months ended September 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 September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Net loss	₩ (27,126,359)	₩ (81,074,152)	₩ (15,550,507)	₩ (34,004,848)
Loss contributed to common stocks	(27,126,359)	(81,074,152)	(15,550,507)	(34,004,848)
Number of common stocks outstanding	<u>137,220,096</u>	<u>137,169,279</u>	<u>137,198,390</u>	<u>137,198,390</u>
Basic and diluted loss per share(*)	<u>₩ (198)</u>	<u>₩ (591)</u>	<u>₩ (113)</u>	<u>₩ (248)</u>

	Indian-Rupee in thousands		Indian-Rupee in thousands	
	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2014
Net loss	Rs. (1,506,869)	Rs. (4,503,669)	Rs. (863,831)	Rs. (1,888,969)
Loss contributed to common stocks	(1,506,869)	(4,503,669)	(863,831)	(1,888,969)
Number of common stocks outstanding	<u>137,220,096</u>	<u>137,169,279</u>	<u>137,198,390</u>	<u>137,198,390</u>
Basic and diluted loss per share(*)	<u>Rs. (11)</u>	<u>Rs. (33)</u>	<u>Rs. (6)</u>	<u>Rs. (14)</u>

- (*) Basic and diluted losses per share for the nine months ended September 30, 2015 and 2014, are identical since there are no dilutive potential common shares.

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

Nine months ended September 30, 2015					
	Time interval		Outstanding	Weighted- average impact	Outstanding
	Common stock	2015-01-01	2015-09-30	137,220,096	273/273
Treasury stock	2015-01-01	2015-02-22	(237,964)	53/273	(46,198)
Treasury stock	2015-02-23	2015-02-23	(221,997)	1/273	(813)
Treasury stock	2015-02-24	2015-02-24	(191,997)	1/273	(703)
Treasury stock	2015-02-25	2015-02-25	(161,997)	1/273	(593)
Treasury stock	2015-02-26	2015-02-26	(121,997)	1/273	(447)
Treasury stock	2015-02-27	2015-03-01	(71,997)	3/273	(791)
Treasury stock	2015-03-02	2015-03-17	(21,706)	16/273	(1,272)
Total					<u>137,169,279</u>

Nine months ended September 30, 2014					
	Time interval		Outstanding	Weighted- average impact	Outstanding
	Common stock	2015-01-01	2015-09-30	137,220,096	273/273
Treasury stock	2015-01-01	2015-09-30	(21,706)	273/273	(21,706)
Total					<u>137,198,390</u>

30. CASH FLOWS FROM OPERATING ACTIVITIES:

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

	Korean won in thousands		Indian rupee in thousands	
	Nine months ended	Nine months ended	Nine months ended	Nine months ended
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
1. Net loss	₩ (81,074,152)	₩ (34,004,848)	Rs. (4,503,669)	Rs. (1,888,969)
2. Adjustments	161,914,017	146,699,005	8,994,324	8,149,130
Retirement benefits	34,495,060	31,584,339	1,916,201	1,754,510
Depreciation	88,225,771	72,979,397	4,900,942	4,054,006
Amortization	23,877,970	8,449,724	1,326,421	469,382
Loss on disposal of trade receivables	6,686,131	10,357,237	371,415	575,345
Loss (gain) on foreign currency translation	8,517,507	(405,766)	473,148	(22,540)
Loss (gain) on disposal of property, plant and equipment	(678,469)	(1,146,688)	(37,689)	(63,699)
Interest income/expense	(1,595,558)	(2,076,438)	(88,633)	(115,346)
Gain on dividends	(11,000)	(11,000)	(611)	(611)
Loss (gain) on valuation of inventories	3,625,534	1,600,955	201,398	88,933
Others	(1,228,929)	25,367,245	(68,268)	1,409,150
3. Changes in working capital	(83,570,921)	(173,117,459)	(4,642,365)	(9,616,675)
Decrease in trade receivables	7,241,788	7,216,812	402,280	400,894
Decrease in non-trade receivables	11,014,471	13,106,718	611,854	728,078
Decrease (increase) in inventories	(18,427,277)	3,866,187	(1,023,635)	214,767
Increase in other assets	(7,099,961)	(6,324,626)	(394,403)	(351,333)
Decrease in trade payables	(6,081,001)	(142,007,543)	(337,800)	(7,888,519)
Decrease in other payables	(86,251,218)	(61,732,941)	(4,791,255)	(3,429,265)
Increase in accrued charges	4,927,553	11,025,048	273,726	612,441
Increase in provision of product warranties	7,979,357	7,749,632	443,254	430,491
Payment of severance indemnities	(9,832,987)	(3,803,191)	(546,222)	(211,267)
Increase (decrease) in other liabilities	12,958,354	(2,213,555)	719,836	(122,962)
Net cash used in operating activities	<u>₩ (2,731,056)</u>	<u>₩ (60,423,302)</u>	<u>Rs. (151,710)</u>	<u>Rs. (3,356,514)</u>

