MARUTI SUZUKI
Way of Life!

MSIL: COS: NSE&BSE: 2020

4th August, 2020

Vice President
National Stock Exchange of India Limited
"Exchange Plaza", Bandra- Kurla Complex
Bandra (E)
Mumbai - 400 051

General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001

Sub: Notice of 39th Annual General Meeting and Annual Report for the financial year 2019-20

Dear Sir,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the Notice of 39th Annual General Meeting and Annual Report of the Company for financial year 2019-20.

Kindly take the same on record.

Thanking you,
Yours truly,

For **Maruti Suzuki India Limited**

Sanjeev Grover
Vice President &
Company Secretary

Encl: As above

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MARUTI SUZUKI

Way of Life!

Leading with Responsibility. Delivering Excellence.

ANNUAL INTEGRATED REPORT **2019-20**

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Report Profile

Maruti Suzuki India Limited (hereafter referred to as ‘MSIL’ or 'the Company') is pleased to present its 39th Annual Report for the financial year 2019-20 (1st April 2019 to 31st March, 2020, or the ‘reporting period’). The report is based on the Integrated Reporting Framework (referred to as the <IR> framework) developed by the International Integrated Reporting Council (IIRC). This report intends to serve as a concise communication about the Company’s thoughts on business, governance, performance (financial and non-financial) and prospects in context of its external environment.

The financial information presented in this report complies with the financial and statutory data requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards. It has undergone independent assurance by Deloitte Haskins & Sells LLP.

The non-financial information presented in this report is based on the Global Reporting Initiative (GRI) standards, and selected disclosures have undergone independent assurance by TUV India Private Limited. This information covers the manufacturing facilities in Gurugram and Manesar, Research & Development (R&D) facility in Rohtak, the Head Office in New Delhi, regional, zonal and area offices across India, sales and distribution facilities and stockyards. Joint ventures and subsidiaries are excluded. There was no significant change in scope and boundaries of the non-financial disclosures from the previous reporting period. The calculation methodologies conform to globally accepted standards, and assumptions, exclusions and restatements are clearly stated wherever applicable.

The report also describes the alignment of the Company’s contribution to the United Nations’ Sustainable Development Goals (SDGs). Additionally, the report is aligned with the ‘Ten Principles of the United Nations Global Compact (UNGC)' and the National Voluntary Guidelines on Social, Environmental and Economic (NVG-SEE) Responsibilities of Businesses in India issued by the Ministry of Corporate Affairs, Government of India.

Disclaimer

The report may contain ‘forward-looking’ statements that address expectations or projections about the future. These have to be understood in conjunction with the uncertainty and the risk that the Company faces. Actual results, performance or achievements may thus differ substantially or materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any such statement, on the basis of subsequent developments, information or events, except as may be required by law.

02-25

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Company Profile

The Company was established in 1981. A joint venture agreement was signed between the Government of India and Suzuki Motor Corporation (SMC), Japan in 1982. The Company became a subsidiary of SMC in 2002. In terms of production volume and sales, the Company is now SMC's largest subsidiary. SMC currently holds 56.28% of its equity stake. It is a public limited company and its shares are traded at the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Facilities in India

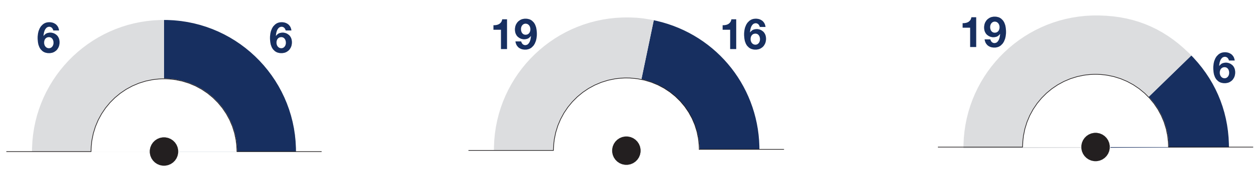
Manufacturing Sites
- Gurugram (Haryana)
- Manesar (Haryana)

Research & Development Centre
- Rohtak (Haryana)
- Gurugram (Haryana)

Head Office
New Delhi

Distribution Facilities
- Gurugram (Haryana)
- Manesar (Haryana)
- Hansalpur (Gujarat)

Stockyards
- Siliguri (West Bengal)
- Bengaluru (Karnataka)
- Nagpur (Maharashtra)



Zonal Offices · Regional Offices · Area Offices

Maruti Suzuki Arena - Existing channel · NEXA - New channel

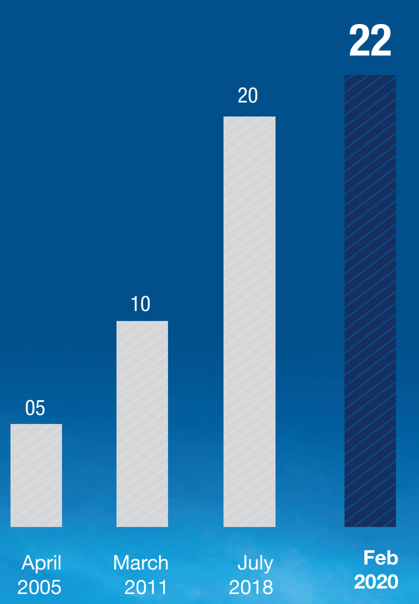
Production Capacity

The Company has two state-of-the-art manufacturing facilities located in Gurugram and Manesar in Haryana, capable of producing ~1.5 million units per annum. Highly efficient lean manufacturing processes, together with a skilled and motivated workforce, enables manufacturing of reliable and quality products.

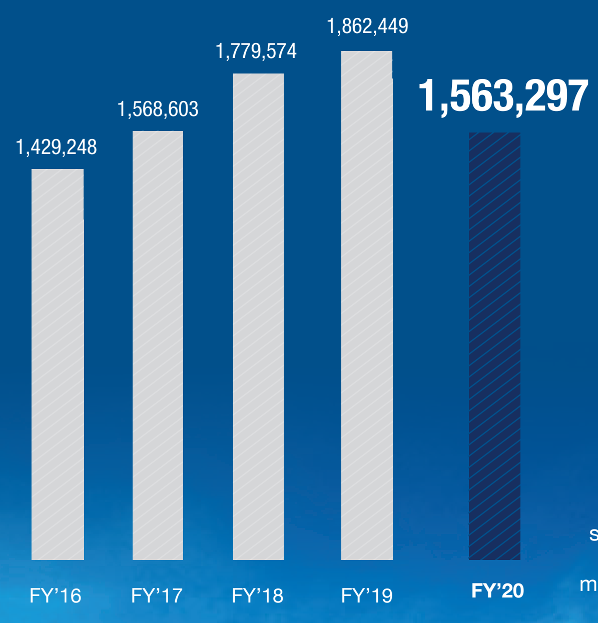
Suzuki Motor Gujarat Private Limited (SMG), a subsidiary of SMC, was set up in Hansalpur, Gujarat to cater to the increasing market demand for the Company's products and has been operational since 2017. Through this new facility, an additional annual production capacity of 0.5 million units has been made available, thereby taking the combined production capability to ~2 million units. The Company is responsible for the sales and distribution of units produced at the SMG facility in Gujarat.

Total Cumulative Production

(in million)



Unit Sales (Domestic and Export)



Figures include vehicles produced by SMG and supplied to the Company as per the contract manufacturing agreement.

Global Markets Served (by Geography)

Sales and Service Channels in India

Sales Channels

MARUTI SUZUKI ARENA

A youthful and modern destination that provides a dynamic, trendy, social, connected and new-age car buying experience

2,390 Outlets

1,964 Cities

NEXA

Premium sales channel targeted at new customer segments, offering global buying experience, innovative technology and enhanced hospitality

375 Outlets

219 Cities

TRUE VALUE

Trusted destination for buyers of pre-owned cars at fair and transparent prices

1,220 Outlets

926 Cities

COMMERCIAL

Fastest-growing automobile retail channel in India

321 Outlets

237 Cities

Service Channels

Extensive network for vehicle servicing, including value-added services, such as Maruti Mobile Support vehicles, on-road assistance and Quick Response Team

3,864 Outlets

1,914 Cities

Service on Wheels

126

Vehicles deployed for quick response

775

Outlets

Cities

Supporting Products and Services Offered

In association with its subsidiaries and business partners, the Company also offers an array of supportive products and services to its customers, which has helped generate and retain customer loyalty.

Services

Maruti Genuine Accessories
High-quality accessories at reasonable rates, approved and certified by the Company for their compatibility with the various models

Maruti Driving School
World-class driving training using advanced simulators

Maruti Insurance
Single window for cashless accident repairs, hassle-free services and easy claim settlement

Maruti Auto Card
Unique loyalty reward programme designed exclusively for the Company's customers

Maruti Genuine Parts
Quality spare parts for ensuring longevity and performance of vehicle, and safety of passengers

True Value
Transforming buying experience of a pre-owned car

Maruti Finance
Partnering with banks and Non-Banking Financial Corporations to provide easy financing options

Product Portfolio

NEXA

BALENO

CIAZ

MARUTI SUZUKI ARENA

DZIRE

VITARA BREZZA

WAGON-R

ALTO

COMMERCIAL

SUPER CARRY

EECO CARGO

S-CROSS

XL6

IGNIS

ERTIGA

SWIFT

S-PRESSO

CELERIOX

CELERIO

EECO

Performance Highlights 2019-20

Financial Capital	Trend	2019-20	2018-19
The Company's growth strategy, along with disciplined allocation of capital, has led to sustained financial returns.			
Capital employed (₹ million)	↑	**484,370**	**461,415**
Net sales (₹ million)	↓	**716,904**	**830,265**
PAT margin (%)	↓	**7.9**	**9.0**
Book value per share (₹)	↑	**1,603**	**1,527**
ROCE (%)	↓	**14.9**	**23.8**

Manufactured Capital	Trend	2019-20	2018-19
The Company utilises state-of-the-art facilities and highly efficient green manufacturing processes to manufacture reliable and quality products.			
Vehicles sold	↓	**1,563,297**	**1,862,449**

Intellectual Capital	Trend	2019-20	2018-19
With the product and technology licences received from SMC, the Company is able to offer relevant products in the Indian market.			
New models	↔	**2**	**2**
Facelift models	↑	**6**	**2**
R&D spend (₹ million)	↑	**7,639**	**7,128**
Patents applied/granted	↔	**98/11**	**100/12**
Design filed/registered	↑	**53/60**	**35/54**
R&D engineers	↑	**1,845**	**1,600**

Human Capital	Trend	2019-20	2018-19
The Company is focused on developing the skills, competencies, health, safety and wellbeing of its human resources, so that they may be optimally leveraged for value creation across other capitals.			
Fatalities	↔	**Nil**	**Nil**
Lost Time Injury Rate	↔	**Nil**	**Nil**
Employee benefit expenses	↑	**33,839**	**32,549**
Total person-hours of training provided to employees (person-hours)	↓	**985,518**	**1,420,576**

Social and Relationship Capital	Trend	2019-20	2018-19
The Company strives to maintain mutually respectful and beneficial relationships with its stakeholders such as customers, value chain partners, local communities and the Government, creating a favourable environment for business.			
Sales outlets	↑	**3,086**	**2.934**
Service outlets	↑	**3,864**	**3,614**
Sales workforce trained	↔	**50,000+**	**50,000+**
Service workforce trained	↑	**1,620,000+**	**1,300,000+**
Training facilities setup for improving the capability of suppliers' workforce	↑	**304**	**169**
Tier-1 suppliers	↑	**519**	**512**
Customer engagement initiatives (No.)	↑	**22,000,000+**	**20,000,000+**
CSR spend (₹ million)	↑	**1,682**	**1,541**
Road safety (No. of drivers trained)	↑	**407,771**	**391,761**

Natural Capital	Trend	2019-20	2018-19
The Company strives to reduce the impact of its products and services on the environment through the sustainable use of natural resources and responsible waste, wastewater and emissions management practices.			
Models in which proportion of materials recyclable and recoverable measured using the International Material Data System (IMDS)	↑	**XL6 & S-PRESSO**	**WAGON-R**
Tier-1 supplier plants implemented ISO 14001 environmental management systems	↑	**607**	**565**
Water saved through dry-wash systems at service workshops (million litres)	↑	**1,248**	**656**
Recycling of steel scrap (%)	↔	**100**	**100**
Renewable energy used in manufacturing vehicles (total solar power capacity - MWp)	↑	**6.3**	**1.3**
Cumulative CO_2 saved by using alternative fuel-driven vehicles since 2005-06 (million MT)	↑	**1.16**	**1.06**

Awards and Accolades

4th year in a row

Kenichi Ayukawa, Managing Director & CEO, honoured as the Best CEO (Large Companies) by Business Today, 2019

National Safety Award

Received from the Ministry of Labour and Employment, Government of India, 2019

Platinum Safety Award

Received from Federation of Indian Chambers of Commerce & Industry (FICCI), 2019

Recognition at the TISS LeapVault CLO Awards

L&D Team of the Year, 2019

Chief Learning Officer of the Year, 2019

Recognition for S-Presso

Hatchback of the Year
at the News18 Tech &
Auto Awards, 2019

Hatchback of the Year
at the Jagran HiTech
Awards, 2019

Recognition for Ertiga

MPV of the Year
at the Jagran
HiTech Awards, 2019

MPV of the Year
at the Car
India Awards, 2019

Recognition for Swift

Premium Hatchback of the Year
at the Car India Awards, 2019

Car of the Year
at the BBC TopGear Awards, 2019

Hatchback of the Year
at the Times Auto Awards 2019

Message from the Chairman

Dear Shareholders,

It is my pleasure to express my thought through the Annual Integrated Report of Maruti Suzuki India Limited.

The COVID-19 pandemic has compelled people all over the world to make changes in their way of working and living.

Since the time of the first lockdown, the safety and health of our employees has been the paramount objective for the Company. We have been continually educating employees on the importance of self-discipline and adherence to all safety directions and guidelines issued by the government. In addition, your Company also framed more detailed guidelines for employees to follow at home and in the shop floor. These practices were communicated for adherence to our vendors and dealers also. Your Company has paid employees their salary during the lockdown period and has also been able to give help to vendors and dealers where this was required and justified. The financial reserves of your Company have enabled us to deal in a satisfactory manner with this unexpected event that came so suddenly. I hope and pray that all our shareholders have remained safe and healthy and continue to take all precautions to protect themselves, their families and society.

The downturn experienced by the automobile sector in FY 2019-20 was in a sense inevitable. It brought home the lesson that if there is a combination of substantial price increases with uncertainty in the minds of consumers there will almost certainly be a drop in the sale of high value consumer durables. The sale of cars in the country fell by 18% compared to the previous year. Your Company's sales also dropped by 16%. The profits after tax were lower by 25%. Your directors have recommended a dividend of ₹ 60 per share in line with the fall in profits.

The major challenge before your Company in FY 2019-20 was to meet the requirement of transiting all products to meet BS-VI standards before 31st March 2020. I am happy to report that 14 models were made BS-VI compliant and introduced to the market in a phased manner. The first BS-VI model was introduced in the month of April 2019 itself. The S-Cross was to be introduced by the end of March 2020, but the lockdown prevented that from happening. I am sure all of you would join me in congratulating employees of the Company, and especially those in engineering, supply chain and production, for the great efforts put in to achieve this success. However, moving to BS-VI was not the only regulatory compliance required. Safety regulations had also been enhanced and included side impact and offset regulations, ABS modification, compulsory airbags, pedestrian protection and reverse parking camera. These changes were introduced in FY 2018-19 and FY 2019-20. As can be understood the outcome of so many enhancements of emission and safety regulations resulted in a significant increase in the cost of production of cars. Safety and emission regulations in India are now very similar to those in Europe.

Several State governments also decided to substantially increase the rates of road tax in FY 2019-20. The road tax is now a one-time tax and is realised at the time of sale. This further added to the consumer's cost of acquisition at a time when prices had risen significantly due to regulatory changes. It was also unfortunate that in FY 2019-20 the entire financial sector was under considerable stress because of rising NPA's of banks and NBFC's. Consumer financing suffered as a consequence, with banks demanding higher initial deposits for a car loan and tightening the creditworthiness norms. Almost 80% of our car sales are financed and these changes made the situation even worse.

The uncertainty in the minds of consumers during the year was created by the availability of BS-IV and BS-VI cars during the year. The consumer was uncertain as to which version to buy. At the same time there were rumours that there was likely to be a distress sale of BS-IV cars towards the end of the year, when manufacturers would have to liquidate unsold stocks before the 31st March. All this led to many consumers postponing buying decisions.

Even before FY 2019-20, the tax on cars in India was far higher than in any other car manufacturing country in the world. In the European Union (EU), the VAT is 19% and no other taxes. In Japan, taxes are around 10%. Given the much lower per capita incomes in India, this created an affordability issue for many aspiring car owners. In FY 2019-20, the increase in the cost of acquisition of a car, coupled with the higher hurdles to be crossed to obtain a loan, led to a fall in sales. It was proven that the price elasticity of demand is a real concept. It is quite apparent that if the manufacturing sector is to grow at a rate that would take its contribution to 25% of the GDP even by 2025, car sales must increase at a much higher rate than in the past. The car industry constitutes about 50% of the auto sector which contributes around 40% of the manufacturing sector's share of the GDP.

The woes of the auto sector were compounded by the COVID-19 pandemic even before the financial year ended. The lockdown from the 25th March 2020 led to disruption of the sale plans of all companies as the last week of March is always important. There could be no production in April and in May 2020 production was very limited extent because of the need to comply with all regulations and to ensure the safety of employees and customers. June production was better, and your Company expects to gradually increase production and sales as the situation improves and workers return from their villages.

I am happy to report that our sales and service organisation has become fully functional and the demand for your Company's products has recovered well. The economy in the rural areas is quite robust thanks to a good Rabi harvest and the expected normal monsoons. Tractor sales are already higher than last year. Our sales in the rural areas are growing faster than in the urban areas. We are hoping that in the second half of 2020-21, sales may near the performance of last year and 2021-22 should be better, especially if the Central and State governments recognise the importance of supporting faster growth of the car industry as a means of reviving the economy and creating larger employment opportunities.

The pricing policy for diesel and petrol seems to have changed. The gap between the two fuels has become very small and in several States diesel is costlier than petrol. Your Company presently has no diesel products in the BS-VI range. The percentage of diesel cars sold by the competition has fallen quite sharply. The market, at present, seems to favour smaller hatchbacks and petrol and CNG cars. Fortunately, we are well placed for such products.

The plan to shift the Gurugram facility has had to be delayed because of the COVID-19 pandemic.

Your Company plans for contributing to the improvement of the environment continues to be treated as priority. All existing projects for water conservation, emission control and air quality monitoring on a real time basis continue. The sale of CNG cars in FY 2019-20 increased by 6.1% over the previous year. A 5 MW solar plant has been commissioned in Gurugram. In Manesar, in addition to the 1.3 MW solar plant, a new 20 MW solar project is under implementation and is expected to be completed in the first half of 2021.These will considerably reduce the carbon footprint.

Towards the end of March 2020, the Government of India asked your Company to help in the production of ventilators, required to fight the COVID-19 pandemic. We came to the conclusion that the most effective way to do this would be to help a small start-up company Agva Healthcare to scale-up production volumes. With support from a vendor, Motherson Sumi, we could reach a production of 400 ventilators a day by the end of April. Two of our joint venture companies are also involved in manufacturing masks and PPE.

CSR activities continue. As in other years we were able to fully utilise our budget. All the programmes approved by the Board are being implemented effectively. The effort is to increase the cost effectiveness of our implementation and this is helped by an independent external evaluation. In addition, your Company is building a 50-bed hospital in the Mehsana area of Gujarat, which lacks in medical facilities. This would be operational by April 2021. It can later be expanded to a 100-bed hospital if required. Our partner for operating the hospital is the well-known company Zydus Cadilla. A school is also being built in the same area and would be progressively expanded to provide education up to class 12. Its start has had to be postponed to June 2021 because of the COVID-19 pandemic.

The COVID-19 epidemic has given your Company, as well as its vendors and dealers, an opportunity to review all systems of working and become more efficient and competitive. Thus, while we are going through difficult days, I believe we will all emerge stronger and fitter in the future.

Your Company continues to work very closely with Suzuki Motor Gujarat (SMG). Two production lines are fully operational in SMG, with a capacity of 500,000 units a year. The third line commissioning was delayed because of the fall in demand in FY 2019-20 and the pandemic. Its commissioning date will depend on market conditions in 2021.

The well-knit team of employees continues to the greatest strength of your Company. Over decades they have shown that when all employees of a company work unitedly for its growth and prosperity, a win-win situation is created for everyone. The competitiveness of the Company remains very high and it is able to meet and overcome all challenges. The full potential of employees, including the blue-collar workers, is enabled to develop fully under this form of management.

Our vendor partners have grown along with your Company and have been a very important reason for our success and competitiveness. We continue to work with them in a spirit of partnership for the mutual benefit of both. I am confident that many will become global players in the not so distant future.

I look to the future with a great deal of optimism. Many new opportunities are likely to open as the world adjusts to the post COVID-19 scene. The government has always been very supportive of manufacturing and I expect conditions for increasing our competitiveness and growth will continue to get better in the coming year. We have strong support from Japan in the form of the Suzuki Toyota combine in critical areas of technology and development. Combined with the strengths of our own organisation, your Company is well positioned to lead growth in the coming years.

May I thank all our shareholders for their consistent support to the management. I look forward to continued support as we take on the challenges of the future.

Jai Hind.

R. C. Bhargava
Chairman

Message from the Managing Director & CEO

Dear Shareholders,

I appreciate this opportunity to convey my thoughts to you through the Annual Integrated Report of the Company.

The biggest challenge faced today by most of the countries, governments, businesses and people around the world is the health crisis triggered by COVID-19. The Government of India acted very fast and is taking all-round measures to contain the spread of the disease. But the fight with invisible disease is not easy and exhausted the frontline workers. Especially, the medical professionals, who are working very hard to save human lives. I would like to express sincere gratitude to all those who are engaged in the fight against the disease.

Your Company along with its supply chain partners stood by with the Government in the fight against the disease by contributing in an area of national priority. Across the country, the medical professionals were facing acute shortage of medical inputs like ventilators and personal protective equipment (masks and body suits) for which the Government asked for our support. Though the Company possesses no technical competence in medical equipment and was in no position to take any guarantee on the functionality of the ventilators, the Company offered its mass production expertise to an existing ventilator manufacturer to scale up production multi-fold in the shortest possible time. The Company also mobilised its seat vendors, who have some expertise in seat fabric, to put up facilities to produce masks and bodysuits in large quantities. Valuable guidance also came in from the relevant Government departments for this.

In business, today my top-most priority is the health and safety of employees of the Company and its business partners and customers. The Company has implemented stringent controls which are over and above the Government's stipulated guidelines to prevent the spread of COVID-19. Besides, continuous education is being imparted to the workforce to observe high degree of self-discipline. They are regularly being reminded of not letting their guards down at any moment, whether at office or outside. The Company has adopted work-from-home practice wherever possible. Taking these measures as base, further measures specific to business partners have been identified and implemented at their facilities to safeguard employees. For ensuring the safety of customers inside the showroom, the entire customer journey has been redesigned to ensure minimal physical touchpoints and maximising the use of digital interfaces to ensure contactless operations.

Sudden halt of the business with the start of the lockdown put significant pressure on cash flows of some business partners like suppliers and dealers. The Company provided them with cash flow support to ensure that they are able to pay salaries to their employees and meet other obligations.

After lifting of the lockdown, fortunately, we recognise that some demand is starting to recover. However, the biggest challenge is to ramp up production of vehicles, amidst the shortage of manpower and the local lockdowns being observed in different states or cities affecting the supply of components and delivery of vehicles at dealerships. It is too early to judge whether demand is only pent up or really starting to recover.

This crisis may change our businesses and society in some ways. This may require careful analysis of the changed world and accordingly, the strategy, resources and structure need to be realigned. This crisis may lead to the emergence of new opportunities, skill sets and technological solutions, and we have to be quick in adapting to the requirements of the changed world. I firmly believe in 'the survival of fittest'. The other important lesson this crisis has taught, is that the business environment has become far more dynamic and interconnected and far less predictable than before.

At a time when the automobile industry is witnessing a once-in-a-century transformation across the world, events like COVID-19 further increase the complexity of business. We are fortunate to have support of our parent, Suzuki Motor Corporation (SMC) which has completed 100 years in March this year. It has seen several business cycles, major world events and the evolution of the automobile industry in many countries, and hence possesses rich understanding of challenges and priorities of the automobile business. The transformation is bringing various new-age technologies in automobiles. In addition to this, rapidly changing customer preferences and regulations are leading to significant increase in R&D intensity. Valuable technological support is coming from SMC in rolling out new models, introducing new features and upgrading to new regulations. At the same time, your Company's indigenous R&D centre is making strides and increasing its contribution in the design and development process. However, R&D capability development is a time-intensive process and acquiring capability to develop core technology and scaling up capacity to design many more models simultaneously require considerable time. Besides, capability development gets further elongated due to fast change in technologies.

FY 2019-20 was marked with the introduction of several product regulations in the passenger vehicle industry. With timely support from SMC, the Company complied with the regulations well ahead of the timeline. Considering the wider range of product with the multiple product variants and also keeping in mind that the dealer partners should not be burdened with the inventory of BS-IV vehicles, the Company started transitioning its models one year ahead of the timeline.

