

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

**Financial Statements**

**March 31, 2024 and 2023**

(With Independent Auditors' Report Thereon)

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## Independent Auditors' Report

Based on a report originally issued in Korean

The Board of Directors and Shareholder

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

### Opinion

We have audited the financial statements of TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.(the "Company"), which comprise the statements of financial position as of March 31, 2024 and 2023, the statements of income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and its operation, changes in equity and its cash flows for the years then ended in accordance with Korean Accounting Standards for Non-public Entities ("K-GAAP").

### Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with K-GAAP, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used in the preparation of the financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG Samjong Accounting Corp.*

Seoul, Korea  
May 9, 2024

This report is effective as of May 9, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

**TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.**  
**Statements of Financial Position**  
**As of March 31, 2024 and 2023**

(In Korean won)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>			
Cash and cash equivalents		₩ 4,386,639,149	5,234,826,332
Accounts receivables	8	4,856,430,272	4,994,311,161
Other receivables		8,001,210	7,095,720
Accrued income		3,492,554	12,975,341
Prepaid expense		79,036,710	-
Current deferred tax assets	12	273,681,619	133,163,624
<b>Total current assets</b>		<u>9,607,281,514</u>	<u>10,382,372,178</u>
Property and equipment, net	4	390,723,326	394,930,193
Intangible assets, net	5	35,738,000	-
Non-current deferred tax assets	12	302,585,572	235,357,211
Other non-current assets	6	557,148,600	389,273,000
<b>Total non-current assets</b>		<u>1,286,195,498</u>	<u>1,019,560,404</u>
<b>Total assets</b>		<u>₩ 10,893,477,012</u>	<u>11,401,932,582</u>

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

## Statements of Financial Position

As of March 31, 2024 and 2023

(Continued)

(In Korean won)

	Note	2024	2023
<b>Liabilities</b>			
Accounts payable	8,16	₩ 3,592,536,239	3,109,944,770
Accrued expenses	8,16	1,312,973,985	727,543,997
Withholdings		546,153,162	398,210,315
Advanced receipts		-	10,483,360
Income tax payable	12	383,611,712	383,884,889
<b>Total current liabilities</b>		<b>5,835,275,098</b>	<b>4,630,067,331</b>
Accrued severance indemnities	7	1,428,607,690	1,115,152,890
Long-term guarantee deposits received		20,000,000	20,000,000
<b>Total non-current liabilities</b>		<b>1,448,607,690</b>	<b>1,135,152,890</b>
<b>Total liabilities</b>		<b>7,283,882,788</b>	<b>5,765,220,221</b>
<b>Shareholder's equity</b>			
Common stock	1,9	1,000,000,000	1,000,000,000
Retained earnings	10,11		
Earned surplus reserve		420,000,000	70,000,000
Unappropriated retained earnings		2,189,594,224	4,566,712,361
<b>Total shareholder's equity</b>		<b>3,609,594,224</b>	<b>5,636,712,361</b>
<b>Total liabilities and shareholder's equity</b>		<b>₩ 10,893,477,012</b>	<b>11,401,932,582</b>

See accompanying notes to the financial statements.

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

## Statements of Income

For the years ended March 31, 2024 and 2023

(In Korean won)

	Note	2024	2023
<b>Operating revenue</b>	8		
Service fee		₩ 49,876,207,212	50,294,916,292
<b>Operating expenses</b>	8,17		
Salaries		(4,112,432,618)	(3,608,708,366)
Provision for severance indemnities		(360,383,453)	(298,441,824)
Other employee benefits		(893,991,171)	(831,362,924)
Utilities		(7,209,980)	(6,325,295)
Vehicle maintenance		(107,178,341)	(104,668,232)
Rental		(599,692,909)	(561,334,631)
Insurance		(394,500)	(565,103)
Depreciation		(122,692,950)	(105,185,398)
Amortization		-	(36,981,967)
Supplies		(20,468,458)	(22,291,688)
Publication		(25,264,927)	(26,451,250)
Communications		(78,406,828)	(74,792,051)
Taxes and dues		(21,643,240)	(15,900,819)
Travel		(98,229,659)	(132,649,989)
Training		(52,578,068)	(67,252,178)
Sales commission		(23,297,905,197)	(23,606,142,873)
Fee and charge		(679,757,306)	(650,612,058)
Entertainment		(54,893,960)	(48,382,710)
Advertising		(226,766,000)	(204,170,000)
Outsourcing		(2,684,977,421)	(2,668,378,681)
Sales promotion		(14,545,568,863)	(15,575,477,103)
Expenditure for meeting		(219,110,922)	(104,187,183)
Others		(32,201,364)	(29,427,636)
<b>Total operating expenses</b>		(48,241,748,135)	(48,779,689,959)
<b>Operating income</b>		1,634,459,077	1,515,226,333
<b>Other income</b>			
Interest income		216,873,360	159,547,831
Others, net		37,648,556	27,432,648
<b>Other income, net</b>		254,521,916	186,980,479
<b>Income before income tax</b>		1,888,980,993	1,702,206,812
Income tax expenses	12	(416,099,130)	(446,680,589)
<b>Net Income</b>		₩ 1,472,881,863	1,255,526,223
<b>Earnings Per Share</b>	13	₩ 7,364	6,278

