

ANNUAL REPORT 2010 -11

# TECHNOLOGICAL



# TECHNO\_LOGICAL



In many ways, satisfying the Indian customer is probably much more challenging than satisfying a customer in another market. The country has an obsession for fuel efficiency, when it comes to choosing automobiles (and rightly so, since about three-fourths of India's crude oil requirement is imported). Extracting more mechanical energy for the car from every drop of fuel is a designer's challenge. But it is vital for the consumer, the economy and the planet. At the same time, a fast growing, young and upwardly mobile, speed conscious India demands pick-up and instant response at the accelerator pedal. There is normally a trade-off between performance and fuel efficiency. A third requirement is space efficiency, as customers want the car to be compact to cope with congestion on roads and parking lots. Yet another requirement is of minimizing emissions.

The Company's next generation, K-series engines employ a plethora of state-of-the-art technologies to deliver on all these fronts. Technologies deployed could be as sophisticated as fine atomization to achieve fuel droplet diameter in microns for optimised combustion. Or, they could be as practical as using engineering polymers instead of metal in certain

engine parts for weight reduction. Quite like packing more performance in a handheld smartphone as opposed to a traditional laptop.

India's road and dust conditions, the rains and driving safety considerations similarly pose design challenges unique to India. We believe, the purpose of technology is to serve mankind with products that meet the wants of society as closely as possible, are good for their long term health, happiness, safety and well-being, use minimum natural resources and can reach out to maximum number of consumers. The choice and evolution of technologies has to serve this purpose. And India's requirements are under no obligation to follow the rest of the world.

India is expected to grow to become the world's third largest car market by 2020 from a modest start three decades ago. With about half the market, Maruti Suzuki is participating in and contributing to this growth by providing technology excellence in its cars. Excellence that always integrates with relevance.

We have termed this approach "Techno\_Logical".



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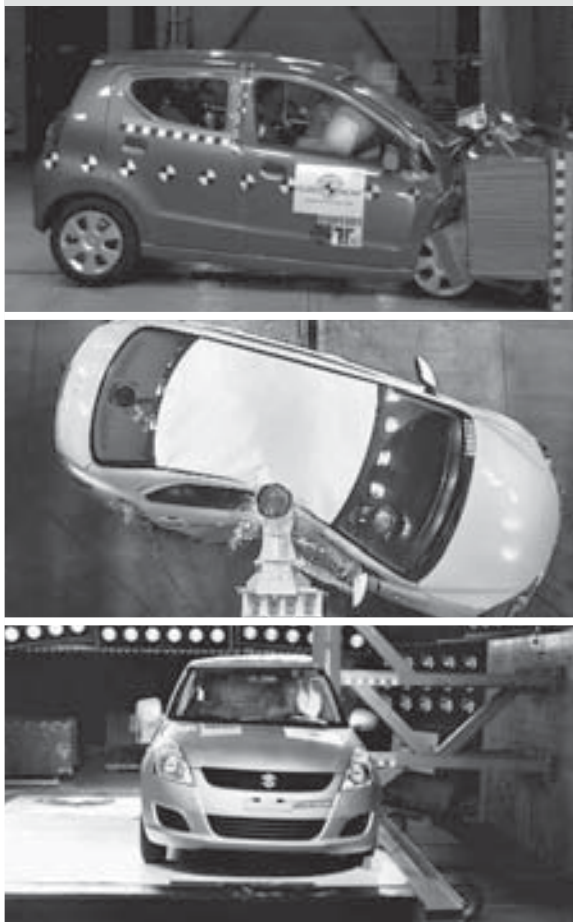
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We asked some real Maruti Suzuki customers, what made them select their cars.

And then we delved deeper into what kinds of technologies are required to deliver on these requirements.

In the next few pages we welcome you to meet some of our customers with their cars and explore how an intelligent choice of technologies creates delight for them.



*A-star, Kizashi and Swift undergoing crash test as part of the safety performance assessment.*

# TECHNO\_LOGICAL

The K-series engine



## MY NEW SEARCH ENGINE...

"My first car... My world on four wheels. Totally alive and kickin'. Easy in the traffic; Easy on the pocket. It is me.... I'm connected to it"



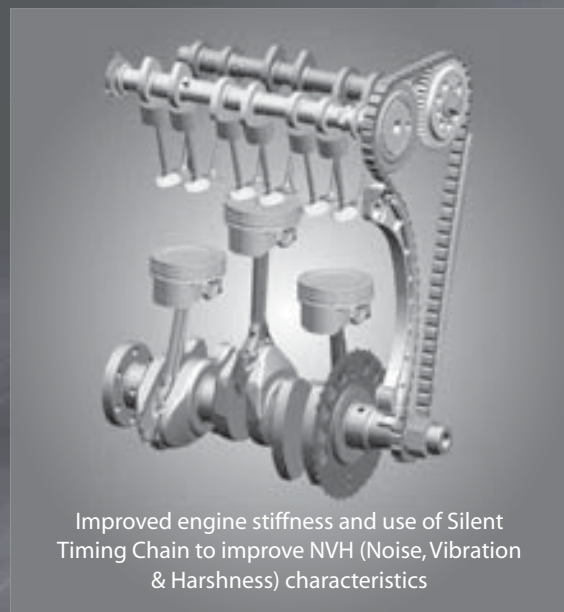
Ruchi Arora, 26  
Media Professional

## Alto K10

Powered by the K-series engine, India's favorite brand just got better and zippy. Alto K10 is the spirit to live life to the fullest, anytime, anywhere.

The 998cc engine in the Alto K10 has been carefully designed to be environment friendly and fuel efficient. A number of innovative technologies used in the engine have helped in achieving the best-in-class fuel efficiency, emission and performance with reduced noise, vibration and harshness for customer delight.

## How technologies generate customer value

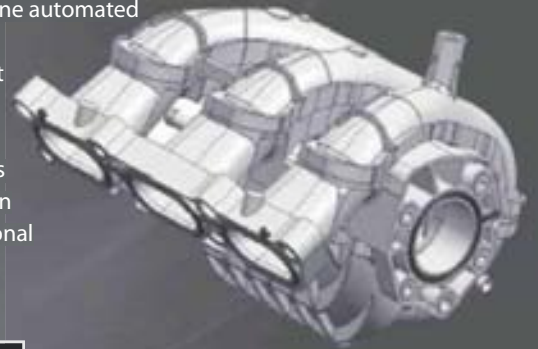


Improved engine stiffness and use of Silent Timing Chain to improve NVH (Noise, Vibration & Harshness) characteristics



## A Marvel of Engineering

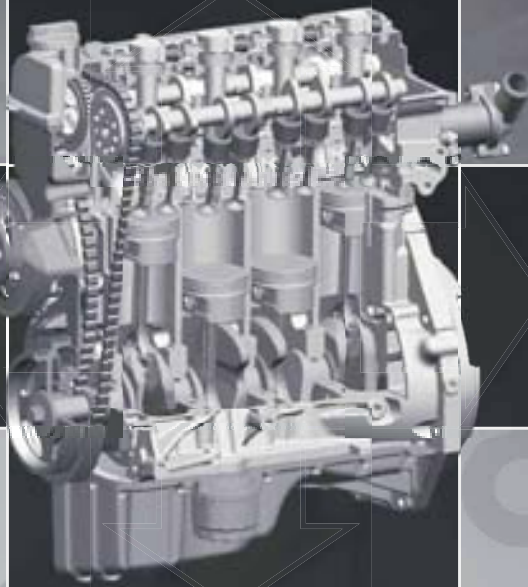
The K-series engines are a result of enormous effort in R&D and thousands of hours of design, validation and testing. They epitomise the Company's philosophy of marrying latest technologies to effectively meet customer demands. Manufactured at the state-of-the-art, fully integrated facility inside the Gurgaon plant, this new family of engines offer improved performance without compromising on mileage. The plant employs global best practices such as cold testing, 100% on-line automated checks to ensure global quality. The in-line plant layout consisting of Casting, Machining and Assembly processes has high level of automation aimed for high operational efficiency.



**Optimised Cylinder Block, Light Piston and Nut-less ConRod for light weight configuration**

**Plastic Intake Manifold in the K-series is one of many examples of technologies adopted for light weight construction**

**Smart Distributor Less Ignition (SDLI) system with dedicated plug top coils, High Pressure Semi-return Fuel System and advanced injectors for superior atomization and better performance**



**Innovative rocker-less DOHC Camshaft & offset Crankshaft with low tension rings to reduce losses and improve fuel efficiency**

**All Aluminium, light-weight engine for best-in-class fuel efficiency**

# TECHNOLOGICAL

Next Generation  
CNG cars

## i-GPI Technology

The factory fitted CNG vehicles use advanced Intelligent Gas Port Injection (i-GPI) technology. Based on the inputs from the ECU, metered CNG quantity is injected into the engine through separate injectors for each cylinder. This leads to a more efficient fuel usage. While working on the technology, our engineers have kept a high focus on safety, reliability and performance aspect of the vehicle. Every component has been designed and chosen with special attention to these details.

i-GPI technology has been extensively tested for more than 200,000 kms in varied terrains. In addition, over 3,000 hours of bench tests have validated the design and performance to bring unmatched combination of performance and reliability for our customers.



## WagonR Green

WagonR is a fine balance of comfort, space and performance in a dynamic new design. It is the second most popular car after the Alto in terms of sales. It is now also available in CNG, known as the WagonR Green.

WagonR Green smartly combines the i-GPI technology with a host of other features making it the smartest choice in the mid-end compact cars. It ensures more power, fuel-efficiency, safety and reliability vis-à-vis a retro-fitted CNG vehicle. The vehicles pass through all the quality checks, processes and systems similar to any car manufactured at the Maruti Suzuki plant.

Adapting the CNG technology in our vehicles is another step to keep low cost of ownership for our customers. The development is significant on multiple counts. This is the first instance when a car manufacturer has developed and launched factory-fitted, technologically superior CNG engines in India. Compressed Natural Gas is environment friendly and also reduces the country's dependence on oil import.

**WAGONR** Green



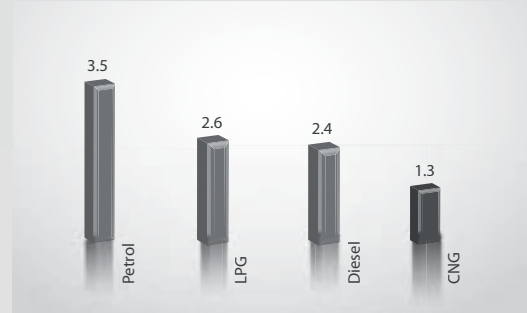
In a leap over after-market options, the i-GPI technology features a dual ECU (Engine Control Unit) and direct gas injection. This system delivers accurate amount of gas into the engine thus ensuring improved and consistent performance under various driving conditions.







Running Cost (Rs/km)\*



\* Indicative fuel cost comparison for a typical vehicle. Actual results may vary with several parameters.

## Advantage Customer

- + Contemporary CNG technology
- + Performance and Driveability at par with gasoline powered engines
- + High fuel efficiency
- + Lower running costs by 60 per cent
- + Peace of Mind: Full warranty coverage, Service support across the country
- + Vehicle body designed for CNG system
- + Safety reinforced: High Quality Components, Integrated wiring harness, CNG system leak-proofing, toughened suspension
- + Dual ECU system for enhanced performance
- + Extensive performance testing
- + No compromise on engine life



Rupesh, Vandana and Riya

"The WagonR is a true family car for all occasions. It is spacious, has good ride quality, comfort and good pickup and mileage. Since we have high usage, I wanted a CNG car but was always concerned about safety. With a factory-fitted CNG, there is No fear & No loss in power.

Vandana is a professor and tells me CNG is a cleaner fuel as well"



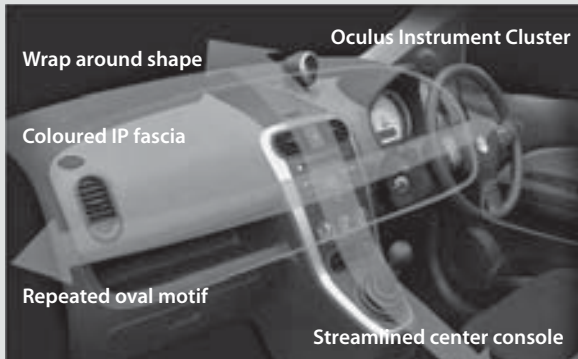
Rupesh Rai  
Hotel Industry Professional

# TECHNOLOGICAL New-Age Design & Advanced Braking Systems

The Ritz is a perfect blend of European tall-boy styling, safety, smart features and innovative engine technologies. It's a car with special attention in the area of seating comfort, space, performance and fuel-efficiency.

The suspension of the vehicle with a ground clearance of 170 mm has been tuned for the Indian road conditions.

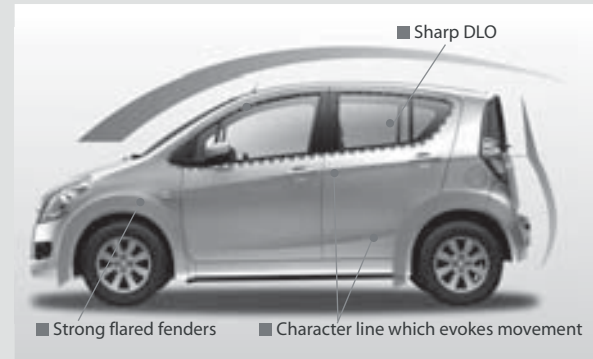
## Youthful & Useful Interiors



It was the first passenger car in India to be compliant with the BS-IV emission norms, in both petrol and diesel variants. This was well ahead of the BS-IV norms being applicable in India, reinforcing company's efforts in bringing the best and latest in technology for the Indian customers.

With sportiness of a Swift, latest in K-series and DDiS diesel engine technology, safety features like the Airbags,

## Aerodynamic European Design Exteriors



ABS & EBD and Suzuki's globally acclaimed expertise in compact cars, the Ritz has carved a special place for itself in the premium compact segment.

It is available in two engine options:

K-series 1.2litre, 85PS Petrol and the super-successful 1.3litre, 16-valve DDiS, 75PS Diesel engine.

### Antilocking Braking with Electronic Brakeforce Distribution

- High Grip Surface
- Low Grip Surface

With ABS

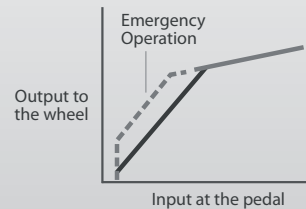
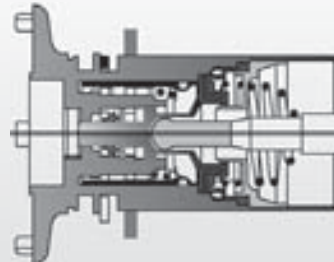


Without ABS



### Brake Assist Function

- 1 Focus on emergency braking
- 2 Reduced stopping distance under panic stops



The adventurous **XBhp** couple, have a passion for road trips. Sundeep is a biker and head convener of a popular bike magazine & website [www.XBhp.com](http://www.XBhp.com) while Jaya is a software programmer.

“Being a professional motorcyclist and a graphic designer for 7 years now, this was my first own car. The first time I saw the Ritz, the styling came across as quite refreshing. Plus it was loaded with ABS and EBD, Airbags, Integrated Audio and basics like power steering and power windows.

As my first drive, I took it to Binsar, in the Uttaranchal, and the car handles quite well despite the tall boy design. The braking especially was impeccable and confidence inspiring. From the inside, it has a ‘big car’ feel, and thanks to the stock tacho-pod, things do look interesting while driving.”



Sundeep Gajjar  
Pro-Biker & Motographer



# TECHNOLOGICAL Workhorse Technologies for SX4

In India's toughest and most demanding motorsport event, Maruti Suzuki SX4 has emerged as a winner (Adventure Trial) for two consecutive years.

Raid-de-Himalaya is a grueling test of man and machine, subjected to the harshest driving conditions. Including boulders, gushing streams, world's highest motorable roads and passes and at times, temperatures below -20° Celsius.

During the test, SX4 successfully conquered over 300 kms everyday and approximately 1,800 kms over a weeklong period. It is a sheer display of strength and superior vehicle technology thrown over the most hostile road conditions.

Powering the New SX4 is an advanced diesel engine with "Super Turbo" (variable geometry turbo charger) engine. It is a superior version of turbo charging that provides optimum air flow for improved engine efficiency.

Along with the high-powered diesel, the SX4 is also available in a DOHC 16-valve VVT Petrol and i-GPI CNG technology engine.



1. MOST COMFORTABLE	2. UNMATCHED PERFORMANCE	3. LUXURIOUS INTERIORS	4. SMOOTH DRIVE	5. STRONG ROAD PRESENCE
Maximum Headroom, Legroom & Shoulder room	<b>SUPER TURBO DDIS ENGINE</b> VGT Technology	Leather seats with wood finish armrests	Widest and Largest tyres	Longest, Tallest & Widest in its class
Automatic Climate control system	<b>VVT ENGINE</b> Excellent pickup	USB port with Integrated CD player	Drive By Wire	Sporty Grille with Chrome Finish
	<b>i-GPI CNG Technology</b>	Dual Tone Brown and Beige dashboard	Automatic transmission (ZXI only)	Muscular flared wheel arches
				New International style 10 spoke alloy wheels

**SX4**  
MEN ARE BACK





#### Salient features of "Super Turbo" SX4 Diesel engine:

- ✦ Variable Geometry Turbocharger delivers higher efficiency and reduced emissions besides delivering instant power. Depending upon the requirement, the vanes in the turbocharger change their angle to provide optimum air flow. This optimizes efficiency across the engine rpm range.
- ✦ The high pressure fuel injection system delivers fuel at upto 1600bars. The high pressure pump has an in-built flow control mechanism that improves fuel efficiency and adds power.
- ✦ The gallery cooled piston reduces the increase in temperature, enhances engine life and brings down emissions. Due to this, SX4 Diesel consumes less fuel and offers high fuel efficiency.
- ✦ The engine uses lower viscosity engine oil, which enhances lubrication for smoother running.

Anurag & Sneha Mishra, 29

Together in MBA, Together in the Insurance Sector,  
Together in the SX4

"Life in the Corporate sector is demanding and rewarding. You put in efforts... you get results. Similar is my SX4; as I touch the pedal, it responds with sheer power, speed and thrill.

The muscular styling, the adrenalin and the refinement gives me the same kind of delight, I get from my profession."



Anurag Mishra  
Insurance Sector Professional



# TECHNO\_LOGICAL

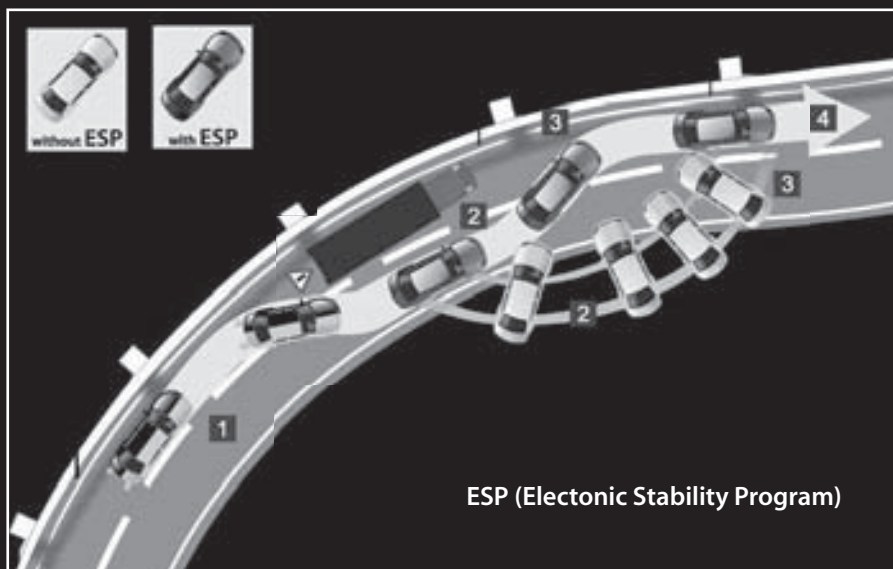
The Kizashi

Kizashi is a Japanese word which means 'a sign of good things to come'. Designed for the discerning few who are driven by a zest to succeed and who see challenges as stepping stones in the pursuit of their vision.

Powered by a 2.4L engine at its heart, Kizashi offers bliss and exhilaration at the push of a button.

## ESP (Electronic Stability Program)

An onboard microcomputer monitors vehicle stability behavior with sensors on a real time basis. In the event of instability during high speed cornering or lane change, it automatically intervenes and applies differential braking at the four wheels to keep the vehicle on the intended track and stable without any additional driver intervention.



Dr. Chugh, 38

"For quite sometime I was searching for a car that gives a touch of class and luxury when I drive south to Delhi and feels sporty when I head north to Shimla. The combo of sports and luxury - Kizashi is just my kind of car.."

"...Being a doctor, I know the value of human life; so wanted the car to have new-generation technologies & high-end safety features. Like the Electronic Stability Program, 6-Airbags and an energy absorbing cabin structure."



Rajan Chugh  
Doctor of wide acclaim in Chandigarh

## Safety & Protection

Extensive protection in the cabin includes 6 SRS Airbags - two in the front, a side airbag in each front seat and left right curtain airbags.

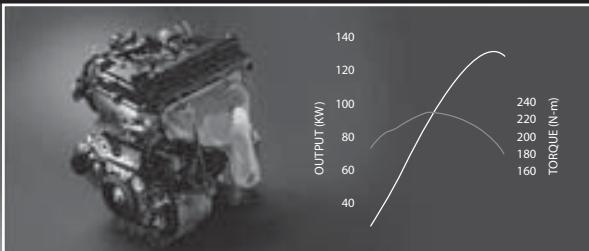
The body is made light and strong with use of high-tensile steel. The cabin absorbs and disperses impact with a deformation resisting structure.

Kizashi was awarded the highest ratings at US NCAP safety awards, 2010, making it one of the safest cars ever made.



## Unlimited Luxuries

A host of luxuries make Kizashi a revelation that redefines driving comfort through spacious interiors, leather seats, dual-zone climate control air-conditioner, rear-AC vents, 10-way adjustable driver seat with memory positions, high-end audio-system, sporty instrumentation and an option of a CVT or 6-speed manual transmission.



*Kizashi*



Kizashi sets new benchmarks in technology, performance and features. The vehicle has undergone a series of thorough performance tests in England, the Autobahn in Germany and the Nurburgring circuit.

## Message from the Chairman

Dear Shareholder,

It is my pleasure and privilege to reach you through this annual report. The year 2010-11 has been, in many ways, a very exciting year. The market surprised everyone with its strength. In the context of the events of 2008 and 2009, the predictions were that 2010-11 would see moderate growth of about 10-12 per cent. In fact, the car industry grew at about 29 per cent. A very pleasant surprise but it posed huge challenges to your Company and its vendors, in terms of production capacity. The Gurgaon plant was already working to full capacity. At Manesar we had planned that the second line would be commissioned in the second half of 2011-12, as it did not seem that the market demand would require earlier completion. The vendors had also planned their production schedules for the targets projected by us and other experts.

It is to the credit of our production team that they could bring in many innovations on the production system, which resulted in total sales increasing in 2010-11 to 1.27 million cars from 1.02 million in the previous year- an increase of 25 per cent. Producing 250,000 extra cars, without any new additions to capacity was really an outstanding achievement. At the same time, our supply chain teams worked with vendors to enable them to increase their output to match our requirements. Vendors indeed rose to the occasion and enabled us to reach a record level of production. This ability to improvise and find solutions when faced with difficulties is one of the strengths of your company and its vendors, and augurs well for the future.

We carried out in-depth studies to determine the likely trends in consumer demand for cars in the future. It was interesting to note that in the last few years the real cost of buying cars in India had declined sharply, due to the high rates of growth of the economy and consequently per capita incomes, and the relatively much slower increase in car prices. On the basis of these studies, we expect the demand for cars to double in the next five years and grow at this rate through the rest of the decade. We also realised, on the basis of past experience, that the growth curve was very unlikely to be linear, but instead would have sharp ups and downs. That is exactly what is happening this year, when the demand, which was projected by the auto industry in the 10-15 per cent range, may even be somewhat lower. This is also partly the result of the large increases in petrol prices and interest rates on car loans. However, we have confidence that in the longer term the Indian market for cars will continue to be strong. On that basis we decided to move forward the

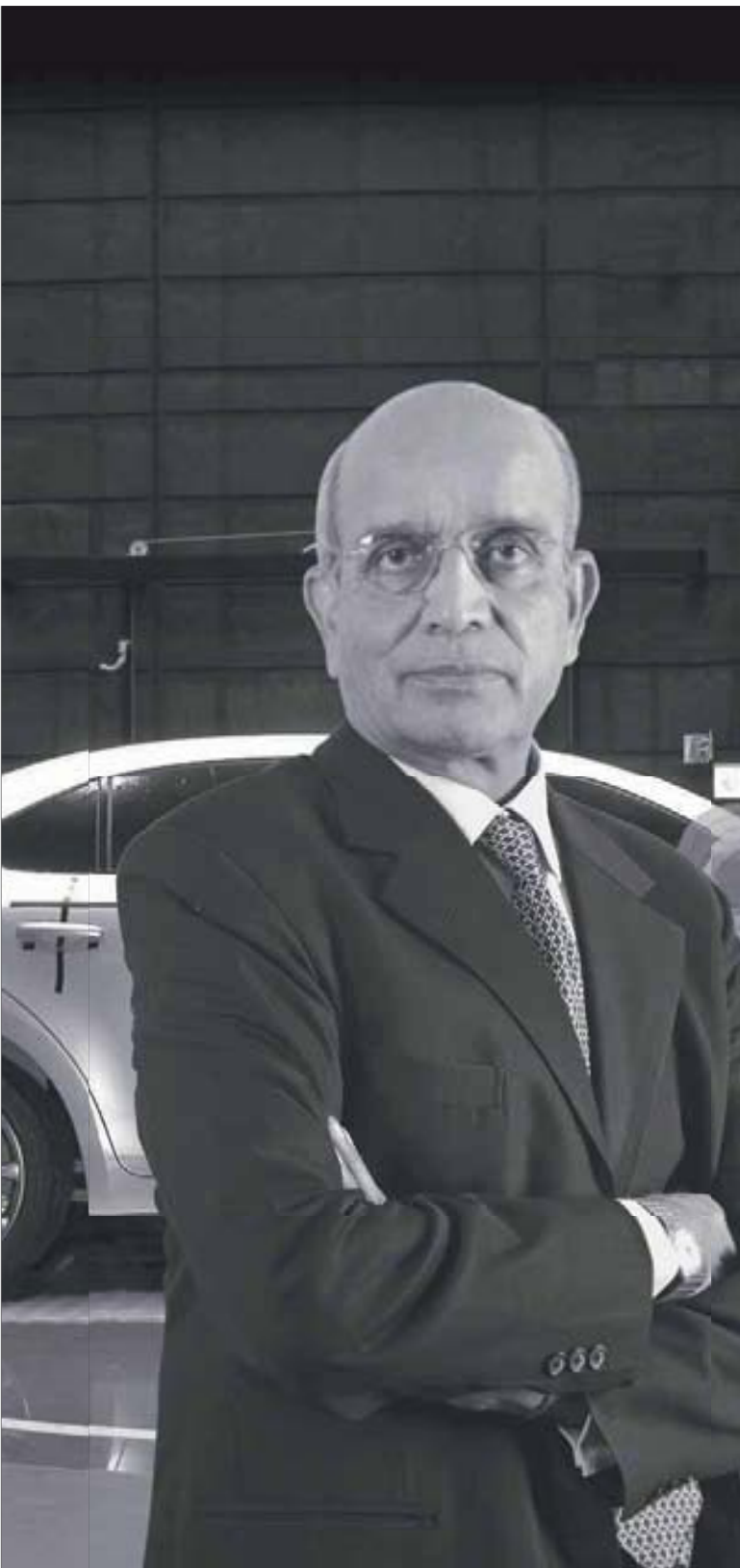
second line at Manesar and it would be in production in September 2011. Work is also proceeding rapidly on the third line at Manesar, and it is scheduled to be completed by September 2012.

At the same time, looking at future demand, and the gestation time in starting production at a green field site, we have started to look for another site where we can establish our next production lines. We are keeping in view the strong possibility of increasing the export of small cars to world markets, particularly Europe, the need to reduce risk of production disruptions, the logistical and infrastructural imperatives and the availability of an industrially friendly environment.

The future success of the Company critically depends on our ability to meet the customer aspirations and needs. Technology, design skills and creativity and quality have to be combined in a manner where the customer gets the best value for money. Suzuki Motor Corporation is actively helping us to achieve this goal. Our R&D facility being established in Rohtak is a major step towards this end. The R&D engineers in Japan and India are working in very close cooperation with each other and we are now a part of the integrated development of cars which was earlier all done in Japan. I am sure that this R&D centre, and the knowledge which our engineers are acquiring will give us a competitive edge in the coming years. At the same time, we started production of the K-series engines, developed by Suzuki. These engines are lighter, give better fuel efficiency and are cleaner than the engines which we were using earlier. We continue joint efforts with Suzuki to make vehicles lighter, and to give better value to customers. The term 'techno\_logical' has been coined to reflect what we are doing. It is the combination of technology and logic, from the customer's view point, so as to produce cars which best meet the needs of all segments of society. Our engineers remain very conscious of the changing environment, and its impact on customer needs and will use this approach to keep the 'value for money' edge.

Our biggest resource and asset are our employees. We have always been fully committed to developing the potential of this resource as that really creates a win-win situation not only for the employees and the Company, but for all the other stakeholders. We did have an unfortunate situation developing in Manesar in June 2011, and are determined to learn from this and re-double our efforts to create a mutually productive and beneficial relationship with our workers there.

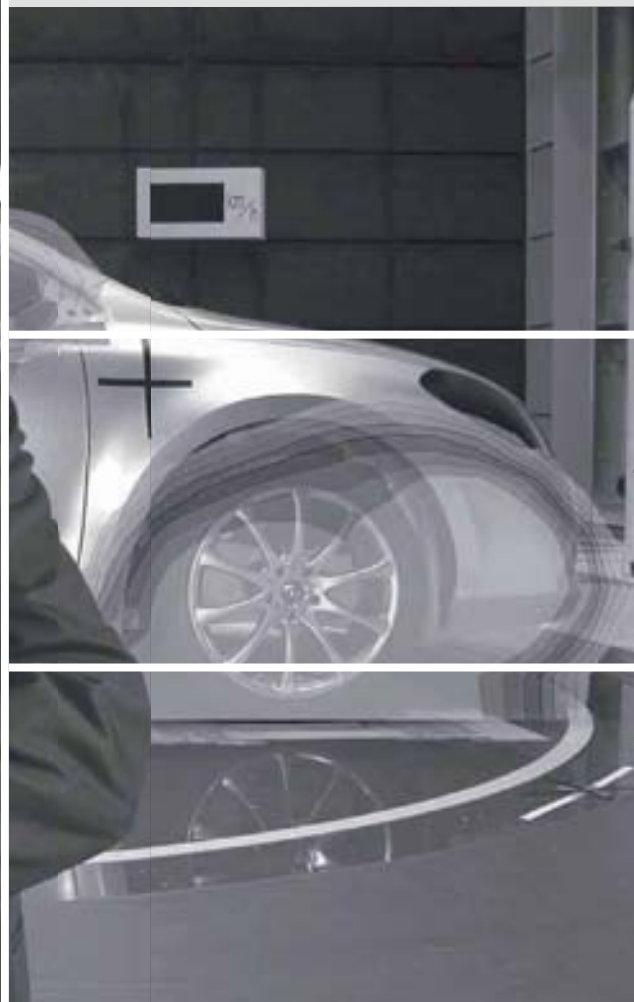




Mr. R. C. Bhargava, Chairman

The prospects and future of the Indian economy are bright. We are an integral part of that economy and will continue to participate in accelerating economic growth and manufacturing, and giving our customers and our stakeholders the benefits of the technology and the values which have been our driving force. I thank all of you shareholders for your consistent support to the management and assure you that your Company will, as always, come up to your expectations.

**R. C. Bhargava**  
Chairman



*In the background is a clay model during the initial phases of model development.*

## Message from the Managing Director

The Indian passenger vehicle market grew by 29 per cent in 2010-11. Despite volume uncertainty, capacity challenges and competition, Maruti Suzuki was able to increase its market share marginally. Exports were challenged by a dull market in Europe and while we developed a lot of non-European markets, total export sales in 2010-11 were 6 per cent lower than the previous year. A number of new models and refreshed variants of existing models were launched. Cost of materials, technology, new model introduction and adverse foreign exchange rates, however impacted our profit margin and Net Profit declined 8.4 per cent.

We expanded our sales and service network, started work on two new plants for capacity expansion in Manesar and strengthened our R&D capability efforts with recruitments and commissioning of design and testing equipment.

The growth in the car market, we are seeing today is the result of efforts put in by the government, the industry, and the households of India over the past decade. For instance, rural economic empowerment in the past couple of years is, amongst other reasons, the result of the efforts of the government taken over the previous five years.

Though there are projections of good growth of the Indian car market in the medium to long term based on household income growth in India, there are challenges for the industry also. The market will be subject to economic cycles, and knowing its sensitivity to fuel prices and interest rates, can have huge fluctuations. Competition will intensify and predictability of volumes and product mix will be increasingly challenged. One unwanted offshoot of growth is inflation. We might see increase in prices of almost all inputs like commodities, land, manpower, technology and energy. These may not be easy to be offset by economies of scale, productivity and innovation. A significant value-add in the car comes from the component industry. A large section of the component industry, particularly the 2<sup>nd</sup> and 3<sup>rd</sup> tier suppliers, has to improve scalability, robustness in manufacturing and quality systems along with management bandwidth and R&D. This may require raising capital at reasonable cost. The biggest growth bottleneck may be in the area of human resources and good talent is critical for technology absorption, quality manufacturing, cost management and customer friendly practices.

We have to approach the future with a step by step effort to build and strengthen every element of the chain. Our customers see our cars as the best value over the life cycle of their cars. Hence we have to keep working on cost reduction, efficiencies, productivity and keep scanning for 'muda' or waste across all our operations. We have to ensure that in growing fast on volumes, we do not

compromise on processes, quality, rigour or attention to detail. This can be only achieved by training. We have to therefore keep a continuous effort on training our people, both inhouse and at our dealers and vendors in systems and processes, in quality and customer friendly practices. We have to help the component industry in developing a reliable and robust manufacturing foundation for growth. If we have to deliver global levels of technology and quality in our products, our suppliers have to be able to localize these systems or components. The balance will have to be imported and to that extent we will be exposed to foreign exchange movements and higher costs. We can feel the disadvantages of infrastructural constraints in logistics and we have to create adequate capacity for dispatch of new cars to dealers with the same level of care as they are produced in the factory.

There are costs associated with all the above and we will have to watch our profit margins very closely.

One capability that can help us differentiate from competition is developing a sharper understanding of the consumer. And providing technology solutions or features that serve the consumer's needs with precision. Maruti Suzuki models are quite popular with customers, partially, because they provide the right mix of fuel efficiency, engine performance, driveability, body styling, safety, security, comfort, entertainment features and cost. Awareness and regulation on fuel efficiency will become a big trend in India in the next few years as it helps both the economy and the environment. While working on latest technologies to enhance fuel efficiency, we are also working with the industry and policy makers to evolve mandatory fuel efficiency standards for the car industry. Globally, hybrid and electric vehicles are being explored as a solution to energy security and environment friendliness. While there are a lot of questions and challenges in this area, Maruti Suzuki is studying the feasibility of electric mobility in India along with the government and industry. In this context, use of CNG as an auto fuel is a brilliant solution that can help reduce India's oil import and also reduce CO<sub>2</sub> emissions drastically, while being affordable for the consumer.

The choice of technology is crucial and our parent Suzuki Motor Corporation is known for evolving optimal technology solutions globally. We are counting on our parent's vision, our Indian managers' market insights and their combined R&D prowess to keep us closest to the customer.

Global products from the Suzuki range like the Swift and the Ritz have been immensely successful with the Indian consumer. The growth of the Indian market however deserves additional and localized R&D capability that can serve India even more closely. Whether it is working



Mr. S. Nakanishi, MD & CEO

on next generation CNG technology or hybrid or electric cars, or launching new models or variants, we need to develop R&D capability in India alongwith our suppliers. This will serve as a strong pillar for the growth of the Indian automotive industry.

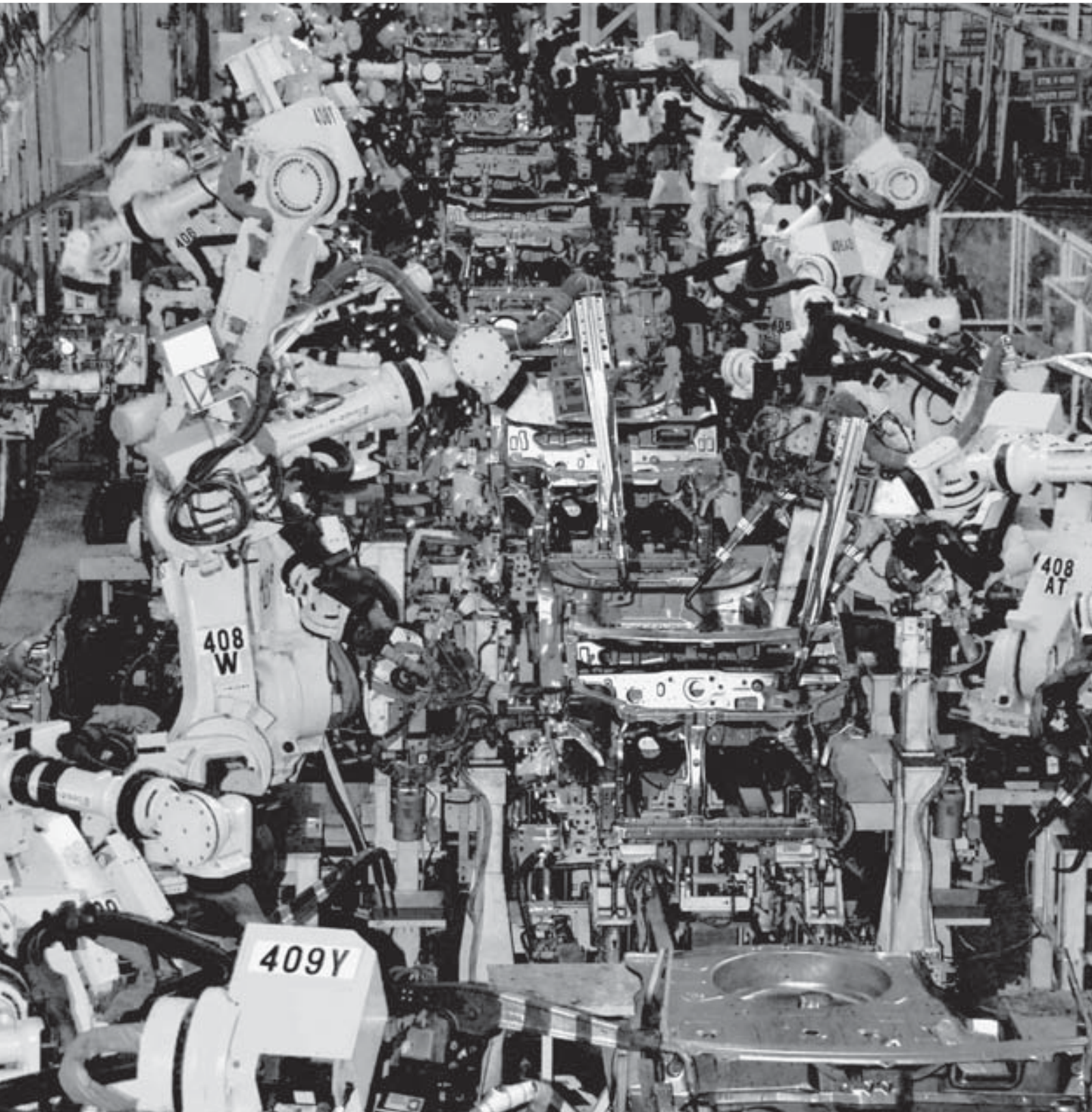
I do share the optimism of high growth opportunity in the Indian car market. However, I also see a lot of need of strengthening every element of the chain, without which the full benefit of growth may not be reaped. We have to put our shoulders to the wheel and build step by step, inch by inch.