While making transition to BS-VI regulation, the Company decided to discontinue the diesel offering, as it may not remain an economically attractive choice for customers. Moreover, upcoming regulations in diesel vehicles seem to increase cost further, leaving no economic advantage to customers. We also note that prices of both diesel and petrol fuel have now come much closer. However, if for some reason, the demand of diesel vehicles continues, the Company may have the flexibility to bring back diesel technology (1.5 litre) in its products.

One of the priorities of the world is to reduce carbon footprint and India also needs to reduce its oil imports. Your Company is strongly committed to this direction. In the last 15 years, the Company has reduced carbon emissions of its fleet by 20%. As measured by the CAFÉ regulation, your Company's fleet has the least CO_2 emission per vehicle among all car manufacturers in India. The Company is going further and following a philosophy of reducing carbon footprint with every new model introduction. For further reduction to meet the future CO_2 targets, the Company is adopting a mix of powertrain technologies based on electrification and CNG.

The Company is making efforts to electrify its powertrain, ranging from smart hybrids to strong hybrids to electric vehicles. The partnership between Suzuki Motor Corporation and Toyota Motor Corporation will help the Company to gain access to hybrid technology. SMC is not only providing its support for requisite technology, but also partnering to putting up India's first Lithium ion cell and battery manufacturing facility.

CNG, being an environment-friendly fuel with higher fuel efficiency and lower running cost, is best placed in meeting both consumers' interests as well as national priorities. With the increased focus of the Government towards increasing the CNG distribution infrastructure across the country, the demand for CNG vehicles could see an upsurge in the near future and the Company is best placed to leverage this opportunity.

For reducing carbon footprint in operations, the Company made efforts in increasing the share of railways in vehicle dispatch and the share of solar energy in operations. The Company formed joint ventures with the State Governments of Haryana and Gujarat and the Indian Railways for setting up in-plant railway sidings at the Manesar and Gujarat manufacturing plants. This will be the first time in the country that an automobile OEM will be using an in-plant railway siding.

As part of another major environmental initiative, the Company, together with the Toyota Tsusho Group, announced the setting up of a vehicle dismantling and recycling joint venture with an initial capacity to dismantle around 24,000 vehicles per annum.

The Company continued its efforts on other environment-friendly initiatives such as water conservation, waste management, restricting the use of Substances of Concern and recycle and reuse of natural resources.

The Company, being a part of larger ecosystem, believes in inclusive growth by taking along its major stakeholders for business sustainability. Dealers and suppliers are important part of the ecosystem and the Company is running programs and investing significant time to improve their capabilities, so that they continue to remain competitive in the changing business environment.

For employees, the Company took an initiative to offer post-retirement medical benefit to superannuated employees, including their spouses. The Company's housing scheme has also been received well by employees.

The Company undertakes Corporate Social Responsibility (CSR) projects in the areas of community development, road safety and skill development, in alignment with the national priorities.

The Company continued to implement village development programmes in the areas of health, education, water and sanitation and community infrastructure. Some key initiatives in these areas include building of a 50 bed hospital in Sitapur, Gujarat, in partnership with Zydus Hospitals and setting up a school in Sitapur, Gujarat, in partnership with Podar Education Network. The hospital is expected to be operational by April 2021 and the school by June 2021. During the year, a mechanised solid waste management facility was set up in Manesar for converting organic waste to compost, contributing to the 'Swachh Bharat' mission of the Government.

The Company aligns with the Government of India's flagship 'Skill India' mission to impart the relevant skills training to generate livelihood opportunities for people and to create a pool of skilled workforce for the success of the 'Make In India' initiative. In addition to supporting 127 Industrial Training Institutes across the country, the Company has taken forward the initiative of establishing the Japan-India Institute (JIM), by setting up the second JIM in Haryana in FY 2019-20, after the success of JIM, Mehsana, Gujarat.

In the area of road safety, the Company is investing in technology for improving the driving habits of people through all stages – education, testing and enforcement. The Company already has a massive training network in safe driving. Towards this objective, to the Company is setting up Automated Driving Test Centres for objective evaluation, and testing and establishing Traffic Safety Management Systems by deploying technological solution to capture traffic violations to aid enforcement.

For the automobile business, the FY 2019-20 was very tough year when all unfavourable factors hit simultaneously. Over the last two decades, the auto industry has not witnessed such a huge demand contraction.

To arrest the declining sales, the Company took several initiatives, ranging from stepping up targeted digital campaigns through hyper-local activities for identifying potential customers, to tying up with financing partners for improving credit availability, to offer model-specific promotion schemes like 5 years warranty for addressing the uncertainty in the minds of customers. The Company also expanded its sales network further deep into the country to harness untapped potential. The Company also created excitement in the market by introducing two new models: XL6 and S-Presso.

In the automobile business, volume is critical for profitability. In FY 2019-20, the impact of volume contraction was so large that despite significant cost reduction measures adopted by the Company, decline in operating profit was much pronounced.

In the past, I had mentioned that it is prudent to keep adequate cash reserves for a rainy day. It increases the ability of an organisation to endure crisis without making irreparable sacrifices. Today, the world is passing through a major crisis and it is difficult to foresee how long this will last, but your Company is relatively better placed financially to deal with the crisis. Besides, as I had mentioned above that the auto industry, the world over, is passing through uncertain times, and it further increases the need for preserving cash. Though the Company will continue to invest in traditional areas like product development, network expansion, etc., it may also invest, if required, in those areas which may emerge as critical for strengthening its core business and help prepare for the future.

India's long-term economic prospects are promising which augur well for the automobile business. Experience from the global financial crisis suggests that the Indian economy is quite resilient, and it may not be too far to think that the Indian economy may recover relatively faster this time as well. The Company is making all-round efforts to both participate and drive this recovery. With that, I wish all my stakeholders for a healthy and prosperous future.

Thank you,

Kenichi Ayukawa
Managing Director & CEO

Board of Directors

Mr. R. C. Bhargava
Chairman

S N C R

Mr. O. Suzuki
Director

Mr. T. Suzuki
Director

N

Mr. Kenichi Ayukawa
Managing Director & CEO

A S C R

Board Committees

A Audit
S Stakeholders' Relationship
C CSR
N Nomination & Remuneration
R Risk Management

Additional Members
Mr. A. Seth
Mr. Rajiv Gandhi

Vice President and Company Secretary
Mr. S. Grover

Auditor
Deloitte Haskins & Sells LLP

* Till 31st March, 2020
** Appointed w.e.f. 14th May, 2020

Mr. Takahiko Hashimoto
Director (Marketing & Sales)

R

Mr. Kenichiro Toyofuku
Director (Corporate Planning)

Ms. R.S. Karnad*
Independent Director

Mr. D. S. Brar
Independent Director

A S N

Mr. R. P. Singh
Independent Director

A C

Ms. Lira Goswami
Independent Director

A N

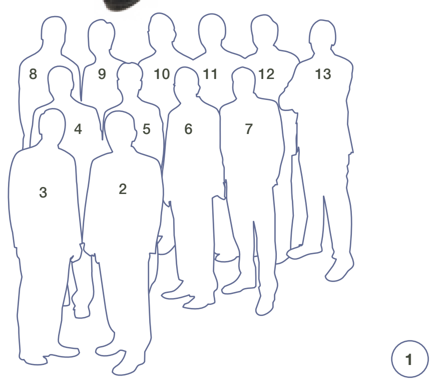
Mr. Maheswar Sahu**
Independent Director

A

Mr. Kinji Saito
Director

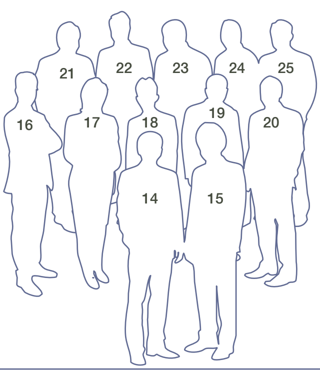
Mr. Hisashi Takeuchi
Director

Executive Management Team



1. Mr. K. Ayukawa, Managing Director & CEO
2. Mr. H. Matsuura, Sr. Executive Officer (Production, Supply Chain) & MEB
3. Mr. R. Gandhi, MEB (Production)
4. Mr. K. Toyofuku, Director (Corporate Planning) & MEB
5. Mr. H. Taguchi, Executive Officer (Corporate Planning)
6. Mr. S. Y. Siddiqui, Executive Advisor (Realty & Land Acquisition)
7. Mr. P. K. Roy, Executive Officer (Production)
8. Mr. A. Seth, CFO & MEB (Finance, Corporate Planning, Company Secretarial, Legal, Internal Audit)
9. Mr. D. D. Goyal, Executive Officer (Finance)
10. Mr. T. Hasuike, Sr. Executive Officer (Engineering, Quality Assurance) & MEB
11. Mr. T. Matsushita, Executive Officer (Engineering)
12. Mr. C. V. Raman, Sr. Executive Officer (Engineering, Quality Assurance, Supply Chain) & MEB
13. Mr. P. Panda, Executive Officer (Engineering)

MEB: Member of the Executive Board



14. Mr. T. Hashimoto, Director (Marketing & Sales, Parts & Accessories, Service, Logistics) & MEB
15. Mr. R. S. Kalsi, MEB (Marketing & Sales, International Marketing, Service, Parts & Accessories, Logistics)
16. Mr. S. Grover, Company Secretary
17. Ms. M. Chowdhary, Executive Officer (Legal)
18. Mr. T. Miki, Executive Officer (Supply Chain)
19. Mr. S. Kakkar, Executive Officer (Supply Chain)
20. Mr. S. Srivastava, Executive Officer (Marketing & Sales)
21. Mr. V. Khazanchi, Executive Officer (Human Resource)
22. Mr. P. Banerjee, Executive Officer (Service)
23. Mr. D. K. Sethi, Executive Advisor (Quality Assurance)
24. Mr. R. Uppal, MEB (Human Resource, Information Technology, Safety)
25. Mr. K. Suzuki, Executive Officer (International Marketing)

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Value Creation Approach

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Way Forward 54
Contribution to Sustainable Development Goals 56


VITARA
BREZZA

Value Creation Process

The Company connects well with customers and understands their needs. The strength of the Company lies in its ability to offer relevant ‘Products, Technologies and Services’ that India needs. The Indian customer is unique and demands features of high-end cars in smaller cars. This is where the unique capability of Suzuki Motor Corporation (SMC) in designing feature-rich, environment-friendly products with world-class quality at an affordable price greatly supports the Company in offering the product that customers desire. The able and passionate workforce committed to make things happen, allows the Company to be agile in challenging any situation and emerging stronger.

The Company strives to provide the best value proposition for customers not only during the purchase of a car, but also throughout the ownership cycle. This leads to creation of customer delight, thus ensuring customers’ long-term association with the Company.

INPUTS

Financial Capital
₹ 461,415 million capital employed at the start of the year

Manufactured Capital
- 2 manufacturing facilities in Haryana, and 1 manufacturing facility in Gujarat, managed by Suzuki Motor Gujarat
- Key raw material – steel coils (210,764 MT), non-ferrous castings (38,888 MT) and paints (10,070 KL)

Intellectual Capital
- ₹ 7,639 million R&D investment
- R&D facility at Rohtak, India, supported by SMC, Japan
- 1,845 R&D engineers
- Product licences from SMC

Social and Relationship Capital
- 519 Tier-1 suppliers
- 4,306 sales outlets (including pre-owned car sales outlets)
- 3,864 service outlets
- Training and capacity building of value chain partners
- ₹ 1,682 million spent on CSR

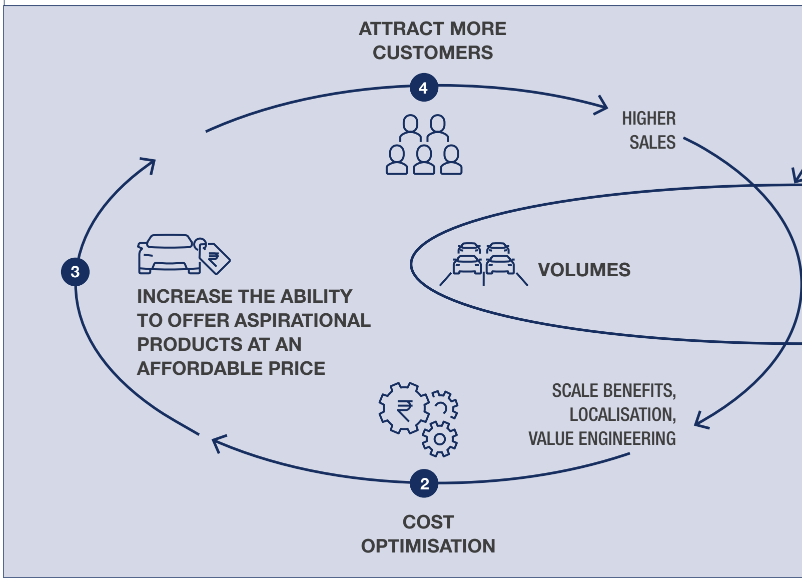
Human Capital
- 15,945 regular employees
- 602 regular employees joined
- 985,518 person-hours of training
- ₹ 33,839 million employee benefit expenses

Natural Capital
- 6,084,948 GJ energy consumed for manufacturing
- ₹ 34.46 million spent on energy efficiency measures
- Use of solar power for manufacturing
- Canal water used for manufacturing

BUSINESS MODEL

Vision

How we are working towards our vision



Enablers

OPTIMUM RESOURCE UTILISATION | ATTENTION TO DETAIL

THE FOUNDATION

Core Values

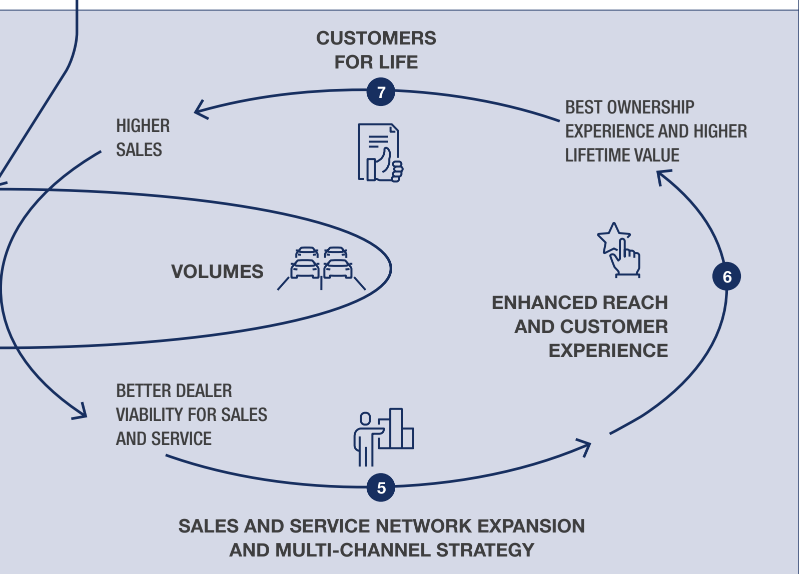
CUSTOMER OBSESSION

The conscious and concerted efforts in expanding its distribution network, pursuing a multi-channel strategy, providing ease of maintenance through affordable and easily available spare parts, and proximity of service workshops, demonstrate the Company's endless pursuit to serve customers better every passing day.

The blend of Japanese technology and Indian spirit makes the Company distinct and unique in the way it creates value. One of its fundamental elements of value creation is 'optimum resource utilisation'. Since inception, the Company has inculcated the 3R principles, Japanese practices and SMC's basic philosophy of 'fewer, smaller, lighter, neater and shorter' in all its operating practices. These not only make the operations efficient but also support in resource optimisation and conservation, thus supporting the Company's contribution towards circular economy. Moreover, the environment-friendly products of the Company greatly help in reducing its carbon footprint.

- The leader in the Indian automobile industry
- Creating customer delight and shareholder wealth
- A pride of India

1 **OFFERING RELEVANT 'PRODUCTS AND TECHNOLOGIES' THAT INDIA NEEDS**
by leveraging the unique ability of Suzuki Motor Corporation to design feature-rich, environment-friendly products with world-class quality at an affordable price



OPERATIONAL EXCELLENCE	JAPANESE PRACTICES FOR EFFICIENT OPERATIONS

FAST, FLEXIBLE AND FIRST-MOVER	INNOVATION AND CREATIVITY	OPENNESS AND LEARNING	NETWORKING AND PARTNERSHIP

OUTPUTS AND OUTCOMES

Financial Capital
₹ 484,370 million capital employed at the end of year

Manufactured Capital
1,563,297 vehicles sold

Intellectual Capital
- 2 new models – XL6 and S-Presso
- 6 facelift models – Vitara Brezza, Ignis, Dzire, Alto 800, Eeco and Baleno
- 98 patents filed and 11 granted
- 53 designs filed and 60 registered
- 19 technical papers presented
- Product development cycle reduced
- Vehicle fuel economy, lower emissions, and enhanced safety features

Social and Relationship Capital
- Over 22 million customers touched through customer engagement activities
- Over 50,000 sales staff trained
- Over 160,000 service staff trained
- Social development programmes in 26 villages
- 407,771 persons trained at Institutes of Driving Training and Research and Road Safety Knowledge Centres

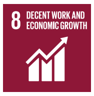
Human Capital
- Cordial industrial relations
- Zero fatalities and zero Lost Time Injury Rate
- 636,851 suggestions from employees, leading to ₹ 2,479 million savings

Natural Capital
- 120,187 MT metallic scrap recycled
- 429,485 tCO_2e Scope 1 and 2 emissions
- 3,182 million litres of water recycled
- 12,713 MT hazardous waste co-processed
- Cumulative 1.16 million tCO_2 emissions saved by using alternative fuel-driven vehicles since 2005-06

Triple Bottom-line Performance

ECONOMIC PERFORMANCE

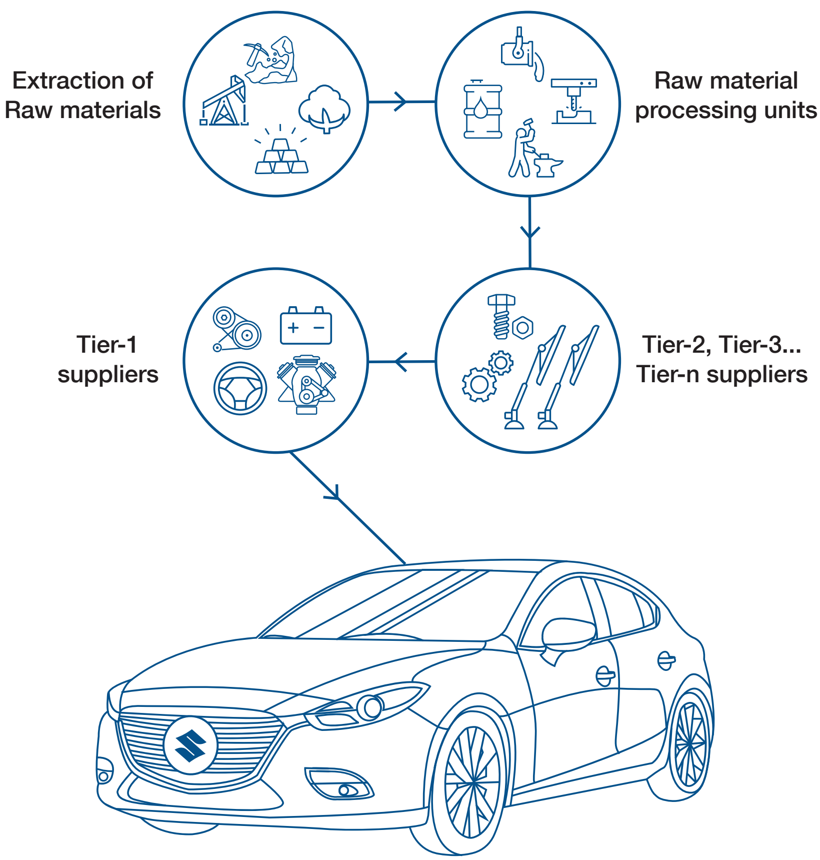
Economic value generated for the stakeholders and the economy: The Company creates a multiplier effect on the economy, thereby generating millions of direct and indirect employment opportunities.



SUPPLIERS, CAPITAL GOODS MANUFACTURERS, IN-BOUND LOGISTICS & MSIL

Car manufacturing has significant interlinkages with industries involved in the primary, secondary and teritiary economic activities, creating livelihood opportunities for millions and making the sector one of the biggest employment generators in the country. The Company buys over 95% of its components (by value) from suppliers with manufacturing plant in India, making MSIL a significant contributor to local employment and an epitome of the 'Make in India' initiative of the Government of India.

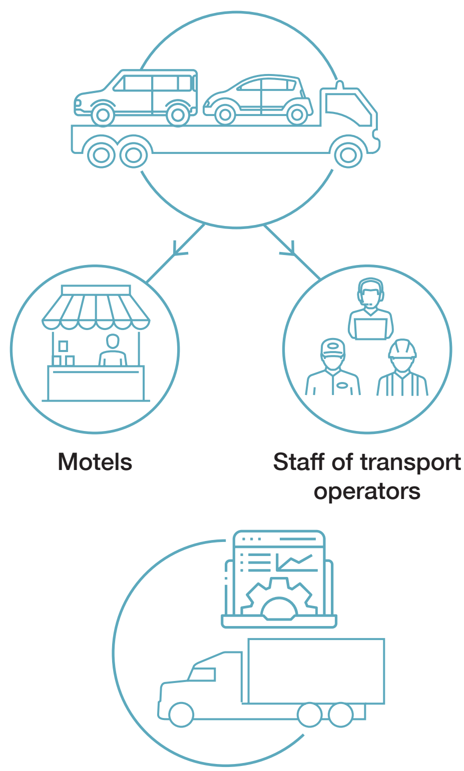
Supplier ecosystem to manufacture passenger vehicles



OUTBOUND TRANSPORTERS

Transporters form an important link in the value chain by providing the outbound logistics. This generates broad-based employment for drivers, cleaners, motels, transport owners and their staff. Transportation of cars also generates demand for commercial vehicles.

Transport operators



Commercial vehicle OEMs and customised vehicle body makers

Material Topic (MT) - Economic Performance

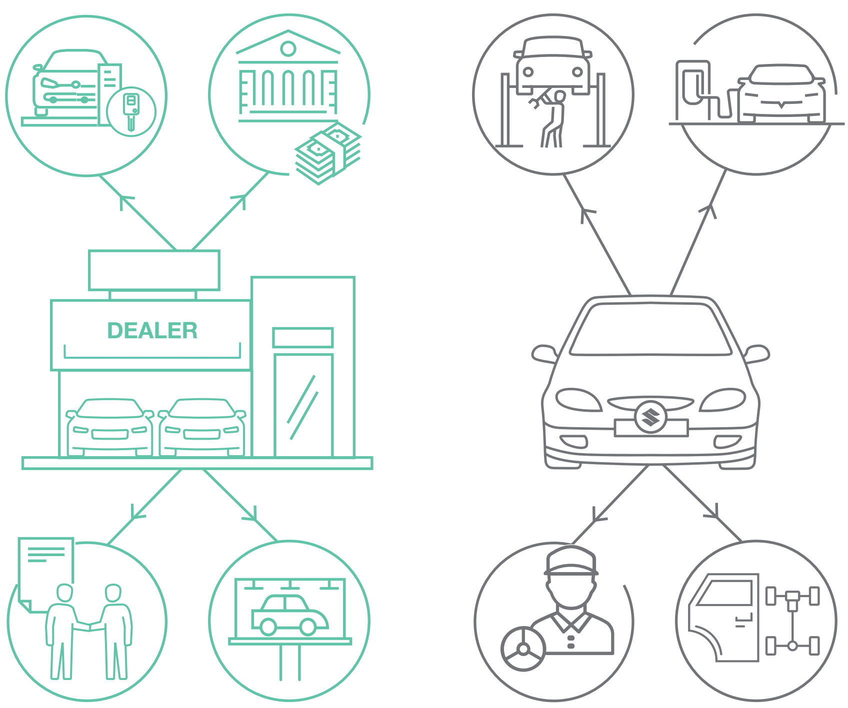
MARKETING & SALES

Car sales to customers is facilitated by a wide range of professionals like the sales workforce of the Company and dealer sales executives and their back office staff, car insurance providers, financers, advertisement and market researchers, among others.

AFTER MARKET

Car parc generates employment in a very unique way. Sizeable proportion of all cars on the road are paid driver driven. The taxi segment generates potential employment of at least one driver per car. Every car sold needs to be serviced or repaired, refuelling and so on, generating millions of employment opportunities across these segments.