See accompanying notes to the financial statements

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

## Statements of Changes in Equity

For the years ended March 31, 2024 and 2023

(In Korean won)

	Common stock	Retained earnings	Total shareholder's equity
<b>Balance at April 1, 2022</b>	₩ 1,000,000,000	3,381,186,138	4,381,186,138
Net income	-	1,255,526,223	1,255,526,223
<b>Balance at March 31, 2023</b>	₩ 1,000,000,000	4,636,712,361	5,636,712,361
<b>Balance at April 1, 2023</b>	₩ 1,000,000,000	4,636,712,361	5,636,712,361
Interim dividends paid	-	(3,500,000,000)	(3,500,000,000)
Net income	-	1,472,881,863	1,472,881,863
<b>Balance at March 31, 2024</b>	₩ 1,000,000,000	2,609,594,224	3,609,594,224

See accompanying notes to the financial statements.



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

## Statements of Cash Flows

For the years ended March 31, 2024 and 2023

(In Korean won)

	2024	2023
<b>Cash flows from operating activities</b>		
<b>Net income</b>	₩ 1,472,881,863	1,255,526,223
<b>Adjustments for:</b>		
Depreciation	122,692,950	105,185,398
Amortization	-	36,981,967
Provision for severance indemnities	360,383,453	298,441,824
Loss on disposal of property and equipment	683,917	30,000
<b>Changes in assets and liabilities:</b>		
Accounts receivable	137,880,889	(3,995,688,648)
Other receivables	(905,490)	(3,003,720)
Accrued income	9,482,787	(12,975,341)
Prepaid income tax	-	995,543,509
Prepaid expense	(79,036,710)	-
Current deferred tax assets	(140,517,995)	2,169,932
Non-current deferred tax assets	(67,228,361)	(39,521,212)
Other payables	474,816,469	(434,551,486)
Accrued expenses	585,429,988	10,008,681
Withholdings	147,942,847	337,531,785
Income tax payable	(273,177)	383,884,889
Payment of severance indemnities	(46,928,653)	(65,458,024)
Advance Received	(10,483,360)	-
<b>Net cash provided by(Used in) operating activities</b>	<b>2,966,821,417</b>	<b>(1,125,894,223)</b>
<b>Cash flows from investing activities</b>		
Acquisition of Property and equipment	(111,395,000)	(202,723,173)
Acquisition of intangible assets	(35,738,000)	-
Increase in guarantee deposits	(25,000,000)	-
Acquisition of Other investment asset	(142,875,600)	-
<b>Net cash used in investing activities</b>	<b>(315,008,600)</b>	<b>(202,723,173)</b>
<b>Cash flows from financing activities</b>		
Payment of interim dividend	(3,500,000,000)	-
<b>Net cash used in financing activities</b>	<b>(3,500,000,000)</b>	<b>-</b>
 Net increase in cash and cash equivalents	 (848,187,183)	 (1,328,617,396)
Cash and cash equivalents at beginning of year	5,234,826,332	6,563,443,728
 <b>Cash and cash equivalents at the end of year</b>	 <b>₩ 4,386,639,149</b>	 <b>5,234,826,332</b>

See accompanying notes to the financial statements.

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

## Notes to the Financial Statements

### 1. Reporting Entity

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

As of March 31, 2024, the Company’s capital stock is totals ₩1,000 million and its common shares are wholly owned by Tata Daewoo Commercial Vehicle Co., Ltd.

