

Resilience   
Resolve   
Resurgence 

**MARUTI**  **SUZUKI**

**Way of Life!**

**Maruti Suzuki India Limited**  
Annual Report 2012-13

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## In life as in business, it is often difficult to predict roadblocks.

But they regularly impede our path and fill the journey with challenges and growth.

At Maruti Suzuki, 2012-13 tested our ability to withstand challenges and bounce back. We saw one of the worst car demand slowdowns in a decade, market distortion between petrol and diesel cars, and continued adverse impact of foreign currency movement.

The violence at our Manesar plant, and the tragic death of a General Manager, cast a shadow.

### How do we respond to such a situation?

The most obvious response would be: shock, disbelief, denial, blame, withdrawal or even rationalisation.

At Maruti Suzuki, however, we didn't do the obvious thing.

Rather than being overwhelmed by the external adversity, we looked inwards for internal strengths to fight back.

Our collective resolve helped us stay together, think positive, display composure and focus on the future rather than just the present.

We operated with agility and consistent focus and pulled off the not-so-obvious: we stayed close to our people and their families, made the Manesar plant operational within a month after disruption, launched an exciting new model, increased our market share and profits, and also kept our future investment plans on schedule.

Most importantly, we continued our transparent communication with investors, media and all other stakeholders.

Leadership is not just about highest market share for decades; it is also about

Resilience ~  
 Resolve <>  
 Resurgence >>

# Fighting Fit for Decades

For more than three decades, Maruti Suzuki has been a household name across urban and rural India, through multiple business challenges. We commenced our journey in 1982. Since then the story rolls on. The story of an automobile revolution...

Over the years, the pride of owning a Maruti Suzuki vehicle has grown despite the availability of multiple brands. Today, we produce more than **1 million** units annually, with **15 different models** and over **200 variants**.

2 - 3

## Passenger cars



Maruti 800



Alto 800 (also available Alto K10)



Wagon R



Estilo



A-star



Ritz



Swift



DZire



SX4

---

## Vans



Kizashi



Omni



Eco

---

## Utility vehicles



Ertiga



Grand Vitara



Gypsy

# Ability Meets Acclaim



## Qtr.1

FY'13

- ^ Maruti Suzuki unveiled India's first Life Utility Vehicle - Ertiga on 12<sup>th</sup> April
- ^ Maruti Suzuki attained 1 million cumulative exports
- ^ Haryana Chief Minister, Shri Bhupinder Singh Hooda laid foundation stone of the R&D Test Track at Rohtak
- ^ Haryana Chief Minister, Shri Bhupinder Singh Hooda inaugurated the country's 6<sup>th</sup> Institute of Driving and Traffic Research (IDTR) at Rohtak
- ^ Maruti Suzuki signed an agreement with the Government of Gujarat to buy 700 acres of land for setting up a complete vehicle manufacturing facility near Mehsana
- ^ The Board of Directors approved the proposal to merge Suzuki PowerTrain India Limited with Maruti Suzuki India Limited

## Qtr.2

FY'13

- ^ Maruti Suzuki unveiled 'Wagon R Pro', a limited edition of one of our best-sellers Wagon R, sporting new features like double DIN music system with USB and Bluetooth, art leather seat covers, security system, premium exteriors with smart sporty body graphics and rear upper spoiler
- ^ Maruti Suzuki introduced a refreshed version of Ritz (Diesel) starting at ₹ 5.31 lakhs in an exclusive fresh colour - Mystique Red



# Qtr.3

FY'13

- ^ Maruti Suzuki launched the New Alto 800
- ^ Maruti Suzuki was felicitated with the Golden Peacock Award for Sustainability
- ^ Maruti Suzuki ranked No. 1 in J.D. Power Asia Pacific 2012 - Customer Satisfaction Index (CSI) study for the 13<sup>th</sup> consecutive year
- ^ NDTV Profit, India's popular business channel, presented the title of Automobile Person of the Year - 2013 to our Chairman Mr. R.C. Bhargava
- ^ Maruti Suzuki was runners-up at the Corporate Green Star Award
- ^ **Top Gear Awards**  
Ertiga - Family Car of the Year



# Qtr.4

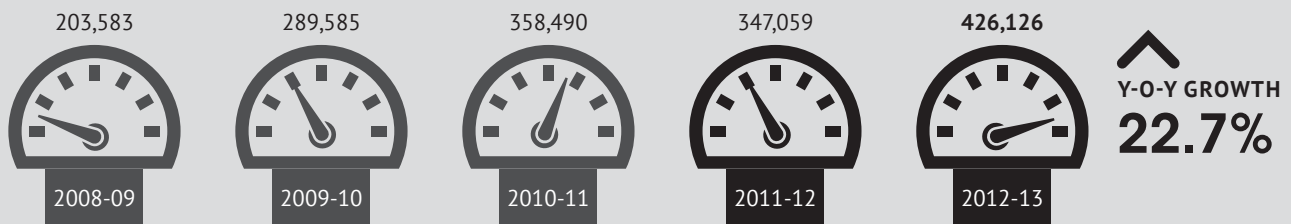
FY'13

- ^ **NDTV Car India Awards**  
DZire - Compact Sedan of the Year  
Ertiga - MUV of the Year
- ^ **Autocar India Awards**  
Alto 800 - Value for Money Car of the Year  
Ertiga - MPV of the Year
- ^ **CNBC Overdrive Awards**  
Alto 800 - Compact Car of the Year  
DZire - Midsized Car of the Year  
Alto 800 - Viewer's Choice four-wheeler of the Year  
Ertiga - Compact SUV of the Year
- ^ **ET ZIGWHEELS Awards**  
Ertiga - MPV of the Year  
DZire - Entry Sedan of the Year  
Alto 800 - Entry Car of the Year
- ^ **BS Motoring 2013 Award**  
Ertiga - MPV of the Year
- ^ **IAA Leadership Awards, Mumbai**  
Mr. M. Pareek, MEO, Marketing & Sales, was awarded the prestigious Marketer of the Year award (Automobiles)
- ^ **TLG Partners, London**  
Maruti Suzuki ranked No. 3 in the list of the 100 most successful and influential companies in India
- ^ **Golden Peacock National Training Award - 2012**  
Maruti Suzuki won the award for excellence in training practices and expertise in unique and innovative ways to address the training and development challenges
- ^ **Indian Chamber of Commerce**  
Mr. S. Maitra, Sr. MEO, Supply Chain, was presented the coveted 'Supply Chain Executive of the Year' Award in association with NDTV Profit and Deloitte

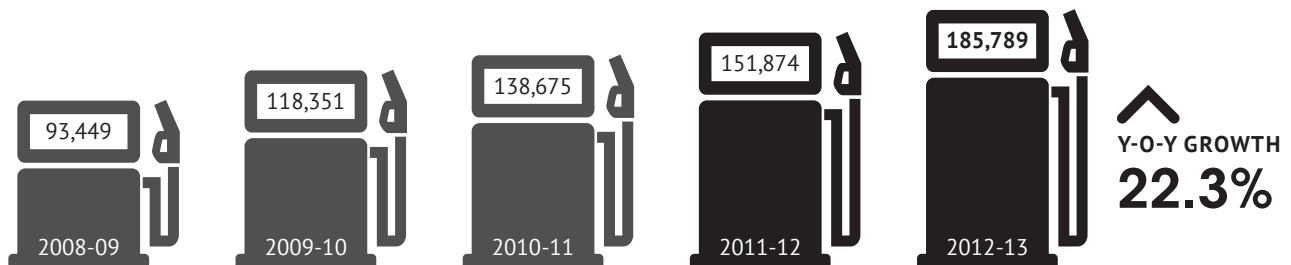
# Momentum Across Rough and Smooth Territories

## Business Highlights

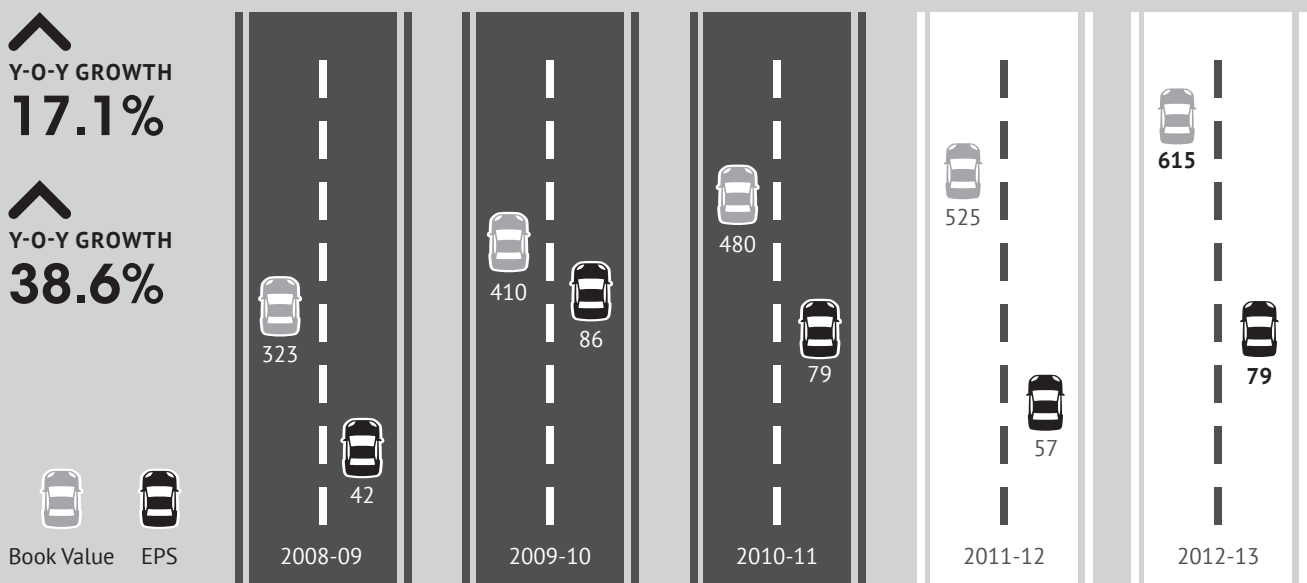
### NET SALES ₹ MN



### NET WORTH ₹ MN



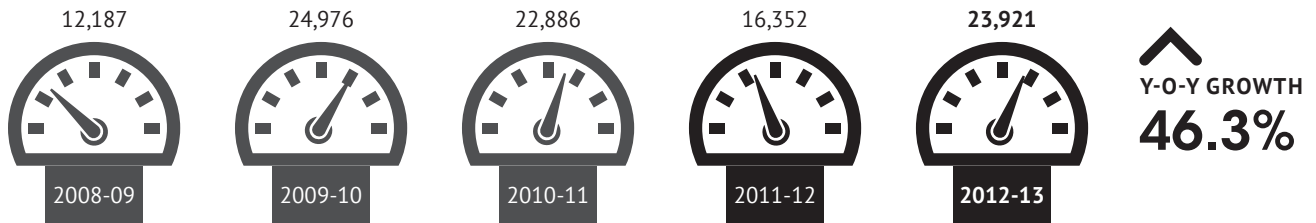
### BOOK VALUE & EPS ₹



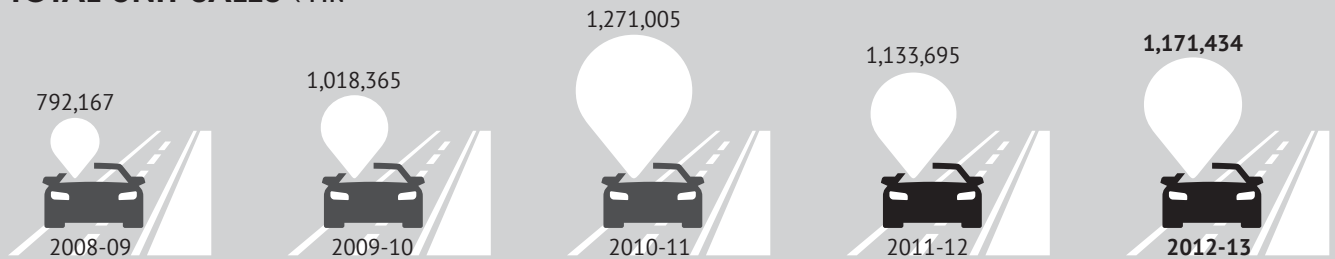


Numbers paint a credible picture than words. Every time we encountered a roadblock, it made us determined to perform with more resolve and persistence.

**PROFIT AFTER TAX ₹ MN**

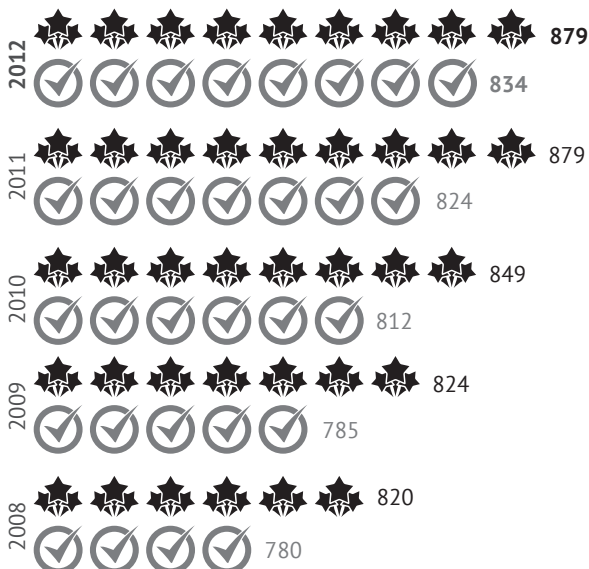


**TOTAL UNIT SALES ₹ MN**



**J.D. Power Customer Satisfaction Index**


MSIL Industry Avg.




**Look around. You will find us close by.**

Outlets Cities






**Resilience against headwinds.**



**Resolve to hold our ground and push forward.**



**Resurgence and a new era of sustainable growth.**



**That's our story in a nutshell. The full narrative follows...**

**1,171,434**

Vehicles sold in 2012-13

**4/5**

Four out of top five selling models in the country are from Maruti Suzuki

**1<sup>st</sup>**

In J. D. Power Customer Satisfaction Index (CSI) study for the 13<sup>th</sup> consecutive year

**62%**

Growth of diesel vehicle sales over 2011-12

**393,000**

Total diesel vehicle sales in 2012-13

**18.5%**

Growth of rural sales over 2011-12

**291,000**

Total rural sales in 2012-13

**7,150**

Total Resident Dealer Sales Executives (RDSEs) by 2012-13

**640**

Number of E-outlets (smaller format outlets) across India in 2012-13

**240,000**

Number of new cars sold through exchange in 2012-13

**14.3%**

Market share in utility vehicle segment in 2012-13

**79,000**

Number of utility vehicles sold in 2012-13

**41%**

Of the total water need met through recycled water at both plants in 2012-13

**Zero**

Waste water discharged status at factories

# **Tough Challenges. Tougher Resilience.**

**Challenges have a  
brighter side. They  
test the extent of our  
resilience.**



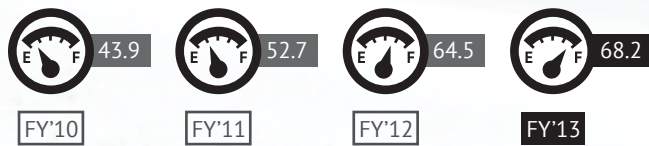
## GDP GROWTH (%)



### Challenge

India's GDP growth hits a decade low, accompanied by high interest rates, rising inflation and a bleak investment scenario.

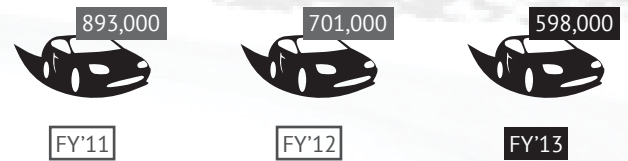
## PETROL PRICES IN DELHI (₹ / litre)



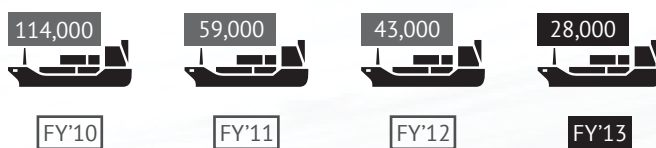
### Challenge

Petrol price deregulation and a depreciating rupee against the dollar increased petrol prices, leading to an impact on petrol vehicle sales.

## MSIL PETROL VEHICLE SALES (in units)



## EXPORTS TO EUROPEAN COUNTRIES (in units)



### Challenge

Weakness in the Eurozone and withdrawal of scrappage incentive scheme impacted the Company's export sales to the European countries.

## YEN vs RUPEE



### Challenge

Yen appreciation in the last few years impacted profit margins by significantly increasing the cost of imports.

# Firm Resolve. Seasoned Foresight.

At Maruti Suzuki, we believe firm resolve is not enough to weather a crisis, one needs seasoned foresight.

## Firm resolve

A rough sketch with sensual curves. Sudden brainwaves. Converting those pencil lines into actual shape over a cup of high-octane coffee. Intense discussion among design heads on exterior and interiors. Finalising the colours, materials and style. Meticulous execution. And then the big launch.



Birth of the country's first Life Utility Vehicle (LUV) Ertiga

**76,000**

Number of Ertiga sold in just a year of its launch



Rebirth of the country's largest selling car New Alto 800

**124**

Number of days taken to sell 1 lakh units of New Alto 800

## DIESEL VEHICLE SALES (in units)



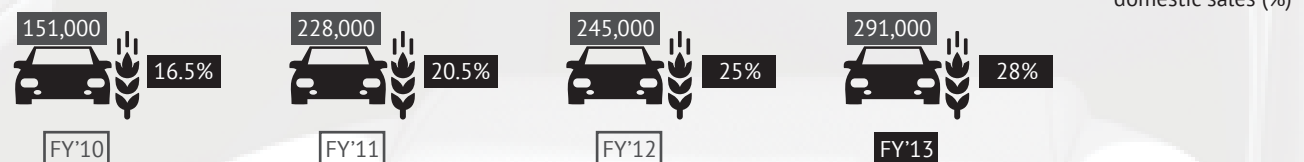
**20.4%**  
Increase in sale of Swift (diesel) over 2011-12

**53.9%**  
Increase in sale of DZire (diesel) over 2011-12

## Seasoned foresight

Witnessing the wide gap between petrol and diesel prices and understanding the Indian consumer sentiment, the Company quickly ramped up the diesel engine production and tied up for more engines from FIAT India.

## RURAL SALES (in units)

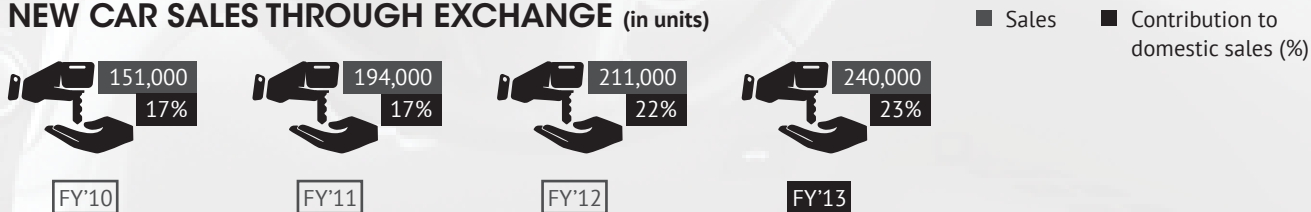


## Firm Resolve

We increased our network presence in Tier-II and Tier-III cities and added dedicated manpower for rural sales. This resulted in an overall rural contribution of 28 per cent to domestic sales.



### NEW CAR SALES THROUGH EXCHANGE (in units)



#### Seasoned foresight

We leveraged our brand strength and enduring customer loyalty to generate replacement demand through attractive exchange schemes.

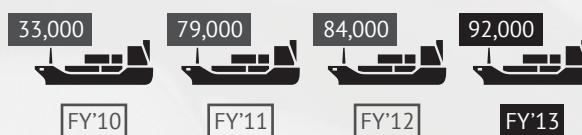
### CNG CAR SALES (average sales/ month)



#### Seasoned foresight

The high prices of petrol and diesel have resulted in emergence of CNG as a viable and preferred fuel option.

### EXPORTS TO NON-EUROPEAN COUNTRIES (in units)



#### Firm resolve

The Company made strong efforts to develop the non-European markets and this compensated to a large extent for the fall in European sales.

(Graphs not to scale) | (Rounded off to nearest '000)



# Resurgence. Hard Earned.

Our industry leadership has been sustained by our focused resurgence.

## 700 acres

Land acquired for setting up an assembly capacity in Gujarat

## ~ ₹ 1,925 crores

Amount of investment in setting up the third assembly plant at Manesar

## ~ ₹ 1,700 crores

Amount of investment in setting up a diesel engine unit at Gurgaon

### Resurgence

Even when domestic and global automobile industry is beset with challenges, we continue to expand and remain positive on the long-term Indian growth story.

## EBITDA AND PAT MARGIN (%)



FY'09



FY'10



FY'11



FY'12



FY'13

■ EBITDA ■ PAT Margin

### Resurgence

Despite escalating costs, we improved our margins by focusing on operational efficiency and cost rationalisation strategies.

## MARUTI SUZUKI MARKET SHARE (%)



FY'09



FY'10



FY'11



FY'12



FY'13

80  
Basis Points

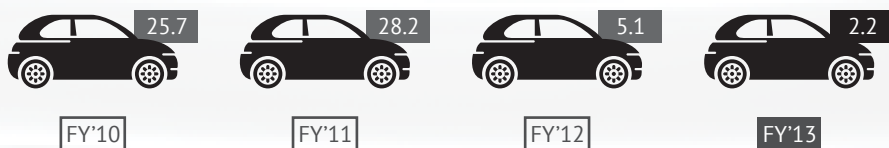
### Resurgence

Consistent performance, irrespective of several macro and micro factors, helped us increase our market share.





### PASSENGER VEHICLE INDUSTRY GROWTH (%)



**4.4%**  
Total growth in domestic sales by Maruti Suzuki in 2012-13

#### Resurgence

In a passenger vehicle industry growing at 2.2 per cent, we grew by 4.4 per cent.

# Chairman's Message

**R. C. Bhargava**

*Chairman*

**Dear Shareholders,**

Another eventful year has passed by and I am happy to share my thoughts with you yet again on our performance and prospects through this annual report. However, before I proceed further, I would like to express my heartfelt grief at the unfortunate natural calamity in Uttarakhand. Let us take a moment to remember those who have lost their lives or have been impacted by this tragedy.

Last year, I had communicated to you the difficult economic conditions that prevailed in 2011-12. The economy had substantially slowed down; there was high inflation; interest rates were adversely affecting demand; rise in petrol prices was unprecedented, while the difference with diesel prices had reached a level that was resulting in a massive swing away from petrol to diesel cars. I have to regretfully report that 2012-13 was even a worse year for the economy, and for the manufacturing sector. GDP growth that had fallen to 6.2 per cent in 2011-12, declined further to 5 per cent in 2012-13. The manufacturing sector's growth decreased from 2.7 per cent to 1.9 per cent. The current account deficit for the year was 4.8 per cent, as against 4.2 per cent in the previous year. The dollar fell from

We are convinced that your Company will remain the market leader and its products will be the choice of most customers. We are determined to keep introducing products that will ensure our pre-eminent position.

₹ 51 on 31<sup>st</sup> March 2012 to ₹ 54 on 31<sup>st</sup> March 2013. Consumer sentiment, which plays a significant role in influencing decisions to buy cars, had become even more negative during the year.

And then there was a silver lining. The fiscal deficit was controlled at 5.2 per cent. A decision was taken that diesel prices would be increased by about ₹ 0.50 per month, and the under-recovery on this fuel would end in about 18 months or so. The gap between petrol and diesel prices has narrowed from ₹ 25 in 2012-13 to ₹ 13 presently. To reduce the outgo on subsidies, a scheme of direct transfer is being gradually introduced. However, results in terms of better sentiment, or higher investments, or rising consumer demand for cars are yet to be seen.

The general adverse operating environment was not the only handicap facing us. In July 2012, a section of the workers indulged in a blatantly criminal activity that led to the death of a valued senior colleague. There was no cause for the workers to go on a violent rampage, and there was no warning or notice of any brewing dissatisfaction. In fact, the workers' demands raised in 2011 had been all addressed and resolved. A lock out had to be declared, as the Company decided that the safety and welfare of our employees had to be given overriding priority. The management and supervisors of Manesar showed great resilience and courage, and work resumed after a month when adequate safety arrangements had been made. Production gradually increased to normal levels.

Your Company has shown that its employees have great resilience and can work with great resolve to overcome the most difficult situations. During the year, sales volumes increased by 3.3 per cent, while profits increased from ₹ 1,635 crores to ₹ 2,392 crores. Our

market share also went up from 38.3 per cent to 39.1 per cent. I am sure all of you will join me in saluting the workers, supervisors and management who made this happen.

During 2012-13, following the increase in diesel prices and narrowing of the gap with petrol, the demand for diesel vehicles also started to fall. During the first three months of this year, the industry recorded a fall of 10.4 per cent in passenger cars, while utility vehicles' demand grew by 5.2 per cent.

We are convinced that your Company will remain the market leader and its products will be the choice of most customers. The first four best selling cars in India are MSIL products. We are determined to keep introducing products that will ensure our pre-eminent position. Consistent with that objective, we are continuing with all our planned investments to increase production capacity and introduce new products from time to time. Work on the Gujarat site has commenced and we expect to start production by the end of 2015-16. The Manesar 3<sup>rd</sup> line will be commissioned soon, as also phase 1 of the diesel engine line in Gurgaon. The R&D centre continues to develop. We are also investing in strengthening our sales and service facilities all over the country. The capital investment proposed this year is approximately ₹ 3,500 crores. And this will only increase as we go ahead.

Suzuki Japan has decided that India will now be responsible for the export markets of Africa, the Middle East and our neighbouring countries. We have to ensure adequate sales and marketing arrangements in these countries, with the help of Japan. We also have to determine the products to be manufactured for these markets and, if necessary, establish assembly

plants overseas. This decision will greatly help the growth of our exports.

We are continuing with our efforts to reduce costs, and localise inner parts. Quality improvement has also to be a priority. We believe that in the difficult times ahead, the Company has to make greater efforts than ever before in these directions.

We are now in the election year, and traditionally, the governments in power are reluctant to introduce unpopular measures at this time. The UPA Government, aware of the way manufacturing activity is progressing, the current account deficit and the weakness of the Rupee, is promising several reforms. The Prime Minister is also pushing for the implementation of infrastructure projects under the PPP model. If all these happen, I believe there will be a change in sentiment, and car buying may again pick up. The festive season is also not far away. We are hoping that with steps undertaken by the government, and our own efforts, we will lead a resurgence in the automobile industry. After all, the leader has that responsibility.

We all have to be optimists. Along with that, we have to work with determination, resolve and resilience, and nobody can stop us from being successful. All those who proudly say that they are Maruti Suzuki employees believe in this, and on their behalf, I can assure you that we will overcome all obstacles and ensure that the Indian automobile industry has a respected position in the world.

Regards,

R. C. Bhargava  
*Chairman*

# From the MD's Desk

## **K. Ayukawa**

*Managing Director & CEO*

### **Dear Shareholders,**

I feel honoured and privileged to present this year's Annual Report to you as a part of Maruti Suzuki family. I took over the baton from Mr. Nakanishi with effect from 1<sup>st</sup> April, 2013 as Managing Director & CEO.

The evolution of the Company in all these decades is both interesting and inspiring. It has witnessed a huge transformation of the car market over the years in India, many a times contributing to and leading the change itself. The Company has consistently delivered best value to customers over the life cycle of the car and created a loyal customer base. The leadership team has built a culture of customer obsession & empathy, objectivity, company-first, team spirit, honesty, efficiency and rigour. I am indebted to the leaders in this Company for this strong and rich legacy.

Last year was a tough year for the Company. There was a macroeconomic slowdown and the market was near flat. The Japanese Yen appreciated and brought a major impact to our profit. The market distortion between petrol and diesel

The evolution of the Company in all these decades is both interesting and inspiring. It has witnessed a huge transformation of the car market over the years in India, many a times contributing to and leading the change itself.

cars continued to be strong. There was a shocking incident of unprovoked violence in the Manesar plant. A section of workers indulged in attacking management staff leaving a senior employee dead, a hundred others injured and parts of the plant put on fire. Our people, though emotionally hurt, in a rare show of composure, strength, determination and team effort rose to the occasion and supported their fellow colleagues, their families and also made the plant operational within a month. Not only this, they put in their best efforts and both market share and profit margin improved simultaneously.

It is our foremost task to strengthen our people relationship. We have to work for the welfare and communicate more with our people, so that their bonds with the Company are stronger than any other external factor. We will reinforce the principles of fairness, equality and respect for human beings, open communication and a healthy industrial environment. We have to develop our people capability further so that they lead us into the future successfully.

Though the Indian market has a great long term growth potential, in the current situation the market is not so strong. In the first quarter, there has been a decline of the overall Indian passenger vehicle sales by 7.2 per cent. In such times, it is easy for people to be swept by low sentiment and not approach the situation as a winner. But it will be our endeavour to break through the situation and achieve better than last year in every respect. All our people, vendors, dealers and other partners have to continuously believe in our collective strength, come together and improve in all the respective fields in an integrated manner. Integration, a never-give-up attitude and whole-hearted efforts have the power to deliver breakthrough results.

My job will be to catalyse this spirit in all our people and partners.

Regards,

K. Ayukawa  
*Managing Director & CEO*

# Board of Directors



**MR. K. ASAI**  
Director &  
Managing  
Executive Officer  
(Engineering)

**MR. K. AYABE**  
Director &  
Managing Executive  
Officer (Supply  
Chain)

**MS. P.  
SHROFF**  
Director

**MR. D. S. BRAR**  
Director

**MR. O. SUZUKI**  
Director

**MR. R.C.  
BHARGAVA**  
Chairman

## AUDIT COMMITTEE

Mr. A. Ganguli  
*Chairman*

Mr. K. Ayukawa  
*Member*

Ms. P. Shroff  
*Member*

Mr. D. S. Brar  
*Member*

## SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE

Mr. R. C. Bhargava  
*Chairman*

Mr. K. Ayukawa  
*Member*

Mr. S. Nakanishi  
*Member*

Mr. D. S. Brar  
*Member*



**MR. K. AYUKAWA**  
Managing Director  
& CEO

**MR. T. HASUIKE**  
Joint Managing  
Director

**MR. S. NAKANISHI**  
Director

**MR. A. GANGULI**  
Director

**MR. R.P. SINGH**  
Director

**MR. K. SAITO**  
Director

**EXECUTIVE OFFICER  
(LEGAL) & COMPANY  
SECRETARY**

Mr. S. Ravi Aiyar

**AUDITORS**

Price Waterhouse  
Chartered Accountants

# Executive Management Team



**MR. K. AYUKAWA**  
Managing Director & CEO



**MR. T. HASUIKE**  
Joint Managing Director



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

**MR. S.Y. SIDDIQUI**  
Sr. Managing Executive Officer



**MR. M. PAREEK**  
Managing Executive Officer



**MR. T. HASHIMOTO**  
Executive Officer

## MARKETING & SALES



**PRODUCTION**



**MR. M.M. SINGH**  
Sr. Managing Executive Officer



**MR. M. KAMIYA**  
Executive Officer

**ENGINEERING**



**MR. K. ASAI**  
Director and Managing Executive Officer



**MR. C.V. RAMAN**  
Executive Officer

**SUPPLY CHAIN**



**MR. K. AYABE**  
Director and Managing Executive Officer



**MR. S. MAITRA**  
Sr. Managing Executive Officer

**QUALITY ASSURANCE (QA)**



**MR. Y. SUZUKI**  
Executive Officer



**MR. A.K. TOMER**  
Executive Officer

# NOTICE

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of Maruti Suzuki India Limited will be held at 10:00 a.m. on Tuesday, the 27<sup>th</sup> August 2013 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 31<sup>st</sup> March 2013 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. D.S.Brar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Amal Ganguli, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Keiichi Asai, 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 32<sup>nd</sup> annual general meeting upto the conclusion of the 33<sup>rd</sup> 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. **Appointment of Mr. Kenichi Ayukawa as Managing Director & Chief Executive Officer**

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 of the Articles of Association of the Company and the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, Mr. Kenichi Ayukawa be and is hereby appointed as Managing Director and Chief Executive Officer not to retire by rotation with effect from 1<sup>st</sup> April 2013 for a period of three years on the following terms and conditions:

- a) **Basic Salary:** ₹ 10,599,888 /- per annum in the scale of ₹ 9,000,000/- to ₹ 13,000,000/- 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:** ₹ 1,320,000/- 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 etc.; 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 ₹ 6,537,904/- 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 ₹ 9,000,000/- 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.”

## 8. Appointment of Mr. Toshiaki Hasuike as Joint Managing 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 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 and subject to the approval of the Central Government, Mr. Toshiaki Hasuike be and is hereby appointed as Whole-time Director designated as Joint Managing Director with effect from 27<sup>th</sup> April 2013 for a period of 3 years at the following remuneration:

- a) **Basic Salary:** ₹ 7,464,000/- per annum in the scale of ₹ 65,00,000/- to ₹ 9,00,00,000/- 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:** ₹ 1,200,000/- 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 etc.; 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 ₹ 5,092,006/- 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 ₹ 6,000,000/- 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 to 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.”

## 9. Appointment of Mr. R.P. Singh as Director

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

“RESOLVED THAT Mr. R.P. Singh, in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

## 10. Payment towards stay and other related expenses of Mr. Shinzo Nakanishi, 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 and all other applicable provisions of the Companies Act, 1956 consent be and is hereby accorded for meeting the expenses of Mr. Shinzo Nakanishi, Director towards his stay including domestic/ international travel during the period from 1<sup>st</sup> April, 2013 to 30<sup>th</sup> June, 2013 upto a maximum of ₹ 20 lakhs.

By order of the board  
For **MARUTI SUZUKI INDIA LIMITED**

New Delhi  
26<sup>th</sup> April 2013

**S. RAVI AIYAR**  
Executive Director (Legal) &  
Company Secretary

## 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 the Companies Act, 1956, in regard to the business as set out in item nos. 7 to 10 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 dematerialised 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. and 11:30 a.m. upto the date of annual general meeting.
7. (a) The register of members will remain closed from Friday, 16<sup>th</sup> August, 2013 to Tuesday, 27<sup>th</sup> August, 2013 (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 2<sup>nd</sup> September, 2013 to those whose names appear in the register of members / beneficial owners as on the closing hours of 14<sup>th</sup> August 2013.  
(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 downloaded 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 ([investor@maruti.co.in](mailto:investor@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 dematerialised 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 2012-13 together 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. Kenichi Ayukawa was appointed as Managing Director & Chief Executive Officer with effect from 1<sup>st</sup> April, 2013 for a period of three years at the remuneration given in the proposed resolution. The approval of shareholders is sought for appointment and payment of remuneration to Mr. Kenichi Ayukawa.

No other Director except Mr. Kenichi Ayukawa is concerned or interested in the proposed resolution.

The Board recommends this resolution for approval of the members.

### ITEM NO. 8

Mr. Toshiaki Hasuike was appointed as Whole-time Director designated as Joint Managing Director with effect from 27<sup>th</sup> April, 2013 for a period of three years at the remuneration given in the proposed resolution.

The approval of shareholders is sought for appointment and payment of remuneration to Mr. Toshiaki Hasuike.

No other Director except Mr. Toshiaki Hasuike is concerned or interested in the proposed resolution.

The Board recommends this resolution for approval of the members.

### ITEM NO. 9

Mr. R.P. Singh was appointed as a Director with effect from 25<sup>th</sup> January, 2013 in the casual vacancy caused by the resignation of Mr. M.S. Banga. He holds his office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director. In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose his candidature for the office of Director. No other Director except Mr. R.P. Singh is concerned or interested in his appointment. The Board recommends the resolution for approval of the members.

### ITEM NO. 10

Mr. Kenichi Ayukawa was appointed as Managing Director & Chief Executive Officer with effect from 1<sup>st</sup> April, 2013 for a period of three years. In order to achieve smooth transition of the responsibilities of the office of Managing Director & CEO, Mr. Shinzo Nakanishi would stay in India post 1<sup>st</sup> April, 2013 for a period upto a maximum of 3 months. The approval of shareholders is sought for meeting the expenses towards

his stay including domestic/international travel during this period upto a maximum of ₹ 20 lakhs only.

No other Director except Mr. Shinzo Nakanishi is concerned or interested in the proposed resolution. The Board recommends 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 appointment/re-appointment at the annual general meeting is as under:

#### Mr. Kenichi Ayukawa

Mr. Kenichi Ayukawa, 57, is a law graduate from Osaka University, Japan. Mr. Ayukawa joined Suzuki Motor Corporation in 1980 and worked at various levels there including General Manager, Overseas Marketing Administration Department and Managing Director of Pak Suzuki Motor Company Limited. He joined the board of Maruti Suzuki India Limited in 2008.

Mr. Ayukawa is a member of the Board of Directors of several companies such as Suzuki Italia S.P.A., Suzuki International Europe GmbH, Suzuki Motor Iberia, S.A.U., Suzuki Austria Automobil, Handels Gesellschaft m.b.H., Suzuki Motor Poland SP.Z.O.O., Suzuki GB PLC, Magyar Suzuki Corporation Ltd., Suzuki Finance Europe B.V., Suzuki Philippines Inc., Pak Suzuki Motor Co. Ltd., Vietnam Suzuki Corporation, PT Suzuki Indomobil Motor, Suzuki Motor (China) Investment Co. Ltd., Taiwan Suzuki Automobile Corp., Suzuki Motor (Thailand) Co. Ltd., Suzuki Australia Pty. Ltd., Suzuki Newzealand Ltd., Suzuki Motor De Mexico, S.A. Dec. V., Suzuki Servicios de Mexico, S.A de C.V., Suzuki Auto South Africa (Pty) Ltd., Suzuki Motor Czech S.R.O., Suzuki Motor Rus, LLC, Suzuki Automobile Schweiz AG, Jiangxi Changhe Suzuki Automobile Co. Ltd., Suzuki Malaysia Automobile SDN. BHD., Suzuki Egypt S.A.E.

He is not related to any of the Directors of the Company. He does not hold any shares of the Company.

#### Mr. Toshiaki Hasuike

Mr. Toshiaki Hasuike, 55, is a graduate in Mechanical Studies, Faculty of Engineering, MEIJI University, Japan.. Mr. Hasuike joined Suzuki Motor Corporation in 1980 and worked at various levels there including Department General Manager, Managing Officer & Deputy Executive General Manager and was appointed as Automobile Engineering Managing Officer & Deputy Executive General Manager in 2012.

He is not related to any of the Directors of the Company. He does not hold any shares of the Company.

#### Mr. Amal Ganguli

Mr. Amal Ganguli, 73, 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, when he retired in 2003.

During his career spanning over 42 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., ML Infomap Pvt. Ltd., Tata Teleservices Maharashtra Ltd., Hughes Communications India Ltd., Laurus Labs Private Limited, Manglam Cement Limited and a partner in Veritas Advisors LLP.

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

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

#### **Mr. D. S. Brar**

Mr. D.S. Brar, 60, graduated with a Bachelor of Engineering (Electrical) degree from Thapar Institute of Engineering & Technology, Patiala. He further completed his Masters Degree in Business Administration with top rank (Gold Medal) from the Faculty of Management Studies, University of Delhi. After having started his career in 1974 with The Associated Cement Companies Limited (ACC), Mr. Brar had been associated with the Pharmaceutical Industry for three decades. Mr. Brar spent major part of this period (1977 – 2004) with Ranbaxy Laboratories Limited – India's largest Pharmaceutical company at various positions and rose to the level of President in 1993. He became the CEO & Managing Director of Ranbaxy in 1999. Mr. Brar stepped down from this position in 2004 to start his entrepreneurial journey and ventured into GVK Biosciences - a leading contract research organisation providing Discovery & Development services to Global Life Sciences companies. Mr. Brar also promoted Davix Management Services - a Pharmaceuticals focused Consulting/Advisory services company.

Mr. Brar has been involved with some of the premier Research and Educational institutions in India. He has served as a Member on the Board of National Institute of Pharmaceutical Education and Research (NIPER), SAS Nagar and is presently Chairman of Biotechnology Business Group of Punjab Biotechnology Incubator. Mr. Brar is also a Member of the Board of Governors of Indian Institute of Management, Lucknow (IIML).

Mr. Brar has been involved with several leading industry associations in India. He is a member of the National Council of the Confederation of Indian Industry (CII) and Chairman of CII's Indian MNC Council. He has served as a member of the Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI) in the past. Mr. Brar was a Member of Prime Minister's Task Force on pharmaceuticals and knowledge-based industries which drafted the blue print for the growth and global expansion of Indian Pharmaceutical Industry including R&D and Pricing policies. For his service and contribution to the pharmaceutical industry, Mr. Brar was honoured with the Dean's Medal from the Tufts University School of Medicine, U.S.A. in 2004.

Mr. Brar is a member of the Board of Directors of several Companies such as Moksha8, Mphasis Limited, GVK Biosciences Private Limited, Inogent Laboratories Private Limited, Suraj Hotels Private Limited, Madhubani Investments Private Limited, Davix Management Services Private Limited, Green Vally Land & Development Private Limited, GVK Davix Technologies Private Limited, GVK Davix Research Services Private Limited, Suraj Overseas Private Limited, Davix Pharmaceuticals Private Limited, Chetak Pharmaceuticals Private Limited, GxP Pharmaceuticals Private Limited, KKR Asia Limited, Wockhardt Limited and IIM Lucknow.

He is also a member of Audit Committee and Investors' Grievance Committee of Mphasis Limited, Wockhardt Limited and Maruti Suzuki India Limited. He is not related to any of the Directors of the Company. He does not hold any shares of Maruti Suzuki India Limited.

#### **Mr. R.P.Singh**

Mr. R P Singh, 61, passed his post graduation in Mathematics from Advanced Centre for Pure Mathematics, Punjab University, Chandigarh in 1973 and after a brief stint of teaching Pure Mathematics & Statistics to graduate classes, joined the Administrative Service. Apart from the regular field assignments for the I.A.S. Officers, he has wide experience in regulatory areas of Finance, Industry & Urban Development. He worked both as Commissioner of Hyderabad Municipal Corporation & Vice Chairman of Hyderabad Urban Development Authority. He had long stints as Managing Director of Andhra Pradesh Industrial Development Corporation & Commissioner of Taxation in

Andhra Pradesh. He was posted to Punjab & Sind Bank as Chairman in March 2005 when the Bank was in continuous losses and had accumulated historical NPAs (19%). He spent four and a half years in the Bank during which the Bank recorded highest growth in the Industry (0.4% gross). As Secretary in the Department of Industrial Policy & Promotion, his major initiatives were:

1. Rationalisation and consolidation of FDI policy;
2. Re-inventing and establishing the Delhi Mumbai Industrial Corridor Project (DMIDC);
3. Putting together the manufacturing policy for the country.

After retirement from the Indian Administrative Service, he has been selected by the Government of India for appointment as Chairman, National Highways Authority of India (NHA).

He is not related to any of the Directors of the Company. He does not hold any shares of Maruti Suzuki India Limited.

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

Mr. Keiichi Asai, 57, 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 is not related to any of the Directors of the Company. He does not hold any shares of Maruti Suzuki India Limited.

By order of the board  
For **MARUTI SUZUKI INDIA LIMITED**

New Delhi  
26<sup>th</sup> April 2013

**S. RAVI AIYAR**  
Executive Director (Legal) &  
Company Secretary

# Directors' Report



**The Company ranked third in the list of 100 most successful and influential companies in India listed by TLG Partners, London.**

Your directors have pleasure in presenting the 32<sup>nd</sup> annual report together with the audited accounts for the year ended 31<sup>st</sup> March 2013.

## FINANCIAL RESULTS

The Company's financial performance during the year 2012-13 as compared to the previous year 2011-12 is summarised below:

	(₹ in million)	
	2012-13	2011-12
Total revenue	444,003	364,139
Profit before tax	29,910	21,462
Tax expense	5,989	5,110
Profit after tax	23,921	16,352
Balance brought forward	130,777	118,578
Addition on amalgamation	3,565	-
Profit available for appropriation	158,263	134,930
Appropriations:		
General reserve	2,392	1,635
Proposed dividend	2,417	2,167
Corporate dividend tax	411	351
Balance carried forward to balance sheet	153,043	130,777



## FINANCIAL HIGHLIGHTS

The total revenue (net of excise) was ₹ 444,003 million as against ₹ 364,139 million in the previous year showing an increase of 22 per cent. Sale of vehicles in the domestic market was 1,051,046 units as compared to 1,006,316 units in the previous year showing an increase of 4 per cent. Total number of vehicles exported was 120,388 units as compared to 127,379 units in the previous year.