**S. Nakanishi**  
Managing Director & CEO



*In the background is a design sketch of Kizashi during the initial conceptualization phase.*

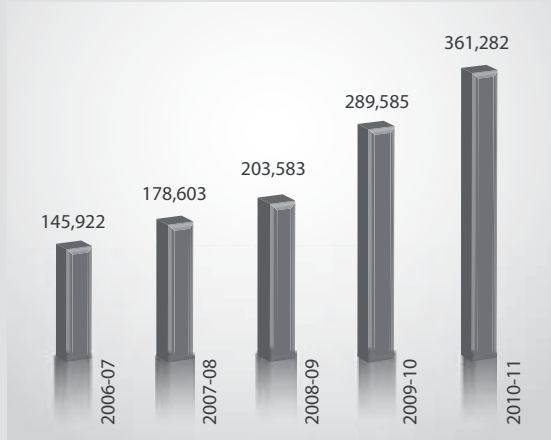
## Business Highlights



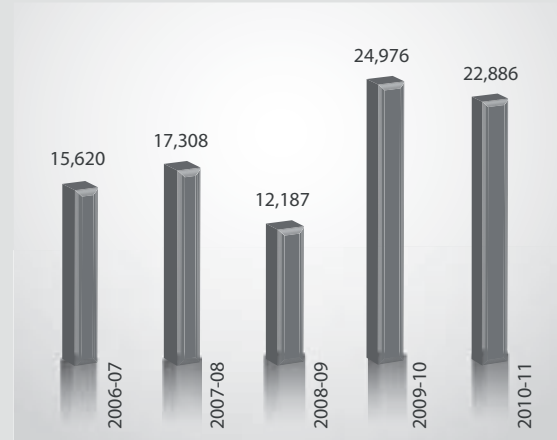
*An automated fully-robotic weld line at the Manesar facility.*



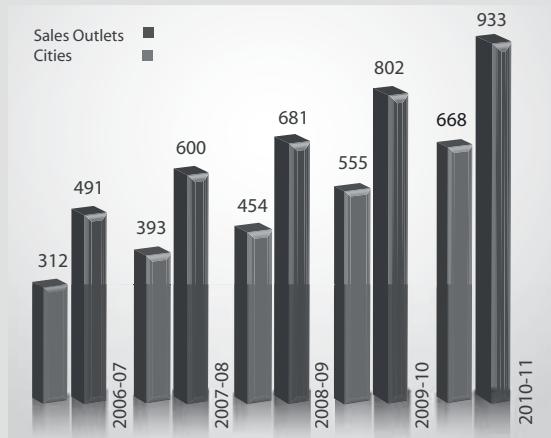
Net Sales (₹ million)



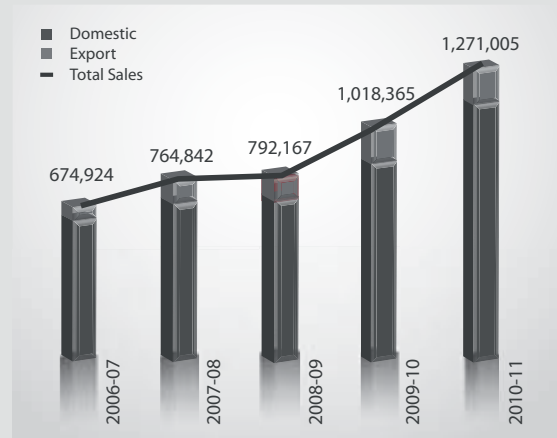
PAT (₹ million)



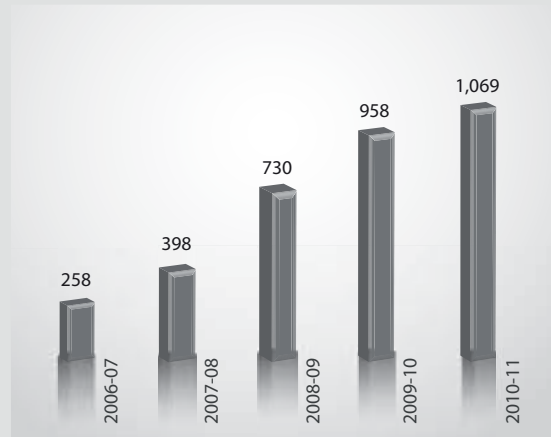
Sales Network (Domestic)



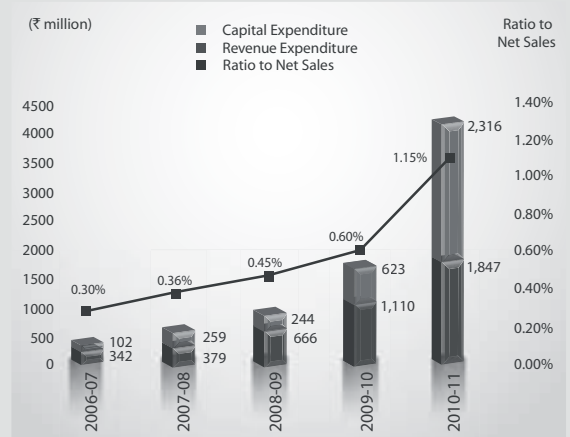
Unit Sales: Domestic & Export



R & D Manpower (Number of design engineers)



R & D Expenditure



## Company at a Glance

### MILESTONE YEAR

Roll-out of 10 millionth vehicle

### 4 OUT OF TOP-5 SELLING CARS IN INDIA (4/5)

Alto, WagonR, Swift, Dzire

### MARKET SHARE

Increased by 30bps to 44.9%  
In the passenger vehicle segment

### NO.1 IN CUSTOMER SATISFACTION

For 11 consecutive years in JD Power  
CSI Survey (at the service level)

### NO.1 IN SALES SATISFACTION

In JD Power SSI Survey  
(at the dealer sales level)

### TOTAL SALES

Highest ever sales: 1,271,005  
with a growth of 24.8%

### INCOME

Highest ever total income: Rs. 375,224 million  
with a growth of 24.6%

### NET PROFIT

Rs. 22,886 million, declined by 8.4%

### NETWORK

Sales Outlets: 933, Cities: 668  
Service Outlets: 2,946, Cities: 1,395

### CAPACITY EXPANSION

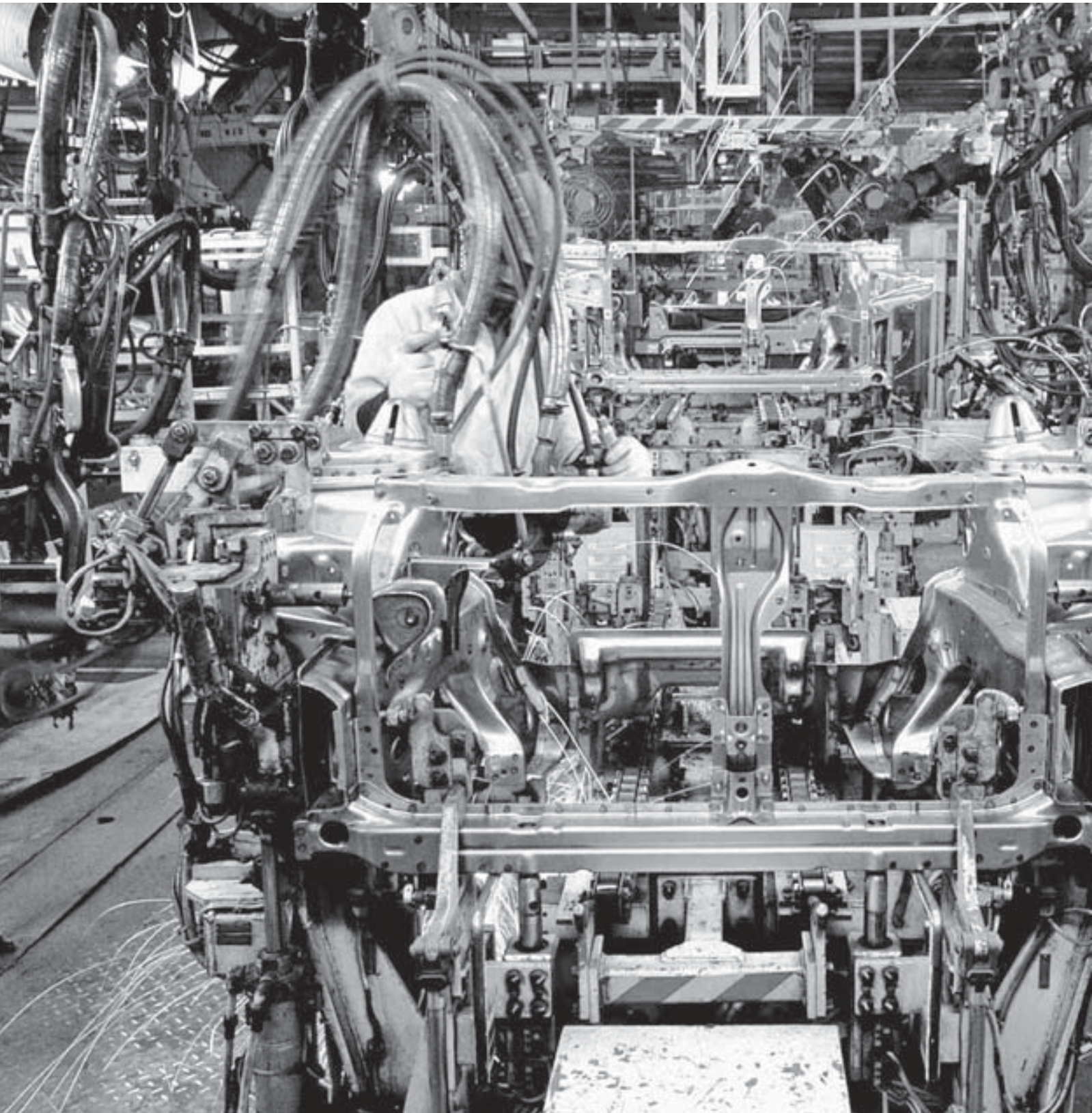
Additional capacity of 500,000 units p.a.  
at Manesar by 2012-13



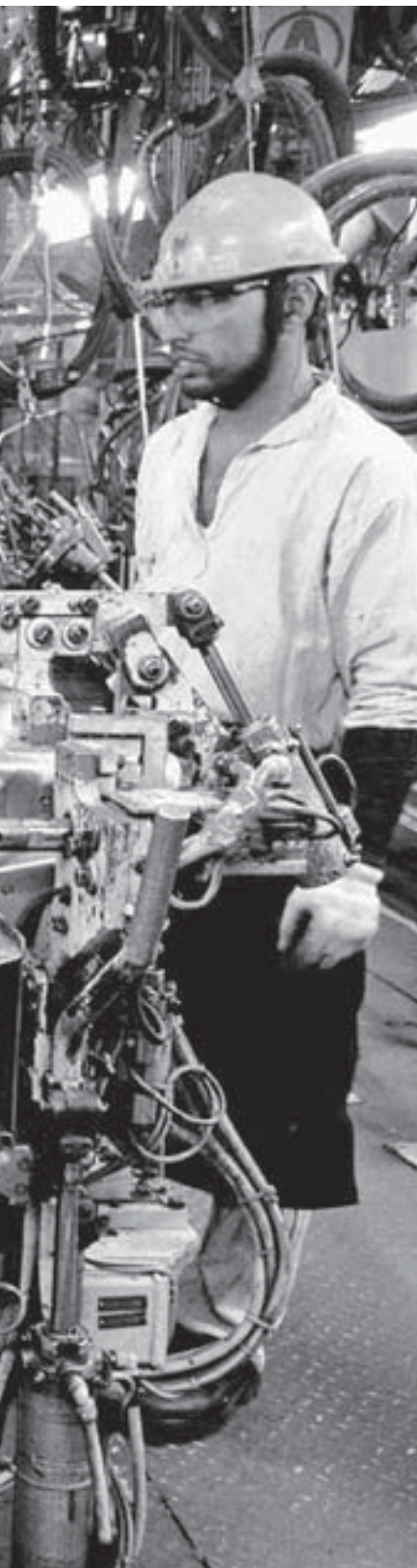


*A Maruti Suzuki Gypsy in action at the Raid-de-Himalaya.*

## Corporate Information







## BOARD OF DIRECTORS

**Mr. R. C. Bhargava**  
Chairman

**Mr. Shinzo Nakanishi**  
Managing Director & CEO

**Mr. Tsuneo Ohashi**  
Director & Managing Executive  
Officer (Production)

**Mr. Shuji Oishi**  
Director & Managing Executive  
Officer (Marketing & Sales)

**Mr. Keiichi Asai**  
Director & Managing Executive  
Officer (Engineering)

**Mr. Osamu Suzuki**  
Director

**Mr. Kenichi Ayukawa**  
Director

**Mr. Amal Ganguli**  
Director

**Ms. Pallavi Shroff**  
Director

**Mr. Manvinder Singh Banga**  
Director

**Mr. Davinder Singh Brar**  
Director

**CHIEF GENERAL MANAGER  
(LEGAL) AND COMPANY  
SECRETARY**

Mr. S. Ravi Aiyar

## AUDIT COMMITTEE

Mr. Amal Ganguli - Chairman

Mr. Shinzo Nakanishi - Member

Ms. Pallavi Shroff - Member

Mr. Davinder Singh Brar - Member

## SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE

Mr. R. C. Bhargava - Chairman

Mr. Shinzo Nakanishi - Member

Mr. Davinder Singh Brar - Member

Mr. Kenichi Ayukawa - Member

## AUDITORS

Price Waterhouse

Chartered Accountants

## REGISTERED OFFICE

1, Nelson Mandela Road, Vasant Kunj  
New Delhi-110 070

Phone: + 91 - 11 - 4678 1000

[www.marutisuzuki.com](http://www.marutisuzuki.com)

## REGISTRAR AND TRANSFER AGENT

Karvy Computershare Pvt. Ltd.  
Plot No. 17-24, Vittal Rao Nagar  
Madhapur, Hyderabad-500 081  
Andhra Pradesh

Phone: + 91 - 40- 2342 0815 / 2342 0816

[www.karvycomputershare.com](http://www.karvycomputershare.com)

## Board of Directors





**From Left to Right**

**MR. KEIICHI ASAI** (Director & MEO, Engineering), **MR. SHUJI OISHI** (Director & MEO, Marketing & Sales),  
**MR. KENICHI AYUKAWA** (Director), **MR. DAVINDER SINGH BRAR** (Director), **MR. OSAMU SUZUKI** (Director),  
**MR. R. C. BHARGAVA** (Chairman), **MR. SHINZO NAKANISHI** (MD & CEO), **MR. AMAL GANGULI** (Director),  
**MR. MANVINDER SINGH BANGA** (Director), **MS. PALLAVI SHROFF** (Director),  
**MR. TSUNEO OHASHI** (Director & MEO, Production)

## Executive Management Team

**Mr. Shinzo Nakanishi**  
Managing Director & CEO



### Administration (HR, IT, Finance & COSL)

**Mr. S. Y. Siddiqui**  
Managing Executive Officer



### Marketing & Sales

**Mr. Shuji Oishi**  
Director & Managing Executive Officer

**Mr. Mayank Pareek**  
Managing Executive Officer



## Production

**Mr. Tsuneo Ohashi**

Director & Managing Executive Officer

**Mr. M. M. Singh**

Managing Executive Officer



## Engineering

**Mr. Keiichi Asai**

Director & Managing Executive Officer

**Mr. I. V. Rao**

Managing Executive Officer



## Supply Chain

**Mr. Sudam Maitra**

Managing Executive Officer

**Mr. Kazuhiko Ayabe**

Executive Officer



# Events Gallery



*Celebrating Youth: A 3-day long event organized under the Maruti Suzuki's Youth Connect initiative saw an active participation from 22 colleges across Delhi.*



- + Alto K10 launched
- + Green Range (CNG) – SX4, Estilo, WagonR, Eco & Alto launched
- + 500,000th K-series engine rolled out
- + Maruti Suzuki Ranks Highest in JD Power SSI Study

+ 'Car Parade' of 342 Swifts sets new Guinness World Record

+ New WagonR launched

+ JD Power names Estilo, WagonR and Alto as 'most dependable' cars in the Vehicle Dependability Study

+ Maruti Suzuki wins NASSCOM & CNBCTV 18 IT User Award

Apr-10      May-10      Jun-10      Jul-10      Aug-10      Sep-10



A college team developed car at the Supra SAE National Competition in Chennai. 44 engineering colleges were supported with engines and technical guidance.



- + Awarded in CII-ITC Sustainability Awards 2010
- + JD Power ranks Dzire No. 1 in IQS & APEAL Study
- + Wall Street Journal lists Maruti Suzuki in Top-10 "Most admired companies" from India

- + JD Power ranks Maruti Suzuki highest for the 11<sup>th</sup> time in the India CSI Study

- + CNBC-TV18 2011 awards Maruti Suzuki "Manufacturer of the Year" & "Engine of the Year K12B"
- + Autocar 2011 awards WagonR the 'Best Compact Car'; Alto K10 the 'Best Variant'
- + Car India awards Maruti Suzuki 'Best Automobile Manufacturer of the Year 2010' & inducts MSIL in the "Hall of Fame" for changing the face of Indian Automobile Industry

- + Kizashi sports sedan launched
- + SX4 Diesel variant launched
- + Alto ranks No. 1 in "TNS four-wheeler Total Customer Satisfaction (TCS) Study"; The Zen Estilo, A-star, Swift, Dzire also top TCS study in respective categories

- + 10 millionth car rolled out
- + Business Standard awards Maruti Suzuki "Company of the Year 2011"

Oct-10      Nov-10      Dec-10      Jan-11      Feb-11      Mar-11

## Notice

NOTICE is hereby given that the 30th Annual General Meeting of members of Maruti Suzuki India Limited will be held at 10:00 a.m. on Thursday, 8th September 2011 at the Air Force Auditorium, Subroto Park, New Delhi – 110 010 to transact the following business:

1. To receive, consider and adopt the audited balance sheet as at 31st March 2011 and profit and loss account for the financial year ended on that date together with the reports of the directors and auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Tsuneo Ohashi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Keiichi Asai, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Amal Ganguli, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 224 and other applicable provisions of the Companies Act, 1956, M/s Price Waterhouse (Registration No. FRN301112E), Chartered Accountants, the retiring auditors of the Company, having offered themselves for re-appointment, be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of the 30th annual general meeting upto the conclusion of the 31st annual general meeting of the Company at a remuneration to be fixed by the board and reimbursement of out of pocket expenses incurred in connection with the audit.”

7. **Re-appointment of Mr. Shinzo Nakanishi as Managing Director & Chief Executive Officer and increase in remuneration**

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to Article 91 and Article 91 (6) of the Articles of Association of the Company read with Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, consent be and is hereby accorded for re-appointment of Mr. Shinzo Nakanishi as Managing Director & Chief Executive Officer of the Company with effect from 19th December 2010 for a period of 3 years and for payment of following remuneration:

- a) **Basic Salary:** Rs. 83,79,360/- per annum till 31st March 2011 and Rs. 96,36,264/- per annum from 1st April 2011 in the scale of Rs. 90,00,000/- to Rs. 130,00,000/- per annum with authority to the board (which expression shall include a committee thereof) to revise his salary from time to time. The annual increments will be merit based and take into account the Company's performance.
- b) **Special Salary:** Rs. 13,20,000/- per annum (fixed).
- c) **Performance Linked Bonus:** A performance linked bonus equivalent to a guaranteed minimum of four months' basic salary and a maximum of ten months' basic salary, to be paid annually, with authority to the board (which expression shall include a committee thereof) to fix the same based on certain performance criteria to be laid down by the board.
- d) **Perquisites and Allowances:** In addition to the salary and performance linked bonus payable, he shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances; in accordance with the rules of the Company or as may be agreed to by the board of directors and him; such perquisites and allowances will be Rs. 48,91,780/- per annum till 31st March 2011 and Rs. 58,23,547/- per annum from 1st April 2011 with authority to the board (which expression shall include a committee thereof) to increase it from time to time upto a maximum of Rs. 90,00,000/- per annum.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

In addition, he will be entitled for a contribution to the provident and pension fund as per applicable law in force from time to time.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.



### Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, in the event of loss or inadequacy of profits, the Company will subject to applicable laws, pay remuneration by way of basic and special salary, performance linked bonus not exceeding four months' basic salary, perquisites and allowances as specified above."

#### 8. Re-appointment of Mr. Tsuneo Ohashi as Whole-time Director and increase in remuneration

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to Article 91 and Article 91(6) of the Articles of Association of the Company read with Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, consent be and is hereby accorded for re-appointment of Mr. Tsuneo Ohashi as Whole-time Director designated as Director & Managing Executive Officer (Production) of the Company with effect from 1st January 2011 for a period of 3 years and for payment of following remuneration:

- a) **Basic Salary:** Rs. 61,68,600/- per annum till 31st March 2011 and Rs. 67,85,460/- per annum from 1st April 2011 in the scale of Rs. 65,00,000/- to Rs. 90,00,000/- per annum with authority to the board (which expression shall include a committee thereof) to revise his salary from time to time. The annual increments will be merit based and take into account the Company's performance.
- b) **Special Salary:** Rs. 12,00,000/- per annum (fixed).
- c) **Performance Linked Bonus:** A performance linked bonus equivalent to a guaranteed minimum of four months' basic salary and a maximum of ten months' basic salary, to be paid annually, with authority to the board (which expression shall include a committee thereof) to fix the same based on certain performance criteria to be laid down by the board.
- d) **Perquisites and Allowances:** In addition to the salary and performance linked bonus payable, he shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with the reimbursement of expenses or allowance for

utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances; in accordance with the rules of the Company or as may be agreed to by the board of directors and him; such perquisites and allowances will be Rs. 40,00,000/- per annum till 31st March 2011 and Rs. 45,20,000/- per annum from 1st April 2011 with authority to the board (which expression shall include a committee thereof) to increase it from time to time upto a maximum of Rs. 60,00,000/- per annum.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

In addition, he will be entitled for a contribution to the provident and pension fund as per applicable law in force from time to time.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

### Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, in the event of loss or inadequacy of profits, the Company will subject to applicable laws, pay remuneration by way of basic and special salary, performance linked bonus not exceeding four months' basic salary, perquisites and allowances as specified above."

#### 9. Re-appointment of Mr. Keiichi Asai as Whole-time Director and increase in remuneration

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to Article 91 and Article 91(6) of the Articles of Association of the Company read with Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956 consent be and is hereby accorded for re-appointment of Mr. Keiichi Asai as Whole-time Director

designated as Director & Managing Executive Officer (Engineering) of the Company with effect from 29th January 2011 for a period of 3 years and for payment of following remuneration:

- a) **Basic Salary:** Rs. 61,68,600/- per annum till 31st March 2011 and Rs. 67,85,460/- per annum from 1st April 2011 in the scale of Rs. 65,00,000/- to Rs. 90,00,000/- per annum with authority to the board (which expression shall include a committee thereof) to revise his salary from time to time. The annual increments will be merit based and take into account the Company's performance.
- b) **Special Salary:** Rs. 12,00,000/- per annum (fixed).
- c) **Performance Linked Bonus:** A performance linked bonus equivalent to a guaranteed minimum of four months' basic salary and a maximum of ten months' basic salary, to be paid annually, with authority to the board (which expression shall include a committee thereof) to fix the same based on certain performance criteria to be laid down by the board.
- d) **Perquisites and Allowances:** In addition to the salary and performance linked bonus payable, he shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances; in accordance with the rules of the Company or as may be agreed to by the board of directors and him; such perquisites and allowances will be Rs. 40,00,000/- per annum till 31st March 2011 and Rs. 45,20,000/- per annum from 1st April 2011 with authority to the board (which expression shall include a committee thereof) to increase it from time to time upto a maximum of Rs. 60,00,000/- per annum.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

In addition, he will be entitled for a contribution to the provident and pension fund as per applicable law in force from time to time.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

### Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, in the event of loss or inadequacy of profits, the Company will subject to applicable laws, pay remuneration by way of basic and special salary, performance linked bonus not exceeding four months' basic salary, perquisites and allowances as specified above."

### 10. Increase in remuneration of Mr. Shuji Oishi, Whole-time Director

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to article 91(6) of the Articles of Association of the Company read with sections 198, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, consent be and is hereby accorded for increase in remuneration of Mr. Shuji Oishi, Whole-time director designated as Director and Managing Executive Officer (Marketing & Sales) of the Company with effect from 1st April 2011 as under:

- a) **Basic Salary:** Rs. 67,85,460/- per annum in the scale of Rs. 65,00,000/- to Rs. 90,00,000/- per annum with authority to the board (which expression shall include a committee thereof) to revise his salary from time to time. The annual increments will be merit based and take into account the Company's performance.
- b) **Special Salary:** Rs. 12,00,000/- per annum (Fixed).
- c) **Performance Linked Bonus:** A performance linked bonus equivalent to a guaranteed minimum of four months' basic salary and a maximum of ten months' basic salary, to be paid annually, with authority to the board (which expression shall include a committee thereof) to fix the same based on certain performance criteria to be laid down by the board.
- d) **Perquisites and Allowances:** In addition to the salary and performance linked bonus, he shall also be entitled to perquisites and allowances

like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the board of directors and him; provided that such perquisites and allowances will be Rs. 45,20,000/- per annum with authority to the board (which expression shall include a committee thereof) to increase it from time to time upto a maximum of Rs. 60,00,000/- per annum.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

In addition, he will be entitled for a contribution to the provident and pension fund as per applicable law in force from time to time.

Provision for the use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

#### **Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, in the event of loss or inadequacy of profits, the Company will subject to

applicable laws, pay remuneration by way of basic and special salary, performance linked bonus not exceeding four months' basic salary, perquisites and allowances as specified above."

#### **11. Provision of domiciliary treatment and medical insurance**

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to Article 91(6) of the Articles of Association of the Company and section 198, 309 and other applicable provisions of the Companies Act, 1956, consent be and is hereby accorded for the provision of domiciliary treatment (with in India) to the retired Indian Whole-time Directors and their spouses in accordance with the rules of the Company subject to the maximum of Rs. 50,000/- per annum with effect from October 2010.

RESOLVED FURTHER THAT the consent be and is hereby accorded to provide medical insurance and pay premium thereon for hospitalization upto an amount of Rupees 10 (Ten) lac per annum each for retired Indian Whole-time Director and his spouse and in cases where amount spent on hospitalization exceeds the insured amount in respect of any such Director and his spouse in any financial year, the same shall be subject to the approval of the Board".

By order of the board  
for MARUTI SUZUKI INDIA LIMITED

New Delhi  
26th July 2011

**S.Ravi Aiyar**  
Chief General Manager (Legal) &  
Company Secretary

## Notice

### NOTES

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company. A proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.**
2. The explanatory statement pursuant to section 173 of Companies Act, 1956, in regard to the business as set out in item nos. 7 to 11 and the relevant details pursuant to clause 49 of the listing agreement executed with the stock exchanges are annexed hereto.
3. A member or his/her proxy is requested to bring the annual report to the meeting as extra copies will not be distributed.
4. Members / Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. All documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company on all working days between 9:30 a.m. to 11:30 a.m. upto the date of annual general meeting.
7.
  - (a) The register of members will remain closed from Friday, 26th August 2011 to Thursday, 8th September 2011 (both days inclusive).
  - (b) Subject to the provisions of section 206A of the Companies Act, 1956, dividend as recommended by the board of directors, if declared at the meeting will be payable on or after 14th September 2011 to those whose names appear in the register of members / beneficial owners as on the closing hours of 25th August 2011.
  - (c) Pursuant to Sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, all dividend remaining unclaimed/unpaid for a period of seven years from the date it became due for payment, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claim. Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay.
8. Shareholders holding shares in electronic form may kindly note that their bank account details as furnished by their depositories to the registrar & transfer agent will be printed on their dividend warrants as per the applicable regulations of the depositories and the Company will not entertain any direct request from such shareholders for deletion of / change in such bank details. Shareholders who wish to change such bank account details are, therefore, requested to advise their depository participants about such change, with complete details of bank account.
9. Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the board resolution authorising their representatives to attend and vote at the annual general meeting.
10. As per section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their request in Form 2B (which will be made available on request) to the registrar and transfer agents. The said nomination form can also be down-loaded from the Company's website [www.marutisuzuki.com](http://www.marutisuzuki.com).
11. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary ([sravi.aiyar@maruti.co.in](mailto:sravi.aiyar@maruti.co.in)) at least 7 days before the annual general meeting.
12. Entry into the auditorium will be strictly against entry slips available at the counters at the venue and against exchange of valid attendance slip.
13. No gifts will be distributed at the annual general meeting.
14. **Owing to security concerns, the auditorium authorities do not allow carrying inside brief cases, bags, eatables and the like. Members attending the meeting are requested to make their own arrangements for the safe keeping of their belongings.**

15. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through the electronic mode. Members are requested to support this green initiative by registering /updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company or its Transfer Agent.

16. Notice of this Annual General Meeting, Audited Financial Statements for 2010-11 along with Directors' Report and Auditors' Report are available on the website of the Company [www.marutisuzuki.com](http://www.marutisuzuki.com).

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

##### ITEM NO. 7

Mr. Shinzo Nakanishi was appointed as Managing Director & Chief Executive Officer w.e.f. 19th December 2007 for a period of three years. The members of the Company had approved the appointment and terms of his remuneration in the annual general meeting held on 2nd September 2008. The term of his appointment expired on 18th December 2010.

Subject to the approval of members, the board of directors has approved the re-appointment of Mr. Shinzo Nakanishi w.e.f. 19th December 2010 for a further period of three years on the terms of remuneration as detailed in the proposed resolution.

The said remuneration was increased with effect from 1st April 2011, as per the details given in the proposed resolution. The increase in remuneration has been made in line with those prevalent in other automotive companies of comparable size and complexity of operations.

Under the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, consent of the members is required for re-appointment of and payment of remuneration to Mr. Shinzo Nakanishi.

This may be treated as an abstract of the terms of revision of remuneration of Mr. Shinzo Nakanishi under section 302 of the Companies Act, 1956.

Mr. Shinzo Nakanishi is concerned or interested in item 7 of the Notice.

The board commends this resolution for approval of the members.

##### ITEM NO. 8

Mr. Tsuneo Ohashi was appointed as a Whole-time Director designated as Director & Managing Executive Officer (Production) w.e.f. 1st January 2008 for a period of three years. The members of the Company had approved the appointment and terms of his remuneration in the annual general meeting held on 2nd September 2008. The term of his appointment expired on 31st December 2010.

Subject to the approval of members, the board of directors has approved the re-appointment of Mr. Tsuneo Ohashi w.e.f. 1st January 2011 for a further period of three years on the terms of remuneration as detailed in the proposed resolution.

The said remuneration was increased with effect from 1st April 2011, as per the details given in the proposed resolution. The increase in remuneration has been made in line with those prevalent in other automotive companies of comparable size and complexity of operations.

Under the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, consent of the members is required for re-appointment of and payment of remuneration to Mr. Tsuneo Ohashi.

This may be treated as an abstract of the terms of revision of remuneration of Mr. Tsuneo Ohashi under section 302 of the Companies Act, 1956.

Mr. Tsuneo Ohashi is concerned or interested in item 8 of the Notice.

The board commends this resolution for approval of the members.

##### ITEM NO. 9

Mr. Keiichi Asai was appointed as a Whole-time Director designated as Director & Managing Executive Officer (Engineering) w.e.f. 29th January 2008 for a period of three years. The members of the Company had approved the appointment and terms of his remuneration in the annual general meeting held on 2nd September 2008. The term of his appointment expired on 28th January 2011.

Subject to the approval of members, the board of directors has approved the re-appointment of Mr. Keiichi Asai w.e.f. 29th January 2011 for a further period of three years on

## Notice

the terms of remuneration as detailed in the proposed resolution.

The said remuneration was increased with effect from 1st April 2011, as per the details given in the proposed resolution. The increase in remuneration has been made in line with those prevalent in other automotive companies of comparable size and complexity of operations.

Under the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, consent of the members is required for re-appointment of and payment of remuneration to Mr. Keiichi Asai.

This may be treated as an abstract of the terms of revision of remuneration of Mr. Keiichi Asai under section 302 of the Companies Act, 1956.

Mr. Keiichi Asai is concerned or interested in item 9 of the Notice.

The board commends this resolution for approval of the members.

### ITEM NO. 10

Mr. Shuji Oishi was appointed as a Whole-time Director designated as Director & Managing Executive Officer (Marketing & Sales) w.e.f. 13th April 2009 for a period of three years. The members of the Company had approved the appointment and terms of his remuneration in the annual general meeting held on 2nd September 2009.

Subject to the approval of members, the board of directors has increased the remuneration with effect from 1st April 2011, as per the details given in the proposed resolution. The increase in remuneration has been made in line with those prevalent in other automotive companies of comparable size and complexity of operations.

Under the provisions of Sections 198, 309, 310, Schedule XIII and all other applicable provisions of the Companies Act, 1956, consent of the members is required for increase in remuneration of Mr. Shuji Oishi.

This may be treated as an abstract of the terms of revision of remuneration of Mr. Shuji Oishi under section 302 of the Companies Act, 1956.

Mr. Shuji Oishi is concerned or interested in item 10 of the Notice.

The board commends this resolution for approval of the members.

### ITEM NO. 11

The members, in the extra-ordinary general meeting held on 30th May 2002, had approved the provision of benefit of domiciliary treatment (within India) to all the retired Indian Whole-time Directors (WTDs) and their spouses in accordance with medical treatment rules of the Company subject to the maximum limit of Rs. 25,000/- per annum. The members also approved the provision of taking medical insurance subject to a maximum limit of Rs. 5 lac per annum for retired WTDs and their spouses. In the last 8 years or so, the cost of medicines and hospitalization expenses has gone up considerably. Therefore, it is proposed to increase the limit of domiciliary treatment from Rs. 25,000/- per annum to Rs. 50,000/- per annum and insurance premium from Rs. 5 lac to Rs. 10 lac per annum.

Under the provisions of Sections 198, 309 and all other applicable provisions of the Companies Act, 1956, consent of the members is required for provision of these facilities.

Mr. R.C. Bhargava is concerned or interested in item 11 of the Notice.

The board commends this resolution for approval of the members.

### Additional information as per clause 49 of the listing agreement

A brief resume of the directors recommended for re-appointment at the annual general meeting is as under:

#### Mr. Amal Ganguli

Mr. Amal Ganguli, 71, is a member of The Institute of Chartered Accountants in England and Wales and The Institute of Chartered Accountants of India and member of The British Institute of Management and member of the New Delhi chapter of The Institute of Internal Auditors, Florida, U.S.A.

In 1962, he became the senior manager, Price Waterhouse and in 1969 he became a partner, Price Waterhouse and in 1996 went on to become Chairman and Senior Partner, and retired in 2003.

During his career spanning over 40 years, Mr. Ganguli's range of work included international tax advice and planning, cross border investments, corporate mergers and re-organisation, financial evaluation of projects, management, operational and statutory audit and

consulting projects funded by international funding agencies. In the course of his professional career, he has dealt with a variety of clients including US AID, World Bank, ADB, NTPC, Alcatel, GE, Hindustan Lever, STC, Hewlett Packard and IBM.

Presently, he is on the board of Tata Telecommunications Ltd., Century Textiles and Industries Ltd., ICRA Ltd., HCL Technologies Ltd., New Delhi Television Ltd., Triveni Turbines Ltd., AVTEC Ltd., Aricent Technologies (Holdings) Ltd., AIG Trustee Company India Pvt. Ltd., ML Infomap Pvt. Ltd., Tata Teleservices Maharashtra Ltd., Hughes Communications India Ltd., Aptuit Laurus Pvt. Ltd., Ascendas Property Fund Trustee Pvt. Ltd. and a partner in Veritas Advisors LLP.

Presently, he is a member of audit committee of Century Textiles & Industries Ltd., ICRA Ltd., HCL Technologies Ltd., Triveni Turbines Ltd., AIG Trustee Company India Pvt. Ltd. and Tata Teleservices Maharashtra Ltd. He is chairman of the audit committee of Tata Telecommunications Ltd., New Delhi Television Ltd., Hughes Communications India Ltd. and Aricent Technologies (Holdings) Ltd..

He does not hold any shares of Maruti Suzuki India Limited.

#### **Mr. Shinzo Nakanishi**

Mr. Shinzo Nakanishi, 63, is a graduate from the faculty of law, Doshisha University, Japan

Between 1971 and 1998 he has worked at various levels at Suzuki Motor Corporation, Japan (SMC). In 1999, he became Director on the board of SMC. In 2003, he was elevated as the Managing Director and Executive General Manager of SMC. In 2004, he was again elevated as the Senior Managing Director and Executive General Manager in SMC. In 2006, he reached the level of Senior Managing Executive Officer and Executive General Manager at SMC whereafter he was sent for assignment in India & was appointed as the Managing Director and CEO of Maruti Suzuki India Limited in 2007.

Presently, he is on the board of Suzuki Motor Corporation, Suzuki Powertrain India Ltd., Myanmar Suzuki Motor Company Ltd., Citicorp Maruti Finance Ltd., SKH Metals Ltd., Maruti Countrywide Auto Financial Services Pvt. Ltd., Asahi India Glass Ltd., Subros Ltd., Thai Suzuki Motor Company Ltd., Suzuki Egypt SAE and Suzuki Malaysia Automobile SDNBHD.

He is a member of audit committee of Suzuki Powertrain India Ltd. He holds twenty shares of Maruti Suzuki India Limited as a nominee of Suzuki Motor Corporation.

#### **Mr. Tsuneo Ohashi**

Mr. Tsuneo Ohashi, 60, is a graduate from Science & Engineering Faculty of Chuo University, Japan. He joined Suzuki Motor Corporation in 1974 and worked at various levels there. He experienced most areas of the Suzuki's production system, and challenged the creative Kaizen (improvement) and led to success. As the plant manager of Iwata Plant, he had achieved significant results in the areas such as quality improvement, cost reduction, shortening of delivery period, improvement in safety, and enhancement of morale of employees. In 2006, he became Joint Managing Director of Maruti Suzuki India Limited and in 2008, he became Director & Managing Executive Officer (Production). He is responsible for monitoring the progress of the ongoing projects, incorporation of capital equipments, production, cost reduction, increase efficiency/productivity, development of vendors, improvement of safety, supervision and control over operations, etc.

Presently, he is also on the board of FMI Automotive Components Ltd. and Suzuki Powertrain India Ltd.

He is a member of audit committee of Suzuki Powertrain India Ltd. He does not hold any shares of Maruti Suzuki India Limited.

#### **Mr. Keiichi Asai**

Mr. Keiichi Asai, 55, is a graduate from Department of Mechanical Engineering of Musashi Engineering University, Japan. He joined Suzuki Motor Corporation in 1979 and worked at various levels at body design engineering, new model member in Kosai plant, production planning, car line etc. In 2008, he became Director and Managing Executive Officer (Engineering) of Maruti Suzuki India Limited. He spearheads research & development and overall engineering activities of the Company.

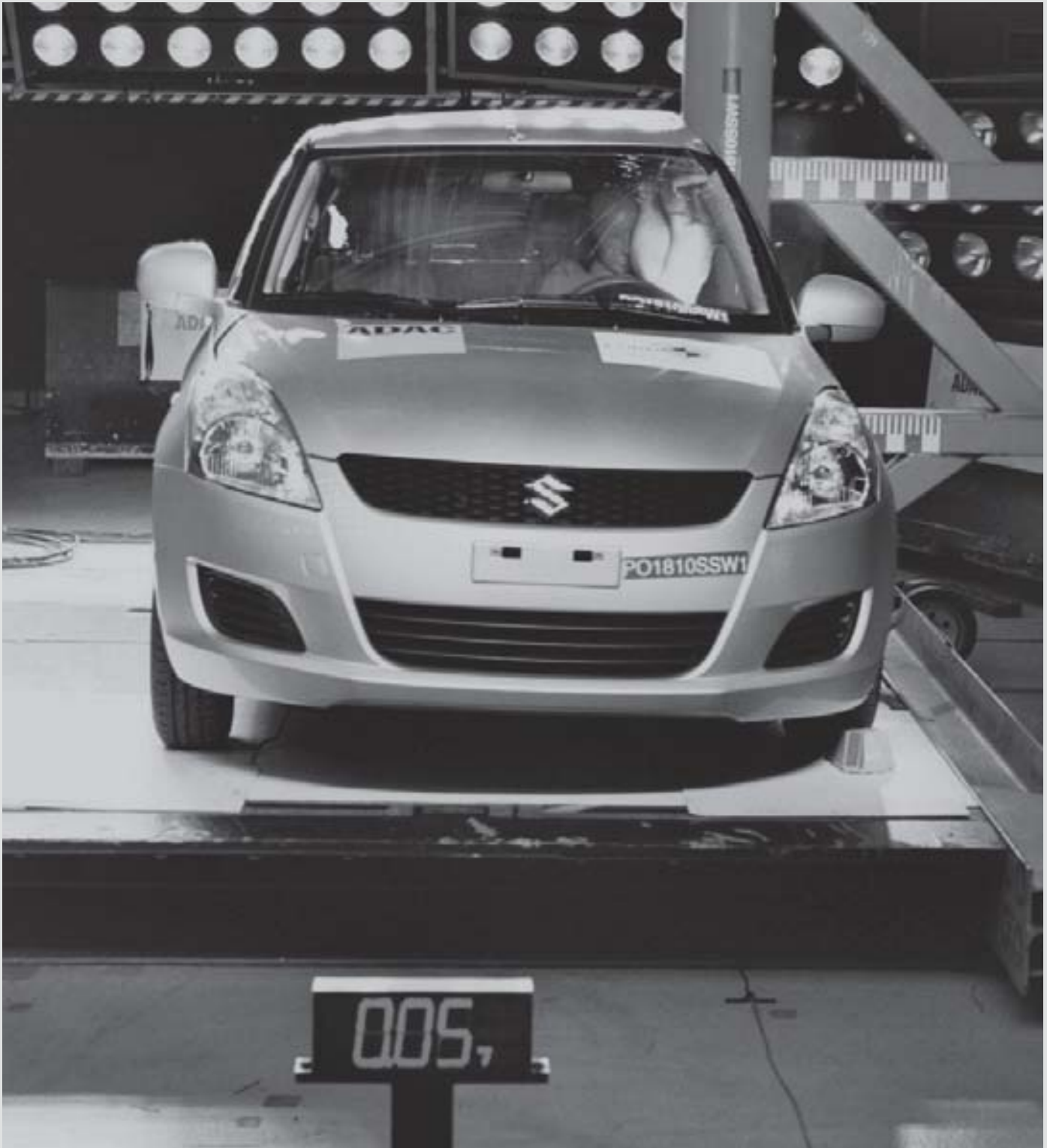
Presently, he is on the board of Denso India Ltd. and Krishna Maruti Ltd. He does not hold any shares of Maruti Suzuki India Limited.

By order of the board  
for MARUTI SUZUKI INDIA LIMITED

**S.Ravi Aiyar**

Chief General Manager (Legal)  
& Company Secretary

New Delhi  
26th July 2011



*A Swift undergoing side pole crash test as part of the safety performance assessment.*



# Directors' Report

Your directors have pleasure in presenting the 30<sup>th</sup> annual report together with the audited accounts for the year ended 31<sup>st</sup> March 2011.

## FINANCIAL RESULTS

The Company's performance during the year is summarised below:

	(₹ in Million)	
	<b>2010-11</b>	<b>2009-10</b>
Gross total income	375,224	301,232
<b>Profit before tax</b>	<b>31,088</b>	<b>35,925</b>
Tax expense	8,202	10,949
Profit after tax	22,886	24,976
Balance brought forward	100,499	80,042
Profit available for appropriation	123,385	105,018
<b>Appropriations:</b>		
General reserve	2,289	2,498
Proposed dividend	2,167	1,733
Corporate dividend tax	351	288
Balance carried forward to balance sheet	118,578	100,499

## FINANCIAL HIGHLIGHTS

The gross revenue (net of excise) of the Company was ₹ 375,224 million as against ₹ 301,232 million in the previous year showing a growth of 24.6 per cent. Sale of vehicles in the domestic market increased to 1,132,739 units as compared to 870,790 units in the previous year showing a growth of 30.1 per cent. Total number of vehicles exported was 138,266 as compared to 147,575 last year.