Insurance company | **Finance company** | **Service workshop** | **Fuel pump**



Sales team | **Ad agencies** | **Drivers for personal cars and taxis** | **Spare parts distributors**

Economic Value Generated

Suppliers

₹ 500,000 million

Includes the approximate value of components procured from suppliers in 2019-20

Employees

₹ 33,839 million

Includes the employee benefit expenses incurred in 2019-20

Outbound logistics

₹ 25,000 million

Includes the approximate amount paid to outbound logistics service providers in 2019-20

Dealers

₹ 160,000 million

Includes the approximate revenue of dealer partners on account of sales, servicing and income from other services in 2019-20

Government

₹ 350,000 million

Includes the approximate revenue paid to the Government on account of corporate tax, Goods and Services Tax (GST), vehicles' road taxes and other taxes like import duties and so on, in 2019-20

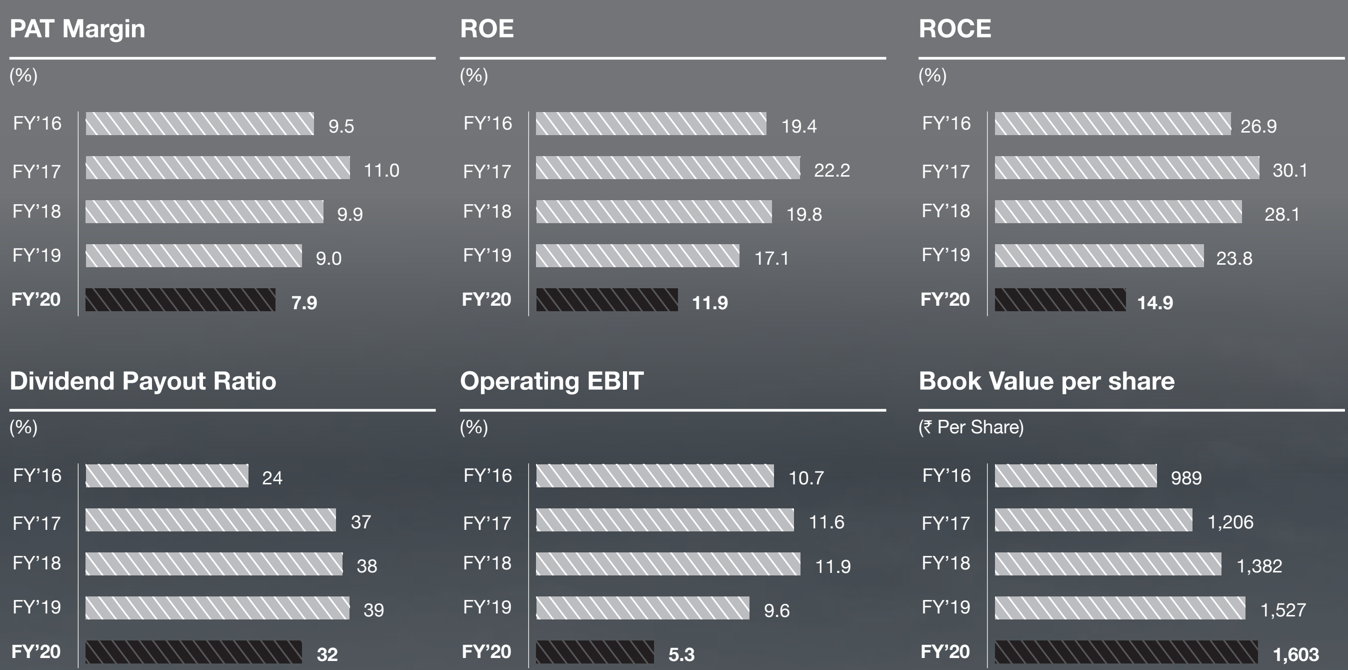
CSR

₹ 1,682 million

Includes the amount spent towards CSR activities in 2019-20

ECONOMIC PERFORMANCE (CONTD.)

Key Financial Figures



Note: 2015-16 and onwards figures are as per IND-AS

5-year Performance Summary

(₹ million)

Parameters	FY'16	FY'17	FY'18	FY'19	FY'20
Net Sales	564,412	669,094	781,048	830,265	716,904
Operating EBIT	60,642	77,496	93,036	79,804	37,769
PBT	74,437	99,603	110,034	104,656	70,648
PAT	53,643	73,502	77,218	75,006	56,506
EPS (₹)	178	243	256	248	187
Dividend Per Share (₹)	35	75	80	80	60
Net Worth	298,842	364,311	417,573	461,415	484,370
Current Liabilities	110,392	132,264	154,421	141,503	112,948
Total Liabilities	120,558	148,195	176,128	167,903	141,151
Non-current Assets	340,940	424,744	514,487	505,702	541,247
Current Assets	78,460	87,762	79,214	123,616	84,274
Total Assets	419,400	512,506	593,701	629,318	625,521
Operating Cash Flow	84,845	102,793	117,850	65,932	34,051

Triple Bottom-line Performance

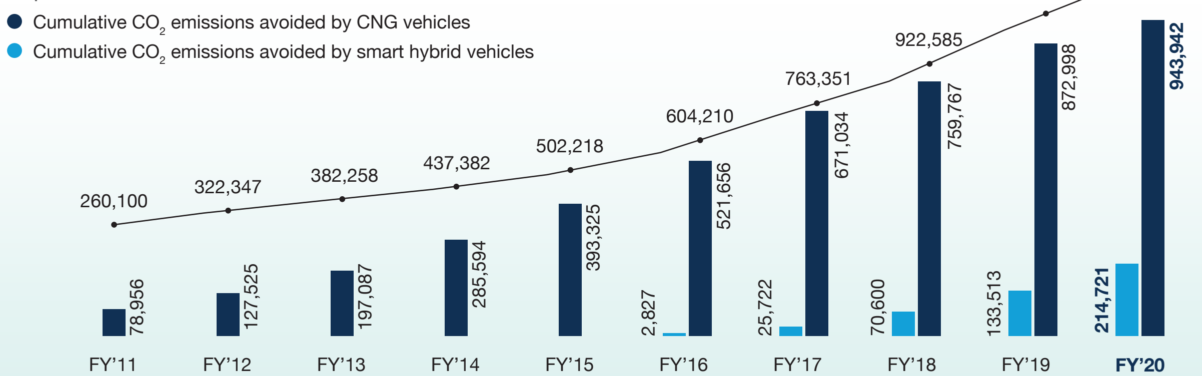
ENVIRONMENT PERFORMANCE

[MT] - Product and Process Emissions Reduction

CLIMATE CHANGE MANAGEMENT

CUMULATIVE CO_2 EMISSIONS AVOIDED

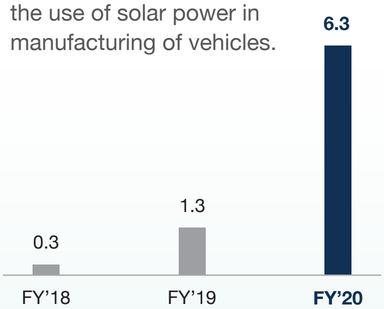
The Company deployed CNG and smart hybrid technology in its products to avoid carbon emissions.



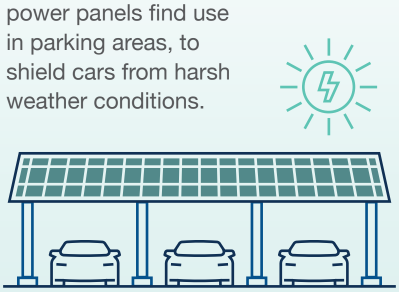
INSTALLED CAPACITY OF SOLAR POWER

(MWp)

The Company is increasing the use of solar power in manufacturing of vehicles.



Additionally, solar power panels find use in parking areas, to shield cars from harsh weather conditions.

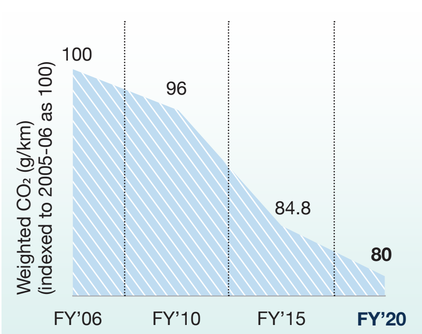


GOING BEYOND REGULATIONS

20%

Reduction in CO_2 emissions of the Company's fleet in the last 15 years

Fleet Emissions



Be it **BS-VI** fuel emissions standards or **BS-IV** fuel emissions standards, the Company complied to standards well ahead of stipulated regulatory timelines, in order to reduce its carbon footprint and improve air quality.

BS-IV

BS-IV was implemented in the country in a phased manner over 7 years. The Company's fleet was 100% BS-IV compliant right from the first day when the regulation was mandated.

Outcome

~3.8 million
Petrol vehicles emit 50% lower NO_x
~1.5 million
Diesel vehicles emit 50% lower SO_x

BS-VI

The Company started to offer BS-VI vehicles one year ahead of the regulatory timeline. **The transition from BS-VI to BS-IV was carried out with 1,000,000+ person-hours of dedicated engineers, ~49 lakh km of fleet testing, 200+ homologation tests and 50+ application development programmes.**

Outcome

~800,000
Petrol vehicles emit 25% lower NO_x

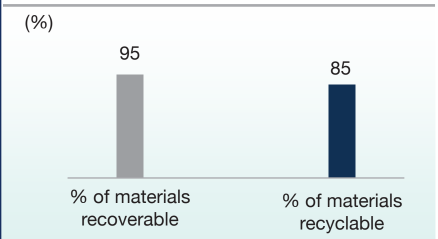
[MT] - End-of-life Vehicle Management

CONTRIBUTION TO CIRCULAR ECONOMY

DESIGNING FOR RECYCLABILITY AND RECOVERABILITY

In XL6, Wagon-R and S-Presso, the Company uses the IMDS to measure the RRR performance.

Proportion of Materials Recyclable and Recoverable



PROMOTING ECO-FRIENDLY PRODUCTS

The Company restricts the use of Substances of Concern (SoC) in parts, through its design, which is then strictly controlled by internal standards adopted across the supply chain.

SoC Audits Conducted at Supplier Plants

387	432
2018-19	2019-20

CREATING THE ECOSYSTEM FOR MANAGING END-OF-LIFE VEHICLES

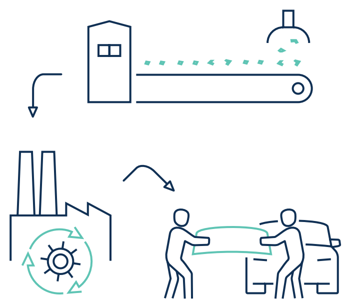
The Company has collaborated with the Toyota Tsusho Group to set up a vehicle dismantling and recycling facility in India. This is expected to be operational in 2021 with an initial capacity of scrapping 24,000 vehicles per annum.

[MT] - Effective and Efficient Use of Natural Resources

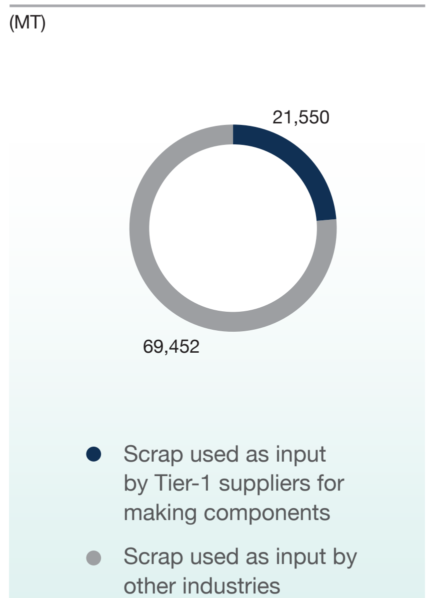
OPTIMISATION OF NATURAL RESOURCE USE

Through yield improvement projects the Company as well as its suppliers reduced the consumption of steel by 3,900 MT.

100%
Of waste generated in steel is reused as inputs



Steel Scrap Used as Inputs



[MT] - Water Use and Recycling

WATER STEWARDSHIP

1,102,865 m³
Capacity of water lagoons

3,182 million litres
Of water recycled and reused

1,248 million litres
Of water saved through dry-wash technology for cleaning cars at the workshop

210
Recharge wells used to rejuvenate the groundwater table

[MT] - Material Topic

Triple Bottom-line Performance

SOCIAL PERFORMANCE

[MT] - Occupational Health and Safety, Product Safety and Quality, People Development, Industrial Labour Relations, Business Continuity, Economic Performance

COLLABORATION WITH BUSINESS PARTNERS

IMPROVING OVERALL CAPABILITY OF BUSINESS PARTNERS

The Company extends extensive support to its business partners to help improve their capabilities.

Support Provided by the Company in 2019-20

IMPROVING FIRE SAFETY AT TIER-1 (T-1)SUPPLIERS

The Company collaborates with T-1 suppliers to improve their fire safety practices. 100% of T-1 supplier partners were audited to identify the gap areas and necessary countermeasures were implemented. The Company also conducts periodic audits to ensure the implementation of the improvement points.

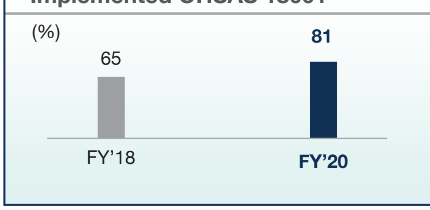
Trend of Fire Accidents at T-1 Suppliers

2 2017-18 | **0** 2019-20

OCCUPATIONAL HEALTH AND SAFETY

The Company collaborates with suppliers to improve their occupational health and safety practices.

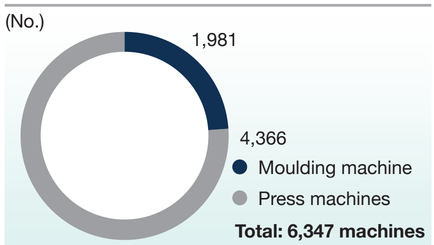
Proportion of T-1 Suppliers Implemented OHSAS 18001



IMPROVING SAFETY AT TIER-2 (T-2) SUPPLIER PLANTS

The Company accords utmost importance to the safety of its personnel. In order to improve the occupational safety in the plants of indirect supplier partners (T-2), the Company had undertaken a multi-stakeholder initiative programme, along with T-1 suppliers and an NGO. ~300 T-2 supplier partners supplying sheet metal and moulded parts were audited to identify the gap areas and necessary countermeasures were implemented.

Machines Improved

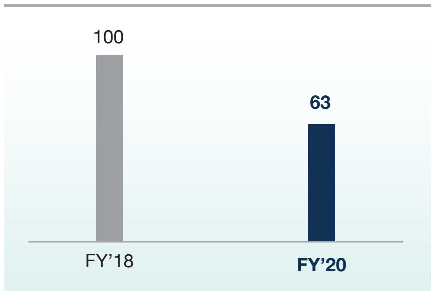


QUALITY OF PARTS

The Company collaborates with supplier partners to improve the parts quality.

20
Quality Communication meets conducted with supplier partners in 2019-20

Reduction in Quality Defects in the Components Provided by Suppliers (Quality Defects Indexed to 2017-18)



WORKFORCE TRAINING

To improving the workforce capability of supplier and dealer partners, the Company has set up dedicated training infrastructure.

Number of Training centres

CREATING A TALENT POOL OF TOOL AND DIE ENGINEERING PERSONNEL

Understanding the lack of skilled personnel in the country in tool and die maintenance engineering, the Company undertook a multi-stakeholder initiative programme and signed an MoU with Haryana's State Board Technical education and Government Polytechnic Educational Society (GPES), Manesar, to start a new academic course in Tool and Die Engineering at GPES, Manesar. The supplier partners will immensely benefit from this arrangement.

SUCCESSION PLANNING

20+ second-generation dealer partners participated in the capability development forum, 'Junoon' and undertook a six-month long training programme at the Company, to understand the systems, processes and the organisational culture.

CUSTOMER-CENTRICITY

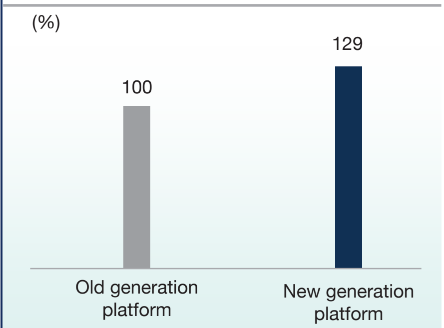
SAFETY OF VEHICLES

The Company extensively uses ultra and advanced high tensile steel in the fifth generation Heartect platform, ensuring effective absorption and dispersion of impact force.

29%

Improvement in body rigidity of the platform used in the new Wagon-R

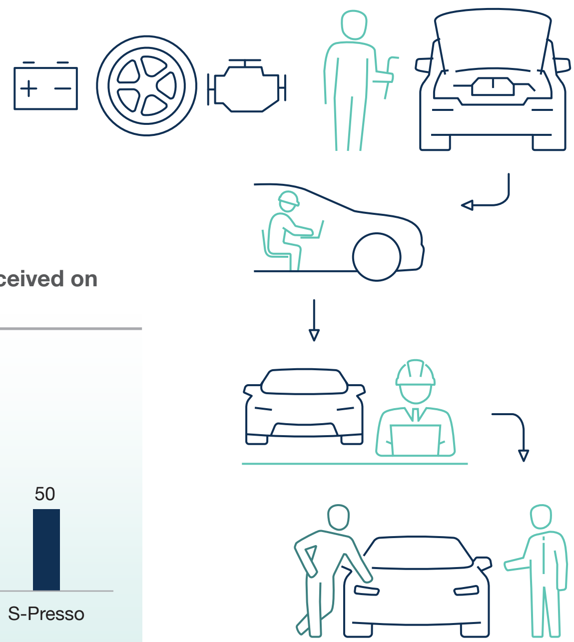
Body Rigidity of New Wagon-R



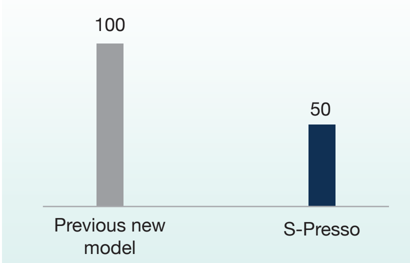
PRODUCT QUALITY

50%

Improvement in customer feedback (related to product quality of new models) for the new S-Presso

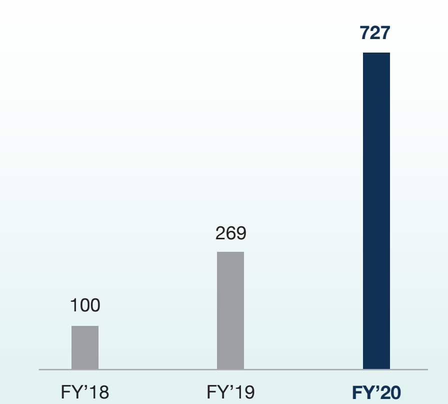


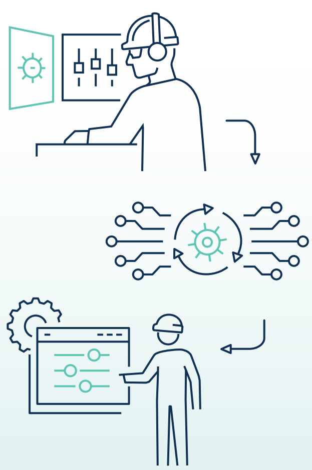
Customer Feedbacks Received on New Model Quality



DIGITALISATION

Growth in Digital Enquiries for New Cars (Indexed to 2017-18)





MOBILITY & AUTOMOBILE INNOVATION LAB (MAIL)

The Company has launched a MAIL to promote innovation in India for automobile and mobility space. Under this corporate accelerator programme, the Company collaborates with start-ups to co-create technological solutions for improving customer convenience, efficiency of business processes and so on. Thus far, 15 start-ups have been identified, out of which one start-up has been on-boarded as a supplier partner with the Company.

[MT] - Material Topic

SOCIAL PERFORMANCE (CONTD.)

[MT] - Employment Practices, People Development, Occupational Health and Safety, Industrial Labour Relations

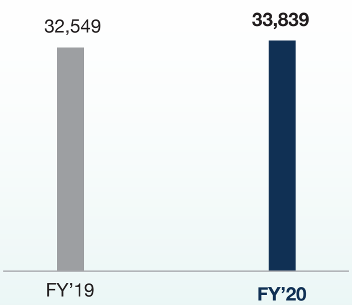
EMPLOYER OF CHOICE

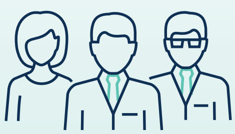
COMPREHENSIVE BENEFITS

The Company provides remuneration and benefits to employees that are higher than the industry benchmark.

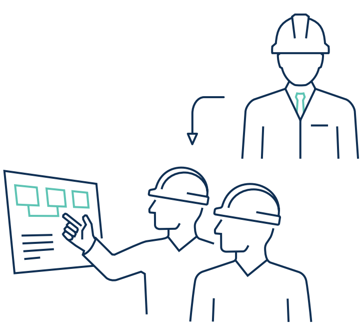
Employee Benefit Expenses

(₹ million)





SAFE PLACE TO WORK



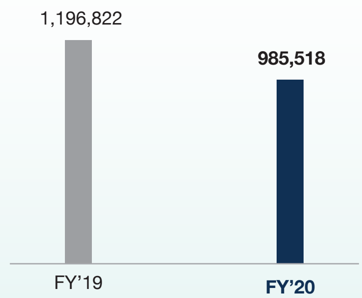
ZERO

Fatality and zero lost time due to injury

PEOPLE DEVELOPMENT

Total Training

(person-hours)

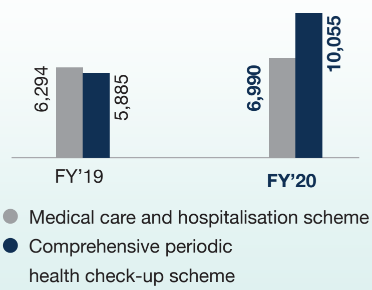


HEALTH AND WELLBEING

16,900

Employees and their families (spouses, children and dependent parents) availed the Company's non-occupational healthcare scheme

People Who Availed the Non-occupational Healthcare Scheme Provided by the Company



SOCIAL SECURITY AND WELFARE MEASURES

The Company is the first in the industry to offer a post-retirement medical benefit scheme to superannuated employees, including their spouses. The scheme has a total of 392 beneficiaries so far.

364

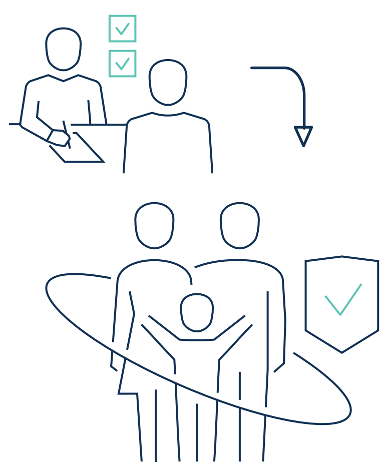
Employees booked flats through the Company's housing scheme in Dharuhera, Haryana

~ 8,000

Dependant parents of employees covered under the Company's medical policy scheme

3,800

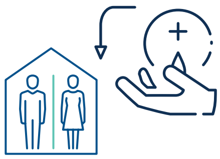
Children of employees received rewards towards their achievement in academics and sports



RESPONSIBLE CORPORATE CITIZEN

SANITATION AND HYGIENE

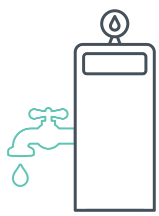
4,455
Toilets built, to reduce open defecation



AVAILABILITY OF POTABLE WATER

The Company has constructed water ATMs to provide safe and hygienic drinking water to people in local communities.

18,000
People in 24 villages benefitted from the Company's water ATMs



INFRASTRUCTURE

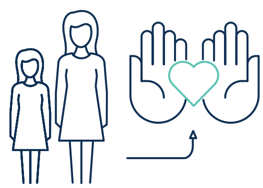
The Company is working to improve the infrastructure of schools in local communities. 58 schools were covered in 2019-20, wherein 63 supplementary teachers provided to improve the student-teacher ratio in these schools.

A hospital is being set up in Sitapur, Gujarat, in partnership with Ramanbhai Foundation, Ahmedabad.

HEALTH

The Company is working to lower the prevalence of anaemia in local communities. The anaemia levels in Rohtak, Haryana, is higher than that of the national average. Accordingly, the Company undertook a multi-stakeholder pilot project to reduce the incidence of the problem.

11,000
Women and girls benefitted from the initiative to reduce anaemia



IMPROVING WASTE MANAGEMENT IN LOCAL COMMUNITIES

The Company manages the waste collection in 21 villages. In 2019-20, the Company installed organic waste converter that transform waste to compost. 2 villages have benefitted through this scheme.

40,000 kg
Compost given to nurseries and other institutions

IMPROVING ROAD SAFETY

The Company has installed Traffic Safety Management Systems in 13 junctions in Delhi, to support the authorities in enforcing traffic rules and help promote safe driving behaviour. Additionally, the Company installed automated driving skill evaluation and licence issuing systems in six centres.

407,771
People trained on safe driving across 7 Institutes of Driving and Traffic Research and 19 Road Safety Knowledge Centres

SKILL DEVELOPMENT

The Company aligns with the Government of India's flagship 'Skill India' mission to impart the relevant skills training to create livelihood opportunities for people. The Company supports 127 Industrial Training Institutes across the country and provides necessary infrastructure support with improved curriculum, to bridge the gap between the skill imparted by the academia and the skill required by the industry, thereby creating suitable employment opportunities for the youth. The Japan-India Institute of Manufacturing (JIM) is a flagship and state-of-art training institution imparting the relevant training on the technical and behavioural skillsets, as required by the industry. Two JIMs have been set up in Haryana and Gujarat.