Profit before tax (PBT) was ₹ 29,910 million against ₹ 21,462 million showing an increase of 39 per cent and profit after tax (PAT) stood at ₹ 23,921 million against ₹ 16,352 million in the previous year showing an increase of 46 per cent.

## DIVIDEND

The board recommends a dividend of ₹ 8 (eight) per equity share of ₹ 5 each for the year ended 31<sup>st</sup> March 2013 amounting to ₹ 2,417 million.

## OPERATIONAL HIGHLIGHTS

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

## CRISIL RATINGS

The Company was awarded the highest financial credit rating of AAA/stable (long term) and A1+ (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 was again 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

has established and is maintaining an Information Security Management System.

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

The quality management system of the Company is certified against ISO 9001:2008 Standard. Re-assessment of the quality systems is done at regular intervals and re-certification assessments are done at every 3 years by an accredited third party agency. Also, the Company has an internal assessment mechanism to verify and ensure adherence of defined quality systems across the Company.

## AWARDS/RECOGNITION/RANKINGS

- ^ J. D. Power Asia Pacific 2012 Customer Satisfaction Index (CSI) Study ranked the Company highest for the 13<sup>th</sup> time in a row.
- ^ Golden Peacock Award – 2012 for occupational health and safety in automobile sector.
- ^ Golden Peacock Award – 2012 for sustainability.
- ^ Some of the awards given to Ertiga were:
  - ^ MUV of the year by Car India Awards
  - ^ MPV of the year by ET Zigwheels, Autocar India and BS Motoring 2013
  - ^ Compact SUV for the year by CNBC Overdrive
  - ^ Top Gear family car of the year
- ^ Some of the awards given to Alto 800 were:
  - ^ Entry Hatchback Car of the Year 2012 by NDTV CNBC Awards 2013
  - ^ Entry-level Hatchback Car of the Year by ET Zigwheels Awards 2012
  - ^ Best Value for Money Car of the year by Autocar Awards 2013
  - ^ Compact Car of the year by CNBC Overdrive
  - ^ Viewers Choice by CNBC Overdrive

^ Some of the awards given to Swift DZire were:

- ^ Compact Sedan of the year 2013
- ^ Compact Sedan of the year by Car India
- ^ Midsized Car of the year by CNBC Overdrive
- ^ The Company ranked third in the list of 100 most successful and influential companies in India listed by TLG Partners, London.

Mr. R. C. Bhargava, Chairman was awarded the Automobile Person of the Year 2013 by NDTV Profit.

## SUBSIDIARY COMPANIES AND THEIR ACCOUNTS

The Company's subsidiaries which were engaged in the business of insurance distribution in the past generated an investment income of ₹ 141.75 million including a dividend income of ₹ 8.93 million and long term capital gain of ₹ 132.82 million through mutual funds.

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 pre-owned cars under the brand Maruti True Value. It has contributed significantly to the efforts of customer retention by facilitating sale and re-purchase of new cars through exchange and has made significant contribution towards enhancing dealers' profitability.

In terms of the general circular dated 8<sup>th</sup> February 2011 issued by the Government of India, Ministry of Corporate Affairs, 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. Hard copy of details of accounts of subsidiaries shall be furnished to any shareholder on demand. Further, pursuant to Accounting Standard – 21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its subsidiaries.

## AMALGAMATION

During the year under review, Suzuki Powertrain India Limited (SPIL) was amalgamated with and into the Company vide the order of the Hon'ble High Court of Delhi dated 29<sup>th</sup> January 2013. The order was filed with the Registrar of Companies, Ministry of Corporate Affairs on 17<sup>th</sup> March 2013. The appointed date of amalgamation was 1<sup>st</sup> April 2012. Pursuant to the scheme of amalgamation, 1,3170,000 equity shares of ₹ 5/- each were allotted to Suzuki Motor Corporation on 29<sup>th</sup> March 2013 and the paid up equity capital stands increased to ₹ 1,510 million.

## HUMAN RESOURCE DEVELOPMENT

To have a sustainable competitive advantage in the new knowledge economy, learning is a key catalyst for an organisation's survival and success. The Company, therefore, provided tremendous learning and development opportunities to its employees, starting from induction and orientation program for all the new joiners to regular training programs to develop and enhance the skill levels (functional and behavioral) for all the employees. The training programs varied and were tailored according to the business requirements, employee needs at various levels and are designed with the help of a thorough and well structured process of need identification connected to the business demands. The Company's annual training calendar encompassed training

programs for all categories of employees i.e. associates, supervisors and junior, middle, senior and top management level. To ensure a well rounded development of all the employees, the training calendar comprised of behavioral, functional, safety and environment trainings.

In 2012 - 13, a total of 48,300 man-days of training were conducted for the employees across all the levels. This translates to an average of 5.15 days of training per employee.

The functional and technical trainings formed an important part of the Company's annual training calendar as they are directly linked with the employees' role and on the job performance. These trainings were imparted by in-house subject matter experts as well as by identified external trainers.

Some of the functional trainings imparted internally are 3G, 3K, 5S, Design Failure Mode Effects Analysis (DFMEA), environment, product training and Quality Control (QC) tools. Examples of few functional trainings which are done by external trainers are finance for non-finance, six sigma, project management, inventory and warehouse management, world class manufacturing practices, auto cad, MS excel, etc.

The behavioral trainings also formed a considerable portion of the training calendar and included trainings on subjects 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, leading effectively, inter personal relationships, personal effectiveness, work life balance, team working, competency based interviewing skills, etc.

Workshops were designed specifically for the women employees to help them understand challenges at work woman, managing perceptions, expectations and disappointments, self-esteem, balancing work and home and managing stress.

The Company also provided higher education schemes for its employees. It helped not only to groom and retain the high potential young managers but also enabled employees to fulfill their career enhancement aspirations, while still working in the organisation. The scheme included programs like – executive MBA (full time and part time) at select campuses. The scheme was available for employees at levels of assistant managers to managers.

## DIRECTORS

Mr. Amal Ganguli, Mr. Keiichi Asai and Mr. D. S. Brar, Directors of the Company, retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment. Mr. M. S. Banga, Independent Director resigned from the board of the Company with effect from close of business hours of 26<sup>th</sup> October 2012. Mr. R. P. Singh was appointed as an Independent Director in the casual vacancy caused by the resignation of Mr. M. S. Banga. Mr. Shinzo Nakanishi retired from the post of MD & CEO of the Company with effect from close of business hours of 31<sup>st</sup> March 2013. Mr. Kenichi Ayukawa was appointed as the MD & CEO of the Company with effect from 1<sup>st</sup> April 2013.

## 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.

## 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 on 31<sup>st</sup> March 2014. The extended due date of filing the cost audit report for the financial year 2011-12 in 'Extended Business Reporting Language' (XBRL) format with the Ministry of Corporate Affairs was 28<sup>th</sup> February 2013. This report was filed within the stipulated time on 18<sup>th</sup> January 2013.

## 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

<b>KENICHI AYUKAWA</b>	<b>R.C. BHARGAVA</b>
Managing Director & CEO	Chairman

New Delhi  
26<sup>th</sup> April 2013

## 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 2013.

### A. ENERGY CONSERVATION

The Company continued its energy conservation drive with the main focus on improving efficiency through adoption of the new technology and optimisation of the operations. Energy saving initiatives throughout the Gurgaon and Manesar plant helped the Company in reducing energy consumption by more than 1 per cent in most of the areas. The Company achieved 20 per cent reduction in energy consumption during important work done on holidays and non working hours. Some of the activities carried out during the year towards environment, energy and water conservation are mentioned under.

#### 1. Energy efficient equipments installed/replaced :

- a) Energy efficient pumping system for Reverse Osmosis (RO) plant at Gurgaon plant.
  - b) Energy efficient motors in paint shop, air washers, cooling tower, boiler and power plant in both Gurgaon and Manesar plant.
  - c) Energy efficient transformers for new shops.
  - d) Replacement of standard blades of cooling tower fans with aerodynamic energy efficient Fibre Reinforced Plastic (FRP) blades.
2. Upgradation of RO system from two stage to three stage for reduction in fresh water consumption.
  3. Inlet steam injection system in gas turbines for improving performance.

#### 4. Optimisation / improvement of process:

- a) Voltage reduction in Electro Deposition (ED) process in Gurgaon plant.
- b) Re-sizing of motors and pumps rating as per process requirement in shops.
- c) Voltage reduction in shops for lighting.
- d) Reduction in startup time of shops by sequential operation as per process requirement.
- e) Modified compressed air system for improvement in power consumption.
- f) Improvement in air washers efficiency by replacing spray zone with celdec media.

#### 5. Improvement in lightings:

- a) Replacement of conventional tube lights with highly efficient LED (Light Emitting Diodes) tube lights in vehicle assembly shops, Gurgaon plant.
- b) Improved natural lighting system in shops.

### B. RESEARCH & DEVELOPMENT (R&D)

India is one of the most competitive automotive markets today. Increasing competition from the global OEM (Original Equipment Manufacturers), volatile commodity prices, highly fluctuating foreign exchange, stricter regulatory requirements and last but not the least the increasing customer expectations makes the Indian automotive market very challenging. With unparalleled dedication and zeal to succeed, the R&D team of the Company worked in line with the Company's vision to retain the market superiority and win a place in the customers' hearts. The Company's

R&D team achieved the capability for carrying out full body change and is working on various new projects for new model design and development. The Company's R&D team is now on the path of advancing this capability further. Systemic efforts are going on to enhance it in the near future via following:

- ^ Establishment of world class test track and proving ground facility at Rohtak which will help in validating the various vehicle systems and models
- ^ Facilitation of full in-house designing, development and evaluation of entire vehicle
- ^ Overseas and in-house training of engineers
- ^ Development of prototype build capability
- ^ Advanced engineering projects

In 2012-13, the manpower of Company's R&D team reached to 1,249. The focus was on consolidating the experience gained and training imparted to a large number of young engineers for challenging R&D roles in the future.

#### Specific areas in which R&D has happened:

- ^ Significant efforts were made in the preparation of the product road map, product specification, tracking of new technology and its implementation. Various pre and post launch market research activities were conducted to capture the customer voice and incorporate customer feedback in the existing and future products.
- ^ Vehicle exterior and interior design capabilities were enhanced with smart BIW (Body in White) structure packaging and improved fit and finish in interior design. Use of high tensile steel and structure optimisation helped in achieving overall weight reduction to get higher fuel efficiency. New cost effective technology of painted instrument panel has been



introduced thus showcasing the Company's capability in enhancement in instrument panel design and development.

- ^ Consistent efforts were put for capability up-gradation in the automotive electrical and electronic area. New generator, cost effective EMS (Engine Management System) platform were developed along with supplier partner and implemented in Alto 800. For control software validation HIL (Hardware in Loop) system was setup during the year.
- ^ Capability up-gradation was done in the areas of chassis design and development to meet growing customers' expectation for safety, performance, reliability and fuel efficiency. The extensive use of (CAE) Computer Aided Engineering on the chassis parts during the initial design phase enabled weight optimisation and reduction in design validation time, thus minimising the overall vehicle development time. Contemporary technology application and optimal tuning of steering and suspension has enabled introduction of new Alto 800 and Ertiga with best in class ride and handling to cater to customers' expectations in the area of vehicle dynamics.
- ^ The design proto vehicle build capability was further enhanced during the year. In the area of body shell, new technologies and materials like coated and high tensile materials were inducted. Work is being done in the new areas of powertrain development with competencies being developed in prototype casting and machining providing further opportunities to evaluate alternative specifications for design and product optimisation.
- ^ Cost control was under constant focus in R&D. For new models, detailed feasibility analysis was done and stringent cost targets were set for engineers to work on. In order to reduce costs right from concept stage,

cost analysis and design to cost techniques were adopted. VE (Value Engineering) ideas of the Company's engineers and also the suppliers were incorporated at the design stage itself. Focus on incorporating India specific cost reduction ideas right at the design stage for global models helped the Company in achieving stricter target costs. For existing models, focused value enhancement projects were taken up in the various models by cross functional teams across the Company to provide the higher value products at lower costs. This was also a step towards maintaining the profitability during adverse economic conditions. Localisation of imported parts was taken up with a renewed thrust. This was also a step towards de-risking from foreign exchange exposure and to reduce material cost. The Company saved ₹ 216.4 crores by localisation and ₹ 209 crores from implementation of VA /VE (Value Analysis/Value Engineering) proposals.

- ^ The ongoing advanced engineering projects in the Company depict the Company's vision towards future. Project dedicated to development of hybrid, electric vehicle, integration of advance technologies and addition of new features were taken up by the Company during the year to enhance capability in various fields and develop new technologies for future readiness.
- ^ The Company's engineers presented their findings through engineering research papers at various international forums such as SAE (Society of Automotive Engineers) International, SIAT (Symposium on International Automotive Technology) and other prestigious conferences which gave a broader outlook to the Company's engineers and displayed the dedication, focus and hard work with which the Company's R&D team worked.
- ^ To enhance the virtual validation skills, accuracy and reduce design cycle time and design modification and

development cost, high performance server was installed. The Company has an edge over its competitors in terms of computational skills.

New CAE (Computer Aided Engineering) system and methodologies were introduced to lay emphasis on doing *the things first time right* and reduce the prototyping cost.

- ^ To further improve the in-house testing capability for the impending safety regulation, new crash testing facility is under installation at Rohtak. This will further reduce the product development cost and skills.

#### Benefits derived as a result of above efforts

- ^ Alto 800 the first full body change was indigenously and entirely designed and developed by the Company's engineers with support from Suzuki Motor Corporation, Japan.
- ^ Ertiga launched in April 2012 created an entirely new compact MPV (Multi purpose vehicle) segment due to its designing.
- ^ Introduction of refreshed Ritz both with manual and automatic transmission features.
- ^ Introduction of refreshed Wagon R with a new refined interiors and better fuel efficiency.
- ^ Introduction of refreshed SX4 with touch screen audio and navigation feature.
- ^ All existing and new models except Gypsy were made OBD (on board diagnosis) II compliant well before the deadline date during this year. Work is progressing to make Gypsy OBD (on board diagnosis) II compliant early next year.
- ^ 25 patent applications and 8 industrial designs were filed by the Company's R&D team in 2012-13.
- ^ INVEST (Indian Value Engineering Society) has awarded HANDA GOLDEN KEY award 2011-12 to the Company for "Excellence in deploying value engineering as a corporate activity."

**Future plan of action**

The Company will continue to introduce new products to meet growing customers' expectations. The existing products will be refreshed at regular intervals to suit the upcoming trends. The Company will pro-actively work on increasing the fuel efficiency of all its models to offer economically affordable and environment friendly vehicles to the customers. One of the significant steps will be to introduce alternate fuel options like LPG (Liquefied Petroleum Gas) and CNG (Compressed Natural Gas) in the Company's vehicles. The Company will continue to focus on developing more products with alternate fuel options. In the long term, the Company will focus on enhancing the capability in the field of EV-HEV (Electric Vehicle – Hybrid Electric Vehicle) and other environment friendly initiatives. Another step towards making vehicles more affordable will be by maintaining the cost of development of vehicle through VA/VE and weight reduction activities. The Company will continuously work on alternate materials and newer technologies to reduce the vehicle cost and weight. Safety of the customers was and will continue to be of primary importance to the Company. The Company will continue to focus on new technologies to enhance the safety of the occupants and also meet the future safety regulations.

**C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**1. Efforts in brief made towards technology absorption, adaptation and innovation**

- ^ Designing of components and systems including development of design review process.
- ^ Component and sub component level localisation, development and testing of the parts for the existing and new models.

- ^ Capability enhancement in component and vehicle evaluation, benchmarking and design optimisation.
- ^ Capability enhancement in the area of alternative fuels and powertrain by various study projects.
- ^ VE (Value Engineering) during new model designing phase for maximising cost benefit.
- ^ Generation of newer ideas for future designing and cost reduction via teardown and benchmarking.

**2. Benefits derived as a result of above efforts**

- ^ High localisation content in various vehicles has resulted in lower costs.
- ^ Continuous reduction in product cost through VA/VE.
- ^ Significant cost reduction of parts of new models compared to existing models, ensuring profitability of new models.

**3. Technology inducted**

- ^ All models were made compliant with on board diagnosis (OBD)-II regulations much ahead of the targeted time of implementation i.e. April 2013.
- ^ New CNG fuel injectors were designed and introduced in Alto 800 CNG and Wagon R CNG which resulted in huge cost saving and weight reduction. Due to more precise flow rates,

CO<sub>2</sub> (carbon dioxide) emissions were reduced very significantly.

- ^ New and unique plastic fuel rail, which is being used for the first time in entire Suzuki group, was designed and introduced in Alto 800. This resulted in significant weight reduction and fuel efficiency.
- ^ ISS (Idle stop start) feature was introduced in the export market to meet the stringent emission regulation requirements like Euro 5. The Company is capable of meeting any emission regulation in future and this technology can be extended to vehicles in local market based on emission regulations and market trend.
- ^ SVVT (Single Variable Valve Timing) technology was introduced in new Ritz leading to improve fuel economy and reduced emissions.
- ^ The Company achieved 3 to 15 per cent increase in fuel efficiency during the year across all models among various fuel options by working on different technologies and areas like optimisation of crank and intake system, new low viscosity oil, use of new technologies for rolling resistance reduction on tyres, etc.

Year of Import: 2012-13

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

**Expenditure incurred on R&D**

(₹ in million)

Particulars	2012-13	2011-12
A Capital Expenditure	2,613	1,491
B Recurring Expenditure	2,533	2,226
<b>TOTAL</b>	<b>5,146</b>	<b>3,717</b>
Total R&D expenditure as a percentage of total income	1.16%	1.02%

## D. FOREIGN EXCHANGE EARNINGS & OUTGO (ACCRUAL BASIS)

(₹ in million)

Particulars	2012-13	2011-12
Foreign exchange used: equivalent		
Raw materials and components	42,344	30,451
Capital goods	14,762	11,625
Dies & moulds, maintenance spares & other items	791	1,147
Royalty, interest, dividend and others	32,379	24,855
Foreign exchange earned: equivalent	45,514	36,918

### Activities relating to exports

- i) Initiatives taken to increase exports: The Company continued its efforts to export to Latin American and African markets. The Company exported a total of 120,388 units during the year. The exports to Non-European market showed an increase of 10 per cent. Total exports crossed a landmark of 1 million units.
- ii) Development of new export markets for products and services: KD operations during the year with Indonesia and Thailand were eventually expanded to Malaysia, Vietnam and Hungary as well. New model Splash A/T was introduced in Indonesia.

- iii) Export plans for future: Due to the European economy being hit by Eurozone Sovereign Debt Crisis, the automobile industry is expected to shrink by 7.9 per cent in 2013. Therefore the focus will be on export of vehicles to Non-European markets.

For and on behalf of the board of directors

**KENICHI AYUKAWA**    **R.C. BHARGAVA**  
Managing Director                      Chairman  
& CEO

New Delhi  
26<sup>th</sup> April 2013

# Corporate Governance Report



**The management 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.**

## **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 'Senior Managing Executive Officer' (SMEO) and 'Managing Executive Officer' (MEO). The SMEOs and MEOs are supported by Executive Officers (EOs) who are also part of the top management. The board meetings of the Company mark the presence of all the SMEOs, MEOs and EOs, as they act as a channel between the board above them 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 executive officers are followed by divisional heads and departmental heads. Through this, it is ensured that:

- ^ Strategic supervision is provided by the board;
- ^ Control and implementation of the 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 2013, the Company's board consists of twelve 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 having four Executive Directors and eight Non-Executive Directors, of whom four are Independent Directors. Their composition is 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.

TABLE 1: Composition of the board as on 31<sup>st</sup> March 2013

S.No.	Name	Category	No. of other directorship(s)		<sup>1</sup> No. of other committee(s)	
			Public	Private	Member	Chairman
1	Mr. R. C. Bhargava	Chairman, Non-Executive	8	1	4	4
2	Mr. Shinzo Nakanishi*	Managing Director and CEO, Executive	3	-	-	-
3	Mr. Tsuneo Ohashi	Executive	1	-	-	-
4	Mr. Kazuhiko Ayabe	Executive	2	-	-	-
5	Mr. Keiichi Asai	Executive	2	-	-	-
6	Mr. Osamu Suzuki	Non-Executive	-	-	-	-
7	Mr. Kenichi Ayukawa**	Non-Executive	-	-	-	-
8	Mr. Kinji Saito	Non-Executive	-	-	-	-
9	Mr. Amal Ganguli	Independent	11	2	6	3
10	Ms. Pallavi Shroff	Independent	2	3	-	-
11	Mr. Davinder Singh Brar	Independent	2	11	6	-
12	Mr. R. P. Singh***	Independent	-	-	-	-

\* Mr. Shinzo Nakanishi retired from the post of Managing Director & CEO from the close of business hours of 31<sup>st</sup> March 2013.

\*\* Mr. Kenichi Ayukawa was appointed as Managing Director & CEO with effect from 1<sup>st</sup> April 2013.

\*\*\* Mr. R. P. Singh was appointed with effect from 25<sup>th</sup> January 2013.

1. 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.

**In terms of clause 49 of the listing agreement:**

1. 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.
2. None of the directors hold equity shares in the Company.

**BOARD MEETINGS**

The board met six times during the year on 28<sup>th</sup> April 2012, 12<sup>th</sup> June 2012, 28<sup>th</sup> July 2012, 30<sup>th</sup> October 2012, 25<sup>th</sup> January 2013 and 15<sup>th</sup> March 2013. 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).

TABLE 2: Board meeting and AGM attendance record of the directors in 2012 – 2013

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. Tsuneo Ohashi	6	Yes
Mr. Kazuhiko Ayabe	6	Yes
Mr. Keiichi Asai	5	Yes
Mr. Osamu Suzuki	2	Yes
Mr. Kenichi Ayukawa	2	Yes
Mr. Kinji Saito	1	No
Mr. Amal Ganguli	5	Yes
Ms. Pallavi Shroff	6	Yes
Mr. Davinder Singh Brar	5	No
Mr. R. P. Singh**	2	N.A.

\* Mr. R. C. Bhargava attended the meeting held on 12<sup>th</sup> June 2012 through video conferencing.

\*\* Mr. R. P. Singh was appointed with effect from 25<sup>th</sup> January 2013.

**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 the meetings of the 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 the

management to limit the risks of adverse exchange rate movement; and

- ^ 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 31<sup>st</sup> March 2013. 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 31<sup>st</sup> March 2013**

	Salary & Perquisites	Performance Linked Bonus**	Sitting Fees	Commission	Total
Mr. Shinzo Nakanishi	22,064,434	8,833,240			30,897,674
Mr. Shuji Oishi*	1,092,322	433,774			1,526,096
Mr. Tsuneo Ohashi	16,129,521	6,220,000			22,349,521
Mr. Keiichi Asai	15,602,259	6,220,000			21,822,259
Mr. Kazuhiko Ayabe*	14,366,956	5,759,890			20,126,846
Mr. R.C. Bhargava			160,000	3,400,000	3,560,000
Mr. Amal Ganguli			260,000	1,900,000	2,160,000
Mr. Davinder Singh Brar			280,000	1,400,000	1,680,000
Ms. Pallavi Shroff			280,000	1,400,000	1,680,000
Mr. M.S. Banga			-	225,000	225,000
Mr. R. P. Singh			40,000	275,000	315,000
Mr. Kinji Saito			20,000		20,000
Mr. Osamu Suzuki			40,000		40,000
Mr. Kenichi Ayukawa			40,000		40,000
	<b>69,255,492</b>	<b>27,466,904</b>	<b>1,120,000</b>	<b>8,600,000</b>	<b>106,442,396</b>

\* Mr. Shuji Oishi resigned with effect from close of business hours of 27<sup>th</sup> April 2012 and Mr. Kazuhiko Ayabe was appointed with effect from 28<sup>th</sup> April 2012.

\*\*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:

- a) Actual achievement in terms of growth in sales, profit, etc. as compared to the previous year;
- b) Actual achievement of growth as compared to the budget approved at the beginning of the year; and

- c) Growth of market share of the Company's products as compared to key competitors in the industry.

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

#### Remuneration of the Non-Executive Directors

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 ₹ 15 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 shareholders' 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 invitees to the audit committee meetings. The Company Secretary acts as the secretary to the audit committee. Other directors and members of the management are also invited as may be required from time to time.

#### Role

The role of the audit committee includes the following:

1. 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.
2. 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.

3. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a) 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.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
4. Reviewing, with the management, the quarterly/annual financial statements before submission to the board for approval.
5. Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control system.
6. 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.
7. Discussion with internal auditors about any significant findings and follow up thereon.
8. 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.
9. 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.
10. 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.
11. Reviewing the functioning of the whistle blower mechanism on a regular basis.
12. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
13. Reviewing, with the management, the statement of uses / application of funds, if any raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
14. Approval of appointment of the Chief Financial Officer (the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. 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 during the year under review on 28<sup>th</sup> April 2012, 22<sup>nd</sup> May 2012, 28<sup>th</sup> July 2012, 30<sup>th</sup> October 2012, 23<sup>rd</sup> November 2012 and 25<sup>th</sup> January 2013. **Table 5** gives the details of attendance of audit committee members.

**TABLE 5: Attendance record of the members of the audit committee**

Name	Category	No. of meetings attended in 2012 – 13 (Total meetings held: 6)
Mr. Amal Ganguli	Chairman	6
Mr. Shinzo Nakanishi	Member	6
Mr. Davinder Singh Brar	Member	5
Ms. Pallavi Shroff	Member	5

**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 Annual Report, 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, 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 28<sup>th</sup> April 2012 and 30<sup>th</sup> October 2012. **Table 7** gives the attendance record.

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

Name	No. of meetings attended in 2012 – 13 (Total meetings held: 2)
Mr. R. C. Bhargava	2
Mr. Shinzo Nakanishi	2
Mr. Davinder Singh Brar	1
Mr. Kenichi Ayukawa	-

**Investor grievance redressal**

During the year, 16 complaints were received and resolved. No transfer of shares was pending as on 31<sup>st</sup> March 2013.

**MANAGEMENT**

**Management Discussion and Analysis Report**

The 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 2012-13 are given in note no. 53 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 Company's code of conduct has been posted on its website [www.marutisuzuki.com](http://www.marutisuzuki.com)

The code of conduct was circulated to all the members of the board and senior management personnel and they had affirmed their compliance with the said code of conduct for the financial year ended 31<sup>st</sup> March 2013. A declaration to this effect signed by Mr. Kenichi Ayukawa, Managing Director & CEO of the Company forms part of this report as Annexure - A.

establishing a transparent “controls self assessment” mechanism in order to lay the foundation for further development of superior corporate governance practices which are vital for a successful business. It is the Company’s endeavour to attain highest level of governance to enhance the stakeholder’s value. To enable certification by CEO/CFO for the financial year 2012-13, key 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

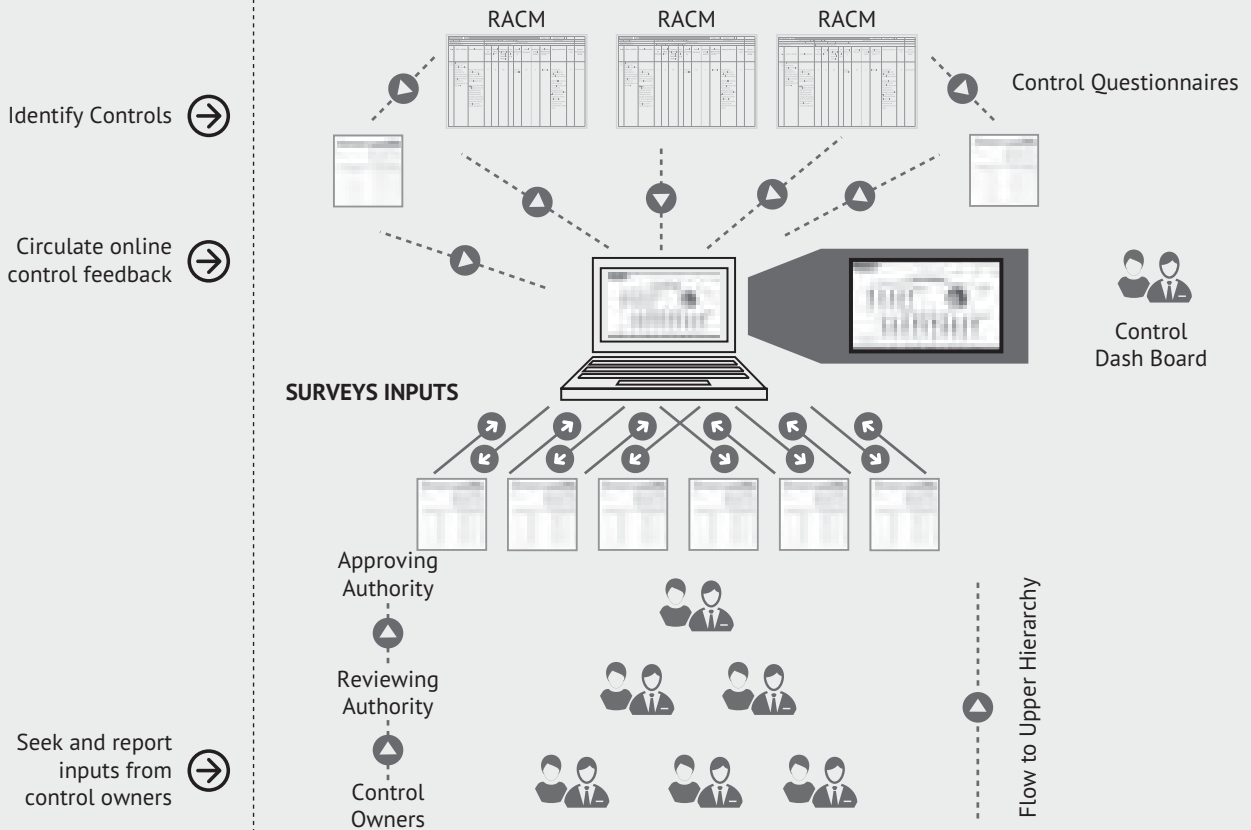
Manager”. The self assessment submitted by control owners were further reviewed and approved by their superiors and the results of self assessment process were disclosed to the auditors and the audit committee. The whole exercise was carried out in an objective manner to assess the effectiveness of internal controls over financial reporting during the financial year 2012-13.”

### CEO/ CFO CERTIFICATION

The Company has institutionalised the framework for CEO/CFO certification by

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

##### PROCESS FOR REPORTING



\* RACM: Risk & Control Matrix



As required by clause 49 of the listing agreement, the certificate duly signed by the Managing Director & CEO and the Chief Financial Officer was placed before the Board of Directors at its meeting held on 26<sup>th</sup> April 2013.

#### **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 the Senior Managing Executive

Officers, Managing Executive Officer 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 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.

#### **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**

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.

## **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', 'Mint' and in Hindi editions of 'Jansatta', 'Business Standard' and 'Hindustan'.
<b>Monthly sales/production</b>	Monthly sales/production 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>	In our endeavor to protect the environment and in compliance with circular number 17/2011 dated 21 <sup>st</sup> April 2011 issued by the Ministry of Corporate Affairs where it was clarified that communication to the shareholders through e-mail will be in compliance with provisions of section 53 of the Companies Act, 1956, the Company sent the Annual Report for the year 2011-12 through e-mails to a large number of shareholders who had registered their e-mail ids with either depository participant (DP) or the Registrar & Transfer Agent (RTA) or the Company. This also helped the Company in saving a huge cost towards printing and dispatch.  For those shareholders whose e-mail ids were not registered, the Annual Report in physical mode was sent by post to their registered addresses.



<b>Corporate Filing and Dissemination System (Corpfilng)</b>	All disclosures and communications to Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through Corpfilng. Hard copies of the said disclosures and correspondence are also filed with the exchanges.
<b>NEAPS (NSE Electronic Application Processing System)</b>	Shareholding pattern and Corporate Governance Report of every quarter is uploaded on NEAPS.
<b>SCORES (SEBI Complaints Redressal System)</b>	SEBI has commenced processing of investor complaints in a centralised web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.
<b>Exclusive e-mail id's for investors</b>	Following e-mail id's have been exclusively dedicated for the investors' queries: investor@maruti.co.in mailmanager@karvy.com  Queries relating to Annual Report may be sent to investor@maruti.co.in and queries relating to transfer of shares and splitting / consolidation / remat of shares, payment of dividend, etc. may be sent to mailmanager@karvy.com

### General body meetings

TABLE 8: Details of the last three AGMs of the Company

Financial Year	Location	Date	Time
2009 - 10	Airforce Auditorium, Subroto Park, New Delhi	7 <sup>th</sup> September 2010	10:00 a.m.
2010 - 11	Airforce Auditorium, Subroto Park, New Delhi	8 <sup>th</sup> September 2011	10:00 a.m.
2011 - 12	Airforce Auditorium, Subroto Park, New Delhi	28 <sup>th</sup> August 2012	10:00 a.m.

The Company has passed special resolutions in the previous three AGMs. No special resolutions were required to be put through postal ballot last year.

## ADDITIONAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date:	27 <sup>th</sup> August 2013
Day:	Tuesday
Time:	10:00 a.m.
Venue:	Airforce Auditorium, Subroto Park, New Delhi – 110 010

### Financial Year

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

For the year ending 31<sup>st</sup> March 2014 results will be announced:

By the end of July 2013: First quarter results

By the end of October 2013: Second quarter results

By the end of January 2014: Third quarter results

By the end of May 2014: Fourth quarter and annual results

### Book closure

The period of book closure is from Friday, 16<sup>th</sup> August 2013 to Tuesday, 27<sup>th</sup> August 2013 (both days inclusive).

### Dividend payment

Subject to the approval of the members in the annual general meeting, a dividend payment of ₹ 8 per equity share (face value ₹ 5 per equity share) for the year 2012-13 will be paid on or after 27<sup>th</sup> August 2013, to those whose names appear in the register of members / beneficial owners at the close of business hours on 14<sup>th</sup> August 2013.

Reminders were sent to the shareholders requesting them for claiming unclaimed dividend for the year 2004-05. Many shareholders claimed their unclaimed dividend. The payment was made directly to their bank accounts wherever the same

were available under intimation to them. The balance amount remaining unclaimed was transferred to the Investor Education & Protection Fund (IEPF) with in the stipulated time.

### 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 2013-14 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 2013-14 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

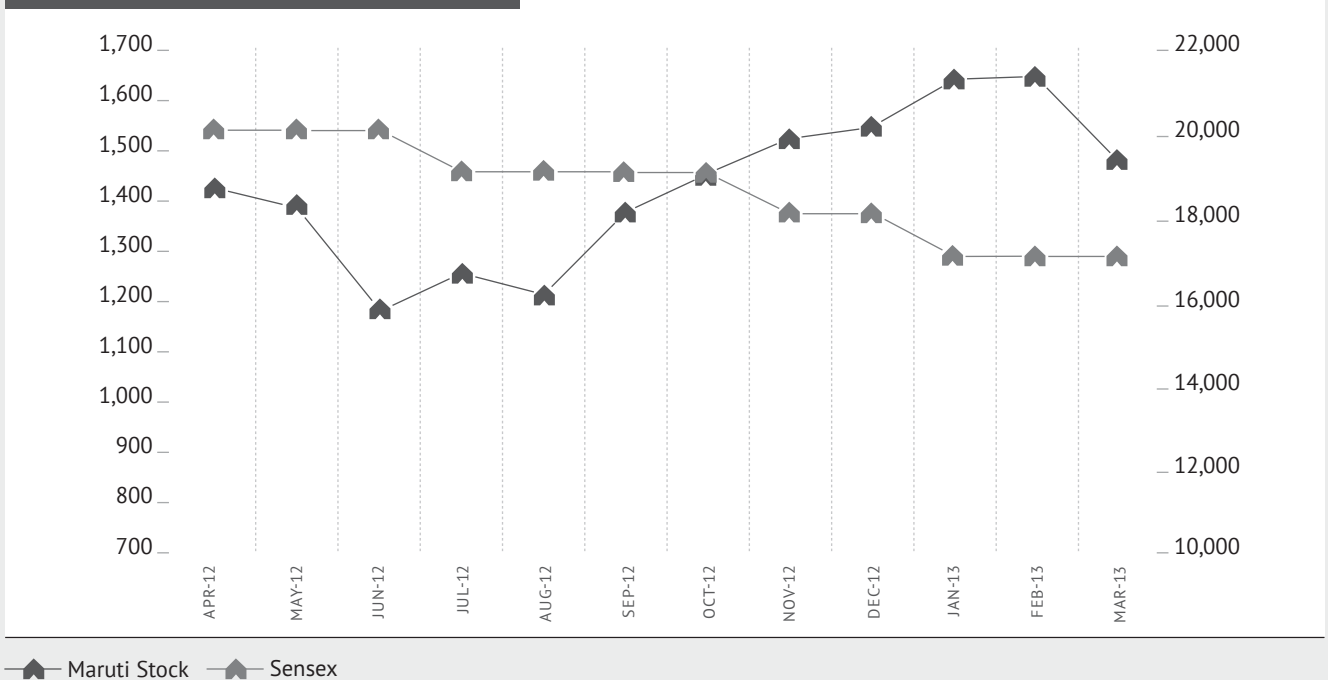
Stock market data

Table 10 gives the monthly high and low prices of the Company's equity shares on BSE and NSE for the year 2012-13. Chart A plots the movement of the Company's share prices on BSE vis-a-vis BSE Sensex for the year 2012-13.

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

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 12	1,415.00	1,262.10	1,417.05	1,260.65
May 12	1,380.05	1,098.30	1,384.50	1,093.15
Jun 12	1,176.00	1,052.00	1,176.00	1,051.00
Jul 12	1,249.70	1,075.00	1,250.00	1,074.30
Aug 12	1,206.00	1,109.20	1,206.00	1,108.95
Sept 12	1,368.70	1,128.05	1,370.00	1,130.20
Oct 12	1,443.75	1,335.00	1,443.00	1,261.20
Nov 12	1,514.95	1,434.50	1,514.50	1,434.20
Dec 12	1,537.00	1,448.95	1,539.90	1,451.00
Jan 13	1,634.00	1,482.35	1,633.90	1,482.30
Feb 13	1,637.60	1,345.00	1,639.00	1,340.30
Mar 13	1,474.00	1,266.00	1,473.95	1,266.10

Chart A



## Corporate Governance Report

### 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 2013 respectively.

TABLE 11: (I) (a) Shareholding pattern as on 31<sup>st</sup> March 2013

Category code	Category of shareholder	No of shareholders	Total number of shares	No Of Shares Held In Dematerialised Form	Total shareholding as a percentage of total no of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>					
	<b>(1) Indian</b>					
	(a) Individual / HUF	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) 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>
	<b>(2) Foreign</b>					
	(a) Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00
	(b) Bodies Corporate	1	169,788,440	156,618,440	56.21	56.21
	(c) Institutions	0	0	0	0.00	0.00
	(d) Qualified Foreign Investor	0	0	0	0.00	0.00
	(e) Others	0	0	0	0.00	0.00
	<b>Sub-Total A (2) :</b>	<b>1</b>	<b>169,788,440</b>	<b>156,618,440</b>	<b>56.21</b>	<b>56.21</b>
	<b>TOTAL A=A (1) + A (2)</b>	<b>1</b>	<b>169,788,440</b>	<b>156,618,440</b>	<b>56.21</b>	<b>56.21</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>					
	<b>(1) Institutions</b>					
	(a) Mutual Funds /UTI	240	11,080,584	11,080,584	3.67	3.67
	(b) Financial Institutions /Banks	50	26,960,108	26,960,108	8.92	8.92
	(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	434	67,537,703	67,537,703	22.36	22.36

Category code	Category of shareholder	No of shareholders	Total number of shares	No Of Shares Held In Dematerialised Form	Total shareholding as a percentage of total no of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	1	32,860	32,860	0.01	0.01
(i)	Others	0	0	0	0.00	0.00
<b>Sub-Total B (1) :</b>		725	105,611,255	105,611,255	34.96	34.96
<b>(2) Non-institutions</b>						
(a)	Bodies Corporate	1,590	19,067,761	19,067,761	6.31	6.31
(b)	Individuals					
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	116,634	6,424,689	6,419,977	2.13	2.13
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	2	81,000	81,000	0.03	0.03
(c)	Others					
	Foreign nationals	1	150	150	0.00	0.00
	Non resident indians	2,302	239,775	239,775	0.08	0.08
	Clearing members	165	512,274	512,274	0.17	0.17
	Trusts	34	354,716	354,716	0.12	0.12
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
<b>Sub-Total B (2) :</b>		120,728	26,680,365	26,675,653	8.83	8.83
<b>TOTAL B=B (1) + B (2) :</b>		<b>121,453</b>	<b>132,291,620</b>	<b>132,286,908</b>	<b>43.79</b>	<b>43.79</b>
<b>TOTAL (A+B) :</b>		<b>121,454</b>	<b>302,080,060</b>	<b>288,905,348</b>	<b>100.00</b>	<b>100.00</b>
<b>(C) SHARES HELD BY CUSTODIANS, AGAINST WHICH</b>						
Depository Receipts have been issued						
(1)	<b>Promoter and Promoter Group</b>	0	0	0	0	0.00
(2)	<b>Public</b>	0	0	0	0	0.00
<b>GRAND TOTAL (A+B+C) :</b>		<b>121,454</b>	<b>302,080,060</b>	<b>288,905,348</b>	<b>100.00</b>	<b>100.00</b>

No shares have been pledged by the Promoters as on 31<sup>st</sup> March 2013. The Company has not issued warrants or convertible securities either to the public or the promoters of the Company.

**(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) 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 held	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	18,993,815	6.29
2	HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	5,927,515	1.96
3	Credit Suisse (Singapore) Limited	5,926,749	1.96
4	ICICI Prudential Life Insurance Company Ltd	4,665,377	1.54
5	Merrill Lynch Capital Markets Espana S.A. S.V.	3,073,247	1.02
	<b>TOTAL</b>	<b>38,586,703</b>	<b>12.77</b>

\* The Company has not issued warrants or convertible securities to any of the above shareholders holding more than 1 per cent of the total number of shares.

**(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5 per cent of the total number of shares of the Company**

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares held	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	18,993,815	6.29
	<b>TOTAL</b>	<b>18,993,815</b>	<b>6.29</b>

\*\*The Company has not issued warrants or convertible securities to LIC.

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

Sr. No.	Name of the shareholder	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}	Promoter/Promoter Group/Public
	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	Number of 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}
	Nil	Nil	Nil	Nil

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares held by “Promoter/Promoter group” 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.)	Number of 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]
	Nil	Nil	Nil	Nil

TABLE 12: Distribution of shareholding as on 31<sup>st</sup> March 2013

Category (Shares)	Number of shareholders	%	Number of Shares	%
1 - 5000	120,805	99.46	7,331,613	2.43
5001 - 10000	117	0.10	855,114	0.28
10001 - 20000	119	0.10	1,744,215	0.58
20001 - 30000	66	0.05	1,642,018	0.54
30001 - 40000	43	0.04	1,519,639	0.50
40001 - 50000	39	0.03	1,764,743	0.58
50001 - 100000	88	0.07	6,425,023	2.13
100001 and above	178	0.15	280,797,695	92.95
<b>TOTAL:</b>	<b>121,455</b>	<b>100.00</b>	<b>302,080,060</b>	<b>100.00</b>

TABLE 13: Top 10 shareholders as on 31<sup>st</sup> March 2013

Sl. No.	Name / Joint Name (s)	Shareholding	%
1	Suzuki Motor Corporation	169,788,440	56.21
2	Life Insurance Corporation of India	18,993,815	6.29
3	HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	5,927,515	1.96
4	Credit Suisse (Singapore) Limited	5,926,749	1.96
5	ICICI Prudential Life Insurance Company Ltd	4,665,377	1.54
6	Merrill Lynch Capital Markets ESPANA S.A. S.V.	3,073,247	1.02
7	Europacific Growth Fund	2,972,270	0.98
8	Bajaj Allianz Life Insurance Company Ltd.	2,944,379	0.97
9	Stichting Pensioenfond ABP	2,443,651	0.81
10	Government Pension Fund Global	2,039,317	0.68
	<b>TOTAL:</b>	<b>218,774,760</b>	<b>72.42</b>

**Dematerialisation of shares and liquidity**

As on 31<sup>st</sup> March 2013, 95.64 per cent of the Company's total paid up equity capital representing 288905348 equity shares was held in dematerialised form. The balance 4.36 per cent equity representing 13,174,712 equity shares was held in

physical form which includes 13,170,000 equity shares allotted to Suzuki Motor Corporation on 29<sup>th</sup> March 2013 pursuant to the scheme of amalgamation of Suzuki Powertrain India Limited with and into Maruti Suzuki India Limited. The equity shares of the Company are listed under

specified category in BSE and are part of Nifty in NSE.

Suzuki Motor Corporation, the promoter of the Company holds 156,618,440 shares in dematerialised form.