### 2. Basis of Preparation

Financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements.

#### (1) Statement of compliance

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

The accompanying financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. Accordingly, the accompanying financial statements are for use by those knowledgeable about Korean accounting principles and their application in practice.

#### (2) Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### (3) Use of estimates and judgments

The preparation of the financial statements in conformity with K-GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 12 – Income Taxes

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

## Notes to the Financial Statements

### 3. Significant Accounting Policies

The significant accounting policies applied by the Company in preparation of its financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (1) Cash and cash equivalents

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

#### (2) Allowance for doubtful accounts

The Company provides an allowance for doubtful accounts to cover estimated losses that may arise from non-collection of its receivables. The estimate of losses is based on the review of the aging and current status of outstanding receivables.

#### (3) Property and equipment

Property and equipment are stated at cost (acquisition cost or manufacturing cost, plus expenditures directly related to preparing the asset ready for use in time and bringing asset to the required place, net of sales discount given). Assets acquired from investment in kind, by donation or free of charge are stated at fair value. When an asset is exchanged for a similar kind of asset, the asset received is stated at the carrying value of the asset given. When an asset is exchanged for a different kind of asset, the asset received is stated at the fair value of the asset given. When there is uncertainty as to the fair value of the asset given, the asset received is recorded at its fair value.

If the costs incurred after acquisition or completion increases the future economic benefit of an asset, such costs are capitalized if the costs can be objectively measured and incurred to replace an existing asset; such existing asset is removed from the financial statements. Costs incurred to repair and to maintain assets are expensed as incurred.

In accordance with the Company's policy, borrowing costs in relation to the manufacture, purchase, construction or development of assets are charged to current operations as incurred.

Property and equipment are depreciated using the straight-line method over their economic useful lives, which are determined from the time when the assets are ready for use (ready for their intended use by the management in time and place). Depreciation expense is recognized as operating expense as incurred.

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

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

**3. Significant Accounting Policies, Continued**

**(4) Intangible assets**

Intangible assets are initially recognized at acquisition cost (purchase cost, plus expenditures directly related to preparing the asset ready for use) and subsequently presented at amortized cost. Software are amortized when the capitalized assets can be used or sold (over six years). Amortization is included in the operating expense.

**(5) Impairment of assets**

At the end of each reporting period, the Company reviews the carrying values of assets, except for financial assets and deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying value of the asset is reduced to its recoverable amount, and an impairment loss is immediately recorded in profit or loss. If a tangible asset (an individual asset or cash-generating unit) has an indication of impairment and cash flow from disposition of asset is less than its carrying amount, the carrying value of the asset is reduced to the net proceed on disposition, and an impairment loss is immediately recorded in profit or loss.

Also, regardless of impairment loss indicators, assets not in use and assets held for future use are estimated for recoverable amounts.

**(6) Accrued severance indemnities**

In accordance with the Company's policy, all employees with more than one year of service are entitled to receive lump-sum severance payments upon termination of their employment, based on their current salary and years of service.

**(7) Income tax**

The Company recognizes deferred tax assets or liabilities for the temporary differences between the carrying amount of an asset and liability for the financial reporting purposes and the amounts used for income tax purposes. A deferred tax liability is generally recognized for all taxable temporary differences, with some exceptions, and a deferred tax asset is recognized to the extent when it is probable that taxable income will be available against which the deductible temporary difference can be utilized in the future. Deferred tax asset (liability) is classified as a current or non-current asset (liability) depending on the classification of related asset (liability) in the statements of financial position. Deferred tax asset (liability), which does not relate to a specific asset (liability) account in the statements of financial position, such as a deferred tax asset recognized for tax loss carry forwards, is classified as a current or non-current asset (liability) depending on the expected reversal period. Deferred tax assets and liabilities in the same tax jurisdiction and in the same current or non-current classification are presented on a net basis. Current and deferred income tax expenses are included in income tax expense in the statements of income, and additional income tax or tax refunds for the prior periods are included in income tax expense for the current period, when recognized.