100%
of students who underwent training at JIM Mehsana have secured jobs

[MT] - Material Topic

External Environment

Economic Conditions

The Indian economy in 2019-20 started on a weaker note, the slower pace of economic growth coupled with increase in prices of the cars and issues related to vehicle financing, led the passenger vehicle market to witness a sharp demand contraction that the industry has not witnessed over two decades. With the fiscal stimulus and monetary policy measures, the Indian economy in the second half of 2019-20 started to show signs of improvement. However, the optimism was short-lived, and the economy came to a screeching halt due to the COVID-19 pandemic. For the Company, the stringent lockdown measures enforced in India led to almost no sales in the months of April and May 2020. Moreover, some renowned ratings agencies like the International Monetary Fund (IMF), the World Bank and the Organisation for Economic Co-operation and Development (OECD) have revised India's GDP forecast for the current calendar year and estimate that GDP could contract anywhere between 3% to 5%. The significant reduction in volumes might keep the finances of the Company's business partners under pressure in 2020-21. The rise in COVID-19 cases in the country poses a threat to the health, safety and wellbeing of all the people in the Company's value chain. Additionally, the supply issues might persist till the lockdown restrictions get relaxed completely all over the country. The rural markets are relatively better placed on the expectation of a good monsoon, consequently the rural consumer sentiment is relatively better in comparison to the urban markets. The weaker economic prospects due to the effect of the pandemic will negatively impact the Company's ability to create value in the short term.

Leaving aside the pandemic, the economic prospects of the country in the medium term appears to be promising. The Government of India has taken an ambitious target to make India a US$ 5 trillion economy in next few years. India has already become the fifth largest car market in the world, though car penetration rate remains reasonably low at ~3%, with the country's population exceeding 1.3 billion people. Supported by economic growth, the low penetration offers a good growth opportunity to the automobile market and the Company.

Our Efforts

In order to manage the dynamic and extraordinary situation caused by the COVID-19 pandemic, the Company has taken several measures to ensure the health and wellbeing of all the people in the value chain as well as measures to strengthen business continuity. The Company has implemented extremely stringent engineering and administrative control measures, which are over and above the Government stipulated guidelines to prevent the spread of COVID-19. The Company is extensively using AI technologies to proactively identify and prevent the entry of suspected people into the plant/office premises. In addition, standard operating procedures were formulated and shared with business partners. (To get information on additional measures that the Company has put in place to manage COVID-19 pandemic, refer to Risk Management section in Page 52). The reduced sales volume might put the finances of supplier and dealer partners under pressure, thus the Company is jointly taking several cost optimisation measures to improve cash flow. Additionally, the Company is facilitating the suppliers and dealers to get access to attractive financing schemes for managing their working capital.

The Company is forging tie-ups with several banks to launch innovative financing schemes to improve sales. The Company would focus on increasing export volumes by leveraging SMC's partnership with the Toyota Motor Corporation. With a high level of component localisation in India and by manufacturing vehicles for the world, the Company stands out as an epitome of the Government of India's flagship 'Make in India' initiative.

The Company will continue to work on the necessary enablers to tap opportunities in the medium and long term. These include strengthening its customer-centric culture, expanding sales and service network, increasing manufacturing capacity, investing in new products and technology, augmenting capability and skills of employees, and inculcating green manufacturing methods. Additionally, continual product and technological support from the parent SMC will help the Company in launching new products and technology, thereby creating excitement in the market and generating demand.

Regulatory Landscape

The regulations in India on vehicle fuel economy, emissions and safety are becoming increasingly stringent and will soon be at par with those of the developed world. This will result in an increase in the prices of vehicles and may affect customer demand.

Few key product regulations are given below

2020

BS-VI April	**On-Board Diagnostics (OBD) I** April	**In-Service Compliance** April	**Real Driving Emissions (RDE) monitoring** April	**Pedestrian Protection** October

2022

Corporate Average Fuel Economy (CAFE) norms Phase 2
April

2023

OBD II April	**In-Use performance ration** April	**RDE compliance** April

Changing Customer Preferences

The Company was established with a vision to put India on wheels. Right from its inception, the Company's emphasis was on developing cost-engineered products to cater to the needs of Indian customers. The Company's ability to understand the stated and unstated needs of customers and its customer-centric approach towards decision-making led to the overwhelming acceptance of its products in the market. In today's highly connected and digital world, customer preferences are changing rapidly. The new-age customer, even when buying a low-price-segment car, expects superior styling and technology, usually offered in the high-end cars, as well as a premium buying experience.

Led by the COVID-19 pandemic, customer behaviour and buying habits are changing. Now, digital transactions have become a new way of life for the customer. The initial trends suggest that the consumer interest is shifting towards personal transportation. Given the weaker economic condition and reduced disposable incomes, the initial trends also suggest that the customers are preferring smaller cars. With the increase in fuel price of diesel and relatively high cost of acquisition in BS-VI diesel cars, customers could shift towards CNG- and petrol-run cars. The increase in CNG network over the last two years and the Government's commitment to further improve the CNG network across the country will lead to an increase in demand for CNG-run vehicles.

Therefore, it is critical for the Company to sense the evolving customer preferences ahead of competition and introduce such products, technology, and experiences to maintain its first-mover advantage.

Competitive landscape

With the expansion of the economy, India is becoming a large market, where auto industry players can compete to the best of their abilities. The competitive landscape is expected to change in the time to come, due to the growth potential of the Indian passenger vehicle market. The Company firmly believes a changing competitive landscape not only benefits customers but also forces the industry players to innovate.

Technological Disruptions

The auto industry is undergoing transformative changes not only because of regulation, but also because of emerging technologies. The developed automobile markets are already witnessing changes, such as autonomous mobility, hybrid and electric vehicle technologies. This is fast catching up in India as well. However, the time and cost of developing such technologies are so large that it is difficult for the Company to invest in all of them simultaneously on its own. Therefore, it is viable to collaborate with external agencies for sourcing some of the technological solutions.

Our Efforts

In order to meet these regulatory requirements, it is imperative to have access to requisite technology. Continual technological support from SMC will help the Company to comply with the regulatory requirements as per stipulated timelines. The Company's state-of-the-art testing facilities in Rohtak will help reduce the product development cycle and achieve timely compliance. The regulatory changes will lead to an increase in the price of vehicles. The committed and passionate workforce of the Company will continue to undertake cost reduction activities such as localisation and Value Analysis & Value Engineering to mitigate an adverse increase in the input cost to a certain extent.

Our Efforts

The Company has been successfully satisfying Indian customers by offering contemporary technologies such as auto gear shift, stylish products like Vitara Brezza and eco-friendly options like factory-fitted CNG vehicles at the price point of customer choice. Market success of these technologies and products are a testament to the Company's strength that has been built over the years to keep pace with evolving customer preferences. With sustained support from SMC, the Company will continue to launch relevant products and technologies in future.

In order to monitor customers' requirements in this digital era, the Company increased its efforts of social listening by investing in digital marketing. Especially with COVID-19, for ensuring the safety of customers inside the showroom, the entire customer journey has been redesigned to ensure minimal physical touchpoints and maximising the use of digital interfaces wherever possible to ensure contactless operations. In the wake of COVID-19, to reduce the customer's necessity in visiting a workshop for getting periodic services or general repairs in a vehicle, the Company is extensively using its flagship 'Service on Wheels' programme to provide such services at the customer's doorstep. With the Company offering factory-fitted S-CNG technology in several products, the increase in the CNG network across the country will help it improve sales. The Company will strengthen its pre-owned car channel and introduce alternate mobility solutions to cater to the customers' needs. The Company is in a position to understand the requirements of existing and prospective customers and continues to pursue its channel strategy by expanding both the Maruti Suzuki Arena and NEXA sales channels, to enhance customers' buying experience.

Our Efforts

The Company is a jewel in the crown for its parent SMC because of its contribution to the latter's business. Therefore, SMC will want the Company to remain highly competitive and agile in manufacturing, technology and market response. The establishment of Suzuki Motor Gujarat Private Limited (SMG) was aimed at relieving the Company from incremental capacity expansion and production, allowing it to fully concentrate on critical success factors of the industry. As a result, the Company was able to establish the NEXA channel by rolling out over 375 sales outlets in record time. Achieving this feat would have been quite challenging had the Company remained engaged in incremental capacity expansion and production. Network is one of the critical success factors and land is the most important resource for its fast-paced expansion. The Company is buying and providing land parcels to its network partners at reasonable rental rates, thereby preventing stress on their profitability due to rising lease rentals. In order to maintain the competitive position of the Company in future, access to new-age technologies is crucial. The Company's efforts in this direction are mentioned below in 'Technological Disruptions'. The Company's experience of selling cars for over 36 years will greatly assist in making quick and informed decisions. The competitive advantage that the Company has created over this period will also aid in creating value in future.

Our Efforts

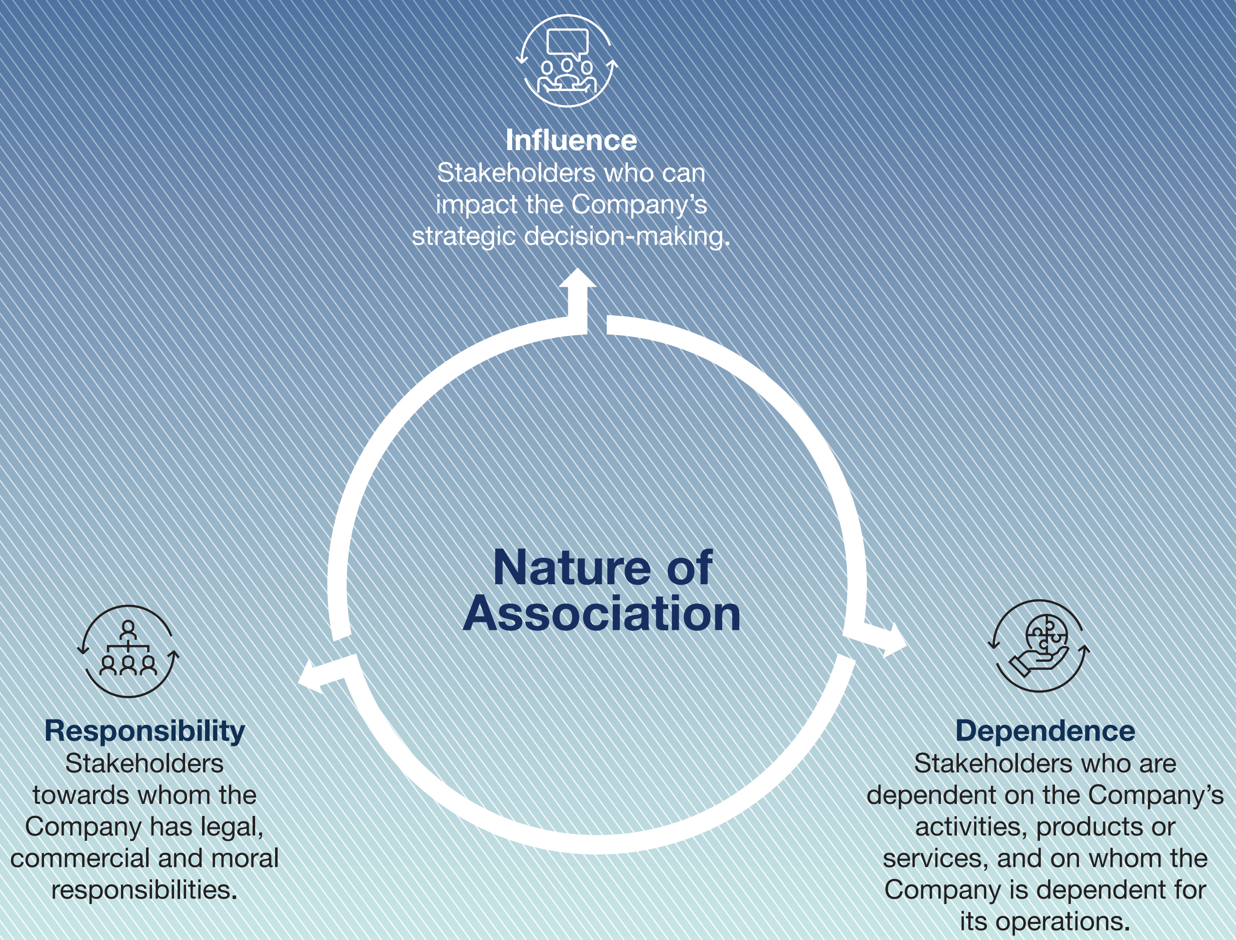
The business partnership between SMC and Toyota Motor Corporation, Japan, will immensely benefit the Company by getting access to new-age technologies and from mutual supply of vehicles (refer to Management Discussion & Analysis section: Electrification of Powertrain page 186, External Environment section: Economic Conditions, Our Efforts page 41).

Stakeholder Engagement

The Company engages with its stakeholders to identify material issues that are both operational (short term) as well as strategic (long term) in nature. The purpose of such engagement is to identify material issues that could impact the economic, social and environmental performance of the Company.

One of the reasons for the Company's prominence in the Indian automobile industry has been its collaborative approach towards various internal and external stakeholder groups. These stakeholder groups are identified based on the nature of their association with the Company and their influence on its value creation process.

Stakeholder Association and Relevance



By continually engaging with stakeholders on issues of mutual interest, the Company ensures protection and creation of value across all capitals. The feedback received through various engagement channels helps the Company to gauge stakeholders' views and concerns, and subsequently devise suitable action plans.

Stakeholder Engagement Channels

Stakeholder Group	Engagement Activity	Engagement Frequency
Employees	Managing Director's communication meeting with mid-level managers and above, on business performance, developments in external environment and business priorities	Quarterly
	Divisional communication meetings on business performance and developments	Monthly
	Managing Director's meeting with union representatives	Monthly
	Plant and functional heads' interactions with workers	Monthly
	Coffee with MD – Managing Director engages with recently promoted managers at the middle management level, to understand their needs and expectations and receives suggestions to improve systems and processes	Quarterly
	'Coffee with HR' to engage employees on HR policies and initiatives	Monthly
	Employee engagement survey	Annual
	Stay and exit interviews	Ongoing
	'Family Connect' activities (family meets, factory visits, sports events, and children and parental counselling)	Ongoing
	Suggestion schemes and quality circles	Ongoing
	Compliance Month – a month-long engagement activity to sensitise, educate and reinforce the belief that 'Compliance is an integral part of working at Maruti Suzuki'	Annual
Customers	Gauging customers' perception on products and brand through customer clinics and research	Ongoing
	Social media listening and engagement	Ongoing
	Initial Quality Survey (IQS) to understand customers' perception on product quality	Ongoing
	Customer meets and third-party surveys to gauge customer satisfaction levels	Ongoing
	Mega service camps to understand and resolve customers' concerns	Ongoing
	Customer care cell for 24x7 customer support	Ongoing
Shareholders and investors	Annual General Meeting	Annual
	Press releases and emails	Ongoing
	Investor interactions	Ongoing
Suppliers	Maruti Suzuki Welfare Association (MSSWA), a forum for suppliers' interaction with the Company's top management	Ongoing
	Quality Month to enhance quality consciousness among suppliers	Annual
	Quality Communication meets	Ongoing
	Value Analysis and Value Engineering programme to achieve cost competitiveness jointly with suppliers	Annual
	Vendor Conference for jointly setting priorities for the year ahead with Company's top management	Annual
	Comprehensive Excellence programme to upgrade suppliers' performance standards	Ongoing
	Vendor HR Meet to sensitise suppliers' CEOs on HR topics	Ongoing
	Compliance Month – a month-log engagement activity to sensitise, educate and reinforce the belief that 'Compliance is an integral part of doing business at Maruti Suzuki'	Annual
Dealers	Dealer Conference – strategy meet at the start of the year with Company's top management	Annual
	Lakshya – a dealer forum to understand the operational issues	Half Yearly
	Mid-year zonal-dealer conference	Annual
	Guidance on business and financial matters	Ongoing
	NEXA and Arena Expressions – a dealer suggestion scheme programme	Ongoing
Local community	Consultation with local residents around manufacturing locations on community development	Ongoing
Government and regulatory authorities	Participation in committees set up by the Society of Indian Automobile Manufacturers, the Government and the trade associations on policy and regulations	Ongoing

Stakeholder Needs, Expectations and Queries Identified during the Engagement

Stakeholder Group	Key Needs, Expectations and Queries	Company's Response
Employees	Capability development	Page 91,92
	Career development and progression	Page 91,180
	Health and wellbeing	Page 38,56
	Maintaining cordial industrial labour relations	Page 89,180
	Succession planning	Page 53,189
	Digital/E-training programmes	Page 91
	Social security measures	Page 89
	Housing scheme and welfare measures	Page 59,180
Customers	Superior products and technology at attractive prices	Page 43,68
	More digitalisation for convenient and hassle-free sales and service processes	Page 37,78,176
	Expectation of increased promotional schemes amid weak economic environment	Page 175
	Difficulties in vehicle financing	Page 175
	Confusion on choice of technology and powertrain	Page 21
	CNG is a good technology but CNG fuel infrastructure is lacking in the country	Page 185
Shareholders and investors	Future powertrain strategy of the Company	Page 181
	Rationale of SMC and Toyota partnership	Page 186
	Plan to use cash surplus	Page 21
	Reasons for slowdown in Indian passenger market and growth prospects	Page 174,175
	Succession planning	Page 53,189
Suppliers	Business continuity and improving the resilience of supply chain partners	Page 36,53, 80
	Improving the capability of supply chain, safety practices, quality management, managing industrial labour relations, etc.	Page 36,81,82
	Skill development for employees of supplier partners	Page 36
Dealers	Demand slowdown – need for increase in promotional schemes to improve sales	Page 175
	Issues related to working capital financing	Page 175
	Smooth transition from BS-IV to BS-VI engine technology (no BS-IV, vehicle should be left in stock after the 31st March 2020 deadline)	Page 68,69,175,176
	Skill development of dealer sales executives	Page 93
	Grooming of second-generation dealer partners	Page 36
Local community	Improve health and sanitation facilities	Page 100
	Potable water facility	Page 100
	To improve school infrastructure	Page 100
Government and regulatory authorities	Regulations to reduce mass vehicle emissions (leapfrogging to BS-VI engine technology)	Page 68,69,34
	Regulations to reduce the CO_2 emissions of the fleet – CAFE norms	Page 34,71
	Regulations to improve safety of vehicles	Page 73,74
	Improve cybersecurity	Page 52
	Improve road safety – to prevent any fatalities in road accidents	Page 102
	Make in India – increase the local value add, generate more local jobs and increase exports (making India a manufacturing hub for the world)	Page 41
	Skill India – skill development to create better livelihood and employment opportunities	Page 101,58
	Start-up India – encourage entrepreneurship in India	Page 37
	Water conservation	Page 35,96

There may be more feedback from the stakeholders which are not disclosed due to reasons pertaining to confidentiality.

Material Topics

The Company has, through stakeholder engagement activities and from the changes in the external operating environment, identified the topics that are material to its business and stakeholders. During the reporting period, the list of material topics presented in the Annual Integrated Report 2018-19 was revalidated through internal stakeholder consultations, which took into account the views and opinions expressed by both internal and external stakeholders.

The identified material issues were analysed and prioritised based on its importance for the organisation and its stakeholders. The materiality map is given here. The material issues which are significant to the Company and its stakeholders were identified and suitably incorporated in the Company's plan. The material topics presented here contains certain focus areas as well. These focus areas are those topics which do not have any adverse impacts so far, but being a responsible corporate, the Company places utmost importance and allocates resources to contribute positively for all its stakeholders.

As per the IIRC framework, on the basis of which this report has been prepared, the resources and relationships used and affected by an organisation are collectively referred to as capitals. They are categorised as financial, manufactured, intellectual, human, social and relationship, and natural capitals. During the preparation of this report, MSIL mapped each material topic against the capitals, in order to showcase a cause-and-effect relationship.

The United Nations' SDGs are a part of an ambitious global plan to end poverty, protect the planet, promote prosperity and ensure peace for all. The Company is committed to align its business activities to the SDGs and contribute to their fulfilment. As a first step, the Company mapped the material topics to the SDGs to understand which goals it can best contribute to. During the mapping exercise, careful consideration has been given to the applicability of the goals to the Company's business activities and current operating context.

Material Topics	Relevance to the Company	Boundary
Business Continuity	• Mitigating risk of disruption in the value chain	MSIL, Suppliers, Dealers
Product and Process Emissions Reduction	• Optimising energy use across the value chain and reducing emissions from the products • Complying with rapidly evolving regulatory landscape	MSIL, Suppliers, Dealers
Product Safety and Quality	• Ensuring strong focus on designing and manufacturing safe vehicles • Complying with evolving regulations on vehicle safety • Institutionalising a 'zero defect' philosophy across the value chain, in the face of increasing scale and complexity of business, to build reliable and safer vehicles	MSIL, Suppliers, Dealers
Economic Performance	• Creating economic value in the short, medium and long term for all stakeholders	MSIL, Suppliers, Dealers
Health Concerns Caused by the COVID-19 Pandemic	• Minimising the risk of COVID-19 infection for human capital in the value chain	MSIL, Suppliers, Dealers
People Development	• Augmenting the competence and skills of employees • Developing an industry-ready workforce and minimising the skill gap	MSIL, Suppliers, Dealers
Effective and Efficient Use of Natural Resources	• Improving 3R practices in manufacturing activities as well as packaging across the value chain • Optimising the consumption of raw material • Eliminating the use of non-biodegradable products in packaging	MSIL, Suppliers
Water Use and Recycling	• Embracing water stewardship across the value chain to prevent its degradation and to meet resource requirements, in the face of increasing water stress	MSIL
Road Safety	• Contributing to the social issue relevant to the automobile sector	MSIL
Corporate Governance	• Promoting shareholder trust • Ensuring highest standards of business ethics transparency and accountability	MSIL
Cybersecurity	• Ensuring security of the Company's confidential information for business continuity	MSIL

Associated Capitals	Alignment with SDGs	Location in this Report
		Sustainable Supply Chain, Page 80 Risk Management, Page 52,53
	7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action	Powertrain Strategy, Page 181 CAFE Performance, Page 70,71 Energy and Emissions Management, Page 94 Future Low-Carbon strategy, Page 72
	9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities	Safety Technologies, Page 73 Product Innovation and Stewardship, Page 68 Sustainable Supply Chain, Page 81 Compliance with Safety norms, Page 74
	8 Decent Work and Economic Growth	Management Discussion & Analysis, Page 174,175 Economic value generated for its stakeholders and the economy, Page 30
	3 Good Health and Well-Being	Risk Management, Page 52
	5 Gender Equality 4 Quality Education 8 Decent Work and Economic Growth	People Practices, Page 90,91,92 Skill Development, Page 101
	12 Responsible Consumption and Production	Contribution to Environment, Page 34,35 Conservation of Natural Resources and Environment Protection, Page 177
	6 Clean Water and Sanitation	Resource Conservation at Workshops, Page 98 Water and Wastewater Management, Page 96
	3 Good Health and Well-Being 11 Sustainable Cities and Communities	Road Safety, Initiatives, Page 102 Education to Vehicle Carrier Driver Partners, Page 189
	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions	Governance Mechanism, Page 62
		Risk Management, Page 52

Material Topics	Relevance to the Company	Boundary
Personal Data Privacy	• Protecting personal information of employees, customers and other stakeholders	MSIL
Innovation and Digitalisation	• Co-creating technological and process innovations with start-ups • Increasing the use of digital technologies and digitalisation of processes in line with evolving customer needs	MSIL, Dealers
Occupational Health and Safety	• Promoting safety culture, employee wellbeing and workplace ergonomics across the value chain • Institutionalising a 'zero accident' philosophy across the value chain	MSIL, Suppliers, Dealers
Industrial Labour Relations	• Striving to achieve a happy, harmonious and safe work culture to ensure operational continuity	MSIL, Suppliers
Employment Practices	• Striving to become employer of choice	MSIL
Community Development	• Maintaining social licence to operate • Contributing to national developmental priorities	MSIL
Skill Development	• Creating livelihood opportunities by imparting skillsets required within the industry • Partnering with the Government in its 'Skill India' mission	MSIL
Sustainable Supply Chain	• Mitigating operational and reputational risks from suppliers' non-compliance • Minimising the environmental and social footprint of products	MSIL, Suppliers
End-of-life Vehicle Management	• Continuing best practices on end-of-life vehicle management to contribute towards circular economy	MSIL, Suppliers
Industrial Waste Management	• Ensuring responsible management and disposal of hazardous wastes • Ensuring optimum resource recovery from wastes by improving 3R practices and promoting industry symbiosis	MSIL
Respect for Human Rights	• Continuing socially responsible business practices across the value chain • Mitigating risk of business disruptions	MSIL, Suppliers, Dealers
Succession Planning	• Grooming employees and creating a talent pool	MSIL

Associated Capitals	Alignment with SDGs	Location in this Report
		Risk Management, Page 52
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 8 DECENT WORK AND ECONOMIC GROWTH	Value Creation Process, Page 28 MAIL Initiative, Page 37 Management Discussion & Analysis, Page 176
	8 DECENT WORK AND ECONOMIC GROWTH	Occupational Health and Safety Management System, Page 84
	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES	Industrial relations environment, Page 180
	3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	People Practices, Page 83
	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 6 CLEAN WATER AND SANITATION	Community Development, Page 99 Responsible Corporate Citizen, Page 39
	4 QUALITY EDUCATION	Skill Development Projects, Page 101
	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sustainable Supply Chain, Page 80
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	End-of-life Vehicle Management, Page 75
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste Management, Page 97
	8 DECENT WORK AND ECONOMIC GROWTH	Respecting Human Rights, Page 65
		Risk Management, Page 53,189

Risk Management

The Company understands that effective risk management is critical to meeting its strategic objectives and achieving sustainable growth. It has a structured risk management process, which is overseen by the Risk Management Committee. This Committee monitors and reviews the risk management plan of the Company, as per requirements of the Companies Act, 2013. The accountability for the mitigation of each risk is assigned to the identified risk owners.