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 shareholders who approached for transfer of shares from suspense account	No. of shareholders to whom shares were transferred from suspense account	Balance as on 31-03-2013	
	No. of records	No. of shares			No. of records	No. of shares
Equity Shares	15	1,050	1	50	14	1,000

The voting rights on these 1,000 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. 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 dematerialised 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 the listing agreement:

- The Chairman's office with required facilities is being maintained by the Company at its expense, for use by its Non - Executive Chairman.

- 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 the audit committee is the ombudsperson and direct access has been provided to the employees to contact him through e-mail, post and telephone for reporting any matter.

#### Plant location

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

#### Address for correspondence

Investors may please contact for queries related to:

- 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

- Shares held in physical form

#### Karvy Computershare Pvt. Limited

(at the address given above)

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 2013. 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.



# ANNEXURE A

## DECLARATION OF THE MANAGING DIRECTOR & 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, 2013.

**KENICHI AYUKAWA**  
Managing Director & CEO

26<sup>th</sup> April 2013  
New Delhi

## 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, 2013, 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 Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

Gurgaon  
May 29, 2013

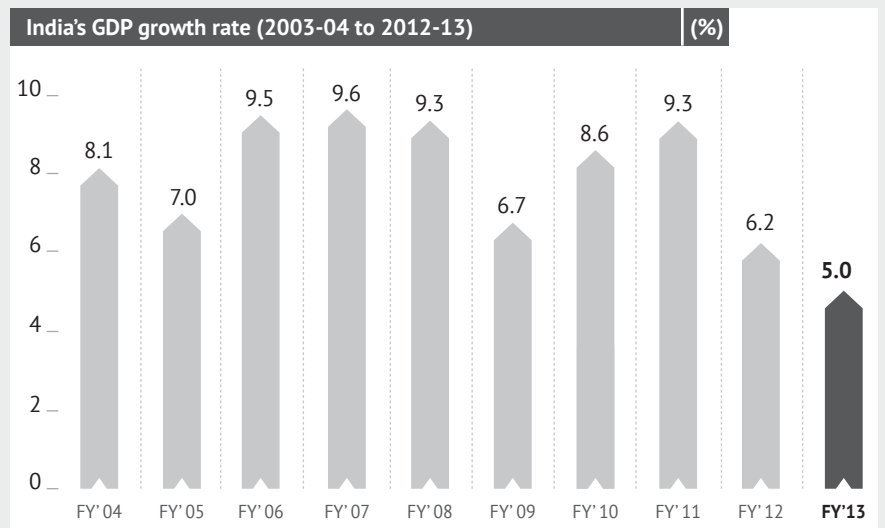
# Management Discussion & Analysis



The Company is able to foster strong customer connect through its focus on after-sales service at workshops. During the year, the Company was rated first in customer satisfaction for the 13<sup>th</sup> consecutive year in the annual survey by J. D. Power Asia Pacific.

## OVERVIEW

The slowdown in the Indian economy continued for the second successive year, with GDP growth estimated at 5 per cent in 2012-13, the lowest in a decade. This was accompanied by high interest rates, inflation and weak consumer sentiment. Rising fuel prices, caused partly by depreciation of rupee to the dollar, increased the cost of vehicle ownership for customers.



Source: Economic Survey

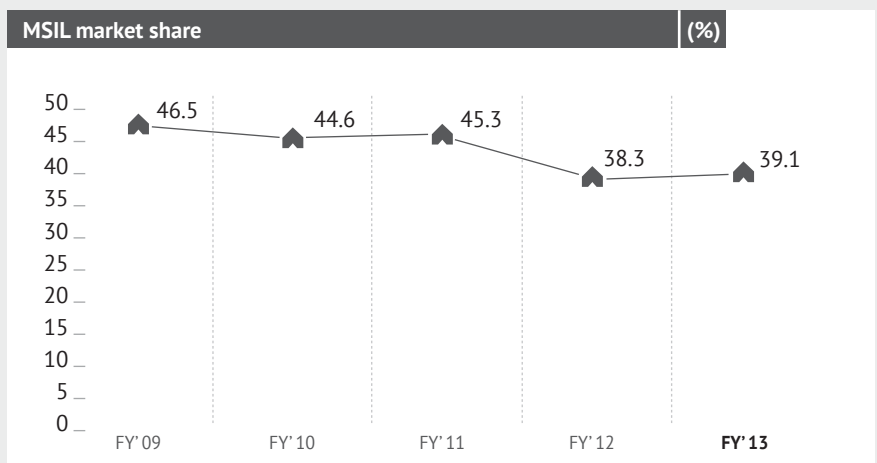
**Domestic auto industry growth (%)**

Segment	FY'09	FY'10	FY'11	FY'12	FY'13
Passenger Vehicles	0	26	28	5	2
Commercial Vehicles	-22	39	29	18	-2
Three Wheelers	-4	26	19	-2	5
Two Wheelers	3	26	26	14	3
Total of all segments	1	26	26	12	2.6

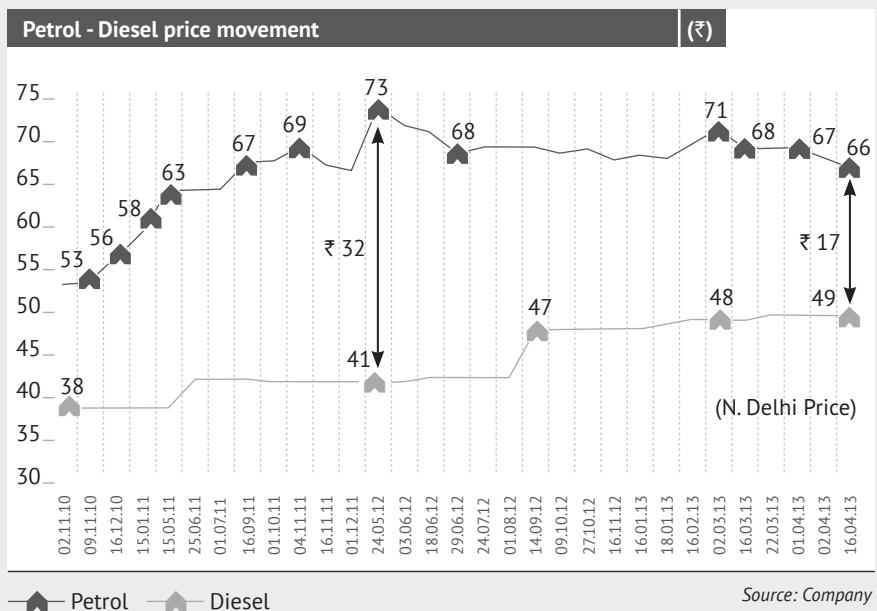
Numbers rounded off; Source: SIAM

The domestic passenger vehicle industry grew by 2.2 per cent in unit sales in 2012-13. The Company was able to achieve a growth of 4.4 per cent, and improve market share by 80 basis points to 39.1 per cent. This growth was achieved on the back of new and refreshed models launched in the last 18 months, and better availability of diesel engines during the year. However, the Company had to increase its marketing and sales expenses, compared to the previous year, to offset similar moves by competitors and counter the weak consumer sentiment.

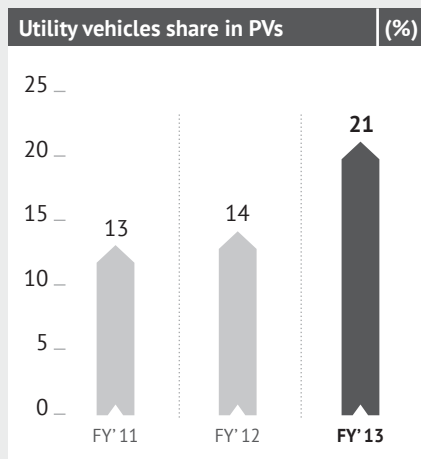
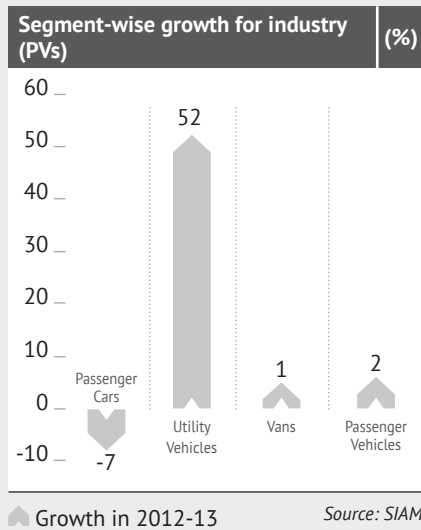
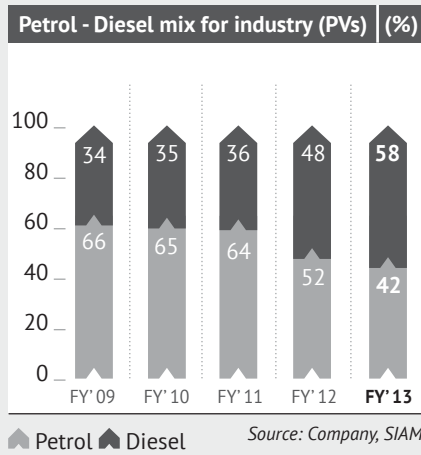
The market distortion between petrol and diesel vehicles, which surfaced in 2011-12, continued for the most part in 2012-13. The share of diesel vehicles in total passenger vehicle sales increased from 48 per cent in 2011-12 to 58 per cent in 2012-13. While petrol prices were largely market driven, diesel prices remained government controlled for a large part of the year. This contributed to the decline in the sales of petrol vehicles for the second successive year. Later in the year, as the government embarked on a programme to withdraw diesel subsidies gradually, and as the slowdown deepened, the demand for diesel vehicles also suffered.



Source: SIAM



Source: Company



In contrast with the rest of the passenger vehicles market, utility vehicles posted a robust growth of 52 per cent during the year and the share of this segment increased to 21 per cent of the passenger vehicle market. A part of this growth was contributed by the Company's new utility vehicle Ertiga, launched in April 2012. Most utility vehicles are powered by diesel and their recent success can be partly attributed to the favourable pricing of this fuel. In addition, some of the growing customer preference for utility vehicles appears to be owing to body styling, space and new products in this segment.

Exports to Europe were adversely impacted owing to the slowdown in the region. The Company was able to increase presence in markets in Africa and Latin America, and arrest the decline in unit sales to 5.5 per cent over the previous year.

A strong Yen continued to put pressure on the Company's bottomline in the first half of the year. Since then, the Rupee-Yen rate has turned positive and benefits are likely to accrue during 2013-14. The Company will, however, continue its programme with suppliers to achieve higher localisation.

Commodity prices remained largely stable. In some cases, prices came down offering opportunities for hedging for the future.

In July 2012, there was a shocking incident of criminal violence, by a section of the workers at the Company's facility in Manesar. It resulted in the tragic death of Awanish Kumar Dev, General Manager (HR). Nearly 100 managers were injured and had to be hospitalised. The police arrested 145 workers, and legal proceedings against them are under way. Concerned about the safety and security of its people, the Company locked out the Manesar facility. The security arrangements were adequately strengthened, and all those identified as having been involved in the violence were dealt with according to the law. There was total support from the stakeholders, including the Haryana Government, the local community in Manesar, Company's vendors and dealers, and Suzuki Motor

Corporation, Japan. The managers demonstrated rare courage and resilience and this enabled operations to resume after just one month of the incident. The recruitment and communication systems with employees, and particularly with the contract workers, were reviewed and modified. Operations returned to normal in about three months. It is expected that the Manesar facility will henceforth work normally.

While there are short-term concerns about the Indian economy and the growth of the automobile industry, the Company remains positive about the long-term opportunity in India. Accordingly, most of the capital projects, including a third vehicle assembly plant in Manesar and a new facility for diesel engines in Gurgaon, are proceeding as scheduled. During the year, the Company signed an agreement with the Gujarat government and acquired 700 acres of land near Mehsana (near Ahmedabad) for future capacity expansion. Work is likely to start there shortly.

Under a scheme of amalgamation approved by the High Court, Delhi, the Company amalgamated with itself, Suzuki Powertrain India Limited (SPIL), a supplier to it of diesel engines and transmissions. SPIL, which was 70 per cent owned by Suzuki Motor Corporation, Japan and 30 per cent by Maruti Suzuki India, was amalgamated with the Company through a share swap. The swap ratio was fixed at 1:70 based on the terms of the scheme.

With the amalgamation, the Company has brought its entire diesel engine capacity under single management control. This will help strengthen the business, including sourcing, localisation and production planning. It will also provide manufacturing flexibility and cost reduction.

All necessary approvals and formalities for the amalgamation were completed during the year and the amalgamation was accounted for under 'Pooling of Interest Method' as prescribed by Accounting Standard-14 'Accounting for Amalgamations' notified under Companies

(Accounting Standards) Rules with effect from 1<sup>st</sup> April, 2012. The financial results of the Company for the year 2012-13 are accordingly for the amalgamated entity.

Benefiting from increase in market share, a change in the product mix and higher export realisation, the Company, post-amalgamation, registered a 21.9 per cent growth in total revenue to ₹ 444,003 million. Profit after tax for the year stood at ₹ 23,921 million, a growth of 46.3 per cent over the previous year. The post-amalgamation earning per share stood at ₹ 79, compared to ₹ 57 in the previous year.

## BUSINESS PERFORMANCE

### Domestic Market

Market conditions, particularly for petrol vehicles, remained challenging during the year even as there was strong demand for the Company's diesel models. To promote sales of petrol vehicles, the Company leveraged its strength in the rural market and among institutions. It reached out to new customer segments using relevant communication and focused promotions. Sales of the Company's factory-fitted CNG vehicles improved by 30 per cent and crossed 50,000 for the year, as customers sought to cope with high petrol prices.

The Company was able to contain the decline in sales of its petrol vehicles to 14 per cent, and enhance its market share in this segment to 58.4 per cent from 56.0 per cent in the previous year. Sales of diesel vehicles grew by 62 per cent, enhancing the Company's share in this segment from 19.2 per cent to 25.2 per cent.

For the second year in a row, four of the top five models by unit sales in the Indian passenger vehicle market were from the Company's portfolio. These were Alto, Swift, DZire and WagonR.

The Ertiga was received well, with its diesel variants attracting a wait-list of customers during the year. While Utility Vehicles (UV) in general have emerged as an important

market segment, the Ertiga found favour also with young urban families looking for a vehicle that is fashionable and attractive and offers more space, without being bulky and expensive. The Company sold 76,375 units of the Ertiga in 2012-13.

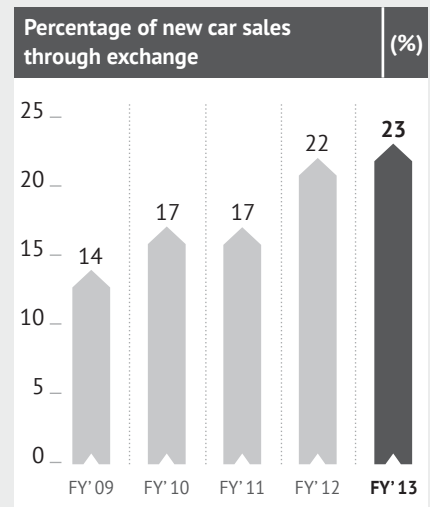
With the Ertiga, the Company introduced the new K14B engine, a light weight, highly fuel efficient engine from the K-series family. Other K-series engines, K10B and K12M are powering most of the Company's high selling models.

The other major launch of the year, the new Alto 800, achieved sales of 100,000 units within 124 days of launch. The new car offers more space and higher fuel efficiency. The Alto remained the country's highest selling car for the seventh year in a row.

Refreshed versions of WagonR, Ritz and SX4 also helped volumes to some extent.

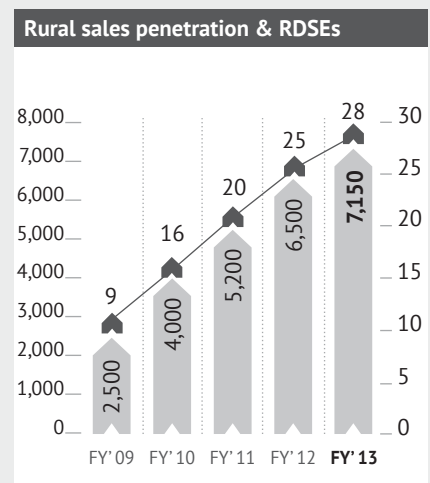
Although the differential in prices of petrol and diesel came down relative to the previous year, it remained significant. This enhanced the share of diesel vehicles in the industry from 48 per cent to 58 per cent. For the Company, diesel vehicles accounted for 37.4 per cent of its unit sales, helped by the popularity of these models and larger availability of diesel engines. Besides engine production by SPIL (around 300,000), the Company arranged supplies of about 100,000 engines per year from the Fiat Indian plant. Supply is likely to improve further once the Company's new diesel engine plant in Gurgaon, with an annual capacity of 150,000 units in the first phase, goes on stream about the middle of 2013-14.

The Company's pre-owned vehicle business (brand TrueValue) supported sales of new vehicles by encouraging trade-ins. Exchange penetration as a percentage of new car retails went up to 23 per cent during the year. Besides, sales of used vehicles from the network grew by 7 per cent to 252,000, contributing to dealer profitability and growth. During the year, the number of TrueValue outlets increased from 409 to 450.



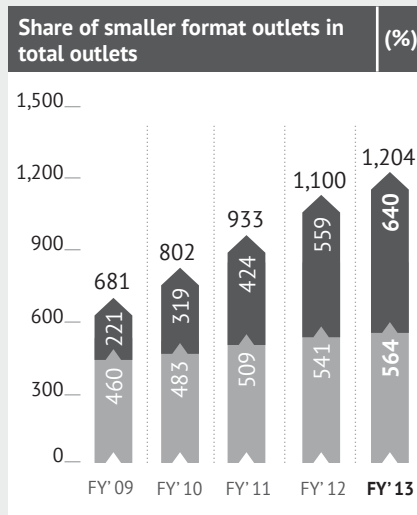
Source: Company

With semi urban and rural India emerging as an important market for new car sales, the Company further expanded its network into smaller towns via smaller format outlets. The Company's initiatives, including a dedicated sales force for rural markets (RDSE) and innovative marketing methods, enabled it to grow rural sales by 18.5 per cent during the year and enhance its contribution to 28 per cent of domestic volumes.



Source: Company

■ RDSEs —▲— % Penetration



Source: Company

▲ Outlets ▲ Smaller format outlets

The Company is able to foster strong customer connect through its focus on after-sales service at workshops. There is evidence that this increases customer loyalty and referral sales. During the year, the Company was rated first in customer satisfaction in the Indian automobile industry for the 13<sup>th</sup> consecutive year in the annual survey by J. D. Power Asia Pacific. The Company improved its score, and remained the only manufacturer above industry average.

The Company's widespread reach continues to be a major competitive advantage. During the year, the dealer sales network reached 1,204 outlets in 874 cities and service outlets expanded to 2,965 outlets in 1,423 cities. During the year, approximately 3,400 specialised service camps helped in connecting with customers and generating exchange and new car enquiries.

To reduce the time taken to service vehicles, the Company also introduced the concept of Maruti Quick Stop (MQS) workshops. These are small, convenient, environment-friendly workshops that use much less water and offer a quick turnaround. They are designed mainly for customers in cities.

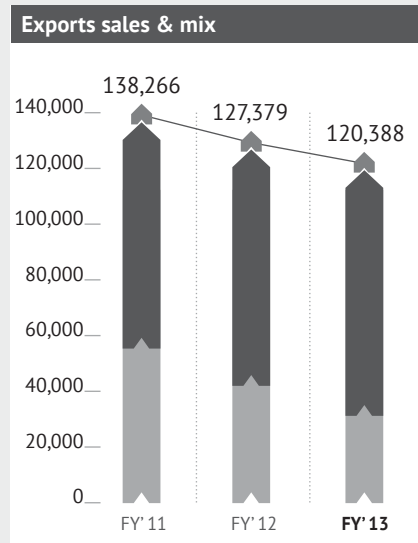
The Company now uses a Global Positioning System (GPS) to manage its logistics fleet movement effectively. This has improved fleet productivity and also contributes to timely delivery of vehicles. Currently 9,100 trucks and trailers are using this technology. During the year, the Company saved ₹ 34 million through route rationalisation.

**Exports**

The Company reached a major milestone by exporting its one-millionth vehicle. Introduction of new models like A-star, DZire, Ritz and new Alto 800 in export markets contributed to reaching this milestone.

Even as sales were weak in Europe, the Company's exports to non-European markets grew 9.5 per cent to 92,424 units. The share of sales to non-European markets, primarily in Africa and Latin America, increased to 76 per cent of exports, from 66 per cent in the previous year.

Exports of knocked-down kits, which commenced in January'12 with Indonesia and Thailand, are doing well and have now expanded to Malaysia, Vietnam and Hungary.



Source: Company

■ Europe ■ Non - Europe  
▲ Total Export Sales

**Parts & Accessories**

The Company expanded the range of Maruti Genuine Accessories by adding 350 new products during the year. These and other initiatives led to a 30 per cent increase in accessory sales, despite the weakness in the passenger vehicle market. Besides expanding the retail network for Maruti Genuine Parts, which has now crossed 400 outlets, the Company proactively undertook national campaigns to educate customers about the harmful impact of fake and spurious parts.

The Director General (Investigation) (DG), Competition Commission of India (CCI), conducted an investigation on 17 automobile original equipment manufacturers in India, including the Company, on the allegation of non-availability of spare parts to independent repair workshops and restrictions imposed on original equipment suppliers not to supply spare parts in open market. The Company has contested the findings of the investigation and is taking all the steps permitted under the law to protect its interests and to continue to offer safe, reliable and genuine parts to its customers.

**OPERATIONS**

The Company's manufacturing operations improved across most internal parameters of quality, productivity and cost. The measures taken to build flexibility in operations in recent years stood the Company in good stead during the year. Despite the volatility in the market and demand distortion among petrol and diesel vehicles, the Company was able to produce vehicles in line with market demand through optimum utilisation of facilities.

With both new launches, Ertiga and Alto 800, receiving positive responses in the market, the operations geared up to meet the surge in demand without disruption.



The Company benefits greatly from high employee morale, loyalty and alignment. The Production Management System (PMS) involves employees at all levels of operations to generate ideas, which are then discussed within small groups and identified for implementation by employees themselves. During the year, efforts were directed towards reducing new project cost, bringing down operational expenses, particularly by higher localisation, and improving quality.

Several cost reduction projects in operations were undertaken. In-house automation projects led to a saving of ₹ 260 million in new projects. A pan-organisational suggestion programme, "Sujhav Sangrehika",

led to generation of 396,828 ideas and a saving of ₹ 3,640 million.

The Company uses the approach of Plan-Do-Check-Act to upgrade systems and processes continuously. The downtime of machining facilities has come down by about 50 per cent over five years. In another drive, the Company took measures to reduce worker fatigue and improve ergonomics in its manufacturing processes.

The projects team is targeting to optimise capital expenditure by identifying suitable local suppliers for equipment and machinery. With several capital projects ongoing, and more in the pipeline, this initiative will receive focus in the next few years.

have most of its vendors adopt the same standard.

The Company initiated a Clean Development Mechanism (CDM) project to reduce CO<sub>2</sub> emission in its captive power plant. The project entails use of waste flue gas of captive power plant to generate steam and thereby electricity. This has been registered and approved as a CDM project by UNFCC. It is expected to generate 40,000 Certified Emission Reduction (CER) annually for the next 10 years.

Owing to innovative energy conservation measures, the Company was able to reduce its natural gas consumption for captive power generation by 15 per cent. Given that natural gas prices have gone up significantly, these measures contributed to containing energy cost as well.

A separate section in this Annual Report, "Business Responsibility Report" discusses the environmental and social performance of the Company in detail.

## COMPONENT & RAW MATERIAL PROCUREMENT

The Company's supply chain is crucial to its operations, with about 80 per cent of the car by value being procured in the form of components and raw material. The Company accordingly continues with its efforts to enable the supply chain to become more productive, reduce costs and improve quality. Insulating, to the extent possible, the supply chain from market volatility, helps the Company.

Component supplies regularly face the risk of disruption owing to factors like floods, transport strikes, industrial unrest at suppliers and the like. The Company has so far managed disruptions by taking suitable measures as and when required and ensured that operations are largely unaffected. Starting 2012-13, a robust risk

Equipment breakdown of machine shops (indexed to base year 2007-08) (%)



Source: Company

### Tool Room & Die Shop

The tool and die shop designs and develops skin panel dies and casting dies for engine components. With continuous improvement in design capability, the Company is now exporting dies to Suzuki group companies overseas. Design innovations and best practices have led to a cost benefit of 25 per cent to 40 per cent over imported dies.

With its growing capability, the Company will be able to deliver new models in less time and cost.

### Energy Conservation and Environment Sensitivity

The Company was the first in the Indian automobile space to be ISO14001 certified and since then has been working to



management framework was put in place with a detailed mapping of the entire chain, possible disruption events and continuity plans.

A strong Japanese Yen and weak Indian Rupee for most part of the year rendered the Company's import content expensive. During the year, the Company encouraged localisation of inner parts by suppliers and also put in place a dedicated team to facilitate and monitor localisation. This led to good results.

The last few months of the year saw softening of the Japanese Yen. While some benefits accrued in 2012-13, larger benefits are expected during 2013-14. The Company is also encouraging vendors to enhance local R&D capability and wherever appropriate, shifting sourcing from Japan to the ASEAN region.

Commodity prices were reasonably stable. The policy of forward booking of commodities, and hedging the currency has also resulted in cost savings. The Company took initiatives to consolidate different grades of steel in its purchase activities, and improve yields in manufacturing components to reduce material cost.

The Company recognises that Tier-II and Tier-III suppliers have a critical role in the value chain, and is examining ways to improve their quality and adherence to systems. Through MACE (Maruti Centre for Excellence), the Company is working closely with Tier-II component suppliers to scale up their systems and processes, and strengthen the eco-system for quality manufacturing. However, this segment remains an area of concern. Specific projects were jointly adopted with vendor partners in the areas of energy saving, productivity improvement and cost reduction.

### ENGINEERING AND R&D

The Company's new products were well received during the year, and appear to have matched customer expectations on design, features, space, technology and cost of ownership. The Company remains on course with regard to implementing its medium-term product plan.

The Company requires a strong product pipeline to fulfil growing demand in the future and meet changing customer expectations. Considering the long lead times in product development and the dynamic nature of the market, the Company has been building design and development capability in recent years.

During the year, the Company continued work on its world-class R&D centre and proving ground at a 600 acre facility in Rohtak, Haryana. This initiative will enhance the Company's ability to design, develop, test and launch cars at a faster pace.

The Company has scaled up its R&D strength from about 300 to 1,200 engineers in the last five years. Many of them are participating in new projects with Suzuki Motor Corporation to gain exposure and experience. The Company will continue to need high-quality talent, and is enhancing connect with young engineers through supporting popular events like Supra SAE and participating in industry initiatives to boost design capability among young students.

Recognising the importance of fuel efficiency for Indian customers as well as for the environment, the Company is working on new technologies, vehicle weight reduction, lowering friction, alternate materials and more CNG models to improve fuel efficiency and reduce CO<sub>2</sub> emissions. It is also working on hybrids

and electric vehicle projects along with Suzuki Motor Corporation. The Company is part of a SIAM initiative (Society of Indian Automobile Manufacturers) to support the government in drafting fuel efficiency standards for passenger vehicles in India.

In addition to the new models, the Company launched refreshed versions of WagonR, SX4 and Ritz. The Company also upgraded its models to meet OBD II norms (Onboard diagnostics). Efforts to increase localisation of inner parts gained strength during the year. Projects in value analysis and value engineering contributed to enhancing cost effectiveness of parts and systems.

### FINANCIAL PERFORMANCE

As mentioned in the overview section, the Company amalgamated with itself, Suzuki Powertrain India Limited. Including the effect of the amalgamation, for the full year, the Company registered Net Sales of ₹ 426,126 million, a growth of 22.8 per cent over the previous year. Net profit after tax stood at ₹ 23,921 million, an increase of 46.3 per cent over the previous year. This growth was driven by higher sales of new models like the Swift, DZire and Ertiga, better average realisation, a benefit on cost reduction in localisation efforts and a favourable exchange rate movement in the later part of the year.

**TABLE 1: Abridged statement of profit and loss for 2012-13**

(₹ in million)

Parameters	2012-13	2011-12	Change
<b>1 Volumes</b>			
Domestic	1,051,046	1,006,316	
Export	120,388	127,379	
<b>TOTAL</b>	<b>1,171,434</b>	<b>1,133,695</b>	<b>3.3%</b>
<b>2 Gross Sale of Products</b>	<b>481,147</b>	<b>386,141</b>	
Vehicles	441,163	362,111	
Spare parts/ dies & moulds/ components	39,984	24,030	
<b>3 Excise duty</b>	<b>55,021</b>	<b>39,082</b>	
<b>4 Net sales (2-3)</b>	<b>426,126</b>	<b>347,059</b>	
5 Other operating revenue	9,753	8,812	
6 Other income	8,124	8,268	
<b>7 Total revenue (4+5+6)</b>	<b>444,003</b>	<b>364,139</b>	<b>21.9%</b>
8 Consumption of raw materials, components & traded goods	325,150	280,656	
9 Employee benefit expenses	10,696	8,013	
10 Finance Costs	1,898	552	
11 Depreciation and amortisation	18,612	11,384	
12 Other expenses	57,737	42,072	
<b>13 Total expenses</b>	<b>414,093</b>	<b>342,677</b>	<b>20.8%</b>
14 Profit before tax (7-13)	29,910	21,462	39.4%
15 Current tax (Net of MAT Credit availed)	6,324	4,138	
16 Deferred tax	(335)	972	
<b>17 Profit after tax (14-15-16)</b>	<b>23,921</b>	<b>16,352</b>	<b>46.3%</b>

Note: The figures for the previous year do not include figures for erstwhile Suzuki Powertrain India Limited, which has amalgamated with the Company effective 1<sup>st</sup> April, 2012. Therefore, the current year figures are not comparable to those of the previous year.

**TABLE 2: Financial performance – ratios**

(As a % of net sales)

Parameters	2012-13	2011-12	Change
Material cost	76.3	80.9	4.6
Employee benefit expenses	2.5	2.3	(0.2)
Depreciation and amortisation	4.4	3.3	(1.1)
Other expenses	13.5	12.1	(1.4)
Profit before tax	7.0	6.2	0.8
Profit after tax	5.6	4.7	0.9

### 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 prudence. In view of this, the Company invested its surplus funds in debt schemes of mutual funds and 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 (₹ in million)

Parameters	31-03-13	% of total	31-03-12	% of total
Bank fixed deposits	15,000	18%	23,600	30%
Debt mutual fund	69,362	82%	56,106	70%
<b>TOTAL</b>	<b>84,362</b>	<b>100%</b>	<b>79,706</b>	<b>100%</b>

TABLE 4: Income from investment of surplus fund (₹ in million)

Parameters	2012-13	2011-12
Interest on corporate bonds	-	528
Interest on fixed deposits	2,220	2,330
Dividend from debt mutual funds	343	639
Net profit from sale of investments	4,101	2,442
<b>TOTAL</b>	<b>6,664</b>	<b>5,939</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. It 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 authorised, 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 programme of internal audits, reviews by management, and documented policies, guidelines and procedures.

### HUMAN RESOURCES

During the year, an incidence of criminal violence at the Manesar facilities claimed the life of a valuable colleague, Awanish Kumar Dev. Moreover, around a hundred other colleagues, including senior people, were injured and hospitalised in the barbaric act. All those involved in the violence have been dealt with according to the law. Criminal proceeds are pending against 145 ex-workers.

Post the traumatic event, the entire Maruti Suzuki family came together and collectively worked to emerge as a stronger organisation. The Company collaborated with stakeholders - Government of Haryana, vendors, dealers, village heads and local community in Manesar's vicinity - to emerge from the crisis. The Company expresses its heartfelt gratitude to these stakeholders for their wholehearted support.

The Company has analysed possible causes, reviewed issues and taken concrete steps to create and maintain a positive work environment. Several initiatives have been taken to make the recruitment system more robust, increase the focus on internal communication, strengthen the grievance

handling system and step up behavioral training (including through outbound sessions).

With the demographic shift, there will be a larger proportion of younger people in the workforce. A younger workforce requires higher levels of engagement, and companies are evolving new ways to motivate them. The focus thus is on strengthening the 'on-boarding' process - comprehensive induction training, challenging assignments, creating job excitement and mentoring.

Despite the industry's strong demand for talent, the Company could contain attrition to 4.8 per cent in 2012-13 (much better than manufacturing industry standards) through contemporary talent management initiatives. Employee-friendly HR policies and processes - an online performance management system, assessment and development centres, 360 degree feedback and job rotation - provided the right impetus for greater motivation and retention.

Besides rewards and recognition, the Company was able to enhance engagement through learning opportunities,

empowerment and cross-functional exposure. The Company's dipstick and engagement survey measures employee engagement levels and derives action plans for improvements.

The Company started a training academy in December 2012. The academy has developed course content for training people and, by virtue of technology, drastically scaled up the effectiveness, speed and capacity of training. Besides cutting down on the need to travel, it also ensures better utilisation of faculty. The Company plans to leverage this for training people effectively in large numbers, both in-house and in its value chain.

The capacity constraints in quality training in the country will continue to be a challenge. The Company has adopted 21 ITIs (Industrial Training Institutes) in Haryana for upgradation, curriculum redesign and infrastructure improvement. The Company plans to scale it to 50 institutes in a span of three years.

## INFORMATION TECHNOLOGY

Information technology (IT) is a key enabler and a major differentiator in making various functions of the Company faster, leaner, more intelligent and powerful.

The Company uses IT to seamlessly integrate on a real-time basis all its vendors through an E-Nagare system and all its dealers through a Dealer Management System enabling fast transaction processing, better management control and informed decision making. With customer data involving millions of records, the analytics division provides critical insights for management understanding.

In 2012-13, the Company successfully integrated Maruti R&D and manufacturing systems with those of the parent Company, Suzuki Motor Corporation, Japan for a unified approach to product development and vehicle production. The Company also moved its entire customer-facing applications to the 'cloud' and re-engineered its IT backbone technology structure to enhance reliability.

## RISK MANAGEMENT

The activity of risk management in the Company is reviewed by the Audit Committee through a management subcommittee, the Executive Risk Management Committee (ERMC). The ERMC, headed by Managing Director & CEO, comprises all Directors, vertical heads and executive officers of the Company. It reviews the risk management activities on a regular basis.

The pace of change in the business environment, higher globalisation and interconnectedness and the increasing scale of the Company's business and operations necessitated a relook at the risk management structure. The Company revamped the structure after taking inputs from stakeholders including top management, employees, vendors, dealers, investors, union leaders, local community around its plants and industry analysts.

The ERMC reviewed the risks that emerged and prioritised them on the basis of likely impact and probability of occurrence. The top risks to be monitored relate to currency, product portfolio, macroeconomic scenario, government policy, industrial relations, talent retention, managing size, work culture, quality, cost and competition. The Company's business also depends on supply chain, marketing, selling and service network and working on maintaining their overall robustness, dedication and effectiveness.

## OUTLOOK

The prospects of the automobile industry are linked closely to economic growth. While there is some uncertainty in the short term, India is widely expected to return to a high growth path later. The Company's initiatives for capacity expansion are based on this premise. At the same time, recognising that India's growing global integration may lead to greater volatility in the macro economy, the Company is building in flexibility to mitigate the impact of short-term fluctuations in market demand, currency, commodities and fuel prices.

Changing customer preferences are likely to present new challenges, including the

emergence of new product segments. The Company's product plan recognises this, as evident in its entry into the growing utility vehicle segment with Ertiga in the year. The product development capabilities of Suzuki Motor Corporation, its focus on the Indian market and concerted efforts to strengthen capabilities of Maruti Suzuki engineers will help meet these challenges. The Company is also actively looking at opportunities for export sales in Southeast Asia, Africa and Middle East.

As competition intensifies, the Company will build on the strong goodwill it enjoys with customers, its large sales and service network, and the superior value it is able to offer to customers during the period of car ownership. The Company will safeguard its culture of continuous improvement, teamwork, discipline and stakeholder sensitivity.

Policy has had a major bearing on the industry, notably in the last few years. Besides taking measures internally, such as balancing the capacity of petrol and diesel engines, the Company is also engaging more closely with policy makers through industry forums to understand mutual priorities and perspectives. The Company expects the policy framework to remain supportive, with a focus on expanding growth, maintaining macroeconomic stability and promoting opportunity in the country.

### 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.

# Business Responsibility Report

(As per Clause 55 of the Listing Agreement)



**The Company gives focused attention to all aspects of sustainability – economic, environmental and social. As a responsible corporate, it is concerned about the holistic growth and development of its operations and the welfare, prosperity and growth of its stakeholders.**

As a responsible corporate, Maruti Suzuki India Limited (Company) is concerned about the holistic growth of its operations and the welfare, prosperity and development of its stakeholders. The Company gives focused attention to all aspects of sustainability – economic, environmental and social. Its first Business Responsibility Report captures key highlights of its sustainability performance in 2012-13.

In 2012-13, Suzuki Powertrain India Limited was amalgamated with the Company. The Company accounted for the amalgamation in its books of account in accordance with the method of accounting prescribed by the Central Government. However, other processes and reporting structures are being integrated. This Business Responsibility Report contains combined information on Maruti Suzuki India Limited and Suzuki Powertrain India Limited on economic indicators only.

## SECTION A

General Information about the Company	Details
1 Corporate Identity Number (CIN) of the Company	L34103DL1981PLC011375
2 Name of the Company	Maruti Suzuki India Limited
3 Registered address	1, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
4 Website	www.marutisuzuki.com
5 E-mail id	msilinvestorrelations@maruti.co.in
6 Financial year reported	2012-13
7 Sector(s) that the Company is engaged in (industrial activity code-wise)	Automobile
8 List three key products/services that the Company manufactures/provides (as in balance sheet)	Passenger Cars, Multi Utility Vehicles (MUV), Multi Purpose Vehicles (MPV)
9 Total number of locations where business activity is undertaken by the Company	
i. Number of international locations	Company manufactures cars only in India
ii. Number of national locations	Company manufactures cars at its Gurgaon and Manesar plants located in Haryana
10 Markets served by the Company – Local/State/National/International	Domestic: across India. International: Europe, Africa, Asia, Oceania, Latin America

## SECTION B

Financial Details of the Company	Details
1 Paid up Capital (₹)	1,510,400,300
2 Total Turnover (₹ million)	499024
3 Total profit after taxes (₹ million)	23921
4 Total Spending on Corporate Social Responsibility (₹ million)	189.4
b. As percentage of profit after tax of 2012-13	0.79 %
5 List the activities as per Schedule VII of Company's Bill, 2011, in which expenditure in 4. above has been incurred	
a. Road Safety	
b. Skill Development	
c. Community development (Key focus on education and health)	

## SECTION C

Other Details	Details
1 Does the Company have any Subsidiary Company / Companies?	Yes
2 Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3 Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the per cent of such entity/entities? [Less than 30 per cent, 30-60 per cent, More than 60 per cent]	No

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	00108491
Name	Mr. Shinzo Nakanishi*
Designation	Managing Director & CEO

\*Mr. Shinzo Nakanishi was responsible for Business Responsibility for 2012-13. He retired from the post of MD&CEO with effect from close of business hours on 31<sup>st</sup> March 2013. Mr. Kenichi Ayukawa was appointed as MD&CEO with effect from 1<sup>st</sup> April 2013 and shall be responsible for Business Responsibility for 2013-14.

#### b) Details of the BR head

DIN Number	N.A.
Name	Mr. Kanwaldeep Singh
Designation	Vice President, Corporate Services
Telephone number	011-46781123
e-mail id	Kanwaldeep.singh@maruti.co.in

### 2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility Policy/policies (Reply in Y/N)

Sr. No.	Questions	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	Do you have a policy for?	Y	Y	Y	Y	N	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	N	Y	N	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	N	N	Y	Y	N	Y	N	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	N	Y	N	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	N	Y	Y	N	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	N	Y	N	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	N	Y	N	Y	Y
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	N	Y	N	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	Y	N	N	Y



**List of Principles**

- PRINCIPLE 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- PRINCIPLE 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- PRINCIPLE 3: Businesses should promote the wellbeing of all employees
- PRINCIPLE 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- PRINCIPLE 5: Businesses should respect and promote human rights
- PRINCIPLE 6: Business should respect, protect and make efforts to restore the environment
- PRINCIPLE 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- PRINCIPLE 8: Businesses should support inclusive growth and equitable development
- PRINCIPLE 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

**2a. If answer to S.No. 1 against any principle is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	Questions	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	Y	-	-	-	-
6.	Any other reason (please specify)	-	-	-	*	-	-	**	-	-

**\*Human Rights:** The Company currently doesn't have a standalone Human Rights policy. However, aspects of human rights, such as child labour, forced labour, occupational safety, discrimination are covered by its various Human Resource policies. The Company makes concerted efforts to strengthen mechanisms to ensure implementation of such policies. The Company will also be developing a Human Rights Policy in the near future.

**\*\*Policy Advocacy:** The Company doesn't have a policy on policy advocacy. However, advocacy on policies related to the automobile industry are done through Society of Indian Automobile Manufactures (SIAM). The Company has an independent department responsible for interaction with SIAM and for government affairs.

**3. Governance related to BR**

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Managing Director and top management periodically review the BR performance of the Company through Business Review Meetings and Strategy Meetings. Business Review Meetings are held on a weekly basis and Strategy Meetings are held once in a month.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?  
 The Company publishes a Sustainability Report, as per GRI G3.1 framework annually. The report is A+ level and is externally assured. The Company has been publishing its Sustainability Report since 2008-09.

The Sustainability Reports of the Company can be viewed at the corporate website: <http://www.marutisuzuki.com/sustainability-reports.aspx>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

As a responsible corporate citizen, the Company believes in the highest standards of professionalism, ethical behaviors and corporate governance.

The Company's Code of Business Conduct and Ethics ensures compliance with the Company's standards of business conduct and ethics and also with regulatory requirements. All employees sign a declaration on joining the Company and are expected to comply with the letter and spirit of this Code.

Joint ventures, suppliers and contractors of the Company are independent entities. The Company's Code of Conduct and Whistle Blower Policy don't extend to them.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were no cases of violation of the Company's Code of Conduct and there were no cases reported under the Company's Whistle Blower Policy in 2012-13.

### PRINCIPLE 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is conscious of the need for developing environmentally and socially responsible products and has incorporated various design innovations in its products to tackle such concerns, risks and opportunities.

Alternate Fuel Vehicles	Hybrid and Electric Technology	End-of-Life Vehicles (ELV)
<p>The Company has developed a new Intelligent Gas Port Injection (i-GPI) technology for CNG bi-fuel vehicles. The i-GPI technology promotes uniform and complete combustion in the combustion chamber, resulting in lesser pollutants, without compromising on the vehicle's power and performance.</p> <p>Since 2006-07, by selling over 369,928 alternate fuel vehicles, the Company has been able to cumulatively reduce CO<sub>2</sub> emissions by 157,232.8 tonnes per year.</p>	<p>Experimental projects in the field of hybrid/ electric vehicle have been undertaken by the Company. Subsequent to the demonstration of SX4 Hybrid and EECO Electric demonstration at the Commonwealth Games, R&amp;D capability was further enhanced in HEV-EV by taking up study projects, such as further testing/ improvement of SX4 HEV fuel efficiency, Idle Start Stop system testing &amp; validation, Swift Range Extender, Electric Vehicle on-road testing.</p> <p>In addition, new processes, such as xEV Hardware-In-Loop/Model-In-Loop based controls development/testing, xEV vehicle simulation for fuel economy evaluation and others were initiated.</p>	<p>The Company has voluntarily taken initiatives to eliminate hazardous substances that have impacts on the environment and human health, such as Mercury, Cadmium, Lead, Hexavalent Chromium and Asbestos from its vehicles. ELV vehicles are easy to scrap and over 85 per cent of the vehicles parts can be recycled.</p> <p>Currently in India there is no system of vehicle recycling or scrapping.</p> <p>In order to encourage old vehicle recycling in India, NATRiP, along with MOHI, has established a dismantling demonstration unit in Chennai. The Company has extended support to this new initiative by providing a few older vehicles and by providing guidance in environment-friendly vehicle dismantling methods.</p>



Effluent treatment plant at Gurgaon



Harnessing solar energy

2. For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional):

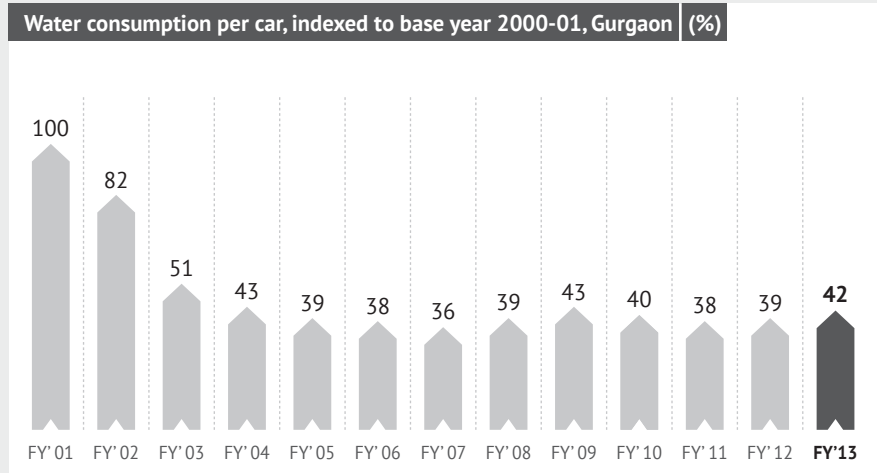
i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

It is difficult for the Company to determine the resource utilisation (energy, water, raw material) for its alternate fuel vehicles, End-of-life vehicles or its hybrid and electric vehicles. The Company currently doesn't manufacture hybrid or electric cars on a commercial scale. As its production lines are flexible and produce multiple models, there is practical difficulty in isolating model-wise resource utilisation data.