Earnings before interest, depreciation, tax and amortisation (EBIDTA) was ₹ 41,467 million against ₹ 44,510 million in the previous year.

Profit before tax (PBT) was ₹ 31,088 million against ₹ 35,925 million in the previous year and profit after tax (PAT) stood at ₹ 22,886 million against ₹ 24,976 million in the previous year.

## DIVIDEND

The board recommends a dividend of ₹ 7.50 per equity share of ₹ 5 each for the year ended 31<sup>st</sup> March 2011 amounting to ₹ 2,167 million.

## CRISIL RATINGS

The Company has been awarded the highest financial credit rating of AAA/stable (long term) and P1+ (short term) on its bank facilities by CRISIL. The rating underscores the

financial strength of the Company in terms of the highest safety with regard to timely fulfillment of its financial obligations.

## QUALITY

The Company has again been awarded ISO:27001 certification by STQC Directorate (Standardisation, Testing and Quality Certificate), Ministry of Communications and Information Technology, Government of India after re-assessment. The Company is thus certified to meet international standards for maintaining information security.

The Company's plants at Gurgaon and Manesar are ISO:14001:2004 certified. During the year, AIB-Vincotte International Ltd, Brussels, Belgium conducted surveillance audit and recommended continuation of the certification.

The quality management system of the Company is certified against ISO 9001:2008 standard. Re-assessment of the quality systems are done at regular intervals by an accredited third party agency.

## HIGHLIGHTS OF OPERATIONS

The operations during the year are exhaustively discussed in the report on 'Management Discussion and Analysis' which forms part of this annual report.

### AWARDS/RECOGNITION HONOURED

- + Business Standard India's Company of the year 2011 award
- + Ranked amongst the top 10 most admired companies by Wall Street Journal
- + 11<sup>th</sup> time in a row, the Company ranked highest in JD Power Asia Pacific 2010 India Customer Service Index (CSI) study
- + Ranked highest in JD Power Sales Satisfaction Index (SSI)
- + NASSCOM and CNBC TV 18 IT user award
- + CII/ITC Significant Achievement in Sustainability Award
- + Mobile Marketing Association (MMA) Asia Pacific and the Global Awards for its digital campaign – 'Sports Sponsorship goes mobile'. The Company is the first advertiser from India to win this award
- + Ranked one in JD Power Initial Quality Study 2010 for its model - Dzire
- + CNBC-TV18 award 2011 for Manufacturer of the year
- + Autocar awards 2011
  - Compact car of the year 2011 –WagonR
  - Best variant of the year – Alto K10
- + Corporate campaign 'Kitna Deti Hai' rated amongst the best campaigns of the year 2010 by CNBC-TV18's program on advertising and marketing
- + JD Power Automotive Performance Execution and Layout (APEAL) study - 'Dzire' was winner three times in a row
- + Car of the year (COTY) award for 'WagonR' at entry level mini car category.
- + NHRDN (National HRD Network) Trailblazer Award 2010 for HRD Excellence
- + Car India
  - Best automobile manufacturer of the year 2010
  - "Hall of Fame" award for single handedly changing the face of Indian automobile industry
- + Alto ranked no. 1 in TNS four-wheeler Total Customer Satisfaction (TCS) Study

Mr. R. C. Bhargava, Chairman was also conferred with the Economic Times Lifetime Achievement Award for Corporate Excellence.

### SUBSIDIARY COMPANIES AND THEIR ACCOUNTS

The Company's subsidiaries - Maruti Insurance Business Agency Limited, Maruti Insurance Distribution Services Limited, Maruti Insurance Agency Solutions Limited, Maruti Insurance Agency Network Limited, Maruti Insurance Agency Services Limited and Maruti Insurance Agency Logistics Limited generated a total income of ₹ 457.7 million which includes dividend income of ₹ 22.2 million earned from investments in mutual funds. Profit before tax (PBT) was ₹ 199.9 million. During 2010-11, total 6.57 lac policies were issued.

The Company's subsidiary 'True Value Solutions Limited' has contributed towards smooth operations of business processes and supported the dealerships in enhancing the sale of certified pre-owned cars under the brand 'Maruti True Value'. It has contributed significantly to the efforts of customer retention by facilitating re-purchase of new cars and has made significant contribution towards enhancing dealers' profitability.

In terms of the general circular dated 8th February 2011 issued by Government of India, Ministry of Corporate Affairs, copy of the balance sheets, profit & loss accounts, reports of the board of directors and auditors of the subsidiary companies have not been attached with the balance sheet of the Company. Annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be available for inspection by any shareholder at the head office of the Company and of the subsidiary companies concerned. Hard copy of details of accounts of subsidiaries shall be furnished to any shareholder on demand. Further, pursuant to Accounting Standard AS – 21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its subsidiaries.

### HUMAN RESOURCE DEVELOPMENT

The Company provides tremendous learning and development opportunities to its employees starting from induction. The Company truly believes that to have a sustainable competitive advantage in the new knowledge economy, learning would be the key catalyst for an organisation's survival and success. The Company's extensive training calendar covers all categories of employees i.e. associates, supervisors, junior, middle, senior and top management. To have a well rounded

development of employees, the calendar comprises of behavioral training, functional training and safety training.

In FY2010-11, total of 52,908 man-days of training was conducted for employees across all the levels. This translates to 6.14 days of training per employee. The training programmes vary according to the need of the employees at various levels and are designed after doing a detailed training need identification process.

Functional and technical trainings form a major part of the Company's annual training calendar as they are directly linked with employees on the job performance. These trainings are imparted both by in-house subject matter experts as well as by external trainers. Some of the functional trainings imparted internally are 3G, 3K, 5S, PFMEA, QC tools. Functional trainings done by external trainers – finance for non-finance, six sigma, project management, inventory and warehouse management, Autocad and MS Excel.

Behavioral trainings also form a chunk of the training calendar and include trainings like – negotiation skills, problem solving and decision making skills, presentation and communications skills, conflict management and resolution, assertiveness and self confidence, time management and multi tasking skills.

A series of leadership training interventions have been carried out to further enhance and develop middle, senior and top management levels. Some of these are department heads training, department heads roundtable, divisional heads training, top management retreat, guest lecture series, training for divisional heads based on the gaps identified in the 360 degree process. The Company also has higher education schemes for its employees. It would help not only to groom and retain high potential young managers but also enable employees to fulfill their career enhancement aspirations. The scheme includes programs like – executive MBA full time and MBA part time. The scheme is applicable for assistant managers to managers and has eligibility and selection criteria.

## DIRECTORS

Mr. Tsuneo Ohashi, Mr. Keiichi Asai and Mr. Amal Ganguli, directors of the Company, retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment. Mr. Shinzo Nakanishi was re-appointed as Managing Director & CEO for a further period of three years. Mr. Tsuneo Ohashi and Mr. Keiichi Asai were re-appointed as whole-time directors designated



as Director & Managing Executive Officer (Production) and Director & Managing Executive officer (Engineering) respectively for a further period of three years.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, your directors confirm:

- a) that there were no material departures in the applicable accounting standards followed while preparing the annual accounts
- b) having selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period
- c) having taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- d) having prepared the annual accounts on a going concern basis.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as **Annexure A**.

## Directors' Report

### PERSONNEL

As required by the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in **Annexure B** to the Directors' Report. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the annual report is being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard - 21 on Consolidated Financial Statements read with Accounting Standard - 23 on Accounting for Investments in Associates and Accounting Standard - 27 on Financial Reporting for interest in Joint Ventures, the audited consolidated financial statements are provided in the annual report.

### CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements, as stipulated under clause 49 of the listing agreement and the stipulated certificate of compliance is contained in this annual report.

### AUDITORS

The auditors, M/s Price Waterhouse, Firm Registration Number FRN301112E, Chartered Accountants, hold office until the conclusion of the ensuing annual general meeting and are recommended for re-appointment. A certificate from the auditors has been received to the effect that their re-appointment, if made, would be in accordance with section 224 (1B) of the Companies Act, 1956.

### COST AUDITORS

In conformity with the directives of the Central Government, the Company has appointed M/s R. J. Goel & Co., cost accountants, as the cost auditors under section 233B of the Companies Act, 1956 for the audit of the cost accounts for the motor vehicles business for the year ending 31<sup>st</sup> March 2012. The due date of filing the cost audit report for the financial year 2009-10 was 30<sup>th</sup> September 2010. This report was filed on 14<sup>th</sup> September 2010 with the Ministry of Corporate Affairs.

### ACKNOWLEDGMENT

The board of directors would like to express its sincere thanks for the co-operation and advice received from the Government of India and the Haryana Government. Your directors also take this opportunity to place on record their gratitude for timely and valuable assistance and

support received from Suzuki Motor Corporation, Japan. The board also places on record its appreciation for the enthusiastic co-operation, hard work and dedication of all the employees of the Company including the Japanese staff, dealers, vendors, customers, business associates, auto finance companies, state government authorities and all concerned without which it would not have been possible to achieve all round progress and growth of the Company. The directors are thankful to the shareholders for their continued patronage.

For and on behalf of the board of directors

**Shinzo Nakanishi**  
Managing Director & CEO

**R.C. Bhargava**  
Chairman

New Delhi  
31<sup>st</sup> May 2011

## ANNEXURE A

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2011.

### A. ENERGY CONSERVATION

During the year, the Company continued its thrust towards compliances of environmental regulation and energy conservation to improve upon its past performance. ISO 14001 Surveillance Audit was carried out by M/s AVI, Belgium, and the auditors recommended continuation of the ISO 14001 for the year.

The energy saving initiatives helped the Company in reduction of energy and water consumption for the current year in comparison to the last year. The per vehicle reduction in CO<sub>2</sub>, electricity and water in Gurgaon plant was 15 per cent, 16 per cent and 5 per cent, whereas the reduction in Manesar plant was 13 per cent, 1 per cent and 16 per cent respectively as compared to last year.

Some of the activities carried out during the year towards environment, energy and water conservation are as under:

#### Environment

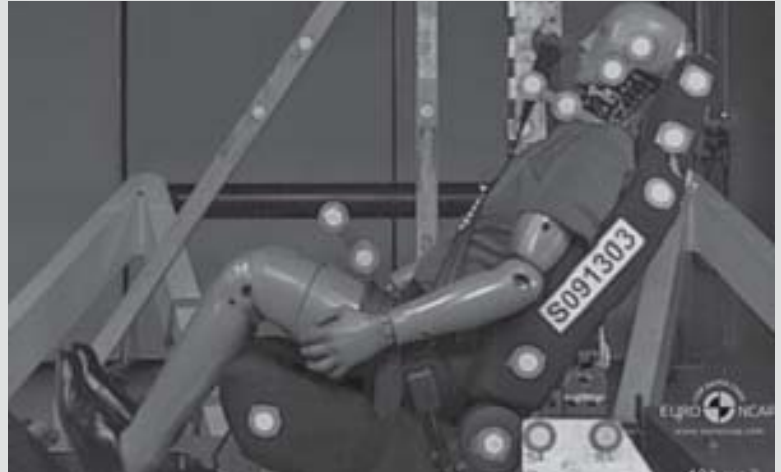
The Company has switched over to cleaner fuel natural gas for power generation and process use in Manesar plant also. The use of canal water for the operations in Manesar plant has led to conservation of ground water.

Use of hazardous waste for co-processing in cement industry has eliminated the need of incineration and land filling. The present land fills are also being emptied out for efficient use of land within the plants. Fly ash is being also used for the construction of new plant in Manesar. 25,000 trees have been planted in Manesar in FY2010-11.

The Company has registered a clean development project this year with United Nations Framework Convention on Climate Change (UNFCCC) which would generate carbon credits.

#### Energy Savings

The LEDs are being extensively used in street lighting and meeting rooms. The new stockyard at Bangalore has only LED lighting. Solar energy is used for street lighting in Gurgaon and Manesar plants. Installation of energy efficient air washers has also resulted in energy savings in Gurgaon plant.



#### Water Conservation

All water cooled cooling towers and air dryers are being replaced by air cooled cooling towers leading to water conservation.

### B. RESEARCH & DEVELOPMENT

India is one of the fastest growing automotive markets in the world. Market witnessed a growth of more than 29 per cent last year. Such phenomenal growth had provided enormous opportunities. However, increasing competition from global Original Equipment Manufacturers (OEMs), volatile material cost, stricter regulatory requirements and increasing customer expectation, makes India one of the most competitive automotive markets. To scale newer peaks, Research & Development (R&D) team envisaged its vision in the FY2002-03. With unparalleled dedication and zeal to succeed, the R&D team has been working in line with the Company's vision to retain superiority in the market-place and place itself in the hearts of the Indian customer.

R&D team has been working with the following vision - *"Build on our engineering skills to design and develop cars to delight the Indian consumer and establish Maruti as the R&D hub of Suzuki Motor Corporation (SMC) in Asia outside Japan."*

The strategic objectives set up for achieving the vision are:

- + Product design and development: concept car, new models and minor change introduction
- + Engineering capability development: design and development of full body change followed by development of new platform(s)

## Directors' Report

- + Cost management: meet target cost for model development
- + Technology development to meet the future requirement

The Company's R&D team already has the capability for carrying out minor changes and co-design with SMC for new models. Company's R&D team is on the path for acquiring capability to make full body changes indigenously. Systematic efforts are on to achieve it through the following:

- + Full vehicle in-house design, development and evaluation
- + Training of engineers (overseas/in-house)
- + Test facilities up-gradation
- + Prototype build capability
- + Experimental projects

Manpower has been increased from 968 numbers in FY2009-10 to 1,070 numbers in FY2010-11. Further, the Company's R&D team has plans of increasing its manpower from 1,070 numbers to more than 1,300 numbers in FY2011-12.

### 1. Specific areas in which R&D has been carried out

#### Building full model change capability:

##### Vehicle Planning, Layout and Styling

For new product development, it is essential to conceptualize and design a product which is in line with the needs of customers and can cater to their rising expectation while meeting all the regulatory requirements. For envisaging future requirements of Indian market, advance planning group was strengthened to track market, its changing requirements, customer voice, technology trends, future regulatory requirements and competitor activity in order to prepare a competitive product roadmap.

Product concept is brought to reality by the design team. Focus on capturing the design trends was enhanced in order to prepare exterior and interior design which depicts a right design language for India and thus a right product for Indian market. Capability in the area of complete interior concept image generation, interior computer aided design (CAD) based computer graphics (CG) and full interior buck design has been enhanced.

In order to obtain the optimum vehicle package and provide adequate vehicle interior space which translates

into a competitive product; capability was enhanced in the areas of vehicle lay-outing and packaging of future products during the concept stage. This was achieved by participation in new platform layout projects at Suzuki Motor Corporation (SMC) and independently executing full body change projects at the Company. Benchmarking skills have been upgraded to evaluate customer perception/feedback on ergonomics, seating comfort and other parameters of vehicle design so that customer feedback can be incorporated at the initial design stages.

For effective and efficient product development, product coordination group has been strengthened. The group monitors the product development activities and supports various cells and groups across the Company to achieve the development targets.

#### Engineering Design

##### + Powertrain design and development

Capability has been enhanced in the field of diesel engine and alternative fuel engine with the development of the 1.3 L high power diesel engine and introduction of alternate fuel option of CNG in 5 models (Alto, Estilo, Wagon-R, SX4 and EECO) and LPG in Wagon-R.

Capability enhancement in the transmission design and development with the implementation of cable type gear shift mechanism.

##### + Vehicle structure design and development

Research in the area of new materials i.e. steel and polymer for body in white (BIW)/interior applications has helped in evaluating and using stronger, lighter and safer materials contributing towards unmatched safety, fuel efficiency and performance.

Capability enhancement in the areas such as instrument panel, door, fuel tank and seating systems was done for carrying out full body change.

##### + Suspension and brake design and development

Capability in area of brake design and development has been enhanced with the introduction of latest global technologies in the vehicles. These were supported by advanced technologies in the field of testing and manufacturing of parts to provide high performance and quality parts to meet growing expectations and rigorous demands of brake system in India's rigorous traffic conditions.

+ **Prototype development**

Prototype development is important for validating the design. Capability enhancement in areas of development of prototype parts, prototype jigs and fixtures and making prototype vehicles for design validation was done.

+ **Experimental Projects / Research Papers**

Experimental projects in the field of hybrid / electric vehicle was taken up by the Company and SX4 hybrid and EECO electric demonstration vehicles were prepared and showcased at Commonwealth vehicles last year.

Engineering research papers were presented at various international forums such as SAE (Society of Automotive Engineers) International, SIAT (Symposium on International Automotive Technology) and others during the last year, which has given a global outlook to the Company's engineers.

**Virtual design validation**

To enhance the virtual validation skills and reduce design cycle time and development cost, digital engineering and engineering information management techniques are being effectively used. The Company has strengthened its capability on virtual engineering by carrying out crash, noise vibration and harshness (NVH), strength and computation fluid dynamics (CFD) simulations for new model development activity as well as up-gradation of existing models by using various simulation tools. Vehicle fuel economy and performance simulation capability has also been added to improve vehicle design process and market problem analysis.

**Engineering information and knowledge management**

Increased focus on R&D requires knowledge and information management strategy wherein the knowledge gained is harnessed effectively for future needs and important information reaches all concerned timely for effective and efficient implementation.

Knowledge Management techniques have been employed wherein knowledge base of various design processes have been maintained. This has reduced the time taken by a designer/engineer for iterative design processes and capture expertise knowledge to come up with accurate results in the minimum



span of time. Following are the key knowledge management techniques:

- + **Tear down data management software**  
Knowledge gathered from tear down activities is made accessible to our engineers through TMS (Tear down management system).
- + **Benchmarking portal**  
Efforts have been put to compile all the benchmarking information of competitor vehicles in a common portal which is accessible to everyone in R&D, which acts as design inputs for upcoming design projects.
- + **Integrated bill of material**  
Different stages of preparation of bill of material have been reduced by implementation of integrated bill of material that has resulted in efficient and effective management.
- + **Knowledge protection**  
For preventing infringement of technical know-how, patents were filed in the key technology areas such as engine design and body design.

Information Management systems are implemented for effective and efficient flow of information. PLM (Product Life Cycle Management) system has been optimally utilised with the increase of "Team-center Community Usage" for information exchange with suppliers. For improving the process efficiency during product development cycle, project management software implementation is planned in phased manner.

## Directors' Report

### Development and testing

During the vehicle development, detailed testing is carried out for the vehicle as well as its systems to ensure safe and reliable vehicles are offered to the customers.

Fatigue analysis and endurance testing of vehicles, vehicle systems and engines are conducted. Exterior and interior parts safety and strength testing are also carried out for new model development.

The 'State of the Art' vehicle semi-anechoic chamber coupled with advanced application tools has been commissioned to enable higher effectiveness in solving NVH related issues at the model development stages.

### New design software and licenses

85 licenses for CAD (Computer Aided Design) and 100 licenses for visualisation have been procured to enhance designing capability of the Company's engineers.

## 2. Benefits derived as a result of above R&D

- + Launch of Alto K10
- + Launch of SX4 Diesel with D13 high power engine
- + Introduction of CNG in 5 Models – Alto, Estilo, Wagon-R, SX4 and EECO
- + Wagon-R Duo (LPG)
- + SX4 Hybrid Demonstration vehicle
- + EECO electric demonstration vehicle
- + Capability in new model and engine development
- + 23 patents filed by R&D

## 3. Future plan of action

New product development

- + To develop new products to meet changing requirement of Indian Consumer
- + Carry out continuous upgradation of existing models.
- + To develop more products with alternative fuel option
- + Compliance to safety and emission regulation such as offset, side impact, etc
- + To build the Company's knowledge base and its image on technology by designing and showcasing projects in auto exhibitions
- + Introduction of new technologies

- + Emphasis on design to cost techniques to meet the stringent cost targets

Capability development

- + To develop capability for full model change in all aspects—planning, design, development and testing
- + Knowledge and information management system upgradation.
- + To develop in-house capability to facilitate the patent filing
- + Developing costing knowledge of various automotive technologies through standard cost tables and cost benchmarking

## 4. Expenditure incurred on R&D

Particulars	₹ in Million	
	2010-11	2009-10
A Capital Expenditure	2,316	623
B Recurring Expenditure	1,847	1,110
<b>Total</b>	<b>4,163</b>	<b>1,733</b>
Total R&D expenditure as a percentage of total income	1.11%	0.58%

## C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts in brief made towards technology absorption, adaptation and innovation

- + Design of components and systems including design review process
- + Component and sub component level localisation, development and testing of parts for existing and new models
- + Capabilities enhanced in component and vehicle evaluation, benchmarking and design optimisation
- + Capabilities being further enhanced in area of alternative fuels
- + VE (Value Engineering) at time of new model design to maximize cost benefit
- + Acquiring design and cost knowledge through teardown and benchmarking and using it in future design and cost reduction

### Benefits derived as a result of above efforts

- + Introduction of CNG and LPG fuel options
- + Introduction of Alto K10 and SX4 Diesel variant



- + Existing models are upgraded to meet the stringent emission regulation requirement
- + High localisation content in various vehicles has resulted in lower costs
- + Continuous reduction in product cost through VA/VE (value analysis/value engineering)
- + Significant cost reduction of parts of new models compared to existing models, ensuring that the new models are profitable

### Technology inducted

The Company has been a pioneer in offering latest technologies at affordable prices to its customers. As a market leader, the Company intends to keep this momentum in future. Some of the steps taken are as under:

- + Gas Port Injection system introduced in CNG vehicles to ensure better fuel economy, performance and reduced emissions
- + Sequential injection introduced in LPG vehicles to ensure better fuel economy, performance and reduced emissions
- + VGT (Variable Geometry Turbocharger), introduced in diesel engines to improve fuel efficiency and performance

### Year of Import: FY2010-11

Status of absorption: Above technologies have been used in products introduced during the year.

## D. FOREIGN EXCHANGE EARNINGS AND OUTGO (CASH BASIS)

Particulars	₹ in Million)	
	2010-11	2009-10
Foreign exchange used: equivalent		
Raw materials and components	<b>29,230</b>	24,626
Capital goods	<b>8,514</b>	4,112
Dies & moulds, maintenance spares & other items	<b>1,200</b>	427
Royalty, interest, dividend and others	<b>18,127</b>	10,466
Foreign exchange earned: equivalent	<b>35,540</b>	45,573

### Activities relating to exports

- + Initiatives taken to increase exports: The Company exported 138,266 units during the year. The cumulative number of exports exceeded 800,000 units.
- + Development of new export markets for products and services: During the year, Hungary, Malaysia, Laos and Lebanon were added as new export destinations.
- + Export plans: The Company expects that the demand for the Company's fuel efficient vehicles will grow.

For and on behalf of the board of directors

**Shinzo Nakanishi**  
Managing Director & CEO

**R.C. Bhargava**  
Chairman

New Delhi  
31<sup>st</sup> May 2011



A Kizashi at the racing circuit undergoing endurance and performance tests.



*Commonwealth Games 2010: Maruti Suzuki provided a range of eco-friendly hybrid and electric cars. Seen here is Managing Director and CEO Mr. Shinzo Nakanishi with the SX4 Hybrid.*

# Corporate Governance Report

## CORPORATE GOVERNANCE PHILOSOPHY

Maruti Suzuki India Limited (the Company) is fully committed to practising sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven organisation, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its board of directors, management and employees. The Company has established systems and procedures to ensure that its board of directors is well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

## MANAGEMENT STRUCTURE AND SHARED LEADERSHIP

The Company has a multi-tier management structure having the board of directors at the top. The Company has five business verticals viz. Administration, Production, Engineering, Supply Chain and Marketing & Sales. The top level management of these verticals is headed by a team of two persons, one of whom is a Japanese manager and the other, an Indian manager. The Indian managers at the top management level are designated as 'Managing Executive Officer' (MEO). The board meetings of the Company mark the compulsory presence of all the MEO's, as they act as a channel between the board and the employees working under them. This structure not only allows easy and quick communication of field information to the board members but also gives them the opportunity to give recommendations relevant to their business operations. The managing executive officers are followed by executive officers, divisional heads and departmental heads. Through this, it is ensured that:

- + Strategic supervision is provided by the board
- + Control and implementation of Company's strategy is achieved effectively



- + Operational management remains focussed on implementation
- + Information regarding the Company's operations and financial performance are made available adequately
- + Delegation of decision making with accountability is achieved
- + Financial and operating control and integrity are maintained at an optimal level
- + Risk is suitably evaluated and dealt with.

## BOARD OF DIRECTORS

### Composition of the board

As on 31<sup>st</sup> March 2011, the Company's board of directors consists of eleven members. The chairman of the board is a non-executive director. The Company has an optimum combination of executive and non-executive directors in accordance with the provisions of clause 49 of the listing agreement. The board is made up of four executive directors and seven non-executive directors, of whom four are independent as given in **Table 1**. No director is related to any other director. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring best interest of stakeholders and the Company.

## Corporate Governance Report

**Table 1: Composition of the board of directors as on 31<sup>st</sup> March 2011**

S.No.	Name	Category	No. of other directorship(s)		'No. of other committee(s)	
			Public	Private	Member	Chairman
1	Mr. R. C. Bhargava	Chairman, Non-executive	9	2	4	4
2	Mr. Shinzo Nakanishi	Managing Director and CEO, executive	5	1	1	-
3	Mr. Tsuneo Ohashi	Executive	2	-	1	-
4	Mr. Shuji Oishi	Executive	1	1	-	-
5	Mr. Keiichi Asai	Executive	2	-	-	-
6	Mr. Osamu Suzuki	Non-executive	1	-	-	-
7	Mr. Kenichi Ayukawa	Non-executive	-	-	-	-
8	Mr. Amal Ganguli	Independent	10	4	5	4
9	Ms. Pallavi Shroff	Independent	4	3	-	-
10	Mr. Manvinder Singh Banga	Independent	-	-	-	-
11	Mr. Davinder Singh Brar	Independent	1	11	2	-

- Foreign companies, private limited companies and companies under section 25 of the Companies Act, 1956 are excluded for the purpose of considering the limit prescribed under clause 49 (I) (C) of the listing agreement. The committees considered for the purpose are audit committee and shareholders' grievance committee as prescribed under clause 49(I)(C) of the listing agreement.
- None of the directors holds equity shares in the Company except Mr. Shinzo Nakanishi, who holds 20 equity shares of ₹ 5/- each in capacity of the nominee of Suzuki Motor Corporation, Japan.

### BOARD MEETINGS

The board met six times during the year on 26<sup>th</sup> April 2010, 17<sup>th</sup> May 2010, 24<sup>th</sup> July 2010, 30<sup>th</sup> October 2010, 29<sup>th</sup> January 2011 and 25<sup>th</sup> March 2011. The board meets at least once in a quarter with a gap of not more than four months between any two meetings. However, additional meetings are held, whenever necessary. **Table 2** gives the attendance record of the directors at the board meetings as well as the last annual general meeting (AGM).

In terms of clause 49 of the listing agreement:

- None of the directors was a member of more than 10 committees or chairman of more than 5 committees across all companies in which he/she is a director.

**Table 2: Board meeting and AGM attendance record of the directors in 2010 – 2011**

Name	Number of meetings attended (Total meetings held: 6)	Whether attended last AGM
Mr. R.C. Bhargava	6	Yes
Mr. Shinzo Nakanishi	6	Yes
Mr. Shuji Oishi	6	Yes
Mr. Tsuneo Ohashi	6	Yes
Mr. Keiichi Asai	4	Yes
Mr. Osamu Suzuki	0	Yes
Mr. Kenichi Ayukawa	0	Yes
Ms. Pallavi Shroff	3	Yes
Mr. Amal Ganguli	6	Yes
Mr. Manvinder Singh Banga	1	No
Mr. Davinder Singh Brar	6	Yes

## INFORMATION SUPPLIED TO THE BOARD

The board has complete access to all information of the Company. The following information is provided to the board and the agenda papers for the meetings are circulated in advance of each meeting:

- + Annual operating plans, capital and revenue budgets and updates
- + Quarterly results of the Company and its operating divisions or business segments
- + Minutes of meetings of audit committee and other committees of the board
- + Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of chief financial officer and company secretary
- + Materially important show cause, demand, prosecution and penalty notices
- + Fatal or serious accidents and dangerous occurrences
- + Any materially significant effluent or pollution problem
- + Any material relevant default in financial obligation to and by the Company or substantial non-payment for goods sold by the Company
- + Any issue which involves possible public or product liability claims of a substantial nature

- + Details of any joint venture or collaboration agreement
- + Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- + Significant labour problems and their proposed solutions
- + Any significant development in the human resources and industrial relations front
- + Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- + Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement
- + Non-compliance of any regulatory, statutory nature or listing requirements and shareholder services such as non-payment of dividend, delay in share transfer, etc.



## Remuneration to directors

Table 3 gives details of the remuneration for the financial year ended 31st March 2011. The Company did not advance any loans to any of its directors in the year under review.

**Table 3: Details of remuneration for the financial year ended 31st March 2011**

Name	Salary & Perquisites (₹)	*Performance Linked Bonus (₹)	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Shinzo Nakanishi	17,555,117	6,982,800			24,537,917
Mr. Keiichi Asai	12,946,230	5,140,500			18,086,730
Mr. Shuji Oishi	12,920,437	5,140,500			18,060,937
Mr. Tsuneo Ohashi	12,926,482	5,140,500			18,066,982
Mr. R. C. Bhargava			160,000	3,400,000	3,560,000
Mr. Amal Ganguli			240,000	2,000,000	2,240,000
Ms. Pallavi Shroff			120,000	900,000	1,020,000
Mr. Manvinder Singh Banga			20,000	400,000	420,000
Mr. Davinder Singh Brar			280,000	1,700,000	1,980,000
<b>Total (₹)</b>	<b>56,348,266</b>	<b>22,404,300</b>	<b>820,000</b>	<b>8,400,000</b>	<b>87,972,566</b>

\*The performance linked bonus is subject to the approval of the board of directors.



The performance criteria for the purpose of payment of performance linked bonus as defined by the board for the whole-time directors including managing director is as under:

- + Actual achievement in terms of growth in sales, profit, etc. as compared to the previous year
- + Actual achievement of growth as compared to the budget approved at the beginning of the year
- + Growth of market share of Company's products as compared to key competitors in the industry.

No employee of the Company is related to any director of the Company.

## Non-executive directors' remuneration

Members of the Company had approved payment of remuneration by way of commission to non-executive directors at a sum not exceeding 1 per cent of the net profits of the Company subject to a ceiling of ₹10 million per annum.

The payment of commission is based on criteria such as attendance at the board/ board level committee meetings, time devoted, current trends prevailing in the industry, etc.

Sitting fee is also paid to the non-executive directors for attending board and committee meetings.

## COMMITTEES OF THE BOARD

### I. Audit Committee

#### Composition

Table 4 shows the composition of the audit committee. All the members of the audit committee are financially

literate and Mr. Amal Ganguli, the Chairman, has expertise in accounting and financial management. The Chairman attended the last annual general meeting to answer shareholder queries.

**Table 4: Composition of audit committee**

Name	Category	Designation
Mr. Amal Ganguli	Independent	Chairman
Mr. Shinzo Nakanishi	Executive	Member
Mr. Davinder Singh Brar	Independent	Member
Ms. Pallavi Shroff	Independent	Member

The chief financial officer, the head of internal audit and the representative of the statutory auditors, internal auditors and cost auditors are permanent invitees to the audit committee.

The company secretary acts as the secretary to the audit committee. Other directors and members of management are also invited from time to time as appropriate.

#### Role

The role of the audit committee includes the following:

- + Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- + Recommending the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fee and also approval for payment for any other services
- + Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by the management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements

- Disclosure of any related party transactions
  - Qualifications in the draft audit report
- + Reviewing, with the management, the quarterly/ annual financial statements before submission to the board for approval
  - + Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control system
  - + Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
  - + Discussion with internal auditors about any significant findings and follow up thereon
  - + Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
  - + Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
  - + Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
  - + Reviewing the functioning of the whistle blower mechanism on a regular basis
  - + Carrying out any other function as is mentioned in the terms of reference of the audit committee
  - + Reviewing any other matter which may be specified as role of the audit committee under the amendments, if any, from time to time, to the listing agreement, Companies Act, 1956 and other statutes

#### Meetings

The audit committee met six times in the year under review on 26<sup>th</sup> April 2010, 17<sup>th</sup> May 2010, 24<sup>th</sup> July 2010, 24<sup>th</sup> September 2010, 30<sup>th</sup> October 2010 and 29<sup>th</sup> January 2011. **Table 5** gives the details of attendance of audit committee members.

**Table 5: Attendance record of audit committee members**

Name	Category	Meetings attended in 2010 – 11 (Total meetings held: 6)
Mr. Amal Ganguli	Chairman	6
Mr. Shinzo Nakanishi	Member	6
Mr. Davinder Singh Brar	Member	6
Ms. Pallavi Shroff	Member	3

## II. Shareholders' / Investors' Grievance Committee

### Composition

**Table 6** shows the composition of the shareholders'/ investors' grievance committee of the Company. Mr. R. C. Bhargava, the Chairman of this committee attended the last annual general meeting to address shareholders' queries.

**Table 6: Composition of shareholders'/investors' grievance committee**

Name	Category	Designation
Mr. R.C. Bhargava	Non-Executive	Chairman
Mr. Shinzo Nakanishi	Executive	Member
Mr. Davinder Singh Brar	Independent	Member
Mr. Kenichi Ayukawa	Non-Executive	Member

The company secretary acts as the secretary to the committee.

### Objective

The committee oversees redressal of shareholders' and investors' grievances, transfer of shares, non - receipt of balance sheet, non - receipt of declared dividends and related matters. The committee also oversees the performance of the registrar and transfer agent, recommends measures for overall improvement in the quality of investors' services, approves issue of duplicate / split / consolidation of share certificates and reviews all matters connected with the securities' transfers.

In order to provide efficient and timely services to investors, the board has delegated the power of approval of issue of duplicate / split / consolidation of share certificates,

## Corporate Governance Report

transfer of shares, transmission of shares, dematerialisation/rematerialisation of shares not exceeding 2000 equity shares per transaction to the managing director, director & managing executive officer and company secretary severally.

### Meetings

During the year, shareholders'/investors' grievance committee met twice i.e. on 26<sup>th</sup> April 2010 and 30<sup>th</sup> October 2010. Table 7 gives the attendance record.

**TABLE 7: Attendance record of shareholders' / investors' grievance committee members**

Names	Meetings attended in 2010 – 11 (Total Meetings held: 2)
Mr. Shinzo Nakanishi	2
Mr. Kenichi Ayukawa	-
Mr. R. C. Bhargava	2
Mr. Davinder Singh Brar	2

### Investor grievance redressal

During the year, 28 complaints were received and resolved. No transfer of shares was pending as on 31<sup>st</sup> March 2011.

## MANAGEMENT

### Management discussion and analysis report

This annual report has a detailed report on management discussion and analysis.

### Disclosures made by the management to the board

During the year, there were no transactions of material nature with the promoters, the directors or the management, their subsidiaries or relatives, etc. that had potential conflict with the interest of the Company. All disclosures related to financial and commercial transactions where directors may have a potential interest are provided to the board and the interested directors do not participate in the discussion nor do they vote on such matters.

### Related party transactions

None of the transactions with any of the related parties was in conflict with the interests of the Company.

Details of transactions between the Company and its subsidiaries, fellow subsidiaries, joint ventures, associates during 2010–11 are given in note no.25 in schedule 23 to the annual accounts.

All related party transactions are negotiated on an arm's length basis and are in the interests of the Company.

### Code of conduct for the board of directors and senior management personnel

The Company has laid down a code of conduct for the members of the board and identified senior management personnel of the Company.

The code of conduct has been posted on the Company's website [www.marutisuzuki.com](http://www.marutisuzuki.com).

The code of conduct has been circulated to all the members of the board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31<sup>st</sup> March 2011. A declaration to this effect signed by Mr. Shinzo Nakanishi, Managing Director & CEO of the Company forms part of this report as **Annexure - A**.

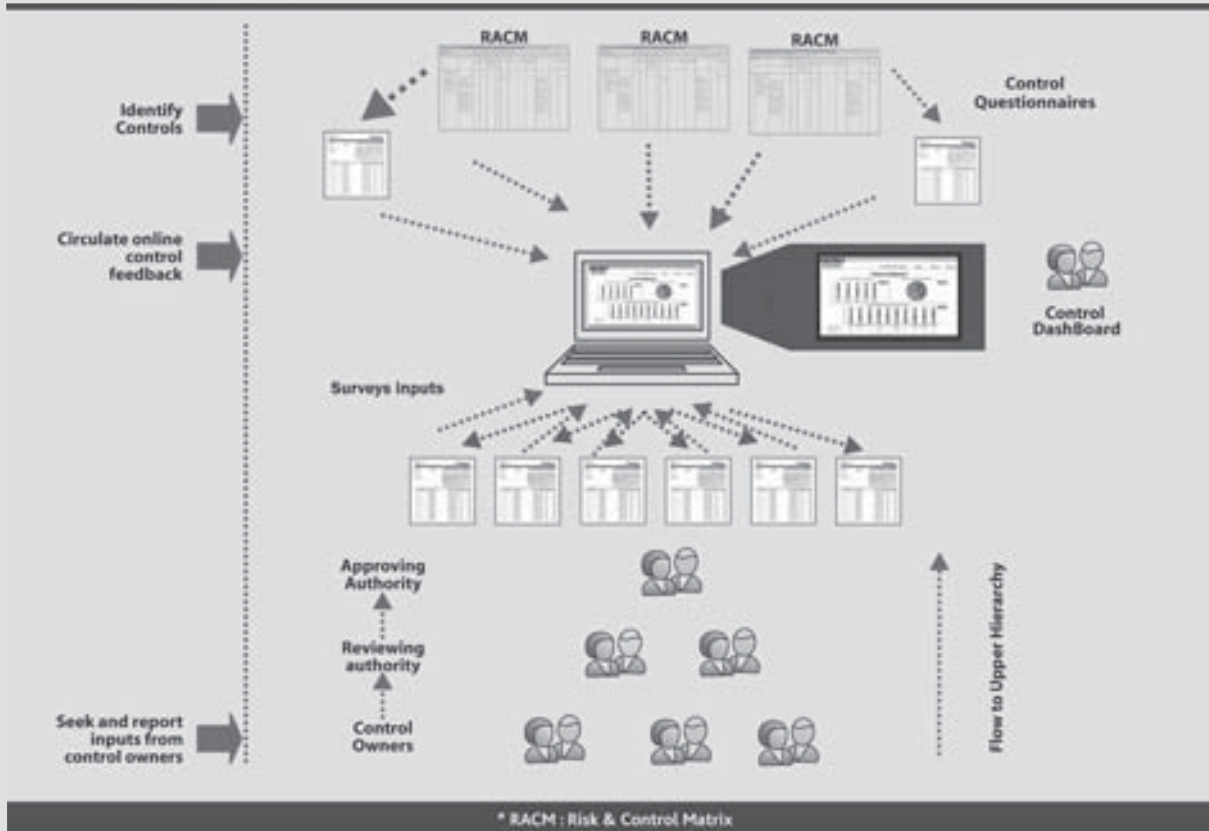
### CEO/CFO CERTIFICATION

To reinforce the commitment to adopt best corporate governance practices, the Company has adopted a transparent "controls self assessment mechanism" to evaluate the effectiveness of internal controls over financial reporting. To facilitate certification by CEO/CFO for the financial year 2010-11, key internal controls over financial reporting were identified and put to self assessment by control owners in the form of self assessment questionnaires through a web based online tool called "Controls Manager". The self assessment submitted by control owners were further reviewed and approved by their superiors and the results of self assessment process were disclosed to the auditors and the Audit Committee. The whole exercise was carried out in an objective manner to assess the effectiveness of internal control during the financial year 2010-11.

As required by clause 49 of the listing agreement, the certificate duly signed by Managing Director & CEO and Chief Financial Officer was placed before the board of directors at its meeting held on 25<sup>th</sup> April 2011.



## Enabling controls self-assessments through the “Controls Manager”



### Risk assessment and minimisation procedure

The Company is impacted by changes in the business environment from time to time that necessitate continuous evaluation and management of significant risks faced by the Company. The Company has established appropriate risk assessment and minimisation procedures. The process for formulating a defined risk assessment framework encompassed, inter-alia, a methodology for assessing and identifying risks on an ongoing basis, risk prioritising, risk mitigation, monitoring plan and comprehensive reporting on management of enterprise wide risks.

An Executive Risk Management Committee (ERMC) is in place to review the risk management activities of the Company on a regular basis. The composition of the committee consists of Managing Director & CEO, all Managing Executive Officers and Executive Officers of the

Company. Risks are evaluated by ERMC. In addition to the Company level risks, ERMC also reviews, from time to time, any new risk that may arise due to market dynamics and changes in the business environment. The audit committee and the board of directors also review the status of the risk management activities in the Company.

### Legal compliance reporting

The board periodically reviews reports of compliance with all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

The Company has developed comprehensive legal compliance scheduling and management software by which specific compliance tasks are assigned to each individual. The software enables in planning and monitoring all compliance activities across the Company.

## Corporate Governance Report

### Code for prevention of insider trading practices

The Company has instituted a comprehensive code of conduct in compliance with the SEBI regulations on prevention of insider trading. The code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions on the consequences of non-compliances.

### Details of non – compliance

No penalties or strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any

matter related to capital market since the last three years.

### Subsidiary companies information

A statement, wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiaries is presented to the board of the Company at its meetings.

The audit committee of the Company reviews the financial statements and investments made by unlisted subsidiary companies. The minutes of unlisted subsidiary companies are placed before the board of the Company.