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 nine months ended September 30, 2015 and 2014, is as follows:

Unit: Korean won and Indian rupee in thousands

Sales region	Nine months ended September 30, 2015		
Republic of Korea	₩	1,741,922,874 Rs.	96,763,816
Europe		347,386,356	19,297,312
Asia Pacific		131,537,232	7,306,893
Others		202,041,277	11,223,393
Consolidation adjustment		(7,553,502)	(419,597)
	₩	2,415,334,237	Rs. 134,171,817

Sales region	Nine months ended September 30, 2014		
Republic of Korea	₩	1,450,177,794 Rs.	80,557,376
Europe		527,025,929	29,276,290
Asia Pacific		208,483,259	11,581,245
Others		317,196,193	17,620,249
Consolidation adjustment		(6,775,289)	(376,367)
	₩	2,496,107,886	Rs. 138,658,793

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 nine months ended September 30, 2015 and 2014, is as follows:

Unit: Korean won and Indian rupee in thousands

Sales	Nine months ended September 30, 2015		
Automobile	₩	2,143,524,828 Rs.	119,072,804
Products		253,671,926	14,091,475
Others		18,137,483	1,007,538
	₩	2,415,334,237	Rs. 134,171,817

Sales	Nine months ended December 31, 2014		
Automobile	₩	2,215,971,489 Rs.	123,097,216
Products		262,108,722	14,560,140
Others		18,027,675	1,001,437
	₩	2,496,107,886	Rs. 138,658,793

32. RELATED-PARTY TRANSACTIONS:

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

	Related parties
Controlling company	Mahindra & Mahindra Ltd.
Other affiliate 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 nine months ended September 30, 2015 and 2014, are as follows:

Unit: Korean won in thousands

	Company	Description		Nine months ended September 30, 2015		Nine months ended September 30, 2014
Transactions with controlling company	Mahindra & Mahindra Ltd.	Sales	₩	1,583,765	₩	1,144,309
		Other income		52,025		72,790
		Purchases		1,589,465		-
		Other expenses		151,410		1,261,070
Transaction with other affiliates	Mahindra Vehicle Manufacturing Ltd. Mahindra & Mahindra South Africa Ltd.	Sales	₩	5,628,707	₩	10,949,115
		Other income		9,937		54,044
		Other expenses	₩	208,891	₩	74,660

(Unit: Indian rupee in thousands)

	Company	Description		Nine months ended September 30, 2015		Nine months ended September 30, 2014
Transactions with controlling company	Mahindra & Mahindra Ltd.	Sales	Rs.	87,978	Rs.	63,566
		Other income		2,890		4,043
		Purchases		88,295		-
		Other expenses		8,411		70,052
Transaction with other affiliates	Mahindra Vehicle Manufacturing Ltd. Mahindra & Mahindra South Africa Ltd.	Sales	Rs.	312,675	Rs.	608,223
		Other income		552		3,002
		Other expenses	Rs.	11,604	Rs.	4,147