The Company has applied the net risk principle to determine its strategic risks. The mitigation measures to counter these risks are being monitored at the top management level.

Focus Areas of Risk Management	Mitigation Measures	Related Material Topic
Safeguarding consumer and personal data	• Policies, governance structure and technological solutions are strengthened to safeguard the consumer and personal data.	Personal Data Security
Guarding confidential information and IT systems	• Establishment of Security Operations Centre (SOC) to detect IT security incidents • Implementation of sandboxing technology to ensure proactive malware detection and containment • Periodic vulnerability assessment and penetration testing • Regular user awareness programmes to sensitise users on phishing attacks	Cybersecurity
Management of COVID-19-related risks to ensure human health and safety and continuity of operations	• Established top-level steering committee chaired by MD & CEO to drive systems and processes to prevent the spread of COVID-19 • Implemented extremely stringent engineering and administrative control measures which are over and above the Government's stipulated guidelines to prevent the spread of COVID-19 • Standard operating procedures to restart plants and machineries after a long shutdown to prevent any untoward safety incident • Use of AI technology to proactively identify and prevent the entry of suspected people into the plant/office premises • Continuous education of the workforce to observe high degree of self-discipline and safety precautions to minimise the risk of infection • For business continuity, the Company is pursuing work from home wherever possible • To prepare suppliers and dealers prepared in effectively managing the risks related to COVID-19, most of the best practices followed by the Company were deployed based on applicability. The Company also collaborated with them to identify measures to address the risks specific to their operations. Necessary checks and balances put in place to ensure adherence to risk mitigation measures • For ensuring the safety of customers inside the showroom, the entire customer journey has been redesigned to ensure minimal physical touchpoints and maximising the use of the digital interfaces wherever possible to ensure contactless operations. Extensive use of Company's flagship 'Service on Wheels' programme to provide vehicle repair services at the customer's doorstep • Maximising digital interfaces wherever possible to ensure business continuity • Taking nearby local communities into confidence by explaining the abundant precautionary measures taken by the Company to prevent the risk of infection	• Health concerns caused by the COVID-19 pandemic • Occupational Health and Safety • Innovation and Digitalisation • Business Continuity • People Development

Focus Areas of Risk Management	Mitigation Measures	Related Material Topic
Supply chain partners coming under financial stress due to reduced volume on account of the pandemic	• Cost optimisation projects to bring down fixed costs and optimise variable costs • Facilitating the suppliers to get access to attractive financing schemes for managing working capital • Supporting the supplier partners to improve their cash flow by making advance payment against supplies	• Business Continuity • Economic Performance
Risk of supply disruption due to natural and human-made disasters (pandemic, fire, flood, etc.)	• Alternate suppliers • Enhanced focus on localisation • Temporary increase in the inventory of components • Use of advance technologies for prevention and quick suppression of fire • Topography study to identify and improve areas prone to flooding	• Sustainable Supply Chain • Business Continuity • Occupational Health and Safety • Industrial Labour Relations • Product Safety and Quality • People Development • Water Use and Recycling
Minimising losses to dealers due to natural and human-made disasters (fire, flood, inundation, hailstorm, etc.)	• Jointly identifying the gap areas and chalking out an action plan for improvement • Audits to check the implementation of identified countermeasures • Comprehensive insurance policies to cover the loss	• Economic Performance • Occupational Health and Safety • People Development • Business Continuity
Dealer viability coming under stress due to reduced volume on account of the pandemic	• Reduction in dealers' operating expenses • Take corrective actions for financially stressed outlets • Improving the availability of vehicles in demand like CNG models • Use of hyper-local and targeted marketing techniques to maximise the sales	• Economic Performance • Innovation and Digitalisation
Risk of losing opportunity to alternate mobility solutions	• Introducing emerging mobility solutions like car subscription scheme	• Innovation and Digitalisation
Strengthening the capacity and capability for future product development	• Skilling the employees on new and advanced technologies • Measures to motivate and retain the talent	• People Development • Employment Practices
Succession planning	• Grooming employees and creating a talent pool	• Succession Planning • People Development • Employment Practices

Way Forward

India with a relatively low car penetration level and good prospects of economic growth, is on the path to becoming the third largest passenger vehicle market in the world and offers a big opportunity. The Company is fully committed to leveraging the opportunity. The following are the few measures taken by the Company to strengthen its position in the market for superior stakeholder returns.

Strategic Focus Pillars	Measures	Material Topics
Business development	Extending product portfolio by bringing in aspirational, environment-friendly and safer products with support from Suzuki Motor Corporation	• Economic Performance • Product and Process Emissions Reduction • Product Safety and Quality • Innovation and Digitalisation
	Contributing to the Government of India's flagship 'Make in India' initiative: Increasing exports	
	Enhancing the focus on digital marketing and targeted marketing techniques	
	Expansion of warehouses and part distribution centres for quick availability of cars and spare parts	
	Multiple sales and service channels	
	Network expansion – going to the customer and tapping new market opportunities	
	Scaling up pre-owned car business	
	Buying land parcels for sales and service outlets – better dealer viability and faster expansion	
	Partnering with start-ups to co-create technological solutions to improve customer convenience	
Technology	Powertrain strategy: Appropriate mix of low-carbon internal combustion engines, and CNG, hybrid and electric vehicles to meet the twin objective of reducing emissions (carbon footprint and mass vehicular emissions), oil consumption and imports of the country	• Product and Process Emissions Reduction • Product Safety and Quality • Innovation and Digitalisation
	Managing regulatory compliances with support from SMC	
	Partnering with start-ups to co-create technological solutions that improve customer convenience	
	Pursuing Industry 4.0 to continuously improve the quality of products	
	Use of data analytics for effective and efficient decision-making	
Cost competitiveness	Continued focus on cost optimisation programmes like localisation, value analysis and value engineering, among others	• Economic Performance • Sustainable Supply Chain • Innovation and Digitalisation
	Establishing supplier ecosystem in Gujarat near SMG	
	Continue to focus on flagship employee suggestion scheme 'Sujhav Sangrehika' to optimise cost and improve resource efficiency	
	Partnering with start-ups to co-create technological solutions that improve productivity and increase operational efficiency of business processes	

Strategic Focus Pillars	Measures	Material Topics
Capability building	Capability enhancement for designing, developing and testing of new models	• People Development • Skill Development • Innovation and Digitalisation
	People development – Capability building and career progression	
	Capability building of sales and service personnel of channel partners	
	Increasing the use of digital training platforms across the value chain	
	Creating a talent pool to meet increasing scale of business	
	Developing an industry-ready workforce and minimising the skill gap	
Sustainable practices (ESG measures)	Adopting measures for energy conservation and emissions reduction: Increasing the use of solar power for manufacturing vehicles	• Product and Process Emissions Reduction • Effective and Efficient Use of Natural Resources • End-of-life Vehicle Management • Industrial Waste Management • Water Use and Recycling • Employment Practices • Occupational Health and Safety • Road Safety • Corporate Governance • Community Development • Industrial Labour Relations • Respecting Human Rights
	Design for recyclability and recoverability	
	Monitoring and controlling the usage of Substances of Concern (SoC) through the IMDS	
	Setting up of vehicle scrappage centres for managing end-of-life vehicles	
	Promoting the 3R principle and waste management techniques across the value chain for effective and efficient use of natural resources	
	Increasing the use of eco-friendly modes of vehicle dispatch: Railway logistics	
	Increasing water recycling and water conservation measures across the value chain	
	Green supply chain	
	Measures to continuously improve occupational and non-occupational health and safety	
	Social security measures and welfare schemes for employees	
	Maintaining cordial industrial labour relations	
	Road safety initiatives	
	Pursuing community development measures in the areas of water, health and hygiene, education, etc.	
	Contributing to the Government of India's ''Skill India' mission, to impart relevant skills training and create livelihood opportunities	
	Strengthening internal control measures in the light of increasing complexity due to rising scale of business	
	Strong focus on business conduct and ethics	
Risk management	Business continuity	• Business Continuity • Cybersecurity • Personal Data Security • Health Concerns Caused by the COVID-19 Pandemic
	Comprehensive Excellence programme for suppliers in areas of safety, quality, HR, financial health, compliance, etc.	
	Talent acquisition and retention measures	
	Tier-2 suppliers' consolidation	
	Succession planning	
	Managing risks related to COVID-19	
	Managing risks related to cybersecurity and data security	

Contribution to Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

Goal 3

Ensure healthy lives and promote wellbeing for all at all ages

Initiatives to improve road safety

Road safety education

- **Imparting quality driving training and education**
  Over 400,000 people were trained across 7 Institutes of Driving and Traffic Research and 19 Road Safety Knowledge Centres in association with 5 State Governments. Over 3.4 million people have been trained over 20 years.

  Please refer to Page 102 for more details.

- **Road safety education in schools**
  The Company has rolled out the 'Catch them Young' programme among school children in Delhi. As of 31st March, 5,000 children were covered, and the Company plans to cover 80,000 children in the future.

- **Education to employees on safe and defensive driving**
  The Company started the 'I-Commit' initiative to ensure safety of employees while commuting to and from work and travelling during holidays.

Traffic Safety Management System (TSMS)

A TSMS was implemented in partnership with the Delhi Police at 13 road junctions experiencing high traffic density. The system comprises 3D radars and high-resolution cameras that are installed to simultaneously capture traffic violations.

Please refer to Page 102 for more details.

Automated Driving Test Centres (ADTC)

In partnership with the Transport Departments of Delhi and Uttarakhand, the Company has till now set up six automated ADTCs, of which five are located in Delhi and one in Dehradun. It uses computer vision systems and AI-based technology to automatically issue driving licences in a transparent and efficient manner. Over 107,000 candidates have taken their tests in these centres so far.

Please refer to Page 102 for more details.

Initiatives for health and wellbeing

For the community

- The Company is working to set up a multi-specialty hospital in Gujarat and upgrading the infrastructure at Public Health Centres across villages in Gujarat and Haryana, to provide better medical facilities to the local community, as part of CSR.

- The Company undertook a project, targeting reduction of anaemia in women and children across four villages in Haryana, as part of CSR. Under the programme, 11,000 women and girl children were benefitted.

For employees

- The Company takes care of its employees' health even after their superannuation through flagship post-retirement medical benefit scheme. The Company is the first in the industry to provide such a healthcare scheme. This social security measure also covers the spouse of the employee.

- Periodic health check-ups are done for employees, including their spouses, on a regular basis. Over 10,000 employees and their spouses availed and benefitted from the health check-up scheme in 2019-20.

- In the medicare benefit scheme provided to employees during their employment, spouses, dependant children and parents of employees are also covered. ~7,000 employees and their families availed and benefitted from the medicare scheme in 2019-20.

4 QUALITY EDUCATION

Goal 4

Ensure inclusive, equitable and quality education and promote lifelong learning opportunities for all

Supporting improvements in primary education, as part of CSR

- The Company supports 58 Government-run schools across 23 villages in Haryana and Gujarat through frequent infrastructure upgradations. In addition, the Company employs 63 supplementary teachers and other teaching aids.

- The Company is setting up a school in Sitapur, Gujarat, in partnership with Podar Education Network. Its primary wing is expected to become functional from June 2021.

Providing vocational training to the youth through skill development initiatives, as part of CSR

- The Company supports 127 Industrial Training Institutes (ITIs) across the country to impart vocational training.
- The Company adopted 43 ITIs across 14 states and over 10,000 students were trained in 2019-20.
- The Company established Automotive Skill Enhancement Centres in 83 ITIs across 26 states and over 3,300 students were trained in 2019-20.
- The Company also started two Japan-India Institutes for Manufacturing (JIM), one in Gujarat and the other in Haryana. This is the result of collaboration between the Governments of Japan and India to create a pool of skilled workforce for the Indian manufacturing industry.

  Please refer to Page 101 for more details.

Goal 5

Achieve gender equality and empower all women and girls

The Company promotes gender diversity and provides equal opportunity to all. Various welfare measures are taken to support and encourage our female employees.

Please refer to Page 87 for more details.

Goal 6

Ensure availability and sustainable management of water and sanitation for all

Water stewardship initiatives

- Zero liquid discharge and optimal water recycling is followed to reduce freshwater uptake in manufacturing facilities. The Company recycled 3,182 million litres of water in 2019-20.
- Reducing dependence on groundwater and adopting measures to harvest rainwater:
  - Use of water lagoons to store rainwater, with a capacity of 1,102,865 m3.
  - Recharging the water table with 210 recharge wells across manufacturing facilities in Haryana and Gujarat.
- Use of dry-wash technology to clean cars at the workshop saved 1,248 million litres of water.
- The Company promotes usage of Effluent Treatment Plants among direct and indirect suppliers to increase water reuse following effective treatment.

Making potable water available in local communities

The Company has set up 24 water ATMs across 23 villages at an affordable price, as part of CSR. Over 18,000 people within the local communities benefitted through this initiative.

Please refer to Page 100 for more details.

Improving hygiene and sanitation in local communities

- Across 24 villages, 4,455 individual toilets were constructed and 58 km of sewer line laid.
- Managing door-to-door household waste collection in 21 villages.
- In 2019-20, a mechanised solid waste management facility was set up in Manesar to convert organic waste from two villages to compost, thus reducing solid waste that goes to the landfill.

Please refer to Page 100 for more details.

Goal 7

Ensure access to affordable, reliable, sustainable and modern energy for all

- The Company is increasing the use of solar energy in manufacturing vehicles. The installed capacity of solar power increased to 6.3 MWp in 2019-20, from 0.3 MWp in 2017-18.

  Please refer to Page 94 for more details.
- Promoting the use of solar power in the supply chain:
  - ~115 Tier-1 suppliers of the Company use solar power, with a combined installed capacity of 50 MW. With this, 83,000 MT of CO_2 is being avoided in a year.

Goal 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Promoting inclusive, equitable, fair employment practices, providing a safe work environment and creating employment opportunities

- Implementing fair employment practices as part of Code of Business Conduct and Ethics policy.
- Ensuring fair and equitable remuneration practices with best employee compensation scheme and welfare measures in the industry. Average compensation is higher than the industry benchmark.
- Respect for the right to form unions and the right to freedom of association and collective bargaining upheld through cordial industrial relations and a regular two-way dialogue between unions and the management.
- Focus on zero incidents, with zero fatalities and zero Lost Time Injury Rate recorded in last two years.
- Robust Occupational Health and Safety Management Systems implemented in conjunction with a multi-tiered safety governance system.
- The Company promotes robust Occupational Health and Safety Management Systems among Tier-1 suppliers. As on 31st March, 2020, 80% of Tier-1 suppliers implemented OHSAS 18001 system at their manufacturing facilities.
- The Company not only takes measures to respect human rights at the workplace but also promotes fair employment practices among suppliers. According to the Company's Basic Purchase Agreement with suppliers, it is mandatory for suppliers to abide by the below rules and regulations:
  - No child labour should be employed/hired by the supplier to carry out their operations.
  - Supplier shall form and implement a suitable policy to prevent instances of sexual harassment at workplace.

  Please refer to Page 83 for more details.

Creating livelihood opportunities for the youth in the country through skill development

The Company aligns with the Government of India's 'Skill India' mission for skill development in the country.

- The Company, in association with National Council of Vocational Training under the Ministry of Skill Development and Entrepreneurship, offers a scheme named 'Learn and Earn', specially designed to provide on-the-job training and stipends to students during their 24-month training period. In order to increase the uptake for this programme, the student trainees are deployed at the manufacturing plants of supplier partners and at SMG. On successful completion of the 24-month training period, a vocational training certificate is provided by the Government, which can be used by the student trainees to secure gainful employment. In 2019-20, ~1,900 student trainees benefitted, and since inception of this scheme, ~1,900 students have benefitted.
- In the 43 ITIs adopted by the Company, as part of CSR, ~3,500 final-year students were given placement support, of which 72.5% were successfully placed.
- At JIM, Mehsana, which was set up by the Company, as part of CSR, 100% of students secured jobs.

Goal 9

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Manufacturing innovative and affordable products and technologies alongside creating new product segments with technological support from Suzuki Motor Corporation.

Robust R&D infrastructure with state-of-the-art facility is situated in Rohtak. During the year, 98 patents were filed and 11 granted, with 53 industrial designs filed and 60 being registered.

The Company aligns with the Government of India's 'Start-up India' and 'Digital India' initiatives to promote entrepreneurship in the country. The Company started a Mobility and Automobile Innovation Lab (MAIL) to promote innovation within the Indian automotive and mobility space. Under this corporate accelerator programme, start-ups and the Company collaborate to co-create technological solutions that improve customer convenience, efficiency of business processes, among others. So far, 15 start-ups were identified, of which one start-up was on-boarded as a supplier partner with the Company.

Goal 10
Reduce inequality within and among countries

The Company is committed to respect and value diversity in the workforce and provide equal opportunities to employees, as mentioned in the Company's Code of Business Conduct and Ethics policy.

Please refer Page 88 for more details.

Goal 11
Make cities and human settlements inclusive, safe, resilient and sustainable

Housing scheme for employees

Since 1990, the Company has been supporting employees in owning a house. In the recent housing scheme, aligned with the Government of India's affordable housing scheme project, Pradhan Mantri Awas Yojana, the Company launched a housing project at Dharuhera. The project was facilitated by the Company and as of now, 362 employees have registered for the project. For the booking and initial support of down payment, the Company extends ₹ 400,000 as interest-free loan.

Home loan interest subsidy for employees buying affordable homes

The Company extends home loans at a subsidised rate of interest to employees for buying affordable homes. Over 1,000 employees benefitted from this scheme. The maximum interest subsidy that the Company provides is ₹ 750,000.

Safe, affordable, accessible and sustainable transport systems for all

With technological support from SMC, the Company manufactures cost engineered, innovative, safe and affordable products and technologies for all.

Please refer to Page 68 for more details.

Goal 12
Ensure sustainable consumption and production patterns

Optimising the use of finite resources by promoting 3R practices

- ~3,900 MT of steel saved in 2019-20 through yield improvement activities undertaken at the Company and across its suppliers' manufacturing facilities. A dedicated expert team was put in place by the Company to help improve the capability of suppliers in the effective and efficient use of raw material.
- Suppliers and other recycling agents are reusing 91,000 MT of steel scrap and 5,600 MT of aluminium scrap generated.
- Promoting industry symbiosis by recycling the sand used in manufacturing sand cores as an input for brick manufacturing.
- Reduced dependence on fossil fuels for captive power generation by progressively increasing the use of solar power.
- Design for recyclability and recoverability in the products, by progressively implementing the process of voluntarily meeting the European Union's End-of-Life Vehicle (EU-ELV) directive norms on recoverability and recyclability for all domestic models by 2023. End-of-life vehicle dismantling and recycling units are being established by partnering with Toyota Tsusho.

Please refer to Page 75 for more details.

Promoting environment-friendly measures

- ~90% of Tier-1 suppliers implemented ISO 14001 Environmental Management systems and voluntarily restricted the usage of Substances of Concern (SoC) in products sold in India, as per the EU-ELV directive.
- With a focus on the 4Rs (Reduce, Reuse, Recycle and Respect), the Company through its flagship initiative, Mottainai Grandma organises activity-based education sessions to school children aged between 9-12 years, creating awareness on the values of cleanliness, use of natural resources and consciousness towards the environment. Over 2,000 students across 45 schools located in Haryana, Delhi and Gujarat will be covered under the programme.

Zero waste to landfill with maximum utilisation of process waste through recycling and co-processing

Please refer to Page 97 for more details.

Goal 13
Take urgent action to combat climate change and its impacts

With highly fuel-efficient internal combustion engines, smart hybrids and CNG powertrain technology provided by SMC, the average carbon emissions from the fleet is among the lowest in the country, thus providing affordable and sustainable transport for all. Over the past 15 years, the average carbon emissions from the fleet has come down by 20%.

Please refer to Page 70 for more details.

In order to reduce carbon emissions during the dispatch of finished vehicles to dealerships across the country, the Company is increasingly using rail transport to dispatch vehicles, consequently avoiding 3,000 MT of CO_2 release.

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Sustainability Performance

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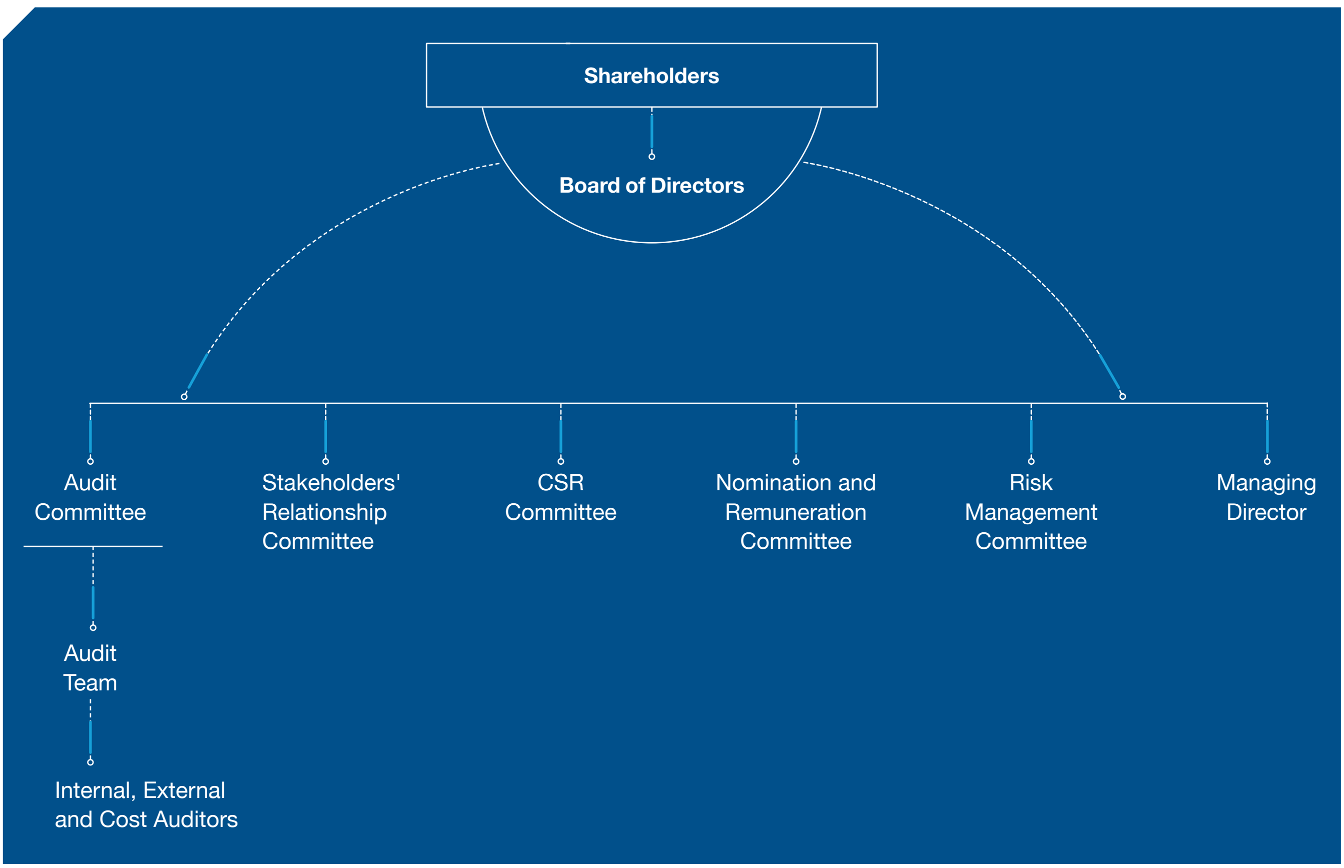
Governance Mechanism

The Company operates in a highly competitive and regulated landscape that presents new challenges. It is committed to create value for shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance. It fosters a culture in which integrity, equity, transparency, fairness, disclosure, accountability and commitment to values are ingrained in all business dealings. It also believes that compliance is an integral part of doing business and has instituted robust systems and controls to ensure sustained focus on zero non-compliance with the law.

Structure of the Board and its Committees

The election, composition and functioning of the Board of Directors are governed by the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board, along with its committees, carries out responsibilities towards all stakeholders by ensuring transparency, fair play and independence in decision-making. It comprises of 12 members, including the Chairman as a Non-Executive and Non-Independent Director and the Managing Director (MD) as an Executive director. As on 31st March 2020, the average tenure of the Board members was around 7.5 years. Further details on the Board and its committees are given on page 155 of the Corporate Governance Report.



Board composition				
	No. of Directors	Non-executive and non-independent	Independent	Executive
Board of Directors	12	5	4	3
Audit Committee	5	-	4	1
Nomination and Remuneration Committee	4	2	2	-
Corporate Social Responsibility Committee	3	1	1	1
Risk Management Committee	3	1	-	2
Stakeholders' Relationship Committee	3	1	1	1

Board Diversity

The Nomination and Remuneration Policy of the Company provides a framework for ensuring diversity of the Board members based on factors, such as gender, age, qualifications, nationality, professional experience, recognition, skills and ability to add value to the business. As on 31st March 2020, there were two independent women directors on the Board. The Board members possess requisite qualifications, experience, expertise and attributes commensurate with their positions and are as described in page 163 of the Corporate Governance Report.

Board Independence and Effectiveness

One-third of the Board of Directors are independent, and the Company has received declarations of independence from all the Independent Directors. Further details on Board independence are given in page 113 of the Board's Report.