## SHAREHOLDERS INFORMATION

### Means of communication

<b>Financial results</b>	Quarterly and annual financial results are published in The Hindu-Business Line, Business Standard, Financial Express and in Hindi editions of Jansatta, Business Standard and Hindustan.
<b>Monthly sales</b>	Monthly sales figures are sent to stock exchanges as well as displayed on Company's website <a href="http://www.marutisuzuki.com">www.marutisuzuki.com</a> .
<b>News releases</b>	All official news releases are sent to stock exchanges as well as displayed on the Company's website <a href="http://www.marutisuzuki.com">www.marutisuzuki.com</a> .
<b>Website</b>	The Company's website <a href="http://www.marutisuzuki.com">www.marutisuzuki.com</a> contains a dedicated segment called 'INVESTORS' where all information needed by shareholders is available including ECS mandate, nomination form and annual report. The website also displays information regarding presentation made to media/analysts/institutional investors, etc.
<b>Annual report</b>	Annual report is circulated to members and all others entitled there to like auditors, equity analysts, etc.
<b>Corporate Filing and Dissemination System (Corp filing)</b>	All disclosures and communications to BSE and NSE are filed electronically through Corp filing. Hard copies of the said disclosures and correspondence are also filed with the exchanges.
<b>Exclusive e-mail ids for investors</b>	Following e-mail id's have been exclusively dedicated for the investors' queries: <a href="mailto:investor@maruti.co.in">investor@maruti.co.in</a> <a href="mailto:mailmanager@karvy.com">mailmanager@karvy.com</a> Queries relating to annual report may be sent to <a href="mailto:investor@maruti.co.in">investor@maruti.co.in</a> and queries relating to transfer of shares and splitting/ consolidation / remat of shares, revalidation of expired dividend warrants and other queries relating to dividend may be sent to <a href="mailto:mailmanager@karvy.com">mailmanager@karvy.com</a> .

### General body meetings

**Table 8: Details of the last three AGMs of the Company**

Financial Year	Location	Date	Time
2007 – 08	Airforce Auditorium, Subroto Park, New Delhi	2 <sup>nd</sup> September 2008	10:00 a.m.
2008 – 09	Airforce Auditorium, Subroto Park, New Delhi	2 <sup>nd</sup> September 2009	10:00 a.m.
2009 – 10	Airforce Auditorium, Subroto Park, New Delhi	7 <sup>th</sup> September 2010	10:00 a.m.

The Company had passed special resolutions in the previous three AGMs. No special resolution was passed in the previous AGM.

## ADDITIONAL SHAREHOLDER INFORMATION

### Annual general meeting

Date:	8 <sup>th</sup> September 2011
Day:	Thursday
Time:	10:00 a.m.
Venue:	Airforce Auditorium, Subroto Park, New Delhi – 110010.

### Financial Year

Financial Year: 1st April to 31<sup>st</sup> March.

For the year ending 31<sup>st</sup> March 2012, results will be announced:

By end of July 2011: First quarter results

By end of October 2011: Second quarter results

By end of January 2011: Third quarter results

By end of May 2012: Fourth quarter and annual results.

### Book closure

The period of book closure is from Friday, 26<sup>th</sup> August 2011 to Thursday, 8<sup>th</sup> September 2011 (both days inclusive).

### Dividend payment

Subject to the approval of the members in the annual general meeting, a dividend payment of ₹ 7.50 per equity share (face value ₹ 5 per equity share) will be paid on or

after 14<sup>th</sup> September 2011, to those whose names appear in the register of members / beneficial owners at the close of business hours on 25<sup>th</sup> August 2011.

### Listing on stock exchanges

The equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited (NSE). The annual listing fees for the year 2011–12 have been paid to both the stock exchanges. **Table 9** lists the Company's stock exchange codes. The Company has also paid the annual custodial fee for the year 2011 – 12 to both the depositories namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### Table 9: Stock Code

Bombay Stock Exchange Limited, Mumbai (BSE)	532500
National Stock Exchange of India Limited (NSE)	MARUTI
ISIN	INE585B01010

### Stock market data

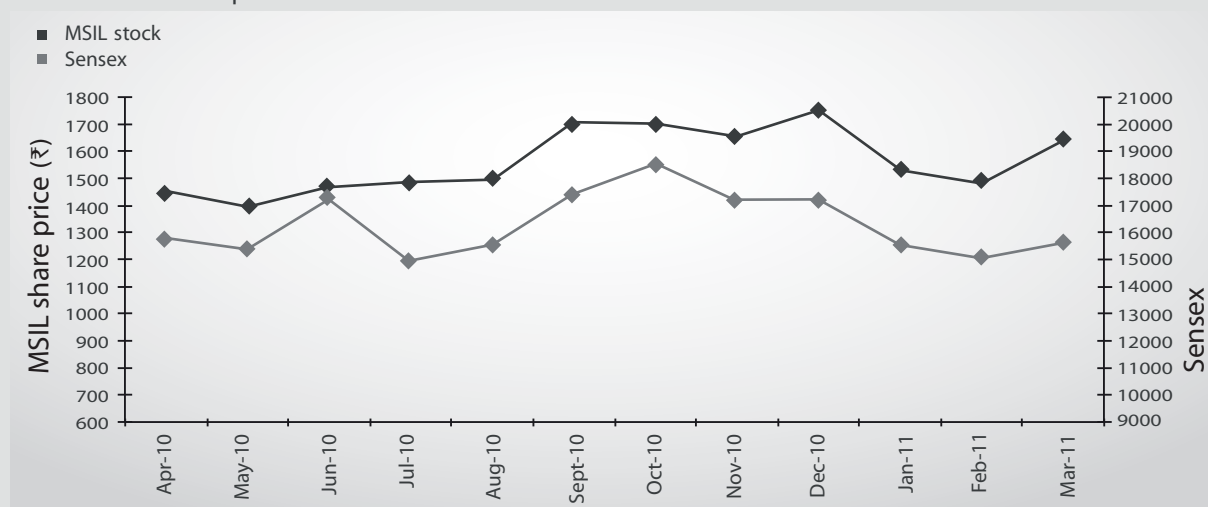
**Table 10** gives the monthly high and low prices of the Company's equity shares on BSE and NSE for the year 2010–11. **Chart A** plots the movement of Company's share prices on BSE vis-a-vis BSE Sensex for the year 2010–11.

**Table 10: Monthly high & low quotation of the Company's equity share**

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 10	1450.00	1258.35	1429.00	1247.70
May 10	1305.00	1171.00	1300.00	1170.00
Jun 10	1434.00	1230.00	1433.95	1231.05
Jul 10	1431.90	1182.00	1435.00	1126.85
Aug 10	1271.20	1201.90	1271.80	1202.20
Sept 10	1496.00	1265.10	1497.25	1213.65
Oct 10	1583.00	1451.55	1585.00	1451.00
Nov 10	1599.90	1335.20	1560.00	1336.00
Dec 10	1454.90	1346.80	1454.80	1346.00
Jan 11	1452.20	1170.00	1453.40	1150.30
Feb 11	1271.90	1145.50	1275.00	1144.60
Mar 11	1345.00	1125.90	1341.60	1122.00

## Corporate Governance Report

Chart A: MSIL stock performance at BSE relative to Sensex



### Registrar and transfer agent

Karvy Computershare Private Limited  
Plot No. 17 – 24, Vittal Rao Nagar  
Madhapur, Hyderabad – 500 081  
Ph No: 040-2342 0815 – 28  
Fax No.: 040-2342 0814 / 2342 0857  
Mail Id: mailmanager@karvy.com  
Website: www.karvycomputershare.com

### Share transfer system

The Company's shares are transferred in dematerialised form and are traded on the stock exchanges compulsorily in the demat mode. Any request for rematerialisation and / or transfer of shares in physical mode is also attended within the stipulated time.

### Shareholding pattern

Table 11 and 12 list the shareholding pattern and distribution schedule of equity shares of the Company as on 31<sup>st</sup> March 2011 respectively.

Table 11: (I) (a) Shareholding pattern as on 31<sup>st</sup> March 2011

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) 1	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP 2</b>					
(1)	<b>INDIAN</b>					
(a)	Individuals /Hindu Undivided Family	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00
(e)	Any Others	0	0	0	0.00	0.00
	<b>Sub-Total (A) (1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
(2)	<b>FOREIGN</b>					
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	5	156618440	0	54.21	54.21

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) 1	As a percentage of (A+B+C)
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Others	0	0	0	0.00	0.00
	<b>Sub-Total (A) (2) :</b>	5	156618440	0	54.21	54.21
	<b>Total Share Holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	5	156618440	0	54.21	54.21
<b>(B)</b>	<b>PUBLIC SHAREHOLDING 3</b>					
(1)	<b>INSTITUTIONS</b>					
(a)	Mutual Funds /UTI	134	8917735	8917735	3.09	3.09
(b)	Financial Institutions / Banks	45	42915488	42915488	14.84	14.84
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	323	55564148	55564148	19.23	19.23
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Others	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1) :</b>	502	107397371	107397371	37.16	37.16
(2)	<b>NON-INSTITUTIONS</b>					
(a)	Bodies Corporate	1642	16898301	16898301	5.85	5.85
(b)	Individuals					
	(i) Individual shareholders holding nominal share capital up to ₹1 lakh	125114	6809355	6804191	2.36	2.36
	(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3	195232	195232	0.07	0.07
(c)	Any Others					
	Clearing Members	311	571174	571174	0.20	0.20
	Non Resident Indians	2317	230767	230767	0.08	0.08
	Trusts	19	188970	188970	0.07	0.07
	Foreign Nationals	1	450	450	0.00	0.00
	OCB	0	0	0	0.00	0.00
	<b>Sub-Total (B)(2) :</b>	129407	24894249	24889085	8.63	8.63
	<b>Total Public Share Holding (B)=(B)(1)+(B)(2) :</b>	129909	132291620	132286456	45.79	45.79
	<b>Total (A)+(B) :</b>	129914	288910060	132286456	100.00	100.00
<b>(C)</b>	<b>Shares held by custodians, against which Depository Receipts have been issued</b>					
	Promoter and Promoter Group	0	0	0	0.00	0.00
	Public	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C) :</b>	<b>129914</b>	<b>288910060</b>	<b>132286456</b>	<b>100.00</b>	<b>100.00</b>

**(I) (b) Statement showing shareholding of persons belonging to the category “promoter and promoter group”**

Sr. No.	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of Grand Total (A)+(B)+(C)	Number	As a Percentage	As a % of Grand Total (A)+(B)+(C) of Sub Clause (I) (a)
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)
1	SUZUKI MOTOR CORPORATION (SMC)	156618360	54.21	0	0.00	0.00
2	SHINZO NAKANISHI NOMINEE OF SMC	20	0.00	0	0.00	0.00
3	KINJI SAITO NOMINEE OF SMC	20	0.00	0	0.00	0.00
4	SHINICHI TAKEUCHI NOMINEE OF SMC	20	0.00	0	0.00	0.00
5	MOTOHIRO ATSUMI NOMINEE OF SMC	20	0.00	0	0.00	0.00
	<b>TOTAL</b>	<b>156618440</b>	<b>54.21</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

No shares have been pledged by the Promoters as on 31<sup>st</sup> March 2011.

**(I) (c) Statement showing shareholding of persons belonging to the category “Public” and holding more than 1 per cent of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}
1	LIFE INSURANCE CORPORATION OF INDIA	25384888	8.79
2	HSBC GLOBAL INVESTMENT FUNDS A/C HSBC GLOBAL INVESTMENT FUNDS MAURITIUS LTD.	17053250	5.90
3	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	4972182	1.72
4	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	4190695	1.45
5	LIC OF INDIA- MARKET PLUS	3967189	1.37
6	LIC OF INDIA – MONEY PLUS	3436617	1.19
7	THE MASTER TRUST BANK OF JAPAN,LTD. A/C HSBC INDIAN EQUITY MOTHER FUND	2956841	1.02
	<b>TOTAL</b>	<b>61961662</b>	<b>21.45</b>

**(I) (d) Statement showing details of locked-in shares**

Sr. No.	Name of the shareholder	Category of shareholders (Promoters/Public)	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e. Grand Total (A)+(B)+(C) indicated in statement at para (I) (a) above}
1	Nil	Nil	Nil	Nil

**(II) (a) Statement showing details of Depository Receipts (DRs)**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRS, etc.)	Number of outstanding DRs	Shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}
1	Global Depository Receipts (GDRs)	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

**(II) (b) Statement showing holding of Depository Receipts (DRs), where underlying shares are in excess of 1 per cent of the total number of shares**

Sr No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a) above}
1	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 12: Distribution Schedule as on 31st March 2011**

Shareholding Class	Number of shareholders	%	Number of shares	%
1 to 5000	128942	99.25	6609868	2.29
5001 to 10000	285	0.22	408942	0.14
10001 to 20000	156	0.12	445726	0.15
20001 to 30000	74	0.06	364882	0.13
30001 to 40000	38	0.03	261601	0.09
40001 to 50000	24	0.02	221575	0.08
50001 to 100000	92	0.07	1335794	0.46
100001 and above	303	0.23	279261672	96.66
<b>TOTAL</b>	<b>129914</b>	<b>100.00</b>	<b>288910060</b>	<b>100.00</b>

**Table 13: Top ten shareholders**

List of top-ten shareholders as on 31<sup>st</sup> March 2011 is as follows:

Name	% of holding
1. Suzuki Motor Corporation	54.21
2. Life Insurance Corporation of India	8.79
3. HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	5.90
4. ICICI Prudential Life Insurance Company Ltd.	1.72
5. Bajaj Allianz Life Insurance Company Ltd.	1.45
6. LIC of India Market Plus	1.37
7. LIC of India Money Plus	1.19
8. The Master Trust Bank of Japan Ltd. A/C HSBC India A/c Equity Mother Fund	1.02
9. HSBC Global Investment Funds A/C HSBC Global Investment Funds Bric Equity	0.85
10. Life Insurance Corporation of India - Wealth Plus	0.80
<b>Total</b>	<b>77.30</b>

### Dematerialisation of shares and liquidity

As on 31<sup>st</sup> March 2011, 45.78 per cent of the Company's total paid up equity capital representing 132,286,456 equity shares was held in dematerialised form and the balance 54.22 per cent representing 156,623,604 equity shares was held in physical form. The equity shares of the Company are listed under specified category in BSE and are part of Nifty in NSE.

Pursuant to clause 5A of the listing agreements, the Company has opened a demat account named 'Maruti Suzuki India Ltd.-Unclaimed Shares Demat Suspense

Account' with Karvy Stock Broking Limited. The shares issued pursuant to 'Offer for Sale' and still lying unclaimed were credited in this account. The details of these shares are given hereunder:

Securities	As on the date of credit of shares in the account	No. of share-holders who approached for transfer of shares from suspense account	No. of share-holders to whom shares were transferred from suspense account	Balance as on 31-03-2011
	No. of records	No. of shares	No. of records	No. of shares
Equity Shares	15	1050	-	- 15 1050

The voting rights on these 1050 shares shall remain frozen till the rightful owner of these shares claims the shares.

### Secretarial audit

As stipulated by the Securities and Exchange Board of India (SEBI), a qualified practising Company Secretary carries out secretarial audit and provides a report to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the board of directors. The audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

### Outstanding GDRs / ADRs / warrants or any convertible instruments, conversion date and likely impact on equity

The Company had no outstanding GDRs / ADRs / warrants or any convertible instruments.



### Details of public funding obtained in the last three years

The Company has not obtained any public funding in the last three years.

### Adoption of non-mandatory requirements

The Company complies with the following non-mandatory requirements as provided in listing agreement:

- a. The chairman's office with required facilities is being maintained by the Company at its expense, for use by its non – executive chairman.
- b. The Company has established an effective mechanism called Whistle Blower Policy (Policy). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose

of this policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behaviour, actual or suspected fraud within the Company.

Mr. Amal Ganguli, the Chairman of audit committee has been appointed as the ombudsperson and direct access has been given to the employees to contact him through e-mail, post and telephone for reporting any matter.

### Plant location

The Company has four plants, three located in Palam Gurgaon Road, Gurgaon, Haryana and one located at Manesar Industrial Town, Gurgaon, Haryana.



*Mr. Pranab Mukherjee, Union Finance Minister presenting the Best CFO award to Mr. Ajay Seth (For Consistent Liquidity Management)*

### Address for correspondence

Investors may please contact for queries related to:

I. **Shares held in dematerialised form**

Their **Depository Participant(s)**  
and/or

**Karvy Computershare Private Limited**

Plot No. 17 – 24, Vittal Rao Nagar

Madhapur, Hyderabad – 500 081

Phone No.: 040-2342 0815 – 28

Fax No.: 040-2342 0814 / 2342 0857

Mail Id: mailmanager@karvy.com

Website: www.karvycomputershare.com

II. **Shares held in physical form**

**Karvy Computershare Pvt. Limited**

(at the given address)

or

The Company at the following address:

**Maruti Suzuki India Limited**

1, Nelson Mandela Road, Vasant Kunj

New Delhi-110070

Phone No.: (91)-11-4678 1000

Email Id: investor@maruti.co.in

Website: www.marutisuzuki.com

### Secretarial standards issued by the Institute of Company Secretaries of India (ICSI)

ICSI, one of the premier professional bodies in India, has issued 10 secretarial standards as on 31<sup>st</sup> March 2011. These secretarial standards are recommendatory in nature. The Company substantially observes secretarial standards voluntarily as good corporate governance practice and for protection of interest of all stakeholders.



*A view from the R&D Centre, Gurgaon. The strength of Engineers in R&D crossed 1000 in FY2010-11.*

# Annexure A

## DECLARATION OF THE MANAGING DIRECTORS & CEO

This is to certify that the Company had laid down code of conduct for all the board members and the senior management personnel of the Company and the same is uploaded on the website of the company [www.marutisuzuki.com](http://www.marutisuzuki.com).

Further, certified that the members of the board of directors and senior management personnel have affirmed the compliance with the code applicable to them during the year ended 31<sup>st</sup> March 2011.

Date: May 18, 2011  
Place: New Delhi

**Shinzo Nakanishi**  
Managing Director & CEO

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Maruti Suzuki India Limited

We have examined the compliance of conditions of Corporate Governance by Maruti Suzuki India Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

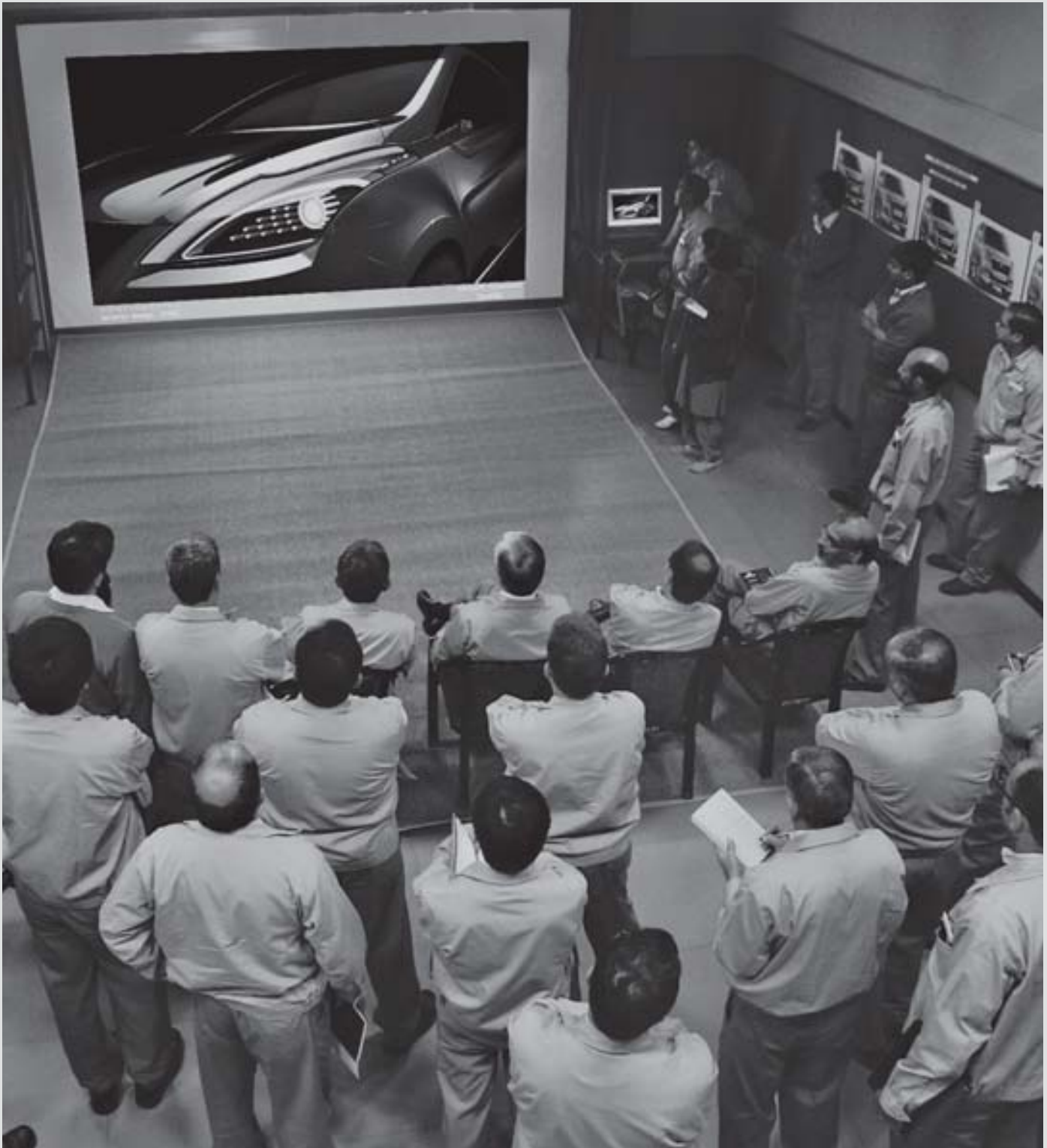
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Water House  
Firm Registration Number: FRN 301112E  
Chartered Accountants

Place: Gurgoan  
Date: May 31, 2011

**Anupam Dhawan**  
Partner  
Membership Number - F084451



*A new car design under discussion with the top management at the R&D centre, Gurgaon.*

# Management Discussion & Analysis

## OVERVIEW

The Indian economy continued on its growth trajectory in FY2010-11. The GDP grew at 8.5 per cent, aided by recovery in agriculture and good performance in the industry and services sector. As a consequence, the domestic car market remained buoyant and posted a healthy growth rate of 29 per cent, higher than 26 per cent achieved in the previous year (FY2009-10), which was substantially higher than what was anticipated at the beginning of the year.

Despite the unexpected demand for cars and the capacity limitations in the Company, we could produce and sell 1,271,005 units, a growth of 24.8 per cent over the previous year. This became possible due to higher levels of productivity and many innovative practices at the shop floor level. The vendors, despite being taken by surprise, also managed to support the Company in its efforts to increase production. As a consequence, the Company was able to marginally improve its market share.

Exports to the European markets fell due to a decline in demand following the withdrawal of scrappage incentives in many countries. However, overall there was only a small decline in exports as sales to other non-European markets increased.

The profit margins came under pressure due to adverse movements of the Yen, Euro and the Dollar; volatile commodity markets and higher royalty payments. Costs also increased due to introduction of Bharat-IV norms, and higher spending on research and development. At the same time, competition continued to grow stronger. Several India-specific cars were launched by competitors. These were priced aggressively. As a consequence, the ability to pass on the rising costs was constrained to an extent. Nevertheless, the EBITDA remained above 10 per cent thanks to higher volumes, productivity and cost cutting measures.

During FY2010-11, the Company achieved Net Sales of ₹ 361,282 million (Net of Excise), a growth of 24.8 per cent over the previous year. Earnings before interest, depreciation, tax and amortisation (EBITDA) stood at ₹ 41,467 million while Profit after Tax (PAT) was ₹ 22,886 million.

Customers continued to rate the Company best in sales and service satisfaction, as measured by JD Power surveys. The Company has now been rated best in service satisfaction for eleven years in a row.

The Company has instituted projects to further strengthen its market position and profitability and to build R&D capability and capacity for the future. Production capacity is being enhanced with two more plants at Manesar. Each of these plants will have an installed annual capacity of 250,000 cars.

## SUSTAINABILITY

The foundation of Company's sustainability rests on its robust stakeholder engagement process. The Company has identified six key stakeholder groups (employees and their families, local community and society, environment and regulatory authorities, customers and their families, shareholders and investors, dealers, suppliers, and other business partners) and has developed ways to engage with them in a systematic and periodic manner.

On the environmental front, in FY2010-11 the Company made improvements on its energy and water consumption at its manufacturing sites at Gurgaon and Manesar. Emission levels at both sites were strictly monitored. To reduce emissions due to transportation, the Company is working on a project to transport cars by rail.

The Company continued to implement its flagship driving training programme through Institutes of Driving and Traffic Research (IDTR) and Maruti Driving Schools (MDS). During the year, driving training was imparted to 187,000 people across the country. The Company has 166 functional MDS set up in partnership with dealers and 4 IDTRs set up with state governments. The Company also focused on generating awareness on road safety through sessions for school children and worked on advocacy with industry bodies, SIAM and CII.

For vocational training, the Company worked with seven Industrial Training Institutes (ITIs) across states for their overall upgradation. This included improvement in infrastructure, teacher training, repair and maintenance of machines and tools and industry exposure for students and faculty.

In the four villages neighbouring the Manesar plant, the Company worked on healthcare, education, infrastructure development and vocational training. Here too, the Company adopted a partnership approach and worked closely with villagers and select local NGOs to implement projects.

The Company publishes its sustainability report every year as per GRI G3 reporting guidelines. This report is

## Management Discussion & Analysis

externally verified by an independent assurance agency. It covers environment and social performance of the Company in detail and is available on the Company's website [www.marutisuzuki.com](http://www.marutisuzuki.com)

### BUSINESS PERFORMANCE

#### Domestic Market

Sales remained buoyant in the rural and the semi-urban markets. The focus of the Company to build infrastructure to sell and service cars in these markets paid good dividends. The top-10 cities, where sales had been sluggish during the previous year, also came back strongly. Overall, growth was evident across markets, geographies, sectors and consumer segments.

The Indian passenger vehicle market reached a size of approximately 2.5 million unit sales in the year. This puts India amongst the top seven markets in the world. Global car manufacturers are continuously enhancing their efforts in India. Competition intensified in the high volume segments, including compact cars and entry sedans. The new models created excitement in the market and kept consumer interest alive.

The Company marginally increased its share from 44.6 per cent to 44.9 per cent in passenger vehicles. Some of the Company's models continue to be on waitlist despite production being increased very substantially.

The philosophy of the Company is to provide best value to the customer over the lifecycle of the car. The selection of product technology is aligned to deliver this.

In keeping with this approach, the K-series gasoline engines were introduced in FY2008-09. These are compact, light-weight, low-friction, more fuel efficient engines. Although there is normally a trade-off between performance (acceleration) and fuel efficiency, the K-series engine is able to strike a balance and deliver on both parameters. This has been appreciated by the customers and cars with K-series engines are selling very well.

During the year, these engines were made available in more models. The K-series engines are now mounted on Alto, A-star, WagonR, Estilo, Swift, Ritz and Dzire. These engines are manufactured at the state-of-the-art, fully integrated manufacturing facility at the Gurgaon plant. During FY2010-11, the Company commissioned phase-3 of the machining and casting facility for the K-series engines, taking the total manufacturing capacity for these engines to more than 780,000 per annum.

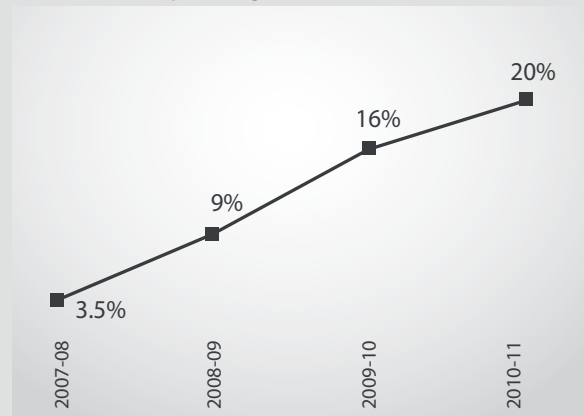
During the year, the Company launched refreshed variants of WagonR and Alto with the new K-series engines. SX4 was offered with a Super Turbo Diesel engine. The Company launched the Suzuki Kizashi, India's first sports luxury sedan. It sports a 2.4 litre engine and is endowed with best-in-class features.

The Company developed in-house i-GPI (Integrated Gas Port Injection) Technology and launched factory-fitted CNG variants for five of its models: Alto, WagonR, Eeco, Estilo and SX4. This i-GPI technology delivers higher fuel efficiency compared to conventional CNG cars. Besides, the loss of power compared to gasoline engine cars, a shortcoming of conventional CNG technology, is negligible in the case of i-GPI. The Company believes that once CNG availability improves across the country, it could become a popular option owing to its low cost and environment friendliness.

Apart from launching new products, the Company added 131 new sales outlets to reach 933 outlets in 668 cities and increased its service reach to 1,395 cities with 2,946 outlets. The Company's network is now servicing about 1.2 million vehicles every month. With increasing service load, the importance of training has taken priority. The Company has initiated tie-ups with 28 ITIs (Industrial Training Institutes) to enhance availability of technical manpower at workshops.

The Company benefited from sales in both the top cities and the rural hinterland with the help of its network reach. In the last four years, rural sales have grown to contribute 20 per cent of total domestic sales. About 40 per cent of the Company's sales outlets are in the rural format, with a scaled down investment that enables viability on lower volumes.

Rural Sales (as a percentage of domestic sales)



With shortening car ownership cycle, the residual value of the car is becoming an important determinant of the total cost of ownership. The Company's pre-owned car business sold 212,640 cars in the year, a growth of 30 per cent over the previous year.

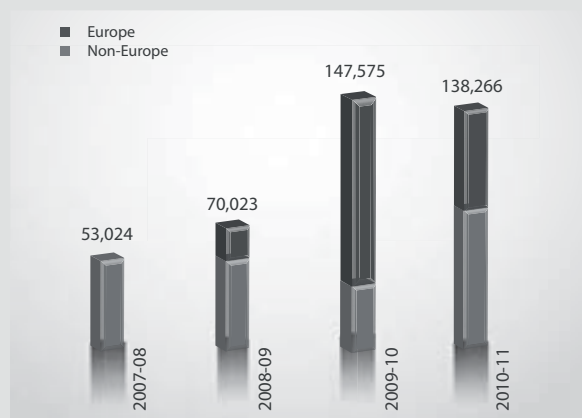
The Company is in the process of restructuring its insurance initiative to align it to regulatory requirements and make it more customer-friendly.

## Exports

FY2009-10 saw a huge jump in export sales to European markets, driven by the scrappage incentive schemes. Since these schemes were not permanent in nature, the Company kept its focus on developing markets outside Europe.

While sales to Europe dropped in FY2010-11, the proportion of sales to non-European markets increased from about 20 per cent in FY2009-10 to 55 per cent in 2010-11.

Exports (number of units)



In all, the Company sold 138,266 units in the export markets as compared to 147,575 units in the previous year. This is a decline of 6.3 per cent.

In 2010-11, the Company crossed 800,000 units of cumulative export sales. The cumulative export of A-star, the flagship export model, crossed 200,000 units in 24 months of exports.

Algeria, Chile, Netherlands, Indonesia and Sri Lanka emerged as the top export markets during the year. The Company explored new markets like Hungary, Malaysia, Laos and Lebanon. The exports team also worked closely with export distributors to implement sales enablers and shared best practices from the domestic market. This helped

increase export volumes in many markets.

In FY2010-11, the Company introduced Alto K10 in some of the export markets. It has received good response. With rising oil prices, demand for fuel efficient vehicles will remain strong.

## Parts & Accessories

The Company continues to focus on lowest cost of ownership and hassle-free vehicle service by ensuring wide availability of parts at competitive prices.

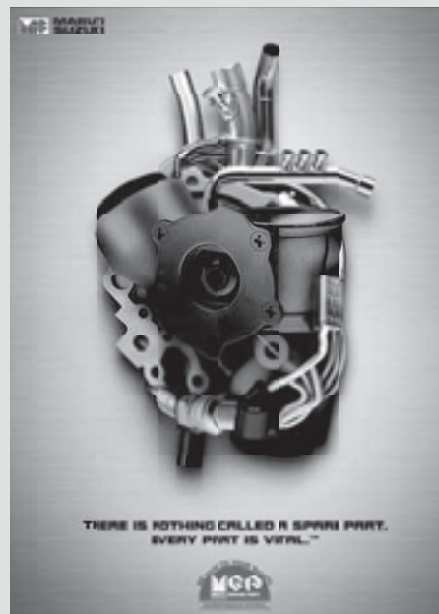
This year, the Company's parts and accessories business grew 34 per cent. During the year, key initiatives were taken to promote use of genuine parts among customers to enhance vehicle safety and performance. The Company worked on standardisation of parts infrastructure at sales and service outlets to ensure better availability and faster vehicle service. Dealer parts inventory was brought down, releasing working capital for the vehicle sales business. The Company is also expanding its range of accessories in line with changing consumer lifestyle and market trends.

## ENGINEERING, RESEARCH & DEVELOPMENT

The purpose of technology is to meet the needs and wants of society while being sensitive to people's health, happiness, safety and well being. Increasingly, the focus of technology is to use minimum natural resources.

It is important to understand the stated and the unstated needs of the consumer for every segment and evolve technologies accordingly. In line with this, the Company does a very careful selection of technologies and features for each segment of cars. The starting point is the consumer. The Company has termed this approach as Techno\_Logical™.

The miniaturisation philosophy in design, pioneered by parent company Suzuki Motor Corporation, Japan (SMC), helps in providing driveability, comfort, fuel economy and passenger space, all in a compact car at optimal cost.



A print - ad from the nationwide campaign to promote use of Maruti Genuine Parts.

## Management Discussion & Analysis

This is in line with the preferences of the Indian customer. While customers have always been sensitive to fuel economy, they are also seeking power and liveliness. Increasingly, they also want their drive to be silent and smooth, which implies that NVH (Noise Vibration Harshness) has to be kept to a minimum.

As mentioned in the Business Performance section, the new K-series engine has been designed the techno\_logical way to meet these triple objectives. Similarly, for comfort, the Company has introduced technologies like cruise control, auto air-conditioning, electrically operated outside rear view mirror and glass antenna in select models.

With high engine power and improving highways in India, comes the need for adequate safety features. The Company offers customers the option of advanced safety features like airbags, antilock braking (ABS) and electronic brakeforce distribution (EBD) in A-star, Ritz, Swift, DZire, SX4 and Kizashi.

### Carbon Dioxide reduction and Energy Security through Techno\_Logical Products

A fast emerging global trend is the sensitivity towards CO<sub>2</sub> reduction for environment friendliness and energy security. Auto companies are exploring options like hydrogen fuel cells, hybrid and electric vehicles, alternate fuels, besides IC (Internal Combustion) Engine improvement, to meet these challenges. The solutions have to take into account the type of fuel available, electric power scenario and other parameters specific to each market.

The Company has started a small research project on hybrid and electric vehicles, primarily to get some understanding of the technology involved. An electric EECO and a hybrid SX4 were built. The hybrid SX4 cars were made available for use during the Commonwealth games held in Delhi during the year.

About 75 per cent of the country's crude oil requirement is met through imports. On the other hand, India has rich reserves of natural gas which are expected to grow. Natural-gas powered cars emit about 20 per cent less CO<sub>2</sub> and are highly economical for the consumer even without government subsidies. A techno\_logical approach was to develop CNG technology for energy, environment and economy friendliness (discussed in Business Performance section). The Company also launched an LPG version of

WagonR with SET (Smart Efficient Technology) and a diesel version of SX4 with a Super Turbo diesel engine.

The Company was adjudged the best in India in three passenger car segments, WagonR in the compact segment, Swift in premium compact and Swift Dzire in the entry mid-size segment in the JD Power Asia Pacific Survey 2010 on Automotive Performance, Execution and Layout (APEAL). Also, Swift Dzire took top honours in the entry mid-size category in the Initial Quality Survey by JD Power Asia Pacific.

During the year, the Company's R&D team started work in a unified way with SMC to design and develop models. The Company is in the process of building full body capability. This entails an integrated effort to induct and train design engineers, put up world class testing infrastructure, create shared IT infrastructure for computer-aided engineering and building live project experience. The Company's R&D engineers' strength crossed 1,000 and work is in progress towards building proving grounds at Rohtak in Haryana.

### OPERATIONS

With market demand much beyond initial projections, and the Company already facing capacity constraints, the challenge during the year was to enhance productivity and efficiency to new levels. With consistent efforts on innovation, people development and process upgradation the Company was able to manufacture far beyond capacity.

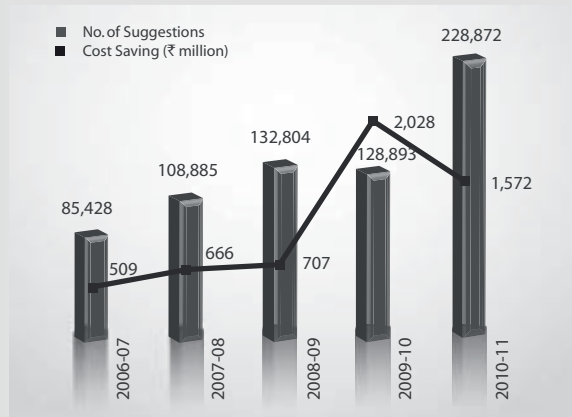
The Company increased manufacturing capability through better facility utilisation, higher plant-model flexibility, in-house automation initiatives and ultra-modern flexi-lines. By March 2011 production was at an annualised rate of 1.4 million units per annum. The ramp-up time of new models improved by 40 per cent, enabling the Company to meet spurts in demand.

The Company's Production Management System (PMS), which has enabled sharp improvement in efficiency and productivity in recent years, moved to the next phase. The core of PMS lies in involving people at all levels and generating ideas through a series of brainstorming sessions. The PMS strives to achieve manufacturing excellence in four areas: Safety, Quality, Productivity and Cost. The ideas generated are worked upon by cross-functional teams across verticals. This has led to significant improvement in process quality and productivity. An example is pre-delivery inspection, a parameter of production quality measured during tests at dealership. It has improved by 30 per cent owing to cross-functional efforts by Production, Quality Assurance and Service.



People involvement is the key to process improvements and cost reduction. With committed focus and special drives, employees continued to generate suggestions towards continuous improvement in systems & processes, productivity and in eliminating waste.

#### Suggestion Scheme



The Company undertook 29 major automation initiatives in-house, further reducing cost. An in-house Technical Training Centre maps and imparts right technical skills to people. It currently offers 36 modules. The Company also observes a theme-based safety day every month, involving almost all employees in the effort.

#### TOOL ROOM & DIE SHOP

In FY2008-09 the Company had started to design & develop dies for critical sheet metal parts and engine components. This development of inhouse dies for body parts helped the Company save cost (compared to imported dies). This initiative has grown to become the Company's major source for development of dies. It presently meets 30 per cent requirement of sheet metal dies for new models and 100 per cent requirement of engine parts like cylinder head. Significant cost saving, between 25-40 per cent, was achieved, compared to imported dies.

#### ENERGY AND ENVIRONMENT SENSITIVITY IN OPERATIONS

During the year, ISO 14001 Surveillance audit was carried out by M/s AVI, Belgium, and the auditors recommended continuation of ISO 14001 for the year.

In the Gurgaon plant, electricity consumption per vehicle in the production process came down by 16 per cent during the year. Similarly, CO<sub>2</sub> emission per vehicle reduced



15 per cent. Water consumption per vehicle was down 5 per cent in the manufacturing process.

In the Manesar Plant, electricity consumption per vehicle came down 1 per cent, CO<sub>2</sub> emission was lower by 13 per cent while water consumption reduced 16 per cent compared to the previous year. This was helped by certain new initiatives taken during the year

#### Environment

- + Use of cleaner fuel (R-LNG) at Manesar plant
- + Use of canal water in Manesar plant
- + Channelising hazardous waste for use in cement industry
- + CDM for vehicle transportation
- + Use of fly-ash for construction
- + Green belt development

#### Energy Savings

- + LED Lights for street lights and meeting rooms
- + Solar lighting covering all street-lights in Gurgaon plant
- + Use of natural light in meeting rooms
- + Energy efficient air washers in Gurgaon plant

#### Water Conservation

- + Air cooled cooling towers in Gurgaon and Manesar plants
- + Air cooled air dryers in compressed air plant

#### Information Technology

The Company is refining its database of over 8 million customers. This will enable the Company to connect with customers in a more meaningful and relevant manner.

## Management Discussion & Analysis

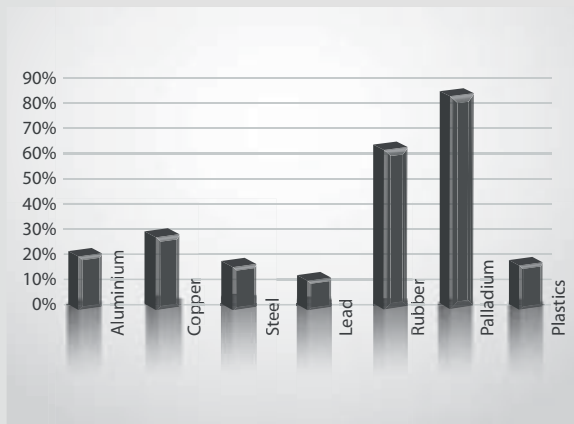
During the year, IT also played a critical role as the Company embarked on a unified approach to product development, with SMC. The Company continued to strengthen the information technology backbone end-to-end to support the value chain. This covered the dealer management system, niche technology solutions in the Parts business for better forecast and superior warehouse management to serve customers better.

### Raw material and Component Procurement

The sharp growth in the market, beyond initial expectations, offered opportunity to suppliers. At the same time, there were challenges in terms of capacity constraints.

Commodity prices continued their upswing and the year closed with several commodities at their annual high.

Average increase in commodity price FY2010-11



As the year exposed the Company and the suppliers to currency fluctuations, including an appreciating Yen, the Company enhanced focus on localisation of components

imported by vendors. This will reduce the risk of foreign exchange exposure and bring down input cost. There is now a 3-year roadmap to bring down vendor imported content significantly from present levels.

Cost reduction efforts and continuous improvements helped minimise the impact of hardening commodity prices and adverse currency movements. Various projects at the Company, and at the suppliers, saw cost reduction via yield improvement, focused model cost down and alternate sourcing from more cost efficient sources. The Company is looking at opportunities from FTAs and similar arrangements for source substitution of technologically complex items, presently being imported from other locations.

Suppliers are investing in dedicated expansions to support the increase in production volumes, in-line with the Company's long term targets.