**(8) Revenue Recognition**

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

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

## Notes to the Financial Statements

### 4. Property and Equipment

(1) Property and equipment and related accumulated depreciation as of March 31, 2024 and 2023 are summarized as follows:

(In Korean won)		March 31, 2024	March 31, 2023
Tools	₩	59,880,000	111,914,000
Furniture and fixtures		1,107,554,568	1,045,019,715
Computers		68,694,700	68,694,700
<b>Total cost</b>		<b>1,236,129,268</b>	<b>1,225,628,415</b>
Less: accumulated depreciation		(845,405,942)	(830,698,222)
<b>Property and equipment, net</b>	₩	<b>390,723,326</b>	<b>394,930,193</b>

(2) Changes in property and equipment for the years ended March 31, 2024 and 2023 are as follows:

(In Korean won)		2024				
		April 1	Acquisitions	Disposals	Depreciation	March 31
Tools	₩	5,430,333	15,880,000	(78,000)	(3,026,667)	18,205,666
Furniture and fixtures		370,798,133	103,290,000	(605,917)	(115,707,831)	357,774,385
Computers		18,701,727	-	-	(3,958,452)	14,743,275
	₩	<b>394,930,193</b>	<b>119,170,000</b>	<b>(683,917)</b>	<b>(122,692,950)</b>	<b>390,723,326</b>

(In Korean won)		2023				
		April 1	Acquisitions	Disposals	Depreciation	March 31
Tools	₩	97,000	6,000,000	-	(666,667)	5,430,333
Furniture and fixtures		285,526,647	186,850,000	(30,000)	(101,548,514)	370,798,133
Computers		3,883,771	17,788,173	-	(2,970,217)	18,701,727
	₩	<b>289,507,418</b>	<b>210,638,173</b>	<b>(30,000)</b>	<b>(105,185,398)</b>	<b>394,930,193</b>

**TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.**  
**Notes to the Financial Statements**

**5. Intangible Assets**

(1) Details of intangible assets as of March 31, 2024 and 2023 are as follows:

(In Korean won)

		March 31, 2024			March 31, 2023		
		Acquisition cost	Accumulated amortization	Book value	Acquisition cost	Accumulated amortization	Book value
Software	₩	35,738,000	-	35,738,000	-	-	-

(2) Changes in intangible assets for the years ended March 31, 2024 and 2023 are as follows:

(In Korean won)

		2024			
		April 1	Acquisitions	Amortization	March 31
Software	₩	-	35,738,000	-	35,738,000

(In Korean won)

		2023			
		April 1	Acquisitions	Amortization	March 31
Software	₩	36,981,967	-	(36,981,967)	-

**6. Other Non-Current Assets**

Other non-current assets as of March 31, 2024 and 2023 are summarized as follows:

(In Korean won)

		2024	2023
Guarantee deposits	₩	414,273,000	389,273,000
Others		142,875,600	-
	₩	<u>557,148,600</u>	<u>389,273,000</u>

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

## Notes to the Financial Statements

### 7. Accrued severance indemnities

Changes in retirement and severance benefits for the years ended March 31, 2024 and 2023 are as follows:

(In Korean won)		2024	2023
<b>Provision for retirement and severance benefits at beginning of the period</b>	₩	1,115,152,890	882,169,090
Accrual for retirement and severance benefits		360,383,453	298,441,824
Payment of severance indemnities		(46,928,653)	(65,458,024)
<b>Provision for retirement and severance benefits at end of the period</b>	₩	<u>1,428,607,690</u>	<u>1,115,152,890</u>

### 8. Related Party Transactions

(1) Details of parent and subsidiary relationships as of March 31, 2024 are as follows:

Relationship	Related parties
Ultimate controlling party	Tata Motors Limited
Immediate Parent	Tata Daewoo Commercial Vehicle Co., Ltd. ("TDCV")
Others	Tata Motors Limited's subsidiaries and associates

(2) Significant transactions which occurred in the normal course of business with related parties for the years ended March 31, 2024 and 2023 are as follows:

(In Korean won)			2024	2023
Transaction	Name			
Sales agent service to	TDCV	₩	49,876,207,212	50,294,916,292
Other from	TDCV		252,000,000	252,000,000
	Tata Sons Limited		81,892,813	90,397,471

(3) Account balances with related parties as of March 31, 2024 and 2023 are as follows:

① As of March 31, 2024

(In Korean won)		Receivables	Payables	
Name		Accounts receivable - trade	Accounts payable - other	Accrued expenses
TDCV	₩	4,856,430,272	23,100,000	
Tata Sons Limited		-	-	82,660,070