The Board of Directors ensures that the Company successfully protects the rights and interests of its shareholders and creates maximum value for its stakeholders. The Board, in compliance with the applicable regulations, undertakes annual evaluation of its own performance, individual Directors and the committees. Further details on Board performance evaluation are given in page 114 of the Board's Report.

Five Board meetings were held during the reporting year and the average attendance of directors was 91.67%.

Key Codes and Policies

- Policy on Materiality
- Policy on Dividend Distribution
- Policy on Subsidiary Companies
- Policy on Related Party Transactions
- Corporate Gifting Policy
- Code of Fair Disclosure
- Code of Business Conduct and Ethics
- Quality Policy
- Corporate Social Responsibility Policy
- Environmental Policy
- Occupational Health and Safety Policy
- Whistle Blower Policy
- Anti-Child Labour Policy
- HIV/AIDS Workplace Policy
- Anti-Sexual Harassment Policy
- Policy Guidelines on Green Procurement
- Information Security Policy
- Competition Compliance Policy
- Conflicts of Interest Policy

Mr. Kenichi Ayukawa, MD & CEO, MSIL addressing the inaugural event of the Compliance Month (October 2019)

Compliance Management

To ensure compliance with increased regulatory requirements and enforcement, the Company has established systems and controls to ensure a continued focus on zero non-compliance with the law. An electronic system was used to monitor over 3,000 applicable compliances in 2019-20. The Company conducted 86 compliance health checks covering all plants, Research and Development (R&D) centres and offices across the country. In the reporting period, the tracking mechanism was enhanced to manage compliances more efficiently and productively. A compliance certificate is submitted to the Board on a quarterly basis. There have been no significant non-compliances with applicable laws and regulations in 2019-20.

The Company observes an annual *'Compliance Month'* reinforcing its commitment to doing business with compliance and integrity. Over the years, the Company has continued to enhance its compliance programme - from meeting statutory obligations to now being determined to excel through compliance, given that it is a connecting business factor. Befittingly, the theme for the Compliance Month in 2019-20 was *'Together ….excelling with Compliance'*. The senior management sets the tone at the top through many interactive sessions to reiterate the need to build a culture of compliance to sustain market leadership. Various training sessions are conducted for employees on relevant regulatory and compliance topics. The Company also invites industry leaders to provide an external perspective on compliance management. It connects and shares best practices with its larger ecosystem, especially its joint venture suppliers.

Code of Business Conduct and Ethics

The Company has laid down a Code of Business Conduct and Ethics (COBCE) that is applicable to all employees, including supervisors. Based on Suzuki Motor Corporation's Code of Ethics, the COBCE provides guidance to employees on standards of integrity, conduct and compliance in all business dealings with internal and external stakeholders, including business partners. The key principles address aspects, such as compliance with applicable laws, fair employment practices, working with stakeholders, environment, health and safety, conflicts of interest and safeguarding of assets. Employees are required to sign an undertaking of compliance with the COBCE at the time of joining and thereafter on a yearly basis. All employees have signed the annual declaration for the year. Employees are encouraged to report violations of the COBCE. During the reporting period, all complaints received were promptly and appropriately addressed. Mandatory sensitisation trainings on COBCE and Prevention of Sexual Harassment of Women at Workplace (PoSH) are conducted for all employees. In 2019-20, close to 10,000 employees were trained in COBCE and PoSH.

The standing orders for workers, developed as per regulatory requirement, formally define the codes of behaviour for the workforce. The COBCE does not cover the Company's subsidiaries, joint ventures, suppliers and dealers. Adherence to applicable regulatory compliances, including, but not limited to, prohibition on employment of child labour and prevention of sexual harassment of women at workplace, are however, included as contractual requirements for dealers and suppliers.

To meet regulatory requirements, the Company has laid down a code of conduct for the Board of Directors and top management personnel, covering topics, such as regulatory compliances, ethics and integrity, conflict of interest, related party transactions, confidentiality and insider trading. All Board members and top management personnel have affirmed their compliance with the code for the financial year ended 31st March 2020. Violations of the code can be reported to the Company's Compliance Officer. Complaints are kept confidential and complainants are protected from retaliation. During the year, there were no instances of violation of the conflict of interest or provisions of the code.

Conflicts of Interest

During the reporting period, the Company launched a formal Conflicts of Interest (CoI) policy in keeping with the increased management focus on building a

Panel discussion with the Executive Board members during Compliance Month (October 2019)

sustainable culture of compliance. The policy provides guidelines on identifying, avoiding and disclosing any actual, potential and perceived conflict of interest situation that may arise during the execution of an employee's duties towards or on behalf of the Company.

Prevention of Sexual Harassment

The Company has a gender-neutral anti-sexual harassment policy which provides a mechanism to make the workplace safe for all employees and workers. The policy has been designed to prohibit, prevent and redress complaints of sexual harassment under the COBCE and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Periodic trainings are conducted for employees to sensitise them on various aspects of the policy.

As mandated by law, the Company has a formal internal committee for receiving, investigating and resolving sexual harassment complaints in a time-bound manner. The committee comprises 17 employees and two external members. It ensures full confidentiality and protection of the complainant, the accused and the witnesses. During 2019-20, four complaints of sexual harassment were received, of which two cases were investigated and closed and the remaining are under review.

Whistle Blower Mechanism

The Company's Whistle Blower policy allows employees to bring instances of unethical behaviour to the knowledge of the management. An ombudsman has been appointed to receive and investigate complaints. All the complaints received under Whistle Blower policy relating to previous financial year(s) were duly resolved. During the reporting period, three complaints were received, of which two complaints were resolved and one was pending resolution.

Respecting Human Rights

Aspects of human rights, such as fair employment practices, occupational safety, non-discrimination and prevention of child and forced labour, are covered by the COBCE and various policies applicable to the Company. Respect for human rights is promoted among suppliers through contractual obligations. A standalone policy on human rights has been formulated in accordance with national and international human rights guidelines. The policy will be implemented in a phased manner through a combination of awareness sessions, training programmes and assessments across the value chain.

Session on prohibition of insider trading (December 2019)

Training session for compliance champions (October 2019)

	Status of compliances during FY'20
Environmental laws and regulations	No non-compliance and significant sanctions (monetary or non-monetary) were imposed on the Company by the regulatory authorities. Emissions and waste generation were within the limits defined by the Pollution Control Board. As on 31st March 2020, satisfactory replies had been given to all show-cause notices received from the Pollution Control Board.
Marketing communications	No incidents of non-compliance.
Advertising standards	No complaints were filed.
Competition law	Case related to after-market sale of spare parts: An investigation was initiated by the Competition Commission of India (CCI) in 2011 against few car manufacturing companies wherein it was contended that these companies were not making genuine spare parts of automobiles freely available in the open market. CCI later expanded the scope of investigation to the Company and other car manufacturing companies. In the final order passed by the CCI on 25th August 2014, certain directions were laid down against the automobile companies and penalties were imposed. A penalty of ₹ 4,711.4 million was imposed on the Company. It contested this matter before the Delhi High Court primarily on the ground that it was not a named party in the investigation and that the investigation ought not to have been conducted against the Company. On the contrary, the Company was named in the information given by the informant as a company which made spare parts easily accessible in the open market. The Delhi High Court, on 16th May 2019, disposed the Company's petition stating that the Company had alternative remedies available. Thereafter, it filed a Special Leave Petition before the Supreme Court of India, wherein a stay on the CCI's order was granted and the stay is continuing. Matter relating to discount control practices: An investigation was initiated suo-moto by the CCI in February 2019 on the basis of the information provided to it by a purported dealer of the Company. The dealer alleged that the Company resorts to anti-competitive discount control practices. The investigation in this matter is in progress and the Company is in the process of providing information as sought by the CCI.
Consumer protection laws	As on 31st March 2020, 1,545 consumer cases involving the Company were pending before various forums.

Policy Advocacy Practices

The Company actively engages with the government through industry associations on future policies, regulations and implementation plans in the areas of emissions, safety, vehicle scrapping, trade, research and development, electric and hybrid vehicles, and inclusive development. Policy advocacy efforts are governed by the Code of Business Conduct and Ethics and are directed towards creating a sustainable business environment for the Company and desirable outcomes for all concerned stakeholders

Industry body memberships	
Name of the committee/forum	**Position**
Confederation of Indian Industry (CII) Manufacturing Council	Member
CII National Committee on Industrial Relations	Member
CII National Committee on Skill Development and Livelihood	Member
CII Task Force on Electric Mobility and Battery Storage	Member
CII National Committee on Railways	Member
CII National MSME Council	Member
CII Haryana State Council	Vice-Chairman; Member
CII Northern Region Committee on Advanced Manufacturing	Chairman
CII Haryana State Panel on Skill Development	Chairman
CII Model Career Centre Gurugram Governing Council	Chairman
CII National Committee on Intellectual Property Rights	Member
CII National Committee on Leadership and HR	Member
CII National Committee on Financial Reporting	Member
CII Regional Committee on Advanced Manufacturing	Chairman
CII Regional Committee on HR and IR	Chairman
CII Trade Fairs Council	Chairman
Society of Indian Automobile Manufacturers (SIAM)	Vice-President
SIAM Group on International Relations and Trade Policy	Co-Chairman
SIAM Group on Trade Fairs	Co-Chairman
SIAM Group on Logistics	Chairman
SIAM Group on Taxation Procedural	Chairman
SIAM Group on Styling and Design	Chairman
SIAM Group on Emissions and Conservation	Chairman
SIAM Group on CMVR and Safety	Co-Chairman
SIAM Group on International Harmonisation	Chairman
Federation of Indian Chambers of Commerce and Industry (FICCI) Taskforce on Oil Import Substitution for Automobiles	Chairman
FICCI Taskforce on Future of Mobility	Co-Chairman
Associated Chambers of Commerce (ASSOCHAM) National Council on Auto and Auto Ancillaries	Chairman

Information Security and Data Privacy

With increasing digitalisation, rise in corporate cyber crimes, high cost of data breaches and evolving regulations, businesses are placing greater focus on detecting, preventing, and combating information security threats. The Company has identified its information security risks and is committed to safeguarding business information from internal and external threats. It is also committed to uphold stakeholders' right to privacy and strives to protect their personally identifiable information as a responsible corporate. Guided by the provisions of the Information Technology (IT) Act, 2000, other applicable regulations as well as international standards, the Company has established robust policies and processes on information security and data privacy.

The Company implemented an Information Security Policy, which provides management direction and guidance to ensure availability, integrity and confidentiality of information and information systems across locations. Management Information Security Forum (MISF) has been constituted, which is chaired by the MD and comprises Head of IT, Chief Information Security Officer (CISO) and other senior management personnel. The MISF facilitates internal communication of information security programmes and implements processes for risk assessment and security classification of information systems. It convenes on a yearly basis and reports critical matters to the Board of Directors.

An Information Security Management System (ISMS) has been established as per ISO 27001, and the Head Office and manufacturing facilities in Gurugram and Manesar are externally certified for the same. Under ISMS, vulnerability assessment of IT infrastructure, networks and devices is conducted at least twice a year, and is supervised by the CISO. The ISMS is audited at regular intervals, both internally as well as by a third party. Based on vulnerability assessments and audits, corrective and preventive actions are prepared for the ISMS.

The Company collects information from its employees, business partners, service providers, customers and the general public for various business purposes. It has a suite of policies which provide guidelines for collection, use, storage, retention and destruction of information. It also allows stakeholders to access, correct, update and object from providing their information to the Company. Stakeholders are required to consent to the disclosure of their information to third-parties or for uses other than those upon which both parties contractually agreed. There were no data privacy breaches during the reporting period.

Product Innovation and Stewardship

The Company has maintained its leadership in the Indian passenger car market by providing reliable, fuel-efficient, safe and affordable products to customers. It leverages the engineering expertise of its parent SMC to introduce advanced technologies and features in the product line-up.

Driven by its commitment to sustainable development, the Company ensures that environmental, human health and safety impacts associated with its products are managed responsibly at the design and development stage itself. With technology support from SMC, the Company is striving to continuously lower its environmental footprint and improve safety features of products.

In India, regulations on vehicle emissions and safety are evolving rapidly and those on end-of-life vehicle management are in the formative stage. Compliance with all applicable emissions and safety regulations is being ensured and international best practices in end-of-life vehicle management are being adopted.

The Company is investing heavily in R&D and capacity building of its value chain partners to achieve the objectives of reducing environmental and social footprint, while contributing to national development goals related to clean environment, climate change action, circular economy and road safety.

Implementation of Bharat Stage (BS) VI Emission Norms

In February 2016, the Government of India decided to leapfrog from BS IV to BS VI emission norms and mandated that only the vehicles complying with the stricter emission norms in place can be sold in the market from 1st April, 2020 onwards. While making this transition, the Company faced severe challenges, including limited time (less than three years) to convert the entire fleet to BS VI, complexity of parallel multi-model development process, high cost for new technology development, facility planning for testing and validation, quality maturation, indigenous technology development and validation, supplier process establishment and skill upgradation of engineers.

The Company leveraged Suzuki's proven technology and significantly ramped up its own facilities and capacities in the value chain in order to seamlessly transition to the BS VI era. It deployed 160 dedicated engineers and conducted nearly 10 million kilometres of fleet testing, over 200 homologation tests and over 50 application development programmes. It has collaborated with the International Centre for Automotive Technology (ICAT) and Automotive Research Association of India (ARAI) to upgrade validation and testing facilities in R&D centres at Gurugram and Rohtak and ensure timely compliance.

In April 2019, the Company launched BS VI versions of the Alto and the Baleno, becoming the first automobile manufacturer in India to bring BS VI compliant vehicles in the mass segment, ahead of statutory timelines. During 2019-20, 775,340 units of BS VI compliant vehicles were sold, which represent around 50% of domestic sales. The early introduction of BS VI vehicles showcased the Company's commitment towards the Government of India's vision for a cleaner and greener environment.

First Original Equipment Manufacturer (OEM) to bring BS VI compliant vehicles in mass segment before statutory timelines

775,340 BS VI compliant vehicles sold before deadline for implementation of advanced emission norms

Super Carry – first petrol BS VI compliant light commercial vehicle

Ertiga S-CNG – the country's first BS VI compliant CNG Multi-Purpose Vehicle

MSIL BS VI range

The S-Cross was scheduled to be launched in March 2020 but was deferred due to the COVID-19 pandemic.
Car models and accessories shown may vary from actual product. Images are used for illustration purpose only.

The Company has decided to not offer diesel vehicles from 1st April, 2020. It anticipates BS VI diesel vehicles will not be financially viable for the masses. This is because the combined effect of higher cost of diesel for BS VI vehicles on account of the high technology upgradation cost, and the reduced fuel price differential between gasoline and diesel, makes diesel vehicles disproportionately expensive. Additionally, the Real Driving Emissions (RDE) norm, which will come into effect from April 2023, will create further viability issues. The Company is currently monitoring the market and may consider introduction of bigger diesel vehicles in its future portfolio.

MSIL factory-fitted S-CNG technology

Environment-Friendly Products

The Company has been offering superior fuel-efficient internal combustion engine powered vehicles to its customers, thereby helping reduce fuel consumption and emissions. It has been progressively making the engines lightweight and fuel-efficient. In 2019-20, the next-generation 1.2L K-series Dual Jet, Dual Variable Valve Timing (VVT) BS VI petrol engine was introduced in the new Dzire with idle start-stop technology and in Baleno with progressive smart hybrid technology. This new engine with higher compression ratio, cooled Exhaust Gas Recirculation (EGR) system and piston cooling jet offers improved engine efficiency and friction reduction which leads to best-in-segment fuel efficiency. Additionally, the new 1.5L K-series BS VI petrol engine introduced in XL6 and new Vitara Brezza offers superior Noise, Vibration and Harshness (NVH) characteristics, best-in-class fuel efficiency and an improved cooling performance.

With a commitment to increase low-carbon product offerings, the Company introduced factory-fitted CNG vehicles in 2010 and hybrid electric vehicles in 2015 in the Indian market. It is a pioneer of factory-fitted CNG technology in passenger vehicles. The S-CNG technology consists of dual interdependent engine control units and intelligent injection systems that seamlessly communicate with each other to provide an optimum air-fuel ratio during combustion, ensuring better performance and high fuel efficiency. It is offered in eight models and has been extended to S-Presso during the year. Other models include the new Alto, Celerio, WagonR, Ertiga, Eeco, Dzire Tour S, and Super Carry. There has been a 15.5% CAGR increase in the sale of CNG vehicles in the past five years and the highest ever sales in 2019-20, testifying to the acceptance of this technologically advanced, eco-friendly and safe mobility solution among customers.

The next-generation progressive, smart hybrid technology with dual battery, which has been developed by Suzuki, offers functions such as torque assist, idle start-stop and brake energy regeneration, resulting in improved fuel efficiency and lower emissions. After Ertiga, Ciaz and S-Cross, the smart hybrid technology has been extended to Baleno, XL6 and the new Vitara Brezza with automatic transmission.

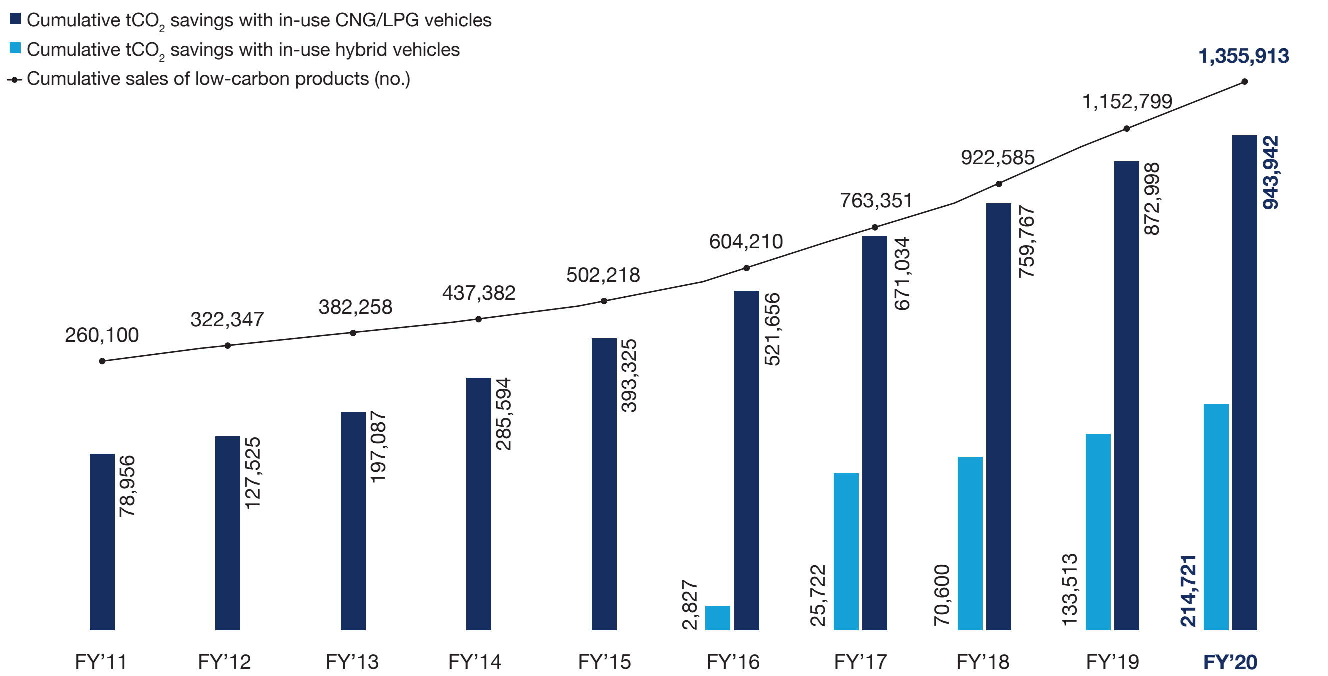
The Company's low-carbon products have helped its customers significantly reduce their in-use emissions. Over the last decade, it has sold over 1.36 million green vehicles and saved around 1.16 million tonnes of CO_2 (tCO_2) during their use phase.

CAFE Performance

The Government of India has implemented the Corporate Average Fuel Efficiency (CAFE) norms to reduce the carbon footprint of the automobile industry. The first phase of the CAFE norms was implemented from April 2017 with a fleet target of 130 g CO_2/km at 1,037 kg of fleet weight. The more stringent second phase is planned to be implemented from April 2022 with a fleet target of 113 g CO_2/km at 1,145 kg of fleet weight.

The Company has complied with the first phase of the CAFE norms and its fleet is the most efficient among M1 category passenger vehicle manufacturers in terms of emissions and fuel consumption. Its fleet emission was less than 110 g CO_2/km and average fuel consumption was less than 5 litres per 100 km.

Cumulative CO_2 avoidance from usage of alternate fuel vehicles



Notes:

- Vehicle running data used for calculation is captured from service data
- Cumulative sales are considered from base year 2005-06
- Average vehicle life considered to be 10 years for calculation of cumulative CO_2 savings
- Included Super Carry from 2019-20 onwards for estimation of cumulative CO_2 savings

CAFE performance of MSIL vehicles

	FY'18	FY'19
Annual Corporate Average CO_2 Performance (g/km)	109.59	108.71
Annual Corporate Average Fuel Consumption (litre/100 km)	4.62	4.58
Manufacturer's Annual Corporate Average CO_2 Target (g/km)	124.75	124.34

Source: Annual Fuel Consumption Report, Ministry of Road Transport and Highways (MoRTH)

Future Low-Carbon Strategy

The Company plans to adopt a technology-agnostic approach to its future low-carbon powertrain strategy, focusing on a mix of CNG, hybrid and electric vehicles. Its focus on CNG vehicles complements the Government of India's vision of reducing oil import and enhancing the share of natural gas in the energy basket of the country from 6.2% now to 15% by 2030. The government is working to rapidly increase the network of CNG fuel stations in the country. There has been a phenomenal growth in the number of CNG stations in the last six years with over 50% being recorded in the last year alone. As a result of the government's clear focus, the network of CNG stations is set to increase significantly. The Company will also strengthen and expand its CNG product portfolio to increase penetration of green fuel mobility in the market.

With a vision to promote electric mobility in the long run, the Company has been conducting nation-wide field testing of prototype electric vehicles in multiple terrains and climatic conditions. The inputs gathered from the field tests will help to develop a reliable and suitable electric vehicle for the Indian market.

The Company aims to achieve the sale of one million green vehicles, including CNG and hybrid vehicles, in the next couple of years. This was reflected in its theme 'Mission Green Million – Envisioning 1 million more green cars on the road' for the Auto Expo 2020 in India.

The Company showcased an electric Sports Utility Vehicle (SUV) Concept Futuro-e and the Suzuki Swift Strong Hybrid at the Auto Expo 2020, demonstrating its commitment to introduce advanced powertrain technologies for the Indian consumers.

Mission Green Million

Envisioning 1 million more green cars on road

Electric Sports Utility Vehicle concept Futuro-e showcased at Auto Expo (February 2020)

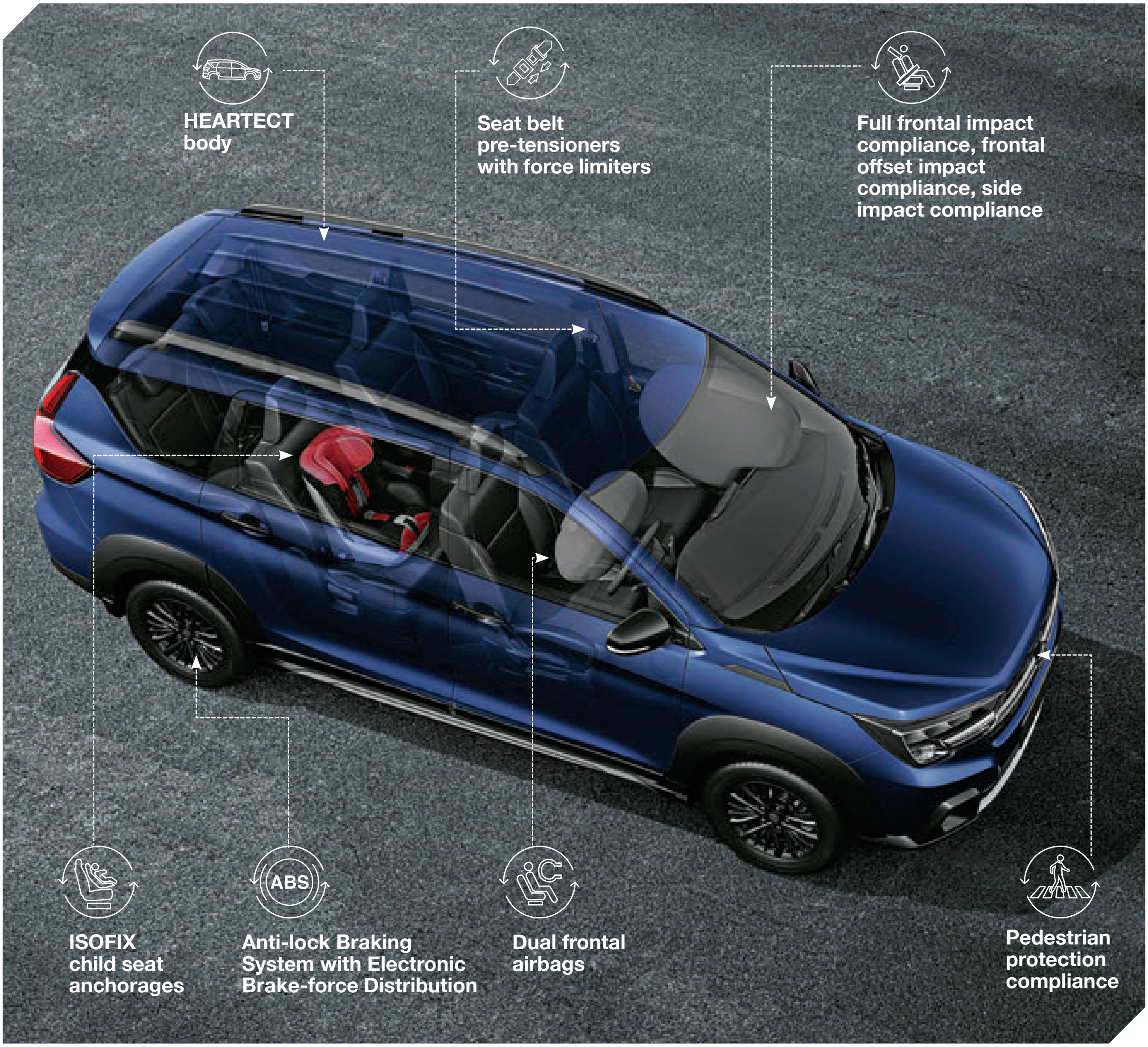
Suzuki Swift Strong Hybrid showcased at Auto Expo (February 2020)

Safety Technologies

Customer safety is a key focus area for the Company while designing and developing its products. A remarkable vehicle safety technology that it has adopted is Suzuki's new-generation HEARTECT platform. Designed with a core focus on passenger safety, the platform uses Ultra and Advanced High Tensile Steel (UHSS and AHSS) which help it better withstand and absorb collision impact, and disperse the residual impact evenly through the intelligently designed structure. The HEARTECT platform has been used in eight models. The S-Presso and XL6, launched during the year, are based on the fifth-generation platform.