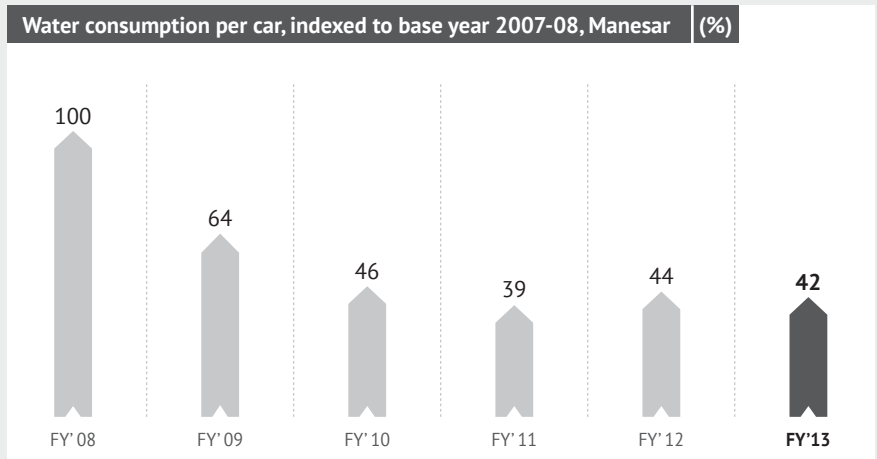
However, for the overall volume of vehicle produced, the reduction in resources is as under:

**a) Electricity:** There has been a reduction in the per unit electricity consumption at both Gurgaon and Manesar. Indexed to base year 2000-01, there has been a reduction of nearly 30 per cent in Gurgaon plant since 2000-01. Similarly, in Manesar, indexed to base year 2007-08, there has been a reduction of nearly 40 per cent since 2007-08.

**b) Water:** The Company has been able to reduce the per car water consumption at its Gurgaon and Manesar facilities over the years.



58 per cent reduction achieved since 2000-01



58 per cent reduction achieved since 2007-08

**c) Material:** Two main ways through which the Company reduces material usage is yield improvement and “One Gram One Component” weight reduction initiative.

The intent of the “One Gram One Component” programme is to identify opportunities for weight reduction through design modifications of components with an objective to reduce overall weight of the vehicle. The scrap generated from press shop operations at the Company is used for producing child parts for maximising steel sheet utilisation. In 2012-13, over 31,343T of steel scrap was given to suppliers for manufacturing of small parts.

Optimisation of material is central to the component design and development right at the product design stage.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The end users of the vehicles produced by the Company are individual customers. It is difficult for the Company to determine the reduction in energy and water usage during usage by customers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has laid down robust sourcing processes and procedures that include competitive bidding and each new supplier is evaluated by all concerned agencies (Engineering, Quality and Supply Chain) before induction.

The Company places immense focus on local sourcing of parts. Nearly 86 per cent of the supplier base by value is located within a

100 km radius of the Company. The Company constantly encourages suppliers to set-up base near its plants. Both Gurgaon and Manesar plants have Suppliers’ Parks. The Company has set up a separate group responsible for localisation of parts. This reduces the Company’s exposure to currency fluctuation and boosts local economy.

The Company has recently formulated Green Procurement Guidelines. This will be rolled out in a phased manner, starting with Tier-I suppliers.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

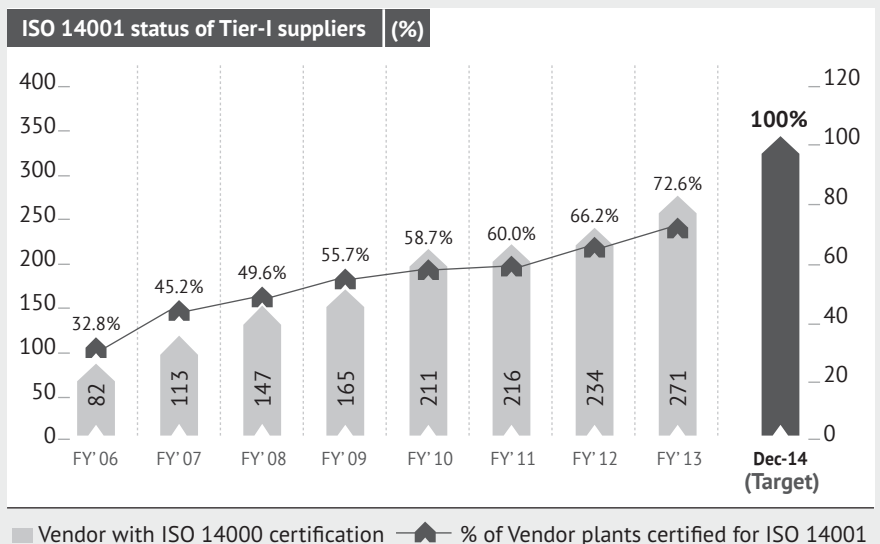
Supplier capacity building initiatives of the Company include:

^ The Company works closely with its suppliers. Maruti Center of Excellence (MACE), was set up by the Company along with 21 suppliers in 2004. The activities of MACE include providing training, support, and consultation to Tier-I and Tier-II suppliers and sales network to help them achieve world-class standards in quality, cost, service, technology orientation.

^ The Shikhar programme was launched four years ago to upgrade quality practices at suppliers’ end. It provides a platform for quality teams to educate suppliers on basic principles of 4M (man, machine, method, material), tool maintenance, skill matrix and others with an objective to strengthen quality systems at suppliers. During quality month, top management of the Company visits supplier shop floors to reinforce quality improvement.

^ To assess and enhance HR capability of its suppliers, the Company launched a programme called ‘Business Excellence through People’ where it engaged knowledge partners to improve HR practices of suppliers and to make them harmonious with those of the Company.

^ The Company also drives green initiative at suppliers. It is encouraging its Tier-I supplier to adopt ISO 14001 standard. As on 31<sup>st</sup> March 2013, 72.6 per cent suppliers were ISO 14001 certified and aims at having 100 per cent suppliers ISO 14001 certified by December, 2014 and provide support through training programmes, sensitisation sessions.



5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5 per cent, 5-10 per cent, >10 per cent). Also, provide details thereof, in about 50 words or so.

**Waste Management:**

The Company has strong procedures for waste handling and management. The hazardous wastes produced as by-products of manufacturing include paint sludge, phosphate sludge, Effluent Treatment Plant (ETP) sludge, incinerator ash and used oil. The Company has been sending paint sludge, phosphate sludge and ETP sludge to the cement industry for co-processing since 2010-11. This has reduced the need for incineration and land filling.

The saleable solid waste, such as metal scrap and glass waste are sold to recyclers and reusers. The used oil is sold to authorised recyclers. All e-waste management, maintenance and disposal are carried out through authorised recyclers.

In 2012-13, 4264 T of hazardous waste was generated. The existing landfill is being gradually emptied out by sending waste to cement industry. In all 6133.6 T of hazardous waste was sent to the cement industry for co-processing.

**Water use and recycling:**

The Company's primary source of water is canal water. The Company recycles and reuses water within its manufacturing units. The Company has achieved zero waste water discharge status (outside factory premises) since 2003-04 at its Gurgaon facility and since 2006-07 at its Manesar facility.

Sources of water	2012-13
Canal water	1,967,786 m <sup>3</sup>
Tube well water	23,207 m <sup>3</sup>
Rain water	1,800 m <sup>3</sup>
<b>TOTAL</b>	<b>1,992,793 m<sup>3</sup></b>



^ Tree plantation by employees in Manesar village

The Company met 41 per cent of the total water requirement of both the plants through recycled water in 2012-13. Treated effluent water meets the necessary water quality standards and is used for horticulture by the Company.

**PRINCIPLE 3 : Businesses should promote the wellbeing of all employees**

1. Please indicate the total number of employees.

The Company is an equal opportunity employer and hires talented professionals with varied expertise. A break-up of the workforce as on 31<sup>st</sup> March, 2013 is outlined below.

Manpower Category	2012-13
Regular manpower	
Assistant supervisor & above	4,648
Associates/technicians	3,029
Trainees	1,744
Total regular manpower	9,421
Apprentices	936
Contractual manpower/temporary workers	8,554
<b>TOTAL MANPOWER</b>	<b>18,911</b>

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

Mentioned in table above.

3. Please indicate the number of permanent women employees.

Manpower	2012-13
Male	9,091
Female	330
<b>TOTAL REGULAR</b>	<b>9,421</b>

## Business Responsibility Report

4. Please indicate the number of permanent employees with disabilities  
There were 10 differently abled male employees in the Company in 2012-13.
5. Do you have an employee association that is recognised by management?  
The Company's management officially recognises two employee associations/unions, one each at its Gurgaon plant, Manesar plant.
6. What percentage of your permanent employees is members of this recognised employee association?  
The unions represent 100 per cent of the workers.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

^ Permanent Employees

^ Permanent Women Employees

^ Casual/Temporary/Contractual Employees

^ Employees with Disabilities

The Company values people and understands their needs for personal and career growth, and organises learning and development programmes across all functional roles. The Company conducts various programmes to train people in line with the business requirement as outlined below.

### Category - wise training achievement

Category	Man-days	Examples of training
Executives and above	7.27	Capital Budgeting, Effective Business Communication, Environment Management System, Japanese Management Practices, Personal Effectiveness etc.
Supervisors	4.30	Neev: A special training for behavioural improvement, conflict management, empowerment and innovative thinking.  Level Up: Catered towards shop floor workers, teaches ways to focus on safety, collection of defect and rejection data, analysis and countermeasures. It also acquaints the employees with the best Japanese shop floor practices and focuses on the importance of positive attitude and team work at shop floor.
Associates	2.60	Pragati: Positive awareness of self, innovative thinking and creativity, work-life balance and so on  Adhaar: Special training that promotes understanding of an employee's dual contribution to self and company for enhanced employee motivation. It assesses the ability to work with teams and achieve target orientation, consistent learning and its application.
Overall	5.15	

Safety training is a part of the induction process and all employees mandatorily go through one day safety training. For shop floor workers, periodic safety training is organised as per the annual safety calendar.

In 2012-13, as many as 19,590 training manhours were dedicated on safety training for shop floor workers.

**PRINCIPLE 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

1. Has the Company mapped its internal and external stakeholders? Yes/No  
The Company has identified six direct stakeholder groups. The Company engages with them to understand their needs and concerns, and undertakes action to address them. It recognises the importance of constant, continued and collaborative engagement with all organisations and individuals involved in or impacted by its operations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Within the stakeholder group Local Community and Society, the Company has identified the following vulnerable and marginalised sections:

- a. Socio-economically disadvantaged members of society
- b. Schedule Caste/ Schedule Tribes
- c. Local community consisting of large number of migrant population and BPL families

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

**a. Socio-economically disadvantaged members of society**

The Company is partnering with state governments for upgrading Industrial Training Institutes (ITIs).

The Company works with 21 government-run ITIs across the nation, of these 2 are Women's ITIs and 1 is an ITI for SC/STs

The Company carries out multiple activities at ITIs such as:

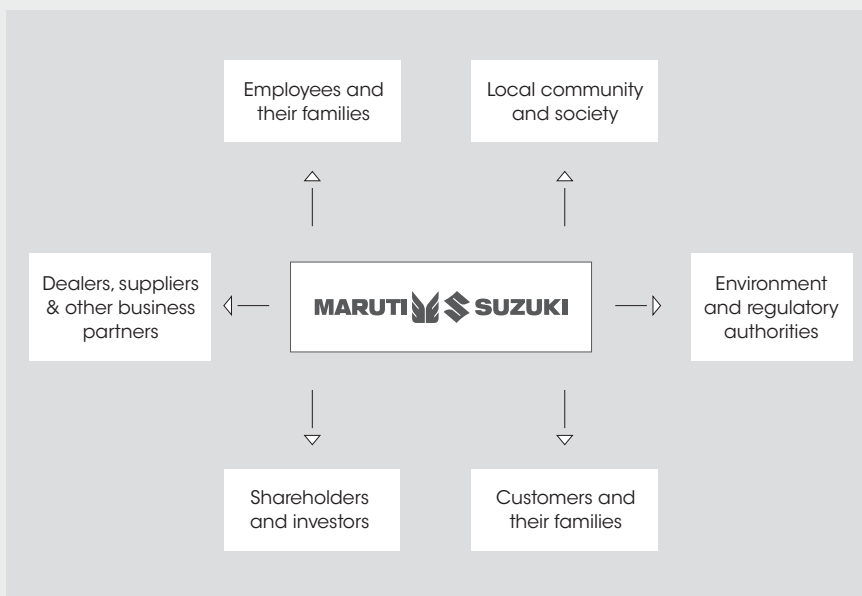
1. Infrastructure improvements such as repair and maintenance of building
2. Rain water harvesting, horticulture and landscaping
3. Provision of machines and tools
4. Industry exposure through factory visits and interaction with industry personnel
5. Addition of modules to augment existing course content
6. Faculty development
7. Educational exposure through visits for students

In 2012-13, the total number of students benefitting from the Company's interventions in ITIs, were 8233. Across the 21 ITIs, there are about 1000 women and about 1600 SC/ST students.

The Company also entered into tripartite MoU with ITIs, along with its dealers to upgrade specifically the automobile trade. The Company has 80 technical tie ups with ITIs for automobile trade upgradation as on 31<sup>st</sup> March, 2013. Through this initiative, 895 students from these institutes were absorbed into the Company's service network. Cumulatively, over 2100 students have been absorbed in the service network so far.

**b. Schedule Caste/ Schedule Tribes**

The Company partnered with the Government to actively take steps to develop driving training as a vocation. An MoU was signed





with the National Schedule Caste Finance Development Corporation (NSFDC) to train unemployed Schedule Caste youth in driving with a commitment to train 3000 youth. The Company designed a special 30 day training programme, comprising practical training, behavioral aspects, safe driving practices and so on. Initially, the programme was launched in Karnataka, Punjab, Haryana and Maharashtra. It is gradually being extended to other states as well.

In 2012-13, the Company successfully enrolled 1711 SC/ST youth for training in safe driving under this partnership.

**c. Local community**

The Company is working in four neighbouring communities in Gurgaon and Manesar each. The areas of interventions include health, education, infrastructure development and skill training.

Large sections of the community, especially in Gurgaon, are migrants who have moved to the city in search of employment. Both in Manesar and Gurgaon communities, several BPL families also reside. After understanding the needs of the community, the Company undertakes social projects to address them.

Details of the CSR programmes of the Company are available in the Social Performance section of the Company's Sustainability Report 2012-13.

**PRINCIPLE 5 : Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company currently doesn't have a standalone Human Rights policy. However, aspects of human rights,

such as child labour, forced labour, occupational safety, discrimination are covered by its Human Resource policies. The Company makes concerted efforts to strengthen mechanisms to ensure implementation of such policies. The Company will be developing a Human Rights Policy in the near future.

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaints in 2012-13 regarding human rights.

**PRINCIPLE 6 : Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company has a robust Environment Policy. It applies to the Company only. The Environment Policy is regularly reviewed and made available to the employees and general public through website.

The Company has recently developed Green Procurement Guidelines for its suppliers.

The Company regularly assesses and revises its environmental risks. Potential environmental risks feature in the Company's risk library.

2. Does the Company have strategies/initiatives to address global environmental issues, such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage and others.

The Company is conscious that changes in the global climate change scenario would have an impact on its operations and long-term sustainability. In 2012-13, while the Company itself didn't face any risk due to climate change, its suppliers were impacted by climate change. Suppliers were hit, to some

extent, by natural calamities, such as the Japan tsunami in March 2012 and the Thailand floods that followed shortly. The Company undertook an extensive risk mapping exercise with regard to its value chain during the year and also continued its focus on localisation and 2<sup>nd</sup> source development.

To minimise the environmental impact of its product, the Company attempts to continually improve its products in terms of fuel efficiency, material use and recyclability. It offers factory-fitted CNG vehicle options to its customers. CNG is a cleaner fuel and is also more economical.

All the Company's models (except M800, Omni and Gypsy) are End-of-Life compliant, which means they are free from hazardous substances and over 85 per cent material can be extracted and reused without impacting the environment.

3. Does the Company identify and assess potential environmental risks? Y/N  
Yes, the Company is aware of its potential environmental risks.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company is the first automobile company in India to register a Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC).

The Company presently has registered two CDM projects:

- ∩ Shifting a part of vehicle transportation from roadways to railways through specially designed railway wagons.
- ∩ Waste heat recovery from gas turbines by installing a steam turbine generator in Gurgaon. The project was registered in 2013.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, and others? Y/N. If yes, please give hyperlink for web page and others.

Some examples of the Company's efforts towards clean technology, energy efficiency, renewable energy are:

**a. Clean Technology**

**Product emissions:** The Company has successfully reduced CO<sub>2</sub> emission through fuel efficiency improvements, reduction of exhaust emissions and development of alternate fuel vehicles. Improvement of fuel efficiency and CO<sub>2</sub> emissions reductions in the existing vehicles. For example

~ Significant fuel and thermal efficiency was improved in Alto 800 through technical advancements, and by using low-friction engine hardware and refined intake system. Alto 800 has the best-in-class fuel efficiency (Petrol 22.74 kmpl and 30.46 km/kg for CNG. Improvement of over 15 per cent in petrol and 13.03 per cent in CNG)

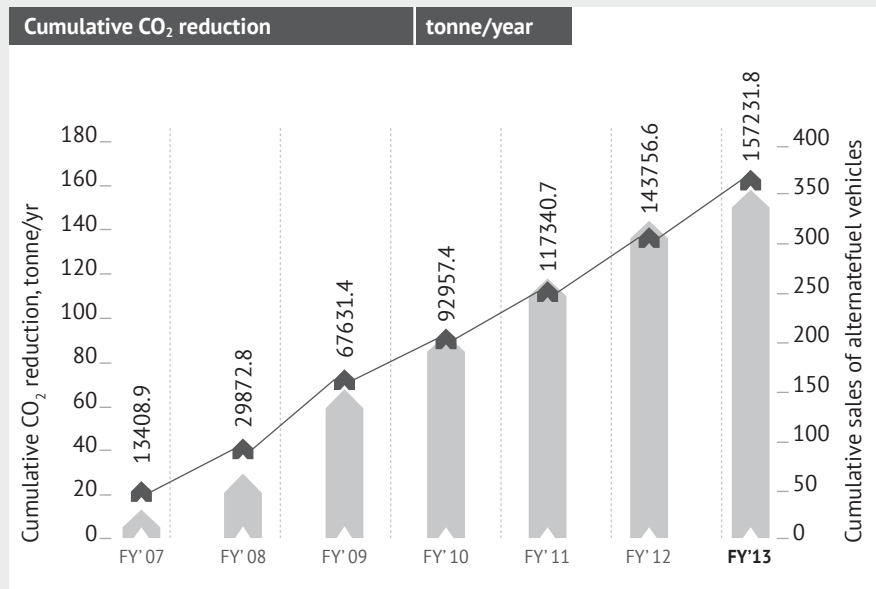
~ Fuel efficiency of diesel vehicles was improved by 2 per cent to 10 per cent for all models. The use of a next generation engine and transmission oil helped in reducing frictional losses and enhancing fuel efficiency. Fuel efficiency was improved by over 10 per cent for the Ritz diesel model by friction reduction and engine calibration changes.

~ During the implementation of OBD-II (On Board Diagnostics) system in 2012-13, fuel efficiency of all models was improved.

~ Fuel efficiency for CNG models was improved in the range of 2 per cent to 14 per cent by effective implementation of i-GPI technology and lowering the friction in the engine.

~ Idle Start Stop (ISS) feature has been introduced in the export market to meet stringent emission regulation requirements (Euro 5).

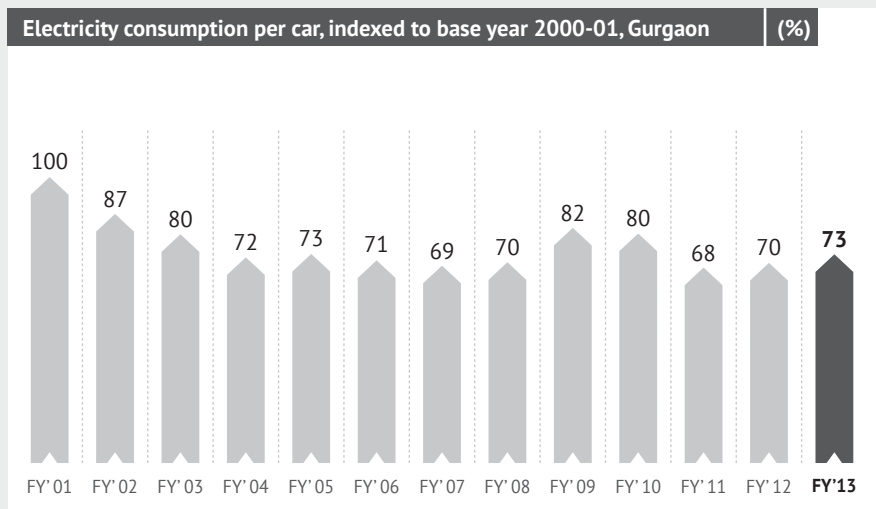
The Company was the first in India to introduce factory-fitted CNG vehicles. The sale of CNG vehicles has helped in reducing CO<sub>2</sub> emissions.



▲ Cumulative CO<sub>2</sub> reduction    ■ No. of alt. fuel vehicles sold

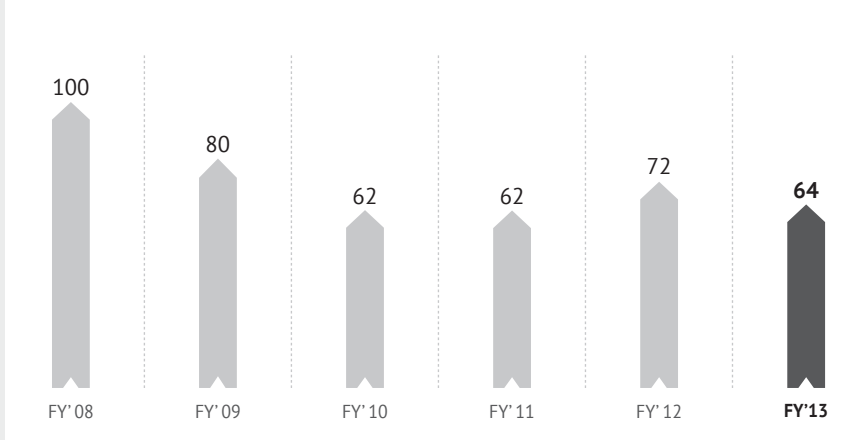
**b. Energy Efficiency**

The per car electricity consumption at Gurgaon and Manesar plants has been reducing due to various innovations and technical improvements.



Nearly 30 per cent reduction achieved since 2000-01

Electricity consumption per car, indexed to base year 2007-08, Manesar (%)



Nearly 40 per cent reduction achieved since 2007-08

c. Renewable energy: Solar lights have been installed in the pathways of Gurgaon and Manesar plants. A 1 MW solar power plant is planned in Manesar. Only LED lights have been used in plant B Manesar.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All emissions and waste generated by the Company are within the permissible limits given by CPCB/SPCB. The hazardous wastes produced as by-products of manufacturing include paint sludge, phosphate sludge, Effluent Treatment Plant (ETP) sludge, incinerator ash and used oil. The used oil is sold to authorised recyclers. The saleable solid wastes, such as metal scrap and glass waste are sold to recyclers and reusers.

The Company has been sending paint sludge, phosphate sludge and ETP sludge to the cement industry for co-processing since 2010-11. This has minimised the need for incineration and land filling. This was continued in the reporting year as well.

7. Number of show cause/ legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the Financial Year.

Environmental Impact Assessments (EIA) are carried out as per the Guidelines of EIA Notification 2006 and as recommended by the State Expert Appraisal Committee. After getting the Environment Clearance, compliance reports are submitted twice a year.

No show cause notices from SPCB or CPCB are pending and satisfactory replies have been given to all notices for the financial year 2012-2013.

**PRINCIPLE 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

The Company regularly engages with industry bodies, expert agencies and contributes to the policy making process. The Company is a member of the following organisations:

- ^ Confederation of Indian Industry (CII)

- ^ Society of Indian Automobile Manufacturers (SIAM)
- ^ SIAM SAFE (Society for Automotive Fitness and Environment)
- ^ Bureau of Indian Standards (BIS)
- ^ Society of Automotive Engineers (SAE)
- ^ Combat Climate Change (CCC), a Sweden-based international NGO
- ^ Advertising Standards Council of India (ASCI)
- ^ The International Society of Automation (ISA)
- ^ Media Users Research Council (MURC)
- ^ UN Global Compact, India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles and others)

The Company participates actively in the committees set up by the automobile industry association, SIAM and the government to decide on future regulations, policies and implementation plans.

The Company deliberates upon matters of sustainable industrial growth and takes proactive steps towards this at forums, such as Confederation of Indian Industry (CII). Along with Society of Indian Automobile Manufacturers (SIAM), the Company discusses issues pertinent to the automobile sector and jointly engages with the government. The Company provides the Bureau of Indian Standards (BIS) inputs for new regulations for vehicles, study new standards feasibility. The Company also engages with the United Nations Global Compact India on issues of environment and climate change.



^ A learner on a driving simulator at IDTR, New Delhi

The Company has advocated for reduced emissions through technology improvements for the betterment of Indian commuters through the National Electric Mobility Mission Plan (NEMMP 2020). It has assisted in the formulation of the mission document. The objective of NEMMP 2020 is to develop a roadmap which will promote electric vehicles in India by 2020. The engineering staff of the Company and SMC Engineering is continuously studying HEV/EV systems and these are being further tested and evaluated for Indian conditions.

**PRINCIPLE 8 : Businesses should support inclusive growth and equitable development**

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has an extensive CSR programme with three main focus areas: road safety, skill development and community development in neighbouring villages. The Company has well defined CSR policy, gives a high degree of importance to

stakeholder engagement. The policy of the Company can be viewed on its corporate website.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?

The CSR programmes of the Company are run largely by in-house teams. However, wherever needed, services of NGO partners with subject expertise is taken.

3. Have you done any impact assessment of your initiative?

The CSR programmes and their impacts/outcomes are monitored and reviewed by the management periodically.

4. What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.

Details of the Company's CSR programmes are as under.

^ **Road safety:** The Company runs a nationwide road safety programme

hat focuses on training on driving skill and behaviour. The Company has in 'partnership' with the state governments set up Institutes of Driving and Traffic Research (IDTR) and with its dealers set up Maruti Driving Schools (MDS). About 50 per cent of those trained at MDS are women. The Company runs six IDTRs and 281 MDS across the country.

The Company has trained over 1.5 million persons cumulatively in safe driving since 2000.

^ **Skill Development:** The Company partners with Government ITIs for their overall upgradation. It has adopted two distinct approaches-complete adoption of the institute and technical support in strengthening automobile trade at the ITIs. The Company is working with 21 ITIs for their complete overall development, benefitting over 8233 students in 2012-13. It is working with 80 ITIs for automobile trade upgradation. Most people studying at the ITIs come from



^ School health camp organised at a village in Gurgaon



^ Annual function at Sarhaul school, Gurgaon, supported by Maruti Suzuki

underprivileged sections of the society. Students studying at the ITIs have a placement rate of about 80 per cent.

The Company also has technical tie ups with ITIs wherein the automobile trade is upgraded. As far as possible, trained boys from these institutes are absorbed in the Company's service network. So far, cumulatively over 2100 students from ITIs have been absorbed in the Company's service network.

^ **Community development:** The community development activities are carried out in villages surrounding Gurgaon and Manesar plants (eight villages in all). The Company's community development programmes include healthcare, infrastructure development education and skill training for employment. The programmes reach out to special sections of the society such as BPL and migrants.

The Company spent ₹ 189.4 million on its CSR programme in 2012-13.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

To ensure successful implementation of community development programmes in the neighbouring villages of Manesar and Gurgaon, the Company adopts the following approaches:

- a. Builds rapport with community leaders and opinion makers
- b. Undertakes project identification in association with community members
- c. Involves villagers/community members in project implementation
- d. Maintains continuous and close interaction with community members through field teams
- e. Carries out impact assessment and perception survey to measure impact of social initiatives

**PRINCIPLE 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/ consumer cases are pending as at the end of the financial year.

The Company has a robust system for addressing customer complaints with regard to sales and service.

The customer cases filed against company alleging defect in the vehicles or relating to sales are insignificant in number vi-a-vis compared with annual sales volume.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

The Company shares all important information about its products with its customers. The Owner's Manual and Service Booklet is provided to each customer with the purchase of a car and contains all information relating

to safety, operation and maintenance of the vehicle. At the time of vehicle delivery, technical features of the vehicle are explained to the customer. Product-related information is also available on the Company's website. Critical information on product usage (e.g. AC gas, tire pressure, brake fluid and others) is displayed on the labels and provided on the products for information and educational purposes. In addition, periodic customer meets are conducted at dealer workshops for customer education and awareness on product usage.

3. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company regularly engages with customers to get their feedback on the product and carries out internal surveys to gauge their satisfaction level. In addition, the Company closely studies findings of the various surveys conducted by JD Power and uses them in product improvements.

The Company has been ranked No.1 in the JD Power Customer Satisfaction Survey 13 times in a row. The index is based on a study that measures satisfaction among vehicle owners for overall satisfaction in five factors: service quality; vehicle pick-up; service advisor; service facility; and service initiation. Overall customer satisfaction is measured on a 1,000-point scale, with a higher score indicating higher satisfaction.

4. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending, as at the end of financial year. If so, provide details thereof, in about 50 words or so.

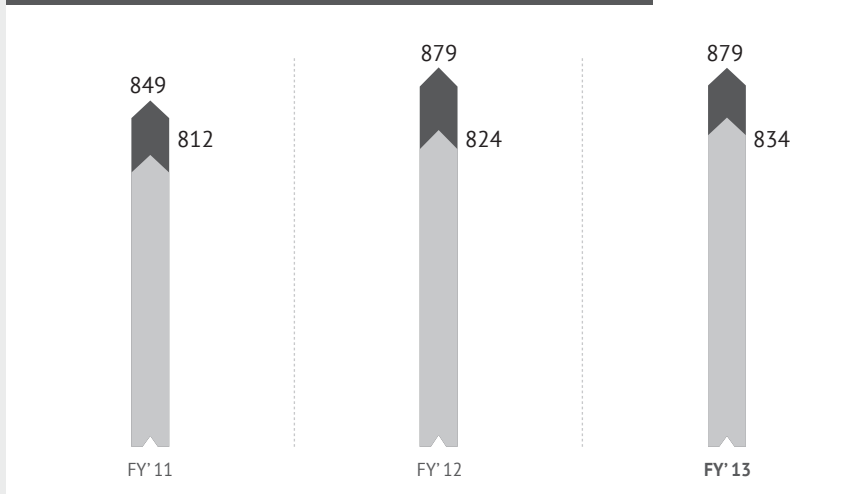
In ordinary course of business, customers who had purchases the company's products filed claims alleging unfair trade practices under "The Consumer Protection Act 1986", which again are insignificant

in number. The company has been effectively defending all such claims before various fora.

The company being a responsible corporate citizen has complied to all the rules and regulations including "ASCI Code" . There are no complaints filed by stakeholders for irresponsible advertising that are pending.

The Director General, Competition Commission of India has conducted an investigation on 17 automobile original equipment manufacturers in India , including the company for alleged anti-competitive behavior. The matter is pending adjudicating in Competition Commission of India.

Customer satisfaction index (JD Power Asia Pacific CSI Survey)



■ MSIL ■ Industry



# Independent Auditors' Report

**To the Members of Maruti Suzuki India Limited**

## **REPORT ON THE FINANCIAL STATEMENTS**

1. We have audited the accompanying financial statements of Maruti Suzuki India Limited (the "Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **AUDITORS' RESPONSIBILITY**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **OPINION**

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **EMPHASIS OF MATTER**

7. We draw attention to Note 32(a)(vii) of the financial statements regarding demands received from Haryana State Industrial & Infrastructure Development Corporation Limited towards enhanced compensation for Company's freehold land at Manesar amounting to ₹ 5,012 million, ₹ 1,376 million and ₹ 86 million; against the demand of ₹ 5,012 million the Company's impleadment application has been heard and the order has been reserved by the Hon'ble Supreme Court of India; against the demand of ₹ 1,376 million, the Company has filed an appeal with the Hon'ble High Court of Punjab and Haryana; and against the demand of ₹ 86 million, the Company is in the process of obtaining more information. Accordingly, no provision is considered necessary towards enhanced compensation for the aforesaid freehold land. Our opinion is not qualified in respect of this matter.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

8. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, 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 31<sup>st</sup> March 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse

Firm Registration Number: 301112E  
Chartered Accountants

**ABHISHEK RARA**

Partner

Membership Number : 077779

Place : New Delhi

Date : 26<sup>th</sup> April 2013

## Annexure to Auditors' Report

**Referred to in paragraph 8 of the Auditors' Report of even date to the members of Maruti Suzuki India Limited on the financial statements as of and for the year ended 31<sup>st</sup> March 2013**

- 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 ₹ 1,299 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 has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (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 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. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, having regard to the explanation

## Independent Auditors' Report

that for certain items of inventory purchased which 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 we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five lakhs amounting to ₹ 49,485 million in respect of purchase of goods including components and services from the holding company where we are unable to comment as there are no comparable market prices available being goods including components and services of specialised nature.
- 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 the 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 subsection (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 the 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 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 and excise duty as at 31<sup>st</sup> March 2013 which have not been deposited on account of a dispute, are as follows:

(₹ in million)

Name of the statute (Nature of dues)	Amount under dispute	Amount deposited under dispute	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961 (Tax & Interest)	13,795	6,766	1991 to 2012	Income Tax Appellate Tribunal/ High Court/AO (Tax Deducted at Source)
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)	10,680	377	May 1989 to August 2012	Customs Excise & Service Tax Appellate Tribunal/ High Court/ Supreme Court
The Finance Act, 1994 (Service Tax, Interest & Penalty)	2,782	14	September 2004 to December 2012	Customs Excise & Service Tax Appellate Tribunal/Commissioner (Appeals)
Customs Act, 1962 (Duty & Interest)	27	22	February 2003 to August 2003	Customs Excise & Service Tax Appellate Tribunal

For detailed listing refer Note 55 annexed to the financial statements

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year end 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 explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or 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. Therefore the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- 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. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, no funds raised on short-term basis 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- 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 any such case by the Management.

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

**ABHISHEK RARA**

Partner

Membership Number : 077779

Place : New Delhi

Date : 26<sup>th</sup> April 2013

# Balance Sheet

## As at 31<sup>st</sup> March 2013

(All amounts in ₹ million, unless otherwise stated)

	Notes to Accounts	As at 31.03.2013	As at 31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	1,510	1,445
Reserves and Surplus	3	184,279	150,429
		<b>185,789</b>	<b>151,874</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	4	5,429	-
Deferred Tax Liabilities (Net)	5	4,087	3,023
Other Long Term Liabilities	6	1,036	966
Long Term Provisions	7	2,259	1,693
		<b>12,811</b>	<b>5,682</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	8	8,463	10,783
Trade Payables	9	41,674	33,499
Other Current Liabilities	10	11,661	15,892
Short Term Provisions	11	6,482	5,292
		<b>68,280</b>	<b>65,466</b>
<b>TOTAL</b>		<b>266,880</b>	<b>223,022</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	12	95,765	73,108
Intangible Assets	13	2,227	2,099
Capital Work in Progress	14	19,422	9,419
		<b>117,414</b>	<b>84,626</b>
Non-Current Investments	15	18,485	13,933
Long Term Loans and Advances	16	12,787	13,410
Other Non-Current Assets	17	8,946	263
		<b>157,632</b>	<b>112,232</b>
<b>CURRENT ASSETS</b>			
Current Investments	18	52,298	47,541
Inventories	19	18,407	17,965
Trade Receivables	20	14,237	9,376
Cash and Bank Balances	21	7,750	24,361
Short Term Loans and Advances	22	11,153	7,783
Other Current Assets	23	5,403	3,764
		<b>109,248</b>	<b>110,790</b>
<b>TOTAL</b>		<b>266,880</b>	<b>223,022</b>

The notes are an integral part of these financial statements

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

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

**KENICHI AYUKAWA**  
Managing Director & CEO

**SHINZO NAKANISHI**  
Director

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

**AJAY SETH**  
Chief Financial Officer

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

Place: New Delhi  
Date: 26<sup>th</sup> April 2013

# Statement of Profit and Loss

## For the year ended 31<sup>st</sup> March 2013

(All amounts in ₹ million, unless otherwise stated)

	Notes to Accounts	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>REVENUE FROM OPERATIONS</b>			
Gross Sale of Products	24	481,147	386,141
Less: Excise Duty		55,021	39,082
Net Sale of Products		426,126	347,059
Other Operating Revenue	25	9,753	8,812
		435,879	355,871
Other Income	26	8,124	8,268
<b>Total Revenue</b>		<b>444,003</b>	<b>364,139</b>
<b>EXPENSES</b>			
Cost of Material Consumed	45(i)	305,741	267,055
Purchase of Stock-in-Trade	49	19,613	15,325
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	234	(1,297)
Employees Benefit Expenses	28	10,696	8,013
Finance Costs	29	1,898	552
Depreciation and Amortisation Expense	30	18,612	11,384
Other Expenses	31	57,737	42,072
Vehicles / Dies for Own Use		(438)	(427)
<b>Total Expenses</b>		<b>414,093</b>	<b>342,677</b>
<b>Profit before Tax</b>		<b>29,910</b>	<b>21,462</b>
Less : Tax Expense - Current Tax		7,228	4,138
- MAT Credit Availed		(904)	-
- Deferred Tax	5	(335)	972
<b>Profit for the Year</b>		<b>23,921</b>	<b>16,352</b>
Basic / Diluted Earnings Per Share of ₹ 5 each (in ₹)	50	<b>79.19</b>	<b>56.60</b>

The notes are an integral part of these financial statements

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

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

**KENICHI AYUKAWA**  
Managing Director & CEO

**SHINZO NAKANISHI**  
Director

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

**AJAY SETH**  
Chief Financial Officer

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

Place: New Delhi  
Date: 26<sup>th</sup> April 2013

# Cash Flow Statement

For the year ended 31<sup>st</sup> March 2013

(All amounts in ₹ million, unless otherwise stated)

	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	29,910	21,462
<b>Adjustments for:</b>		
Depreciation and amortisation	18,612	11,384
Finance cost	1,898	552
Interest income	(3,134)	(4,036)
Dividend income	(417)	(699)
Net loss on sale / discarding of fixed assets	331	157
Profit on sale of investments (Net)	(4,101)	(2,442)
Provisions no longer required written back	(472)	(1,091)
Unrealised foreign exchange (gain)/ loss	1,425	556
<b>Operating Profit before Working Capital changes</b>	<b>44,052</b>	<b>25,843</b>
<b>Adjustments for changes in Working Capital :</b>		
- Increase/(Decrease) in Trade Payables	6,400	7,416
- Increase/(Decrease) in Short Term Provisions	268	254
- Increase/(Decrease) in Long Term Provisions	996	1,195
- Increase/(Decrease) in Other Current Liabilities	(477)	2,000
- Increase/(Decrease) in Other Long Term Liabilities	70	7
- (Increase)/Decrease in Trade Receivables	(3,693)	(1,131)
- (Increase)/Decrease in Inventories	3,485	(3,815)
- (Increase)/Decrease in Long Term Loans and Advances	2,358	(863)
- (Increase)/Decrease in Short Term Loans and Advances	(2,215)	(947)
- (Increase)/Decrease in Other Current Assets	(1,930)	(1,970)
- (Increase)/Decrease in Other Non Current Assets	(139)	119
<b>Cash generated from Operating Activities</b>	<b>49,175</b>	<b>28,108</b>
- Taxes (Paid) (Net of Tax Deducted at Source)	(5,333)	(2,509)
<b>Net Cash from Operating Activities</b>	<b>43,842</b>	<b>25,599</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(38,549)	(29,697)
Sale of Fixed Assets	449	67
Sale of Investments	118,332	159,780
Purchase of Investments	(127,492)	(167,598)
Investments in Deposits with Banks	(15,000)	(22,600)
Maturities of Deposits with Banks	22,600	24,130
Interest Received	3,502	4,261
Dividend Received	417	699
<b>Net Cash from Investing Activities</b>	<b>(35,741)</b>	<b>(30,958)</b>

# Cash Flow Statement

## For the year ended 31<sup>st</sup> March 2013

(All amounts in ₹ million, unless otherwise stated)

	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Short Term borrowings	8,463	10,783
Repayment of Short Term borrowings	(10,783)	(312)
Proceeds from Long Term borrowings	1,688	-
Repayment of Long Term borrowings	(4,510)	(1,362)
Interest Paid	(2,003)	(426)
Dividend Paid	(2,167)	(2,167)
Corporate Dividend Tax Paid	(351)	(351)
<b>Net Cash from Financing Activities</b>	<b>(9,663)</b>	<b>6,165</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,562)</b>	<b>806</b>
<b>Cash and Cash Equivalents as at 1<sup>st</sup> April (Opening Balance)</b>	<b>1,761</b>	<b>955</b>
Cash and cash equivalents as at 1 <sup>st</sup> April 2012 [acquired pursuant to a scheme of amalgamation (refer note 37)]	1,051	-
<b>Cash and Cash Equivalents as at 31<sup>st</sup> March (Closing Balance)</b>	<b>1,250</b>	<b>1,761</b>
<b>Cash and Cash Equivalents comprise</b>	<b>1,250</b>	<b>1,761</b>
Cash & Cheques in Hand	1,031	696
Balance with Banks	219	65
Balance with Scheduled Banks in Deposit Accounts	-	1,000

**Notes:**

- 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.
- Cash and Cash Equivalents include ₹ 6 million (Previous Year ₹ 5 million) in respect of unclaimed dividend, the balance of which is not available to the Company.
- 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: 301112E  
Chartered Accountants

**KENICHI AYUKAWA**  
Managing Director & CEO

**SHINZO NAKANISHI**  
Director

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

**AJAY SETH**  
Chief Financial Officer

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

Place: New Delhi  
Date: 26<sup>th</sup> April 2013



# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 GENERAL INFORMATION

The Company is primarily in the business of manufacturing, purchase and sale of motor vehicles, components and spare parts ("automobiles"). The other activities of the Company comprise facilitation of Pre-Owned Car sales, Fleet Management and Car Financing. The Company is a public company listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

#### 1.2 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material respects with the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] 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) [Companies (Accounting Standards) Rules, 2006 as amended] of the Act, other recognised accounting practices and policies and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

#### 1.3 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 and port respectively.

The Company recognises income from services on rendering of services.

#### 1.4 FIXED ASSETS

##### Tangible Assets

- 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.
- Assets acquired under finance leases are capitalised at the lower of their fair value and the present value of minimum lease payments.

##### Intangible Assets

Lumpsum royalty is stated at cost incurred as per the relevant licence agreements with the technical know-how providers less accumulated amortisation.

#### 1.5 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.

#### 1.6 DEPRECIATION / AMORTISATION

- Tangible fixed assets except leasehold 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 lives 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 Equipment	3 Years

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

- Leasehold land is amortised over the period of lease.
- 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 per cent. Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100 per cent.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

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

### 1.7 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 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 to revenue in the year of purchase.

### 1.8 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 other than temporary decline in value, in which case the necessary provision is made.

### 1.9 RESEARCH AND DEVELOPMENT

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

### 1.10 FOREIGN CURRENCY TRANSLATIONS AND DERIVATIVE INSTRUMENTS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transactions. 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 the statement of profit and loss. 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 recognised in 'hedge reserve' and subsequently transferred to the statement of profit and loss on occurrence of the underlying hedged transaction.