The Company is working with suppliers to undertake detailed study of financials to identify stress or any exposure to financial risk, and also gear up for growth opportunities in the medium term.

The Company has requested its vendor partners to enhance scalability and reliability given the huge growth opportunity in the Indian car market. A professional management and professional human resource practices are important prerequisites to scalability and reliability. Towards this end, the Company is working in a structured way with vendor companies in the area of people management and improving work environment. This will help improve speed, productivity and scalability, while contributing to sound industrial relations and reliability. The Company expects Tier-1 suppliers to cascade these efforts to Tier-2 and Tier-3 suppliers for a healthy value chain.

## Financial Performance

**Table 1: Abridged profit and loss account for 2010-11 (₹ million)**

Parameters	2010-11	2009-10	Change
1 Volumes (Nos)			
Domestic	<b>1,132,739</b>	870,790	
Export	<b>138,266</b>	147,575	
Total	<b>1,271,005</b>	1,018,365	24.8%
2 Gross Sales	<b>404,190</b>	318,073	
Vehicles	<b>380,057</b>	298,534	
Spares, dies, moulds	<b>24,133</b>	19,539	
3 Excise duty	<b>42,908</b>	28,488	
4 Net sales (2-3)	<b>361,282</b>	289,585	
5 Income from services	<b>1,715</b>	1,404	
6 Total operating income	<b>362,997</b>	290,989	
7 Other income	<b>12,227</b>	10,243	
8 Total income	<b>375,224</b>	301,232	24.6%
9 Consumption of raw materials & components, stores & traded goods	<b>287,943</b>	224,134	
10 Employee costs	<b>7,036</b>	5,456	
11 Manufacturing, administrative and other costs	<b>29,178</b>	17,972	
12 Selling and distribution expenses	<b>9,600</b>	9,160	
13 Financial expenses	<b>244</b>	335	
14 Depreciation	<b>10,135</b>	8,250	
15 Total expenditure	<b>344,136</b>	265,307	29.7%
16 PBT (8-15)	<b>31,088</b>	35,925	
17 Current tax	<b>8,101</b>	11,230	
18 Deferred tax	<b>101</b>	(281)	
19 PAT (16-17-18)	<b>22,886</b>	24,976	-8.4%

**Table 2: Financial Performance – Ratios (as a percentage of Net Sales)**

Parameters	2010-11	2009-10	Change
Material cost	<b>79.7%</b>	77.4%	(2.3)
Employee cost	<b>1.9%</b>	1.9%	-
Manufacturing & Admin expenses	<b>8.1%</b>	6.2%	(1.9)
Selling and Distribution expenses	<b>2.7%</b>	3.2%	0.5
Depreciation	<b>2.8%</b>	2.8%	-
Profit before Tax	<b>8.6%</b>	12.4%	(3.8)
Profit after Tax	<b>6.3%</b>	8.6%	(2.3)

### Working Capital Management

Around 75 per cent of the Company's components by value are outsourced and manufacturing is undertaken based on Just-In-Time (JIT) inventory principles. Working capital management, therefore, plays a key role in the Company's operations. The inventory turnover ratio of the Company increased from 21.2 in FY2009-10 to 21.9 in FY2010-11 and average receivables decreased from 10 days in FY2009-10 to 7.7 days in FY2010-11.

### Treasury Operations

The Company has efficiently managed its surplus funds through careful treasury operations. The guiding principle of the Company's treasury investments is safety and

## Management Discussion & Analysis

prudence. In view of this, the Company invested its surplus funds in debt schemes of mutual funds, corporate bonds and short-term bank fixed deposits. This has enabled the Company to earn reasonable and stable returns in a volatile interest rate scenario. Table-3 lists the different portfolios while Table-4 lists the return on these surplus funds.

**Table 3: Investment of surplus funds (₹ million)**

	31-03-11	% of total	31-03-10	% of total
Corporate Bonds	7,000	10%	-	-
Bank Fixed Deposits	24,130	34%	-	-
Debt Mutual Funds	40,106	56%	67,930	100%
<b>Total</b>	<b>71,236</b>	<b>100%</b>	<b>67,930</b>	<b>100%</b>

**Table 4: Income from investment of surplus funds (₹ million)**

	2010-11	2009-10
Interest on Corporate Bonds	298	-
Interest on Fixed Deposits	681	1,156
Dividend from Debt Mutual Funds	2,066	1,531
Net Profit from sale of Investments	630	1,291
<b>Total</b>	<b>3,675</b>	<b>3,978</b>

### Foreign exchange risk management

The Company is exposed to the risks associated with fluctuations in foreign exchange rates mainly on import of components, raw materials, royalty payments and export of vehicles. The Company has a well structured exchange risk management policy. The Company manages its exchange risk by using appropriate hedge instruments depending on the market conditions and the view on the currency.

### Internal controls and adequacy

The Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and that all transactions are authorized, recorded and reported correctly. The internal control system is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. The internal control system is supplemented by an extensive program of internal audits, reviews by management, and documented policies, guidelines and procedures.

## HUMAN RESOURCES

The driving force behind the Company's performance has been its people. Their passion, commitment, sense of ownership and team work has enabled the Company to sustain its leadership position.

The Company is bringing in new HR initiatives in line with the medium and long term business strategy. Keeping in mind the expanding scale of business operations, the Company has created a decentralised HR organisation. This has taken HR closer to individual business verticals. Now, Plant-HR, Engineering-HR, Commercial-HR and Supply Chain-HR have a more targeted focus on manpower planning & recruitment, people development and HR policies & compensation management.

People development across functions and levels remains a key focus area. A well defined training policy and training needs identification process and an annual training calendar helps map the requirement of employees and formulate the annual training calendar. A total of 52,908 training man-days, with 6 man-days per employee, were achieved in FY2010-11.

In developing phase-1 of the R&D test course at Rohtak, the Company is building its R&D talent pool through local as well as global hiring of engineers with specific skills in the areas of advanced automotive technologies, clay modelling and interior designs. Capability building is being planned and executed at different levels. In addition to internal and external training on specific competencies, this is being done through overseas on-the-job training at SMC.

Positive steps are taken towards strengthening internal communication and connect with the employees. Employees are kept updated on the latest business and industry developments through the in-house online portal and division specific communication meetings. The Company has created a number of avenues for employees to share their views and opinions with the top management. These Initiatives help map expectations of employees. The Company works on the feedback and keeps re-looking at the existing policies, systems & processes.

This year, employees' remuneration package was restructured in line with market trends, and the annual increase was paid out as a lump-sum during the year.

In the Company's journey towards business excellence, development of channel partners is equally critical.

The Company took significant efforts in advocating professional HR practices at dealers and vendors to achieve excellence in the entire value chain.

## RISK FACTORS

The Company operates in an environment which is affected by various factors some of which are controllable while some are outside the control of the Company. The activity of risk management in the Company is reviewed by the Audit Committee through a management sub-committee, namely the Executive Risk Management Committee (ERMC). The ERMC consists of the Managing Director & CEO and all executive officers of the Company. It reviews the risk management activities on a regular basis in addition to scanning for any new risks that may arise due to changes in the business environment. While the possibility of a negative impact due to one or more such risks cannot be totally precluded the Company proactively takes reasonable steps and makes efforts to mitigate significant risks that may affect it. Some of the risks that are potentially significant in nature and need careful monitoring are listed hereunder:

- + Macroeconomic Factors
- + Preparedness of value chain partners
- + Inappropriate product portfolio
- + Competition product launches
- + Talent acquisition & retention
- + Geographic concentration
- + Changes in government policy and legislation

## OUTLOOK

The market for passenger vehicles in India is estimated to grow to 4.5 million to 5 million units by 2015-16. Although rising inflation, interest rates and crude oil prices are concerns in the short term, the Company is optimistic about the medium and long term. The Company is gearing up for growth.

Initiatives to expand manufacturing capacity are underway. The Company's products are well received by customers. SMC's design philosophy of aggressive and sporty cars, K-series technology and the popularity of the Company's diesel car offerings augur well for the future. To supplement this, the Company is stepping up its R&D capability to work in a unified way with SMC and offer a regular pipeline of new and refreshed models.

The Company's network of sales and service outlets continues to be its strength. Network is set to expand in the future, and will help tap opportunity as economic prosperity widens and deepens in the country.



High commodity prices and adverse currency movements continue to be the challenges. Besides existing efforts to boost productivity, reduce waste and enhance value, the Company is working on new initiatives like higher localisation and hedging to reduce the impact of commodity prices and currency.

The Company is conscious that talent will be key to achieving the goals envisaged for the medium term. Specific initiatives are being taken in the area of recruitment and development.

The Company is working closely with suppliers and dealers to prepare them for growth as well as higher competitive intensity.

## Disclaimer

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations are categorised as 'forward looking statements' within the meaning of applicable laws and regulations.

Actual results may differ substantially or materially from those expressed or implied.

Important developments that could affect the Company's operations include an onward trend in the domestic auto industry, competition, rise in input costs, exchange rate fluctuations, and significant changes in the political and economic environment in India, environmental standards, tax laws, litigation and labour relations.



*Effluent Treatment Plant at the Gurgaon facility.*

# Sustainability

## SUSTAINABILITY AT MARUTI SUZUKI

Sustainability is central to the Company's operations and its business strategy. Making a humble beginning with the launch of Maruti 800 in 1983, Maruti Suzuki has grown to become the largest passenger car manufacturer in India offering customers 14 models. The Company's presence can be seen across the length and breadth of the country. The Company has sustained its leadership position in the passenger vehicle market despite tough competition and market conditions. This has been achieved through high focus on all the aspects of sustainability - economic, environmental and social.

The Company has established a robust risk identification and mitigation framework. All risks and mitigation plans are deliberated and compiled by the Executive Risk Management Committee (ERMC) and reviewed by the Audit Committee on a regular basis. The Company has a designated Chief Risk Officer to facilitate risk management activities.

### Economic sustainability

The Company believes in financial prudence and refrains from investments for quick gains. Investments for business expansion projects are met from internal accruals. The Company has a healthy balance sheet and adequate reserves to meet its requirements of funds for future expansion. The Company is investing over ₹ 60,000 million in new manufacturing facilities, expansion of R&D facilities and vehicle stockyards.

The Company has institutionalised a robust system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

The Company is exposed to risks associated with fluctuations in foreign exchange rates mainly on import of components, raw materials, royalty payments and export of vehicles. The Company has a well-structured exchange risk management policy. The Company manages its exchange risk by using appropriate hedge instruments depending on the market conditions and the view on the currency. To reduce this risk further, the Company has been focusing on localising the vendor imported components. This will help reduce cost, bring immunity against foreign exchange fluctuations and at the same time, provide a boost to small and medium scale local industries.

The Company registered its highest ever sales of 1,271,005 vehicles in the domestic and export markets during 2010-11. The Company's sales in the domestic market crossed the milestone of 1 million vehicles for the first time in 2010-11 registering a sale of 1,132,739 units, a growth of 30.1 per cent over the previous year. The Company's market share increased from 44.6 per cent in 2009-10 to 44.9 per cent in 2010-11, despite increased competition with new model launches in compact and sedan car segment.

### Environmental sustainability

Making a thought-out decision to invest in environment, the Company has tried its best to stay ahead of government regulations. The Company addresses environmental issues from the point of view of manufacturing, products and supply chain.

The Company is guided by its Environment Policy that promotes energy conservation, 3Rs (Reduce, Reuse and Recycle), green procurement, environment friendly mobility and environment consciousness among its direct stakeholders. The Company also follows SMC's basic philosophy of *Smaller, Fewer, Lighter, Shorter and Neater* in its manufacturing facilities.

The Company has been able to reduce per vehicle electricity consumption by 32 per cent and 38 per cent at its Gurgaon and Manesar plants respectively. Similarly, per vehicle water consumption has reduced by 62 per cent and 61 per cent respectively. Both facilities are zero water discharge (outside factory premises).



## Sustainability

Environment friendly natural gas is used in captive power plants to meet power requirements of the Company and its suppliers located in the Suppliers' Park in Gurgaon and Manesar locations. The quality of ambient air and stack emission parameters (SOx, NOx, SPM etc.) are monitored by government approved external agency at regular frequency. The monitored values are well within the prescribed limits.

The Company also works with its suppliers to reduce any negative impact on the environment. Suppliers are encouraged to shift their production facilities near the Company's manufacturing sites. Both Gurgaon and Manesar plants have a dedicated Suppliers' Park that reduces the pollution involved in transportation. Of the 19 joint ventures of the Company, 11 are located in the Suppliers' Park. The Company has been able to source 86 per cent supplies by value from suppliers situated within 100 kms radius. Only trucks carrying valid Pollution Under Control (PUC) Certificate are allowed to enter inside the Company premises for supply of parts. Suppliers are encouraged to use recyclable and reusable packing for component supplies.

On the product side, the Company has introduced fuel efficient and environment friendly K-series petrol engine and i-GPI CNG engine technologies. CNG vehicles launched by the Company emit almost 20 per cent lower CO<sub>2</sub> as compared to their petrol variants e.g. WagonR CNG has CO<sub>2</sub> as low as 101.4gm/kg as compared to 130gm/kg of WagonR petrol. The Company has the distinction of introducing a host of environment friendly programmes ahead of government regulations and the industry. This includes implementing End of Life Vehicle (ELV) programme where hazardous elements like Lead, Cadmium, Hexavalent Chromium and Mercury are not used in making vehicles. The Company produced the first BS-IV and E-10 compliant engines ahead of regulations coming to force in the country.

All vehicles manufactured are asbestos free and most are ELV compliant. The vehicles comply with Euro-IV emission norms even though these norms are applicable only in limited cities. The Company has showcased electric and hybrid vehicles in the last Auto Expo at New Delhi. The Company has also partnered with the government



*Mr. Pawan Kumar Bansal, Union Minister for Water Resources & Parliamentary Affairs presenting Mr. S. Y. Siddiqui, the CII ITC Sustainability Award 2010 for Strong Commitment to Sustainability.*





*Institute of Driving and Traffic Research, New Delhi.*

under National Hybrid Propulsion Programme (NHPP) and Ministry of New and Renewable Energy Resources (MNRE) programme to develop environment friendly vehicles.

### **Social sustainability**

The Company's social initiatives focus on three primary areas- road safety, vocation training through upgradation of ITIs and community development in Manesar. In addition to these, the Company also runs an employee volunteering programme called e-Parivartan and operates two schools for children of employees and the local community.

The Company began its road safety initiative in 2000, offering a well-structured and scientifically designed driving training programme to the public. The Company has a two-pronged approach to impart driving skill to existing as well as new drivers; one is through Institute of Driving and Traffic Research (IDTR) and the other through Maruti Driving Schools (MDS). The Company's driving training infrastructure at present includes 4 IDTRs and 166 Maruti Driving Schools spread across the country. IDTR and MDS have together trained over 850,000 people in safe driving so far.

The Company has collaborated with select ITIs across the country for skill training of man power. The Company is presently working with seven ITIs, of which four were collaborated within the reporting year. As affirmative action, the Company has deliberately chosen to work with the ITI at Elathur, Kerala that specifically caters to the Schedule Caste and Schedule Tribe (SC/ST) community.

The Company also works with two ITIs dedicated for women at Gurgaon and Jhajjar in Haryana. The Company partners with the ITIs for their overall upgradation including basic infrastructure development, repair and maintenance of machines, provision of teaching aids, industry exposure for students and faculty, preparation of Institute Development Plan, soft skills training etc.

The Company continued working in four neighbouring villages in Manesar on issues of healthcare, education, infrastructure development and skill training in 2010-11. In addition to the social benefits to the local community, these initiatives helped in building cohesive relation between the community and the Company.

The Company encourages its employees to contribute for the social and economic development of underprivileged sections of the society. Under the volunteering programme, employees contributed 2,792 volunteering hours in 2010-11. Cumulatively, employees have spent 7,095 hours in volunteering activities since the programme launch in November, 2008.

The Company publishes Sustainability Report as per the GRI G3 Reporting Guidelines. For detailed information of the Company's sustainability performance, please refer to the sustainability report available on the Company website [www.marutisuzuki.com](http://www.marutisuzuki.com)

# Financial Results 2010-2011



# AUDITORS' REPORT

## TO THE MEMBERS OF MARUTI SUZUKI INDIA LIMITED

1. We have audited the attached Balance Sheet of Maruti Suzuki India Limited (the "Company"), as at 31st March, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that:
  - i)
    - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
    - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items, except furniture and fixtures, office appliances and certain other assets having an aggregate net book value of ₹ 974 million, over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
    - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
  - ii)
    - (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with the third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
    - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
    - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
  - iii) The Company has not taken / granted any loans, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
  - iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
  - v)
    - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
    - (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ Five Lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time. In respect of purchase of goods and materials including components from the holding company, the prices paid for these items are not comparable as these are of special nature.

## AUDITORS' REPORT

- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31st, 2011 which have not been deposited on account of any dispute are as follows:

(₹ Million)

Name of the statute (Nature of Dues)	Amount	Amount deposited under protest	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961 (Tax & Interest)	5,085	4,178	1991 to 2009	Income Tax Appellate Tribunal/ High Court/ Commissioner Income Tax (Appeals)/AO(TDS)
Wealth Tax Act, 1957 (Tax)	1	1	1997 to 1998	High Court
Haryana General Sales Tax Act (Tax & Interest)	3	-	1983 to 1988	Assessing Authority
Delhi Sales Tax Act (Tax)	47	2	1987 to 1991	Additional Commissioner
The Central Excise Act, 1944 (Duty, Interest & Penalty)	1,963	6	May 1989 to September 2010	Customs Excise & Service Tax Appellate Tribunal/ High Court/ Supreme Court
The Finance Act, 1994 (Service Tax, Interest & Penalty)	156	2	July 2003 to March 2010	Customs Excise & Service Tax Appellate Tribunal
Customs Act, 1962 (Duty & Interest)	27	22	February 2003 to August 2003	Customs Excise & Service Tax Appellate Tribunal

For detailed listing refer Note 29 on Schedule 23

- x) The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or debenture holders as at the balance sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

## AUDITORS' REPORT

- xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
  - xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
  - xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
  - xix) The Company has no outstanding debentures as at the year end.
  - xx) The Company has not raised any money by public issue during the year.
  - xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
4. Further to our comments in paragraph 3 above, we report that:
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section(3C) of Section 211 of the Act and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: New Delhi  
Date: April 25, 2011

**For Price Waterhouse**  
Firm Registration Number: FRN 301112E  
Chartered Accountants

**Anupam Dhawan**  
Partner  
Membership Number - F084451

# BALANCE SHEET

AS AT 31st MARCH, 2011

(₹ in Million)

	Schedule	As at 31.03.11	As at 31.03.10
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	1,445	1,445
Reserves and Surplus	2	<u>137,230</u>	<u>116,906</u>
<b>LOAN FUNDS</b>			
Secured Loans	3	312	265
Unsecured Loans	4	<u>2,781</u>	<u>7,949</u>
<b>DEFERRED TAX (Note 19 on Schedule 23)</b>			
Deferred Tax Liabilities		2,512	2,206
Deferred Tax Assets		<u>(868)</u>	<u>1,370</u>
<b>Total</b>		<b>143,412</b>	<b>127,935</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	117,377	104,067
Less: Depreciation / Amortisation		<u>(62,083)</u>	<u>(53,820)</u>
		55,294	50,247
Capital Work-In-Progress	6	<u>14,286</u>	<u>3,876</u>
<b>INVESTMENTS</b>	7	<b>51,067</b>	71,766
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	8	14,150	12,088
Sundry Debtors	9	8,933	8,099
Cash and Bank Balances	10	25,085	982
Other Current Assets	11	1,673	848
Loans and Advances	12	<u>13,722</u>	<u>15,707</u>
		<u>63,563</u>	<u>37,724</u>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	13	35,540	29,365
Provisions	14	<u>5,258</u>	<u>6,313</u>
		<u>40,798</u>	<u>35,678</u>
Net Current Assets		<b>22,765</b>	2,046
<b>Total</b>		<b>143,412</b>	<b>127,935</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	22		
<b>NOTES TO ACCOUNTS</b>	23		

This is the Balance Sheet referred to in our report of even date.

**For Price Waterhouse**  
Firm Registration Number: FRN 301112E  
Chartered Accountants

**ANUPAM DHAWAN**  
Partner  
Membership Number - F 084451

Place: New Delhi  
April 25, 2011

The Schedules referred to above form an integral part of the Balance Sheet.

**SHINZO NAKANISHI**  
Managing Director & CEO

**AJAY SETH**  
Chief Financial Officer

**S. OISHI**  
Director

**S. RAVI AIYAR**  
Chief General Manager (Legal)  
& Company Secretary

# PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2011

		(₹ in Million)	
	Schedule	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>INCOME</b>			
Gross Sales	15	404,190	318,073
less: Excise Duty		42,908	28,488
Net Sales		<u>361,282</u>	289,585
Income from Services [Net of expenses ₹ 378 million (previous year ₹ 137 million)]		1,715	1,404
Other Income	16	<u>12,227</u>	10,243
<b>Total</b>		<u><b>375,224</b></u>	<u>301,232</u>
<b>EXPENDITURE</b>			
Consumption of Raw Materials and Components (Note 4,14 and 17 on Schedule 23)		272,720	214,881
Purchase of Traded Goods		12,782	9,050
Consumption of Stores		3,298	2,432
Employees Remuneration and Benefits	17	7,036	5,456
Manufacturing, Administrative and Other Expenses	18	29,178	17,972
Selling and Distribution Expenses	19	<u>9,600</u>	9,160
<b>Total</b>		<u><b>334,614</b></u>	258,951
Less: Vehicles/ Dies for Own Use		257	296
Add : (Increase) /Decrease in Work-in-Progress and Finished Goods and Spare Parts	21	<u>(600)</u>	(1,933)
<b>Total</b>		<u><b>333,757</b></u>	256,722
<b>Earnings before Interest, Depreciation, Tax and Amortizations (EBIDTA)</b>		<u><b>41,467</b></u>	44,510
<b>Interest</b>	20	<u>244</u>	335
Depreciation / Amortisation	5	<u>10,135</u>	8,250
		<u><b>10,379</b></u>	8,585
<b>Profit before Tax</b>		<u><b>31,088</b></u>	35,925
Less :Tax Expense - Current Tax		8,101	11,230
- Deferred Tax (Note 19 on Schedule 23)		<u>101</u>	(281)
<b>Profit after Tax</b>		<u><b>22,886</b></u>	24,976
Add: Brought forward from previous year's account		<u>100,499</u>	80,042
Profit available for Appropriation		<u><b>123,385</b></u>	105,018
Less: Appropriation :			
General Reserve		2,289	2,498
Proposed Dividend		2,167	1,733
Corporate Dividend Tax		<u>351</u>	288
Balance carried forward to Balance Sheet		<u><b>118,578</b></u>	100,499
Basic/Diluted Earnings Per Share (in ₹) (Note 18 on Schedule 23)		<u><b>79.22</b></u>	86.45
Significant Accounting Policies	22		
Notes to Accounts	23		

This is the Profit and Loss Account referred to in our report of even date.

The Schedules referred to above form an integral part of the Profit and Loss Account.

## For Price Waterhouse

Firm Registration Number: FRN 301112E  
Chartered Accountants

## SHINZO NAKANISHI

Managing Director & CEO

## S. OISHI

Director

## ANUPAM DHAWAN

Partner  
Membership Number - F 084451

## AJAY SETH

Chief Financial Officer

## S. RAVI AIYAR

Chief General Manager (Legal)  
& Company Secretary

Place: New Delhi  
April 25, 2011

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Million)

	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>A. Cash flow from Operating Activities:</b>		
Net Profit before Tax	31,088	35,925
<b>Adjustments for:</b>		
Depreciation	10,135	8,250
Interest Expense	244	335
Interest Income	(2,083)	(2,150)
Dividend Income	(2,111)	(1,560)
Net Loss on Sale / Discarding of Fixed Assets	79	97
Profit on Sale of Investments (Net)	(571)	(1,246)
Provisions no Longer Required Written Back	(189)	(511)
Unrealised Foreign Exchange (Gain)/ Loss	(20)	130
<b>Operating Profit before Working Capital changes</b>	<b>36,572</b>	<b>39,270</b>
<b>Adjustments for changes in Working Capital :</b>		
- (Increase)/Decrease in Sundry Debtors	(834)	1,279
- (Increase)/Decrease in Other Current Assets, Loans & Advances	1,759	754
- (Increase)/Decrease in Inventories	(2,062)	(3,065)
- Increase/(Decrease) in Current Liabilities and Provisions	5,308	2,359
<b>Cash generated from Operating Activities</b>	<b>40,743</b>	<b>40,597</b>
- Taxes (Paid) (Net of Tax Deducted at Source)	(10,240)	(10,279)
<b>Net Cash from Operating Activities</b>	<b>30,503</b>	<b>30,318</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets	(24,199)	(15,041)
Sale of Fixed Assets	85	448
Sale of Investments	340,173	167,804
Purchase of Investments	(318,920)	(206,591)
Interest Received	1,484	2,543
Dividend Received	2,111	1,560
<b>Net Cash from Investing Activities</b>	<b>734</b>	<b>(49,277)</b>



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Million)

	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>C. Cash flow from Financing Activities:</b>		
Proceeds from Short Term borrowings	312	4,014
Repayment of Short Term borrowings	(4,015)	(661)
Repayment of Long Term borrowings	(1,420)	(1,472)
Interest Paid	(278)	(319)
Dividend Paid	(1,733)	(1,011)
<b>Net Cash from Financing Activities</b>	<b>(7,134)</b>	551
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>24,103</b>	(18,408)
<b>Cash and Cash Equivalents as at 1st April (Opening Balance)</b>	<b>982</b>	19,390
<b>Cash and Cash Equivalents as at 31st March (Closing Balance)</b>	<b>25,085</b>	982
<b>Cash and Cash Equivalents comprise</b>	<b>25,085</b>	982
Cash & Cheques in Hand	861	843
Balance with Scheduled Banks in Current Accounts	94	139
Balance with Scheduled Banks in Deposit Accounts	24,130	-

Notes :

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 on "Cash Flow Statement" notified under Section 211 (3C) of the Companies Act, 1956.
- 2 Cash and Cash Equivalents include ₹ 4 Million (Previous Year ₹ 4 Million) in respect of unclaimed dividend, the balance of which is not available to the Company.
- 3 Figures in brackets represents cash outflow.

This is the Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse**

Firm Registration Number: FRN 301112E  
Chartered Accountants

**ANUPAM DHAWAN**

Partner  
Membership Number - F 084451

**SHINZO NAKANISHI**

Managing Director & CEO

**AJAY SETH**

Chief Financial Officer

**S. OISHI**

Director

**S. RAVI AIYAR**

Chief General Manager (Legal)  
& Company Secretary

Place: New Delhi  
April 25, 2011

# SCHEDULE

(₹ in Million)

	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
744,000,000 Equity Shares of ₹ 5 each (Previous year 744,000,000 equity shares of ₹ 5 each)	3,720	3,720
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	<b>1,445</b>	<b>1,445</b>
288,910,060 Equity Shares of ₹ 5 each (Previous year 288,910,060 equity shares of ₹ 5 each) fully paid up		
Of the above -		
- 8,840,000 Equity Shares of ₹ 5 each (Previous year 8,840,000 equity shares of ₹ 5 each) were issued for consideration other than cash.		
- 156,618,440 Equity Shares of ₹ 5 each (Previous year 156,618,440 equity shares of ₹ 5 each) are held by Suzuki Motor Corporation, the Holding Company and its nominees		
	<b>1,445</b>	<b>1,445</b>

	Balance as at 1st April, 2010	Additions during the Year	Transfer/ Adjustment during the Year	Balances as at 31st March 2011
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>				
Share Premium Account	4,241	-	-	4,241
Hedge Reserve Account	238	-	(44)	194
General Reserve	11,928	2,289	-	14,217
Balance as per Profit and Loss Account	100,499	18,079	-	118,578
	116,906	20,368	(44)	137,230

	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 3 - SECURED LOANS</b>		
<b>SHORT TERM LOANS</b>		
- FROM BANKS		
Cash Credit	312	265
(Secured by pari passu first charge on the stock, book debts and other current assets)		
	<b>312</b>	<b>265</b>

# SCHEDULE

(₹ in Million)

	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 4 - UNSECURED LOANS</b>		
<b>SHORT TERM LOANS - FROM BANKS</b>		
Export Credit	-	3,750
<b>LONG TERM LOANS - FROM BANKS</b>		
Foreign Currency Loans *	2,781	4,199
Loan from Japan Bank of International Cooperation and Bank of Tokyo Mitsubishi *(Guaranteed by Suzuki Motor Corporation, Japan, the Holding Company) {Payable within one year ₹ 1390 Million (Previous Year ₹ 1400 Million)}		
	<b>2,781</b>	<b>7,949</b>

## SCHEDULE 5 - FIXED ASSETS

Particulars	Gross Block			Depreciation / Amortisation				Net Block		
	As at 01.04.10	Additions	Deductions/ Adjustments	As at 31.03.11	Upto 01.04.10	For the year	Deductions/ Adjustments	As at 31.03.11	As at 31.03.11	As at 31.03.10
Tangible Assets:										
Freehold land (Note 1 & 3)	6,922	2,584	-	<b>9,506</b>	-	-	-	-	<b>9,506</b>	6,922
Leasehold land	570	782	-	<b>1,352</b>	6	3	-	<b>9</b>	<b>1,343</b>	564
Building	7,231	419	(5)	<b>7,645</b>	1,330	218	(1)	<b>1,547</b>	<b>6,098</b>	5,901
Plant and Machinery (Note 2)	86,706	10,606	(1,745)	<b>95,567</b>	51,009	9,507	(1,694)	<b>58,822</b>	<b>36,745</b>	35,697
Electronic Data Processing Equipment	1,227	165	(96)	<b>1,296</b>	1,030	162	(96)	<b>1,096</b>	<b>200</b>	197
Furniture , Fixtures and Office Appliances	690	116	(4)	<b>802</b>	235	45	(2)	<b>278</b>	<b>524</b>	455
Vehicles	527	220	(186)	<b>561</b>	175	44	(79)	<b>140</b>	<b>421</b>	352
Intangible Assets: Lump Sum Royalty	194	454	-	<b>648</b>	35	156	-	<b>191</b>	<b>457</b>	159
<b>Total</b>	<b>104,067</b>	<b>15,346</b>	<b>(2,036)</b>	<b>117,377</b>	<b>53,820</b>	<b>10,135</b>	<b>(1,872)</b>	<b>62,083</b>	<b>55,294</b>	<b>50,247</b>
Previous Year Figures	87,206	18,334	(1,473)	<b>104,067</b>	46,498	8,250	(928)	<b>53,820</b>	<b>50,247</b>	

- (1) Freehold land costing ₹ 5,304 million (Previous year ₹ 5,255 million) is not yet registered in the name of the Company. A part of this land has been / would be made available to group companies.
- (2) Plant and Machinery (gross block) includes pro-rata cost amounting to ₹ 374 million (Previous year ₹ 374 million) of a Gas Turbine jointly owned by the Company with its group companies and other companies.
- (3) Freehold Land includes 600 acres of land allotted to the Company by Haryana State Industrial Development Corporation, a part of which has been made available to group companies.

# SCHEDULE

	(₹ in Million)	
	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 6 - CAPITAL WORK-IN-PROGRESS</b>		
Plant and Machinery	7,519	1,840
Civil Work-in-progress	2,580	450
Capital Advances	4,187	1,586
	<b>14,286</b>	<b>3,876</b>

## SCHEDULE 7 - INVESTMENTS

(Note 27 on Schedule 23)

### Trade Investments :

#### Long Term :

Quoted Equity Shares (Fully Paid)	111	111
Unquoted Equity Shares (Fully Paid) (Note 1)	3,836	3,716

#### Investment in Subsidiary Companies

Unquoted Equity Shares (Fully Paid)	14	9
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### Other Investments:

#### Long Term (Quoted) :

Corporate Bonds (Note 2)	7,000	-
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#### Long Term (Unquoted) :

Mutual funds	33,836	15,658
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#### Current (Unquoted) :

Mutual funds	6,270	52,272
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	<b>51,067</b>	<b>71,766</b>
Aggregate Value of Unquoted Investments	<b>43,956</b>	71,655
Aggregate Value of Quoted Investments	<b>7,111</b>	111
Market Value of Quoted Investments (Note 2)	<b>2,640</b>	2,151

Note:

1. Include equity shares pending allotment amounting to ₹ Nil (Previous Year ₹ 5 million)
2. Market value of Corporate Bonds is not available as at March 31, 2011

## SCHEDULE 8 - INVENTORIES

### Components and Raw Materials

In transit	3,045	2,075
With vendors	375	204
At factory	<b>4,164</b>	<b>4,085</b>

### Stores and Spares

Vehicles	1,296	1,019
Machinery	174	124
Consumables	131	100
In transit	<b>27</b>	<b>67</b>

Tools at factory	<b>261</b>	219
Work-in-Progress	<b>457</b>	401
Finished Goods	<b>4,220</b>	3,794
	<b>14,150</b>	<b>12,088</b>

# SCHEDULE

	(₹ in Million)	
	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 9 - SUNDRY DEBTORS</b>		
(Note 21 on Schedule 23)		
Debts outstanding for more than six months		
Unsecured - Considered Good	224	362
- Considered Doubtful	266	266
	<u>490</u>	<u>628</u>
Less: Provision for Doubtful Debts	266	266
Other Debts :		
Unsecured - Considered Good	8,709	7,737
	<u>8,933</u>	<u>8,099</u>

## SCHEDULE 10 - CASH AND BANK BALANCES

Cash in Hand	4	1
Cheques in Hand	857	842
Bank balances with Scheduled Banks in :		
Current Accounts	90	135
Deposit Accounts	24,130	-
Dividend Account	4	4
	<u>25,085</u>	<u>982</u>

## SCHEDULE 11 - OTHER CURRENT ASSETS

Interest accrued on Deposits, Loans and Advances		
Secured - Considered Good	24	33
- Considered Doubtful	6	6
	<u>30</u>	<u>39</u>
Less: Provision for Doubtful Interest	6	6
Unsecured - Considered Good	449	139
- Considered Doubtful	1	1
	<u>450</u>	<u>140</u>
Less: Provision for Doubtful Interest	1	1
Claims - Unsecured		
- Considered Good	902	676
- Considered Doubtful	27	28
	<u>929</u>	<u>704</u>
Less: Provision for Doubtful Claims	27	28
Interest Accrued but not due on Corporate Bonds	298	-
	<u>1,673</u>	<u>848</u>

# SCHEDULE

	(₹ in Million)	
	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 12 - LOANS AND ADVANCES</b>		
(Notes 21 & 22 on Schedule 23)		
<b>Loans</b>		
Secured - Considered Good	23	29
- Considered Doubtful	8	8
	<u>31</u>	<u>37</u>
Less: Provision for Doubtful Loans	8	8
	23	29
Unsecured		
- Considered Good	2,295	2,769
- Considered Doubtful	1	1
	<u>2,296</u>	<u>2,770</u>
Less: Provision for Doubtful Loans	1	1
	2,295	2,769
<b>Advances recoverable in cash or in kind or for value to be received:</b>		
Unsecured - Considered Good	2,628	4,781
- Considered Doubtful	110	110
	<u>2,738</u>	<u>4,891</u>
Less: Provision for Doubtful Advances	110	110
	2,628	4,781
<b>Deposits - Considered Good unless otherwise stated</b>		
Balance with Customs, Port Trust and other Government Authorities	8,696	8,052
Inter Corporate Deposits Considered Doubtful	125	135
Less :Provision for Doubtful Deposits	125	135
Other Deposits	80	76
	<u>13,722</u>	<u>15,707</u>

## SCHEDULE 13 - CURRENT LIABILITIES

Sundry Creditors (Note 20 on Schedule 23)		
Due to Micro and Small enterprises	172	69
Others	29,323	23,083
Advances from Customers/Dealers	1,781	2,489
Book Overdraft	1,224	675
Unclaimed Dividend *	5	4
Other Liabilities	1,767	1,124
Deposits from Dealers, Contractors and Others	1,259	1,878
Interest Accrued but not due on :		
Loans	4	40
Others	5	3
	<u>9</u>	<u>43</u>
	<u>35,540</u>	<u>29,365</u>

\*Not due to be credited to the Investor Education and Protection Fund

## SCHEDULE

	(₹ in Million)	
	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 14 - PROVISIONS</b>		
(Note 24 and 26 on Schedule 23)		
Litigation Related Provisions	658	614
Leave Encashment	752	659
Retirement Allowance	38	29
Warranty & Product Recall	929	810
Proposed Dividend	2,167	1,733
Corporate Dividend Tax	351	288
Others Provisions	255	221
Taxation [Net of Tax Paid ₹ 61,217 million (Previous year ₹ 51,439 million)]	108	1,959
	<b>5,258</b>	<b>6,313</b>

	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>SCHEDULE 15 - SALES</b>		
Vehicles	380,057	298,534
Spare Parts / Dies and Moulds / Components	24,133	19,539
	<b>404,190</b>	<b>318,073</b>

<b>SCHEDULE 16 - OTHER INCOME</b>			
Interest on:			
a) Fixed Deposits (Gross) [Includes Tax Deducted at Source of ₹ 70 Million (Previous year ₹ 136 million)]	681		1,156
b) Corporate Bonds - Gross	298		-
c) Receivables from Dealers (Gross) [Includes Tax Deducted at Source of ₹ 50 Million (Previous year ₹ 56 million)]	487		418
d) Advances to Vendors (Gross) [Includes Tax Deducted at Source of ₹ 35 Million (Previous year ₹ 88 million)]	253		569
e) Income Tax Refund	360		3
f) Others	4	2,083	4
Sale of Scrap (Net of Excise)		2,750	2,264
Miscellaneous Receipts (Gross) [Includes Tax Deducted at Source of ₹ 21 Million (Previous year ₹ 11 million)]		771	625
Cash Discount		1,919	1,463
Profit on Sale of Investments:			
- Long Term Investments	537		1,257
- Short Term Investments	93	630	34
Dividend:			
Trade Investments - Long Term	45		29
Others	2,066	2,111	1,531
Provisions/ Liabilities no longer required Written Back		189	511
Recovery of Service Charges	620		458
Less: Repair Cost of Damaged Vehicles	47	573	79
Exchange Variation (Net)		1,201	-
		<b>12,227</b>	<b>10,243</b>

# SCHEDULE

	For the Year ended 31.03.2011	(₹ in Million) For the Year ended 31.03.10
<b>SCHEDULE 17 - EMPLOYEES REMUNERATION AND BENEFITS</b>		
(Note 8 and 24 on Schedule 23)		
Salaries ,Wages ,Allowances and Other Benefits [Net of Staff Cost recovered ₹ 99 million (Previous year ₹ 67 million)]	6,256	4,664
Contribution to Provident and Other Funds	303	299
Staff Welfare Expenses	434	475
Group Insurance	43	18
	<b>7,036</b>	<b>5,456</b>

## SCHEDULE 18 - MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES

Power and Fuel [Net of amount recovered ₹ 1,451 million (Previous year ₹ 1,255 million)]	2,102	2,166
Rent	155	155
Rates, Taxes and Fees	873	460
Insurance	78	70
Repairs and Maintenance :		
- Plant and Machinery	569	434
- Building	102	86
- Others	177	137
Royalty	18,925	10,168
Tools / Machinery Spares Charged Off	1,304	867
Net Loss on Sale/ Discarding of Fixed Assets	79	97
Bad Debts/Advances Written Off	1	-
Exchange Variation (Net)	-	135
Loss on Sale of Short Term Investments	59	45
Other Miscellaneous Expenses	4,754	3,152
	<b>29,178</b>	<b>17,972</b>

## SCHEDULE 19 - SELLING AND DISTRIBUTION EXPENSES

Advertisement	3,104	2,810
Sales Promotion	1,688	1,509
Warranty & Product Recall	393	590
Transportation and Distribution Expenses	4,415	4,251
	<b>9,600</b>	<b>9,160</b>



# SCHEDULE

			(₹ in Million)	
	For the		For the	
	year ended		year ended	
	31.03.2011		31.03.10	
<b>SCHEDULE 20 - INTEREST</b>				
Interest				
- Foreign Currency Loans	28		102	
- Export Credit	14	42	16	118
Others		202		217
		<b>244</b>		<b>335</b>

## SCHEDULE 21 - (INCREASE)/ DECREASE IN WORK-IN-PROGRESS, FINISHED GOODS & SPARE PARTS

### Work-in-Progress

Opening Stock	401		489	
Less: Closing Stock	457	(56)	401	88

### Finished Goods

Opening Stock	3,794		1,661	
Less: Closing Stock	4,220		3,794	
	(426)		(2,133)	
Less: Excise Duty on Increase/ (Decrease) of Finished Stock	(132)	(294)	(76)	(2,057)

### Spare Parts-Traded

Opening Stock	858		893	
Less: Closing Stock	1,108	(250)	857	36
		<b>(600)</b>		<b>(1,933)</b>

# SCHEDULE

## SCHEDULE 22 - SIGNIFICANT ACCOUNTING POLICIES

### 1) BASIS FOR PREPARATION OF ACCOUNTS

These financial statements have been prepared to comply in all material respects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956, Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to Section 211 (3C) of the Act, other recognised accounting practices and policies and the relevant provisions of the Companies Act, 1956.

### 2) REVENUE RECOGNITION

Domestic and export sales are recognised on transfer of significant risks and rewards to the customer which takes place on dispatch of goods from the factory / stockyard / storage area and port respectively.

### 3) FIXED ASSETS

- a) Fixed assets (except freehold land which is carried at cost) are carried at cost of acquisition or construction or at manufacturing cost (in case of own manufactured assets) in the year of capitalisation less accumulated depreciation.
- b) Assets acquired under finance lease are capitalized at the lower of their fair value and the present value of minimum lease payments.

### 4) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which each asset is put to use as part of the cost of that asset.

### 5) DEPRECIATION / AMORTISATION

- a) Fixed assets except leasehold assets viz land is depreciated on the straight line method on a pro-rata basis from the month in which each asset is put to use.