The Electronic Stability Programme (ESP) is being progressively adopted. This technology was first introduced in Ciaz and Ertiga. In 2019-20, ESP along with hill-hold function has been introduced in XL6 and Dzire. ESP improves a vehicle's stability by detecting and reducing loss of traction.

Safety features in XL6



Compliance with Safety Norms

In recent years, the Government of India has introduced various regulations on vehicle safety, requiring automobile manufacturers to provide advanced safety measures in their products. It has introduced norms for frontal, side and offset crash and pedestrian protection and mandated safety features, such as Anti-lock Braking System (ABS), Reverse Parking Assist System (RPAS), Seat Belt Reminder (SBR) and driver-side airbag.

The Company's vehicles comply with all applicable safety regulations. It upgraded its entire range of vehicles to meet crash and pedestrian protection regulations ahead of the stipulated timeframe. It also introduced safety features and technologies across its product line-up to comply with regulatory requirements ahead of implementation timelines. All existing models comply with the crash safety norms.

The Company is working with the Society of Indian Automobile Manufacturers (SIAM) and Ministry of Road Transport and Highways (MoRTH) to build an India-specific safety rating programme called Bharat New Vehicle Safety Assessment Programme (BNVSAP), which is based on a scientific method involving analysis of India's accident data.

Control of Hazardous Substances in Products

The presence of hazardous substances, such as heavy metals (lead, cadmium, mercury and hexavalent chromium), asbestos and volatile organic substances (VOCs) in automobile parts may pose a risk to customer health during vehicle use, and to public health and the environment during end-of-life vehicle dismantling.

The Company fully complies with the Substances of Concern (SoC) related regulations of various regions or countries to which it exports. These include the European Union's End-of-Life Vehicle (EU-ELV) Directive, EU Restriction of Hazardous Substances Directive (RoHS), Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulations and the Japan Automobile Manufacturers Association (JAMA) Guidelines for control of VOCs used in vehicle upholstery, adhesives and foams.

In India, regulations on SoC control in automobiles are currently in formative stage. However, the Company is committed to restricting SoC usage in all its products as per the most stringent international norms. Therefore, it has voluntarily adopted the EU ELV directive norms for SoC control in its domestic models.

The Company's Green Procurement Guidelines (GPG), based on Suzuki Engineering Standards, set requirements for all Tier-1 component suppliers to restrict the use of globally recognised SoCs (lead, cadmium, mercury, hexavalent chromium, asbestos, VOCs, etc.) in parts and other constituents such as accessories, raw materials and direct consumables. All Tier-1 suppliers have signed an agreement to comply with the requirements of the GPG and demonstrate compliance by submission of declarations, test reports and part-wise composition details. The Tier-1 suppliers are required to enter into a similar agreement with Tier-2 suppliers.

The globally recognised International Material Data System (IMDS) has been adopted to collect, maintain and analyse data related to SoC and other materials used in automotive parts. All suppliers input into this system the information of SoCs contained in the parts. IMDS is being used for all new models from start of production stage and targets to cover all running models by the year 2023. IMDS has been implemented for three models, namely the new WagonR in 2018-19 and the S-Presso and XL6 in 2019-20.

The Company has developed capability to carry out random inspection of suspected parts at in-house testing facilities to verify SOC compliance by suppliers. In 2019-20, a laboratory was setup for testing interior cabin parts for ten VOCs, including formaldehyde, toluene, xylene, styrene and acetaldehyde. This new initiative helps adhere to JAMA guidelines on VOC control in automotive parts and prevent impacts on customer health, such as nose, eye and throat irritation and skin cancer.

End-of-Life Vehicle Management

End-of-Life Vehicle (ELV) management is of vital importance for environment conservation, circular economy and sustainable development, and the Company is taking proactive measures in this regard.

Reusability, Recyclability and Recoverability

Effective ELV management requires that products are designed for maximum recoverability and recyclability. The Company is complying with the EU ELV Directive norms for Reusability, Recyclability and Recoverability (RRR) for export markets as per RRR calculations specified in ISO 22628. All models exported to the EU and Japan are minimum 95% recoverable and 85% recyclable.

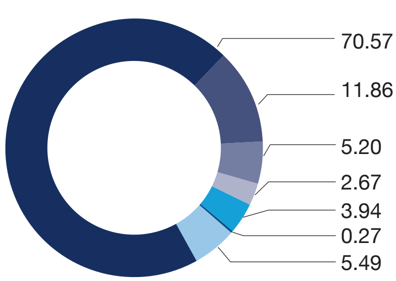
In India, bodies such as the Ministry of Road, Transport and Highways (MoRTH) and the Central Pollution Control Board (CPCB) have introduced policies and standards on ELV management, and regulations are being drafted. In 2017-18, the Company voluntarily started the process to make domestic models meet the EU ELV norms for recoverability and recyclability, ahead of Indian regulations.

Recoverable and recyclable materials in vehicles are being quantified with the help of IMDS. Such quantification was done for the WagonR in 2018-19 and the S-Presso and XL6 in 2019-20. Going forward, RRR norms will be voluntarily met for all new models being introduced and for all running models by 2023.

S-Presso and XL6 launched in 2019-20, voluntarily meet EU ELV norms for recoverability and recyclability

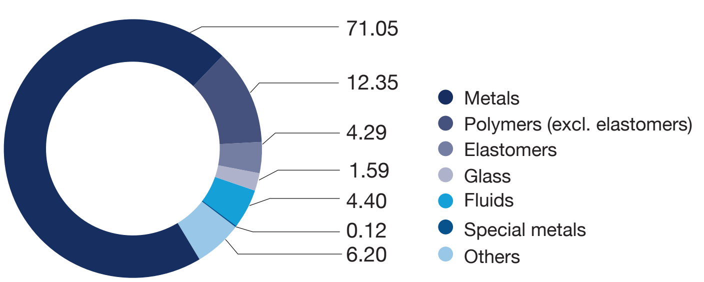
Material composition of S-Presso

(%)



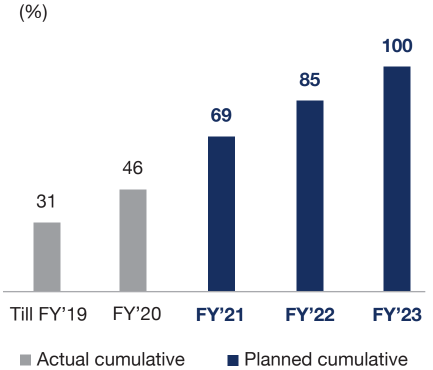
Material composition of XL6

(%)



Validation of SoC & RRR compliance of existing models

(%)



ELV Dismantling and Recycling Unit

Scientific recycling of vehicles after end of their useful life is important in terms of resource conservation, pollution prevention and public health protection. In India, the development of formal systems for ELV recycling is at a formative stage.

The Company has entered into a joint venture (JV) with Toyota Tsusho Group (Toyota Tsusho Corporation and Toyota Tsusho India Private Limited) called Maruti Suzuki Toyotsu India Private Limited (MSTI) to set up a vehicle dismantling and recycling unit in Noida, Uttar Pradesh. The Company owns 50% equity in the venture. The unit is expected to be operational in 2021.

MSTI will procure ELVs from dealers and customers, and dismantle them in accordance with globally accepted quality, environment and safety standards and in compliance with local regulations. Toyota Tsusho has been involved in ELV recycling in Japan since the 1970s and has significant experience and expertise in this area.

The unit will have an initial capacity to dismantle around 2,000 vehicles per month. The JV will add more such units across India in future.

ELV dismantling and recycling unit of annual capacity 24,000 vehicles being established

Li-ion Battery Recycling

As the automobile sector in India gradually transitions towards electric powertrain, the use of Lithium-ion batteries (LiB) will increase. LiBs have higher energy density and a longer lifecycle than conventional batteries and are being preferred in hybrid and electric vehicles. However, the safety and environmental concerns associated with these batteries make it necessary to ensure their scientific handling and disposal. The regulations and infrastructure for LiB recycling in India are slowly developing.

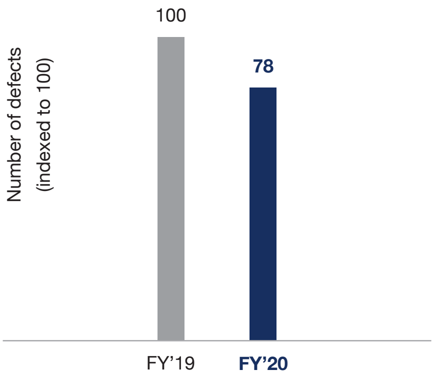
Inspired by the evolved recycling practices in Europe and Japan, the Company has proactively established a mechanism for recovery of LiBs from the market, as well as their safe storage and scientific disposal. This initiative was taken concurrently with the introduction of its first hybrid vehicle in India. The Company has asked its dealers across India to return LiBs collected during service. It has also entered into an agreement with an international firm for recycling of the collected LiBs.

Product Quality

The Company is driven by the vision of producing zero defect vehicles. It has implemented robust quality management systems based on ISO 9001:2015 at its manufacturing facilities in Gurugram and Manesar.

During new model development, vehicles are thoroughly evaluated through static and dynamic quality reviews to identify defects. Suppliers are asked to carry out process improvements to prevent repetition of defects, and the countermeasures are verified in subsequent trial events. Peak Production Verification Trial (PPVT) is undertaken to capture quality, productivity and process related issues at peak production conditions. Initial Flow Management (IFM) process is carried out for quality control and checks during the initial production phase. During the mass production stage, revalidation of parts and processes is done at supplier end at defined frequency, and deviations are corrected immediately. Feedback regarding parts' quality issues from the assembly shop is communicated to the vendors for taking countermeasures. Target to minimise line defects is taken at the beginning of the year. Accordingly, targets are given to vendors and are monitored throughout the year.

Reduction of assembly-line defects at MSIL



During various stages of production such as welding, painting and assembly, standard Work Instruction Sheets (WIS) are used to control deviations in all operations. At the vehicle inspection stage, rigorous functional and appearance testing is carried out with strict controls, to maintain high direct pass at each plant. After vehicle inspection, Global Customer Audit (GCA) is carried out on random vehicle samples by SMC certified inspectors to check effectiveness of plant inspection controls. Pre-Delivery Inspections (PDI) are carried out by dealers in accordance with defined standards on product quality.

At the supplier end, the Company has taken various initiatives to ensure quality of supplied parts and components. It supports skilling and re-skilling of suppliers' workforce in the areas of quality, safety and productivity through DOJO training centres. Efforts are being made to ensure the vendors become self-reliant in maintaining the condition of their tools and machines for producing quality parts. Special focus has been given to upgradation and strengthening of systems for maintenance of moulds and dies at plastic and sheet metal suppliers' facilities. Vendors are trained on critical assessment of dies and moulds in order to take timely actions for refurbishment or replacement. Periodic audits of supplier quality management system are carried out, which cover critical areas such as product development, abnormality handling systems, change management and Tier-2 supplier control.

Product Recall Management

Recent amendment to the Motor Vehicles Act has provisions for implementation of mandatory recall of motor vehicles in India, and guidelines are in the formative stage. Currently, recalls by automobile manufacturers in India are being carried out voluntarily, based on the SIAM Voluntary Code on Vehicle Recall. As per the Code, vehicle manufacturers voluntarily rectify technical problems affecting safety, without cost to the customer. The Company receives feedback on defects from the market through dealerships as well as from suppliers and its own production. Based on the analysis and technical evaluation of feedback, market action judgment is taken as per the code.

During the reporting period, there were two instances of recalls in the domestic market:

- 63,493 units of Ciaz, Ertiga and XL6 (petrol smart hybrid variant) having Motor Generator Unit (MGU) defect
- 40,618 units of new WagonR having fuel hose fouling with metal clamp

In view of evolving regulations on product recall, the Company is currently focusing on implementing a robust traceability system. It helps to identify defective parts or lots, right from raw material to final assembly in vehicles, and reduce the suspected range of vehicles in case of market recall and vehicle hold. For ensuring front-end traceability, critical parts are scanned at assembly lines before fitment into the vehicle. For back-end traceability, systems have been implemented for recording information for all critical parts, such as raw material batch code, critical process parameters, product parameters which is interlinked with final batch code. These systems lead to faster identification of defects and clearance of vehicles.

Customer Engagement and Support

Satisfied customers drive brand value and loyalty. Driven by its core value of customer obsession, the Company leaves no stone unturned to ensure that its customers are satisfied with the products offerings, sales experience and service quality. There is a strong focus on customer relationship building through various value-added services and engagement activities. Digitisation of customer interfaces is being steadily enhanced to provide a seamless and delightful experience.

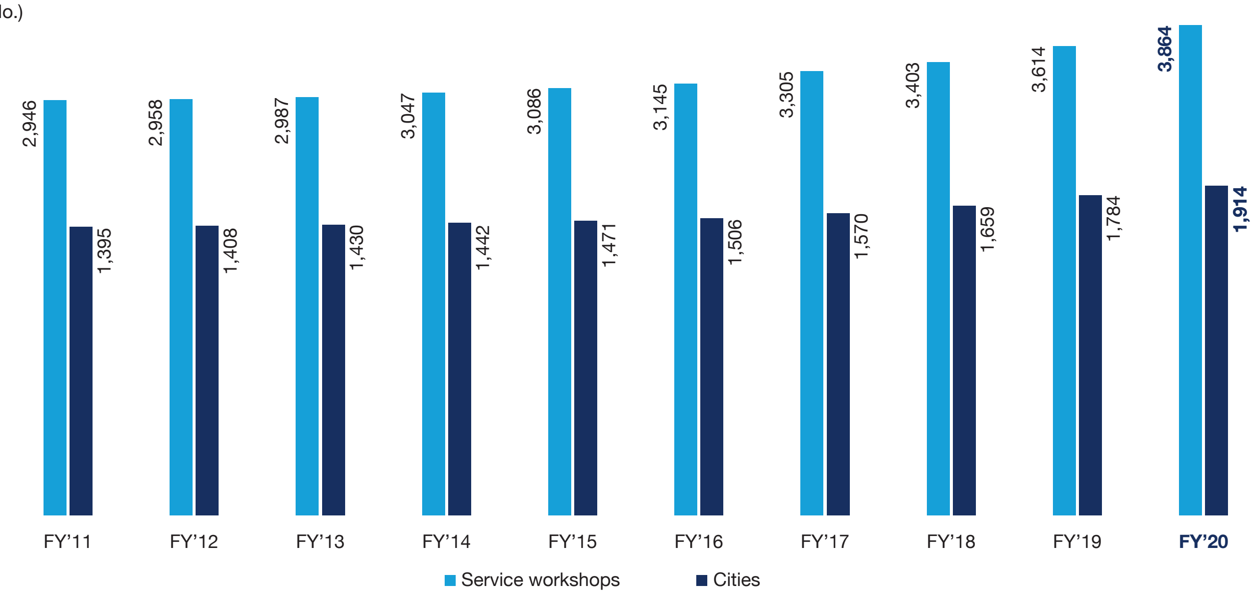
Service Network

The Company widened its service network in India to 3,864 service workshops operated across 1,914 cities and catering to over 1.7 million customers per month. The Company added 250 workshops to its network in 2019-20. This is the highest ever addition in any financial year. Select workshops offer seven-days-a-week and night service facilities to provide customers with flexibility of availing services as per their convenience.

250 workshops added to the Company's service network, highest ever in a fiscal

Expansion of service workshop network

(No.)



MSIL Service on Wheels

Doorstep Service Facility, with 126 specially designed 'Service on Wheels' workshops, has been made available in 112 cities across India. Additionally, Maruti Mobile Support (MMS) vehicles are providing servicing facility at the doorstep of customers mostly in areas away from the existing service infrastructure.

Quick Response Teams (QRT) have been launched to provide emergency support to customers stranded due to vehicular breakdowns. Comprising 425 four-wheelers and 350 two-wheelers in 426 cities, the QRT attends to nearly 13,000 breakdown calls per month. The quick response service staff is equipped with essential tools and spares needed to quickly restore the vehicle in distress. A web-based live tracking system helps the customer contact and coordinate with the nearest service technician.


MSIL Quick Response service

Digital Connect for Service

Maruti Care, a mobile-based customer interface application is being used by over 1.1 million customers to avail facilities such as service booking, workshop locator, cost calculator, driving tips, service records, feedback and service reminders. Over 60,000 customers book their service visits through this application every month.

Online Customer Approval System (OCAS) has been implemented across the service network to bring transparency within the process of vehicle servicing. In cases where additional parts or repairs may be required during service, surplus to those initially acknowledged by the customer, an SMS is sent to the customer to approve or reject the additional components.

Customer Engagement

Around 28,000 engagement activities such as customer meets, surveys and free-of-cost vehicle check-up camps were conducted in 2019-20 with participation of over 2.2 million customers. Digital communication platforms such as WhatsApp messenger, e-mail, social media websites and SMS were used for personalised communication.

~ 28,000 engagement activities conducted covering over 2.2 million customers

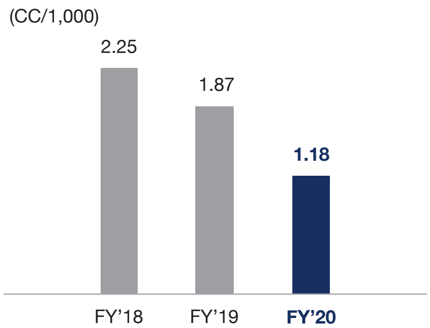
The Company regularly engages with customers to gauge their satisfaction level with the processes experienced at its dealerships.

Customer satisfaction levels associated with the buying experience are measured through an internal Customer Delight Index (CDI), which takes into account customers' feedback across various attributes collated on a quarterly basis. The CDI is derived using a rating scale ranging from -50 to +150 (Excellent:150, Very Good: 100, Good: 50, Fair: 0, Poor: -50). The CDI results are validated through an annual third-party Customer Satisfaction (CSAT) study. The results of CDI and CSAT are used by the Company to enhance and align sales processes at dealerships in line with customer expectations.

Customer satisfaction survey scores				
	Actual FY'19	**Target FY'20**	**Actual FY'20**	**Target FY'21**
Customer Delight Index (internal)	108	108	113	113
Customer Satisfaction study (independent external)	91		108	

An important parameter to evaluate customer satisfaction related to service facilities is customer complaints per 1,000 vehicles serviced (CC/1,000). With a target of zero complaints, the Company continuously monitors customer feedback and ensures timely implementation of countermeasures by the workshops. As a result, CC/1,000 has reduced by 48% in the last three years and customer experience has significantly improved.

Reduction in customer service complaints



There is a robust customer complaint management system comprising of channels such as the Company's website, toll-free helpline and social media. The complaint redressal process is well structured with defined escalation mechanisms, which ensure time-bound resolution.

Sustainable Supply Chain

7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

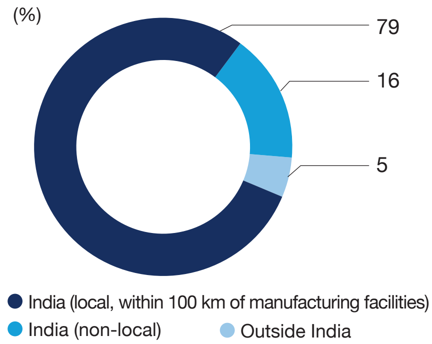
Since its inception, the Company has been focusing on developing competencies by combining knowledge across its value chain. It has been continually investing in the capability development of indigenous suppliers in areas such as quality control, value engineering and cost optimisation, among others. As a result, it has been able to consistently deliver high quality and affordable cars to Indian customers.

In recent times, the automobile industry has been witnessing radical transformations in terms of technology, competition, regulations and changing purchasing patterns of consumers, among others. In order to overcome the challenging business scenarios and achieve ambitious growth targets, the Company is striving to develop a sustainable global supply chain network which not only ensures timely development and delivery of components of desired quality at competitive prices, but is also agile, responsive and resilient to risks.

Supply Chain Structure

The upstream segment of the Company's value chain consists of a complex multi-tiered supply chain network providing components, raw material and consumables. It consists of 519 Tier-1 suppliers, including 17 JV companies and over 1,500 Tier-2 suppliers. It has been focusing significantly on localisation of its direct suppliers to improve efficiency, mitigate environmental and safety impacts, and ensure business continuity. Around 87% of Tier-1 suppliers are located in India and around 79% of supplier plants in the country are within 100 kilometres of the Company's manufacturing facilities. During the year, supply de-risking activities were undertaken, as part of which back-up supplier plants across the country have been on-boarded.

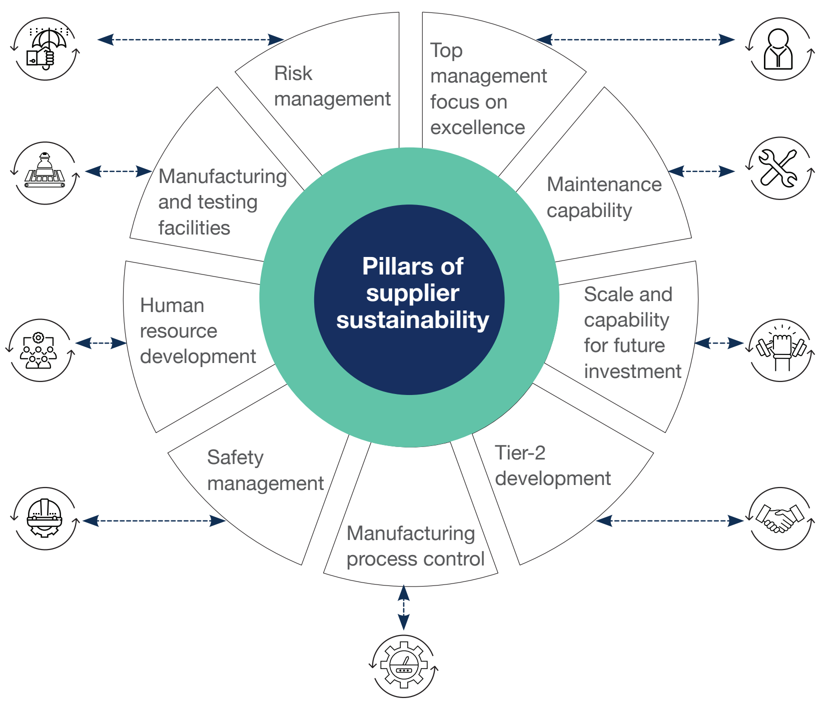
Share of procurement spend by geography



Supply Chain Sustainability Framework

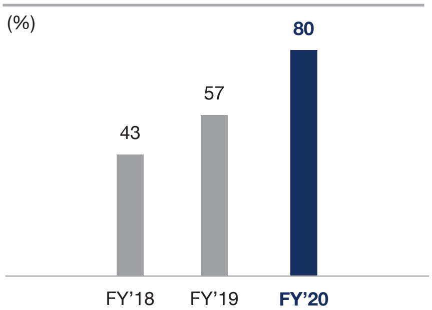
The Company's growth depends significantly on the capability of its supply chain partners to deliver quality goods and services without disruptions and scale up operations in line with business demands. It was realised that Tier-1 suppliers can demonstrate sustainable performance only if they focus on achieving comprehensive excellence across all aspects of business beyond quality and timely delivery. Aspects of leadership commitment, safety, HR management, industrial relations, financial health and risk management were seen as critical for the sustainability of Tier-1 suppliers. Additionally, it was felt that Tier-1 suppliers need to focus on raising the standards of Tier-2 suppliers across these areas. While the Company had been monitoring Tier-1 suppliers on many of these aspects through various standalone programmes, the need arose for a consolidated framework with help of which all suppliers could be evaluated across parameters in a structured manner. Therefore, the Company implemented a Comprehensive Excellence (CE) programme, through which it aims to upgrade the performance of Indian Tier-1 suppliers on nine critical sustainability pillars. Over the last four years, the CE programme has helped to de-risk its supply chain operations and increase focus on responsible procurement practices.