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

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

Unit: Korean won in thousands

		September 30, 2015		December 31, 2014
Receivables from and payables to controlling company:				
Trade Receivables	₩	277,315	₩	40,507
Non-trade receivables		131,349		159,510
Trade payables		102,804		205,628
Non-trade payables		7,207		982,293

	<u>September 30, 2015</u>		<u>December 31, 2014</u>	
Receivables from and payables to affiliates:				
Trade receivables	₩	26,307	₩	1,459,978
Non-trade receivables		-		23,435
Non-trade payables	₩	28,198	₩	125,892

Unit: Indian rupee in thousands

	<u>September 30, 2015</u>		<u>December 31, 2014</u>	
Receivables from and payables to controlling company:				
Trade receivables	Rs.	15,405	Rs.	2,250
Non-trade receivables		7,296		8,861
Trade payables		5,711		11,423
Non-trade payables		400		54,566
Receivables from and payables to affiliates:				
Trade receivables	Rs.	1,461	Rs.	81,102
Non-trade receivables		-		1,302
Non-trade payables	Rs.	1,566	Rs.	6,993

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

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

Unit: Korean won in thousands

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

Unit: Indian rupee in thousands

<u>Nine months ended September 30, 2014</u>	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Controlling company				
Mahindra & Mahindra Ltd	Rs. 5,299,735	Rs. -	Rs. 5,299,735	Rs. -

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

	<u>Korean won in thousands</u>		<u>Indian rupee in thousands</u>	
	<u>Nine months ended September 30, 2015</u>	<u>Nine months ended September 30, 2014</u>	<u>Nine months ended September 30, 2015</u>	<u>Nine months ended September 30, 2014</u>
Short-term employee benefits	₩ 551,718	₩ 630,724	Rs. 30,648	Rs. 35,037
Retirement benefits	22,897	29,686	1,272	1,649

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 September 30, 2015, and December 31, 2014, is as follows:

Unit: Korean won in thousands

	September 30, 2015		December 31, 2014	
Debt (A)	₩	1,242,848,327	₩	1,191,048,023
Equity (B)		694,205,188		777,383,966
Debt ratio (A/B)		179.03%		153.21%

Unit: Indian rupee in thousands

	September 30, 2015		December 31, 2014	
Debt (A)	Rs.	69,040,225	Rs.	66,162,718
Equity (B)		38,563,099		43,183,679
Debt ratio (A/B)		179.03%		153.21%

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

1) Financial assets

Unit: Korean won in thousands

Financial assets	September 30, 2015				
	Loans and receivables	AFS financial assets	Financial asset at fair value through profit or loss	Total	Fair value
Cash and cash equivalents	₩ 94,623,016	₩ -	₩ -	₩ 94,623,016	₩ 94,623,016
Non-current financial instruments	6,000	-	-	6,000	6,000
Trade and other receivables	193,065,865	-	-	193,065,865	193,065,865
AFS financial assets	-	560,000	-	560,000	560,000
Derivative assets	-	-	214,018	214,018	214,018
	<u>₩ 287,694,881</u>	<u>₩ 560,000</u>	<u>₩ 214,018</u>	<u>₩ 288,468,899</u>	<u>₩ 288,468,899</u>

Financial assets	December 31, 2014				
	Loans and receivables	AFS financial assets	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
	<u>₩ 373,136,211</u>	<u>₩ 560,000</u>	<u>₩ 1,232,650</u>	<u>₩ 374,928,861</u>	<u>₩ 374,928,861</u>

Unit: Indian rupee in thousands

September 30, 2015					
Financial assets	Loans and receivables	AFS financial assets	Financial asset at fair value through profit or loss	Total	Fair value
Cash and cash equivalents	Rs. 5,256,309	Rs. -	Rs. -	Rs. 5,256,309	Rs. 5,256,309
Non-current financial instruments	333	-	-	333	333
Trade and other receivables	10,724,809	-	-	10,724,809	10,724,809
AFS financial assets	-	31,108	-	31,108	31,108
Derivative assets	-	-	11,889	11,889	11,889
	<u>Rs. 15,981,451</u>	<u>Rs. 31,108</u>	<u>Rs. 11,889</u>	<u>Rs. 16,024,448</u>	<u>Rs. 16,024,448</u>