- c) Effective 1<sup>st</sup> April 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 with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and other regulatory requirements. All derivative contracts (except for forward foreign exchange contracts where underlying assets or liabilities exist) are fair valued at each reporting date. For derivative contracts designated in a hedging relationship, 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 statement of profit and loss of that period. Changes in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedges are recognised in the statement of profit and loss in the accounting period in which they arise.
- d) In the case of forward foreign exchange contracts where an underlying asset or liability exists, 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.

### 1.11 EMPLOYEE BENEFIT COSTS

Short - Term Employee Benefits:

Recognised as an expense at the undiscounted amount in the statement of profit and loss for 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 benefit namely the Superannuation Fund which is recognised by the income tax authorities. This Fund is administered through a Trust set up by the Company and the Company's contribution thereto is charged to statement of profit and loss every year. The Company also maintains an insurance policy to fund a post-

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

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 the statement of profit and loss every year.

- (ii) The Company has Defined Benefit Plans namely Gratuity, 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 the Projected Unit Credit Method and any shortfall in the size of the fund maintained by the Trust is additionally provided for in the statement of profit and loss. The Gratuity Fund and Provident Fund are recognised by the income tax authorities and is administered through Trusts set up by the Company.

Termination benefits are immediately recognised as an expense.

Gains and losses arising out of actuarial valuations are recognised immediately in the statement of profit and loss as income or expense.

### 1.12 CUSTOMS DUTY

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

### 1.13 GOVERNMENT GRANTS

Government grants are recognised in the statement of profit and loss in accordance with the related schemes and in the period in which these accrue.

### 1.14 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 (as the case may be) that future taxable profit will be available against

which such deferred tax assets can be realised. Such assets are reviewed at each balance sheet date and written down to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal tax during the specified period.

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

### 1.15 DIVIDEND INCOME

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

### 1.16 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.

### 1.17 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 statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

### 1.18 ROYALTY

- a) The Company pays / accrues for royalty in accordance with the relevant licence agreements with the technical know-how provider.
- b) 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 the statement of profit and loss as and when incurred.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 1.19 PROVISIONS AND CONTINGENCIES

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to their present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 1.20 LEASES

#### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are

classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight-line basis over the period of the lease or the terms of underlying agreement/s as the case may be.

#### As a lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

### 1.21 CASH AND CASH EQUIVALENTS

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 2. SHARE CAPITAL

	As at 31.03.2013	As at 31.03.2012
<b>Authorised Capital</b>		
3,744,000,000 equity shares of ₹ 5 each (Previous year 744,000,000 equity shares of ₹ 5 each)	18,720	3,720
<b>Issued, Subscribed and Paid up</b>		
302,080,060 equity shares of ₹ 5 each (Previous year 288,910,060 equity shares of ₹ 5 each) fully paid up	1,510	1,445
	<b>1,510</b>	<b>1,445</b>

#### Reconciliation of the number of shares outstanding

	As at 31.03.2013		As at 31.03.2012	
	Numbers of Shares	Amount	Numbers of Shares	Amount
Balance as at the beginning of the year	288,910,060	1,445	288,910,060	1,445
Share issued in the ratio of 1:70 to the shareholders of erstwhile Suzuki Powertrain India Limited pursuant to a scheme of amalgamation (Refer Note 37)	13,170,000	65	-	-
Balance as at the end of the year	<b>302,080,060</b>	<b>1,510</b>	<b>288,910,060</b>	<b>1,445</b>

#### Equity shares held by the holding company

	As at 31.03.2013		As at 31.03.2012	
	Numbers of Shares	Amount	Numbers of Shares	Amount
Suzuki Motor Corporation, the holding company	169,788,440	848	156,618,440	783
	<b>169,788,440</b>	<b>848</b>	<b>156,618,440</b>	<b>783</b>

#### Rights, preferences and restriction attached to shares

The Company has one class of equity shares with a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### Shares held by each shareholder holding more than 5 per cent of the aggregate shares in the Company

	%	Number of Shares	%	Number of Shares
Suzuki Motor Corporation (the holding company)	56.21	169,788,440	54.21	156,618,440
Life Insurance Corporation of India	6.29	18,993,815	8.45	24,399,405

### Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31<sup>st</sup> March 2013)

13,170,000 Equity Shares have been allotted as fully paid up during the current year to Suzuki Motor Corporation pursuant to the scheme of amalgamation with Suzuki Powertrain India Limited (refer note 37).

### 3. RESERVES AND SURPLUS

	As at 31.03.2013	As at 31.03.2012
<b>Reserve created on Amalgamation</b> (Refer Note 37)	<b>9,153</b>	-
<b>Securities Premium Account</b>	<b>4,241</b>	<b>4,241</b>
<b>General Reserve</b>		
Balance as at the beginning of the year	15,852	14,217
Add : Transferred from Surplus in Statement of Profit and Loss	2,392	1,635
Balance as at the end of the year	<b>18,244</b>	<b>15,852</b>
<b>Hedge Reserve</b>		
Balance as at the beginning of the year	(441)	194
Less : Release / adjustments during the year	(39)	635
Balance as at the end of the year	<b>(402)</b>	<b>(441)</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	130,777	118,578
Addition on Amalgamation (Refer Note 37)	3,565	-
Add : Profit for the year	23,921	16,352
Less : Appropriations:		
Transferred to General Reserve	2,392	1,635
Proposed dividend	2,417	2,167
Dividend distribution tax	411	351
Balance as at the end of the year	<b>153,043</b>	<b>130,777</b>
	<b>184,279</b>	<b>150,429</b>

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 4. LONG TERM BORROWINGS

(Refer Note 37)

	As at 31.03.2013	As at 31.03.2012
<b>Unsecured</b>		
Foreign currency loans from banks	3,920	-
Loans from holding company	1,509	-
	5,429	-
1. Foreign currency loans from banks include:		
- loan amounting to ₹ 2,264 million (USD 41 million) taken from Japan Bank of International Cooperation (JBIC) at an interest rate of LIBOR + 0.125, repayable in 6 half yearly instalments starting September 2014 (acquired pursuant to a scheme of amalgamation, refer note 37). The repayment of the loan is guaranteed by Suzuki Motor Corporation, Japan (the holding company).		
- other long term foreign currency loans amounting to ₹ 1,656 million (USD 30 million) taken from banks during the year at an average interest rate of Libor + 1.375 and repayable in July 2015.		
2. A loan amounting to ₹ 1,509 million (USD 27 million) taken from the holding company at an interest rate of LIBOR + 0.48, repayable in 6 half yearly instalments starting September 2014 (acquired pursuant to a scheme of amalgamation, refer note 37).		

### 5. DEFERRED TAX LIABILITIES (NET)

Major components of deferred tax arising on account of timing differences along with their movement as at 31<sup>st</sup> March 2013 are :

	As at 31.03.2012	Movement		As at 31.03.2013
		Pursuant to amalgamation (refer note 37)	during the year*	
<b>Deferred Tax Assets</b>				
Provision for doubtful debts / advances	176	-	(45)	131
Contingent provisions	152	-	30	182
Others	497	17	(44)	470
<b>TOTAL (A)</b>	<b>825</b>	<b>17</b>	<b>(59)</b>	<b>783</b>
<b>Deferred Tax Liabilities</b>				
Depreciation on fixed assets	3,450	1,083	(1,021)	3,512
Exchange gain on capital accounts	(259)	-	(227)	(486)
Allowances under Income Tax Act, 1961	657	-	1,187	1,844
<b>TOTAL (B)</b>	<b>3,848</b>	<b>1,083</b>	<b>(61)</b>	<b>4,870</b>
<b>Net Deferred Tax Liability (B) - (A)</b>	<b>3,023</b>	<b>1,066</b>	<b>(2)</b>	<b>4,087</b>
Previous Year	1,644	-	1,379	3,023

\* Includes adjustment of ₹ 333 million (Previous year ₹ 407 million) on account of reclassification to "Deferred Tax Liabilities" from "Provision for Taxation".

Note: Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.



# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 6. OTHER LONG TERM LIABILITIES

	As at 31.03.2013	As at 31.03.2012
Deposits from dealers, contractors and others	1,036	966
	<b>1,036</b>	<b>966</b>

### 7. LONG TERM PROVISIONS

	As at 31.03.2013	As at 31.03.2012
<b>Provisions for Employee Benefits</b>		
Provision for retirement allowance (Refer Note 28)	42	35
<b>Other Provisions</b>		
Provision for litigation / disputes	992	909
Provision for warranty & product recall	1,216	739
Others	9	10
	<b>2,217</b>	<b>1,658</b>
	<b>2,259</b>	<b>1,693</b>

#### Details of Other Provisions:

	Litigation / Disputes		Warranty/ Product Recall		Others	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Balance at the beginning of the year	909	897	1,331	929	10	16
Additions during the year	111	102	544	581	-	1
Utilised/ reversed during the year	28	90	210	179	1	7
Balance as at the end of the year	<b>992</b>	<b>909</b>	<b>1,665</b>	<b>1,331</b>	<b>9</b>	<b>10</b>
Classified as Long Term	992	909	1,216	739	9	10
Classified as Short Term	-	-	449	592	-	-
<b>TOTAL</b>	<b>992</b>	<b>909</b>	<b>1,665</b>	<b>1,331</b>	<b>9</b>	<b>10</b>

- Provision for litigation / disputes represents the estimated outflow in respect of disputes with various government authorities.
- Provision for warranty and product recall represents the estimated outflow in respect of warranty and recall cost for products sold.
- Provision for others represents the estimated outflow in respect of disputes or other obligations on account of excise duty, export obligation, etc.
- Due to the 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.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 8. SHORT TERM BORROWINGS

	As at 31.03.2013	As at 31.03.2012
<b>Unsecured</b>		
From banks - cash credit	725	80
From banks - buyers credit and packing credit loans	7,738	10,703
	<b>8,463</b>	<b>10,783</b>

### 9. TRADE PAYABLES

	As at 31.03.2013	As at 31.03.2012
Due to Micro and Small enterprises	273	288
Others	41,401	33,211
	<b>41,674</b>	<b>33,499</b>

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.

### 10. OTHER CURRENT LIABILITIES

	As at 31.03.2013	As at 31.03.2012
Current maturities of long term debts	-	1,586
Interest accrued but not due on:		
- Borrowings	205	126
- Deposits from dealers, contractors and others	23	43
Unclaimed dividend *	6	5
Creditors for capital goods	4,035	5,223
Other payables	2,071	1,746
Book overdraft	594	1,366
Advances from customers/dealers	1,590	2,449
Statutory dues	2,704	2,163
Deposits from dealers, contractors and others	433	1,185
	<b>11,661</b>	<b>15,892</b>

\* Unclaimed dividend do not include any amount due to be deposited to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 11. SHORT TERM PROVISIONS

	As at 31.03.2013		As at 31.03.2012	
<b>Provisions for Employee Benefits</b>				
(Refer Note 7 and 28)				
Provision for retirement allowances	2		2	
Provision for compensated absences	1,274	1,276	850	852
<b>Other provisions</b>				
(Refer Note 7)				
Provision for warranty & product recall	449		592	
Provision for proposed dividend*	2,417		2,167	
Provision for corporate dividend tax	411		351	
Provision for taxation [Net of tax paid ₹ 69,884 million (Previous year ₹ 63,730 million) and Minimum Alternate Tax credit availed ₹ 904 million (previous year Nil)]	1,929	5,206	1,330	4,440
		<b>6,482</b>		<b>5,292</b>

\* The final dividend proposed for the year is as follows:

	As at 31.03.2013	As at 31.03.2012
On equity shares of ₹ 5 each:		
Amount of dividend proposed	2,417	2,167
Dividend per equity share	₹ 8.00	₹ 7.50

# Notes

## To The Financial Statements

### 12. TANGIBLE ASSETS

(All amounts in ₹ million, unless otherwise stated)

Particulars	Gross Block			Depreciation / Amortisation			Net Block				
	As at 01.04.2012	Acquired pursuant to a scheme of amalgamation*	Addition	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	Acquired pursuant to a scheme of amalgamation	For the year	Deductions/ Adjustments	As at 31.03.2013	As at 31.03.2012
Freehold Land (Note 1, 3 & 4)	12,304	105	3,097	(2,363)	13,143	-	-	-	-	13,143	12,304
Leasehold Land	1,864	-	133	-	1,997	22	-	15	-	1,960	1,842
Building	10,929	1,106	3,346	(1)	15,380	1,816	142	390	(4)	2,347	13,033
Plant and Machinery	116,587	29,780	18,205	(4,463)	140,109	68,112	13,055	16,979	(4,049)	94,097	48,475
Electronic Data Processing Equipment	1,412	82	213	(142)	1,565	1,143	64	192	(131)	1,268	269
Furniture, Fixtures and Office Appliances	911	27	158	(10)	1,086	326	8	58	(5)	387	585
Vehicles	677	13	245	(180)	755	157	3	67	(45)	182	520
<b>TOTAL (A)</b>	<b>144,684</b>	<b>31,113</b>	<b>25,397</b>	<b>(7,159)</b>	<b>194,035</b>	<b>71,576</b>	<b>13,272</b>	<b>17,701</b>	<b>(4,231)</b>	<b>98,318</b>	<b>73,108</b>
<b>Assets given on operating lease:</b>											
Plant and Machinery	-	353	-	(276)	77	-	89	10	(70)	29	48
<b>TOTAL (B)</b>	<b>-</b>	<b>353</b>	<b>-</b>	<b>(276)</b>	<b>77</b>	<b>-</b>	<b>89</b>	<b>10</b>	<b>(70)</b>	<b>29</b>	<b>48</b>
<b>TOTAL [(A) + (B)]</b>	<b>144,684</b>	<b>31,466</b>	<b>25,397</b>	<b>(7,435)</b>	<b>194,112</b>	<b>71,576</b>	<b>13,361</b>	<b>17,711</b>	<b>(4,301)</b>	<b>98,347</b>	<b>73,108</b>
Previous Year Figures	116,729	-	29,506	(4,551)	144,684	61,892	-	11,011	(4,327)	71,576	73,108

- (1) Freehold land costing ₹ 8,129 million (Previous year ₹ 5,268 million) is not yet registered in the name of the Company.
- (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) A part of freehold land of the Company at Gurgaon and Manesar has been made available to its group companies.
- (4) Adjustments to free hold land include ₹ 2,354 million accrued in the previous year as price adjustment claimed by the authority which allotted the land in an earlier year reversed in the current year [Refer Note 32(vii)].

### 13. INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation / Amortisation			Net Block				
	As at 01.04.2012	Acquired pursuant to a scheme of amalgamation*	Addition	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	Acquired pursuant to a scheme of amalgamation	For the year	Deductions/ Adjustments	As at 31.03.2013	As at 31.03.2012
Own Assets (Acquired):											
Lump sum royalty	2,663	574	658	-	3,895	564	203	901	-	1,668	2,099
<b>TOTAL</b>	<b>2,663</b>	<b>574</b>	<b>658</b>	<b>-</b>	<b>3,895</b>	<b>564</b>	<b>203</b>	<b>901</b>	<b>-</b>	<b>1,668</b>	<b>2,099</b>
Previous Year Figures	648	-	2,015	-	2,663	191	-	373	-	564	2,099

\* Refer note 37

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 14. CAPITAL WORK IN PROGRESS

	As at 31.03.2013	As at 31.03.2012
Plant and Machinery	18,019	7,101
Civil Work in Progress	1,403	2,318
	<b>19,422</b>	<b>9,419</b>

### 15. NON-CURRENT INVESTMENTS

(Refer Note 54)

	As at 31.03.2013	As at 31.03.2012
<b>Trade Investment (valued at cost, unless otherwise stated)</b>		
Investment in subsidiaries (unquoted equity instruments)	91	15
Investment in joint ventures (unquoted equity instruments)	999	1,071
Investment in associates:		
- quoted equity instruments	111	111
- unquoted equity instruments	220	4,171
	1,421	5,368
<b>Other Investment (valued at cost unless otherwise stated)</b>		
Investment in mutual funds - unquoted	17,064	8,565
Investment in preference shares - unquoted	50	50
	17,114	8,615
Less: Provision for diminution, other than temporary, in value of investments in preference shares	50	50
	<b>18,485</b>	<b>13,933</b>
Aggregate value of unquoted investments	18,424	13,872
Aggregate value of quoted investments	111	111
Market value of quoted investments	1,474	1,723
Aggregate value of provision for diminution other than temporary in value of investments	50	50

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 16. LONG TERM LOANS AND ADVANCES

	As at 31.03.2013		As at 31.03.2012	
<b>Capital Advances</b>				
Unsecured - considered good	4,937		4,644	
- considered doubtful	76		13	
	5,013		4,657	
Less: Provision for doubtful capital advances	76	4,937	13	4,644
<b>Security Deposits</b>				
Unsecured - considered good		103		98
<b>Loans and Advances to Related Parties</b>				
Unsecured - considered good (Refer Note 37)		-		1,800
<b>Taxes Paid Under Dispute</b>				
Unsecured - considered good		7,497		6,481
Inter corporate deposits - considered doubtful	125		125	
Less: Provision for doubtful deposits	125	-	125	-
<b>Other Loans and Advances</b>				
Secured - considered good	10		12	
Unsecured - considered good	240		375	
- considered doubtful	63		73	
	313		460	
Less: Provision for doubtful other loans and advances	63	250	73	387
	<b>12,787</b>		<b>13,410</b>	

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

**17. OTHER NON-CURRENT ASSETS**

	As at 31.03.2013	As at 31.03.2012
<b>Interest Accrued on Deposits, Loans and Advances</b>		
Secured - considered good	6	11
Unsecured - considered good	49	-
- considered doubtful	-	1
	49	1
Less Provision for doubtful interest	-	1
Long term deposits with banks with maturity period more than 12 months	8,500	-
<b>Claims</b>		
Unsecured - considered good	385	246
- considered doubtful	27	27
	412	273
Less Provision for doubtful claims	27	27
<b>Others</b>	6	6
	<b>8,946</b>	<b>263</b>

**18. CURRENT INVESTMENTS**

(Refer Note 54)

	As at 31.03.2013	As at 31.03.2012
Investment in mutual funds - unquoted	52,298	47,541
	<b>52,298</b>	<b>47,541</b>



# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 19. INVENTORIES

(Refer Note 47)

	As at 31.03.2013		As at 31.03.2012	
<b>Components and Raw Materials</b>	9,831		9,913	
<b>Work in Progress</b>	1,127		593	
<b>Finished Goods Manufactured</b>				
Vehicles	4,807		5,334	
Vehicle spares and components	311		173	
	5,118		5,507	
<b>Traded Goods</b>				
Vehicle	5		297	
Vehicle spares and components	1,343	1,348	1,189	1,486
<b>Stores and Spares</b>	546		275	
<b>Tools</b>	437		191	
	<b>18,407</b>		<b>17,965</b>	
<b>Inventory includes in transit inventory of:</b>				
Components and Raw Materials	3,247		4,165	
Traded Goods - vehicle spares	26		43	

### 20. TRADE RECEIVABLES

<b>Unsecured - considered good</b>				
Outstanding for a period exceeding six months from the date they are due for payment	34		18	
Others	14,203	14,237	9,358	9,376
<b>Unsecured - considered doubtful</b>				
Outstanding for a period exceeding six months from the date they are due for payment	35		35	
Less Provision for doubtful debts	35	-	35	-
	<b>14,237</b>		<b>9,376</b>	

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 21. CASH AND BANK BALANCES

	As at 31.03.2013		As at 31.03.2012	
<b>Cash and Cash Equivalents</b>				
Cash on hand	6		5	
Cheques and drafts on hand	1,025		691	
Bank balances in current accounts	213		60	
Deposits (less than 3 months original maturity period)	-	1,244	1,000	1,756
<b>Other Bank Balances</b>				
Deposits (more than 3 months and upto 12 months original maturity period)	3,000		5,600	
Deposits (more than 12 months original maturity period)	3,500		17,000	
Unclaimed dividend accounts	6	6,506	5	22,605
		<b>7,750</b>		<b>24,361</b>

### 22. SHORT TERM LOANS AND ADVANCES

(considered good, unless otherwise stated)

<b>Loans and Advances to Related Parties</b>				
Unsecured		1,073		867
<b>Balance with Customs, Port Trust and Other Government Authorities</b>				
Unsecured		6,770		5,044
<b>Other Loans and Advances</b>				
Secured	4		5	
Unsecured	3,306	3,310	1,867	1,872
		<b>11,153</b>		<b>7,783</b>

### 23. OTHER CURRENT ASSETS

(considered good, unless otherwise stated)

<b>Interest Accrued on Deposits, Loans and Advances</b>				
Secured	6		6	
Unsecured	89	95	530	536
<b>Claims</b>				
Unsecured		1,593		788
<b>Other receivable - steel coils</b>				
Unsecured		3,710		2,431
<b>Others</b>				
Unsecured		5		9
		<b>5,403</b>		<b>3,764</b>

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 24. GROSS SALE OF PRODUCTS

(Refer Note 47)

	For the year ended 31.03.2013	For the year ended 31.03.2012
Vehicles	441,163	362,111
Spare parts / dies and moulds / components	39,984	24,030
	<b>481,147</b>	<b>386,141</b>

### 25. OTHER OPERATING REVENUE

Income from services [Net of expenses of ₹ 1,083 million (Previous Year ₹ 689 million)]	2,252	1,719
Sale of scrap	3,597	2,950
Cash discount received	1,810	2,018
Others	2,094	2,125
	<b>9,753</b>	<b>8,812</b>

### 26. OTHER INCOME

	For the year ended 31.03.2013		For the year ended 31.03.2012	
Interest Income (gross) on:				
a) Fixed deposits	2,220		2,330	
b) Corporate bonds	-		528	
c) Receivables from dealers	699		665	
d) Advances to vendors	69		210	
e) Income tax refund	141		295	
f) Others	5	3,134	8	4,036
Dividend Income from:				
a) Long term investments	74		60	
b) Others	343	417	639	699
Net gain on sale of investments				
a) Long term	4,087		2,434	
b) Short term	14	4,101	8	2,442
Provisions no longer required written back		472		1,091
		<b>8,124</b>		<b>8,268</b>

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 27. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Refer Note 37)

	For the year ended 31.03.2013		For the year ended 31.03.2012	
<b>Work in Progress</b>				
Opening stock	593		457	
Add: Acquired pursuant to a scheme of amalgamation	199		-	
Less: Closing stock	1,127	(335)	593	(136)
<b>Vehicles - Manufactured and Traded</b>				
Opening stock	5,631		4,220	
Add: Acquired pursuant to a scheme of amalgamation	51		-	
Less: Closing stock	4,812		5,631	
	870		(1,411)	
Less: Excise duty on increase / (decrease) of finished goods	9	861	(289)	(1,122)
<b>Vehicle Spares and Components - Manufactured and Traded</b>				
Opening stock	1,362		1,323	
Less: Closing stock	1,654	(292)	1,362	(39)
	<b>234</b>		<b>(1,297)</b>	

### 28. EMPLOYEE BENEFIT EXPENSES

	For the year ended 31.03.2013	For the year ended 31.03.2012
Salaries, wages, allowances and other benefits [Net of staff cost recovered ₹ 38 million (Previous year ₹ 120 million)]	9,152	6,660
Contribution to provident and other funds	669	853
Staff welfare expenses	875	500
	<b>10,696</b>	<b>8,013</b>

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

#### A. Defined Contribution Plans

- Superannuation Fund
- Post Employment Medical Assistance Scheme.

During the year the Company has recognised the following amounts in the statement of profit and loss :-

	31.03.2013	31.03.2012
Employers Contribution to Superannuation Fund*	51	44
Employers Contribution to Post Employment Medical Assistance Scheme.*	3	2

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(All amounts in ₹ million, unless otherwise stated)

### 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 statement of profit and loss :-

	31.03.2013	31.03.2012
Employers contribution to Employee State Insurance*	13	2
Employers contribution to Employee's Pension Scheme 1995*	90	80

\* Included in 'Contribution to Provident and Other Funds' above

### C. Defined Benefit Plans and Other Long Term Benefits

- Contribution to Gratuity Funds - Employee's Gratuity Fund.
- Leave Encashment/Compensated Absence.
- Retirement Allowance
- Provident Fund

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.

	31.03.2013				31.03.2012			
	Provident Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Provident Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Discount rate (per annum)	8.50%	8.00%	8.00%	8.00%	8.25%	9.00%	9.00%	9.00%
Rate of increase in compensation levels	Not Applicable	6.00%	6.00%	Not Applicable	Not Applicable	6.00%	6.00%	Not Applicable
Rate of return on plan assets.	8.60%	Not Applicable	8.00%	Not Applicable	8.55%	Not Applicable	9.00%	Not Applicable
Expected average remaining working lives of employees (years)	21	21	21	21	25	22	22	22

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.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### Changes in present value of obligations

	31.03.2013				31.03.2012			
	Provident Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Provident Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at beginning of the year	5,459	850	848	37	4,539	753	827	37
Add: Acquisition on amalgamation (Refer Note 37)	-	20	23	-	-	-	-	-
Interest cost	454	56	68	3	396	57	73	3
Current service cost	801	97	80	6	615	56	51	-
Benefits paid	294	171	55	-	101	141	28	-
Actuarial (gain) / loss on obligations	(411)	422	162	(2)	10	125	(75)	(3)
Present value of obligation as at the year end	6,009	1,274	1,126	44	5,459	850	848	37

### Changes in the fair value of plan assets

	31.03.2013		31.03.2012	
	Provident Fund	Employees Gratuity Fund	Provident Fund	Employees Gratuity Fund
Fair value of Plan Assets as at beginning of the year	5,480	907	4,670	827
Expected return on Plan Assets	456	73	399	74
Contribution	839	115	615	28
Benefits paid	294	55	101	28
Actuarial (gain)/ loss on obligations	(27)	(86)	(103)	6
Fair value of plan assets as at the year end	6,508	1,126	5,480	907

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### Reconciliation of present value of defined benefit obligation and fair value of assets

	31.03.2013				31.03.2012			
	Provident Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Provident Fund	Leave Encashment/Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	6,009	1,274	1,126	44	5,459	850	848	37
Fair value of plan assets as at the year end	6,508	-	1,126	-	5,480	-	907	-
Surplus/ (Deficit)	499	(1,274)	-	(44)	21	(850)	60	(37)
Unfunded net asset/ (liability) recognised in balance sheet.	-	(1,274)	-	(44)	-	(850)	-	(37)
Classified as Long Term	-	-	-	42	-	-	-	35
Classified as Short Term	-	1,274	-	2	-	850	-	2
<b>TOTAL</b>	-	1,274	-	44	-	850	-	37

	31.03.2011			31.03.2010		
	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	753	827	37	659	734	29
Fair value of plan assets as at the year end	-	827	-	-	734	-
Surplus/ (deficit)	(753)	-	(37)	(659)	-	(29)
Unfunded net asset/ (liability) recognised in balance sheet.	(753)	-	(37)	(659)	-	(29)



# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	31.03.2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	550	621	27
Fair value of plan assets as at the year end	-	621	-
Surplus/ (deficit)	(550)	-	(27)
Unfunded net asset/ (liability) recognised in balance sheet.	(550)	-	(27)

Expenses recognised in the statement of profit &amp; loss

	31.03.2013				31.03.2012			
	Provident Fund*	Leave Encashment/ Compensated Absence**	Employees Gratuity Fund*	Retirement Allowance**	Provident Fund*	Leave Encashment/ Compensated Absence**	Employees Gratuity Fund*	Retirement Allowance**
Current service cost	801	97	80	6	615	56	51	-
Interest cost	454	56	68	3	396	57	73	3
Expected return on plan assets	(456)	-	(73)	-	(399)	-	(74)	-
Settlement cost	-	-	-	-	-	-	-	-
Net actuarial (gain)/ loss recognised during the year	(438)	422	76	(2)	113	125	(81)	(3)
Total expense recognised in statement of profit & loss	361	575	151	7	725	238	-	-

\* Included in "Contribution to provident and other funds" above

\*\* Included in "Salaries, wages, allowances and other benefits" above

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Constitution of Plan Assets	Provident Fund				Gratuity			
	31.03.2013	%	31.03.2012	%	31.03.2013	%	31.03.2012	%
(a) Debt Funds	6,222	96%	5,196	95%	394	35%	324	36%
(b) Others	286	4%	284	5%	732	65%	583	64%
<b>TOTAL</b>	<b>6,508</b>	<b>100%</b>	<b>5,480</b>	<b>100%</b>	<b>1,126</b>	<b>100%</b>	<b>907</b>	<b>100%</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 and Provident Fund for the year ending 31<sup>st</sup> March 2014 can not be ascertained at this stage.
- The contribution towards provident fund for employees of erstwhile Suzuki Powertrain India Limited (SPIL) have been deposited with the office of Regional Provident Fund Commissioner (RPFC) till 17<sup>th</sup> March 2013 i.e. upto the effective date of amalgamation (refer note 37). The Company and the employees of SPIL are in the process of filing application/s with the RPFC for transfer of accumulated provident fund contribution till 17<sup>th</sup> March 2013 to the provident fund trust of the Company. The employees of SPIL have become members of Maruti Provident Fund Trust with effect from 17<sup>th</sup> March 2013 and their provident fund contribution post that date has been deposited with the above mentioned trust. Accordingly, the present value of the obligation of the employees' share of SPIL has been computed from 17<sup>th</sup> March 2013.

### 29. FINANCE COSTS

	For the year ended 31.03.2013		For the year ended 31.03.2012	
<b>Interest on :</b>				
- Foreign currency loans from banks	323		15	
- Buyers' credit and export credit	908		273	
- Deposits from dealers, contractors and others	656	1,887	259	547
<b>Other borrowing costs</b>		11		5
		<b>1,898</b>		<b>552</b>

### 30. DEPRECIATION & AMORTISATION EXPENSE

(Refer Note 12 & 13)

	For the year ended 31.03.2013	For the year ended 31.03.2012
Depreciation / amortisation on tangible assets	17,711	11,011
Amortisation on intangible assets	901	373
	<b>18,612</b>	<b>11,384</b>

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

**31. OTHER EXPENSES**

	For the year ended 31.03.2013	For the year ended 31.03.2012
Consumption of stores	1,864	911
Power and fuel [Net of amount recovered ₹ 1,101 million (Previous year ₹ 1,716 million)]	4,937	2,295
Rent (Refer Note 51)	184	156
Repairs and maintenance :		
- Plant and machinery	1,026	531
- Building	188	163
- Others	277	210
Insurance	136	91
Rates, taxes and fees	1,149	826
Royalty	24,538	18,031
Tools / machinery spares charged off	2,547	1,548
Net loss on foreign currency transactions and translation	1,519	1,810
Advertisement	3,536	2,781
Sales promotion	2,179	1,965
Warranty and product recall	544	581
Transportation and distribution expenses	5,501	4,631
Net loss on sale / discarding of fixed assets	331	157
Provision for doubtful advances	63	-
Provision for doubtful debt	-	21
Other miscellaneous expenses	7,218	5,364
	<b>57,737</b>	<b>42,072</b>

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 32. CONTINGENT LIABILITIES

#### a) Claims against the Company disputed and not acknowledged as debts:

Particulars	As at 31.03.2013	As at 31.03.2012
<b>(i) Excise Duty</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices / orders on the same issues for other periods	2,990	2,717
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	10,484	2,167
(c) Show cause notices on issues yet to be adjudicated	8,581	12,675
<b>TOTAL</b>	<b>22,055</b>	<b>17,559</b>
Amount deposited under protest	361	3
<b>(ii) Service Tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices / orders on the same issues for other periods	3,767	3,701
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	2,857	309
(c) Show cause notices on issues yet to be adjudicated	1,358	1420
<b>TOTAL</b>	<b>7,982</b>	<b>5,430</b>
Amount deposited under protest	3	3
<b>(iii) Income Tax</b>		
(a) Cases decided in the Company's favor by Appellate authorities and for which the department has filed further appeals	5,918	6,230
(b) Cases pending before Appellate authorities / Dispute Resolution Panel in respect of which the Company has filed appeals	12,058	9,699
<b>TOTAL</b>	<b>17,976</b>	<b>15,929</b>
Amount deposited under protest	6,770	6,135
<b>(iv) Customs Duty</b>		
Cases pending before Appellate authorities in respect of which the Company has filed appeals	118	118
Amount deposited under protest	22	22
<b>(v) Sales Tax</b>		
Cases pending before Appellate authorities in respect of which the Company has filed appeals	50	50
Amount deposited under protest	2	2

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

- (vi) Claims against the Company for recovery of ₹ 604 million (Previous year ₹ 576 million) lodged by various parties
- (vii) The Company's impleadment application in the pending appeal by Haryana State Industrial & Infrastructure Development Corporation Limited ("HSIIDC"), relating to the demand raised for additional compensation by landowners for land acquired from them at Manesar for industrial purposes, has been heard and the order has been reserved by the Supreme Court against the demand of ₹ 5,012 million. The demand for ₹ 1,376 million for remaining part of land of the Company at Manesar was received from HSIIDC in the current year consequent to the order of the Punjab and Haryana High Court ("Court") and the Company has filed an appeal in the Court.
- The Company is in the process of gathering more details for a demand of ₹ 86 million from HSIIDC, raised on erstwhile Suzuki Powertrain India Limited (merged with the Company with effect from 1<sup>st</sup> April 2012, refer note 37), consequent to the order of the Supreme Court, towards enhanced compensation relating to the demand raised for additional compensation by landowners for land acquired from them for industrial purposes at Manesar.
- As the amounts, if any, of final price adjustment(s) is not determinable at this stage, the amount of ₹ 2,354 million provided in the previous year based on an earlier demand of HSIIDC has been reversed and the Company considers that no provision is required to be made at present. Any additional compensation, if payable, will have the effect of enhancing the asset value of the freehold land.
- (viii) In respect of disputed Local Area Development Tax (LADT) (upto 15<sup>th</sup> April 2008) / Entry Tax, the Sales tax department has filed an appeal in the Supreme Court of India against the order of the Punjab & Haryana High Court. The amounts under dispute are ₹ 21 million (previous year ₹ 21 million) for LADT and ₹ 15 million (previous year ₹ 13 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from 16<sup>th</sup> April 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date.
- 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.
33. Outstanding commitments under Letters of Credit established by the Company aggregate ₹ 6,488 million (Previous year ₹ 1,773 million).
34. Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amount to ₹ 28,760 million (Previous year ₹ 26,338 million).
35. 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.
36. 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 1<sup>st</sup> August 2001 to 31<sup>st</sup> July 2015. The ceiling amount of concession to be availed of during the entitlement period is ₹ 5,644 million. Till 31<sup>st</sup> March 2013, the Company has availed of / claimed sales tax benefit amounting to ₹ 2,483 million (Previous year ₹ 2,331 million).
37. The scheme of amalgamation of Suzuki Powertrain India Limited (SPIL) with the Company as approved by the High Court of Delhi has become effective on 1<sup>st</sup> April 2012 on completion of all the required formalities on 17<sup>th</sup> March 2013. The scheme envisages transfer of all properties, rights and powers and liabilities and duties of the amalgamating company to the amalgamated company.
- SPIL was primarily engaged in the business of engineering, manufacturing, assembling and selling all kinds of powertrain parts and components for automobiles, which includes engines and transmissions for such engines and their components like transmission cases, gears, shafts and yorks.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

The amalgamation was accounted for under the “Pooling of Interest Method” as prescribed by the Accounting Standard 14 “Accounting for Amalgamations” notified under Companies (Accounting Standards) Rules.

The assets and liabilities of the amalgamating company have been accounted for in the books of account of the Company in accordance with the approved scheme.

- i) The assets and liabilities as at 1<sup>st</sup> April 2012 were incorporated at book value of SPIL, subject to adjustments made to ensure uniformity of accounting policies.
- ii) The authorised capital of SPIL after splitting each share into 2 shares of face value of ₹ 5 each has become part of authorised share capital of the Company.
- iii) The balance of ‘Surplus of Statement of Profit and Loss’ of SPIL amounting to ₹ 3,565 million (net of adjustments on account of policy differences of ₹ 275 million) as at 1<sup>st</sup> April 2012 have been included in the balance of ‘Surplus of Statement of Profit and Loss’ of the Company.
- iv) 395,100,000 equity shares of ₹ 10 each fully paid in SPIL held as investment by the Company have been cancelled and extinguished.
- v) The equity shareholders of SPIL have, for every 70 fully paid equity shares of ₹ 10 each held as on the record date, been issued 1 fully paid equity share of ₹ 5 each of the Company. Accordingly, the Company has issued 13,170,000 equity shares on 29<sup>th</sup> March 2013 thereby increasing its equity capital to ₹ 1,510 million.
- vi) The surplus amounting to ₹ 9,153 million, arising as a result of the amalgamation, i.e. excess of the value of net assets of SPIL transferred to the Company over the paid-up value of shares issued to equity shareholders of SPIL, has been added to the reserves of the Company.
- vii) The amounts relating to SPIL as at 1<sup>st</sup> April 2012 included in the terms of the scheme in the financial statements of the Company are as below:

	Net Amount
<b>Assets</b>	
Fixed assets (net) (including capital work-in-progress ₹ 2,949 million)	21,425
Cash and Bank balances	1,051
Current Assets and Loans and Advances	9,080
<b>TOTAL</b>	<b>31,556</b>
<b>Liabilities</b>	
Long Term Borrowings	5,337
Long Term Liabilities and Provisions	1,108
Current Liabilities and Provisions	8,376
<b>TOTAL</b>	<b>14,821</b>
<b>Net assets acquired on Amalgamation (a)</b>	<b>16,735</b>
<b>Transfer of balances of Amalgamated Company</b>	
Reserves & Surplus (b)	3,565
<b>Less:-</b>	
Adjustment for cancellation of Company's investment in Transferor Company (c)	3,951
Shares issued in the ratio of 1:70 to the shareholders of erstwhile Suzuki Powertrain India Limited, pursuant to the scheme on amalgamation (d)	66
<b>Credited to Reserve on Amalgamation (a) – (b) – (c) – (d)</b>	<b>9,153</b>

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

38. The Company has considered “business segment” as its primary segment. The Company is primarily in the business of manufacture, purchase and sale of motor vehicles, components 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 such activities contribute significantly in generating the demand for the products of the Company. Accordingly, the Company operates in one business segment and thus no business segment information is required to be disclosed.

The “Geographical Segments” have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

### Financial information of geographical segments is as follows:-

Particulars	2012-2013				2011-2012			
	Domestic	Overseas	Unallocated	Total	Domestic	Overseas	Unallocated	Total
Revenue from external customers	441,803	49,097	8,124	499,024	354,651	40,302	8,268	403,221
Segment assets	187,212	8,777	70,891	266,880	152,070	7,577	63,375	223,022
Capital expenditure during the year	36,058	-	-	36,058	32,315	-	-	32,315

### Notes:-

- Domestic segment includes sales and services to customers located in India
  - Overseas segment includes sales and services rendered to customers located outside India.
  - 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 (tangible and intangible assets) other than acquired pursuant to scheme of amalgamation (refer Note 37) and net addition to capital work in progress.
39. THE FOLLOWING EXPENSES INCURRED ON RESEARCH AND DEVELOPMENT ARE INCLUDED UNDER RESPECTIVE ACCOUNT HEADS:

	2012-2013	2011-2012
<b>Revenue Expenditure</b>		
Employees remuneration and benefits	1,530	1,416
Other expenses of manufacturing and administration	1,003	810
<b>Capital Expenditure</b>	2,613	1,491
	<b>5,146</b>	<b>3,717</b>



# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 40. AUDITORS' REMUNERATION\*

	2012-2013	2011-2012
Statutory audit	12.40	10.00
Other audit services / certification	1.03	1.48
Reimbursement of expenses	0.71	0.37

\*Excluding service tax

### 41. CIF VALUE OF IMPORTS

Raw materials and components	42,344	30,451
Capital goods	14,762	11,625
Stores and spares	663	667
Dies and moulds	8	15
Other items	120	465

### 42. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Fees for technical services	1,164	753
Travelling expenses	443	89
Running royalty	24,538	18,031
Lumpsum royalty	629	2,015
Supervision charges capitalised	1,070	1,086
Interest	1,130	274
Others	2,046	1,432

### 43. EARNINGS IN FOREIGN CURRENCY

Export of goods (FOB basis)	45,514	36,918
-----------------------------	--------	--------

### 44. DIVIDEND REMITTED IN FOREIGN CURRENCY (CASH BASIS)

Dividend for the year 2011-12 (Previous year 2010-11)	1,175	1,175
No. of non-resident shareholders	1	1
No. of shares for which dividend remitted	156,618,440	156,618,440

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 45. VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

	2012-2013	2011-2012
<b>i) Raw Materials and Components</b>		
Imported	36,801	28,324
Indigenous	268,940	238,731
	<b>305,741</b>	<b>267,055</b>
<b>Percentage of Total Consumption</b>		
Imported	12%	11%
Indigenous	88%	89%
<b>ii) Machinery Spares</b>		
Imported	514	460
Indigenous	1,201	751
	<b>1,715</b>	<b>1,211</b>
<b>Percentage of Total Consumption</b>		
Imported	30%	38%
Indigenous	70%	62%
<b>iii) Consumption of Stores</b>		
Imported	193	91
Indigenous	1,671	820
	<b>1,864</b>	<b>911</b>
<b>Percentage of Total Consumption</b>		
Imported	10%	10%
Indigenous	90%	90%

### 46. LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

Product	Unit	Licensed Capacity	Installed Capacity**	Actual Production
Passenger Cars and Light Duty Utility Vehicles	Nos.	- *	1,260,000	1,168,917
		(-)*	(1,260,000)	(1,134,607)

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.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 47. SALES, OPENING STOCK AND CLOSING STOCK

Product	Sales		Opening Stock		Closing Stock	
	Qty.(Nos.)	Value	Qty.(Nos.)	Value	Qty.(Nos.)	Value
Passenger vehicles	1,171,434	441,163	16,485	5,631	13,065	4,812
	(1,133,695)	(362,111)	(16,222)	(4,220)	(16,485)	(5,631)
Spare parts and Components	*	39,950	*	1,362	*	1,654
		(24,001)		(1,323)		(1,362)
Dies and moulds	*	34	*	-	*	-
	*	(29)	*	-	*	-
Work in progress		NA		593		1,127
	*	(NA)	*	(457)	*	(593)

Notes :

1. Traded goods comprise vehicles, spares, components and dies and moulds. During the year 13 vehicles (previous year 561 vehicles) were purchased
2. Closing Stock of vehicles is after adjustment of 29 vehicles (previous year - 61) totally damaged.
3. Sales quantity excludes own use vehicles 834 Nos. (previous year - 961 Nos.)
4. Sales quantity excludes sample vehicles 53 Nos. (previous year - 188 Nos.)
5. Previous year figures are in brackets.

\* In view of the innumerable sizes/numbers (individually less than 10 per cent) of the components, spare parts and dies and moulds it is not possible to give quantitative details.

### 48. STATEMENT OF RAW MATERIALS AND COMPONENTS CONSUMED

Group Of Material	Unit	2012-13		2011-2012	
		Qty.	Amount	Qty.	Amount
Steel coils	MT	210,595	11,448	200,256	10,568
Ferrous castings	MT	27,765	3,329	16,831	1,874
Non-ferrous castings	MT	28,673	4,727	15,507	2,302
Other components		*	284,419	*	250,636
Paints	K.LTR	6,811		5,795	
	MT	6,381	1,818	6,043	1,675
			305,741		267,055

\* In view of the innumerable sizes/numbers (individually less than 10 per cent) of the components, spare parts and dies and moulds it is not possible to give quantitative details.

### 49. PURCHASE OF STOCK IN TRADE

	2012-2013	2011-2012
Traded spares	19,525	14,431
Traded vehicles	25	862
Others	63	32
	19,613	15,325

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 50. STATEMENT OF EARNING PER SHARE

	2012-2013	2011-2012
Net Profit after tax attributable to shareholders (in million ₹)	23,921	16,352
Weighted average number of equity shares outstanding during the year (Nos)	302,080,060	288,910,060
Nominal value per share (In ₹)	5.00	5.00
Basic/diluted earning per share (In ₹)	79.19	56.60

### 51. MINIMUM LEASE PAYMENTS OUTSTANDING AS ON 31<sup>ST</sup> MARCH 2013 IN RESPECT OF ASSETS TAKEN ON NON-CANCELLABLE OPERATING LEASES ARE AS FOLLOWS

#### a) As a lessee

Due	31.03.2013			31.03.2012
	Total Minimum Lease Payments Outstanding as on 31 <sup>st</sup> March 2013			Total Minimum Lease Payments Outstanding as on 31 <sup>st</sup> March 2012
	Premises	Cars	Total	Premises
Within one year	50	4	54	49
Later than one year but less than five years	222	5	227	212
Later than five years	682	-	682	741

	31.03.2013			31.03.2012
	Minimum Lease Payment			Minimum Lease Payment
Charged to rent expense	60	6	66	57

The Company has taken certain premises on cancellable operating lease. The rent expense amounting to ₹ 118 million (Previous year ₹ 99 million) has been charged to the statement of profit and loss.