② As of March 31, 2023

(In Korean won)		Receivables	Payables	
Name		Accounts receivable - trade	Accounts payable - other	Accrued expenses
TDCV	₩	4,994,311,161	23,100,000	-
Tata Sons Limited		-	-	90,397,471

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

## Notes to the Financial Statements

### 9. Shareholder's Equity

Common stock as of March 31, 2024 and 2023 are as follows:

(In Korean won except for share data)

	March 31, 2024	March 31, 2023
Number of shares:		
Authorized	800,000 shares	800,000 shares
Issued and outstanding	200,000 shares	200,000 shares
Par value	₩ 5,000	₩ 5,000
Common stock	₩ 1,000,000,000	₩ 1,000,000,000

### 10. Retained Earnings

(1) Earned surplus reserve;

The Korean Commercial Code requires the Company to appropriate a legal reserve in an amount equal to at least 10% of cash dividends for each accounting period until the reserve equals 50% of stated capital. The legal reserve may be used to reduce a deficit or may be transferred to common stock in connection with a free issue of shares.

(2) Statements of Appropriations of Retained Earnings

(In Korean won)

	2024	2023
Retained earnings before appropriations		
Beginning of the year	₩ 4,566,712,361	3,311,186,138
Interim dividend	(3,500,000,000)	-
Net income(loss)	1,472,881,863	1,255,526,223
End of the year	2,539,594,224	4,566,712,361
Appropriations		
Earned surplus reserve	(350,000,000)	-
Unappropriated retained earnings to be carried forward to subsequent year	₩ 2,189,594,224	4,566,712,361

### 11. Dividends

Details of interim dividends for common stocks included in the Company's statements of appropriations of retained earnings for the year ended March 31, 2024 and 2023 are as follows.

(1) Dividends:

(In Korean won, except number of shares)

	2024	2024
Interim dividends per share (dividend ratio)	17,500 (350%)	-
Number of shares outstanding	200,000	200,000
Dividend	₩ 3,500,000,000	-



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

## Notes to the Financial Statements

### 11. Dividends, Continued

(2) Dividend Payout Ratios:

(In Korean won)

		<b>2024</b>	<b>2023</b>
Dividends	₩	3,500,000,000	-
Net income		1,472,881,863	1,255,526,223
<b>Payout ratio</b>		<b>237.63%</b>	<b>-</b>

### 12. Income Taxes

(1) The components of income tax expense for the years ended March 31, 2024 and 2023 are as follows:

(In Korean won)

		<b>2024</b>	<b>2023</b>
Current tax expense	₩	623,845,486	484,031,869
Changes in deferred tax for temporary differences		(207,746,356)	(37,351,280)
<b>Income tax recognized in continuing operation</b>	₩	<b>416,099,130</b>	<b>446,680,589</b>

(2) The income tax expense calculated by applying statutory tax rates to the Company's income before income taxes for the period differs from the actual tax expense in the statements of income for the years ended March 31, 2024 and 2023 for the following reasons:

(In Korean won)

		<b>2024</b>	<b>2023</b>
<b>Income before income taxes</b>	₩	1,888,980,993	1,702,206,812
Tax rate		20.9%	22.0%
<b>Income taxes at normal tax rates</b>		394,797,028	374,485,499
Tax effects of permanent differences		43,601,002	74,799,256
Others		(22,298,900)	(2,604,166)
<b>Income tax expense</b>	₩	<b>416,099,130</b>	<b>446,680,589</b>
<b>Effective tax rate</b>		<b>22.03%</b>	<b>26.24%</b>

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

## Notes to the Financial Statements

### 12. Income Taxes, Continued

(3) Changes in temporary differences and deferred tax assets for the years ended March 31, 2024 and 2023 are as follows:

(In Korean won)		2024			
Account		April 1	Decrease	Increase	March 31
<b>Temporary differences (current):</b>					
Accrued expenses	₩	637,146,526	637,146,526	1,312,973,985	1,312,973,985
Accrued income		-	-	(3,492,554)	(3,492,554)
		<u>637,146,526</u>	<u>637,146,526</u>	<u>1,309,481,431</u>	<u>1,309,481,431</u>
Tax rate		20.9%			20.9%
Current deferred tax assets		<u>133,163,624</u>			<u>273,681,619</u>
<b>Temporary differences (non-current):</b>					
Accrued severance indemnities		1,115,152,890	46,928,653	360,383,453	1,428,607,690
Depreciation vehicle for business use		<u>10,958,167</u>	-	<u>8,212,000</u>	<u>19,170,167</u>
		<u>1,126,111,057</u>	<u>46,928,653</u>	<u>368,595,453</u>	<u>1,447,777,857</u>
Tax rate		20.9%			20.9%
Non-current deferred tax assets		<u>235,357,211</u>			<u>302,585,572</u>
Deferred tax assets	₩	<u>368,520,835</u>			<u>576,267,191</u>
(In Korean won)					
Account		April 1	Decrease	Increase	March 31
<b>Temporary differences (current):</b>					
Accrued expenses	₩	<u>615,152,526</u>	<u>615,152,526</u>	<u>637,146,526</u>	<u>637,146,526</u>
Tax rate		22.0%			20.9%
Current deferred tax assets		<u>135,333,556</u>			<u>133,163,624</u>
<b>Temporary differences (non-current):</b>					
Accrued severance indemnities		882,169,090	65,458,024	298,441,824	1,115,152,890
Depreciation vehicle for business use		<u>7,994,540</u>	<u>5,248,373</u>	<u>8,212,000</u>	<u>10,958,167</u>
		<u>890,163,630</u>	<u>70,706,397</u>	<u>306,653,824</u>	<u>1,126,111,057</u>
Tax rate		22.0%			20.9%
Non-current deferred tax assets		<u>195,835,999</u>			<u>235,357,211</u>
Deferred tax assets	₩	<u>331,169,555</u>			<u>368,520,835</u>

(4) Deferred tax assets have been recognized as the Company has determined it is probable that future profits will be available against which the Company can utilize the related benefit.

**TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.**  
**Notes to the Financial Statements**

**12. Income Taxes, Continued**

(5) Prepaid tax (Income Tax Payable) as of March 31, 2024 and 2023 are as follows:

*(In Korean won)*

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Current income tax asset	₩ 243,244,520	100,146,980
Current income tax liability	<u>(626,856,232)</u>	<u>(484,031,869)</u>
Current income tax liability, net	₩ <u>(383,611,712)</u>	<u>(383,884,889)</u>

**13. Earnings per share**

The Company's earning per share for the years ended March 31, 2024 and 2023 are as follows:

*(In Korean won except for share data)*

	<u>2024</u>	<u>2023</u>
Net Income (loss)	₩ 1,472,881,863	1,255,526,223
Weighted-average number of common shares outstanding (*)	<u>200,000</u>	<u>200,000</u>
Earnings (loss) per share	₩ <u>7,364</u>	<u>6,278</u>

(\*) Weighted-average number of common shares outstanding for the years ended March 31, 2024 and 2023, is the same as the issued number of shares, as there was no change in outstanding shares of common stock for the years ended March 31, 2024 and 2023.

**14. Employee Welfare**

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

**15. Non-cash Investing and Financing Activities**

Significant non-cash investing and financing activities for the years ended March 31, 2024 and 2023 are as follows :

*(In Korean won)*

	<u>2024</u>	<u>2023</u>
Increase of other payables due to acquisition of property and equipment	₩ 7,775,000	7,915,000

**TATA DAEWOO COMMERCIAL VEHICLE SALES & DISTRIBUTION CO., LTD.**  
**Notes to the Financial Statements**

**16. Financial Instruments**

(1) The maturity analysis of financial liabilities as of March 31, 2024 and 2023 are as follows:

(In Korean won)

Account		2024	2023
		3 months or less	3 months or less
Accounts payable	₩	3,592,536,239	3,109,944,770
Accrued expenses		1,046,132,970	496,533,371
Total	₩	4,638,669,209	3,606,478,141

(2) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**17. Value Added Information**

Details of value-added information included in operating expenses for the years ended March 31, 2024 and 2023 are as follows:

(In Korean won)

	2024	2023
Wages and salaries	₩ 4,112,432,618	3,608,708,366
Provision for severance indemnities	360,383,453	298,441,824
Employee welfare	893,991,171	831,362,924
Rent	599,692,909	561,334,631
Depreciation	122,692,950	105,185,398
Amortization	-	36,981,967
Taxes and dues	21,643,240	15,900,819

**18. Date of Authorization for Issue**

The financial statements were authorized for issue on April 29, 2024, at the board of directors and will be approved at the annual shareholder's meeting to be held on June 24, 2024.