Depreciation has been provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for certain fixed assets where, based on the management's estimate of the useful life of the assets, higher depreciation has been provided on the straight line method over the following useful lives:

Plant and Machinery	8 – 11 Years
Dies and Jigs	4 Years
Electronic Data Processing Equipments	3 Years

In respect of assets whose useful life has been revised, the unamortised depreciable amount is charged over the revised remaining useful life of the assets.

- b) Leasehold assets viz land is amortised over the period of lease.
- c) All assets, the individual written down value of which at the beginning of the year is ₹ 5,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.
- d) Lump sum royalty is amortized on a straight line basis over 4 years from the start of production of the related model.

### 6) INVENTORIES

- a) Inventories are valued at the lower of cost, determined on the weighted average basis, and net realisable value.
- b) Tools are written off over a period of three years except for tools valued at ₹ 5,000 or less individually which are charged off to revenue in the year of purchase.
- c) Machinery spares (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to revenue on consumption except those valued at ₹ 5,000 or less individually, which are charged off to revenue in the year of purchase.

### 7) INVESTMENTS

Current investments are valued at the lower of cost and fair value. Long-term investments are valued at cost except in the case of a permanent diminution in their value, in which case the necessary provision is made.

### 8) RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged off against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets and depreciated accordingly.

# SCHEDULE

## 9) FOREIGN CURRENCY TRANSLATIONS AND DERIVATIVE INSTRUMENTS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of transactions are recognised as income or expense in the year in which they arise.
- b) At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are reported at the exchange rates prevailing at the balance sheet date by recognising the exchange difference in profit and loss account. However, the exchange difference arising on foreign currency monetary items that qualify and are designated as hedge instruments in a cash flow hedge is initially recognized in 'hedge reserve' and subsequently transferred to profit & loss account on occurrence of the underlying hedged transaction.
- c) Effective April 1, 2008, the Company adopted Accounting Standard -30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and other regulatory requirements.
- d) Derivative contracts (except for forward foreign exchange contracts where underlying assets or liabilities exist) are fair valued at each reporting date. The Company records the gain or loss on effective hedges, if any, in a hedge reserve, until the transaction is complete. On completion, the gain or loss is transferred to the profit and loss account of that period. Changes in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedge are recognised in the profit and loss account in the accounting period in which they arise.
- e) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

## 10) EMPLOYEE BENEFIT COSTS

### Short - Term Employee Benefits:

Recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

### Post Employment and Other Long Term Employee Benefits :

- (i) The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognised by the income tax authorities. These Funds are administered through Trusts and the Company's contributions thereto are charged to revenue every year. The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a Defined Contribution Plan administered by The New India Insurance Company Limited. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to revenue every year.
- (ii) The Company has Defined Benefit Plans namely Gratuity, Interest on Provident Fund and Retirement Allowance for employees and Other Long Term Employee Benefits i.e. Leave Encashment / Compensated Absences, the liability for which is determined on the basis of an actuarial valuation at the end of the year based on Projected Unit Credit Method. The Gratuity Fund is recognised by the income tax authorities and is administered through a Trust.

Termination benefits are recognised as an expense immediately.

Gains and losses arising out of actuarial valuations are recognised immediately in the Profit and Loss Account as income or expense.

## 11) CUSTOMS DUTY

Custom duty available as drawback is initially recognised as purchase cost and is credited to consumption on export of vehicles.

## 12) GOVERNMENT GRANTS

Government grants are recognised in the profit and loss account in accordance with the related scheme and in the period in which these are accrued.

## 13) TAXES

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit/ (loss) for the year. Current tax is recognised based on assessable profit computed in accordance with the Income Tax Act and at the prevailing tax rate. Deferred tax is recognised for all timing differences. Deferred tax assets are carried forward to the extent it is reasonably / virtually certain that future taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each balance sheet date and written down/ written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

## SCHEDULE

### 14) DIVIDEND INCOME

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

### 15) INTEREST INCOME

Interest income is recognised on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

### 16) IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account to the extent the carrying amount exceeds the recoverable amount.

### 17) ROYALTY

- The company pays / accrues for royalty expense in accordance with the relevant agreements with Suzuki Motor Corporation.
- The lump sum royalty incurred towards obtaining technical assistance / technical know how to manufacture a new model/ car, ownership of which rests with the technical know how provider, is recognised as an intangible asset in accordance with the requirements of Accounting Standard-26 "Intangible Assets." Royalty payable on sale of products i.e. running royalty is charged to profit and loss account as and when incurred.

### 18) PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

## SCHEDULE 23 - NOTES TO ACCOUNTS

### 1) Contingent Liabilities:

- Claims against the Company disputed and not acknowledged as debts:

Particulars	(₹ in Million)	
	As at March 31, 2011	As at March 31, 2010
<b>(i) Excise Duty</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department is in further appeal	1,066	1,141
(b) Show cause notices / orders on the subjects covered in (i) (a) above for other periods	1,932	1,351
(c) Cases pending before Appellate authorities in respect of which the Company is in appeal and other show cause notices	10,631	8,700
<b>Total</b>	<b>13,629</b>	<b>11,192</b>
Amount deposited under protest	3	3
<b>(ii) Service Tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department is in further appeal	357	357
(b) Show cause notices / orders on the subjects covered in (ii) (a) above for other periods	2,775	-
(c) Cases pending before Appellate authorities in respect of which the Company is in appeal and other show cause notices	3,348	1,855
<b>Total</b>	<b>6,480</b>	<b>2,212</b>
Amount deposited under protest	2	-
<b>(iii) Income Tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department is in further appeal	6,491	5,520
(b) Cases pending before Appellate authorities / Dispute Resolution Panel in respect of which the Company is in appeal	6,002	3,416
<b>Total</b>	<b>12,493</b>	<b>8,936</b>
Amount deposited under protest	4,178	3,797

## SCHEDULE

Particulars	(₹ in Million)	
	As at March 31, 2011	As at March 31, 2010
<b>(iv) Custom Duty</b>		
Pending before Appellate authorities in respect of which the Company is in appeal	118	118
Amount deposited under protest	22	22
<b>(v) Sales Tax</b>		
Pending before Appellate authorities in respect of which the Company is in appeal	50	50
Amount deposited under protest	2	2
<b>(vi) Claims against the Company for recovery of ₹ 597 million (Previous year ₹ 480 million) lodged by various parties</b>		

b) The amounts shown in the item (a) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

- 2) Outstanding commitments under Letters of Credit established by the Company aggregate ₹ 9,294 million (Previous year ₹ 3,977 million).
- 3) Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amount to ₹ 25,943 million (Previous year ₹ 17,408 million).
- 4) Consumption of raw materials and components has been computed by adding purchases to the opening stock and deducting closing stock physically verified by the management.
- 5) The Company was granted sales tax benefit in accordance with the provisions of Rule 28C of Haryana General Sales Tax Rules, 1975 for the period from 1st August, 2001 to 31st July, 2015. The ceiling amount of concession to be availed of during entitlement period is ₹ 5,644 million. Till 31st March 2011, the Company has availed of / claimed sales tax benefit amounting to ₹ 2,118 million (Previous year ₹ 1,893 million).
- 6) The Company has considered "business segment" as the primary segment. The Company is primarily in the business of manufacture, purchase and sale of motor vehicles and spare parts ("automobiles"). The other activities of the Company comprise facilitation of Pre-Owned Car sales, Fleet Management and Car Financing. The income from these activities, which are incidental to the Company's business, is not material in financial terms but contribute significantly in generating the demand for the products of the Company. Accordingly, the Company has considered "Business Segment" as the primary segment and thus no business segment information is required to be disclosed.

The "Geographical Segments" has been considered for disclosure as secondary segment, under which domestic segment includes sales to customer located in India and overseas segment includes sales to customers located outside India.

Financial information of geographical segments is as follows :

Particulars	2010-11				2009-10			
	Domestic	Overseas	Unallocated	Total	Domestic	Overseas	Unallocated	Total
Revenue from external customers	374,835	38,473	4,824	418,132	275,934	48,785	5,001	329,720
Segment assets	125,107	6,152	52,951	184,210	84,555	5,200	73,858	163,613
Capital expenditure during the year	25,756	-	-	25,756	13,597	-	-	13,597

Notes:-

- a) Domestic segment includes sales to customers located in India and services income accrued in India.
- b) Overseas segment includes sales and services rendered to customers located outside India.
- c) Unallocated revenue includes interest income, dividend income and profit on sale of investment.
- d) Unallocated assets include other deposits, dividend bank account and investments.
- e) Segment assets includes fixed assets, inventories, sundry debtors, cash and bank balances (except dividend bank account), other current assets, loans and advances (except other deposits).
- f) Capital expenditure during the year includes fixed assets and net additions to capital work in progress.

# SCHEDULE

	(₹ in Million)	
	2010-11	2009-10
<b>7) The following expenses incurred on Research and Development are included under respective account heads:</b>		
Revenue Expenditure		
Employees Remuneration and Benefits	862	624
Other Expenses of Manufacturing and Administration	985	486
Capital Expenditure	2,316	623
	<b>4,163</b>	<b>1,733</b>
<b>8) a) MANAGERIAL REMUNERATION</b>		
Salaries and Allowances	32	28
Commission / Performance linked Bonus*	30	25
Contribution to Provident Fund	8	8
Estimated value of perquisites	17	15
Directors Sitting Fees	1	-
	<b>88</b>	<b>76</b>
* Includes profit linked bonus amounting to ₹ 22 million which is subject to approval of the board of directors.		
<b>b) Computation of net profit in accordance with Section 349/ 198 of the Companies Act, 1956</b>		
Profit before Taxation	31,088	35,925
Add : Depreciation as per accounts	10,135	8,250
Managerial Remuneration Whole Time Directors	80	70
Commission to Non-Whole Time Directors	8	6
Director's Sitting Fees	1	0
[₹ 0.7 million (Previous year ₹ 0.4 million)]		
Provision for Diminution in Value of Investment	-	8
Net Loss on Sale/discarding of Fixed Assets	79	97
	<b>41,391</b>	<b>44,356</b>
Less: Depreciation as per Section 350 of Companies Act, 1956	10,135	8,250
Provision no longer required written back	189	511
Profit on sale of Investments	630	1,291
Net Profit as per Sections 349/350	<b>30,437</b>	<b>34,304</b>
Maximum Commission payable to Non-Whole-time Directors @ 1% on ₹ 30437 million (Previous Year 1% on ₹ 34,338 million)	<b>304</b>	<b>343</b>
Restricted to	<b>8</b>	<b>6</b>
<b>9) AUDITORS' REMUNERATION*</b>		
Statutory Audit	9.00	8.00
Other Audit Services / Certification	0.20	2.20
Reimbursement of Expenses	0.50	0.50
*Excluding Service Tax		
<b>10) CIF VALUE OF IMPORTS</b>		
Raw Materials and Components	29,691	25,616
Capital Goods	8,250	3,968
Maintenance Spares	246	133
Dies and Moulds	31	76
Other Items	826	308
<b>11) EXPENDITURE IN FOREIGN CURRENCY (CASH BASIS)</b>		
Fees for Technical Services (Net of Tax Deducted at Source)	2,256	1,474
Traveling Expenses	67	161
Royalty	13,794	7,617
Interest	193	218
Others	877	448
<b>12) EARNINGS IN FOREIGN CURRENCY</b>		
Export of Goods (FOB basis)	<b>34,988</b>	<b>45,437</b>

## SCHEDULE

(₹ in Million)

	2010-11	2009-10
<b>13) DIVIDEND REMITTED IN FOREIGN CURRENCY (CASH BASIS)</b>		
Dividend for the year 2009-10 (Previous year 2008-09)	940	548
No. of non-resident shareholders	5	5
No. of shares for which dividend remitted	156,618,440	156,618,440
<b>14) VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED</b>		
<b>i) RAW MATERIALS AND COMPONENTS</b>		
Imported	32,707	27,708
Indigenous	240,013	187,173
	<b>272,720</b>	<b>214,881</b>
<b>PERCENTAGE OF TOTAL CONSUMPTION</b>		
Imported	12%	13%
Indigenous	88%	87%
<b>ii) MACHINERY SPARES</b>		
Imported	234	179
Indigenous	717	415
	<b>951</b>	<b>594</b>
<b>PERCENTAGE OF TOTAL CONSUMPTION</b>		
Imported	25%	30%
Indigenous	75%	70%

### 15) LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

PRODUCT	UNIT	LICENSED CAPACITY	INSTALLED CAPACITY**	ACTUAL PRODUCTION
Passenger Cars and Light Duty Utility Vehicles	Nos.	- *	1,000,000	1,273,361
		(-)*	(943,000)	(1,027,879)

Notes:

\* Licensed Capacity is not applicable from 1993-94.

\*\*Installed Capacity is as certified by the management and relied upon by the auditors, being a technical matter. Previous Year figures are in brackets.

### 16) SALES, OPENING STOCK AND CLOSING STOCK

PRODUCT	SALES		OPENING STOCK		CLOSING STOCK	
	QTY.(Nos.)	VALUE	QTY.(Nos.)	VALUE	QTY.(Nos.)	VALUE
Passenger Vehicles	1,271,005	380,057	14,600	3,794	16,222	4,220
	(1,018,365)	(298,534)	(5,838)	(1,661)	(14,600)	(3,794)
Spare Parts / Components	*	24,072	*	1,019	*	1,296
	*	(19,307)	*	(1,044)	*	(1,019)
Dies and Moulds	*	61	*	-	*	-
	*	(232)	*	-	*	-

Notes :

- Purchase of traded goods comprise Vehicles, Spares, Components and Dies and Moulds. During the year 331 Vehicles (Previous year 121 Vehicles) were purchased
  - Closing Stock of vehicles is after adjustment of 22 vehicles (Previous Year - 15) totally damaged.
  - Sales quantity excludes own use vehicles 962 Nos. (Previous Year - 710 Nos.)
  - Sales quantity excludes sample vehicles 81 Nos. (Previous Year - 148 Nos.)
  - Previous Year figures are in brackets.
- \* In view of the innumerable sizes/numbers (individually less than 10%) of the components, Spare parts and Dies and moulds it is not possible to give quantitative details.

## SCHEDULE

### 17) STATEMENT OF RAW MATERIALS AND COMPONENTS CONSUMED

GROUP OF MATERIAL	UNIT	2010-11		2009-10	
		QTY.	AMOUNT	QTY.	AMOUNT
Steel Coils	MT	279,077	13,146	242,713	11,025
Ferrous Castings	MT	22,692	2,107	25,125	1,783
Non-ferrous Castings	MT	19,015	2,791	14,525	1,916
Other Components		*	252,776	*	198,680
Paints	K.LTR	6,573		5,087	
	MT	7,029	1,900	5,408	1,477
			272,720		214,881

\* In view of the innumerable sizes/numbers (including less than 10%) of the components it is not possible to give quantitative details.

### 18) STATEMENT OF EARNING PER SHARE

	2010-11	2009-10
Net Profit after tax attributable to shareholders (in Million ₹)	22,886	24,976
Weighted Average Number of Equity Shares Outstanding during the year (Nos)	288,910,060	288,910,060
Nominal value per share (In ₹)	5.00	5.00
Basic/Diluted Earning Per Share (In ₹)	79.22	86.45

### 19) DEFERRED TAX

Major Components of Deferred Tax arising on account of timing differences along with their movement as at March 31, 2011 are :

Assets	31.03.10	Movement During the year	31.03.11
Provision for Doubtful Debts / Advances	183	1	184
Contingent Provisions	220	(17)	203
Others	433	48	481
<b>Total (A)</b>	<b>836</b>	<b>32</b>	<b>868</b>
<b>Liabilities</b>			
Depreciation on Fixed Assets	2,081	199	2,280
Exchange gain on Capital Accounts	(134)	61	(73)
Allowances under Income Tax Act, 1961	259	46	305
<b>Total (B)</b>	<b>2,206</b>	<b>306</b>	<b>2,512</b>
<b>Net Deferred Tax Liability* (B) - (A)</b>	<b>1,370</b>	<b>274</b>	<b>1,644</b>
Previous Year	1,551	(181)	1,370

\* Includes adjustment of ₹ 173 million (Previous year ₹ 100 million) on account of reclassification of Deferred Tax Liabilities from Provision for Taxation.

- 20) The Balance due for more than 30 days to Micro and Small Scale Enterprises as at March 31, 2011 is ₹ Nil (Previous Year ₹ 0.1 million). The Company pays its vendors within 30 days and no interest during the year has been paid or is payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006.



## SCHEDULE

### 21) Amount Due From Companies Under the Same Management

(₹ in Million)

	2010-11	2009-10
Sundry Debtors		
Balance at year end		
Suzuki Motor Corporation Japan	-	54
Magyar Suzuki Corporation Ltd	16	0
Suzuki Austria Automobil Handels GmbH	29	46
Suzuki Motor Iberica S.A.	-	34
Suzuki Australia Pty. Ltd.	119	87
Suzuki New Zealand Ltd.	16	12
Suzuki Motor Poland Sp. Z.O.O.(Formerly Suzuki Motor Poland Limited)	37	38
PT Suzuki Indomobil Motor (Formerly PT Indomobil Suzuki International)	524	245
Suzuki France SA	88	48
Suzuki GB PLC	2	194
Suzuki Italia SPA	23	156
Suzuki International Europe GMBH	24	42
Suzuki Philippines Inc,	20	11
Suzuki Auto South Africa	2	1
Taiwan Suzuki Automobile Corporation	8	1
Loans and Advances		
Suzuki Motor Corporation	82	20
Maximum Balance During the Year	82	25
Suzuki Powertrain India Limited	2,050	2,957
Maximum Balance During the Year	2,957	5,485
Suzuki Motorcycle India Limited	23	155
Maximum Balance During the Year	155	155

### 22) Loans and Advances in nature of Loans given to Subsidiaries and Associates etc:

Name of Company		As at	Maximum	As at	Maximum
		31.3.11	Balance during the year	31.3.10	Balance during the year
Suzuki Powertrain India Limited	Associate	1,800	1,862	1,862	2,947
Suzuki Motorcycle India Limited	Fellow Subsidiary	-	150	150	150

### 23) Minimum Lease payments outstanding as on 31st March 11 in respect of assets taken on non-cancellable operating leases are as follows :-

Due	March 31, 2011	March 31, 2010
	Total Minimum Lease Payments Outstanding as on 31st March 11	Total Minimum Lease Payments Outstanding as on 31st March 10
Within One Year	49	45
Later than one Year but less than five Years	207	202
Later than five Years	796	850
	March 31, 2011	March 31, 2010
	Minimum Lease Payment	Minimum Lease Payment
Charged to Rent Expense (Schedule 18)	60	60

## SCHEDULE

24) The Company has calculated the various benefits provided to employees as under

A. Defined Contribution Plans

- a) Superannuation Fund
- b) Post Employment Medical Assistance Scheme.
- c) Provident Fund

During the year the Company has recognised the following amounts in the Profit and Loss account :-

(₹ In Million)

	March 31, 2011	March 31, 2010
Employers Contribution to Superannuation Fund*	35	28
Employers Contribution to Post Employment Medical Assistance Scheme.*	2	1
Provident Fund	188	164

B. State Plans

- a) Employers contribution to Employee State Insurance.\*
- b) Employers contribution to Employee's Pension Scheme 1995.\*

During the year the Company has recognised the following amounts in the Profit and Loss account :-

	March 31, 2011	March 31, 2010
Employers contribution to Employee State Insurance.*	5	6
Employers contribution to Employee's Pension Scheme 1995.*	48	43

\* Included in Contribution to Provident and Other Funds under Employee Remuneration and Benefits (Refer schedule 17)

C. Defined Benefit Plans and Other Long Term Benefits

- a) Contribution to Gratuity Funds - Employee's Gratuity Fund.
- b) Leave Encashment/ Compensated Absence.
- c) Retirement Allowance

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions.

	March 31, 2011			March 31, 2010		
	Leave Employees Encashment/ Compensated Absence	Gratuity Fund	Retirement Allowance	Leave Employees Encashment/ Compensated Absence	Gratuity Fund	Retirement Allowance
Discount Rate (per annum)	8.50%	8.50%	8.50%	8.00%	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%	0.00%	6.00%	6.00%	0.00%
Rate of return on plan assets.	Not Applicable	8.00%	Not Applicable	Not Applicable	8.00%	Not Applicable
Expected Average remaining working lives of employees (years)	22	22	22	21	21	21

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## SCHEDULE

### Changes in Present Value Of Obligations

(₹ In Million)

	March 31, 2011			March 31, 2010		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at beginning of the year	659	734	29	550	621	27
Interest cost	45	61	2	35	49	2
Current service cost	32	45	-	42	42	-
Benefits Paid	172	21	-	84	7	-
Actuarial (gain)/ loss on Obligations	188	7	7	116	29	-
Present value of obligation as at the year end	752	827	38	659	734	29

### Changes in the Fair value of Plan Assets

	March 31, 2011 Employees Gratuity Fund	March 31, 2010 Employees Gratuity Fund
Fair value of Plan Assets as at beginning of the year	734	621
Expected return on Plan Assets	59	44
Contribution	25	57
Benefits Paid	21	79
Actuarial gain/ (loss) on Obligations	30	91
Fair value of Plan Assets as at the year end	827	734

### Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets

	March 31, 2011			March 31, 2010		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	752	827	38	659	734	29
Fair value of Plan Assets as at the year end	-	827	-	-	734	-
Surplus/ (Deficit)	(752)	-	(38)	(659)	-	(29)
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(752)	-	(38)	(659)	-	(29)

	March 31, 2009			March 31, 2008		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	550	621	27	429	524	25
Fair value of Plan Assets as at the year end	-	621	-	-	491	-
Surplus/ (Deficit)	(550)	-	(27)	(429)	(33)	(25)
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(550)	-	(27)	(429)	-	(25)

## SCHEDULE

(₹ in Million)

	March 31, 2007		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	441	484	22
Fair value of Plan Assets as at the year end	-	456	-
Surplus/ (Deficit)	(441)	(28)	(22)
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(441)	-	(22)

Expenses Recognised in Profit & Loss Account

	March 31, 2011			March 31, 2010		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Current service cost	32	45	-	42	42	-
Interest cost	45	61	2	35	49	2
Expected return on Plan Assets	-	(59)	-	-	(44)	-
Settlement cost	-	-	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	188	(23)	7	116	(62)	-
Total Expense recognised in Profit & Loss Account*	265	25	9	193	(15)	2

\* Included in "Salaries Wages, Allowances and Other Benefits" except for Employee Gratuity Fund which is included in "Contribution to Provident and Other Funds" under "Employee Remuneration and Benefits" (Schedule 17)

### Constitution of Plan Assets

	Gratuity	
	March 31, 2011	March 31, 2010
(a) Debt Funds	379	585
(b) Others	448	149
<b>Total</b>	<b>827</b>	<b>734</b>

The return on the investment is the nominal yield available on the format of investment as applicable to Approved Gratuity Fund under Rule 101 of Income Tax Act 1961.

Expected contribution on account of Gratuity for the year ending March 31, 2011 can not be ascertained at this stage.

# SCHEDULE

## 25) STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Holding Company	Key Management Personnel	Associates	2010-11			2009-10			Fellow Subsidiaries (Only with whom the Company had transactions during the year)
			Joint Subsidiaries Ventures	Associates	Holding Company	Fellow subsidiaries	Associates	Holding Company	
Joint Ventures	Mr Shinzo Nakanishi Mr Shuji Oishi Mr Tsuneo Ohashi Mr Keiichi Asai	Asahi India Glass Limited Bharat Seats Limited Caparo Maruti Limited Climate Systems India Limited Denso India Limited Jay Bharat Maruti Limited Krishna Maruti Limited Machino Plastics Limited SKH Metals Limited Nippon Thermostat (India) Limited Sona Koyo Steering Systems Limited Citicorp Maruti Finance Limited Maruti Countrywide Auto Financial Services Limited Magneti Marelli Powertrain India Private Limited Suzuki Powertrain India Limited*							
Maruti Insurance Agency Services Limited									
Maruti Insurance Agency Logistics Limited									
Maruti Insurance Distribution Services Limited									
Maruti Insurance Agency Network Limited									
Maruti Insurance Agency Solutions Limited									
True Value Solutions Limited									
Maruti Insurance Business Agency India Limited									
Maruti Insurance Broker Limited									
Manesar Steel Processing India Private Limited									
Suzuki Cars (Ireland) Limited									
Suzuki Motor Poland Sp. Z.O.O. (Formerly Suzuki Motor Poland Limited)									
Suzuki Motorcycle India Private Limited									
PT Suzuki Indomobil Motor (Formerly PT Indomobil Suzuki International)									
Suzuki Philippines Inc.									
Suzuki Automobile (Thailand) Co. Limited									
Suzuki Australia Pty. Limited									
Suzuki New Zealand Limited									
Suzuki Auto South Africa (Pty) Limited									
Taiwan Suzuki Automobile Corporation									
Suzuki Assemblers Malaysia Sdn. Bhd.									
Suzuki Madrid S.L.U.									
Vietnam Suzuki Corp.									
<b>Outstanding at year end</b>									
<b>Loans and advances recoverable</b>									
Suzuki PowerTrain India Limited	-	2,050	-	-	-	2,050	-	3,020	-
Others	55	484	82	23	644	92	612	20	5
<b>Total</b>	<b>55</b>	<b>2,534</b>	<b>82</b>	<b>23</b>	<b>2,694</b>	<b>92</b>	<b>3,632</b>	<b>20</b>	<b>5</b>
<b>Amounts Payable</b>									
Suzuki Motor Corporation	-	-	10,165	-	-	10,165	-	5,848	-
Others	240	71	2,597	9	2,917	323	3,234	67	3,624
<b>Total</b>	<b>240</b>	<b>71</b>	<b>2,597</b>	<b>9</b>	<b>2,917</b>	<b>323</b>	<b>3,234</b>	<b>67</b>	<b>3,624</b>
<b>Guarantees given to third parties for the Company</b>									
Suzuki Motor Corporation	-	-	2,781	-	-	2,781	-	4,199	-
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,781</b>	<b>-</b>	<b>-</b>	<b>2,781</b>	<b>-</b>	<b>4,199</b>	<b>-</b>
<b>Finances (Equity &amp; Loans)</b>									
Inergy India Automotive Comp. Limited	67	-	-	-	-	67	-	-	-
Maruti Insurance Broking Private Limited	2	-	-	-	-	2	-	-	-
Manesar Steel Processing India Private Limited	68	-	-	-	-	68	-	-	-
Maruti Insurance Broker Limited	5	-	-	-	-	5	-	-	-
Krishna Ishizaki Auto Limited	-	-	-	-	-	-	-	10	-
Suzuki Motorcycle India Private Limited	-	-	-	-	-	-	-	150	-
<b>Total</b>	<b>137</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142</b>	<b>-</b>	<b>150</b>	<b>-</b>
<b>Amount Recoverable</b>									
SKH Metals Limited	-	268	-	-	-	268	272	-	-
PT Suzuki Indomobil Motor	-	-	524	-	-	524	-	245	-
Others	182	205	1	384	772	177	417	54	672
<b>Total</b>	<b>182</b>	<b>473</b>	<b>1</b>	<b>908</b>	<b>1,564</b>	<b>177</b>	<b>689</b>	<b>54</b>	<b>917</b>
<b>Goods In Transit - Comp Etc.</b>									
Suzuki Motor Corporation	-	-	2,284	-	-	2,284	-	1,530	-
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,284</b>	<b>-</b>	<b>-</b>	<b>2,284</b>	<b>-</b>	<b>1,530</b>	<b>-</b>

(₹ in Million)

# SCHEDULE

(₹ in Million)

	2010-11					2009-10						
	Joint Subsidiaries		Holding Company		Key Management Personnel	Joint Subsidiaries		Holding Company		Key Management Personnel		
	Ventures	Associates		Subsidiaries		Ventures	Associates	Subsidiaries	Management Personnel			
<b>Transaction during the year</b>												
<b>Loan recovered during the year</b>												
Suzuki PowerTrain India Limited	-	-	62	-	-	-	-	85	-	-	-	85
<b>Total</b>	-	-	62	-	-	-	-	85	-	-	-	85
<b>Purchases of Capital Items</b>												
Suzuki Motor Corporation	-	-	-	2,623	-	-	-	-	1,092	-	-	1,092
Others	16	-	553	-	2	-	571	-	-	2	-	2
<b>Total</b>	16	-	553	2,623	2	-	3,194	-	1,092	2	-	1,094
<b>Sale of Goods</b>												
Suzuki Australia Pty. Limited	-	-	-	-	1,958	-	-	-	-	-	825	825
PT Indomobil Suzuki International	-	-	-	-	3,028	-	-	-	-	-	838	838
Others	820	-	2,190	125	6,062	-	9,197	1,059	1,931	147	14,749	17,886
<b>Total</b>	820	-	2,190	125	11,048	-	14,183	1,059	1,931	147	16,412	19,549
<b>Other Income</b>												
<b>Income/ Finance - Commission/Dividend</b>												
Suzuki PowerTrain India Limited	-	-	479	-	-	-	-	-	495	-	-	495
Others	49	-	437	-	-	-	486	41	436	-	-	477
<b>Total</b>	49	-	916	-	-	-	965	41	931	-	-	972
<b>Other Misc Income</b>												
Suzuki PowerTrain India Limited	-	-	846	-	-	-	-	-	830	-	-	830
Jay Bharat Maruti Limited	-	-	150	-	-	-	150	-	116	-	-	116
SKH Metals Limited	-	-	212	-	-	-	212	-	162	-	-	162
Others	105	-	152	-	-	-	257	145	132	3	16	296
<b>Total</b>	105	-	1,360	-	-	-	1,465	145	1,240	3	16	1,404
<b>Purchases of Goods</b>												
Suzuki Motor Corporation	-	-	-	21,518	-	-	21,518	-	-	-	-	-
Suzuki Powertrain India Limited	-	-	39,053	-	-	-	39,053	-	26,610	-	-	26,610
Others	7,970	-	50,678	-	-	-	58,648	5,119	36,866	18,064	10	60,059
<b>Total</b>	7,970	-	89,731	21,518	-	-	119,219	5,119	63,476	18,064	10	86,669
<b>Proposed Dividend</b>												
Suzuki Motor Corporation	-	-	-	1,175	-	-	1,175	-	-	940	-	940
<b>Total</b>	-	-	-	1,175	-	-	1,175	-	-	940	-	940
<b>Royalty</b>												
Suzuki Motor Corporation	-	-	-	18,925	-	-	18,925	-	-	10,168	-	10,168
<b>Total</b>	-	-	-	18,925	-	-	18,925	-	-	10,168	-	10,168
<b>Services Received</b>												
Suzuki Motor Corporation	-	-	-	703	-	-	703	-	-	505	-	505
Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	703	-	-	703	-	-	505	-	505
<b>Other-Expenditure</b>												
Suzuki France S.A.S.	-	-	-	-	34	-	34	-	-	1	-	1
Suzuki International Europe GmbH	-	-	-	-	46	-	46	-	-	12	-	12
Suzuki GB PLC	-	-	-	-	46	-	46	-	-	37	-	37
Suzuki Motor Corporation	-	-	-	122	-	-	122	-	-	119	-	119
Others	3	4	-	-	67	-	74	4	13	1	54	72
<b>Total</b>	3	4	-	122	193	-	322	4	13	119	104	241
<b>Managerial Remuneration</b>												
Mr. Shinzo Nakanishi	-	-	-	-	-	-	25	25	-	-	-	22
Mr. Tsuneco Ohashi	-	-	-	-	-	-	18	18	-	-	-	16
Mr. Keiichi Asai	-	-	-	-	-	-	18	18	-	-	-	16
Mr. Syuji Oishi	-	-	-	-	-	-	18	18	-	-	-	16
<b>Total</b>	-	-	-	-	-	-	79	79	-	-	-	70

\* Suzuki Powertrain India Limited is also a Fellow Subsidiary

## SCHEDULE

### 26) The Company has the following provisions in the books of account as on 31.03.2011 :

Description	(₹ in Million)			
	Balance as on 31.03.10	Additions during the year	Utilized/ Reversed during the year	Balance as on 31.03.11
a) Litigation Related Provisions	614	47	3	658
	(611)	(36)	(33)	(614)
b) Warranty / Product Recall	810	393	274	929
	(432)	(590)	(212)	(810)
c) Others	221	35	1	255
	(195)	(31)	(5)	(221)

a) Litigation related provisions pertain to the estimated outflow in respect of disputes with various government authorities.

b) Warranty and Product Recall provisions relate to the estimated outflow in respect of warranty and recall cost for products sold during the year.

c) Other Provisions relate to excise duty, export obligation and guarantees etc. given.

d) Due to the very nature of the above costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as the expected reimbursements from such estimates.

e) Amount in brackets represents previous year's figures.

### 27) The details of Investment as per Schedule 7 are provided below :

Name of the Company	Interest /	Face Value	Face Value	Number	Number	AS AT	AS AT
	Dividend	₹	₹	AS AT	AS AT	AS AT	AS AT
	%age	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>Long Term Trade Investments :</b>							
<b>Quoted Equity Shares (Fully Paid) :</b>							
Asahi India Glass Limited		1	1	17,760,000	17,760,000	2	2
Bharat Seats Limited		2	2	4,650,000	4,650,000	5	5
Denso India Limited		10	10	2,862,758	2,862,758	73	73
Jay Bharat Maruti Limited		5	5	6,340,000	6,340,000	16	16
Machino Plastics Limited		10	10	941,700	941,700	5	5
Sona Koyo Steering Systems Limited		1	1	13,800,000	13,800,000	10	10
						111	111
<b>Unquoted Equity Shares (Fully Paid) :</b>							
Caparo Maruti Limited		10	10	2,500,000	2,500,000	25	25
Citicorp Maruti Finance Limited		10	10	26,000,000	26,000,000	260	260
Climate Systems India Limited		100	100	518,700	518,700	52	52
J.J. Impex (Delhi) Private Limited		10	10	4,323,750	4,323,750	72	72
Krishna Maruti Limited		10	10	670,000	670,000	7	7
SKH Metals Limited		10	10	2,645,000	2,645,000	49	49
Maruti Countrywide Auto Financial Services Limited		10	10	10,400,000	10,400,000	104	104
Nippon Thermostat (India) Limited		10	10	125,000	125,000	1	1
Mark Exhaust Systems Limited		10	10	4,437,465	4,437,465	57	57
Bellsonica Auto Components India Private Limited		100	100	3,540,000	3,540,000	354	354
Suzuki Powertrain India Limited (Company under same management)		10	10	232,800,000	232,800,000	2,328	2,328
Magneti Marelli Powertrain India Limited		10	10	8,550,000	8,550,000	86	86
FMI Automotive Components Limited		10	10	44,100,000	44,100,000	441	441
Krishna Ishizaki Auto Limited		10	10	229,680	229,680	10	10*
Inergy Automotive Systmes Manufacturing India Private Ltd		10	-	6,656,000	-	67	-
Manesar Steel Processing (India) Private Ltd		10	-	6,840,000	-	68	-
Maruti Insurane Broking Private Ltd		10	-	239,600	-	2	-
						3,983	3,846
* Include equity shares pending allotment amounting to ₹ NIL (Previous Year ₹ 5 million)							
Less :Provision for diminution in value						147	130
						3,836	3,716

# SCHEDULE

(₹ in Million)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number		
		₹	₹	AS AT	AS AT	AS AT	AS AT
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>Unquoted Equity Shares in Subsidiary Companies (Fully Paid) :</b>							
Maruti Insurance Business Agency Limited		10	10	150,000	150,000	1.5	1.5
Maruti Insurance Distribution Services Limited		10	10	150,000	150,000	1.5	1.5
True Value Solutions Limited		10	10	50,000	50,000	0.5	0.5
Maruti Insurance Agencies Solutions Limited		10	10	150,000	150,000	1.5	1.5
Maruti Insurance Agencies Network Limited		10	10	150,000	150,000	1.5	1.5
Maruti Insurance Agency Services Limited		10	10	150,000	150,000	1.5	1.5
Maruti Insurance Agency Logistic Limited		10	10	150,000	150,000	1.5	1.5
Maruti Insurance Broker Limited		10	-	499,993	-	5.0	-
						14.5	9.5
<b>Other Long Term Investments :</b>							
<b>Unquoted Redeemable Preference Shares (Fully Paid) :</b>							
Western Paques (India) Limited	14.50%	100	100	500,000	500,000	50	50
						50	50
Less :Provision for diminution in value						50	50
						-	-
<b>Investment in Corporate Bonds</b>							
<b>Long Term (Quoted)</b>							
LIC Housing Finance	8.40%	1000	-	1,000,000	-	1,000	-
HDFC Ltd	8.40%	1000	-	1,000,000	-	1,000	-
LIC Housing Finance 2	8.40%	1000	-	1,000,000	-	1,000	-
IDFC LTD	8.40%	1500	-	1,000,000	-	1,500	-
IDFC LTD 2	8.48%	1000	-	1,000,000	-	1,000	-
LIC Housing Finance 3	8.75%	750	-	1,000,000	-	750	-
HDFC LTD 2	9.50%	750	-	1,000,000	-	750	-
						7,000	-
<b>Units of Debt Mutual Funds :</b>							
<b>Long Term (Unquoted)</b>							
Axis Fixed Term Plan Series 1 Growth		10	10	8,000,000	8,000,000	80	80
Axis Fixed Term Plan Series 13 (370 Days) Growth		10	-	20,000,000	-	200	-
Baroda Pioneer 380 Days FMP Series 1 Growth		10	-	10,000,000	-	100	-
Birla Fixed Term Plan Series CC-Growth		10	10	10,000,000	10,000,000	100	100
Birla Fixed Term Plan Series CE-Growth -		10	-	70,000,000	-	700	-
Birla Fixed Term Plan Series CF-Growth -		10	-	70,000,000	-	700	-
Birla Fixed Term Plan Series CG-Growth -		10	-	60,000,000	-	600	-
Birla Fixed Term Plan Series CK-Growth -		10	-	50,000,000	-	500	-
Birla Fixed Term Plan Series CL-Growth -		10	-	50,000,000	-	500	-
Birla Fixed Term Plan Series CO-Growth -		10	-	100,000,000	-	1,000	-
Birla Fixed Term Plan Series CP-Growth -		10	-	60,000,000	-	600	-
Birla Fixed Term Plan Series CU Growth		10	-	65,000,000	-	650	-
Birla Sunlife Dynamic Bond Fund- Growth		10	10	60,109,436	60,109,436	931	931
Birla Sunlife Liquid PlusInstitutional Growth		-	10	-	87,712,155	-	1,500
Canara Robeco Fixed Maturity Plan Series 6 13 Months Plan B		10	-	15,000,000	-	150	-
DSP 12M Series 6 Dividend Option		10	-	15,000,000	-	150	-
DSP Black Rock FMP 12M Series 12 Growth		10	-	25,000,000	-	250	-
DSP Black Rock FMP 12M Series 13 Growth		10	-	70,018,200	-	700	-
DSP Black Rock FMP 12M Series 14 Growth		10	-	10,000,000	-	100	-
DSP Black Rock FMP 12M Series 9		10	-	20,000,000	-	200	-
DSP Black Rock FMP 13M Series 3 Growth		10	10	11,000,000	11,000,000	110	110
DWS Fixed Term Fund Series 67 Growth		10	10	55,000,000	55,000,000	550	550
HDFC 370 Days June 2010 Series XV Dividend		10	-	14,000,000	-	140	-
HDFC CMF Treasury Advantage Institutional Growth		-	10	-	75,946,296	-	1,500
HDFC FMP 13 M Growth-		10	10	18,000,000	18,000,000	180	180
HDFC High Interest Fund Short Term Fund Growth		10	10	54,344,873	54,344,873	1,000	1,000
HDFC Long Term Floater 13 Month		10	10	60,100,716	60,100,716	950	950
HDFC Short term Plan - Growth		10	10	13,904,570	34,870,216	250	600