#### b) As a lessor

The Company has given certain plant and machineries on cancellable operating lease. The rental income arising of the same amounting to ₹ 10 million has been credited to statement of profit and loss.

### 52. DERIVATIVE INSTRUMENTS OUTSTANDING AT THE BALANCE SHEET DATE:

#### 1(a) Forward Contracts against imports and royalty:

- Forward contracts to buy JPY 45,200 million (Previous year JPY 48,477 million) against USD amounting to ₹ 26,053 million (Previous year ₹ 29,794 million).
- Forward contracts to buy USD 20 million (Previous year USD 90 million) against INR amounting to ₹ 1,086 million (Previous year ₹ 4,579 million).

The above contracts have been undertaken to hedge against the foreign exchange exposures arising from transactions like royalty and import of goods.

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

**(b) Forward Contracts / Range Forward contract against Exports:**

- Forward contracts to sell USD 150 million (Previous year USD 25 million) against INR amounting to ₹ 8,144 million (Previous year ₹ 1,272 million).
- Forward contracts to sell EURO NIL (Previous year EURO 28 million) against INR amounting to NIL (Previous year ₹ 1,901 million)
- Range Forward Contracts to sell USD NIL (Previous year USD 30 million) against INR amounting NIL (Previous year ₹ 1,526 million)

The above contracts have been undertaken to hedge against the foreign exchange exposures arising from export of goods.

**(c) USD Floating rate/INR Floating rate cross-currency swap:**

Outstanding USD/INR Floating rate cross-currency swap is USD 69.51 million (Previous year USD 31.175 million) amounting to ₹ 3,773 million (Previous year ₹ 1,586 million)

**(d) Forward Contracts against Buyers Credit :**

Forward Contracts to buy JPY 798 million (Previous year JPY 3,961 million) against INR amounting to ₹ 460 million (Previous year ₹ 2,434 million).

Forward Contracts to buy USD 165 million (Previous year USD 108 million) against INR amounting to ₹ 8,933 million (Previous year ₹ 5,495 million).

The above contracts have been undertaken to hedge against the foreign exchange exposure arising from foreign currency loan.

**2 The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:**

(In million)

As at 31.03.2013								
	YEN	INR	USD	INR	EURO	INR	GBP	INR
	Equivalent		Equivalent		Equivalent		Equivalent	
Receivables	177	101	54	2,919	4	257	5	394
Payables	7,192	4,105	17	944	18	1,270	0.6	49

As at 31.03.2012								
	YEN	INR	USD	INR	EURO	INR		
	Equivalent		Equivalent		Equivalent		Equivalent	
Receivables	32	20	4	182	10	715		
Payables	2,709	1,691	22	1,118	2	133		

Note: The above details include the derivative instruments and foreign currency exposure unhedged, as acquired pursuant to scheme of amalgamation (refer note 37)

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 53. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

#### Key Management Personnel

#### Key Management Personnel

Mr Shinzo Nakanishi  
 Mr. Shuji Oishi (upto 28<sup>th</sup> April 2012)  
 Mr Tsuneo Ohashi  
 Mr Keiichi Asai  
 Mr. Kazuhiko Ayabe (w.e.f 28<sup>th</sup> April 2012)

#### Joint Ventures

Suzuki Motor Corporation  
 Mark Exhaust Systems Limited  
 Bellsonica Auto Component India Private Limited  
 FMI Automotive Components Limited  
 Krishna Auto Mirrors Limited  
 Inergy India Automotive Components Limited  
 Maruti Insurance Broking Private Limited  
 Manesar Steel Processing India Private Limited

#### Subsidiaries

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  
 J.J. Impex (Delhi) Private Limited \*\*

#### Fellow Subsidiaries (Only with whom the Company had transactions during the current year)

Jinan Qingqi Suzuki Motorcycle Co., Limited  
 Magyar Suzuki Corporation Limited  
 PT Suzuki Indomobil Motor (Former PT Indomobil Suzuki International)  
 Suzuki Australia Pty. Limited  
 Suzuki Austria Automobile Handels G.m.b.H.  
 Suzuki Auto South Africa (Pty) Limited  
 Suzuki Cars (Ireland) Limited  
 Suzuki France S.A.S.  
 Suzuki GB PLC  
 Suzuki International Europe G.m.b.H.  
 Suzuki Italia S.P.A.  
 Suzuki Motor (Thailand) Co., Limited  
 Suzuki Motor Iberica, S.A.U.  
 SUZUKI MOTOR POLAND SP.Z.O.O. (Former Suzuki Motor Poland Limited)  
 Suzuki Motorcycle India Private Limited  
 Suzuki New Zealand Limited  
 Suzuki Philippines Inc.  
 Taiwan Suzuki Automobile Corporation

#### Associates

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

#### Associates

Nippon Thermostat (India) Limited  
 Sonna Koyo Steering Systems Limited  
 Magneti Marelli Powertrain India Private Limited  
 Suzuki Powertrain India Limited\*

	2012-2013						2011-2012						
	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
<b>Outstanding at Year End</b>													
<b>Loans and advances recoverable</b>													
Asahi India Glass Limited	-	-	342	-	-	-	-	-	303	-	-	-	303
Others	144	10	247	301	29	-	104	9	2,183	45	23	-	2,363
<b>TOTAL</b>	<b>144</b>	<b>10</b>	<b>589</b>	<b>301</b>	<b>29</b>	<b>-</b>	<b>104</b>	<b>9</b>	<b>2,486</b>	<b>45</b>	<b>23</b>	<b>-</b>	<b>2,667</b>
<b>Amount Recoverable</b>													
SKH Metals Limited	-	-	762	-	-	-	-	-	563	-	-	-	563
Jay Bharat Maruti Limited	-	-	620	-	-	-	-	-	-	-	-	-	-
Bellsonica Auto Component India Pvt Ltd	856	-	-	-	-	-	987	-	-	-	-	-	987
PT Suzuki Indomobil Motor	-	-	-	-	1,063	-	-	-	-	-	692	-	692
Others	441	7	493	85	1,088	-	10	-	686	22	515	-	1,233
<b>TOTAL</b>	<b>1,297</b>	<b>7</b>	<b>1,875</b>	<b>85</b>	<b>2,151</b>	<b>-</b>	<b>997</b>	<b>-</b>	<b>1,249</b>	<b>22</b>	<b>1,207</b>	<b>-</b>	<b>3,475</b>

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	2012-2013						2011-2012							
	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
<b>Amounts Payable</b>														
Suzuki Motor Corporation	-	-	-	12,698	-	-	12,698	-	-	-	9,740	-	-	9,740
Others	606	-	2,063	-	236	-	2,905	636	-	4,853	-	27	-	5,516
<b>TOTAL</b>	<b>606</b>	<b>-</b>	<b>2,063</b>	<b>12,698</b>	<b>236</b>	<b>-</b>	<b>15,603</b>	<b>636</b>	<b>-</b>	<b>4,853</b>	<b>9,740</b>	<b>27</b>	<b>-</b>	<b>15,256</b>
<b>Goods in Transit - Component Etc.</b>														
Suzuki Motor Corporation	-	-	-	954	-	-	954	-	-	-	1,963	-	-	1,963
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>954</b>	<b>-</b>	<b>-</b>	<b>954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,963</b>	<b>-</b>	<b>-</b>	<b>1,963</b>
<b>Guarantees given to third parties for the Company</b>														
Suzuki Motor Corporation	-	-	-	5	-	-	5	-	-	-	1,586	-	-	1,586
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,586</b>	<b>-</b>	<b>-</b>	<b>1,586</b>
<b>Purchases of Tangible and Intangible Fixed Assets</b>														
Suzuki Motor Corporation	-	-	-	1,734	-	-	1,734	-	-	-	3,676	-	-	3,676
Others	206	-	156	-	10	-	372	89	-	260	-	5	-	354
<b>TOTAL</b>	<b>206</b>	<b>-</b>	<b>156</b>	<b>1,734</b>	<b>10</b>	<b>-</b>	<b>2,106</b>	<b>89</b>	<b>-</b>	<b>260</b>	<b>3,676</b>	<b>5</b>	<b>-</b>	<b>6,069</b>
<b>Sale of Goods</b>														
Suzuki Motorcycle India Private Ltd.	-	-	-	-	4,625	-	4,625	-	-	-	-	75	-	75
Suzuki International Europe G.m.b.H.	-	-	-	-	-	-	-	-	-	-	-	1,762	-	1,762
Suzuki GB PLC	-	-	-	-	3,150	-	3,150	-	-	-	-	1,826	-	1,826
PT Indomobil Suzuki International	-	-	-	-	9,172	-	9,172	-	-	-	-	3,913	-	3,913
Others	3,412	201	5,373	58	6,256	-	15,300	1,906	-	3,010	82	4,744	-	9,742
<b>TOTAL</b>	<b>3,412</b>	<b>201</b>	<b>5,373</b>	<b>58</b>	<b>23,203</b>	<b>-</b>	<b>32,247</b>	<b>1,906</b>	<b>-</b>	<b>3,010</b>	<b>82</b>	<b>12,370</b>	<b>-</b>	<b>17,318</b>
<b>Other Income</b>														
<b>Finance Income/Commission/Dividend</b>														
SKH Metals Limited	-	-	50	-	-	-	50	-	-	44	-	-	-	44
Jay Bharat Maruti Limited	-	-	49	-	-	-	49	-	-	88	-	-	-	88
Climate Systems India Limited	-	-	43	-	-	-	43	-	-	46	-	-	-	46
Asahi India Glass Limited	-	-	56	-	-	-	56	-	-	28	-	-	-	28
Others	39	-	165	-	1	-	205	32	-	772	-	-	-	804
<b>TOTAL</b>	<b>39</b>	<b>-</b>	<b>363</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>403</b>	<b>32</b>	<b>-</b>	<b>977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,009</b>



# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	2012-2013						2011-2012							
	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
<b>Other Misc Income</b>														
SKH Metals Limited	-	-	200	-	-	-	200	-	-	216	-	-	-	216
Bellsonica Auto Component India Private Limited	-	-	164	-	-	-	164	-	-	90	-	-	-	90
Jay Bharat Maruti Limited	-	-	232	-	-	-	232	-	-	165	-	-	-	165
Krishna Maruti Limited	-	-	147	-	-	-	147	-	-	28	-	-	-	28
Others	269	-	17	87	15	-	388	188	-	1,122	480	9	-	1,800
<b>TOTAL</b>	<b>269</b>	<b>-</b>	<b>760</b>	<b>87</b>	<b>15</b>	<b>-</b>	<b>1,131</b>	<b>188</b>	<b>-</b>	<b>1,622</b>	<b>480</b>	<b>9</b>	<b>-</b>	<b>2,299</b>
<b>Expenditure</b>														
<b>Purchases of Goods</b>														
Suzuki Motor Corporation	-	-	-	22,656	-	-	22,656	-	-	-	21,149	-	-	21,149
Jay Bharat Maruti Limited	-	-	9,673	-	-	-	9,673	-	-	8,656	-	-	-	8,656
Krishna Maruti Limited	-	-	8,775	-	-	-	8,775	-	-	8,268	-	-	-	8,268
Others	11,488	-	35,355	-	187	-	47,030	8,919	-	71,707	-	3	-	80,628
<b>TOTAL</b>	<b>11,488</b>	<b>-</b>	<b>53,803</b>	<b>22,656</b>	<b>187</b>	<b>-</b>	<b>88,134</b>	<b>8,919</b>	<b>-</b>	<b>88,631</b>	<b>21,149</b>	<b>3</b>	<b>-</b>	<b>118,701</b>
<b>Proposed Dividend</b>														
Suzuki Motor Corporation	-	-	-	1,358	-	-	1,358	-	-	-	1,175	-	-	1,175
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,358</b>	<b>-</b>	<b>-</b>	<b>1,358</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,175</b>	<b>-</b>	<b>-</b>	<b>1,175</b>
<b>Royalty</b>														
Suzuki Motor Corporation	-	-	-	24,538	-	-	24,538	-	-	-	18,031	-	-	18,031
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,538</b>	<b>-</b>	<b>-</b>	<b>24,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,031</b>	<b>-</b>	<b>-</b>	<b>18,031</b>
<b>Services Received</b>														
Suzuki Motor Corporation	-	-	-	557	-	-	557	-	-	-	1,090	-	-	1,090
Others	-	-	-	-	2	-	2	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>557</b>	<b>2</b>	<b>-</b>	<b>559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,090</b>	<b>-</b>	<b>-</b>	<b>1,090</b>
<b>Other Expenditure</b>														
Suzuki GB PLC	-	-	-	-	154	-	154	-	-	-	-	65	-	65
Others	1	-	4	763	209	-	977	-	-	1	-	134	-	135
<b>TOTAL</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>763</b>	<b>363</b>	<b>-</b>	<b>1,131</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>199</b>	<b>-</b>	<b>200</b>
<b>Managerial Remuneration</b>														
Mr Shinzo Nakanishi	-	-	-	-	-	-	31	-	-	-	-	-	-	27
Mr Tsuneo Ohashi	-	-	-	-	-	-	22	-	-	-	-	-	-	20
Mr Keiichi Asai	-	-	-	-	-	-	22	-	-	-	-	-	-	19
Mr. Suuji Oishi	-	-	-	-	-	-	2	-	-	-	-	-	-	19
Mr.Kazuhiko Ayabe	-	-	-	-	-	-	20	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85</b>

**Note:**

\* Amalgamated with the Company with effect from 1<sup>st</sup> April 2012 (Refer Note 37)

\*\* J.J. Impex (Delhi) Private Limited was a joint venture of the Company in the previous year and has become a subsidiary of the Company with effect from 1<sup>st</sup> April 2012

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 54. The details of Investment as per Note 15 and 18 are provided below :

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
								Current	Non Current
<b>Investment in subsidiaries (unquoted equity shares, 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	10	500,000	500,000	-	5.0	-	5.0
JJ. Impex (Delhi) Private Limited *		10	-	4,476,250	-	-	76.0	-	-
						-	90.5	-	14.5
<b>Investment in joint ventures (unquoted equity shares, fully paid)</b>									
JJ. Impex (Delhi) Private Limited *		-	10	-	4,323,750	-	-	-	72
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
FMI Automotive Components Limited		10	10	44,100,000	44,100,000	-	441	-	441
Krishna Ishizaki Auto Limited		10	10	734,880	734,880	-	10	-	10
Inergy Automotive Systems Manufacturing India Private Limited		10	10	6,656,000	6,656,000	-	67	-	67
Manesar Steel Processing (India) Private Limited		10	10	6,840,000	6,840,000	-	68	-	68
Maruti Insurance Broking Private Limited		10	10	239,600	239,600	-	2	-	2
						-	999	-	1,071
<b>Investment in associates (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>Investment in associates (unquoted equity shares, fully paid)</b>									
Caparo Maruti Limited		10	10	2,500,000	2,500,000	-	25	-	25
Climate Systems India Limited		100	100	518,700	518,700	-	52	-	52
Krishna Maruti Limited		10	10	670,000	670,000	-	7	-	7
SKH Metals Limited		10	10	2,645,000	2,645,000	-	49	-	49
Nippon Thermostat (India) Limited		10	10	125,000	125,000	-	1	-	1

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
						<b>Current</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>
Suzuki Powertrain India Limited (Refer Note 37)	-	10	-	395,100,000	-	-	-	3,951	
Magneti Marelli Powertrain India Limited	10	10	8,550,000	8,550,000	-	86	-	86	
					-	220	-	4,171	
<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 Mutual Funds (unquoted)</b>									
<b>Units of Debt Mutual Funds :</b>									
Baroda Pioneer 367 Days FMP Series 3 Growth Option	-	10	-	15,002,994	-	-	150	-	
Baroda Pioneer 367 Days FMP Series 4 Growth Plan	10	-	10,000,000	-	100	-	-	-	
Baroda Pioneer Fixed Maturity Plan Series A Plan B Growth Option	10	-	25,000,000	-	250	-	-	-	
Birla Sunlife Fixed Term Plan Series FJ Growth Option	10	-	25,000,000	-	-	250	-	-	
Birla Sunlife Fixed Term Plan Series FV Growth Option	10	-	30,000,000	-	300	-	-	-	
Birla Sunlife Fixed Term Plan Series FW Growth Option	10	-	25,000,000	-	250	-	-	-	
Birla Sunlife Fixed Term Plan Series GA Growth Option	10	-	100,000,000	-	-	1,000	-	-	
Birla Sunlife Fixed Term Plan Series GF (539 Days) Growth	10	-	30,000,000	-	-	300	-	-	
Birla Sunlife Fixed Term Plan Series GG 368 Days Growth Option	10	-	75,000,000	-	750	-	-	-	
Birla Sunlife Fixed Term Plan Series GJ 367 Days Growth Option	10	-	40,000,000	-	400	-	-	-	
Birla Sunlife Fixed Term Plan Series GM 367 Days Growth Option	10	-	20,000,000	-	200	-	-	-	
Birla Sunlife Fixed Term Plan Series GO 369 Days Growth Option	10	-	20,000,000	-	200	-	-	-	
Birla Sunlife Fixed Term Plan Series GQ 367 Days Growth Option	10	-	20,000,000	-	200	-	-	-	
Birla Sunlife Fixed Term Plan Series HD (366 Days) Growth Option	10	-	65,000,000	-	650	-	-	-	
Birla Sunlife Interval Income Fund Annual Plan 2 Growth Option	10	-	26,004,395	-	260	-	-	-	
Birla Sunlife Fixed Term Fund Series DX Growth Option	-	10	-	48,000,000	-	-	480	-	

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013		31.03.2012	
						Current	Non Current	Current	Non Current
Birla Sunlife Fixed Term Fund Series DY Growth Option	-	-	10	-	40,000,000	-	-	400	-
Birla Sunlife Fixed Term Fund Series EA Growth Option	-	-	10	-	14,000,000	-	-	140	-
Birla Sunlife Fixed Term Fund Series EB Growth Option	-	-	10	-	54,641,500	-	-	546	-
Birla Sunlife Fixed Term Fund Series EE Growth Option	-	-	10	-	52,000,000	-	-	520	-
Birla Sunlife Fixed Term Fund Series EF Growth Option	-	-	10	-	45,000,000	-	-	450	-
Birla Sunlife Fixed Term Fund Series EG Growth Option	-	-	10	-	35,000,000	-	-	350	-
Birla Sunlife Fixed Term Fund Series EI Growth Option	-	-	10	-	100,000,000	-	-	1,000	-
Birla Sunlife Fixed Term Fund Series EK Growth Option	-	-	10	-	40,000,000	-	-	400	-
Birla Sunlife Fixed Term Fund Series EM Growth Option	-	-	10	-	65,000,000	-	-	650	-
Birla Sunlife Fixed Term Plan Series DT Growth Option	-	-	10	-	25,023,178	-	-	250	-
Birla Sunlife Fixed Term Plan Series EQ Growth Option	-	-	10	-	20,000,000	-	-	200	-
Birla Sunlife Fixed Term Plan Series FA Growth Option	-	-	10	-	70,014,724	-	-	700	-
BNP Paribas Overnight Institutional Plan Daily Dividend	-	-	10	-	95,069,956	-	-	951	-
BNP Paribas Fixed Term Fund Series 24 A Growth Option	10	10	-	20,000,000	-	-	200	-	-
BNP Paribas Fixed Term Fund Series 25 A Growth Option	10	10	-	40,000,000	-	400	-	-	-
Canara Robeco Fixed Maturity Plan Series 7 Plan A Growth Option	-	-	10	-	25,000,000	-	-	250	-
Canara Robeco Fixed Maturity Plan Series 6 13 Months Plan B Growth Option	-	-	10	-	15,000,000	-	-	150	-
DSP Black Rock FMP Series 23 12 M Growth Option	-	-	10	-	60,000,000	-	-	600	-
DSP Black Rock FMP Series 24 12 M Growth Option	-	-	10	-	15,000,000	-	-	150	-
DSP Black Rock FMP Series 32 12 Month Growth Option	-	-	10	-	100,000,000	-	-	1,000	-
DSP Black Rock FMP Series 34 12 Month Growth Option	-	-	10	-	70,000,000	-	-	700	-
DSP Black Rock FMP Series 36 12 Month Growth Option	-	-	10	-	30,000,000	-	-	300	-
DSP Black Rock FMP Series 37 13 Month Growth Option	10	10	10	100,000,000	100,000,000	1,000	-	-	1,000

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
						Current	Non Current	Current	Non Current
DSP Black Rock Fixed Maturity Plan Series 87 12 Month Growth Option	10	-	30,000,000	-	300	-	-	-	-
DSP Black Rock FMP Series 47 12 Month Growth	10	-	20,000,000	-	200	-	-	-	-
DSP Black Rock FMP Series 82 Growth Option	10	-	35,000,000	-	350	-	-	-	-
DSP Black Rock FMP Series 84 12 M Growth Option	10	-	100,000,000	-	1,200	-	-	-	-
DSP Black Rock FMP Series 86 12 M Growth Option	10	-	90,000,000	-	900	-	-	-	-
DSP Black Rock Strategic Bond Fund Weekly Dividend Re-investment	1,000	-	1,020,825	-	1,033	-	-	-	-
DWS Fixed Maturity Plan Series 1 Growth Option	-	10	-	20,000,000	-	-	-	200	-
DWS Fixed Maturity Plan Series 3 Growth Option	-	10	-	35,000,000	-	-	-	350	-
DWS Fixed Maturity Plan Series 5 Growth Option	-	10	-	32,000,000	-	-	-	320	-
DWS Fixed Maturity Plan Series 6 Growth Option	10	10	35,000,000	35,000,000	350	-	-	-	350
DWS Fixed Term Fund Series 94 Growth Option	-	10	-	13,000,000	-	-	-	130	-
DWS Fixed Term Fund Series 95 Growth Option	-	10	-	15,000,000	-	-	-	150	-
DWS Treasury Fund Cash Institutional Plan	-	100	-	9,959,075	-	-	-	1,001	-
DWS Fixed Maturity Plan Series 24 Growth Option	10	-	40,000,000	40,000,000	400	-	-	-	-
DWS Fixed Maturity Plan Series 26 Growth Option	10	-	68,000,000	68,000,000	-	680	-	-	-
DWS Fixed Maturity Plan Series 27 Growth Option	10	-	43,000,000	43,000,000	430	-	-	-	-
DWS Fixed Maturity Plan Series 29 Growth Option	10	-	30,000,000	30,000,000	300	-	-	-	-
DWS Premier Bond Fund Direct Plan Growth	10	-	25,923,526	25,923,526	500	-	-	-	-
HDFC FMP 370 Day Dec (1) Growth Option	-	10	-	25,000,000	-	-	-	250	-
HDFC FMP 370 Day Dec (2) Growth Option	-	10	-	30,011,283	-	-	-	300	-
HDFC FMP 370 Day Feb 2012 (1) Growth Option	-	10	-	25,000,000	-	-	-	250	-
HDFC FMP 370 Day Feb 2012 (2) Growth Option	-	10	-	70,000,000	-	-	-	700	-
HDFC FMP 370 Day Feb 2012 (3) Growth Option	-	10	-	20,000,000	-	-	-	200	-
HDFC FMP 370 Day Jan 2012 (4) Growth Growth Option	-	10	-	75,000,000	-	-	-	750	-
HDFC FMP 370 Days 2011 (2) Growth Option	-	10	-	34,000,000	-	-	-	340	-
HDFC FMP 370 Days Jan 2012 (1) Growth Option	-	10	-	8,000,000	-	-	-	80	-
HDFC FMP 370 Days Jan 2012 (2) Growth Option	-	10	-	25,000,000	-	-	-	250	-
HDFC FMP 370 Days Jan 2012 (3) Growth Option	-	10	-	35,000,000	-	-	-	350	-
HDFC FMP 390 Day March 2012 (1) Series XXI Growth Option	10	10	100,000,000	100,000,000	1,000	-	-	-	1,000
HDFC FMP 400 Day Feb 2012 (1) Series XXI Growth Option	10	10	100,000,000	100,000,000	1,000	-	-	-	1,000
HDFC FMP 370 Days April 2012 (2) Growth Series XXI	10	-	35,000,000	-	350	-	-	-	-
HDFC Annual Interval Fund Series 1 Plan B	10	-	40,000,000	-	400	-	-	-	-

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
						Current	Non Current	Current	Non Current
HDFC Fixed Maturity Plan 369 Days Dec 2012 (1) Growth	10	-	25,000,000	-	250	-	-	-	-
HDFC Fixed Maturity Plan 398 Days March 2013(1) Growth Option	10	-	20,000,000	-	-	200	-	-	-
HDFC Fixed Maturity Plan 400 Days March 2013(1) Series 23 Growth Option	10	-	60,000,000	-	-	600	-	-	-
HDFC Fixed Maturity Plan 566 Days Dec 2012 (1) Growth	10	-	29,000,000	-	-	290	-	-	-
HDFC Floating Rate Income Fund	20	-	95,944,121	-	1,960	-	-	-	-
HDFC FMP 1198 Days Feb 2013 (1) Series 24 Growth Option	10	-	5,000,000	-	-	50	-	-	-
HDFC FMP 371 D Nov 2012 (1) Growth Option	10	-	25,000,000	-	250	-	-	-	-
HDFC FMP 371 Days Feb 2013 (1) Series 23 Growth Option	10	-	30,000,000	-	300	-	-	-	-
HDFC FMP 371 Days October 2012 (1) Growth 1389	10	-	15,000,000	-	150	-	-	-	-
HDFC FMP 372 Days Feb 2013 (1) Series 23 Growth Option	10	-	50,000,000	-	500	-	-	-	-
HDFC FMP 372 Days Jan 2012 (2) Growth Option	10	-	18,000,000	-	180	-	-	-	-
HDFC FMP 372 Days Jan 2013 (3) Series 23 Growth Option	10	-	45,000,000	-	450	-	-	-	-
HDFC Medium Term Opportunity Fund Growth	10	-	39,864,143	-	-	500	-	-	-
HSBC Fixed Term Series 82 Growth 370 Days Growth Option	-	10	-	25,000,000	-	-	-	250	-
ICICI Prudential FMP Series 59 1 Year Plan E Growth Option	-	10	-	35,000,000	-	-	-	350	-
ICICI Prudential FMP Series 60 1 Year Plan F Growth Option	-	10	-	40,000,000	-	-	-	400	-
ICICI Prudential FMP Series 60 1 Year Plan J Growth Option	-	10	-	30,000,000	-	-	-	300	-
ICICI Prudential FMP Series 61 1 Year Plan A Growth Option	-	10	-	95,000,000	-	-	-	950	-
ICICI Prudential FMP Series 61 1 Year Plan C Growth Option	-	10	-	60,000,000	-	-	-	600	-
ICICI Prudential FMP Series 61 1 Year Plan E Growth Option	-	10	-	34,148,380	-	-	-	341	-
ICICI Prudential FMP Series 62 1 Year Plan A Growth Option	-	10	-	50,000,000	-	-	-	500	-
ICICI Prudential FMP Series 62 1 Year Plan B Growth Option	-	10	-	45,000,000	-	-	-	450	-
ICICI Prudential FMP Series 62 1 Year Plan C Growth Option	-	10	-	20,000,000	-	-	-	200	-
ICICI Prudential FMP Series 62 396 Days Plan F Growth Option	10	10	100,000,000	100,000,000	1,000	-	-	-	1,000

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(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
						Current	Non Current	Current	Non Current
ICICI Prudential FMP Series 63 1 Year Plan C Growth Option	-	10	-	75,015,667	-	-	-	750	-
ICICI Prudential FMP Series 63 1 Year Plan E Growth Option	10	10	40,000,000	40,000,000	400	-	-	-	400
ICICI Prudential FMP Series 63 370 Days Plan D Growth Option	10	10	80,000,000	80,000,000	800	-	-	-	800
ICICI Prudential FMP Series 63 378 Days Plan I Growth Option	10	10	61,012,577	61,012,577	610	-	-	-	610
ICICI Prudential Interval Fund Annual Interval Plan III Growth Option	-	10	-	15,772,961	-	-	-	158	-
ICICI Prudential Fixed Maturity Plan I 65 366 Days Growth Option	10	-	25,000,000	-	250	-	-	-	-
ICICI Prudential Fixed Maturity Plan Series 66 366 Days Plan D	10	-	20,000,000	-	200	-	-	-	-
ICICI Prudential Fixed Maturity Plan Series 66 366 Days Plan F Growth Option	10	-	40,000,000	-	400	-	-	-	-
ICICI Prudential Fixed Maturity Plan Series 66 366 Days Plan H	10	-	50,000,000	-	500	-	-	-	-
ICICI Prudential Fixed Maturity Plan Series 66 368 Days Plan B Growth Option	10	-	20,003,451	-	200	-	-	-	-
ICICI Prudential Fixed Maturity Plan Series 66 407 Days Plan C Growth Option	10	-	100,000,000	-	-	-	1,000	-	-
ICICI Prudential Fixed Maturity Plan Series 66 420 Days Plan A Growth Option	10	-	100,000,000	-	-	-	1,000	-	-
ICICI Prudential Fixed Maturity Plan Series 67 366 Days Plan B	10	-	40,000,000	-	400	-	-	-	-
ICICI Prudential Fixed Maturity Plan Series 67 366 Days Plan D	10	-	90,000,000	-	900	-	-	-	-
ICICI Prudential FMP Series 65 367 Days Plan H Growth Option	10	-	22,003,859	-	220	-	-	-	-
ICICI Prudential FMP Series 65 488 Days Plan D Growth Option	10	-	30,000,000	-	-	-	300	-	-
ICICI Prudential FMP Series 65 502 Days Plan C Growth Option	10	-	73,000,000	-	-	-	730	-	-
ICICI Prudential Interval Fund Series VI Annual Interval Plan C Growth Option	10	-	25,000,000	-	250	-	-	-	-
ICICI Prudential Blended Plan B Growth Option	10	-	17,130,523	-	300	-	-	-	-
ICICI Prudential Blended Plan B Direct Plan Divd	10	-	49,874,652	-	504	-	-	-	-
IDBI FMP 369 Days Series II (Feb 2012) C Growth Option	-	10	-	25,000,000	-	-	-	250	-
IDBI Fixed Maturity Plan 366 Days Series III (March 2013) D Growth Option	10	-	20,000,000	-	200	-	-	-	-
IDBI Fixed Maturity Plan Series III (Feb 2013) Plan A Growth Option	10	-	25,000,000	-	250	-	-	-	-
IDFC Fixed Maturity Plan Series 57 Growth Option	-	10	-	12,000,000	-	-	-	120	-

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
						Current	Non Current	Current	Non Current
IDFC Fixed Maturity Plan Series 58 Growth Option	-	-	10	-	15,000,000	-	-	150	-
IDFC Fixed Maturity Plan Series 59 Growth Option	-	-	10	-	22,000,000	-	-	220	-
IDFC Fixed Maturity Plan Yearly Series 48 Growth Option	-	-	10	-	28,000,000	-	-	280	-
IDFC Fixed Maturity Plan Yearly Series 49 Growth Option	-	-	10	-	55,000,000	-	-	550	-
IDFC Fixed Maturity Plan Yearly Series 51 Growth Option	-	-	10	-	25,000,000	-	-	250	-
IDFC FMP Series 61 Growth Option	-	-	10	-	42,000,000	-	-	420	-
IDFC Fixed Maturity Plan 366 Days Series 83 Growth Option	10	10	-	10,000,000	-	100	-	-	-
IDFC Fixed Term Plan Series 12 Growth Option	10	10	-	40,000,000	-	400	-	-	-
IDFC Fixed Term Plan Series 13 Growth Option	10	10	-	95,000,000	-	950	-	-	-
IDFC Fixed Term Plan Series 9 Growth Option	10	10	-	30,000,000	-	-	300	-	-
IDFC Yearly Series Interval Fund Direct Plan Series I Growth Option	10	10	-	25,000,000	-	250	-	-	-
IDFC Yearly Series Interval Series II Growth Option	10	10	-	50,000,000	-	500	-	-	-
IDFC Yearly Series Interval Series III Growth Option	10	10	-	20,000,000	-	200	-	-	-
IDFC Money Manager Fund Investment Plan Growth	10	10	-	55,618,590	-	1,000	-	-	-
JM Fixed Maturity Fund Series XXIII Plan A	10	10	-	15,000,000	-	150	-	-	-
JP Morgan Fixed Maturity Plan Series 8 Growth Option	-	-	10	-	40,008,224	-	-	400	-
JP Morgan India Series 6 13 Months Growth Option	10	10	10	120,000,000	120,000,000	1,200	-	-	1,200
JP Morgan Income Fund Series 301 Growth Fund	10	10	-	85,121,701	-	-	851	-	-
JP Morgan Active Income Bond Fund Growth Option	10	10	-	30,899,961	-	400	-	-	-
Kotak Floater Short Term Daily Dividend Fund	-	-	10	-	218,484,833	-	-	2,210	-
Kotak FMP Series 68 Growth Option	-	-	10	-	15,000,000	-	-	150	-
Kotak FMP Series 69 Growth Option	-	-	10	-	30,000,000	-	-	300	-
Kotak FMP Series 70 Growth Option	-	-	10	-	21,000,000	-	-	210	-
Kotak FMP Series 72 Growth Option	-	-	10	-	41,000,000	-	-	410	-
Kotak FMP Series 74 Growth Option	-	-	10	-	42,000,000	-	-	420	-
Kotak FMP Series 75 Growth Option	-	-	10	-	70,000,000	-	-	700	-
Kotak FMP Series 78 A Growth Option	-	-	10	-	28,000,000	-	-	280	-
Kotak Fixed Maturity Plan Series 102 Growth Option	10	10	-	20,000,000	-	-	200	-	-
Kotak Fixed Maturity Plan Series 103 Growth Option	10	10	-	20,000,000	-	200	-	-	-



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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
								Current	Non Current
Kotak Fixed Maturity Plan Series 94 Growth Option	10	-	40,000,000	-	400	-	-	-	-
Kotak Fixed Maturity Plan Series 95 Growth Option	10	-	40,000,000	-	-	400	-	-	-
Kotak Fixed Maturity Plan Series 96 Growth Option	10	-	20,000,000	-	200	-	-	-	-
Kotak Fixed Maturity Plan Series 97 Growth Option	10	-	95,000,000	-	-	950	-	-	-
L & T FMP V (Feb 368 Days A) Growth Option	-	10	-	15,000,000	-	-	150	-	-
L & T Fixed Maturity Plan VII (Dec 369 Days) Growth Option	10	-	10,000,000	-	100	-	-	-	-
L & T Fixed Maturity Plan VII (Jan 507 Days) Growth Option	10	-	25,000,000	-	-	250	-	-	-
L & T FMP VII (Feb 511 DA) Direct Plan Growth Option	10	-	20,000,000	-	-	200	-	-	-
L&T Fixed Maturity Plan VII (367D A) Growth Option	10	-	18,000,000	-	180	-	-	-	-
L&T Fixed Maturity Plan VII (Mar 13M A) Growth Option	10	-	25,000,000	-	-	250	-	-	-
LIC Nomura MF Fixed Maturity Plan Series 61 365 Days Growth Option	10	-	20,000,000	-	200	-	-	-	-
LIC Nomura Mutual Fund Fixed Maturity Plan Series 54 375 Days Growth Option	10	-	35,000,000	-	350	-	-	-	-
Reliance Fixed Horizon Fund XXI Series 16 Growth Option	-	10	-	40,000,000	-	-	400	-	-
Reliance Fixed Horizon Fund XXI Series 2 Growth Option	-	10	-	65,000,000	-	-	650	-	-
Reliance Fixed Horizon Fund XXI Series 12 Growth Option	-	10	-	85,000,000	-	-	850	-	-
Reliance Fixed Horizon Fund XXI Series 14 Growth Option	-	10	-	35,000,000	-	-	350	-	-
Reliance Fixed Horizon Fund XXI Series 8 Growth Option	-	10	-	40,000,000	-	-	400	-	-
Reliance Fixed Horizon Fund XXI Series 9 Growth Option	-	10	-	65,000,000	-	-	650	-	-
Reliance Fixed Horizon Fund XXI Series IV Growth Option	-	10	-	54,704,500	-	-	547	-	-
Reliance Fixed Horizon Fund XXI Series V Growth Option	-	10	-	210,000,000	-	-	2,100	-	-
Reliance Fixed Horizon Fund XXI Series VI Growth Option	-	10	-	125,000,000	-	-	1,250	-	-
Reliance Fixed Horizon Fund XXII Series 33 Growth Option	10	-	35,000,000	-	-	350	-	-	-
Reliance Fixed Horizon Fund XXII Series 34 Growth Option	10	-	5,000,000	-	-	50	-	-	-

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
						Current	Non Current	Current	Non Current
Reliance Fixed Horizon Fund XXII Series 35 Growth Option	10	-	17,000,000	-	170	-	-	-	-
Reliance Fixed Horizon Fund XXII Series 39 Growth Option	10	-	20,000,000	-	-	200	-	-	-
Reliance Fixed Horizon Fund XXIII Series 2 Growth Option	10	-	30,000,000	-	-	300	-	-	-
Reliance Fixed Horizon Fund XXIII Series 5 Growth Option	10	-	251,324,531	-	-	2,513	-	-	-
Reliance Fixed Horizon Fund XXIII Series 6 Growth Option	10	-	90,000,000	-	900	-	-	-	-
Reliance Yearly Interval Fund Series 2 Growth Option	10	-	225,000,000	-	2,250	-	-	-	-
Reliance Yearly Interval Fund Series 3 Growth Option	10	-	40,000,000	-	400	-	-	-	-
Reliance Yearly Interval Fund Series 4 Growth Option	10	-	40,000,000	-	400	-	-	-	-
Reliance Yearly Interval Fund Series 5 Growth Option	10	-	20,000,000	-	200	-	-	-	-
Reliance Yearly Interval Fund Series I Growth Option	10	-	225,000,000	-	2,250	-	-	-	-
Religare Credit Opportunity Fund Dividend Option	-	10	-	75,000,000	-	-	-	750	-
Religare Fixed Maturity Plan Series XII Plan C Growth Option	-	10	-	18,000,000	-	-	-	180	-
Religare Fixed Maturity Plan Series XIII Plan A Growth Option	-	10	-	15,000,000	-	-	-	150	-
Religare Fixed Maturity Plan Series XIII Plan C 13 Months Growth Option	10	10	20,000,000	20,000,000	200	-	-	-	200
Religare Fixed Maturity Plan Series XIII Plan D 386 Days Growth Option	10	10	20,000,000	20,000,000	200	-	-	-	200
Religare Fixed Maturity Plan Series XIV Plan B 378 Days Growth Option	10	10	27,000,000	27,000,000	270	-	-	-	270
Religare FMP Series X Plan E Growth Option	-	10	-	14,000,000	-	-	-	140	-
Religare FMP Series X Plan F Growth Option	-	10	-	15,000,000	-	-	-	150	-
Religare FMP Series XI Plan A 369 Days Growth Option	-	10	-	15,000,000	-	-	-	150	-
Religare FMP Series XI Plan E 371 Days Growth Option	-	10	-	12,000,000	-	-	-	120	-
Religare FMP Series XII Plan A 370 Days Growth Option	-	10	-	14,000,000	-	-	-	140	-
Religare liquid fund Daily Dividend	-	1,000	-	640,198	-	-	-	641	-
Religare Fixed Maturity Plan Series XVI C Growth Option	10	-	30,000,000	-	300	-	-	-	-
Religare Fixed Maturity Plan Series XVI D Growth Option	10	-	20,000,000	-	200	-	-	-	-

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹ 31.03.2013	₹ 31.03.2012	as at 31.03.2013	as at 31.03.2012	31.03.2013	31.03.2012	Current	Non Current
								Current	Non Current
Religare Fixed Maturity Plan Series XVIII Plan A (369 Days) Growth Option	10	-	20,000,000	-	200	-	-	-	-
Religare Fixed Maturity Plan Series XVIII Plan D (399 Days) Growth Option	10	-	40,000,000	-	-	400	-	-	-
Religare Fixed Maturity Plan Series XVIII Plan E (369 Days) Growth Option	10	-	40,000,000	-	400	-	-	-	-
Religare Fixed Maturity Plan Series XVIII Plan F (392 Days) Growth Option	10	-	25,000,000	-	-	250	-	-	-
Religare Active Income Bond Fund Growth Option	10	-	49,993,215	-	700	-	-	-	-
Religare Short Term Fund Growth	10	-	63,714,559	-	1,000	-	-	-	-
Peerless Fixed Maturity Plan Series 1 Growth Option	10	-	20,000,000	-	200	-	-	-	-
SBI Debt Fund Series 15 Months -7- Growth Option	10	10	17,000,000	17,000,000	170	-	-	-	170
SBI Debt Fund Series 18 Months 8 Growth Option	10	10	16,500,000	16,500,000	165	-	-	-	165
SBI Debt Fund Series 367 11Growth Option	-	10	-	69,434,459	-	-	694	-	-
SBI Debt Fund Series 367 Days 1 Growth Option	-	10	-	93,019,180	-	-	930	-	-
SBI Debt Fund Series 367 Days 16 Growth Option	-	10	-	65,000,000	-	-	650	-	-
SBI Debt Fund Series 367 Days 18 Growth Option	10	10	84,000,000	84,000,000	840	-	840	-	-
SBI Debt Fund Series 370 Days 11 Growth Option	-	10	-	75,000,000	-	-	750	-	-
SBI SDFS 367 D 12 Growth Option	-	10	-	35,000,000	-	-	350	-	-
SDFS 367 Days -13 Growth Option	-	10	-	35,047,962	-	-	350	-	-
SBI Debt Fund Series 366 Days Growth Option	10	-	75,000,000	-	750	-	-	-	-
SBI Debt Fund 366 Days Series 23 Growth Option	10	-	100,000,000	-	1,000	-	-	-	-
SBI Debt Fund 366 Days Series 24 Growth Option	10	-	20,000,000	-	200	-	-	-	-
SBI Debt Fund 366 Days Series 25 Growth Option	10	-	119,000,000	-	1,190	-	-	-	-
SBI Debt Fund Series 13 Month 14 Growth Option	10	-	80,000,000	-	-	800	-	-	-
SBI Debt Fund Series 13 Month 15 Growth Option	10	-	80,000,000	-	-	800	-	-	-
SBI Debt Fund Series 366 Days -17 Growth Option	10	-	15,000,000	-	150	-	-	-	-
SBI Short Term Debt Fund Direct Plan Weekly Divd	10	-	57,380,928	-	606	-	-	-	-
Sundaram Fixed Term Plan CC 366 Days Growth Option	-	10	-	15,000,000	-	-	150	-	-
Sundaram Fixed Term Plan CQ 370 Days Growth Option	10	10	20,000,000	20,000,000	200	-	-	-	200
Sundaram Fixed Term Plan DE 367 Days Growth Option	10	-	20,000,000	-	200	-	-	-	-
Sundaram Fixed Term Plan DF 396 Days Growth Option	10	-	40,000,000	-	-	400	-	-	-
Sundaram Fixed Term Plan DG 366 Days Growth Option	10	-	20,000,000	-	200	-	-	-	-
Tata Fixed Maturity Plan Series 38 I Growth Option	-	10	-	17,000,000	-	-	170	-	-
Tata Fixed Maturity Plan Series 38 Scheme D Growth Option	-	10	-	14,000,000	-	-	140	-	-

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Name of the Company	Interest / Dividend %age	Face Value	Face Value	Number	Number	As at		As at	
		₹	₹	as at	as at	31.03.2013	31.03.2012	Current	Non Current
		31.03.2013	31.03.2012	31.03.2013	31.03.2012				
Tata Fixed Maturity Plan Series 39 A Growth Option	-	-	10	-	15,000,000	-	-	150	-
Tata FMP Series 37 Plan D Growth Option	-	-	10	-	15,000,000	-	-	150	-
Tata Fixed Maturity Plan Series 42 Growth Option	10	10	-	27,000,000	-	270	-	-	-
Taurus Fixed Maturity Plan 369 Days Series P Growth Option	-	-	10	-	15,000,000	-	-	150	-
Taurus Liquid Fund Daily Dividend	-	-	1,000	-	300,110	-	-	300	-
Taurus Fixed Maturity Plan 369 Days Series X Growth Option	10	10	-	17,000,000	-	170	-	-	-
UTI Fixed Income Fund Series X-VI 368 Days Growth Option	-	-	10	-	47,009,025	-	-	470	-
UTI Fixed Income Interval Plan Growth Option	-	-	10	-	22,923,792	-	-	250	-
UTI Fixed Term Income Fund Series X VII Growth Option	-	-	10	-	100,000,000	-	-	1,000	-
UTI Fixed Term Income Fund Series X VIII Growth Option	-	-	10	-	105,000,000	-	-	1,050	-
UTI Fixed Term Income Fund Series X X Growth Option	-	-	10	-	20,000,000	-	-	200	-
UTI Fixed Term Income Fund Series XI III (368 Days) Growth Option	-	-	10	-	50,000,000	-	-	500	-
UTI Fixed Income Interval Plan Growth	10	10	-	22,923,792	-	250	-	-	-
UTI Fixed Term Income Fund Series XIII I (368 Days) Growth Option	10	10	-	25,000,000	-	250	-	-	-
UTI Fixed Term Income Fund Series XIII III (549 Days) Growth Option	10	10	-	25,000,000	-	-	250	-	-
UTI Fixed Term Income Fund Series XIV I 366 Days Growth Option	10	10	-	80,000,000	-	800	-	-	-
UTI Fixed Term Income Fund Series XIV II 366 Days Growth Option	10	10	-	85,000,000	-	850	-	-	-
UTI Fixed Term Income Fund Series XIV-IV (408 Days) Growth Option	10	10	-	25,000,000	-	-	250	-	-
UTI Fixed Term Income Fund Series XIV-V (366 Days) Growth Option	10	10	-	60,000,000	-	600	-	-	-
UTI Fixed Term Income Fund Series XIV-VI (366 Days) Growth Option	10	10	-	32,000,000	-	320	-	-	-
UTI Fixed Term Income Fund Series XIV-VII (367 Days) Growth Option	10	10	-	100,000,000	-	1,000	-	-	-
						<b>52,298</b>	<b>17,064</b>	<b>47,541</b>	<b>8,565</b>

During the current year the Company has acquired 152,500 shares of JJ Impax (Delhi) Private Limited thereby increasing its shareholding from 49.83 per cent to 50.17 per cent. Accordingly JJ Impax (Delhi) Private Limited has been classified as a subsidiary in the current year.