December 31, 2014					
Financial assets	Loans and receivables	AFS financial assets	Designated to hedge item	Total	Fair value
Cash and cash equivalents	Rs. 8,708,313	Rs. -	Rs. -	Rs. 8,708,313	Rs. 8,708,313
Non-current financial instruments	333	-	-	333	333
Trade and other receivables	12,019,071	-	-	12,019,071	12,019,071
AFS financial assets	-	31,108	-	31,108	31,108
Derivative assets	-	-	68,474	68,474	68,474
	<u>Rs. 20,727,717</u>	<u>Rs. 31,108</u>	<u>Rs. 68,474</u>	<u>Rs. 20,827,299</u>	<u>Rs. 20,827,299</u>

2) Financial liabilities

Unit: Korean won in thousands:

September 30, 2015				
Financial liabilities	Financial liability measured at amortized cost	Derivatives designated to hedge item	Total	Fair value
Trade and other payables	₩ 550,431,284	₩ -	₩ 550,431,284	₩ 550,431,284
Debt	213,553,840	-	213,553,840	213,553,840
Derivative liabilities	-	17,932,700	17,932,700	17,932,700
	<u>₩ 763,985,124</u>	<u>₩ 17,932,700</u>	<u>₩ 781,917,824</u>	<u>₩ 781,917,824</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

September 30, 2015				
Financial liabilities	Financial liability measured at amortized cost	Derivatives designated to hedge item	Total	Fair value
Trade and other payables	Rs. 30,576,458	Rs. -	Rs. 30,576,458	Rs. 30,576,458
Debt	11,862,916	-	11,862,916	11,862,916
Derivative liabilities	-	996,161	996,161	996,161
	<u>Rs. 42,439,374</u>	<u>Rs. 996,161</u>	<u>Rs. 43,435,535</u>	<u>Rs. 43,435,535</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. 34,930,203	Rs. -	Rs. 34,930,203	Rs. 34,930,203
Debt	6,918,198	-	6,918,198	6,918,198
Derivative liabilities	-	831,820	831,820	831,820
	<u>Rs. 41,848,401</u>	<u>Rs. 831,820</u>	<u>Rs. 42,680,221</u>	<u>Rs. 42,680,221</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 factors.

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 nine months ended September 30, 2015.

Current income will increase when FX rate increases (weaker KRW); likewise, current loss will increase when FX 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	₩ 268,428	₩ (268,428)	Rs. 14,911	Rs. (14,911)
EUR	(5,681,393)	5,681,393	(315,601)	315,601
JPY	(6,957,302)	6,957,302	(386,478)	386,478
Others	1,737,755	(1,737,755)	96,532	(96,532)
	<u>₩ (10,632,512)</u>	<u>₩ 10,632,512</u>	<u>Rs. (590,636)</u>	<u>Rs. 590,636</u>

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 ₩18,895,010 thousand (Rs. 1,049,618 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 by ₩232,705 thousand (Rs. 12,927 thousand) for the nine months ended September 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 September 30, 2015, and December 31, 2014, the maximum exposed amounts of credit risk for financial assets maintained by the Group are as follows.

	<u>September 30, 2015</u>		<u>December 31, 2014</u>		<u>September 30, 2015</u>		<u>December 31, 2014</u>	
	(Korean won in thousands)		(Korean won in thousands)		(Indian rupee in thousands)		(Indian rupee in thousands)	
Trade and other receivables	₩	193,065,865	₩	216,364,904	Rs.	10,724,809	Rs.	12,019,071

3) Liquidity risk

The Group makes short-term and long-term fund management plans in order to control the liquidity risk. The Group analyzes and reviews actual cash outflows 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 September 30, 2015, and December 31, 2014, is as follows:

Unit: Korean won in thousands

	<u>September 30, 2015</u>		
	<u>Within year</u>	<u>More than 1 year</u>	<u>Total</u>
Trade payables	₩ 362,536,400	₩ -	₩ 362,536,400
Non-trade payables	137,572,689	-	137,572,689
Short-term borrowings	171,641,476	-	171,641,476
Derivative liabilities	17,932,700	-	17,932,700
Other payables	34,822,526	-	34,822,526
Long-term borrowings	-	45,628,655	45,628,655
Other non-current payables	-	15,499,669	15,499,669
	<u>₩ 724,505,791</u>	<u>₩ 61,128,324</u>	<u>₩ 785,634,115</u>
	<u>December 31, 2014</u>		
	<u>Within year</u>	<u>More than 1 year</u>	<u>Total</u>
Trade payables	₩ 367,063,797	₩ -	₩ 367,063,797
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	29,715,326	-	29,715,326
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

	September 30, 2015		
	Within year	More than 1 year	Total
Trade payables	Rs. 20,138,897	Rs. -	Rs. 20,138,897
Non-trade payables	7,642,163	-	7,642,163
Short-term borrowings	9,534,684	-	9,534,684
Derivative liabilities	996,161	-	996,161
Other payables	1,934,391	-	1,934,391
Long-term borrowings	-	2,534,672	2,534,672
Other non-current payables	-	861,007	861,007
	<u>Rs. 40,246,296</u>	<u>Rs. 3,395,679</u>	<u>Rs. 43,641,975</u>

	December 31, 2014		
	Within year	More than 1 year	Total
Trade payables	Rs. 20,390,394	Rs. -	Rs. 20,390,394
Non-trade payables	12,692,771	-	12,692,771
Short-term borrowings	5,606,455	-	5,606,455
Derivative liabilities	831,820	-	831,820
Other payables	1,650,686	-	1,650,686
Long-term borrowings	-	1,511,662	1,511,662
Other non-current payables	-	196,352	196,352
	<u>Rs. 41,172,126</u>	<u>Rs. 1,708,014</u>	<u>Rs. 42,880,140</u>

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

Unit: Korean won in thousands

		September 30, 2015		December 31, 2014	
		Used	Unused	Used	Unused
Borrowing limit commitments	Used	₩ 87,500,000		₩ 60,000,000	
	Unused		₩ 114,500,000		₩ 65,000,000
	Total	₩ 202,000,000		₩ 125,000,000	

Unit: Indian rupee in thousands

		September 30, 2015		December 31, 2014	
		Used	Unused	Used	Unused
Borrowing limit commitments	Used	Rs. 4,860,625		Rs. 3,333,000	
	Unused		Rs. 6,360,475		Rs. 3,610,750
	Total	Rs. 11,221,100		Rs. 6,943,750	

(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 on 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 September 30, 2015, and December 31, 2014, are as follows:

Unit: Korean won in thousands

Type	September 30, 2015			
	Level 1	Level 2	Level 3	Fair value
Derivative assets designated to hedge item	₩ -	₩ 214,018	₩ -	₩ 214,018
Derivative liabilities designated to hedge item	-	17,932,700	-	17,932,700
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	September 30, 2015			
	Level 1	Level 2	Level 3	Fair value
Derivative assets designated to hedge item	Rs. -	Rs. 11,889	Rs. -	Rs. 11,889
Derivative liabilities designated to hedge item	-	996,161	-	996,161
Type	December 31, 2014			
Level 1	Level 2	Level 3	Fair value	
Derivative assets designated to hedge item	Rs. -	Rs. 68,474	Rs. -	Rs. 68,474
Derivative liabilities designated to hedge item	-	831,820	-	831,820

- 4) The Group measures the foreign exchange forward contract (derivative assets: ₩214,018 thousand (Rs. 11,889 thousand) and derivative liabilities: ₩17,932,700 thousand (Rs. 996,161 thousand)) based on the forward rate announced officially in the market as of September 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.

34. EVENTS OCCURRED AFTER THE DATE OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION:

The Group acquired 2,040,000 shares (51%, ₩10,200,000 thousand) when SY Auto Capital Co., Ltd had established by resolution of board of trustees on September 11, 2015, and completed registration on October 28, 2015.