# SCHEDULE

(₹ in Million)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	AS AT	AS AT
		₹	₹	AS AT	AS AT	31.03.2011	31.03.2010
ICICI FMP SERIES 49 1YEAR PLAN B Growth	-	10	-	20,000,000	-	200	-
ICICI FMP SERIES 51 1YEAR PLAN A Growth	-	10	-	10,000,000	-	100	-
ICICI FMP SERIES 52 1YEAR PLAN A Growth	10	10	10,000,000	10,000,000	100	100	-
ICICI FMP Series 55 Plan A Growth	10	-	125,000,000	-	1,250	-	-
ICICI FMP Series 55 Plan B Growth	10	-	93,953,813	-	939	-	-
ICICI FMP Series 55 Plan C Growth	10	-	55,000,000	-	550	-	-
ICICI Prudential Annual Interval Fund Dividend	10	-	74,956,525	-	750	-	-
ICICI Prudential FMP Series 53 1 Year Plan E	10	-	45,000,000	-	450	-	-
ICICI Prudential FMP Series 53 1 Year Plan F	10	-	40,000,000	-	400	-	-
ICICI Prudential Institutional Short term Plan Growth	-	10	-	22,086,147	-	400	-
ICICI Prudential Interval Fund Annual Interval Plan III	10	-	24,995,501	-	250	-	-
IDFC 13 M Series V Growth	10	10	10,000,000	10,000,000	100	100	-
IDFC Fixed Maturity Plan Series 35	10	-	40,000,000	-	400	-	-
IDFC Fixed Maturity Plan Yearly Series 37 Growth	10	-	65,010,903	-	650	-	-
IDFC Fixed Maturity Plan Yearly Series 38 Growth	10	-	20,000,000	-	200	-	-
IDFC Fixed Maturity Yearly Series 32 Dividend	10	-	25,000,000	-	250	-	-
IDFC FMP 13 Months Series1 Institutional Dividend	-	10	-	20,000,000	-	200	-
IDFC FMP Yearly Series 34 Growth	10	-	10,000,000	-	100	-	-
IDFC FMP Yearly Series 41 Growth	10	-	20,000,000	-	200	-	-
IDFC FMP Yearly Series 42 Growth	10	-	10,000,000	-	100	-	-
JM Fixed Maturity Fund Series XIX Plan C Growth	10	-	10,000,000	-	100	-	-
JP Morgan Fixed Maturity Plan 400D Series 1 Growth	10	-	89,014,250	-	890	-	-
Kotak 13M Series VI Growth	10	10	20,000,000	20,000,000	200	200	-
Kotak 370 Days Series II Growth	10	10	28,000,000	28,000,000	280	280	-
Kotak 370 Days Series III Growth	10	10	22,569,873	22,569,873	225	226	-
Kotak Fixed Maturity Plan Series 32	10	-	20,000,000	-	200	-	-
Kotak Floater Long Term-Institutional Growth	-	10	-	34,835,923	-	500	-
Kotak FMP 13 M Series 5 Growth	-	10	-	25,000,000	-	250	-
Kotak FMP 370 Days Series 10	10	-	20,000,000	-	200	-	-
Kotak FMP Series 28	10	-	30,000,000	-	300	-	-
Kotak FMP Series 29	10	-	50,000,000	-	500	-	-
Kotak FMP Series 30	10	-	35,000,000	-	350	-	-
Kotak FMP Series 34 Growth	10	-	54,968,832	-	550	-	-
Kotak FMP Series 37 Growth	10	-	25,000,000	-	250	-	-
Kotak FMP Series 40 Growth	10	-	60,468,612	-	605	-	-
L & T FMP III (March 66 DA) Growth	10	-	10,001,737	-	100	-	-
RELIANCE FIXED HORIZON FUND XIII- SERIES-1 Growth	-	10	-	25,000,000	-	250	-
RELIANCE FIXED HORIZON FUND XIII- SERIES-2 Growth	-	10	-	25,000,000	-	250	-
RELIANCE FIXED HORIZON FUND XIII- SERIES-3 Growth	-	10	-	25,000,000	-	250	-
Reliance Fixed Horizon Fund XIX Series 11 Growth	10	-	18,298,494	-	182	-	-
Reliance Fixed Horizon Fund XIX Series 9 Growth	10	-	40,000,000	-	400	-	-
Reliance Fixed Horizon Fund XV Series 7 Dividend	10	-	15,000,000	-	150	-	-
Reliance Fixed Horizon Fund XV Series 9 Growth	10	-	20,000,000	-	200	-	-
Reliance Fixed Horizon Fund XV Series IV Dividend	10	-	20,000,000	-	200	-	-
Reliance Fixed Horizon Fund XV Series VI Dividend	10	-	27,377,167	-	274	-	-
Reliance Fixed Horizon Fund XVI Series 2 Growth	10	-	50,000,000	-	500	-	-
Reliance Fixed Horizon Fund XVI Series 5	10	-	45,000,000	-	450	-	-
Reliance Fixed Horizon Fund XVII Series 1	10	-	80,000,000	-	800	-	-
Reliance Fixed Horizon Fund XVII Sr 2	10	-	50,000,000	-	500	-	-
Reliance Fixed Horizon Fund XVII Sr 4	10	-	50,000,000	-	500	-	-
Reliance Fixed Horizon Fund XVII Sr 6	10	-	50,000,000	-	500	-	-
Reliance Income Fund Retail Plan Growth Option	-	10	-	8,636,175	-	250	-
Reliance Money Manager Fund Institutional Growth	-	1,000	-	1,220,037	-	1,501	-
RelianceShort Term Plan Growth Option	-	10	-	15,486,301	-	250	-
Religare Fixed Maturity Plan Series III Dividend	10	-	15,000,000	-	150	-	-
Religare Fixed Maturity Plan Series III Plan A Dividend	10	-	20,000,000	-	200	-	-
Religare Fixed Maturity Plan V Plan A	10	-	25,000,000	-	250	-	-
Religare FMP Series II Plan A Growth	10	10	55,000,000	55,000,000	550	550	-
Religare FMP Series II Plan F Growth	10	10	45,000,000	45,000,000	450	450	-

# SCHEDULE

(₹ in Million)

Name of the Company	Interest / Dividend %age	Face Value		Number			
		₹ 31.03.2011	₹ 31.03.2010	AS AT 31.03.2011	AS AT 31.03.2010	AS AT 31.03.2011	AS AT 31.03.2010
Religare FMP Series IV Plan E		10	-	20,000,000	-	200	-
Religare FMP Series VI Plan D 370 Days Growth		10	-	20,003,694	-	200	-
Religare FMP Series VI Plan E 370 Days Growth		10	-	10,000,000	-	100	-
SBI Debt Fund Series 370 Days 10 Growth		10	-	50,000,000	-	500	-
SBI Debt Fund Series 370 Days 11 Growth		10	-	75,000,000	-	750	-
SBI Debt Fund Series 370 Days 5 Dividend		10	-	25,000,000	-	250	-
SBI Debt Fund Series 370 Days 9		10	-	50,000,000	-	500	-
SBI Debt Fund Series(13months)10 March 09 Growth		-	10	-	50,000,000	-	500
SBI SDFS 15 M -5 Growth		10	10	40,000,000	40,000,000	400	400
SBI SDFS 370 Days Series III Growth		10	10	50,000,000	50,000,000	500	500
SBNPP FTP 367 DAYS Series S - Growth		-	10	-	10,000,000	-	100
Sundaram Fixed Term Plan AW		10	-	15,000,000	-	150	-
TATA Fixed Maturity Plan Series 26 Growth		10	10	10,000,000	10,000,000	100	100
Tata Fixed Maturity Plan Series 29 A Growths		10	-	20,000,000	-	200	-
Tata Fixed Maturity Plan Series 30 Scheme A		10	-	40,000,000	-	400	-
Tata FMP Series 29 Scheme B Growth		10	-	20,002,987	-	200	-
Tata FMP Series 31 Scheme C Growth		10	-	10,000,000	-	100	-
UTI FIXED MATURITY PLAN- Growth		-	10	-	25,000,000	-	250
UTIFixedTerm Income Fund Series IX -1 (367 Days Growth)		10	-	20,007,311	-	200	-
						<b>33,836</b>	<b>15,658</b>
<b>Current (Unquoted)</b>							
ABN Amro (Fortis ) Money Plus Institutional Weekly Dividend		-	10	-	144,442,752	-	1,445
Axis Treasury Advantage Fund Institutional Weekly Dividend		-	1,000	-	890,897	-	892
Baroda Poiner Treasury Advantage Fund Weekly Dividend		-	10	-	95,408,343	-	954
Birla Sunlife Dynamic Bond Funds		-	10	-	204,989,441	-	2,132
Birla Sunlife Medium Term Plan- Weekly Dividend-		10	-	94,667,817	-	952	-
BSL Interval Income Fund INSTL Quarterly Series 1 Dividend		-	10	-	80,000,000	-	800
BSL Interval Income Fund INSTL Quarterly Series 2 Dividend		-	10	-	100,000,000	-	1,000
Canara Robeco Interval Scheme Series II		-	10	-	30,000,000	-	300
Canara Robeco Treasury Advantage Super Institutional Plan Weekly Dividend		-	10	-	87,821,149	-	1,090
DSP Black Rock Bond Fund-Regular Plan-Monthly Dividend		-	10	-	4,038,331	-	44
DSP Black Rock Floating Rate Fund Super Institutional Weekly Dividend		-	1,000	-	1,303,856	-	1,305
DWS Cash Opportunities Fund Institutional Weekly Dividend		-	10	-	169,929,147	-	1,713
DWS Money Plus Fund Institutional Plan Weekly Dividend		10	-	35,849,075	-	360	-
DWS Short Term Maturity Fund Weekly Dividend		-	10	-	61,299,096	-	639
DWS Ultra Short term fund -Inst. Weekly Dividend		-	10	-	5,964,120	-	60
Fidelity Ultra Short Term Debt Fund Super Inst. -Weekly Dividend		-	10	-	95,382,083	-	954
HDFc Cash Mngmnt Fund Treasury Wholesale Weekly Dividend		-	10	-	63,499,435	-	636
HDFC FMP 100 Days March 10 Dividend		-	10	-	20,000,000	-	200
HDFC Short Term Plan_Dividend		-	10	-	132,027,756	-	1,364
HSBC Floating Rate Long Term Plan Weekly Dividend		-	10	-	35,749,331	-	402
HSBC Ultra Short Term Fund Weekly Dividend		-	10	-	40,896,097	-	416
ICICI Pru Interval IV Quarterly B Institutional Dividend		-	10	-	20,000,000	-	200
ICICI Prudential Banking & PSU Debt Fund Weekly Dividend		-	10	-	170,457,576	-	1,707
ICICI Prudential Blended Plan B Dividend Re investment		10	-	88,837,351	-	921	-
ICICI Prudential Interval Fund II Quarterly Interval Plan		10	-	21,023,583	-	210	-

## SCHEDULE

Name of the Company	Interest / Dividend %age	Face Value		Number		(₹ in Million)	
		₹	₹	AS AT	AS AT	AS AT	AS AT
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
ICICI Prudential Interval Fund II Quarterly Interval Plan B		10	-	15,562,332	-	156	-
ICICI Prudential Institutional Income Plan Quarterly Dividend		-	10	-	44,777,263	-	524
ICICI Prudential Short Term Plan- Monthly Dividend		-	10	-	188,130,216	-	2,264
ICICI Ultra Short Term Weekly Dividend		-	10	-	87,139,704	-	874
IDFC Fixed Maturity Plan Quarterly Series 55 A		-	10	-	40,000,000	-	400
IDFC Money Manager Fund Treasury Plan -Weekly Dividend		-	10	-	164,531,127	-	1,647
IDFC Saving Advantage Fund Plan A -Weekly Dividend		1,000	-	553,371	-	553	-
IDFC SSIF PLAN D Monthly Dividend		-	10	-	61,904,525	-	624
IDFC Ultra Short Term Fund Monthly Dividend- 3 Month Lock in		10	-	55,129,041	-	552	-
JM Money Manager Treasury Plan Weekly Dividend		-	10	-	142,912,387	-	1,468
JP Morgan India Treasury Fund Super Inst Plan Weekly Dividend		-	10	-	147,580,107	-	1,486
Kotak FMP 6M Series 10 Dividend		10	-	25,000,000	-	250	-
Kotak QIP Series 8 Dividend		-	10	-	22,910,739	-	229
Kotak QIP Series I Dividend		-	10	-	40,000,000	-	400
Kotak Quarterly Interval Plan Series 3 Dividend		-	10	-	45,183,495	-	452
Kotak Quarterly Interval Plan Series 6 Dividend		10	10	20,005,978	100,551,763	200	1,006
Kotak Quarterly Interval Plan Series 7 Dividend		-	10	-	40,164,316	-	402
L & T FMP III (Feb 90 DA) Dividend Payout		10	-	15,000,000	-	150	-
L&T Freedom Income STP InstDaily Divid		10	-	69,040,766	-	701	-
LIC Income Plus Fund Weekly Dividend		-	10	-	288,272,445	-	2,884
Lotus Ultra short Term Fund Weekly Dividend		-	10	-	32,851,493	-	329
Principal flexible maturity plan Weekly Dividend		-	10	-	80,070,843	-	800
Principal Ultra Short Term Plan Weekly Dividend		-	10	-	55,705,212	-	558
Reliance QIP Series II Dividend		10	-	45,855,796	-	459	-
Reliance Income Fund Institutional Dividend		-	10	-	13,451,742	-	175
Reliance Money Manager Fund Institutional Weekly Dividend		-	1,000	-	818,796	-	820
Reliance Quarterly Interval Fund Series III Dividend Option		10	-	33,459,498	-	335	-
Reliance Short Term fund Retail Plan-Dividend		-	10	-	242,539,471	-	2,581
Religare Active Income Fund Monthly Dividend		-	10	-	20,054,881	-	201
Religare Credit Opportunities Fund Monthly-Dividend		-	10	-	141,557,456	-	1,420
SBNPP Interval Fund QIP Dividend		10	-	20,810,462	-	208	-
SHF Ultra Short Term Fund Weekly Dividend		-	10	-	154,457,352	-	1,557
Sundram Ultra Short Term Fund- Weekly Dividend		-	10	-	130,194,863	-	1,376
Tata Fixed Income Portfolio Scheme B3		-	10	-	30,000,000	-	300
Tata Floater Fund Weekly Dividend		-	10	-	258,113,945	-	2,602
Templton India Ultra Short Bond Fund Super Institutional Plan Weekly Dividend		-	10	-	289,210,479	-	2,920
UTI Fixed Income Interval Fund Monthly Income Plan Monthly Dividend		-	10	-	50,000,000	-	500
UTI Fixed Income Interval Fund Quarterly Plan Series I		10	-	26,336,078	-	263	-
UTI Fixed Income Interval Fund Quarterly Plan Series III		-	10	-	60,000,000	-	600
UTI FLOATING RATE Weekly Dividend		-	1,000	-	2,616,429	-	2,620
						<b>6,270</b>	<b>52,272</b>
						<b>40,106</b>	<b>67,930</b>

### 28) Following Short Term Investments were Purchased and Redeemed / Sold during the year:

Name of the Company / Mutual Fund	Face Value	Purchase Cost	Sale / Redemption Proceeds
Units of Mutual Funds	271,919	279,211	279,243
Previous Year:	138,388	142,248	142,230

# SCHEDULE

## 29) Pursuant to clause ix(b) of Section 227 (4A) of the Companies Act, 1956, the details of disputed dues are as follows:

Name of the Statute	Nature of the Dues	Amount (₹ in Million)	Amount deposited under protest (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6	20	1992-93 A.Y.	High Court
	Interest	15	-	-	-
	Income Tax	16	18	1994-95 A.Y.	High Court
	Interest	2	-	-	-
	Income Tax	242	725	1995-96 A.Y.	High Court
	Interest	483	123	1996-97 A.Y.	High Court
	Income Tax	123	-	-	-
	Interest	-	-	-	-
	Income Tax	174	210	1998-99 A.Y.	High Court
	Interest	20	-	-	-
	Income Tax	412	174	2003-04 A.Y.	Income Tax Appellate Tribunal (ITAT)
	Interest	171	-	-	-
	Income Tax	348	488	2004-05 A.Y.	Income Tax Appellate Tribunal (ITAT) & High Court
Interest	140	-	-	-	
Income Tax	109	120	2005-06 A.Y.	Income Tax Appellate Tribunal (ITAT)	
Interest	2	-	-	-	
Income Tax	1,692	2,300	2006-07 A.Y.	Income Tax Appellate Tribunal (ITAT)	
Interest	974	-	-	-	
Income Tax	97	-	-	-	
Interest	44	-	-	-	
Income Tax	12	-	-	-	
Interest	3	-	-	-	
<b>Total</b>		<b>5,085</b>	<b>4,178</b>		
Wealth Tax Act, 1957	Wealth Tax	1	1	1998-99 A.Y.	Appeal is pending before High Court
Haryana General Sales Tax Act	Interest	1	-	1984-85 to 1985-86 A.Y.	Assessing Authority, Gurgaon
	Sales Tax	2	-	1988-89 A.Y.	Assessing Authority, Gurgaon
	<b>TOTAL</b>	<b>3</b>	<b>-</b>		
Delhi Sales Tax Act	Sales Tax	47	2	A.Y. 1988-89 to 1991-92	Additional Commissioner, Delhi
	<b>TOTAL</b>	<b>47</b>	<b>2</b>		
The Central Excise Act, 1944	"Excise Duty "	78	-	Jul 01 to Mar 09	Customs, Excise & Service Tax Appellate Tribunal
	Interest	61	-	-	-
	Penalty	57	-	-	-
	Excise duty	17	3	Aug 96 to Mar 01	Supreme Court of India.
	Excise duty	7	-	March 03 to March 05	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	7	-	-	-
	Excise duty	5	-	Dec 99-Aug .04	Customs, Excise & Service Tax Appellate Tribunal.
	Penalty	5	-	-	-
	Interest	7	-	-	-
	Excise duty	50	-	Oct.06 to Mar 08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	22	-	-	-
	Interest	24	-	-	-
	Excise duty	820	-	May,05 to Sep.10	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	497	-	-	-
	Interest	299	-	-	-
	Excise duty	4	1	Feb.03	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	1	-	-	-
Excise duty	1	1	May,89 to Mar.92	High Court of Delhi.	
Penalty	1	-	-	-	
<b>Total</b>	<b>1,963</b>	<b>6</b>			
The Finance Act, 1994	Service Tax	5	2	Jul.03 to Aug.04	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	5	-	-	-
	Interest	4	-	-	-
	Service Tax	2	-	Apr.05 to Mar.08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	2	-	-	-
Customs Act, 1962	Interest	1	-	18th Apr.06 to Mar.10	Customs, Excise & Service Tax Appellate Tribunal
	Service Tax	57	-	-	-
	Penalty	57	-	-	-
	Interest	23	-	-	-
	<b>TOTAL</b>	<b>156</b>	<b>2</b>		
Customs Act, 1962	Customs duty	22	22	Feb-03 to August 03	Customs, Excise & Service Tax Appellate Tribunal.
	Interest	5	-	-	-
	<b>TOTAL</b>	<b>27</b>	<b>22</b>		
<b>GRAND TOTAL</b>	<b>7,282</b>	<b>4,211</b>			

## SCHEDULE

### 30) Statement on Assets ,Liabilities ,Income & Expenses of Joint Ventures

Details of the Company's share in the Joint Venture Assets ,Liabilities ,Income & Expenses as required by Accounting Standard 27 "Financial Reporting of Interest in Joint Venture" is as indicated below.

Sl.No	Name of Company	% Ownership Interest	Country of Incorporation
1	JJ Impex (Delhi) Private Limited	49.13	India
2	Mark Exhaust Systems Limited	44.37	India
3	Bellsonica Auto Components India Limited	30.00	India
4	FMI Automotive India Limited	49.00	India
5	Krishna Ishizaki Auto Limited (formerly known as Krishna Auto Mirrors Limited)	15.00	India
6	Manesar Steel Processing (India) Pvt Ltd	15.00	India
7	Maruti Insurance Broking Pvt Ltd	47.92	India

	(₹ In Million)	
	2010-11	2009-10
<b>Detail of Assets</b>		
Fixed Assets - Gross Block	2,108	1,957
Accumulated Depreciation	723	539
Net Block	1,385	1,418
Capital Work-in-Progress	701	46
Investments	1	4
Inventories	244	197
Sundry Debtors	553	287
Cash and Bank Balances	170	157
Other Current Assets	5	5
Loans and Advances	304	198
Deferred Tax Assets	2	2
<b>Detail of Liabilities</b>		
Secured Loans	114	97
Unsecured Loans	1,334	744
Current Liabilities	868	596
Provisions	2	12
Deferred Tax Liabilities	87	93
<b>Detail of Income</b>		
Sales(Net)	4,829	3,433
Income from services	73	134
Other income	71	57
<b>Detail of Expenses</b>		
Consumption of Raw Material and Components	4,003	2,841
Purchase of Traded Goods	93	74
Consumption of Stores	40	22
Employees Remuneration and Benefits	219	148
Manufacturing Administrative and Other Expenses	351	199
Selling and Distribution Expenses	24	16
Financial Expenses	44	39
Depreciation	177	163
(Increase) / Decrease to Work in progress and Finished Goods	(39)	(8)
Tax Expense Current	27	24
Tax Expense Deffered	(6)	43

# SCHEDULE

	(₹ In Million)	
	2010-11	2009-10
<b>Details of Contingent Liabilities</b>		
Income Tax demands	2	2
Claims against the Company lodged by various parties	3	3
Capital commitments	49	36
Outstanding commitments under letter of credit	49	44
Sale Tax and Service Tax demands	1	-

31) Previous Year's figures have been recasted / regrouped where considered necessary to make them comparable with the current year's figures.

**For Price Waterhouse**

Firm Registration Number: FRN 301112E  
Chartered Accountants

**ANUPAM DHAWAN**

Partner  
Membership Number - F 084451

New Delhi  
April 25, 2011

**SHINZO NAKANISHI**

Managing Director & CEO

**AJAY SETH**

Chief Financial Officer

**S. OISHI**

Director

**S. RAVI AIYAR**

Chief General Manager (Legal)  
& Company Secretary

# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

## I. Registration Details

Registration No.	11,375 of 1980-81	State Code 55
Balance Sheet Date	31-03-11	

## II. Capital Raised During the year

(Amount in ₹ Million)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

## III. Position of Mobilisation and Deployment of Funds

(Amount in ₹ Million)

	Total Liabilities	Total Assets
	143,412	143,412
Sources of Funds		
	Paid-up Capital	Reserve & Surplus
	1,445	137,230
	Secured Loans	Unsecured Loans
	312	2,781
Application of Funds		
	Net Fixed Assets	Investments
	69,580	51,067
	Net Current Assets	Misc. Expenditure
	22,765	-
	Accumulated Losses	
	Nil	

## IV. Performance of Company

(Amount in ₹ Million)

Turnover	Total Expenditure
404,190	373,102
Profit Before Tax	Profit After Tax
31,088	22,886
Earning per share in ₹	Dividend rate
(Face Value ₹5)	
79.22	

## V. Generic Name of Principal Product of Company

(As per monetary terms)

Item Code No.(ITC Code)	8703.00
Product Description	Motor Cars

# STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Maruti Insurance Distribution Services Limited	Maruti Insurance Business Agency Limited	True Value Solutions Limited	Maruti Insurance Agencies Solutions Limited	Maruti Insurance Agencies Network Limited	Maruti Insurance Agencies Services Limited	Maruti Insurance Logistics Limited	Maruti Insurance Broker Limited
The financial year of the subsidiary company ended on	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011
Number of shares in the subsidiary company held by Maruti Suzuki India Limited at the above date	150,000	150,000	50,000	150,000	150,000	150,000	150,000	500,000
Extent of Holding	100%	100%	100%	100%	100%	100%	100%	100%
The net aggregate of profit/(loss) of the subsidiary company so far as these concern the members of Maruti Suzuki India Limited:								
i) dealt with in the accounts of Maruti Suzuki India Limited amounted to :								
a) For subsidiary's financial year ended on March 31st,2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) For previous financial years of the subsidiary since it become subsidiary of Maruti Suzuki India Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) not dealt with in the accounts of Maruti Suzuki India Limited amounted to:								
a) For subsidiary's financial year ended on March 31st,2011 (₹)	15,530,505	63,869,840	(34,777)	16,882,525	22,422,163	7,728,749	20,360,560	(926,042)
For previous financial years of the subsidiary since it become subsidiary of Maruti Suzuki India Limited (₹)	143,271,195	886,854,184	1,694,743	168,848,633	228,316,653	35,864,426	88,829,652	-
New Delhi April 25, 2011	<b>SHINZO NAKANISHI</b> Managing Director & CEO	<b>S. OISHI</b> Director	<b>AJAY SETH</b> Chief Financial Officer	<b>S. RAVI AIYAR</b> Chief General Manager (Legal) & Company Secretary				

## FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES 2010-11

(Amount in ₹)

No. Particulars	Maruti Insurance Business Agency Limited	Maruti Insurance Distribution Services Ltd.	Maruti Insurance Agency Network Ltd.	Maruti Insurance Agency Solutions Ltd.	Maruti Insurance Agency Services Ltd.	True Value Solutions Ltd.	Maruti Insurance Logistics Ltd.	Maruti Insurance Broker Ltd.
1 Capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	500,000	1,500,000	5,000,000
2 Reserves & Surpluses	950,724,025	158,753,332	250,738,814	185,731,157	43,553,615	1,659,966	109,134,339	(926,042)
3 Total Assets	952,224,025	160,253,332	252,238,814	187,231,157	45,053,615	2,159,966	110,634,339	4,073,958
4 Total Liabilities	952,224,025	160,253,332	252,238,814	187,231,157	45,053,615	2,159,966	110,634,339	4,073,958
5 Investments	875,565,796	153,873,515	231,502,964	169,268,798	37,884,553	-	107,030,793	-
6 Turnover Income	199,293,232	42,302,580	62,039,976	53,748,681	26,933,190	-	73,404,810	-
7 Profit Before Tax	86,493,804	19,728,080	30,360,805	23,067,597	11,337,532	(34,777)	29,978,496	(926,042)
8 Tax	21,719,725	4,953,368	8,215,000	6,372,000	3,648,343	-	9,725,000	-
9 Prior Period Item	904,239	(755,793)	(276,358)	(186,928)	(39,560)	-	(107,064)	-
10 Profit After Tax	63,869,840	15,530,505	22,422,163	16,882,525	7,728,749	(34,777)	20,360,560	(926,042)



# AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MARUTI SUZUKI INDIA LIMITED

## The Board of Directors of Maruti Suzuki India Limited

1. We have audited the attached consolidated balance sheet of Maruti Suzuki India Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate companies; hereinafter referred to as the "Group" (refer Note 1 on Schedule 22 to the attached consolidated financial statements) as at March 31st, 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of (i) 8 subsidiaries and 8 jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹ 3,135 million and net assets of ₹1,601 million as at March 31st, 2011, total revenue of ₹5,430 million, net profit of ₹184 million and net cash flows amounting to ₹ 449 million for the year then ended; and (ii) 15 associate companies which constitute net profit of ₹753 million for the year then ended. These financial statements and other financial information (other than for the jointly controlled entities and associate companies as stated in Para 4 below) have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. Attention is invited to Note 7 (a) and 7 (b) of Notes to accounts (Schedule 23) regarding certain associate entities and jointly controlled entities whose financial statements are unaudited, the impact of which is not likely to be material.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31st, 2011;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### For Price Waterhouse

Firm Registration Number: FRN 301112E  
Chartered Accountants

### Anupam Dhawan

Partner  
Membership Number - F084451

Place: New Delhi  
Date: April 25, 2011

# CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2011

	SCHEDULE			(₹ in Million)	
		AS AT		AS AT	
		31.03.2011		31.03.2010	
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	1	1,445		1,445	
Reserves and Surplus	2	<u>141,643</u>	143,088	<u>120,381</u>	121,826
<b>LOAN FUNDS</b>					
Secured Loans	3	426		362	
Unsecured Loans	4	<u>4,115</u>	4,541	<u>8,693</u>	9,055
<b>DEFERRED TAX (Note 10 on Schedule 23)</b>					
Deferred Tax Liabilities		2,600		2,299	
Deferred Tax Assets		<u>(870)</u>	1,730	<u>(838)</u>	1,461
<b>Total</b>			<b>149,359</b>		<b>132,342</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	5	119,526		106,085	
Less: Depreciation/ Amortisation		<u>(62,808)</u>		<u>(54,372)</u>	
		56,718		51,713	
Capital Work-In-Progress	6	<u>14,987</u>	71,705	<u>3,922</u>	55,635
<b>INVESTMENTS</b>					
	7		54,392		73,968
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	8	14,384		12,276	
Sundry Debtors	9	9,502		8,494	
Cash and Bank Balances	10	25,281		1,627	
Other Current Assets	11	1,700		883	
Loans and Advances	12	<u>14,037</u>		<u>15,952</u>	
		64,904		39,232	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>					
Current Liabilities	13	36,466		30,260	
Provisions	14	<u>5,176</u>		<u>6,233</u>	
		41,642		36,493	
Net Current Assets			<b>23,262</b>		<b>2,739</b>
<b>Total</b>			<b>149,359</b>		<b>132,342</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	22				
<b>NOTES TO ACCOUNTS</b>	23				

This is the Consolidated Balance Sheet referred to in our report of even date.

**For Price Waterhouse**  
Firm Registration Number: FRN 301112E  
Chartered Accountants

**ANUPAM DHAWAN**  
Partner  
Membership Number - F 084451

Place: New Delhi  
April 25, 2011

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

**SHINZO NAKANISHI**  
Managing Director & CEO

**AJAY SETH**  
Chief Financial Officer

**S. OISHI**  
Director

**S. RAVI AIYAR**  
Chief General Manager (Legal)  
& Company Secretary

# CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2011

		For the Year ended 31.03.2011	(₹ in Million) For the Year ended 31.03.2010
<b>INCOME</b>			
Gross Sales	15	409,489	321,805
less: Excise Duty		43,377	28,777
Net Sales		366,112	293,028
Income from Services [Net of expenses ₹ 378 million (Previous Year ₹ 137 million)]		2,005	2,887
[Share of Joint Ventures ₹ 73 million (Previous Year ₹ 134 million)]			
Other Income	16	12,537	10,344
<b>Total</b>		<b>380,654</b>	<b>306,259</b>
<b>EXPENDITURE</b>			
Consumption of Raw Materials and Components (Note 4 on Schedule 23) [Share of Joint Ventures ₹ 4,003 million (Previous Year ₹ 2,841 million)]		276,723	217,725
Purchase of Traded Goods		12,875	9,124
[Share of Joint Ventures ₹ 93 million (Previous Year ₹ 74 million)]			
Consumption of Stores		3,338	2,454
[Share of Joint Ventures ₹ 40 million (Previous Year ₹ 22 million)]			
Employees Remuneration and Benefits	17	7,255	5,605
Manufacturing, Administrative and Other Expenses	18	29,536	18,141
Selling and Distribution Expenses	19	9,873	9,990
<b>Total</b>		<b>339,600</b>	<b>263,039</b>
Less: Vehicles / Dies for Own Use		257	296
Add : (Increase) /Decrease in Work-in-Progress and Finished Goods & Spares Parts	21	(640)	(1,941)
<b>Total</b>		<b>338,703</b>	<b>260,802</b>
<b>Earnings before Interest , Depreciation , Tax and Amortizations (EBIDTA)</b>		<b>41,951</b>	<b>45,457</b>
Interest	20	288	374
Depreciation/ Amortisation		10,313	8,414
		10,601	8,788
<b>Consolidated Profit before Tax</b>		<b>31,350</b>	<b>36,669</b>
Less : Tax Expense - Current Tax		8,183	11,455
- Deferred Tax (Note 10 on Schedule 23)		96	(236)
<b>Consolidated Profit after Tax</b>		<b>23,071</b>	<b>25,450</b>
Share of Profit in respect of Investment in Associates		753	797
<b>Profit for the Year</b>		<b>23,824</b>	<b>26,247</b>
Add: Brought forward from previous year's account		103,938	82,210
Profit available for appropriation		127,762	108,457
Less: Appropriation :			
General Reserve		2,289	2,498
Proposed Dividend		2,167	1,733
Corporate Dividend Tax		351	288
Balance carried forward to Balance Sheet		122,955	103,938
Basic/Diluted Earnings Per Share (in ₹) (Note 9 on Schedule 23)		82.46	90.85
Significant Accounting Policies	22		
Notes to Accounts	23		

This is the Consolidated Profit and Loss Account referred to in our report of even date.

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

## For Price Waterhouse

Firm Registration Number: FRN 301112E  
Chartered Accountants

## SHINZO NAKANISHI

Managing Director & CEO

## S. OISHI

Director

## ANUPAM DHAWAN

Partner  
Membership Number - F 084451

## AJAY SETH

Chief Financial Officer

## S. RAVI AIYAR

Chief General Manager (Legal)  
& Company Secretary

Place: New Delhi  
April 25, 2011

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Million)

	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>A. Cash flow from Operating Activities:</b>		
Net Profit before Tax	31,350	36,669
<b>Adjustments for:</b>		
Depreciation	10,313	8,414
Interest Expense	288	374
Interest Income	(2,083)	(2,199)
Share of Profit in respect of Investment in Associates	753	797
Net Loss on sale / discarding of Fixed Assets	79	97
Profit on sale of Investments (net)	(599)	(1,264)
Provision for Doubtful Debts and Advances	1	-
Provisions No Longer Required Written Back	191	511
Unrealised Foreign Exchange (Gain)/ Loss	(20)	130
<b>Operating Profit before Working Capital changes</b>	<b>40,273</b>	<b>43,529</b>
<b>Adjustments for changes in Working Capital :</b>		
- (Increase)/Decrease in Sundry Debtors	(1,008)	1,294
- (Increase)/Decrease in Other Current Assets, Loans & Advances	1,370	336
- (Increase)/Decrease in Inventories	(2,108)	(3,063)
- Increase/(Decrease) in Current Liabilities and Provisions	6,487	(74)
<b>Cash generated from Operating Activities</b>	<b>45,014</b>	<b>42,022</b>
- Taxes (Paid) (Net of Tax Deducted at Source)	(10,314)	(10,341)
<b>Net Cash from Operating Activities</b>	<b>34,700</b>	<b>31,681</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Fixed assets	(26,541)	(13,804)
Sale of Fixed Assets	80	495
Sale of Investments	340,790	167,822
Purchase of Investments	(320,616)	(207,754)
Interest received	1,811	2,564
<b>Net Cash from Investing Activities</b>	<b>(4,476)</b>	<b>(50,677)</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Million)

	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>C. Cash flow from Financing Activities:</b>		
Proceeds from Short term borrowings	312	4,015
Repayment of Short term borrowings	(3,408)	(419)
Repayment of Long term borrowings	(1,420)	(1,472)
Interest paid	(322)	(358)
Dividend paid	(1,732)	(1,011)
<b>Net Cash from Financing Activities</b>	<b>(6,570)</b>	755
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>23,654</b>	(18,241)
<b>Cash and Cash Equivalents as at 1st April (Opening Balance)</b>	<b>1,627</b>	19,868
<b>Cash and Cash Equivalents as at 31st March (Closing Balance)</b>	<b>25,281</b>	1,627
<b>Cash and Cash Equivalents comprise</b>	<b>25,281</b>	1,627
Cash & Cheques in hand	863	844
Balance with Scheduled Banks in Current Accounts	224	404
Balance with Scheduled Banks in Deposit Accounts	24,194	379

Notes :

- 1 The Consolidated Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 on "Cash Flow Statement" notified Under Section 211(3C) of the Companies Act, 1956
- 2 Cash and Cash Equivalent includes ₹ 4 Million (Previous Year ₹ 4 Million) in respect of unclaimed dividend, the balance of which is not available to the Company.
- 3 Figures in bracket represents cash outflow.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse**

Firm Registration Number: FRN 301112E  
Chartered Accountants

**SHINZO NAKANISHI**

Managing Director & CEO

**S. OISHI**

Director

**ANUPAM DHAWAN**

Partner  
Membership Number - F 084451

**AJAY SETH**

Chief Financial Officer

**S. RAVI AIYAR**

Chief General Manager (Legal)  
& Company Secretary

Place: New Delhi  
April 25, 2011

# SCHEDULE

	As at 31.03.11	(₹ in Million) As at 31.03.10
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
744,000,000 Equity Shares of ₹ 5 each (Previous year 744,000,000 equity shares of ₹ 5 each)	3,720	3,720
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
288,910,060 Equity Shares of ₹ 5 each (Previous year 288,910,060 equity shares of ₹ 5 each) fully paid up	1,445	1,445
Of the above -		
- 8,840,000 Equity Shares of ₹ 5 each (Previous year 8,840,000 equity shares of ₹ 5 each) were issued for consideration other than cash.		
- 156,618,440 Equity Shares of ₹ 5 each (Previous year 156,618,440 equity shares of ₹ 5 each) are held by Suzuki Motor Corporation, the Holding Company and its nominees		
	<b>1,445</b>	<b>1,445</b>

	Balance as at 1st April, 2010	Additions during the Year	Transfer/ Adjustment during the Year	Balances as at 31st March 2011
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>				
Capital Reserve on Consolidation [includes Joint Venture share of ₹ 3 Million (Previous Year ₹ 3 million)]	31	-	-	31
Share Premium Account [Includes Joint Venture of ₹ 5 Million (Previous Year ₹ 5 Million)]	4,246	-	-	4,246
Hedge Reserve Account	238	-	(44)	194
General Reserve	11,928	2,289	-	14,217
Balance as per Profit and Loss Account [includes Joint Venture share of ₹ (75) Million (Previous Year ₹(113) Million)]	103,938	19,017	-	122,955
	<b>120,381</b>	<b>21,306</b>	<b>(44)</b>	<b>141,643</b>

	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 3 - SECURED LOANS</b>		
<b>SHORT TERM LOANS</b>		
<b>- FROM BANKS</b>		
Cash Credit (Secured by pari passu first charge on the stock, book debts and other current assets)	312	265
	<b>312</b>	<b>265</b>
<b>Share in Joint Venture</b>	<b>114</b>	<b>97</b>
	<b>426</b>	<b>362</b>

# SCHEDULE

	(₹ in Million)	
	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 4 - UNSECURED LOANS</b>		
<b>SHORT TERM LOANS - FROM BANKS</b>		
Export Credit	-	3,750
<b>LONG TERM LOANS - FROM BANKS</b>		
Foreign Currency Loans *	2,781	4,199
Loan from Japan Bank of International Corporation and Bank of Tokyo Mitsubishi	2,781	7,949
<b>Share in Joint Venture</b>	<b>1,334</b>	<b>744</b>
	<b>4,115</b>	<b>8,693</b>

\*(Guaranteed by Suzuki Motor Corporation, Japan, the Holding Company)  
{Payable within one year ₹ 1390 Million (Previous Year ₹ 1400 Million)}

Particulars	Gross Block			Depreciation / Amortisation				Net Block		
	As at 01.04.10	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.11	Upto 01.04.10	For the year	Deductions/ Adjustments	Upto 31.03.11	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 5 - FIXED ASSETS</b>										
Tangible Assets:										
Freehold land (Note 1 & 4)	6,930	2,584	-	<b>9,514</b>	-	-	-	-	<b>9,514</b>	6,930
Leasehold land	589	782	-	<b>1,371</b>	6	3	-	<b>9</b>	<b>1,362</b>	583
Building	7,621	432	(6)	<b>8,047</b>	1,385	235	(1)	<b>1,619</b>	<b>6,428</b>	6,236
Plant and Machinery (Note 2)	88,228	10,708	(1,745)	<b>97,191</b>	51,464	9,657	(1,695)	<b>59,426</b>	<b>37,765</b>	36,764
Electronic Data Processing Equipment	1,255	168	(96)	<b>1,327</b>	1,048	166	(98)	<b>1,116</b>	<b>211</b>	207
Furniture , Fixtures and Office Appliances	711	119	(4)	<b>826</b>	243	46	(3)	<b>286</b>	<b>540</b>	468
Vehicles	557	230	(185)	<b>602</b>	191	50	(80)	<b>161</b>	<b>441</b>	366
Intangible Assets:- Lump Sum Royalty	194	454	-	<b>648</b>	35	156	-	<b>191</b>	<b>457</b>	159
<b>Total</b>	<b>106,085</b>	<b>15,477</b>	<b>(2,036)</b>	<b>119,526</b>	<b>54,372</b>	<b>10,313</b>	<b>(1,877)</b>	<b>62,808</b>	<b>56,718</b>	<b>51,713</b>
Previous Year Figures	89,041	18,556	(1,512)	<b>106,085</b>	46,878	8,414	(920)	<b>54,372</b>	<b>51,713</b>	
Share in Joint Venture (Note 3)	1,957	149	2	<b>2,108</b>	539	186	(2)	<b>723</b>	<b>1,385</b>	
Previous Year Figures	1,796	199	(38)	<b>1,957</b>	379	163	(3)	<b>539</b>	<b>1,418</b>	

- (1) Freehold land costing ₹5,304 million (Previous year ₹ 5,225 million) is not yet registered in the name of Maruti Suzuki India Ltd. A part of this land has been/ would be made available to group companies.
- (2) Plant and Machinery (gross block) includes pro-rata cost amounting to ₹ 374 million (Previous year ₹ 374 million) of a Gas Turbine jointly owned by Maruti Suzuki India Ltd. With its group companies and other companies.
- (3) The Joint Ventures' share is included under the respective category in the above schedule.
- (4) Freehold Land includes 600 acres of land allotted to the Maruti Suzuki India Limited by Haryana State Industrial Development Corporation, a part of which has been made available to group companies.