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 55. 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	5	8	1992-93 A.Y.	The Honourable High Court of Delhi
	Interest	3			
	Income Tax	76	77	1995-96 A.Y.	The Honourable High Court of Delhi
	Interest	0			
	Income Tax	204	205	1996-97 A.Y.	The Honourable High Court of Delhi
	Interest	1			
	Income Tax	229	275	1998-99 A.Y.	The Honourable High Court of Delhi
	Interest	46			
	Income Tax	381	80	2003-04 A.Y.	Income Tax Appellant Tribunal (ITAT) & High Court
	Interest	74			
	Income Tax	321	449	2004-05 A.Y.	Income Tax Appellant Tribunal (ITAT) & High Court
	Interest	128			
	Income Tax	1,018	1,356	2005-06 A.Y.	Income Tax Appellant Tribunal (ITAT) & High Court
	Interest	968			
	Income Tax	1,808	2,000	2006-07 A.Y.	Income Tax Appellant Tribunal (ITAT)
	Interest	1,060			
	Income Tax	2,163	834	2007-08 A.Y.	Income Tax Appellant Tribunal (ITAT)
	Interest	1,432			
	Income Tax	2,535	1,482	2008-09 A.Y.	Income Tax Appellant Tribunal (ITAT)
	Interest	1,202			
Income Tax	0		2007-08 A.Y.	AO (Tax Deducted at Source)	
Interest	0				
Income Tax	24		2008-09 A.Y.	AO (Tax Deducted at Source)	
Interest	8				
Income Tax	12		2009-10 A.Y.	AO (Tax Deducted at Source)	
Interest	4				
Income Tax	12		2010-11 A.Y.	AO (Tax Deducted at Source)	
Interest	3				
Income Tax	57		2011-12 A.Y.	AO (Tax Deducted at Source)	
Interest	12				
Income Tax	8		2012-13 A.Y.	AO (Tax Deducted at Source)	
Interest	1				
	<b>TOTAL</b>	<b>13,795</b>	<b>6,766</b>		
Wealth Tax Act, 1957	Wealth Tax	1	1	1998-99 A.Y.	Appeal is pending before High Court
	<b>TOTAL</b>	<b>1</b>	<b>1</b>		
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>		

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## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

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
The Central Excise Act, 1944	Excise Duty	92	-	Jul 01 to Jan.12	Customs, Excise & Service Tax Appellate Tribunal
	Interest	95			
	Penalty	71			
	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	9			
	Excise duty	50		Oct 06 to Mar 08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	22			
	Interest	42			
	Excise duty	183	183	May 05 to Feb 07	Supreme Court of India.
	Interest	176	176		
	Excise duty	802		Mar 07 to Jul 11	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	701			
	Interest	480			
	Excise duty	4	1	Feb 03	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	1			
	Excise duty	38	12	Nov 03 to Mar 12	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	38			
	Interest	29			
	Excise duty	380		Jan 04 to Jul 11	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	380			
	Interest	292			
	Excise duty	2,406		Jun 04 to Mar 12	Customs, Excise & Service Tax Appellate Tribunal
Penalty	2,406				
Interest	1,757				
Excise duty	55		May 08 to Aug 12	Customs, Excise & Service Tax Appellate Tribunal	
Penalty	55				
Interest	21				
Penalty	1				
Excise duty	19		Apr 06 to Mar 12	Customs, Excise & Service Tax Appellate Tribunal	
Penalty	19				
Interest	12				
Excise duty	1	1	May 89 to Mar 92	High Court of Delhi.	
Penalty	1	1			
Excise	1		Jun 07 to Apr 08	Customs, Excise & Service Tax Appellate Tribunal	
<b>TOTAL</b>		<b>10,680</b>	<b>377</b>		
The Finance Act, 1994	Service Tax	101	2		Customs, Excise & Service Tax Appellate Tribunal
	Penalty	101			
	Interest	33			
	Service Tax	2	1	Apr 05 to Mar 08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	2			
	Interest	3			
Service Tax	2	1	Apr 10 to Mar 11	Commissioner (Appeals)	

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

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
	Penalty	1			
	Interest	0			
	Service Tax	3		Apr 11 to Dec 12	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	3			
	Interest				
	Service Tax	57		18 <sup>th</sup> Apr 06 to Mar 10	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	57			
	Interest	44			
	Service Tax	9		Apr 09 to Mar 12	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	9			
	Interest	4			
	Service Tax	650		Nov 06 to Dec 08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	650			
	Interest	547			
	Service Tax	35	10	Feb 06 to Nov 11	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	35			
	Service Tax	2		Oct 06 to Mar 11	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	2			
	Service Tax	5		Apr 05 to Mar 07	Customs, Excise & Service Tax Appellate Tribunal
	Interest	5			
	Service Tax	1		Apr 08 to Mar 12	Commissioner (Appeals)
	Service Tax	1		Apr 05 to Sep 09	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	1			
	Interest	1			
	Service Tax	12		Apr 05 to Mar 11	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	12			
	Interest	12			
	Service Tax	16		Apr 05 to Mar 08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	16			
	Interest	19			
	Service Tax	18		Apr 05 to Mar 08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	18			
	Interest	16			
	Service Tax	1		Apr 07 to Mar 12	Commissioner (Appeals)
	Penalty	1			
	Service Tax	8		Apr 05 to Mar 10	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	8			
	Interest	4			
	Service Tax	86		Apr 05 to Mar 12	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	86			
	Interest	83			
	<b>TOTAL</b>	<b>2,782</b>	<b>14</b>		
<b>Customs Act, 1962</b>	Customs duty	22	22	Feb 03 to Aug 03	Customs, Excise & Service Tax Appellate Tribunal
	Interest	5	-		
	<b>TOTAL</b>	<b>27</b>	<b>22</b>		
	<b>GRAND TOTAL</b>	<b>27,335</b>	<b>7,182</b>		

# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 56. 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	Country of Incorporation	% Ownership Interest	
			As at 31.03.2013	As at 31.03.2012
1	JJ Impex (Delhi) Private Limited *	India	-	49.13
2	Mark Exhaust Systems Limited	India	44.37	44.37
3	Bellsonica Auto Components India Limited	India	30.00	30.00
4	FMI Automotive India Limited	India	49.00	49.00
5	Krishna Ishizaki Auto Limited (formerly known as Krishna Auto Mirrors Limited)	India	15.00	15.00
6	Manesar Steel Processing (India) Pvt Ltd	India	15.00	15.00
7	Maruti Insurance Broking Pvt Ltd	India	47.92	47.92
8	Inergy Automotive Systems Manufacturing India Private Ltd	India	26.00	26.00

\* Converted to Subsidiary Company during the year

	2012-2013	2011-2012
<b>DETAIL OF ASSETS</b>		
<b>Non-current Assets</b>		
Tangible Assets	1,989	2,192
Intangible Assets	13	16
Capital Work in Progress	257	8
Net Block	2,259	2,216
Non-Current Investments	214	17
Long Term Loans and Advances	61	40
Other Non-Current Assets	-	60
<b>Current Assets</b>		
Current Investments	68	-
Inventories	436	423
Trade Receivables	599	676
Cash and Bank Balances	353	249
Short Term Loans and Advances	176	196
Other Current Assets	129	47
<b>DETAIL OF LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Long Term Borrowings	1,620	1,698
Deferred Tax Liabilities (Net)	74	45
Other Long Term Liabilities	65	44
Long Term Provisions	-	-
<b>Current Liabilities</b>		
Short Term Borrowings	176	141



# Notes

## To The Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	2012-2013	2011-2012
Trade Payables	1,146	1,133
Other Current Liabilities	75	46
Short Term Provisions	(20)	-
<b>DETAIL OF INCOME</b>		
Net Sale of Products	5,685	4,913
Other Operating Revenue	759	113
Other Income	34	7
<b>DETAIL OF EXPENDITURE</b>		
Cost of Material Consumed	4,604	3,802
Purchase of Stock-in-Trade	33	253
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(57)	(21)
Employees Benefit Expenses	323	341
Finance Costs	78	64
Depreciation and Amortisation Expense	222	242
Other Expenses	602	515
Tax Expenses Current	152	19
Tax Expenses Deferred	36	(40)
<b>DETAILS OF CONTINGENT LIABILITIES</b>		
Excise Demands	34	34
Income Tax demands	6	6
Service Tax demands	5	5
Capital commitments	12	42
Claims against the Company lodged by various parties	5	7

57. The Board of Directors in its meeting held on 26<sup>th</sup> April 2013 have approved the amalgamation of the seven wholly owned insurance subsidiaries under Sections 391 and 394 of the Companies Act, 1956. The amalgamation will be effective from 1<sup>st</sup> April 2013 and is subject to Shareholders and other necessary approvals.

58. The figures for the previous year do not include figures for erstwhile Suzuki Powertrain India Limited, which has amalgamated with the Company effective 1<sup>st</sup> April 2012, therefore, the current year figures are not comparable to those of the previous year.

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

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

Place: New Delhi  
Date: 26<sup>th</sup> April 2013

**KENICHI AYUKAWA**  
Managing Director & CEO

**AJAY SETH**  
Chief Financial Officer

**SHINZO NAKANISHI**  
Director

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

# 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	J.J. Impex (Delhi) Private Limited
	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
The financial year of the subsidiary company ended on	150,000	150,000	50,000	150,000	150,000	150,000	150,000	500,000	500,000
Number of shares in the subsidiary company held by Maruti Suzuki India Limited at the above date	100%	100%	100%	100%	100%	100%	100%	100%	50.87%
Extent of Holding									
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 31 <sup>st</sup> March 2013	Nil	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	Nil
ii) not dealt with in the accounts of Maruti Suzuki India Limited amounted to:									
a) For subsidiary's financial year ended on 31 <sup>st</sup> March 2013 (₹)	10,911,300	55,946,028	(64,027)	12,884,231	18,456,247	3,090,708	8,179,133	(1,158,247)	26,503,124
b) For previous financial years of the subsidiary since it become subsidiary of Maruti Suzuki India Limited (₹)	169,851,810	1,015,684,178	1,586,965	200,489,155	271,149,081	47,155,894	119,169,557	(1,502,573)	66,358,811

Place: New Delhi  
Date: 26<sup>th</sup> April 2013

**KENICHI AYUKAWA**  
Managing Director & CEO

**SHINZO NAKANISHI**  
Director

**AJAY SETH**  
Chief Financial Officer

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

# Financial Statement of Subsidiary Companies 2012-13

(Amount in ₹)

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 Agency Logistics Ltd.	JJ Impax	Maruti Insurance Broker Ltd.
Capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	500,000	1,500,000	88,000,000	5,000,000
Reserves & Surpluses	1,071,630,206	180,763,110	289,605,328	213,373,386	50,246,602	1,522,938	127,348,690	92,861,935	(2,660,820)
Total Assets	1,116,577,127	184,220,668	293,505,893	219,265,182	52,598,831	2,056,868	134,020,055	258,547,281	4,205,939
Total Liabilities	1,116,577,127	184,220,668	293,505,893	219,265,182	52,598,831	2,056,868	134,020,055	258,547,281	4,205,939
Investments	1,000,964,905	178,716,000	288,525,468	211,524,223	48,553,250	-	131,599,557	-	-
Turnover Income	74,974,570	15,174,463	24,117,649	17,030,178	4,084,965	-	10,227,731	937,046,383	-
Profit Before Tax	68,746,028	13,521,300	22,511,247	15,834,231	3,780,708	(64,027)	9,484,092	39,382,697	(1,158,247)
Tax	12,800,000	2,710,000	4,255,000	2,950,000	690,000	-	1,640,000	12,941,000	-
Prior Period Item	-	(100,000)	(200,000)	-	-	-	(335,041)	(61,427)	-
Profit After Tax	55,946,028	10,911,300	18,456,247	12,884,231	3,090,708	(64,027)	8,179,133	26,503,124	(1,158,247)

# Independent Auditors' Report

## To the Board of Directors of Maruti Suzuki India Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") 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] to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We did not audit the financial statements of (i) 9 subsidiaries and 8 jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹ 5,462 million and net assets of ₹ 2,125 million as at 31<sup>st</sup> March 2013, total revenue of ₹ 7,341 million, net profit of ₹ 557 million and net cash flows amounting to ₹ 125 million for the year then ended; and (ii) 12 associate companies which constitute net profit of ₹ 219 million for the year then ended. These financial statements and other financial information 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.
6. Attention is invited to Note 38(a) and 38(b) of Notes to Financial Statements regarding certain associate entities and jointly controlled entities whose financial statements are unaudited, the impact of which is not likely to be material.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

8. 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 Section 211(3C) of the Companies Act, 1956.
9. Based on our audit and on consideration of reports of other auditor(s) on separate financial statements and on the other financial information of the component(s) of the Group as referred to in paragraph 6 above, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying 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 31<sup>st</sup> March 2013;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**EMPHASIS OF MATTER**

10. We draw attention to Note 32(a)(vii) of the financial statements regarding demands received from Haryana State Industrial & Infrastructure Development Corporation Limited towards enhanced compensation for Company's freehold land at Manesar amounting to ₹ 5,012 million, ₹ 1,376 million and ₹ 86 million; against the demand of ₹ 5,012 million the Company's impleadment application has been heard and the order has

been reserved by the Hon'ble Supreme Court of India; against the demand of ₹ 1,376 million, the Company has filed an appeal with the Punjab and Haryana High Court; and against the demand of ₹ 86 million, the Company is in the process of obtaining more information. Accordingly, no provision is considered necessary towards enhanced compensation for the aforesaid freehold land. Our opinion is not qualified in respect of this matter.

**For Price Waterhouse**

Firm Registration Number: 301112E  
Chartered Accountants

**ABHISHEK RARA**

Partner  
Membership Number : 077779

Place : New Delhi  
Date : 26<sup>th</sup> April 2013

# Consolidated Balance Sheet

As at 31<sup>st</sup> March 2013

(All amounts in ₹ million, unless otherwise stated)

	Notes to Accounts	As at 31.03.2013	As at 31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	1,510	1,445
Reserves and Surplus	3	188,768	155,302
		<b>190,278</b>	<b>156,747</b>
<b>MINORITY INTEREST</b>			
		<b>106</b>	-
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	4	7,049	1,698
Deferred Tax Liabilities (Net)	5	4,176	3,069
Other Long Term Liabilities	6	1,121	1,028
Long Term Provisions	7	2,259	1,693
		<b>14,605</b>	<b>7,488</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	8	8,639	10,924
Trade Payables	9	42,868	34,658
Other Current Liabilities	10	11,793	15,939
Short Term Provisions	11	6,419	5,236
		<b>69,719</b>	<b>66,757</b>
<b>TOTAL</b>		<b>274,708</b>	<b>230,992</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	12	97,977	75,340
Intangible Assets	13	2,240	2,115
Capital Work in Progress	14	19,679	9,427
		<b>119,896</b>	<b>86,882</b>
Non-Current Investments	15	21,460	17,909
Long Term Loans and Advances	16	12,865	13,458
Other Non-Current Assets	17	8,946	323
		<b>163,167</b>	<b>118,572</b>
<b>CURRENT ASSETS</b>			
Current Investments	18	52,754	47,541
Inventories	19	18,872	18,378
Trade Receivables	20	14,892	10,066
Cash and Bank Balances	21	8,148	24,634
Short Term Loans and Advances	22	11,343	7,990
Other Current Assets	23	5,532	3,811
		<b>111,541</b>	<b>112,420</b>
<b>TOTAL</b>		<b>274,708</b>	<b>230,992</b>

The notes are an integral part of these financial statements. This is the Consolidated Balance Sheet referred to in our report of even date.

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

**KENICHI AYUKAWA**  
Managing Director & CEO

**SHINZO NAKANISHI**  
Director

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

**AJAY SETH**  
Chief Financial Officer

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

Place: New Delhi  
Date: 26<sup>th</sup> April 2013

# Consolidated Statement of Profit and Loss

## For the year ended 31<sup>st</sup> March 2013

(All amounts in ₹ million, unless otherwise stated)

	Notes to Accounts	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>REVENUE FROM OPERATIONS</b>			
Gross Sale of Products	24	487,970	391,569
Less: Excise Duty		55,811	39,597
Net Sale of Products		432,159	351,972
Other Operating Revenue	25	10,885	8,927
		443,044	360,899
Other Income	26	8,301	8,443
<b>Total Revenue</b>		<b>451,345</b>	<b>369,342</b>
<b>EXPENSES</b>			
Cost of Material Consumed [Share of Joint Ventures ₹ 4,604 million (Previous Year ₹ 3,802 million)]		310,147	271,046
Purchase of Stock-in-Trade [Share of Joint Ventures ₹ 33 million (Previous Year ₹ 253 million)]		20,169	15,579
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	192	(1,506)
Employees Benefit Expenses	28	11,202	8,779
Finance Costs	29	1,978	616
Depreciation and Amortisation Expense	30	18,897	11,625
Other Expenses	31	58,497	42,177
Vehicles / Dies for Own Use		(438)	(427)
<b>Total Expenses</b>		<b>420,644</b>	<b>347,889</b>
<b>Profit before Tax</b>		<b>30,701</b>	<b>21,453</b>
Less : Tax Expense - Current Tax [Share of Joint Ventures ₹ 152 million (Previous Year ₹ 19 million)]		7,419	4,183
- MAT Credit Aailed		(904)	-
- Deferred Tax	5	(300)	932
[Share of Joint Ventures ₹ 36 million (Previous Year ₹ (40) million)]			
<b>Profit for the Year</b>		<b>24,486</b>	<b>16,338</b>
Minority Interest		(13)	-
Share of Profit in respect of Investment in Associates		219	474
<b>Profit for the Year</b>		<b>24,692</b>	<b>16,812</b>
Basic / Diluted Earnings Per Share of ₹ 5 each (in Rupees) (Refer Note 39)		<b>81.74</b>	<b>58.19</b>

The notes are an integral part of these financial statements. This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

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

**KENICHI AYUKAWA**  
Managing Director & CEO

**SHINZO NAKANISHI**  
Director

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

**AJAY SETH**  
Chief Financial Officer

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

Place: New Delhi  
Date: 26<sup>th</sup> April 2013

# Consolidated Cash Flow Statement

## For the year ended 31<sup>st</sup> March 2013

(All amounts in ₹ million, unless otherwise stated)

	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	30,701	21,451
<b>Adjustments for:</b>		
Depreciation	18,897	11,627
Finance Cost	1,978	616
Interest Income	(3,135)	(4,042)
Dividend Income	(426)	(727)
Share of Profit in respect of Investment in Associates	219	474
Share of minority interest	(13)	-
Net Loss on Sale / Discarding of Fixed Assets	332	157
Profit on Sale of Investments (Net)	(4,234)	(2,575)
Provisions no Longer Required Written Back	(472)	(1,092)
Unrealised Foreign Exchange (Gain)/ Loss	1,425	556
<b>Operating Profit before Working Capital changes</b>	<b>45,272</b>	<b>26,445</b>
<b>Adjustments for changes in Working Capital :</b>		
- Increase/(Decrease) in Trade Payables	6,431	7,738
- Increase/(Decrease) in Short Term Provisions	252	977
- Increase/(Decrease) in Long Term Provisions	996	1,375
- Increase/(Decrease) in Other Current Liabilities	(1,431)	5,414
- Increase/(Decrease) in Other Long Term Liabilities	93	(23)
- (Increase)/Decrease in Trade Receivables	(3,658)	(1,253)
- (Increase)/Decrease in Inventories	3,431	(3,992)
- (Increase)/Decrease in Short Term Loans and Advances	(2,198)	(961)
- (Increase)/Decrease in Long Term Loans and Advances	(977)	(3,655)
- (Increase)/Decrease in Other Current Assets	(2,011)	(2,377)
- (Increase)/Decrease in Other Non Current Assets	(79)	132
<b>Cash generated from Operating Activities</b>	<b>46,121</b>	<b>29,820</b>
- Taxes (Paid) (Net of Tax Deducted at Source)	(5,507)	(3,268)
<b>Net Cash from Operating Activities</b>	<b>40,614</b>	<b>26,552</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(35,750)	(29,919)
Sale of Fixed Assets	438	70
Sale of Investments	118,465	159,913
Purchase of Investments	(126,946)	(168,395)
Investments in Deposits with Banks	(15,000)	(22,600)
Maturities of Deposits with Banks	22,600	24,130
Interest Received	3,502	4,266
Dividend Received	426	727
<b>Net Cash from Investing Activities</b>	<b>(32,265)</b>	<b>(31,808)</b>



# Consolidated Cash Flow Statement

## For the year ended 31<sup>st</sup> March 2013

(All amounts in ₹ million, unless otherwise stated)

	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Short Term borrowings	8,639	10,924
Repayment of Short Term borrowings	(10,924)	(403)
Proceeds from Long Term borrowings	1,688	-
Repayment of Long Term borrowings	(4,588)	(1,413)
Interest Paid	(2,083)	(490)
Dividend Paid	(2,167)	(2,167)
Corporate Dividend Tax Paid	(351)	(351)
<b>Net Cash from Financing Activities</b>	<b>(9,786)</b>	<b>6,100</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,437)</b>	<b>844</b>
<b>Cash and Cash Equivalents as at 1<sup>st</sup> April (Opening Balance)</b>	<b>2,034</b>	<b>1,190</b>
Cash and cash equivalents as at 1 <sup>st</sup> April 2012 - acquired on amalgamation	1,051	-
<b>Cash and Cash Equivalents as at 31<sup>st</sup> March (Closing Balance)</b>	<b>1,648</b>	<b>2,034</b>
<b>Cash and Cash Equivalents comprise</b>	<b>1,648</b>	<b>2,034</b>
Cash & Cheques in Hand (Share of Joint Venture ₹ 1 million (previous year ₹ 3 million))	1,036	699
Balance with Banks (Share of Joint Venture ₹ 80 million (previous year ₹ 185 million))	340	274
Balance with Scheduled Banks in Deposit Accounts (Share of Joint Venture ₹ 272 million (previous year ₹ 61 million))	272	1,061

## Notes :

- 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.
- Cash and Cash Equivalents include ₹ 6 million (Previous Year ₹ 5 million) in respect of unclaimed dividend, the balance of which is not available to the Company.
- Figures in brackets represents cash outflow.

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

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

**KENICHI AYUKAWA**  
Managing Director & CEO

**SHINZO NAKANISHI**  
Director

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

**AJAY SETH**  
Chief Financial Officer

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

Place: New Delhi  
Date: 26<sup>th</sup> April 2013

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 GROUP COMPANIES

Maruti Suzuki India Limited (The Company) has nine subsidiaries, seven joint venture companies and twelve 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 31 <sup>st</sup> March 2013	Percentage of ownership interest as on 31 <sup>st</sup> March 2012
1	Maruti Insurance Business Agency Limited (Formerly known as Maruti Insurance Brokers Limited)	Subsidiary	India	100.00	100.00
2	Maruti Insurance Distribution Services Limited	Subsidiary	India	100.00	100.00
3	True Value Solutions Limited	Subsidiary	India	100.00	100.00
4	Maruti Insurance Agency Network Limited	Subsidiary	India	100.00	100.00
5	Maruti Insurance Agency Solutions Limited	Subsidiary	India	100.00	100.00
6	Maruti Insurance Agency Services Limited	Subsidiary	India	100.00	100.00
7	Maruti Insurance Logistic Limited	Subsidiary	India	100.00	100.00
8	Maruti Insurance Broker Limited	Subsidiary	India	100.00	100.00
9	JJ Impex (Delhi) Private Limited *	Subsidiary	India	50.87	49.13
10	Mark Exhaust Systems Limited	Joint Venture	India	44.37	44.37
11	Bellsonica Auto Components India Limited	Joint Venture	India	30.00	30.00
12	Krishna Ishizaki Auto Limited (Formerly known as Krishna Auto Mirrors Limited)	Joint Venture	India	15.00	15.00
13	FMI Automotive India Limited	Joint Venture	India	49.00	49.00
14	Inergy Automotive Systems Manufacturing India Private Limited	Joint Venture	India	26.00	26.00
15	Manesar Steel Processing (India) Private Limited	Joint Venture	India	15.00	15.00
16	Maruti Insurance Broking Private Limited	Joint Venture	India	47.92	47.92
17	Suzuki Powertrain India Limited #	Associate	India	-	30.00
18	Climate Systems India Limited	Associate	India	39.00	39.00
19	SKH Metals Limited	Associate	India	48.71	48.71
20	Jay Bharat Maruti Limited	Associate	India	29.28	29.28
21	Caparo Maruti Limited	Associate	India	25.00	25.00
22	Machino Plastics Limited	Associate	India	15.35	15.35
23	Bharat Seats Limited	Associate	India	14.81	14.81
24	Krishna Maruti Limited	Associate	India	15.80	15.80
25	Asahi India Glass Limited	Associate	India	11.11	11.11
26	Denso India Limited	Associate	India	10.27	10.27
27	Nippon Thermostat (India) Limited	Associate	India	10.00	10.00
28	Sona Koyo Steering Systems Limited	Associate	India	6.94	6.94
29	Magneti Marelli Powertrain India Limited	Associate	India	19.00	19.00

(\*) During the current year the Company has acquired 152,500 shares of J. J. Impex (Delhi) Private Limited thereby increasing its shareholding from 49.13 per cent to 50.87 per cent. Accordingly J. J. Impex (Delhi) Private Limited has been classified as a subsidiary in the current year.

(#) Amalgamated with the Company (refer note 37)

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 1.2 BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material respects with the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] 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) [Companies (Accounting Standards) Rules, 2006 as amended] of the Act, other recognised accounting practices and policies and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

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 unrealised 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.

### 1.3 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 and port respectively.

Finance charges on hire purchase business/ lease rental income are recognised 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.

The Company recognises income from services on rendering of services.

### 1.4 FIXED ASSETS

#### Tangible 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 leases are capitalised at the lower of their fair value and the present value of minimum lease payments.

#### Intangible Assets

Lumpsum royalty is stated at cost incurred as per the relevant licence agreements with the technical know-how providers less accumulated amortisation.

### 1.5 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.

### 1.6 DEPRECIATION/ AMORTISATION

- a) Tangible fixed assets except leasehold 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 lives of the assets, higher depreciation

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

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 lives of the assets.

- b) Leasehold 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 per cent. Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100 per cent.
- d) Lump Sum royalty is amortised on a straight line basis over 4 years from the start of production of the related model.

### 1.7 GOODWILL

Goodwill arising on consolidation is charged to statement of profit and loss.

### 1.8 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 to revenue in the year of purchase.

- c) Machinery spares (other than those supplied alongwith 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 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.

### 1.9 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 other than temporary decline in value, in which case necessary provision is made.

### 1.10 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.

### 1.11 FOREIGN CURRENCY TRANSLATIONS AND DERIVATIVE INSTRUMENTS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transactions. 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 Statement of Profit and Loss. 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 recognised in 'hedge reserve' and subsequently transferred to the statement of profit and loss on occurrence of the underlying hedged transaction.
- c) Effective 1<sup>st</sup> April 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 with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and other regulatory requirements. All derivative contracts (except for forward foreign exchange contracts where

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

underlying assets or liabilities exist) are fair valued at each reporting date. For derivative contracts designated in a hedging relationship, 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 statement of profit and loss of that period. Changes in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedges are recognised in the statement of profit and loss in the accounting period in which they arise.

- d) In the case of forward foreign exchange contracts where an underlying asset or liability exists, 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.

### 1.12 EMPLOYEE BENEFIT COSTS

#### Short - Term Employee Benefits:

Recognised as an expense at the undiscounted amount in the statement of profit and loss for 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 benefit namely the Superannuation Fund which is recognised by the income tax authorities. This Fund is administered through a Trust set up by the Company and the Company's contribution thereto is charged to statement of profit and loss 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 the statement of profit and loss every year.
- ii. The Company has Defined Benefit Plans namely Gratuity, 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 the Projected Unit Credit Method and

any shortfall in the size of the fund maintained by the Trust is additionally provided for in the statement of profit and loss. The Gratuity Fund and Provident Fund are recognised by the income tax authorities and is administered through Trusts set up by the Company.

Termination benefits are immediately recognised as an expense.

Gains and losses arising out of actuarial valuations are recognised immediately in the statement of profit and loss as income or expense.

In case of certain joint venture and associate companies, contributions towards gratuity and provident fund are charged to Statement of Profit & Loss on the basis of premium paid to the Life Insurance Corporation of India and contribution made to Regional Provident Fund Commissioner's office.

### 1.13 CUSTOMS DUTY

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

### 1.14 GOVERNMENT GRANTS

Government grants are recognised in the statement of profit and loss in accordance with the related schemes and in the period in which these accrue.

### 1.15 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 recognised for all timing differences. Deferred tax assets are carried forward to the extent it is reasonably / virtually certain (as the case may be) that future taxable profit will be available against which such deferred tax assets can be realised. Such assets are reviewed at each balance sheet date and written down to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

tax during the specified period. Such assets are reviewed at each balance sheet date and the carrying amount is written down to the extent, there is no longer convincing evidence to the effect that the company will pay normal tax during the specified period.

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

### 1.16 DIVIDEND INCOME

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

### 1.17 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.

### 1.18 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 recognised in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

### 1.19 ROYALTY

- a) The Company pays / accrues for royalty in accordance with the relevant licence agreements with the technical know-how providers.
- b) 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 Statement of Profit and Loss as and when incurred.

### 1.20 PROVISIONS AND CONTINGENCIES

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to their present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 1.21 LEASES

#### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight-line basis over the period of the lease or the terms of underlying agreement/s as the case may be.

#### As a lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

### 1.22 CASH AND CASH EQUIVALENTS

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 2. SHARE CAPITAL

	As at 31.03.2013	As at 31.03.2012
<b>Authorised Capital</b>		
3,744,000,000 equity shares of ₹ 5 each (Previous year 744,000,000 equity shares of ₹ 5 each)	18,720	3,720
<b>Issued, Subscribed and Paid up</b>		
302,080,060 equity shares of ₹ 5 each (Previous year 288,910,060 equity shares of ₹ 5 each) fully paid up	1,510	1,445
	<b>1,510</b>	<b>1,445</b>

#### Reconciliation of the number of shares outstanding

	As at 31.03.2013		As at 31.03.2012	
	Numbers of Shares	Amount	Numbers of Shares	Amount
Balance as at the beginning of the year	288,910,060	1,445	288,910,060	1,445
Share issued in the ratio of 1:70 to the shareholders of erstwhile Suzuki Powertrain India Limited pursuant to a scheme of amalgamation (Refer Note 37)	13,170,000	65	-	-
Balance as at the end of the year	<b>302,080,060</b>	<b>1,510</b>	<b>288,910,060</b>	<b>1,445</b>

#### Equity shares held by the holding company

	As at 31.03.2013		As at 31.03.2012	
	Numbers of Shares	Amount	Numbers of Shares	Amount
Suzuki Motor Corporation, the holding company	169,788,440	848	156,618,440	783
	<b>169,788,440</b>	<b>848</b>	<b>156,618,440</b>	<b>783</b>

#### Rights, preferences and restriction attached to shares

The Company has one class of equity shares with a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.



# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### Shares held by each shareholder holding more than 5 per cent of the aggregate shares in the Company

	%	Number of Shares	%	Number of Shares
Suzuki Motor Corporation (the holding company)	56.21	169,788,440	54.21	156,618,440
Life Insurance Corporation of India	6.29	18,993,815	8.45	24,399,405

### Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31<sup>st</sup> March 2013)

13,170,000 Equity Shares have been allotted as fully paid up during the current year to Suzuki Motor Corporation pursuant to a scheme of amalgamation with Suzuki Powertrain India Limited (refer note 37)

### 3. RESERVES AND SURPLUS

	As at 31.03.2013	As at 31.03.2012
<b>Reserve created on Amalgamation</b>	<b>9,153</b>	-
<b>Capital Reserve on Consolidation</b> [includes Joint Venture share of ₹ 2 million (Previous Year ₹ 3 million)]	<b>32</b>	<b>31</b>
<b>Securities Premium Account</b>	<b>4,246</b>	<b>4,246</b>
<b>General Reserve</b>		
Balance as at the beginning of the year	15,852	14,217
Add : Transferred from Surplus in Statement of Profit and Loss	2,418	1,635
Balance as at the end of the year	<b>18,270</b>	<b>15,852</b>
<b>Hedge Reserve</b>		
Balance as at the beginning of the year	(441)	194
Less : Release / adjustments during the year	(39)	635
Balance as at the end of the year	<b>(402)</b>	<b>(441)</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	135,612	122,955
Addition on Amalgamation (net of share of profit of ₹ 1,154 million accounted for till previous year, refer note 37)	2,411	-
Add : Profit for the year	24,692	16,812
Less : Appropriations:		
Transferred to General Reserve	2,418	1,635
Proposed dividend	2,417	2,167
Dividend distribution tax	411	351
Balance as at the end of the year	<b>157,469</b>	<b>135,614</b>
	<b>188,768</b>	<b>155,302</b>



# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 4. LONG TERM BORROWINGS

	As at 31.03.2013	As at 31.03.2012
<b>Unsecured</b>		
Foreign currency loans from banks	3,920	-
Loans from holding company	1,509	-
	<b>5,429</b>	-
<b>Share in Joint Ventures</b>	<b>1,620</b>	<b>1,698</b>
	<b>7,049</b>	<b>1,698</b>

- Foreign currency loans from banks (acquired by erstwhile Suzuki Powertrain India Limited on amalgamation) includes:
  - loan amounting to ₹ 2,264 million (USD 41 million) taken from Japan Bank of International Cooperation (JBIC) at an interest rate of LIBOR + 0.125, repayable in 6 half yearly instalments starting September 2014 (acquired pursuant to a scheme of amalgamation). The repayment of loan is guaranteed by Suzuki Motor Corporation, Japan (the holding company).
  - other long term foreign currency loans amounting to ₹ 1,656 million (USD 30 million) are taken from banks at average interest rate of Libor + 1.375 and are repayable in July 2015.
- Loan amounting to ₹ 1,509 million (USD 27 million) is taken from holding company at an interest rate of LIBOR + 0.48, repayable in 6 half yearly instalments starting September 2014 (acquired pursuant to a scheme of amalgamation).

#### Loans Taken by Joint Ventures

- Foreign Currency Loan amounting to ₹ 34 million taken from The Bank of Tokyo Mitsubishi UFJ Ltd. at an interest rate of LIBOR + 0.65.
- Foreign Currency Loan amounting to ₹ 24 million taken from Ishizaki Honten Co. Ltd., Japan at an interest rate of LIBOR + 3.0.
- Foreign Currency Loan amounting to ₹ 370 million taken from Futaba Industrial co.,Ltd, Japan at an interest rate of LIBOR + 0.25.
- Foreign Currency Loan amounting to ₹ 63 million taken from Mizuho Corporate Bank, Singapore and fully swap @ 11.29 from Mizuho Corporate Bank, New Delhi
- Foreign Currency Loan amounting to ₹ 8 million taken from Mizuho Corporate Bank, Singapore and fully swap @ 9.96 from Mizuho Corporate Bank, New Delhi.
- Foreign Currency Loan amounting to ₹ 1,059 million taken from various banks at varying rate of interest.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 5. DEFERRED TAX LIABILITIES (NET)

Major components of deferred tax arising on account of timing differences along with their movement as at 31<sup>st</sup> March 2013 are :

	Movement			As at 31.03.2013
	As at 31.03.2012	Addition due to merger	during the year*	
<b>Deferred Tax Assets</b>				
Provision for doubtful debts / advances	176	-	(45)	131
Contingent provisions	152	-	30	182
Others	497	17	(44)	470
	<b>825</b>	<b>17</b>	<b>(59)</b>	<b>783</b>
<b>Share in Joint Ventures</b>	1	-	(1)	-
<b>Total (A)</b>	<b>826</b>	<b>17</b>	<b>(60)</b>	<b>783</b>
<b>Deferred Tax Liabilities</b>				
Depreciation on fixed assets	3,451	1,083	(1,007)	3,527
Exchange gain on capital accounts	(259)	-	(227)	(486)
Allowances under Income Tax Act, 1961	657	-	1,187	1,844
	<b>3,849</b>	<b>1,083</b>	<b>(47)</b>	<b>4,885</b>
<b>Share in Joint Ventures</b>	46	-	28	74
<b>Total (B)</b>	<b>3,895</b>	<b>1,083</b>	<b>(19)</b>	<b>4,959</b>
<b>Net Deferred Tax Liability (B) - (A)</b>	<b>3,069</b>	<b>1,066</b>	<b>41</b>	<b>4,176</b>
Previous Year	1,730	-	1,339	3,069

\* Includes adjustment of ₹ 341 million (Previous year ₹ 407 million) on account of reclassification to "Deferred Tax Liabilities" from "Provision for Taxation"

Note: Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

### 6. OTHER LONG TERM LIABILITIES

	As at 31.03.2013	As at 31.03.2012
Deposits from dealers, contractors and others	1,056	983
Others	-	1
	<b>1,056</b>	<b>984</b>
<b>Share in Joint Ventures</b>	<b>65</b>	<b>44</b>
	<b>1,121</b>	<b>1,028</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 7. LONG TERM PROVISIONS

	As at 31.03.2013	As at 31.03.2012
<b>Provisions for Employee Benefits</b>		
Provision for retirement allowance (Refer Note 28)	42	35
<b>Other Provisions</b>		
Provision for litigation / disputes	992	909
Provision for warranty & product recall	1,216	739
Others	9	10
	<b>2,259</b>	<b>1,693</b>
<b>Share in Joint Ventures</b>	-	-
	<b>2,259</b>	<b>1,693</b>

#### Details of Other Provisions:

	Litigation / Disputes		Warranty/ Product Recall		Others	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Balance at the beginning of the year	909	897	1,331	929	10	16
Additions during the year	111	102	544	581	-	1
Utilised/ reversed during the year	28	90	210	179	1	7
Balance as at the end of the year	<b>992</b>	<b>909</b>	<b>1,665</b>	<b>1,331</b>	<b>9</b>	<b>10</b>
Classified as Long Term	992	909	1,216	739	9	10
Classified as Short Term	-	-	449	592	-	-
<b>TOTAL</b>	<b>992</b>	<b>909</b>	<b>1,665</b>	<b>1,331</b>	<b>9</b>	<b>10</b>

- Provision for litigation / disputes represents the estimated outflow in respect of disputes with various government authorities.
- Provision for warranty and product recall represents the estimated outflow in respect of warranty and recall cost for products sold.
- Provision for others represents the estimated outflow in respect of disputes or other obligations on account of excise duty, export obligation, etc.
- Due to the 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.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 8. SHORT TERM BORROWINGS

	As at 31.03.2013	As at 31.03.2012
<b>Unsecured</b>		
From banks - cash credit	725	80
From banks - buyers credit and packing credit loans	7,738	10,703
	<b>8,463</b>	<b>10,783</b>
<b>Share in Joint Ventures</b>	<b>176</b>	<b>141</b>
	<b>8,639</b>	<b>10,924</b>

### 9. TRADE PAYABLES

	As at 31.03.2013	As at 31.03.2012
Due to Micro and Small enterprises	273	288
Others	41,449	33,240
	<b>41,722</b>	<b>33,528</b>
<b>Share in Joint Ventures</b>	<b>1,146</b>	<b>1,130</b>
	<b>42,868</b>	<b>34,658</b>

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.

### 10. OTHER CURRENT LIABILITIES

	As at 31.03.2013	As at 31.03.2012
Current maturities of long term debts	-	1,586
Interest accrued but not due on:		
- Loans	205	126
- Others	23	43
	228	169
Unclaimed dividend *	6	5
Creditors for capital goods	4,057	5,245
Other payables	2,071	1,746
Book overdraft	594	1,365
Advances from customers/dealers	1,620	2,435
Statutory dues	2,709	2,164
Deposits from dealers, contractors and others	433	1,178
	<b>11,718</b>	<b>15,893</b>
<b>Share in Joint Ventures</b>	<b>75</b>	<b>46</b>
	<b>11,793</b>	<b>15,939</b>

\* Unclaimed dividend do not include any amount due to be credited to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

**11. SHORT TERM PROVISIONS**

	As at 31.03.2013		As at 31.03.2012	
<b>Provisions for employee benefits</b>				
(Refer Note 7 and 28)				
Provision for retirement allowances	2		2	
Provision for compensated absences	1,278	1,280	850	852
<b>Other provisions</b>				
(Refer Note 7)				
Provision for warranty & product recall	449		592	
Provision for proposed dividend*	2,417		2,167	
Provision for corporate dividend tax	411		351	
Provision for taxation [Net of tax paid]	1,882	5,159	1,274	4,384
		<b>6,439</b>		<b>5,236</b>
<b>Share in Joint Ventures</b>		<b>(20)</b>		<b>-</b>
		<b>6,419</b>		<b>5,236</b>

\* The final dividend proposed for the year is as follows:

	As at 31.03.2013	As at 31.03.2012
On equity shares of ₹ 5 each:		
Amount of dividend proposed	2,417	2,167
Dividend per equity share	₹ 8.00	₹ 7.50

## 12. TANGIBLE ASSETS

(All amounts in ₹ million, unless otherwise stated)

Particulars	Gross Block			Depreciation / Amortisation			Net Block				
	As at 01.04.2012	Acquired pursuant to a scheme of amalgamation*	Addition	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	Acquired pursuant to a scheme of amalgamation*	For the year	Deductions/ Adjustments	As at 31.03.2013	As at 31.03.2012
Freehold land (Note 1.3 & 4)	12,314	105	3,118	(2,345)	13,192	-	-	-	-	13,192	12,314
Leasehold land	1,886	-	133	(19)	2,000	22	-	15	-	37	1,864
Building	11,476	1,106	3,416	(1)	15,997	1,909	165	417	(4)	2,490	13,507
Plant and Machinery (Note 2)	119,094	29,780	18,369	(4,446)	162,797	68,920	13,069	17,220	(40,49)	95,160	50,174
Electronic Data Processing Equipment	1,443	82	229	(147)	1,607	1,164	70	197	(132)	1,299	279
Furniture, Fixtures and Office Appliances	942	27	184	(15)	1,138	339	14	61	(5)	409	729
Vehicles:											
- Owned	719	13	254	(183)	803	180	4	72	(46)	210	539
<b>Total (A)</b>	<b>147,874</b>	<b>31,113</b>	<b>25,703</b>	<b>(7,156)</b>	<b>197,534</b>	<b>72,534</b>	<b>13,322</b>	<b>17,982</b>	<b>(4,233)</b>	<b>99,605</b>	<b>75,340</b>
<b>Assets given on operating lease:</b>											
Plant & Machinery	-	353	-	(276)	77	-	89	10	(70)	29	48
<b>Total (B)</b>	<b>-</b>	<b>353</b>	<b>-</b>	<b>(276)</b>	<b>77</b>	<b>-</b>	<b>89</b>	<b>10</b>	<b>(70)</b>	<b>29</b>	<b>48</b>
<b>Total [(A) + (B)]</b>	<b>147,874</b>	<b>31,466</b>	<b>25,703</b>	<b>(7,432)</b>	<b>197,611</b>	<b>72,534</b>	<b>13,411</b>	<b>17,992</b>	<b>(4,303)</b>	<b>99,634</b>	<b>75,340</b>
Previous Year Figures	118,878	-	30,554	(1,558)	147,874	62,617	-	11,248	(1,351)	72,534	75,340
Share in Joint Venture (Note 5)	3,149	-	8	8	3,165	957	-	219	-	1,176	1,989
Previous Year Figures	2,108	-	1,045	(4)	3,149	723	-	238	(4)	957	2,192

- (1) Freehold land costing ₹ 8,129 million (Previous year ₹ 5,268 million) is not yet registered in the name of the Company.  
(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) A part of freehold land of the Company at Gurgaon and Manesar has been made available to its group companies.  
(4) Adjustments to free hold land includes ₹ 2,354 million accrued in the previous year as price adjustment claimed by the authority which allotted the land in an earlier year reversed in the current year [refer note 32 (vii)].  
(5) The Joint Ventures share is included in the above schedule under respective heads.