# SCHEDULE

	(₹ in Million)	
	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 6 - CAPITAL WORK-IN-PROGRESS</b>		
Plant and Machinery	7,519	1,840
Civil Work-in-progress	2,580	450
Capital Advances	4,187	1,586
	<u>14,286</u>	<u>3,876</u>
Share in Joint Venture	701	46
	<u>14,987</u>	<u>3,922</u>

## SCHEDULE 7 - INVESTMENTS

### Trade Investments :

#### Long Term:

##### Investment in Associates

[Includes ₹ 28 Million of capital reserves on acquisition of certain Associates (Previous year ₹ 28 million)]

5,710                      4,973

### Other Investments:

#### Long Term (Quoted) :

Corporate Bonds

7,000                      -

#### Long Term (Unquoted) :

Mutual funds

35,410                      16,258

#### Current (Unquoted) :

Mutual funds

6,271                      52,733

54,391                      73,964

### Share in Joint Venture

1                              4

54,392                      73,968

## SCHEDULE 8 - INVENTORIES

### Components and Raw Materials

In transit

3,045                      2,075

With vendors

375                              204

At factory

4,164                      7,584                      4,085                      6,364

### Stores and Spares

Vehicles

1,287                      1,010

Machinery

174                              124

Consumables

131                              100

In transit

26                      1,618                      67                      1,301

Tools at factory

261                              219

Work-in-Progress

457                              401

Finished Goods

4,220                      3,794

14,140                      12,079

### Share in Joint Venture

244                              197

14,384                      12,276



# SCHEDULE

	(₹ in Million)	
	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 9 - SUNDRY DEBTORS</b>		
Debts Outstanding for more than six months		
Unsecured - Considered Good	224	470
- Considered Doubtful	<u>266</u>	<u>266</u>
	490	736
Less: Provision for Doubtful Debts	<u>(266)</u>	<u>(266)</u>
Other Debts :		
Unsecured - Considered Good	<u>8,725</u>	<u>7,737</u>
	<b>8,949</b>	<b>8,207</b>
<b>Share in Joint Venture</b>	<b>553</b>	<b>287</b>
	<b>9,502</b>	<b>8,494</b>

<b>SCHEDULE 10 - CASH AND BANK BALANCES</b>		
Cash in Hand	5	1
Cheques in Hand	857	842
Bank balances with Scheduled Banks in :		
Current Accounts	115	321
Dividend Accounts	4	4
Deposit Accounts	<u>24,130</u>	<u>302</u>
	<b>25,111</b>	<b>1,470</b>
<b>Share in Joint Venture</b>	<b>170</b>	<b>157</b>
	<b>25,281</b>	<b>1,627</b>

<b>SCHEDULE 11 - OTHER CURRENT ASSETS</b>		
Interest accrued on Deposits, Loans and Advances		
Secured - Considered Good	24	33
- Considered Doubtful	<u>6</u>	<u>6</u>
	30	39
Less: Provision for Doubtful Interest	<u>6</u>	<u>6</u>
Unsecured - Considered Good	<u>450</u>	<u>169</u>
- Considered Doubtful	<u>1</u>	<u>1</u>
	451	170
Less: Provision for Doubtful Interest	<u>1</u>	<u>1</u>
Claims - Unsecured	<u>450</u>	<u>1</u>
Considered Good	923	676
Considered Doubtful	<u>27</u>	<u>29</u>
	950	705
Less: Provision for Doubtful Claims	<u>27</u>	<u>29</u>
Interest accrued but not due on Corporate Bonds	<u>298</u>	<u>-</u>
	<b>1,695</b>	<b>878</b>
<b>Share in Joint Venture</b>	<b>5</b>	<b>5</b>
	<b>1,700</b>	<b>883</b>

# SCHEDULE

		(₹ in Million)	
		As at 31.03.11	As at 31.03.10
<b>SCHEDULE 12 - LOANS AND ADVANCES</b>			
<b>Loans</b>			
Secured	- Considered Good	23	29
	- Considered Doubtful	8	8
		<u>31</u>	<u>37</u>
Less: Provision for Doubtful Loans		8	23
			<u>8</u>
Unsecured			
	- Considered Good	2,295	2,769
	- Considered Doubtful	1	1
		<u>2,296</u>	<u>2,770</u>
Less: Provision for Doubtful Loans		1	2,295
			<u>1</u>
			2,769
<b>Advances recoverable in cash or in kind or for value to be received:</b>			
Unsecured	- Considered Good	2,639	4,827
	- Considered Doubtful	110	110
		<u>2,749</u>	<u>4,937</u>
Less: Provision for Doubtful Advances		110	2,639
			<u>110</u>
			4,827
<b>Deposits - Considered Good unless otherwise stated</b>			
Balance with Customs, Port Trust and other Government Authorities			
		8,696	8,052
Inter Corporate Deposits Considered Doubtful		125	135
Less :Provision for Doubtful Deposits		125	-
			<u>135</u>
Other Deposits		80	77
		<u>13,733</u>	<u>15,754</u>
<b>Share in Joint Venture</b>		<b>304</b>	<b>198</b>
		<u>14,037</u>	<u>15,952</u>

## SCHEDULE 13 - CURRENT LIABILITIES

Sundry Creditors		29,531	23,432
Advances from Customers/Dealers		1,781	2,489
Book Overdraft		1,220	675
Unclaimed Dividend *		5	4
Other Liabilities		1,774	1,124
Deposits from Dealers, Contractors and Others		1,278	1,897
Interest Accrued but not due on :			
Loans		4	40
Others		5	3
		<u>9</u>	<u>43</u>
		<b>35,598</b>	<b>29,664</b>
<b>Share in Joint Venture</b>		<b>868</b>	<b>596</b>
		<u>36,466</u>	<u>30,260</u>

\*Not due to be credited to the Investor Education and Protection Fund

# SCHEDULE

	(₹ in Million)	
	As at 31.03.11	As at 31.03.10
<b>SCHEDULE 14 - PROVISIONS (Note 13 and 14 on Schedule 23)</b>		
Litigation Related Provisions	658	614
Leave Encashment	752	659
Retirement Allowance	38	29
Warranty & Product Recall	929	810
Proposed Dividend	2,167	1,733
Corporate Dividend Tax	351	288
Others Provisions	255	221
Taxation (Net of Advance-Tax)	24	1,867
	<u>5,174</u>	<u>6,221</u>
<b>Share in Joint Venture</b>	<b>2</b>	<b>12</b>
	<u>5,176</u>	<u>6,233</u>
	<b>For the Year ended 31.03.2011</b>	<b>For the Year ended 31.03.2010</b>
<b>SCHEDULE 15 - SALES</b>		
Vehicles	380,058	298,534
Spare Parts / Dies and Moulds / Components	24,133	19,539
	<u>404,191</u>	<u>318,073</u>
<b>Share in Joint Venture</b>	<b>5,298</b>	<b>3,732</b>
	<u>409,489</u>	<u>321,805</u>
<b>SCHEDULE 16 - OTHER INCOME</b>		
Interest on:		
a) Fixed Deposits / Securities (Gross) [Includes Tax Deducted at Source of ₹ 70 Million (Previous year ₹ 136 million)]	681	1,185
b) Corporate Bonds - Gross	298	-
c) Receivables from Dealers (Gross) [includes Tax Deducted at Source of ₹ 50 Million (Previous year ₹ 56 million)]	487	418
d) Advances to Vendors (Gross) [Includes Tax Deducted at Source of ₹ 35 Million (Previous year ₹ 88 million)]	253	569
e) Income tax refund	360	3
f) Others	4	24
	<u>2,083</u>	<u>2,199</u>
Sale of Scrap (Net of Excise)	2,750	2,264
Miscellaneous Receipts (Gross) [Tax Deducted at Source of ₹ 61 Million (previous year ₹203 million)]	963	636
Cash Discount	1,919	1,463
Profit on Sale of Investments		
Long Term Investments	537	1,257
Short Term Investments	121	18
	<u>658</u>	<u>1,275</u>
Dividend:		
Trade Investments - Long Term	45	29
Others	2,083	1,531
	<u>2,128</u>	<u>1,560</u>
Provisions/ Liabilities no longer required Written Back	191	511
Recovery of Service Charges	620	458
Less: Repair Cost of Damaged Vehicles	47	79
	<u>573</u>	<u>379</u>
Exchange Variation (Net)	1,201	-
	<u>12,466</u>	<u>10,287</u>
<b>Share in Joint Venture</b>	<b>71</b>	<b>57</b>
	<u>12,537</u>	<u>10,344</u>

# SCHEDULE

	For the Year ended 31.03.2011	(₹ in Million) For the Year ended 31.03.10
<b>SCHEDULE 17 - EMPLOYEES REMUNERATION AND BENEFITS</b>		
<b>(Note 13 on Schedule 23)</b>		
Salaries ,Wages ,Allowances and Other Benefits [Net of Staff Cost recovered ₹ 99 million (Previous year ₹ 67 million)]	6,256	4,665
Contribution to Provident and Other Funds	303	299
Staff Welfare Expenses	434	475
Group Insurance	43	18
	<u>7,036</u>	<u>5,457</u>
<b>Share in Joint Venture</b>	<b>219</b>	<b>148</b>
	<u>7,255</u>	<u>5,605</u>

<b>SCHEDULE 18 - MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES</b>		
Power and Fuel [Net of amount recovered ₹ 1,451 million (Previous year ₹ 1,255 million)]	2,102	2,166
Rent	155	155
Rates, Taxes and Fees	872	460
Insurance	78	70
Repairs and Maintenance :		
Plant and Machinery	569	434
Building	102	86
Others	177	137
Royalty	18,925	10,168
Tools / Machinery Spares Charged Off	1,304	867
Net Loss on Sale/Discarding of Fixed Assets	79	97
Bad Debt/ Advance written off	1	-
Exchange Variation (Net)	-	135
Loss on Sale of Short Term Investments	59	11
Other Miscellaneous Expenses	4,762	3,156
	<u>29,185</u>	<u>17,942</u>
<b>Share in Joint Venture</b>	<b>351</b>	<b>199</b>
	<u>29,536</u>	<u>18,141</u>

<b>SCHEDULE 19 - SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement	3,353	3,624
Sales Promotion	1,688	1,509
Warranty & Product Recall	393	590
Transportation and Distribution Expenses	4,415	4,251
	<u>9,849</u>	<u>9,974</u>
<b>Share in Joint Venture</b>	<b>24</b>	<b>16</b>
	<u>9,873</u>	<u>9,990</u>

# SCHEDULE

	(₹ in Million)	
	For the year ended 31.03.2011	For the year ended 31.03.10
<b>SCHEDULE 20 - INTEREST</b>		
Interest		
- Foreign Currency Loans	28	102
- Export Credit	14	16
- Others	202	217
	<u>244</u>	<u>335</u>
<b>Share in Joint venture</b>	<b>44</b>	<b>39</b>
	<u>288</u>	<u>374</u>

## SCHEDULE 21 - (INCREASE)/ DECREASE IN WORK-IN-PROGRESS, FINISHED GOODS & SPARE PARTS

<b>Work-in-Progress</b>				
Opening Stock	401		489	
Less: Closing Stock	457	(56)	<u>401</u>	88
<b>Finished Goods</b>				
Opening Stock	3,794		1,661	
Less: Closing Stock	4,220		<u>3,794</u>	
	<u>(426)</u>		(2,133)	
Less: Excise Duty on (Increase)/Decrease of Finished Stock	<u>(132)</u>	<u>(294)</u>	<u>(76)</u>	(2,057)
<b>Spare Parts-Traded</b>				
Opening Stock	857		893	
Less: Closing Stock	1,108	(251)	857	36
		<u>(601)</u>		(1,933)
<b>Share in Joint Venture</b>		<u>(39)</u>		<u>(8)</u>
		<u>(640)</u>		<u>(1,941)</u>

# SCHEDULE

## SCHEDULE 22 - SIGNIFICANT ACCOUNTING POLICIES

### 1. GROUP COMPANIES

Maruti Suzuki India Limited (Formerly Maruti Udyog Limited) (The Company) has eight wholly owned subsidiaries, eight joint venture companies and fifteen associate companies (The Group), as given in the following table.

Sl. No.	Name of Company	Relationship	Country of Incorporation	Percentage of ownership interest as on 31st March 2011
1	Maruti Insurance Business Agency Limited (Formerly known as Maruti Insurance Brokers Limited)	Subsidiary	India	100.00
2	Maruti Insurance Distribution Services Limited	Subsidiary	India	100.00
3	True Value Solutions Limited	Subsidiary	India	100.00
4	Maruti Insurance Agency Network Limited	Subsidiary	India	100.00
5	Maruti Insurance Agency Solutions Limited	Subsidiary	India	100.00
6	Maruti Insurance Agency Services Limited	Subsidiary	India	100.00
7	Maruti Insurance Logistic Limited	Subsidiary	India	100.00
8	Maruti Insurance Broker Limited	Subsidiary	India	100.00
9	J.J Impex (Delhi) Private Limited	Joint Venture	India	49.13
10	Mark Exhaust Systems Limited	Joint Venture	India	44.37
11	Bellsonica Auto Components India Limited	Joint Venture	India	30.00
12	Krishna Ishizaki Auto Limited (Formerly known as Krishna Auto Mirrors Limited)	Joint Venture	India	15.00
13	FMI Automotive India Limited	Joint Venture	India	49.00
14	Inergy Automotive Systems Manufacturing India Private Limited	Joint Venture	India	26.00
15	Manesar Steel Processing (India) Private Limited	Joint Venture	India	15.00
16	Maruti Insurance Broking Private Limited	Joint Venture	India	47.92
17	Suzuki Powertrain India Limited	Associate	India	30.00
18	Climate Systems India Limited	Associate	India	39.00
19	SKH Metals Limited	Associate	India	48.71
20	Jay Bharat Maruti Limited	Associate	India	29.28
21	Maruti Countrywide Auto Financial Services Limited	Associate	India	26.00
22	Citicorp Maruti Finance Limited	Associate	India	26.00
23	Caparo Maruti Limited	Associate	India	25.00
24	Machino Plastics Limited	Associate	India	15.35
25	Bharat Seats Limited	Associate	India	14.81
26	Krishna Maruti Limited	Associate	India	15.80
27	Asahi India Glass Limited	Associate	India	11.11
28	Denso India Limited	Associate	India	10.27
29	Nippon Thermostat (India) Limited	Associate	India	10.00
30	Sona Koyo Steering Systems Limited	Associate	India	6.94
31	Magneti Marelli Powertrain India Limited	Associate	India	19.00

### 2. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements of The Group have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to Section 211 (3C) of the Act and other recognised accounting practices and policies.

Financial statements of the Company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions in full as per Accounting Standard 21 on Consolidated Financial Statements.

# SCHEDULE

Investment in associates (entity over which the company exercises significant influence, which is neither a subsidiary nor a joint venture) are accounted for using the equity method as per Accounting Standard 23 on Accounting for Investments in Associates in Consolidated Financial Statements.

Investments in joint venture undertakings over which the company exercises joint control are accounted for using proportionate consolidation as per Accounting Standard 27 on Financial Reporting of Interests in Joint Ventures.

All unrealized surpluses and deficits on transactions between the group companies are eliminated.

Accounting policies between group companies are consistent to the extent practicable. Appropriate disclosure is made of significant deviations from the company accounting policies, which have not been adjusted.

### 3. REVENUE RECOGNITION:

Domestic and export sales are recognised on transfer of significant risk and rewards to the customer which takes place on dispatch of goods from the factory / stockyard / storage area and port respectively.

Finance charges on hire purchase business/ lease rental income are recognized on the basis of implicit rate of return on the value of assets hired out/leased.

Agency Commission income from insurance companies and remuneration to dealers are recognised based on the insurance policies issued by the dealers.

### 4. FIXED ASSETS:

a) Fixed assets (except freehold land which is carried at cost) are carried at cost of acquisition or construction or at manufacturing cost (in case of own manufactured assets) in the year of capitalisation less accumulated depreciation.

b) Assets acquired under finance lease are capitalized at the lower of their fair value and the present value of minimum lease payments.

### 5. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which each asset is put to use as part of the cost of that asset.

### 6. DEPRECIATION/ AMORTISATION

a) Fixed assets except leasehold assets viz land are depreciated on the straight line method on a pro-rata basis from the month in which each asset is put to use.

Depreciation has been provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for certain fixed assets where, based on the management's estimate of the useful life of the assets, higher depreciation has been provided on the straight line method over the following useful lives:

Plant and Machinery	8 – 11 Years
Dies and Jigs	4 Years
Electronic Data Processing Equipments	3 Years

Depreciation has been provided on Straight Line Method at rate higher than Schedule XIV for some associate companies as follows:

Assets	Depreciation rates
Electrical Fittings	3 Years
Plant & Machinery	5 – 13 Years
Furniture & Fittings	5 – 7 Years
Vehicles	5 Years
Electronic Data Processing Equipments	3 – 5 Years

In respect of assets whose useful life has been revised, the unamortised depreciable amount is charged over the revised remaining useful life of the assets.

b) Leasehold assets viz land are amortised over the period of lease.

c) All assets, the individual written down value of which at the beginning of the year is ₹ 5,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

d) Lump Sum royalty is amortised on a straight line basis over 4 years from the start of production of the related model.

### 7. GOODWILL

Goodwill arising on consolidation is charged to profit and loss account.

### 8. INVENTORIES

a) Inventories are valued at lower of cost, determined on the weighted average basis, and net realisable value.

b) Tools are written off over a period of three years except for tools valued at ₹ 5,000 or less individually which are charged off to revenue in the year of purchase.

## SCHEDULE

- c) Machinery spares (other than those supplied alongwith main plant and machinery, which are capitalized and depreciated accordingly) are charged to revenue on consumption except those valued at ₹ 5,000 or less individually, which are charged to revenue in the year of purchase.

In case of certain associates inventory is valued at lower of cost, determined on the first in first out basis, and net realisable value.

### 9. INVESTMENTS

Current investments are valued at the lower of cost and fair value. Long-term investments are valued at cost except in case of a permanent diminution in their value, in which case necessary provision is made.

### 10. RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged off against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets and depreciated accordingly.

### 11. FOREIGN CURRENCY TRANSLATIONS AND DERIVATIVE INSTRUMENTS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of transactions, are recognised as income or expense in the year in which they arise.
- b) At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are reported at the exchange rates prevailing at the balance sheet date by recognizing the exchange difference in profit and loss account. However, the exchange difference arising on foreign currency monetary items that qualify and are designated as hedge instruments in a cash flow hedge is initially recognized in 'hedge reserve' and subsequently transferred to profit & loss account on occurrence of the underlying hedged transaction.
- c) Effective April 1, 2008, the Company adopted Accounting Standard -30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent that the adoption does not contradict with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and other regulatory requirements.
- d) Derivative contracts (except for forward foreign exchange contracts where underlying asset or liability exists) are fair valued at each reporting date. The Company records the gain or loss on effective hedges, if any, in a "hedge reserve," until the transaction is complete. On completion, the gain or loss is transferred to the profit and loss account of that period. Change in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedge is recognized in the profit and loss account in the accounting period in which they arises.
- e) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

### 12. EMPLOYEE BENEFIT COSTS

#### Short - Term Employee Benefits:

Recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

#### Post Employment and Other Long Term Employee Benefits :

- (i) The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognised by the income tax authorities. These Funds are administered through Trusts and the Company's contributions thereto are charged to revenue every year. The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a Defined Contribution Plan administered by The New India Insurance Company Limited. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to revenue every year.
- (ii) The Company has Defined Benefit Plans namely Gratuity, Interest on Provident Fund and Retirement Allowance for employees and Other long term employee benefits i.e. Leave Encashment/ Compensated Absences, the liability for which is determined on the basis of an actuarial valuation at the end of the year based on Projected Unit Credit Method. The Gratuity Fund is recognised by the income tax authorities and is administered through a Trust.

Termination benefits are recognised as an expense immediately.

Gains and losses arising out of actuarial valuations are recognised immediately in the Profit and Loss Account as income or expense.

In case of certain joint venture and associate companies, contributions towards gratuity are charged to Profit & Loss Account on the basis of premium paid to the Life Insurance Corporation of India.



## SCHEDULE

### 13. CUSTOMS DUTY

Custom duty available as drawback is initially recognized as purchase cost and is credited to consumption on export of vehicles.

### 14. GOVERNMENT GRANTS

Government grants are recognised in the profit and loss account in accordance with the related scheme and in the period in which these are accrued.

### 15. TAXES

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit/(loss) for the year.

Current tax is recognised based on assessable profit computed in accordance with the Income Tax Act and at the prevailing tax rate.

Deferred tax is recognized for all the timing differences. Deferred tax assets are carried forward to the extent it is reasonably/ virtually certain that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down/ written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

### 16. DIVIDEND INCOME

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

### 17. INTEREST INCOME

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

### 18. IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds the recoverable amount.

### 19. ROYALTY

- The company pays / accrues for royalty expense in accordance with the relevant agreements with Suzuki Motor Corporation.
- The lump sum royalty incurred towards obtaining technical assistance / technical know how to manufacture a new model/ car, ownership of which rests with the technical know how provider, is recognised as an intangible asset in accordance with the requirements of Accounting Standard-26 "Intangible Assets". Royalty payable on sale of products i.e. running royalty is charged to profit and loss account as and when incurred.

### 20. PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

#### SCHEDULE 23 – CONSOLIDATED NOTES TO ACCOUNTS:

##### 1) Contingent Liabilities:

- Claims against the Group disputed and not acknowledged as debts:

Particulars	(₹ in Million)	
	As at March 31, 2011	As at March 31, 2010
<b>(i) Excise Duty</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department is in further appeal	<b>1,066</b>	1,141
(b) Show cause notices / orders on the subjects covered in (i) (a) above for other periods	<b>1,932</b>	1,351
(c) Cases pending before Appellate authorities in respect of which the Company is in appeal and other show cause notices	<b>10,803</b>	8,878
<b>Total</b>	<b>13,801</b>	11,370
Amount deposited under protest	<b>3</b>	3

## SCHEDULE

(₹ in Million)

Particulars	As at March 31, 2011	As at March 31, 2010
<b>(ii) Service Tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department is in further appeal	357	357
(b) Show cause notices / orders on the subjects covered in (ii) (a) above for other periods	2,775	-
(c) Cases pending before Appellate authorities in respect of which the Company is in appeal and other show cause notices	3,348	1,855
<b>Total</b>	<b>6,480</b>	<b>2,212</b>
Amount deposited under protest	2	-
<b>(iii) Income Tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department is in further appeal	6,491	5,520
(b) Cases pending before Appellate authorities / Dispute Resolution Panel in respect of which the Company is in appeal (Including share of Joint Venture Current Year ₹ 2 million; Previous Year ₹ 2 Million)	6,055	3,449
<b>Total</b>	<b>12,546</b>	<b>8,969</b>
Amount deposited under protest (Including share of Joint Venture Current Year ₹ 2 million; Previous Year ₹ 2 Million)	4,180	3,799
<b>(iv) Custom Duty</b>		
Pending before Appellate authorities in respect of which the Company is in appeal	120	120
Amount deposited under protest	22	22
<b>(v) Sales Tax</b>		
Pending before Appellate authorities in respect of which the Company is in appeal (Including share of Joint Venture Current Year ₹ 1 million; Previous Year ₹ Nil Million)	68	52
Amount deposited under protest	2	2
<b>(vi) Claims against the Company for recovery of ₹ 609 million (including share of Joint Venture ₹ 3 million) (Previous year ₹ 501 million) (including share of Joint Venture ₹ 3 million) lodged by various parties</b>		

b) The amounts shown in the item (a) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

- 2) Outstanding commitments under Letters of Credit established by the Group aggregating ₹ 9,676 million (includes share of Joint Venture ₹ 49 million) (Previous year ₹ 4,313 million) (includes share of Joint Venture ₹ 44 million).
- 3) Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amounts to ₹ 27,103 million (includes share of Joint Venture ₹ 49 million) (Previous year ₹ 17,684 million) (includes share of Joint Venture ₹ 36 million).
- 4) Consumption of raw materials and components has been computed by adding purchases to the opening stock and deducting closing stock verified physically by the management.
- 5) The Company was granted sales tax benefit in accordance with the provisions of Rule 28C of Haryana General sales Tax Rules, 1975 for the period from 1st August, 2001 to 31st July, 2015. The ceiling amount of concession to be availed of during entitlement period is ₹ 5,644 million. Till 31st March 2011, the Company has availed off/ claimed sales tax benefit amounting to ₹ 2,118 million (Previous year ₹ 1,893 million).

## SCHEDULE

- 6) Differences between accounting policies of the Company and other group companies, the impact of which is not expected to be material.
- In case of certain associate and joint venture companies, contributions towards gratuity are charged to Profit & Loss Account on the basis of premium paid to the Life Insurance Corporation of India.
  - Deferred Revenue Expenditure of Joint Venture and Associate Companies have been charged to Profit & Loss Account in the year of incurrence.
  - In case of certain associate companies, First In First Out method of inventory valuation is followed.
  - In case of a joint venture company, fair value (mark to market) of a derivative instrument i.e. an interest rate swap has not been computed as at March 31, 2011.
  - In case of certain associates, written down value method of depreciation is followed.
  - In case of a joint venture company, warranty expenses is charged to Profit & Loss Account as and when claimed by customer on actual basis.
- 7) (a) The Profit after tax of Denso India Limited, Machino Plastics Limited, Sona Koyo Steering Systems Limited & Asahi India Glass Limited has been annualised based on unaudited financial statements of nine months ended 31st December 2010. It is unlikely that the audited results would be materially different from annualised results.
- (b) The Profit after tax of Climate Systems India Limited, Krishna Maruti Limited, SKH Metals Limited, Manesar Steel Processing (India) Private Limited, Magneti Marelli Powertrain India Limited, Krishna Ishizaki Auto Limited, and Inergy Automotive Systems Manufacturing India Private Limited has been taken on the basis of unaudited financial statements for financial year ended 31st March 2011. It is unlikely that the audited results would be materially different from unaudited results.
- 8) The Group has considered "business segment" as the primary segment. The Group is primarily in the business of manufacture, purchase and sale of Motor Vehicles, Components and Spare Parts ("automobiles"). The other activities of the Group comprise facilitation of Pre-Owned Car sales, Fleet Management and Car Financing. The income from these activities, which are incidental to the Group's business, is not material in financial terms. Accordingly, the Group has considered "Business Segment" as the primary segment and thus no business segment information is required to be disclosed.

The "Geographical Segments" has been considered for disclosure as secondary segment, under which domestic segment includes sales to customer located in India and overseas segment includes sales to customers located outside India.

**Financial information of geographical segments is as follows :**

(₹ in Million)

Particulars	2010-11				2009-10			
	Domestic	Overseas	Unallocated	Total	Domestic	Overseas	Unallocated	Total
Revenue from external customers	382,817	38,473	2,741	424,031	282,777	48,785	3,474	335,036
Segment assets	128,573	6,152	56,276	191,001	87,574	5,200	76,061	168,835
Capital expenditure during the year	26,542	-	-	26,542	13,804	-	-	13,804

Notes:-

- Domestic segment includes sales to customers located in India and services income accrued in India.
- Overseas segment includes sales and services rendered to customers located outside India.
- Unallocated revenue includes interest income, dividend income and profit on sale of investment.
- Unallocated assets include other deposits, dividend bank account and investments.
- Segment assets includes fixed assets, inventories, sundry debtors, cash and bank balances (except dividend bank account), other current assets, loans and advances (except other deposits).
- Capital expenditure during the year includes fixed assets and net additions to capital work in progress.

9) STATEMENT OF EARNINGS PER SHARE	2010-11	2009-10
Net Profit after tax attributable to shareholders (in Million ₹)	23,824	26,247
Weighted Average Number of Equity Shares Outstanding during the year	288,910,060	288,910,060
Nominal value per share (In ₹)	5.00	5.00
Basic/Diluted Earnings Per Share (In ₹)	82.46	90.85

## SCHEDULE

### 10) DEFERRED TAX

Major Components of Deferred Tax arising on account of temporary timing differences along with their movement as at March 31, 2011 are:

(₹ in Million)

Assets	31.03.10	Movement During the Year	31.03.11
Provision for Doubtful Debts / Advances	183	1	184
Contingent Provisions	220	(17)	203
Others	433	48	481
	836	32	868
<b>Share in Joint Ventures</b>	2	0	2
<b>Total (A)</b>	838	32	870
<b>Liabilities</b>			
Depreciation on Fixed Assets	2,081	200	2,281
Exchange gain on Capital Accounts	(134)	61	(73)
Allowances under Income Tax Act, 1961	259	46	305
	2,206	307	2,513
<b>Share in Joint Ventures</b>	93	(6)	87
<b>Total (B)</b>	2,299	301	2,600
<b>Net Deferred Tax Liability* (B) - (A)</b>	1,461	269	1,730
Previous Year	1,598	(137)	1,461

\* Includes adjustment of ₹ 173 million (Previous year ₹ 100 million) on account of reclassification of Deferred Tax Liabilities from Provision for Taxation.

11) Minimum Lease payments outstanding as on 31st March 2011 in respect of assets taken on non cancellable operating leases are as follows.

Due	March 31, 2011	March 31, 2010
	Total Minimum Lease Payments Outstanding as on 31st March 11	Total Minimum Lease Payments Outstanding as on 31st March 10
Within One Year	49	45
Later than one Year but less than five Years	207	202
later than five years	796	850
	March 31, 2011	March 31, 2010
	Minimum Lease Payment	Minimum Lease Payment
Charged to Rent Expense (Schedule 18)	60	60

# SCHEDULE

## 12) STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Holding Company	2010-11					2009-10					Total
	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	
<b>Key Management Personnel</b>											
Suzuki Motor Corporation	Mr. Shinzo Nakanishi	Asahi India Glass Limited	-	2,050	-	2,050	-	3,020	-	-	3,020
	Mr. Shuji Oishi	Bharat Seats Limited	55	484	23	644	92	612	20	5	729
	Mr. Tsuneto Ohashi	Caparo Maruti Limited	55	2,534	82	3,177	92	3,632	20	5	3,749
	Mr. Keiichi Asai	Climate Systems India Limited	-	-	-	-	-	-	-	-	-
<b>Joint Ventures</b>	J.J. Impex (Delhi) Private Limited	Denso India Limited	-	-	-	-	-	-	-	-	-
	Mark Exhaust Systems Limited	Jay Bharat Maruti Limited	-	-	-	-	-	-	-	-	-
	Bellsonica Auto Component India Private Limited	Krishna Maruti Limited	-	-	-	-	-	-	-	-	-
	FMI Automotive Components Limited	Machino Plastics Limited	-	-	-	-	-	-	-	-	-
	Krishna Auto Mirrors Limited	Nippon Thermostat (India) Limited	-	-	-	-	-	-	-	-	-
	Inergy India Automotive Components Limited	Sona Koyo Steering Systems Limited	-	-	-	-	-	-	-	-	-
	Maruti Insurance Broking Private Limited	Citirup Maruti Finance Limited	-	-	-	-	-	-	-	-	-
	Manesar Steel Processing India Private Limited	Maruti Countrywide Auto Financial Services Limited	-	-	-	-	-	-	-	-	-
		Magneti Marelli Powertrain India Private Limited	-	-	-	-	-	-	-	-	-
		Suzuki Powertrain India Limited*	-	-	-	-	-	-	-	-	-
<b>Outstanding at year end</b>											
<b>Loans and advances recoverable</b>											
Suzuki PowerTrain India Limited	-	2,050	-	-	-	2,050	-	-	-	-	3,020
Others	55	484	82	23	23	644	92	612	20	5	729
<b>Total</b>	55	2,534	82	23	23	2,694	92	3,632	20	5	3,749
<b>Amounts Payable</b>											
Suzuki Motor Corporation	-	-	10,165	-	-	10,165	-	-	5,848	-	5,848
Others	240	2,597	-	9	9	2,846	323	3,234	-	67	3,624
<b>Total</b>	240	2,597	10,165	9	9	13,011	323	3,234	5,848	67	9,472
<b>Guarantees given to third parties for the Company</b>											
Suzuki Motor Corporation	-	-	2,781	-	-	2,781	-	-	4,199	-	4,199
Others	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	2,781	-	-	2,781	-	-	4,199	-	4,199
<b>Finances (Equity &amp; Loans)</b>											
Inergy India Automotive Comp. Limited	67	-	-	-	-	67	-	-	-	-	-
Maruti Insurance Broking Private Limited	2	-	-	-	-	2	-	-	-	-	-
Manesar Steel Processing India Private Limited	68	-	-	-	-	68	-	-	-	-	-
Maruti Insurance Broker Limited	-	-	-	-	-	-	-	-	-	-	-
Krishna Ishizaki Auto Limited	-	-	-	-	-	-	10	-	-	-	10
Suzuki Motorcycle India Private Limited	-	-	-	-	-	-	-	-	150	-	150
<b>Total</b>	137	-	-	-	-	137	10	-	150	-	160
<b>Amount Recoverable</b>											
SKH Metals Limited	-	268	-	-	-	268	-	272	-	-	272
PT Suzuki Indomobil Motor	-	-	-	524	-	524	-	-	245	-	245
Others	182	205	1	384	-	772	177	417	54	672	1,320
<b>Total</b>	182	473	1	908	-	1,564	177	689	54	917	1,837
<b>Goods In Transit - Comp Etc.</b>											
Suzuki Motor Corporation	-	-	2,284	-	-	2,284	-	-	1,530	-	1,530
Others	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	2,284	-	-	2,284	-	-	1,530	-	1,530
<b>Transaction during the year</b>											
<b>Loan recovered during the year</b>											
Suzuki PowerTrain India Limited	-	62	-	-	-	62	-	85	-	-	85
<b>Total</b>	-	62	-	-	-	62	-	85	-	-	85

(₹ in Million)

# SCHEDULE

(₹ in Million)

	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
<b>Purchases of Capital Items</b>												
Suzuki Motor Corporation	-	-	2,623	-	-	2,623	-	-	1,092	-	-	1,092
Others	16	553	-	2	-	571	-	-	-	2	-	2
<b>Total</b>	16	553	2,623	2	-	3,194	-	-	1,092	2	-	1,094
<b>Sale of Goods</b>												
Suzuki Australia Pty. Limited	-	-	-	1,958	-	1,958	-	-	-	825	-	825
PT Indomobil Suzuki International	-	-	-	3,028	-	3,028	-	-	-	838	-	838
Others	820	2,190	125	6,062	-	9,197	1,059	1,931	147	14,749	-	17,886
<b>Total</b>	820	2,190	125	11,048	-	14,183	1,059	1,931	147	16,412	-	19,549
<b>Other Income</b>												
<b>Income/ Finance - Commission/Dividend</b>												
Suzuki PowerTrain India Limited	-	479	-	-	-	479	-	495	-	-	-	495
Others	49	437	-	-	-	486	41	436	-	-	-	477
<b>Total</b>	49	916	-	-	-	965	41	931	-	-	-	972
<b>Other Misc Income</b>												
Suzuki PowerTrain India Limited	-	846	-	-	-	846	-	830	-	-	-	830
Jay Bharat Maruti Limited	-	150	-	-	-	150	-	116	-	-	-	116
SKH Metals Limited	-	212	-	-	-	212	-	162	-	-	-	162
Others	105	152	-	-	-	257	145	132	3	16	-	296
<b>Total</b>	105	1,360	-	-	-	1,465	145	1,240	3	16	-	1,404
<b>Purchases of Goods</b>												
Suzuki Motor Corporation	-	-	21,518	-	-	21,518	-	-	18,064	-	-	18,064
Suzuki Powertrain India Limited	-	39,053	-	-	-	39,053	-	26,610	-	-	-	26,610
Others	7,970	50,678	-	-	-	58,648	5,119	36,866	-	10	-	41,995
<b>Total</b>	7,970	89,731	21,518	-	-	119,219	5,119	63,476	18,064	10	-	86,669
<b>Proposed Dividend</b>												
Suzuki Motor Corporation	-	-	1,175	-	-	1,175	-	-	940	-	-	940
<b>Total</b>	-	-	1,175	-	-	1,175	-	-	940	-	-	940
<b>Royalty</b>												
Suzuki Motor Corporation	-	-	18,925	-	-	18,925	-	-	10,168	-	-	10,168
<b>Total</b>	-	-	18,925	-	-	18,925	-	-	10,168	-	-	10,168
<b>Services Received</b>												
Suzuki Motor Corporation	-	-	703	-	-	703	-	-	505	-	-	505
Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	703	-	-	703	-	-	505	-	-	505
<b>Other-Expenditure</b>												
Suzuki France S.A.S.	-	-	-	34	-	34	-	-	-	1	-	1
Suzuki International Europe GmbH	-	-	-	46	-	46	-	-	-	12	-	12
Suzuki GB PLC	-	-	-	46	-	46	-	-	-	37	-	37
Suzuki Motor Corporation	-	-	122	-	-	122	-	-	119	-	-	119
Others	3	-	-	67	-	70	4	1	-	54	-	59
<b>Total</b>	3	-	122	193	-	318	4	1	119	104	-	228
<b>Managerial Remuneration</b>												
Mr Shinzo Nakanishi	-	-	-	-	25	25	-	-	-	-	-	22
Mr Tsuneo Ohashi	-	-	-	-	18	18	-	-	-	-	-	16
Mr Keiichi Asai	-	-	-	-	18	18	-	-	-	-	-	16
Mr. Syuji Oishi	-	-	-	-	18	18	-	-	-	-	-	16
<b>Total</b>	-	-	-	-	79	79	-	-	-	-	-	70

\* Suzuki Powertrain India Limited is also a Fellow Subsidiary

## SCHEDULE

### 13) The Company has calculated the various benefits provided to employees as under

#### A. Defined Contribution Plans

- Superannuation Fund
- Post Employment Medical Assistance Scheme
- Provident Fund

During the year the Company has recognised the following amounts in the Profit and Loss account :-

	(₹ In Million)	
	March 31, 2011	March 31, 2010
Employers Contribution to Superannuation Fund*	35	28
Employers Contribution to Post Employment Medical Assistance Scheme*	2	1
Provident Fund	188	164

#### B. State Plans

- Employers contribution to Employee State Insurance\*
- Employers contribution to Employee's Pension Scheme 1995\*

During the year the Company has recognised the following amounts in the Profit and Loss account :-

	March 31, 2011	March 31, 2010
Employers contribution to Employee State Insurance*	5	6
Employers contribution to Employee's Pension Scheme 1995*	48	43

\* Included in Contribution to Provident and Other Funds under Employee Remuneration and Benefits (Refer schedule 17)

#### C. Defined Benefit Plans and Other Long Term Benefits

- Contribution to Gratuity Funds - Employee's Gratuity Fund
- Leave Encashment/ Compensated Absence
- Retirement Allowance

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions.

	March 31, 2011			March 31, 2010		
	Leave Employees Encashment/ Compensated Absence	Gratuity Fund	Retirement Allowance	Leave Employees Encashment/ Compensated Absence	Gratuity Fund	Retirement Allowance
Discount Rate (per annum)	8.50%	8.50%	8.50%	8.00%	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%	0.00%	6.00%	6.00%	0.00%
Rate of return on plan assets.	Not Applicable	8.00%	Not Applicable	Not Applicable	8.00%	Not Applicable
Expected Average remaining working lives of employees (years)	22	22	22	21	21	21

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Changes in Present Value Of Obligations

	March 31, 2011			March 31, 2010		
	Leave Employees Encashment/ Compensated Absence	Gratuity Fund	Retirement Allowance	Leave Employees Encashment/ Compensated Absence	Gratuity Fund	Retirement Allowance
Present value of obligation as at beginning of the year	659	734	29	550	621	27
Interest cost	45	61	2	35	49	2
Current service cost	32	45	-	42	42	-
Benefits Paid	172	21	-	84	7	-
Actuarial (gain)/ loss on Obligations	188	7	7	116	29	-
Present value of obligation as at the year end	752	827	38	659	734	29

# SCHEDULE

## Changes in the Fair value of Plan Assets

(₹ In Million)

	March 31, 2011	March 31, 2010
	Employees Gratuity Fund	Employees Gratuity Fund
Fair value of Plan Assets as at beginning of the year	734	621
Expected return on Plan Assets	59	44
Contribution	25	57
Benefits Paid	21	79
Actuarial gain/ (loss) on Obligations	30	91
Fair value of Plan Assets as at the year end	827	734

## Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets

	March 31, 2011			March 31, 2010		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	752	827	38	659	734	29
Fair value of Plan Assets as at the year end	-	827	-	-	734	-
Surplus/ (Deficit)	(752)	-	(38)	(659)	-	(29)
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(752)	-	(38)	(659)	-	(29)

	March 31, 2009			March 31, 2008		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	550	621	27	429	524	25
Fair value of Plan Assets as at the year end	-	621	-	-	491	-
Surplus/ (Deficit)	(550)	-	(27)	(429)	(33)	(25)
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(550)	-	(27)	(429)	-	(25)

	March 31, 2007		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	441	484	22
Fair value of Plan Assets as at the year end	-	456	-
Surplus/ (Deficit)	(441)	(28)	(22)
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(441)	-	(22)

## Expenses Recognised in Profit & Loss Account

	March 31, 2011			March 31, 2010		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Current service cost	32	45	-	42	42	-
Interest cost	45	61	2	35	49	2
Expected return on Plan Assets	-	(59)	-	-	(44)	-
Settlement cost	-	-	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	188	(23)	7	116	(62)	-
Total Expense recognised in Profit & Loss Account*	265	25	9	193	(15)	2

\* Included in "Salaries, Wages, Allowances and Other Benefits" except for Employee Gratuity Fund which is included in "Contribution to Provident and Other Funds" under "Employee Remuneration and Benefits" (Schedule 17)



# SCHEDULE

(₹ in Million)

Constitution of Plan Assets	Gratuity	
	March 31, 2011	March 31, 2010
(a) Debt Funds	379	585
(b) Others	448	149
<b>Total</b>	<b>827</b>	<b>734</b>

The return on the investment is the nominal yield available on the format of investment as applicable to Approved Gratuity Fund under Rule 101 of Income Tax Act 1961.

Expected contribution on account of Gratuity for the year ending March 31, 2011 can not be ascertained at this stage.

## 14) Following are the provisions in the books of account as on 31.03.2011 :

Description	Balance as on 31.03.10	Additions during the year	Utilized/ Reversed during the year	Balance as on 31.03.11
a) Litigation Related Provisions	614	47	3	658
	(611)	(36)	(33)	(614)
b) Warranty / Product Recall	810	393	274	929
	(432)	(590)	(212)	(810)
c) Others	221	35	1	255
	(195)	(31)	(5)	(221)

- Litigation related provisions pertain to the estimated outflow in respect of disputes with various government authorities.
- Warranty and Product Recall provisions relate to the estimated outflow in respect of warranty and recall cost for products sold during the year.
- Other Provisions relate to excise duty, export obligation and guarantees etc. given.
- Due to the very nature of the above costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as the expected reimbursements from such estimates.
- Amount in brackets represents previous year's figures.

## 15) Previous Year's figures have been recasted / regrouped where considered necessary to make them comparable with the current year's figures.

### For Price Waterhouse

Firm Registration Number: FRN 301112E  
Chartered Accountants

### SHINZO NAKANISHI

Managing Director & CEO

### S. OISHI

Director

### ANUPAM DHAWAN

Partner  
Membership Number - F 084451

### AJAY SETH

Chief Financial Officer

### S. RAVI AIYAR

Company Secretary  
& Chief Legal Officer

Place: New Delhi  
April 25, 2011



**MARUTI SUZUKI INDIA LIMITED**

Regd. Office: 1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070

**ATTENDANCE SLIP**

Thirtieth Annual General Meeting

Folio No./Client ID\*  
DP ID\*

(CUT FROM HERE)

I certify that I am a Member / Proxy for the Member of the Company. I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company at Air Force Auditorium, Subroto Park, New Delhi - 110010 at 10.00 a.m. on Thursday, 8<sup>th</sup> day of September, 2011.

Member's/Proxy's name in  
BLOCK Letters

Signature of Member/Proxy

Note: Please fill up this attendance slip and hand it over at the Registration Counter.  
Members are requested to bring their own Annual Report which has already been sent or e-mailed to them.

\*Those who hold shares in demat form must quote their Demat A/c. No. and Depository Participant (DP) ID. No.



Please tear here



**MARUTI SUZUKI INDIA LIMITED**

Regd. Office: 1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070

**PROXY FORM**

Thirtieth Annual General Meeting

Regd.Folio No. \_\_\_\_\_

\*Demat A/c No. \_\_\_\_\_

\*DP. ID. No. \_\_\_\_\_

I / We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members of the Company hereby  
appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him / her of \_\_\_\_\_ in the district of \_\_\_\_\_ as my /  
our proxy to vote for me / us on my / our behalf at the 30<sup>th</sup> Annual General Meeting of the Company to be held at Air Force Auditorium,  
Subroto Park, New Delhi - 110010 at 10.00 a.m. on Thursday, 8<sup>th</sup> day of September, 2011 and at any adjournment thereof.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2011.

Signature \_\_\_\_\_

Affix  
Fifteen  
Paise  
Revenue  
Stamp

Note: This form in order to be valid and effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

\*Those who hold shares in demat form must quote their Demat A/c no. and Depository Participant (DP) ID. No.

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