## 13. INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation / Amortisation			Net Block				
	As at 01.04.2012	Acquired pursuant to a scheme of amalgamation*	Addition	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	Acquired pursuant to a scheme of amalgamation*	For the year	Deductions/ Adjustments	As at 31.03.2013	As at 31.03.2012
Own Assets (Acquired):											
Lump Sum Royalty	2,683	574	658	(2)	3,913	568	203	904	(2)	1,673	2,115
<b>Total</b>	<b>2,683</b>	<b>574</b>	<b>658</b>	<b>(2)</b>	<b>3,913</b>	<b>568</b>	<b>203</b>	<b>904</b>	<b>(2)</b>	<b>1,673</b>	<b>2,115</b>
Previous Year Figures	648	-	2,035	-	2,683	191	-	377	-	568	2,115
Share in Joint Venture (Note 1)	20	-	-	(2)	18	4	-	3	(2)	5	13
<b>Previous Year Figures</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>16</b>

- (1) The Joint Ventures' share is included in the above schedule under respective heads.

\* Refer note 37

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 14. CAPITAL WORK IN PROGRESS

	As at 31.03.2013	As at 31.03.2012
Plant and Machinery	18,019	7,101
Civil Work in Progress	1,403	2,318
	<b>19,422</b>	<b>9,419</b>
<b>Share in Joint Ventures</b>	<b>257</b>	<b>8</b>
	<b>19,679</b>	<b>9,427</b>

### 15. NON-CURRENT INVESTMENTS

	As at 31.03.2013	As at 31.03.2012
<b>Trade Investments</b>		
Investment in Associates, equity instruments [Includes ₹ 28 million of capital reserves on acquisition of certain Associates (Previous year ₹ 28 million)]	2,709	7,593
<b>Other Investment (valued at cost unless otherwise stated)</b>		
Investment in mutual funds - unquoted	18,537	10,299
Investment in preference shares - unquoted	50	50
	<b>18,587</b>	<b>10,349</b>
Less: Provision for diminution other than temporary in value of investments in preference shares	50	50
	<b>21,246</b>	<b>17,892</b>
<b>Share in Joint Ventures</b>	<b>214</b>	<b>17</b>
	<b>21,460</b>	<b>17,909</b>
Aggregate value of unquoted investments	21,296	17,942
Aggregate value of provision for diminution other than temporary in value of investments	50	50

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 16. LONG TERM LOANS AND ADVANCES

	As at 31.03.2013		As at 31.03.2012	
<b>Capital Advances</b>				
Unsecured - considered good	4,937		4,644	
- considered doubtful	76		13	
	5,013		4,657	
Less: Provision for doubtful capital advances	76	4,937	13	4,644
<b>Security Deposits</b>				
Unsecured - considered good		120		108
<b>Loans and Advances to Related Parties</b>				
Unsecured - considered good (Refer Note 37)		-		1,800
<b>Taxes Paid Under Dispute</b>				
Unsecured - considered good		7,497		6,481
Inter corporate deposits - considered doubtful	125		125	
Less: Provision for doubtful deposits	125	-	125	-
<b>Other Loans and Advances</b>				
Secured - considered good	10		12	
Unsecured - considered good	240		373	
- considered doubtful	63		73	
	313		458	
Less: Provision for doubtful other loans and advances	63	250	73	385
		<b>12,804</b>		<b>13,418</b>
<b>Share in Joint Ventures</b>		<b>61</b>		<b>40</b>
		<b>12,865</b>		<b>13,458</b>



# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

**17. OTHER NON-CURRENT ASSETS**

	As at 31.03.2013	As at 31.03.2012
<b>Interest Accrued on Deposits, Loans and Advances</b>		
Secured - considered good	6	11
Unsecured - considered good	49	-
- considered doubtful	-	1
	49	1
Less Provision for doubtful interest	-	1
Longterm deposits with banks with maturity period more than 12 months	8,500	-
<b>Claims</b>		
Unsecured - considered good	385	246
- considered doubtful	27	27
	412	273
Less Provision for doubtful claims	27	27
	385	246
<b>Others</b>	6	6
	<b>8,946</b>	<b>263</b>
<b>Share in Joint Ventures</b>	-	<b>60</b>
	<b>8,946</b>	<b>323</b>

**18. CURRENT INVESTMENTS**

	As at 31.03.2013	As at 31.03.2012
Investment in mutual funds - unquoted	52,686	47,541
	<b>52,686</b>	<b>47,541</b>
<b>Share in Joint Ventures</b>	<b>68</b>	<b>-</b>
	<b>52,754</b>	<b>47,541</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 19. INVENTORIES

	As at 31.03.2013	As at 31.03.2012
<b>Components and Raw Materials</b>	9,819	9,903
<b>Work in Progress</b>	1,127	593
<b>Finished Goods Manufactured</b>		
Vehicles	4,807	5,334
Vehicle spares and components	321	173
	5,128	5,507
<b>Traded Goods</b>		
Vehicle	5	297
Vehicle spares and components	1,374	1,189
	1,379	1,486
<b>Stores and Spares</b>	546	275
<b>Tools</b>	437	191
	<b>18,436</b>	<b>17,955</b>
<b>Share in Joint Ventures</b>	<b>436</b>	<b>423</b>
	<b>18,872</b>	<b>18,378</b>
<b>Inventory includes in transit inventory of:</b>		
Components and Raw Materials	3,247	4,165
Traded Goods - vehicle spares	26	43

### 20. TRADE RECEIVABLES

<b>Unsecured - considered good</b>				
Outstanding for a period exceeding six months from the date they are due for payment	34		18	
Others	14,259	14,293	9,372	9,390
<b>Unsecured - considered doubtful</b>				
Outstanding for a period exceeding six months from the date they are due for payment	36		35	
Less Provision for doubtful debts	36	-	35	-
		<b>14,293</b>		<b>9,390</b>
<b>Share in Joint Ventures</b>		<b>599</b>		<b>676</b>
		<b>14,892</b>		<b>10,066</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 21. CASH AND BANK BALANCES

	As at 31.03.2013		As at 31.03.2012	
<b>Cash and Cash Equivalents</b>				
Cash on hand	10		5	
Cheques and drafts on hand	1,025		691	
Bank balances in current accounts	254		84	
Deposits (less than 3 months original maturity period)	-	1,289	1,000	1,780
<b>Other Bank Balances</b>				
Deposits (more than 3 months but less than 12 months original maturity period)	3,000		5,600	
Long term deposits (more than 12 months original maturity period)	3,500		17,000	
Unclaimed dividend accounts	6	6,506	5	22,605
		<b>7,795</b>		<b>24,385</b>
<b>Share in Joint Ventures</b>		<b>353</b>		<b>249</b>
		<b>8,148</b>		<b>24,634</b>

### 22. SHORT TERM LOANS AND ADVANCES

(considered good, unless otherwise stated)

<b>Loans and Advances to Related Parties</b>				
Unsecured		1,073		867
<b>Balance with Customs, Port Trust and Other Government Authorities</b>				
Unsecured		6,770		5,044
<b>Other Loans and Advances</b>				
Secured	4		5	
Unsecured	3,320	3,324	1,878	1,883
		<b>11,167</b>		<b>7,794</b>
<b>Share in Joint Ventures</b>		<b>176</b>		<b>196</b>
		<b>11,343</b>		<b>7,990</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 23. OTHER CURRENT ASSETS

(considered good, unless otherwise stated)

	As at 31.03.2013	As at 31.03.2012
<b>Interest Accrued on Deposits, Loans and Advances</b>		
Secured	6	6
Unsecured	90	530
<b>Claims</b>		
Unsecured	1,593	788
<b>Other receivable - steel coils</b>		
Unsecured	3,710	2,431
<b>Others</b>		
Unsecured	4	9
	<b>5,403</b>	<b>3,764</b>
<b>Share in Joint Ventures</b>	<b>129</b>	<b>47</b>
	<b>5,532</b>	<b>3,811</b>

### 24. GROSS SALE OF PRODUCTS

	For the year ended 31.03.2013	For the year ended 31.03.2012
Vehicles	441,397	362,111
Spare parts / dies and moulds / components	40,098	24,030
	<b>481,495</b>	<b>386,141</b>
<b>Share in Joint Ventures</b>	<b>6,475</b>	<b>5,428</b>
	<b>487,970</b>	<b>391,569</b>

### 25. OTHER OPERATING REVENUE

Income from services [Net of expenses of ₹ 1,083 million (Previous Year ₹ 689 million)]	2,594	1,720
Sale of scrap	3,598	2,950
Cash discount received	1,810	2,018
Others	2,124	2,126
	<b>10,126</b>	<b>8,814</b>
<b>Share in Joint Ventures</b>	<b>759</b>	<b>113</b>
	<b>10,885</b>	<b>8,927</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

**26. OTHER INCOME**

	For the year ended 31.03.2013		For the year ended 31.03.2012	
<b>Interest Income (gross) on:</b>				
a) Fixed deposits	2,220		2,330	
b) Corporate bonds	-		528	
c) Receivables from dealers	699		665	
d) Advances to vendors	69		211	
e) Income tax refund	141		295	
f) Others	6	3,135	13	4,042
<b>Dividend Income from:</b>				
a) Long term investments	82		80	
b) Others	344	426	647	727
<b>Net gain on sale of investments</b>				
a) Long term	4,220		2,567	
b) Short term	14	4,234	8	2,575
Provisions no longer required written back		472		1,092
		<b>8,267</b>		<b>8,436</b>
<b>Share in Joint Ventures</b>		<b>34</b>		<b>7</b>
		<b>8,301</b>		<b>8,443</b>

**27. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

<b>Work in Progress</b>				
Opening stock	593		457	
Add: Pursuant to the scheme of amalgamation	199		-	
Less: Closing stock	1,127	(335)	593	(136)
<b>Vehicles - Manufactured and Traded</b>				
Opening stock	5,631		4,220	
Add: Pursuant to the scheme of amalgamation	51		-	
Less: Closing stock	4,812		5,631	
	870		(1,411)	
Less: Excise duty on increase / (decrease) of finished goods	9	861	(289)	(1,122)
<b>Vehicle Spares and Components - Manufactured and Traded</b>				
Opening stock	1,362		1,135	
Add: Pursuant to the scheme of amalgamation	56		-	
Less: Closing stock	1,695	(277)	1,362	(227)
		<b>249</b>		<b>(1,485)</b>
<b>Share in Joint Venture</b>		<b>(57)</b>		<b>(21)</b>
		<b>192</b>		<b>(1,506)</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 28. EMPLOYEE BENEFIT EXPENSES

	For the year ended 31.03.2013	For the year ended 31.03.2012
Salaries, wages, allowances and other benefits [Net of staff cost recovered ₹ 38 million (Previous year ₹ 120 million)]	9,303	7,085
Contribution to provident and other funds	683	853
Staff welfare expenses	893	500
	<b>10,879</b>	<b>8,438</b>
<b>Share in Joint Ventures</b>	<b>323</b>	<b>341</b>
	<b>11,202</b>	<b>8,779</b>

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

#### A. Defined Contribution Plans

- Superannuation Fund
- Post Employment Medical Assistance Scheme.

During the year the Company has recognised the following amounts in the statement of profit and loss :-

	31.03.2013	31.03.2012
Employers Contribution to Superannuation Fund*	51	44
Employers Contribution to Post Employment Medical Assistance Scheme.*	3	2
Employers Contribution to Provident Fund/ Gratuity Liability (Share of Joint Venture ₹ 18 million (previous year ₹ 21 million))	27	21

#### 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 statement of profit and loss :-

	31.03.2013	31.03.2012
Employers contribution to Employee State Insurance.*	13	2
Employers contribution to Employee's Pension Scheme 1995.*	90	80

\* Included in 'Contribution to Provident and Other Funds' above

#### C. Defined Benefit Plans and Other Long Term Benefits

- Contribution to Gratuity Funds - Employee's Gratuity Fund.
- Leave Encashment/ Compensated Absence.
- Retirement Allowance
- Provident Fund

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

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.

	31.03.2013				31.03.2012			
	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Discount rate (per annum)	8.50%	8.00%	8.00%	8.00%	8.25%	9.00%	9.00%	9.00%
Rate of increase in compensation levels	Not Applicable	6.00%	6.00%	Not Applicable	Not Applicable	6.00%	6.00%	0.00%
Rate of return on plan assets.	8.60%	Not Applicable	8.00%	Not Applicable	8.55%	Not Applicable	9.00%	Not Applicable
Expected average remaining working lives of employees (years)	21	21	21	21	25	22	22	22

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

	31.03.2013				31.03.2012			
	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at beginning of the year	5,459	855	860	37	4,539	757	836	37
Add: JI Impex Limited consolidated as subsidiary	-	1	5	-	-	-	-	-
Add: Acquisition on amalgamation (Refer Note 37)	-	20	23	-	-	-	-	-
Interest cost	454	56	69	3	396	57	74	3
Current service cost	801	99	84	6	615	57	53	-
Benefits paid	294	173	57	-	101	142	28	-
Actuarial (gain) / loss on obligations	(411)	423	164	(2)	10	125	(75)	(3)
Present value of obligation as at the year end	6,009	1,282	1,148	44	5,459	855	860	37

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### Changes in the fair value of plan assets

	31.03.2013		31.03.2012	
	Provident Fund	Employees Gratuity Fund	Provident Fund	Employees Gratuity Fund
Fair value of Plan Assets as at beginning of the year	5,480	920	4,670	838
Add: JJ Impex Limited consolidated as subsidiary	-	6	-	-
Expected return on Plan Assets	456	75	399	75
Contribution	839	120	615	30
Benefits paid	294	57	101	28
Actuarial (gain)/ loss on obligations	(27)	(86)	(103)	6
Fair value of plan assets as at the year end	6,508	1,150	5,480	920

### Reconciliation of present value of defined benefit obligation and fair value of assets

	31.03.2013				31.03.2012			
	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	6,009	1,282	1,148	44	5,459	855	860	37
Fair value of plan assets as at the year end	6,508	-	1,126	-	5,480	-	920	-
Surplus/ (Deficit)	499	(1,282)	(22)	(44)	21	(855)	60	(37)
Unfunded net asset/ (liability) recognised in balance sheet.	-	(1,282)	-	(44)	-	(855)	-	(37)
<b>Classified as Long Term</b>	-	-	-	42	-	-	-	35
<b>Classified as Short Term</b>	-	1,282	-	2	-	855	-	2
<b>Total</b>	-	<b>1,282</b>	-	<b>44</b>	-	<b>855</b>	-	<b>37</b>



# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	31.03.2011			31.03.2010		
	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	753	827	37	659	734	29
Fair value of plan assets as at the year end	-	827	-	-	734	-
Surplus/ (deficit)	(753)	-	(37)	(659)	-	(29)
Unfunded net asset/ (liability) recognised in balance sheet.	(753)	-	(37)	(659)	-	(29)

	31.03.2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	550	621	27
Fair value of plan assets as at the year end	-	621	-
Surplus/ (deficit)	(550)	-	(27)
Unfunded net asset/ (liability) recognised in balance sheet.	(550)	-	(27)

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Expenses recognised in the statement of profit & loss

	31.03.2013				31.03.2012			
	Provident Fund*	Leave Encashment/ Compensated Absence**	Employees Gratuity Fund*	Retirement Allowance**	Provident Fund*	Leave Encashment/ Compensated Absence**	Employees Gratuity Fund*	Retirement Allowance**
Current service cost	801	99	84	6	615	57	53	-
Interest cost	454	56	69	3	396	57	74	3
Expected return on plan assets	(456)	-	(75)	-	(399)	-	(75)	-
Settlement cost	-	-	-	-	-	-	-	-
Net actuarial (gain)/ loss recognised during the year	(438)	423	78	(2)	113	125	(81)	(3)
Total expense recognised in statement of profit & loss	361	579	156	7	725	240	-	-

\* Included in "Contribution to provident and other funds" above

\*\* Included in "Salaries, wages, allowances and other benefits" above

Constitution of Plan Assets	Provident Fund				Gratuity			
	31.03.2013	%	31.03.2012	%	31.03.2013	%	31.03.2012	%
(a) Debt Funds	6,222	96%	5,196	95%	394	35%	324	36%
(b) Others	286	4%	284	5%	756	65%	583	64%
<b>TOTAL</b>	<b>6,508</b>	<b>100%</b>	<b>5,480</b>	<b>100%</b>	<b>1,150</b>	<b>100%</b>	<b>907</b>	<b>100%</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 and Provident Fund for the year ending 31<sup>st</sup> March 2014 can not be ascertained at this stage.

The contribution towards provident fund for employees of erstwhile Suzuki Powertrain India Limited (SPIL) have been deposited with the office of Regional Provident Fund Commissioner (RPFC) till 17<sup>th</sup> March 2013 i.e. upto the effective date of amalgamation (Refer Note 37). The Company and the employees of SPIL are in the process of filing application/s with the RPFC for transfer of accumulated provident fund contribution till 17<sup>th</sup> March 2013 to the provident fund trust of the Company. The employees of SPIL have become member of Maruti Provident Fund Trust with effect from 17<sup>th</sup> March 2013 and their provident fund contribution post that date has been deposited with the above mentioned trust. Accordingly the present value of the obligation of the employees' share of SPIL has been computed from 17<sup>th</sup> March 2013.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 29. FINANCE COSTS

	For the year ended 31.03.2013		For the year ended 31.03.2012	
<b>Interest on :</b>				
- Foreign currency loans from banks	323		15	
- Buyers' credit and export credit	908		273	
- Deposits from dealers, contractors and others	658	1,889	259	547
<b>Other borrowing costs</b>		11		5
		<b>1,900</b>		<b>552</b>
<b>Share in Joint Ventures</b>		<b>78</b>		<b>64</b>
		<b>1,978</b>		<b>616</b>

### 30. DEPRECIATION & AMORTISATION EXPENSE

(Refer Note 12 &amp; 13)

	For the year ended 31.03.2013		For the year ended 31.03.2012	
Depreciation / amortisation on tangible assets		17,993		11,248
Amortisation on intangible assets		904		377
		<b>18,897</b>		<b>11,625</b>

### 31. OTHER EXPENSES

	For the year ended 31.03.2013		For the year ended 31.03.2012	
Consumption of stores		1,864		911
Power and fuel [Net of amount recovered ₹ 1,101 million (Previous year ₹ 1,716 million)]		4,951		2,295
Rent (Refer Note 41)		201		156
Repairs and maintenance :				
- Plant and machinery	1,029		532	
- Building	189		163	
- Others	280	1,498	210	905
Insurance		137		91
Rates, taxes and fees		1,149		827
Royalty		24,540		18,031
Tools / machinery spares charged off		2,568		1,548
Exchange variation loss		1,519		1,810
Advertisement		3,537		2,781
Sales promotion		2,192		1,966
Warranty and product recall		544		581
Transportation and distribution expenses		5,513		4,631
Net loss on sale / discarding of fixed assets		332		157
Provision for doubtful advances		63		-
Provision for doubtful debts		-		21
Other miscellaneous expenses		7,287		4,951
		<b>57,895</b>		<b>41,662</b>
<b>Share in Joint Ventures</b>		<b>602</b>		<b>515</b>
		<b>58,497</b>		<b>42,177</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 32. CONTINGENT LIABILITIES

#### a) Claims against the Company disputed and not acknowledged as debts:

Particulars	As at 31.03.2013	As at 31.03.2012
<b>(i) Excise Duty</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices / orders on the same issues for other periods	2,990	2,717
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	10,484	2,167
(c) Show cause notices on issues yet to be adjudicated	8,581	12,675
(d) Share in Subsidiaries and JVs	34	34
<b>TOTAL</b>	<b>22,089</b>	<b>17,593</b>
Amount deposited under protest	361	3
<b>(ii) Service Tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeal and show cause notices / orders on the same issues for other periods	3,767	3,701
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	2,857	309
(c) Show cause notices on issues yet to be adjudicated	1,358	1420
(d) Share in Subsidiaries and JVs	5	5
<b>TOTAL</b>	<b>7,987</b>	<b>5,435</b>
Amount deposited under protest	3	3
<b>(iii) Income Tax</b>		
(a) Cases decided in the Company's favor by Appellate authorities and for which the department has filed further appeals	5,918	6,230
(b) Cases pending before Appellate authorities / Dispute Resolution Panel in respect of which the Company has filed appeals	12,058	9,699
(c) Share in Subsidiaries and JVs	6	6
<b>TOTAL</b>	<b>17,982</b>	<b>15,935</b>
Amount deposited under protest (Including share of Joint Venture Current Year ₹ 2 million; Previous Year ₹ 2 million)	6,772	6,137
<b>(iv) Customs Duty</b>		
Cases pending before Appellate authorities in respect of which the Company has filed appeals	118	119
Amount deposited under protest	22	22
<b>(v) Sales Tax</b>		
Cases pending before Appellate authorities in respect of which the Company has filed appeals	50	50
Amount deposited under protest	2	2

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

- (vi) Claims against the Company for recovery of ₹ 609 million (including share of Joint Venture ₹ 5 million) (Previous year ₹ 583 million) (including share of Joint Venture ₹ 7 million) lodged by various parties.
- (vii) The Company's impleadment application in the pending appeal by Haryana State Industrial & Infrastructure Development Corporation Limited ("HSIIDC"), relating to the demand raised for additional compensation by landowners for land acquired from them at Manesar for industrial purposes, has been heard and the order has been reserved by the Supreme Court against the demand of ₹ 5,012 million. The demand for ₹ 1,376 million for remaining part of land of the Company at Manesar was received from HSIIDC in the current year consequent to the order of the Punjab and Haryana High Court ("Court") and the Company has filed an appeal in the Court.
- The Company is in the process of gathering more details for a demand of ₹ 86 million from HSIIDC, raised on erstwhile Suzuki Powertrain India Limited (merged with the Company with effect from 1<sup>st</sup> April 2012, refer note 37), consequent to the order of the Supreme Court, towards enhanced compensation relating to the demand raised for additional compensation by landowners for land acquired from them for industrial purposes at Manesar.
- As the amounts, if any, of final price adjustment(s) is not determinable at this stage, the amount of ₹ 2,354 million provided in the previous year based on an earlier demand of HSIIDC has been reversed and the Company considers that no provision is required to be made at present. Any additional compensation, if payable, will have the effect of enhancing the asset value of the freehold land.
- (viii) In respect of disputed Local Area Development Tax (LADT) (upto 15<sup>th</sup> April 2008) / Entry Tax, the Sales tax department has filed an appeal in Supreme Court of India against the order of Punjab & Haryana High Court. The amounts under dispute ₹ 21 million (previous year ₹ 21 million) for LADT and ₹ 15 million (previous year ₹ 13 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from 16<sup>th</sup> April 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date.
- 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.
33. Outstanding commitments under Letters of Credit established by the Group aggregating ₹ 6,497 million (Previous year ₹ 2,110 million).
34. Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amounts to ₹ 28,927 million (includes share of Joint Venture ₹ 12 million) (Previous year ₹ 27,429 million) (includes share of Joint Venture ₹ 42 million).
35. 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.
36. Differences between accounting policies of the Company and other group companies, the impact of which is not expected to be material.
- a) In case of certain associate and joint venture companies, contributions towards gratuity are charged to Statement of Profit & Loss on the basis of premium paid to the Life Insurance Corporation of India.
- b) Deferred Revenue Expenditure of Joint Venture and Associate Companies have been charged to Statement of Profit & Loss in the year of incurrence.
- c) In case of certain associate companies, First In First Out method of inventory valuation is followed.
- d) 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 31<sup>st</sup> March 2013.
- e) In case of certain associates, written down value method of depreciation is followed.
- f) In case of a joint venture company, warranty expense is charged to Statement of Profit & Loss as and when claimed by customer on actual basis.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

37. The scheme of amalgamation of Suzuki Powertrain India Limited (SPIL) with the Company as approved by the High Court of Delhi has become effective on 1<sup>st</sup> April 2012 on completion of all the required formalities on 17<sup>th</sup> March 2013. The scheme envisages transfer of all properties, rights and powers and liabilities and duties of the amalgamating company to the amalgamated company.

SPIL was primarily engaged in the business of engineering, manufacturing, assembling and selling all kinds of powertrain parts and components for automobiles, which includes engines and transmissions for such engines and their components like transmission cases, gears, shafts and yorks.

The amalgamation was accounted for under the "Pooling of Interest Method" as prescribed by the Accounting Standard 14 "Accounting for Amalgamations" notified under Companies (Accounting Standards) Rules.

The assets and liabilities of the amalgamating company have been accounted for in the books of account of the Company in accordance with the approved scheme.

i) The assets and liabilities as at 1<sup>st</sup> April 2012 were incorporated at book value of SPIL, subject to adjustments made to ensure uniformity of accounting policies.

- ii) The authorised capital of SPIL after splitting each share into 2 shares of face value of ₹ 5 each has become part of authorised share capital of the Company.
- iii) The balance of 'Surplus of Statement of Profit and Loss' of SPIL amounting to ₹ 3,565 million (net of adjustments on account of policy differences of ₹ 275 million ) as at 1<sup>st</sup> April 2012 have been included in the balance of 'Surplus of Statement of Profit and Loss' of the Company.
- iv) 395,100,000 equity shares of ₹ 10 each fully paid in SPIL held as investment by the Company have been cancelled and extinguished.
- v) The equity shareholders of SPIL have, for every 70 fully paid equity shares of ₹ 10 each held as on the record date, been issued 1 fully paid equity share of ₹ 5 each of the Company. Accordingly, the Company has issued 13,170,000 equity shares on 29<sup>th</sup> March 2013 thereby increasing its equity capital to ₹ 1,510 million.
- vi) The surplus amounting to ₹ 9,153 million, arising as a result of the amalgamation, i.e. excess of the value of net assets of SPIL transferred to the Company over the paid-up value of shares issued to equity shareholders of SPIL, has been added to the reserves of the Company.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

- vii) The amounts relating to SPIL as at 1<sup>st</sup> April 2012 included in the terms of the scheme in the financial statements of the Company are as below:

	Net Amount
<b>Assets</b>	
Fixed assets (net) (including capital work-in-progress ₹ 2,949 million)	21,425
Cash and Bank balances	1,051
Current Assets and Loans and Advances	9,080
<b>Total</b>	<b>31,556</b>
<b>Liabilities</b>	
Long Term Borrowings	5,337
Long Term Liabilities and Provisions	1,108
Current Liabilities and Provisions	8,376
<b>Total</b>	<b>14,821</b>
<b>Net assets acquired on Amalgamation (a)</b>	<b>16,735</b>
<b>Transfer of balances of Amalgamated Company</b>	
Reserves & Surplus (b)	3,565
<b>Less:-</b>	
Adjustment for cancellation of Company's investment in Transferor Company (c)	3,951
Shares issued in the ratio of 1:70 to the shareholders of erstwhile Suzuki Powertrain India Limited, pursuant to the scheme on amalgamation (d)	66
<b>Credited to Reserve on Amalgamation (a) – (b) – (c) – (d)</b>	<b>9,153</b>

38. a) The Profit after tax of SKH Metals Limited, 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 2012. It is unlikely that the audited results would be materially different from annualised results.
- b) The Profit after tax of Climate Systems India Limited, Jay Bharat Maruti Limited, Krishna Maruti Limited, Manesar Steel Processing (India) Private Limited, Bellsonica Auto Component India Private Limited, Magneti Marelli Powertrain India Limited, Krishna Ishizaki Auto Limited, and Bharat Seats Limited has been taken on the basis of unaudited financial statements for financial year ended 31<sup>st</sup> March 2013. It is unlikely that the audited results would be materially different from unaudited results.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

39. 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, automobile components 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 such activities contribute significantly in generating the demand for the products of the Company. 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” have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

### Financial information of geographical segments is as follows

Particulars	2012-2013				2011-2012			
	Domestic	Overseas	Unallocated	Total	Domestic	Overseas	Unallocated	Total
Revenue from external customers	450,230	49,097	7,829	507,156	361,286	40,302	7,351	408,939
Segment assets	244,465	8,777	21,466	274,708	203,701	7,577	19,714	230,992
Capital expenditure during the year	36,906	-	-	36,906	32,244	-	-	32,244

Notes:-

- Domestic segment includes sales and services to customers located 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 investments.
- 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 (tangible and intangible assets) and net additions to capital work in progress.

### 40. STATEMENT OF EARNING PER SHARE

	2012-2013	2011-2012
Net Profit after tax attributable to shareholders (in million ₹)	24,692	16,812
Weighted average number of equity shares outstanding during the year (Nos)	302,080,060	288,910,060
Nominal value per share (In ₹)	5.00	5.00
Basic/diluted earning per share (In ₹)	81.74	58.19



# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 41. MINIMUM LEASE PAYMENTS OUTSTANDING AS ON 31<sup>ST</sup> MARCH 2013 IN RESPECT OF ASSETS TAKEN ON NON-CANCELLABLE OPERATING LEASES ARE AS FOLLOWS :-

#### a) As a lessee

Due	31.03.2013			31.03.2012
	Total Minimum Lease Payments Outstanding as on 31 <sup>st</sup> March 2013			Total Minimum Lease Payments Outstanding as on 31 <sup>st</sup> March 2012
	Premises	Cars	Total	Premises
Within one year	50	4	54	49
Later than one year but less than five years	222	5	227	212
Later than five years	682	-	682	741
	<b>Minimum Lease Payment</b>			<b>Minimum Lease Payment</b>
Charged to rent expense	60	6	66	57

The Company has taken certain premises on cancellable operating lease. The rent expense amounting to ₹ 118 million (Previous year ₹ 99 million) has been charged to the statement of profit and loss.

#### b) As a lessor

The Company has given certain plant and machineries on cancellable operating lease. The rental income arising of the same amounting to ₹ 10 million has been credited to statement of profit and loss.

### 42. DERIVATIVE INSTRUMENTS OUTSTANDING AT THE BALANCE SHEET DATE:

#### 1 (a) Forward Contracts against imports and royalty:

- Forward contracts to buy JPY 45,200 million (Previous year JPY 48,477 million) against USD amounting to ₹ 26,053 million (Previous year ₹ 29,794 million).
- Forward contracts to buy USD 20 million (Previous year USD 90 million) against INR amounting to ₹ 1,086 million (Previous year ₹ 4,579 million).

The above contracts have been undertaken to hedge against the foreign exchange exposures arising from transactions like royalty and import of goods.

#### (b) Forward Contracts / Range Forward contract against Exports

- Forward contracts to sell USD 150 million (Previous year USD 25 million against INR amounting to ₹ 8,144 million (Previous year ₹ 1,272 million).
- Forward contracts to sell EURO NIL (Previous year EURO 28 million) against INR amounting to NIL (Previous year ₹ 1,901 million)
- Range Forward Contracts to sell USD NIL (Previous year USD 30 million) against INR amounting NIL (Previous year ₹ 1,526 million)

The above contracts have been undertaken to hedge against the foreign exchange exposures arising from export of goods.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

**(c) USD Floating rate/INR Floating rate cross-currency swap:**

Outstanding USD/INR Floating rate cross-currency swap is USD 69.51 million (Previous year USD 31.175 million) amounting to ₹ 3,773 million (Previous year ₹ 1,586 million)

**(d) Forward Contracts against Buyers Credit :**

Forward Contracts to buy JPY 798 million (Previous year JPY 3,961 million against INR amounting to ₹ 460 million (Previous year ₹ 2,434 million).

Forward Contracts to buy USD 165 million (Previous year USD 108 million against INR amounting to ₹ 8,933 million (Previous year ₹ 5,495 million).

The above contracts have been undertaken to hedge against the foreign exchange exposure arising from foreign currency loan.

**2 The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:**

(In million)

As at 31.03.2013								
	YEN	INR Equivalent	USD	INR Equivalent	EURO	INR Equivalent	GBP	INR Equivalent
Receivables	177	101	54	2,919	4	257	5	394
Payables	7,192	4,105	17	944	18	1,270	0.6	49

As at 31.03.2012								
	YEN	INR Equivalent	USD	INR Equivalent	EURO	INR Equivalent	GBP	INR Equivalent
Receivables	32	20	4	182	10	715		
Payables	2,709	1,691	22	1,118	2	133		

Note: The above details include the derivative instruments and foreign currency exposure unhedged, as acquired pursuant to scheme of amalgamation (refer note 37)

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

### 43. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

#### Holding Company

Suzuki Motor Corporation

#### Joint Ventures

Mark Exhaust Systems Limited  
Bellsonica Auto Component India Private Limited  
FMI Automotive Components Limited  
Krishna Auto Mirrors Limited

Inergy India Automotive Components Limited  
Maruti Insurance Broking Private Limited  
Manesar Steel Processing India Private Limited

#### Subsidiaries

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  
J.J. Impex (Delhi) Private Limited \*\*

#### Key Management Personnel

Mr Shinzo Nakanishi  
Mr. Shuji Oishi (upto 28<sup>th</sup> April 2012)  
Mr Tsuneo Ohashi  
Mr Keiichi Asai  
Mr. Kazuhiko Ayabe (w.e.f 28<sup>th</sup> April 2012)

#### Associates

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  
Magneti Marelli Powertrain India Private Limited  
Suzuki Powertrain India Limited\*

#### Fellow Subsidiaries (Only with whom the Company had transactions during the current year)

Jinan Qingqi Suzuki Motorcycle Co., Limited  
Magyar Suzuki Corporation Limited  
PT Suzuki Indomobil Motor (Former PT Indomobil Suzuki International)  
Suzuki Australia Pty Limited  
Suzuki Austria Automobile Handels G.m.b.H.  
Suzuki Auto South Africa (Pty) Limited  
Suzuki Cars (Ireland) Limited  
Suzuki France S.A.S.  
Suzuki GB PLC  
Suzuki International Europe G.m.b.H.  
Suzuki Italia S.P.A.  
Suzuki Motor (Thailand) Co., Limited  
Suzuki Motor Iberica, S.A.U.  
Suzuki Motor Poland Sp. Z.o.o. (Former Suzuki Motor Poland Limited)  
Suzuki Motorcycle India Private Limited  
Suzuki New Zealand Limited  
Suzuki Philippines Inc.  
Taiwan Suzuki Automobile Corporation

	2012-13					2011-12						
	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
<b>Outstanding at Year End</b>												
<b>Loans and advances recoverable</b>												
Asahi India Glass Limited	-	342	-	-	-	342	-	303	-	-	-	303
Others	144	247	301	29	-	721	104	2,183	45	23	-	2,355
<b>TOTAL</b>	<b>144</b>	<b>589</b>	<b>301</b>	<b>29</b>	<b>-</b>	<b>1,063</b>	<b>104</b>	<b>2,486</b>	<b>45</b>	<b>23</b>	<b>-</b>	<b>2,658</b>
<b>Amounts Recoverable</b>												
SKH Metals Limited	-	762	-	-	-	762	-	563	-	-	-	563
Jay Bharat Maruti Limited	-	620	-	-	-	620	-	-	-	-	-	-
Bellsonica Auto Component India Pvt Ltd	856	-	-	-	-	856	987	-	-	-	-	987
PT Suzuki Indomobil Motor	-	-	-	1,063	-	1,063	-	-	-	692	-	692
Others	441	493	85	1,088	-	2,107	10	686	22	515	-	1,233
<b>TOTAL</b>	<b>1,297</b>	<b>1,875</b>	<b>85</b>	<b>2,151</b>	<b>-</b>	<b>5,408</b>	<b>997</b>	<b>1,249</b>	<b>22</b>	<b>1,207</b>	<b>-</b>	<b>3,475</b>
<b>Amounts Payable</b>												
Suzuki Motor Corporation	-	-	12,698	-	-	12,698	-	-	9,740	-	-	9,740
Others	606	2,063	-	236	-	2,904	636	4,853	-	27	-	5,516
<b>TOTAL</b>	<b>606</b>	<b>2,063</b>	<b>12,698</b>	<b>236</b>	<b>-</b>	<b>15,602</b>	<b>636</b>	<b>4,853</b>	<b>9,740</b>	<b>27</b>	<b>-</b>	<b>15,256</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	2012-13					2011-12						
	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
<b>Goods in Transit - Component Etc.</b>												
Suzuki Motor Corporation	-	-	954	-	-	954	-	-	1,963	-	-	1,963
Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>954</b>	-	-	<b>954</b>	-	-	<b>1,963</b>	-	-	<b>1,963</b>
<b>Guarantees given to third parties for the Company</b>												
Suzuki Motor Corporation	-	-	5	-	-	5	-	-	1,586	-	-	1,586
Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>5</b>	-	-	<b>5</b>	-	-	<b>1,586</b>	-	-	<b>1,586</b>
<b>Purchases of Tangible and Intangible Fixed Assets</b>												
Suzuki Motor Corporation	-	-	1,734	-	-	1,734	-	-	3,676	-	-	3,676
Others	206	156	-	10	-	372	89	260	-	5	-	354
<b>TOTAL</b>	<b>206</b>	<b>156</b>	<b>1,734</b>	<b>10</b>	-	<b>2,106</b>	<b>89</b>	<b>260</b>	<b>3,676</b>	<b>5</b>	-	<b>6,070</b>
<b>Sale of Goods</b>												
Suzuki Motorcycle India Private Ltd.	-	-	-	4,625	-	4,625	-	-	-	75	-	75
Suzuki International Europe G.m.b.H.	-	-	-	-	-	-	-	-	-	1,762	-	1,762
Suzuki GB PLC	-	-	-	3,150	-	3,150	-	-	-	1,826	-	1,826
PT Indomobil Suzuki International	-	-	-	9,172	-	9,172	-	-	-	3,913	-	3,913
Others	3,412	5,373	58	6,256	-	15,099	1,906	3,010	82	4,744	-	9,742
<b>TOTAL</b>	<b>3,412</b>	<b>5,373</b>	<b>58</b>	<b>23,203</b>	-	<b>32,046</b>	<b>1,906</b>	<b>3,010</b>	<b>82</b>	<b>12,320</b>	-	<b>17,318</b>
<b>Other Income</b>												
<b>Finance Income/ Commission/Dividend</b>												
SKH Metals Limited	-	50	-	-	-	50	-	44	-	-	-	44
Jay Bharat Maruti Limited	-	49	-	-	-	49	-	88	-	-	-	88
Climate Systems India Limited	-	43	-	-	-	43	-	46	-	-	-	46
Asahi India Glass Limited	-	56	-	-	-	56	-	28	-	-	-	28
Others	39	165	-	1	-	205	32	772	-	-	-	804
<b>TOTAL</b>	<b>39</b>	<b>363</b>	-	<b>1</b>	-	<b>403</b>	<b>32</b>	<b>977</b>	-	-	-	<b>1,009</b>
<b>Other Misc Income</b>												
SKH Metals Limited	-	200	-	-	-	200	-	216	-	-	-	216
Bellsonica Auto Component India Private Limited	-	164	-	-	-	164	-	90	-	-	-	90
Jay Bharat Maruti Limited	-	232	-	-	-	232	-	165	-	-	-	165
Krishna Maruti Limited	-	147	-	-	-	147	-	28	-	-	-	28
Others	269	17	87	15	-	388	188	1,122	480	9	-	1,800
<b>TOTAL</b>	<b>269</b>	<b>760</b>	<b>87</b>	<b>15</b>	-	<b>1,131</b>	<b>188</b>	<b>1,622</b>	<b>480</b>	<b>9</b>	-	<b>2,239</b>

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	2012-13						2011-12					
	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total	Joint Ventures	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
<b>Expenditure</b>												
<b>Purchases of Goods</b>												
Suzuki Motor Corporation	-	-	22,656	-	-	22,656	-	-	21,149	-	-	21,149
JayBharat Maruti Limited	-	9,673	-	-	-	9,673	-	8,656	-	-	-	8,656
Krishna Maruti Limited	-	8,775	-	-	-	8,775	-	8,268	-	-	-	8,268
Others	11,488	35,355	-	187	-	47,030	8,919	71,707	-	3	-	80,628
<b>TOTAL</b>	<b>11,488</b>	<b>53,803</b>	<b>22,656</b>	<b>187</b>	<b>-</b>	<b>88,134</b>	<b>8,919</b>	<b>88,631</b>	<b>21,149</b>	<b>3</b>	<b>-</b>	<b>1,18,701</b>
<b>Proposed Dividend</b>												
Suzuki Motor Corporation	-	-	1,358	-	-	1,358	-	-	1,175	-	-	1,175
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,358</b>	<b>-</b>	<b>-</b>	<b>1,358</b>	<b>-</b>	<b>-</b>	<b>1,175</b>	<b>-</b>	<b>-</b>	<b>1,175</b>
<b>Royalty</b>												
Suzuki Motor Corporation	-	-	24,538	-	-	24,538	-	-	18,031	-	-	18,031
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>24,538</b>	<b>-</b>	<b>-</b>	<b>24,538</b>	<b>-</b>	<b>-</b>	<b>18,031</b>	<b>-</b>	<b>-</b>	<b>18,031</b>
<b>Services Received</b>												
Suzuki Motor Corporation	-	-	557	-	-	557	-	-	1,090	-	-	1,090
Others	-	-	-	2	-	2	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>557</b>	<b>2</b>	<b>-</b>	<b>559</b>	<b>-</b>	<b>-</b>	<b>1,090</b>	<b>-</b>	<b>-</b>	<b>1,090</b>
<b>Other Expenditure</b>												
Suzuki GB PLC	-	-	-	154	-	154	-	-	-	65	-	65
Others	1	4	763	209	-	977	-	1	-	134	-	135
<b>TOTAL</b>	<b>1</b>	<b>4</b>	<b>763</b>	<b>363</b>	<b>-</b>	<b>1,131</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>199</b>	<b>-</b>	<b>200</b>
<b>Managerial Remuneration</b>												
Mr. Shinzo Nakanishi	-	-	-	-	31	31	-	-	-	-	27	27
Mr. Tsuneo Ohashi	-	-	-	-	22	22	-	-	-	-	20	20
Mr. Keiichi Asai	-	-	-	-	22	22	-	-	-	-	19	19
Mr. Syuji Oishi	-	-	-	-	2	2	-	-	-	-	19	19
Mr. Kazuhiko Ayabe	-	-	-	-	20	20	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>85</b>

**Note:**

\* Amalgamated with the Company with effect from 1<sup>st</sup> April, 2012 (Refer Note 37)

\*\*J.J. Impex (Delhi) Private Limited was a joint venture of the Company in the previous year and has become a subsidiary of the Company with effect from 1<sup>st</sup> April, 2012

The transactions entered into with the joint ventures companies have been disclosed above. The above disclosure does not include the disclosure of the amounts recorded on proportionate consolidation of such transactions.

# Notes

## To The Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

44. The Board of Directors in its meeting held on 26<sup>th</sup> April 2013 have approved the amalgamation of the seven wholly owned insurance subsidiaries under Sections 391 and 394 of the Companies Act, 1956. The amalgamation will be effective from 1<sup>st</sup> April 2013 and is subject to Shareholders and other necessary approvals.
45. The figures for the previous year do not include figures for erstwhile Suzuki Powertrain India Limited, which has been amalgamated with the Company effective 1<sup>st</sup> April 2012, therefore the current year figures are not comparable to those of the previous year.

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

**ABHISHEK RARA**  
Partner  
Membership Number - 077779

Place: New Delhi  
Date: 26<sup>th</sup> April 2013

**KENICHI AYUKAWA**  
Managing Director & CEO

**AJAY SETH**  
Chief Financial Officer

**SHINZO NAKANISHI**  
Director

**S. RAVI AIYAR**  
Executive Director (Legal)  
& Company Secretary

**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

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

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**Way of Life!**

**Maruti Suzuki India Limited**

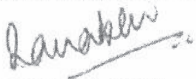


Form A

Covering Letter of the Annual Audit report to be filed with the Stock Exchanges


1	Name of the Company	Maruti Suzuki India Limited
2	Annual financial statements for the year ended	31 March, 2013
3	Type of Audit observation	Matter of Emphasis
4	Frequency of observation	Appearing for the first time in Annual Audit Report. However, this item has also been reported in the limited review report on the financial results for the quarter(s) ended on September 30 and December 31, 2012.

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

  
ABHISHEK RARA  
Partner  
Membership Number - 077779

  
AJAY SEITHI  
Chief Financial Officer

  
KENICHI AYUKAWA  
Managing Director & CEO

  
AMAL GANGULI  
Audit Committee Chairman

Place: New Delhi  
Date: April 26, 2013

For Maruti Suzuki India Limited

  
S. Ravi Aiyar  
Executive Director (Legal)  
& Company Secretary