Suppliers' Comprehensive Excellence (CE) framework



The Company carries out assessments of supplier plants on all pillars in a planned manner. Suppliers are required to implement improvement measures to meet a certain minimum performance threshold under each pillar. They are provided handholding and training support for improvement through the Maruti Suzuki Supplier Welfare Association (MSSWA) and the Maruti Centre for Excellence. There has been a continual improvement in performance of suppliers against the requirements of this framework. As on 31st March 2020, 80% of supplier plants were meeting the desired performance standards under all the pillars. The Company is working with these suppliers to ensure that their performance is sustained in the long run. It is also working with the remaining 20% suppliers to help them meet the standards.

Supplier plants meeting MSIL CE standards



Fire Safety Programme

Fire has been identified as a major risk to suppliers in terms of human life and property damage and to the Company in terms of business continuity. As part of the CE framework, a supplier fire safety programme has been implemented to help Tier-1 suppliers reduce fire risks. The programme focuses on preparedness and ability of supplier plants to manage routine fires and respond to emergency situations. Under this programme, the Company has provided fire safety training to all Tier-1 suppliers and carried out audits at all the supplier plants. As on 31st March 2020, all Tier-1 supplier plants were meeting the standards. Due to these interventions, there has been a substantial reduction in number of fire related accidents at supplier plants. There were no major fire accidents at supplier plants and related supply disruptions during the reporting period.

To further strengthen the programme, follow-up audits of supplier plants are conducted at least once in every three years based on the fire risk. The audits will be done to check whether the supplier plants are sustaining the improvements to their fire safety systems. Currently, follow-up audits have been conducted at 33% of supplier plants.

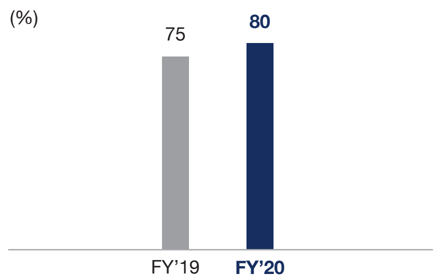
Fire safety preparedness of Tier-2 suppliers are being monitored by Tier-1. Additionally, the Company directly carries out fire safety assessments of critical suppliers. Over 450 audits have been carried out through the Maruti Centre of Excellence since 2017-18.

Human Safety Programme

The Company has implemented a human safety programme to improve the focus of its suppliers' top management on plant and fleet safety. The Tier-1 suppliers are being encouraged to adopt safety management systems and make safety an important agenda in internal meetings. Monthly safety performance reports are submitted by Tier-1 suppliers as per the specified framework. Accident investigation and implementation of corrective and preventive actions are closely monitored by the Company. Suppliers' top management is being sensitised on importance of human safety at forums such as the MSSWA and Vendor Conference.

In 2019-20, the human safety programme was extended to Tier-2 suppliers. Around 650 plants involved in sheet metal production and plastic moulding were found to have high risk of accidents. Around 300 Tier-2 plants were audited and low-cost improvement measures such as cam guard and safety curtain in press operations were implemented. Going forward, the remaining 350 Tier-2 suppliers will be covered under the programme.

Supplier plants in India with OHSAS 18001 certification



MSIL Vendor Conference (May 2019)

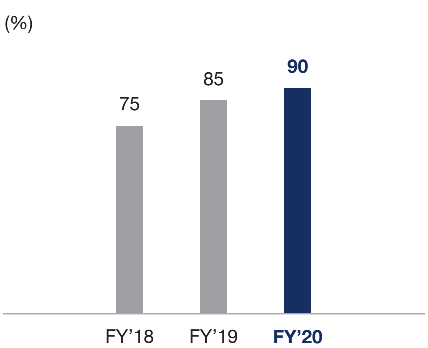
Maruti Suzuki Supplier Welfare Association meet (November 2019)

Resource Conservation in Supply Chain

The Company requires its Tier-1 suppliers to comply with its Green Procurement Guidelines (GPG), which restrict the use of globally recognised SoC in parts, accessories, raw material and direct consumables. Over 800 audits of Tier-1 supplier plants have been done to check SoC compliance. The suppliers are required to take countermeasures in terms of strengthening SoC management processes within respective organisations and extending scope of SoC management to Tier-2 suppliers. All suppliers are complying with minimum requirements set by the Company to ensure SoC management.

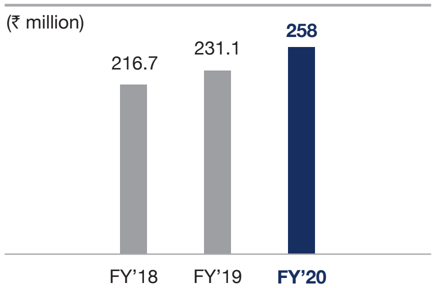
The GPG encourage Tier-1 suppliers to establish an Environmental Management System (EMS) at their facilities and promote EMS adoption among Tier-2 suppliers.

Supplier plants in india with ISO 14001 certification



The 'One Component, One Gram, One Yen' programme, inspired by SMC's management philosophy of 'smaller, fewer, lighter, shorter and neater', focuses on reducing the use of input material and accordingly helps in cost reduction. In this regard, various resource conservation initiatives have been taken in collaboration with the Tier-1 suppliers. Yield improvement activities are carried out with suppliers to conserve key raw material used in manufacturing components such as sheet metal, plastics, rubber, fabrics, electrical and casting items. All packaging materials used for supplying raw material and components are of recyclable nature. Additionally, energy efficiency projects are taken up by suppliers based on energy audits carried out by the Maruti Centre of Excellence.

Savings through yield improvement at suppliers' end



Suppliers' Human Resource Development

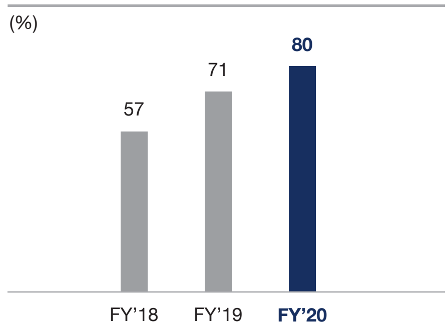
Industrial relations are key to business continuity in the automobile and auto-ancillary industries. In the past, the Company has faced supply disruptions due to labour issues at Tier-1 supplier plants. The main areas identified for improvement at suppliers' end included top management focus, HR organisation structure, employee connect and management of unions. Subsequently, a structured programme was formulated as part of the CE framework to assess and develop the HR capability of supplier organisations.

The importance of good HR practices in business operations is communicated to suppliers' top management by the Company's Managing Director and top management at CEO sensitisation workshops. Till date, all suppliers have been covered under this initiative.

The assessment framework covers various aspects relating to leadership, people management practices and policies, industrial relations, shop floor practices, statutory compliances to labour laws, organisation and employee profile, and HSE and welfare. Statutory compliance topics include child labour, forced labour, minimum wages and overtime wages. Industrial relations cover employee engagement processes and frequency, conducive environment for discussion between management and unions, grievance redressal mechanisms and volunteering of employees in Corporate Social Responsibility (CSR) activities.

The Company, through an independent organisation, carries out detailed audits comprising of leadership meeting, plant visit, focus group discussion with employees and document review. Based on the assessments, each supplier is recommended an action plan for improvement and is monitored. As on 31st March 2020, the Company audited 383 supplier plants and carried out re-verification audits of 295 plants to check implementation of countermeasures.

Supplier plants meeting HR excellence criteria under CE framework



People Practices

The Company's success can be attributed to the capabilities, contributions, potential and values of its human capital. It firmly believes in attracting, developing and retaining competent people, and promotes safe work practices, equal opportunity, continuous engagement and cordial relations.

Occupational Health and Safety

The Company regards occupational health and safety as a high priority business objective and a fundamental value to be upheld at all times by all persons who work at its premises, in order to ensure that they return home safely at the end of each workday. Inspired by SMC's philosophy that says 'all incidents are avoidable', strong technical and administrative systems have been developed to minimise risks and ensure safety and well-being of the workforce. All employees, right from the shop floor up to the top management, are trained to execute their work in a safe and responsible manner.

Safety Vision

Zero incident

Zero human injury and zero fire

Safety Governance

To ensure compliance with requirements of the Factories Act, 1948 (India), Safety Committees have been established in Manesar, Gurugram and Rohtak, with equal representation from the management and shop floor workers. These committees promote cooperation and dialogue between workers and the management on occupational safety related matters.

Going beyond regulatory requirements, the Company has constituted safety committees at central, vertical and divisional levels, in order to ensure continual monitoring of safety performance across all levels and timely resolution of related matters.

Safety committees		
Level	**Frequency of meeting**	**Key responsibilities**
Central level	Meets once in 6 months	• Formulates policies • Takes strategic decisions • Reviews safety performance • Guides the vertical committees
Vertical level	Meets once in 4 months	• Provides resources and support • Reviews performance • Guides the divisional committees
Divisional level	Production areas: Meets once a month Non-production areas: Meets once in 2 months	• Formulates safety action plans based on performance reviews • Implements safety systems

The functioning of these committees is facilitated by a dedicated safety division, which is headed by a senior official directly reporting to the Company's Executive Board. The safety division comprises of nearly 70 safety professionals based across locations, and is supported by over 200 safety ambassadors from various departments, who assist in monitoring work practices of employees on a daily basis.

Occupational Health and Safety Management System

In order to minimise health and safety risks in operations, the Company has implemented a robust Occupational Health and Safety Management System (OHSMS), based on Occupational Health and Safety Assessment Series (OHSAS) 18001. The Head Office in New Delhi, the manufacturing plants in Manesar and Gurugram, as well as the R&D centre in Rohtak are externally certified under OHSAS 18001.The OHSMS engages all employees in creating a culture of risk awareness and accident prevention. It involves them directly in identifying and reporting hazards and potentially hazardous situations. To ensure efficient functioning of internal processes and controls, the OHSMS is subjected to internal and external audits, on half-yearly and yearly basis respectively.

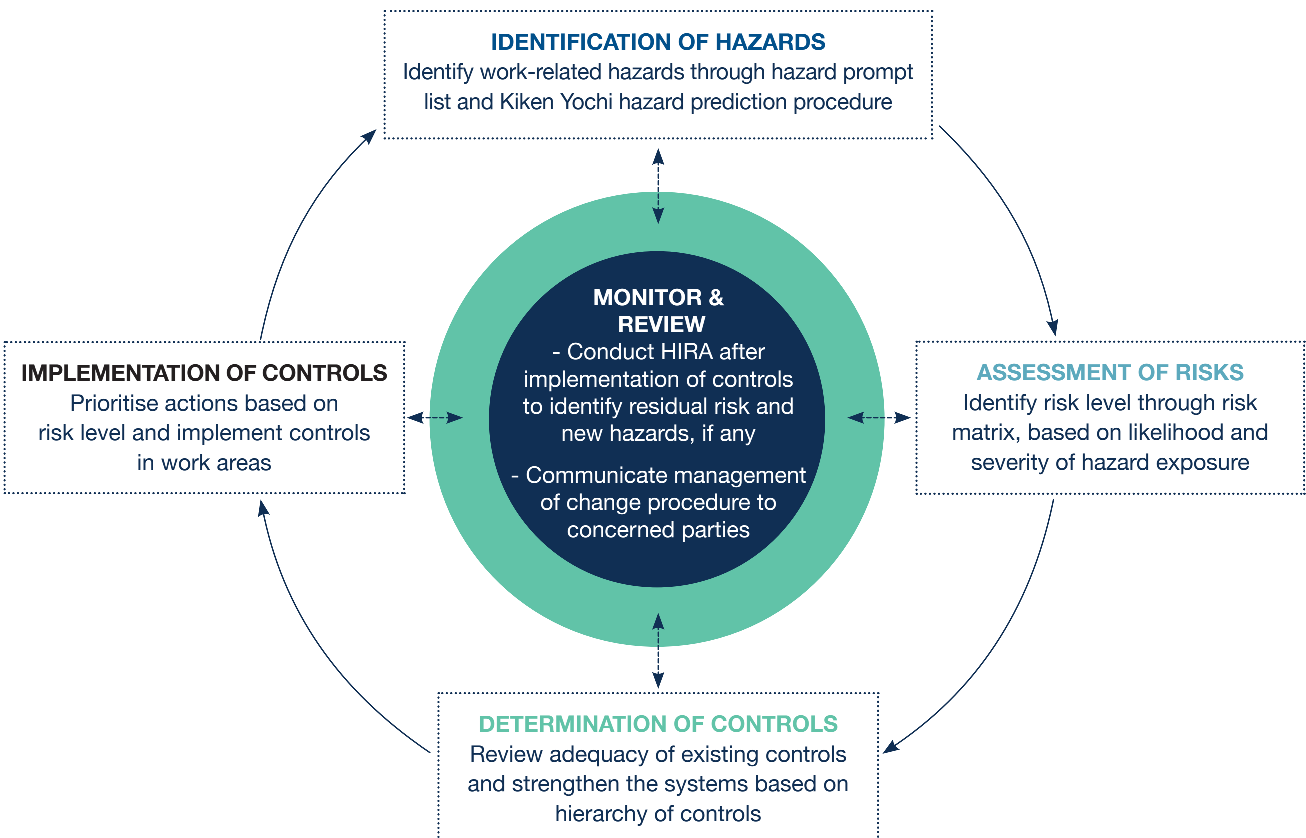
The Company has prepared a comprehensive roadmap to migrate to ISO 45001 by the year 2021. The transition will make the OHSMS more preventative and proactive in nature, while reducing risks, improving stakeholder confidence, and enhancing employee consultation and participation.

Hazard Identification and Risk Assessment

Identification, assessment, elimination and control of hazards in the workplace are critical components of OHSMS. The Company follows a comprehensive set of hazard identification and risk assessment (HIRA) guidelines, which are aligned to OHSAS 18001 as well as applicable legal requirements.

Safety communication meeting

HIRA process at MSIL



Mitigation of hazards identified through HIRA		
Focus areas	**Work locations**	**Measures implemented**
Protection from gases and fumes	Paint, assembly and machine shops, confined spaces	• Exhaust and ventilation systems • Airline respirators • VOC detectors • Confined space permit systems
Hearing protection	Press, casting and machine shops	• Acoustic enclosures • Ear muffs and ear plugs
Fire safety	Paint shop, bullet storage area	• Fire detection and suppression systems • Fire safety and fire extinguisher operation training for all shop floor workers
Vehicle and road safety	Shop material handling area, warehouse, sales and dispatch area	• Vehicle safety self-assessment and audits • Driver and co-driver trainings • Vehicle speed limit (20 kmph) inside plants • Signboards and public address systems
Protection from sharp edges during material handling	Press, weld and paint shops, areas where maintenance is carried out	• Protective and distance guards • Material handling trolley design modification • Use of cut-resistant hand gloves
Protection from rotating and moving parts	Assembly and weld shops, pump rooms	• Machine guarding • Machine interlocks and sensors • Visual signboards/rules
Protection from falling and moving objects	Press shop, tool room and die shop	• Electric Overhead Traveling (EOT) crane safety provisions (inspection, testing, distancing, operator trainings and defined operator positions) • Anti-collision devices
Fall protection	Areas where civil and maintenance work is carried out	• Lifeline systems • Permit to work system • Safety trainings

Safety Communication and Training

One of the reasons for the Company's exceptional safety performance is the strong emphasis on communication. Employees are encouraged to follow the principle of Ho-Ren-So (timely reporting, communication and consultation) to avert mishaps at work. The occupational safety policy and basic safety principles are displayed across all work locations. The safety policy encourages reporting of incidents, which are investigated using root cause analysis techniques such as 5-why analysis, 3G and Ishikawa diagram. Post investigation and analysis, information regarding incidents is circulated to departmental managers and safety ambassadors, in the form of causal factors, key learnings and action plans.

Occupational safety training hours

Employee category	Training person hours
Regular employees	34,044
Non-regular employees	17,749

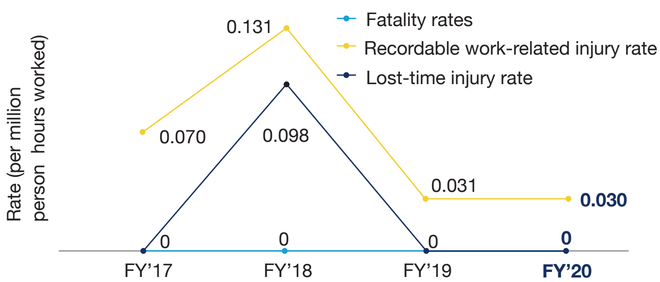
Contractor Safety Management

The Company engages contractors, sub-contractors, consultants, third parties and other service providers in its efforts towards preventing accidents and making the workplace safe. A set of systematic processes has been developed to ensure that contractual service providers support the Company in meeting its occupational health and safety goals. Performance of contractors is monitored and awards are given for exceptional performance.

Safety Performance

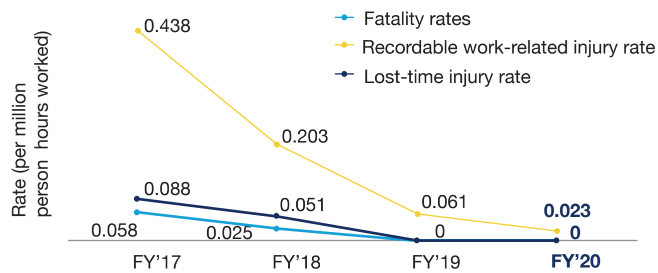
Regular employees

	FY'17	FY'18	FY'19	FY'20
Fatalities due to work-related injury	0	0	0	0
Recordable work-related injuries	2	4	1	1
Lost time injuries	0	3	0	0



Non-regular employees

	FY'17	FY'18	FY'19	FY'20
Fatalities due to work-related injury	2	1	0	0
Recordable work-related injuries	15	8	3	1
Lost time injuries	3	2	0	0



Road Safety Management

The 'I Commit' campaign was started to ensure safety of employees while commuting to and from work and travelling during holidays. During the campaign, employees were briefed on road safety and driving behaviour, followed by a declaration to comply with traffic rules. Road Safety Week was observed by the Company between 11th and 17th January 2020.

Road safety pledge being taken during Road Safety Week (January 2020)

Mr. Kenichi Ayukawa, MD & CEO, MSIL signing the 'I Commit' declaration (June 2019)

Human Resources

The Company considers employees as the most valued asset and a key contributor in its success over the years. There has been constant focus on providing better employee welfare and benefits, and strengthening employee engagement and industrial relations activities in a progressive manner. In spite of reduced sales and margins during the reporting period, the Company continued to invest towards enhancement of its HR policies and processes. Some of the key initiatives taken in recent times include digitalisation of processes, launch of post-retirement medical benefit policy and implementation of housing scheme for workers. These initiatives have helped employees stay motivated and focused in overcoming the current business challenges.

Diversity of Workforce

The Company's diverse workforce, comprising of different age groups, genders, intellectual abilities and professional backgrounds, has played a key role in fostering innovation and enhancing productivity, leading to competitive advantage and sustained market leadership over the years. As on 31st March 2020, the Company had 33,282 employees, including 15,945 regular and 17,337 non-regular employees working at various offices and manufacturing facilities. Among the regular employees, 35 persons were differently abled.

Break-up of regular employees by age group and gender

Category	FY'17	FY'18	FY'19	FY'20						
				Less than 30 years		30-50 years		More than 50 years		Total
				Male	Female	Male	Female	Male	Female	
Top and senior management	162	175	198	0	0	111	1	100	2	214
Mid management	300	303	323	4	0	255	7	66	2	334
Junior management	4,858	5,431	6,151	2,305	249	3,268	197	261	5	6,285
Supervisors	2,933	3,143	3,450	1,697	87	1,391	22	170	0	3,367
Associates	5,925	5,888	5,770	988	0	4,521	3	222	11	5,745
Total	**14,178**	**14,940**	**15,892**							**15,945**

Break-up of non-regular employees

Category	FY'17	FY'18	FY'19	FY'20
Apprentices	2,548	2,454	2,534	2,065
Temporary workers	5,908	5,908	3,845	4,137
Student trainees	1,070	2,117	3,045	3,088
Outsourced employees	8,975	9,096	8,881	8,047
Total	**18,501**	**19,575**	**18,305**	**17,337**

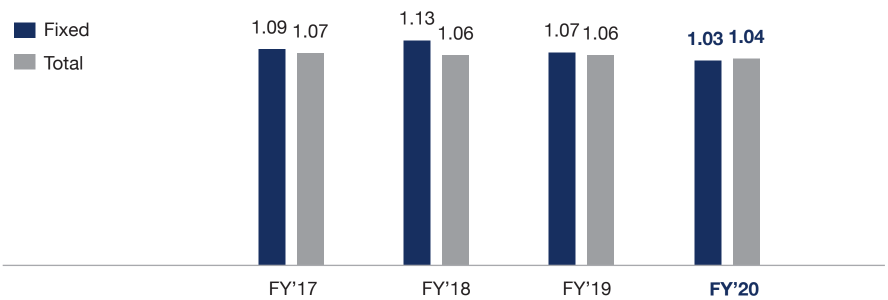
The Company is driving a Gender Diversity and Inclusion initiative Women in Network, Growth and Success (WINGS) for empowerment of women at work and promotion of an inclusive work environment. Commitment towards equity in employment, recognition and advancement is helping to make the workplace more female friendly. Under this initiative, an assistance programme called 'Care for You' has been started to provide counselling and stress management related support to female employees. Training sessions under the Women of Wisdom (WoW) programme have covered over 50% of female employees. Additionally, female hygiene infrastructure across facilities has been improved. In future, the Company plans to launch initiatives around mentoring and capability building in order to empower its female employees to take up more challenging roles.

International Women's Day celebration at MSIL (March 2020)

Employee Remuneration

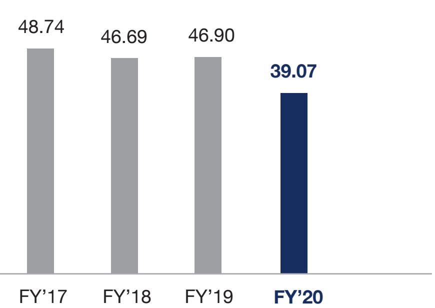
The Company is committed to equitable pay for work that is of equal value, skill and responsibility. All employees on its payroll are being paid higher than the minimum wages stipulated by local authorities. Pay scales are developed as per industry remuneration practices. The fixed remuneration earned by employees comprises basic pay, flexible pay and retirals in line with statutory requirements. Additionally, employees receive a yearly bonus based on individual performance and business results. Remuneration practices are constantly reviewed to provide maximum value for employees. Over the years, the gap between remuneration of the Managing Director and the median remuneration of regular employees has become narrower.

Remuneration ratio (female to male) for regular employees



Ratio of compensation between highest paid individual and employees

Ratio of the annual total compensation of Managing Director to the median annual total compensation for all regular employees



Employee Benefits

The Company has continuously strived to make its policies and practices employee friendly and support employees and their families on and off duty. Taking forward the spirit of 'Employee First', a Post-Retirement Medical Benefit policy was launched for superannuating employees and their spouses. This was the result of the decision taken by the Board of Directors in 2018 to set up an Employee Welfare Fund aimed towards enhancing employees' social security.

Post-Retirement Medical Benefit policy launched

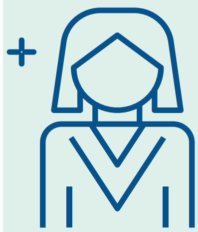
Employee housing scheme rolled out

There is a wide array of benefit schemes for regular and non-regular employees. All regular employees are covered under a medical reimbursement policy, together with their dependent children and parents. Contractual employees are covered under the Government's Employees' State Insurance Corporation social security and health insurance schemes. The Company also facilitates a housing scheme for the workforce to enable them to own a home. Subsidised meals are provided to all employees. Life insurance, healthcare, disability coverage and retirement benefits, among other welfare measures are also provided to the employees. Superannuation planning workshops are conducted covering topics such as financial investment and health. Crèche facilities are available at the Head Office in Delhi and the facilities in Gurugram and Manesar.

Flexible shift timings are also provided to general shift employees which enable them to adjust their working hours as per convenience. For employees working as per the shift roster, flexible timings are not available given the constraints associated with production schedules and workforce planning.

The Company's leave structure is designed considering regulatory requirements and provides earned and sickness leaves to employees. All female employees are entitled to six months of maternity leave as per regulation. Additionally, female employees are allowed to extend maternity leave up to 12 months.

Maternity leaves availed by female employees during 2019-20



53
Total female employees who took maternity leave

36
Total female employees who returned to work in the year after maternity leave ended

100%
Female employees whose maternity leave ended during 2018-19, and were still employed with the Company as on 31st March 2020

Employee Engagement

The Company has several channels to engage with employees on workplace matters. 'Coffee with HR' is an interactive engagement channel which enables two-way communication on employees' concerns, queries and suggestions. 'Young Managers' Forum', a cross-functional group of fresh managers, was formed to collectively brainstorm on workplace policy design and share knowledge. Several digital engagement tools have been developed which help employees with day-to-day queries on payroll, attendance, policies, health and wellness, among others.

A third-party employee engagement survey is conducted every two years to gauge the satisfaction levels among the workforce. This survey was last conducted in 2018 where the engagement score stood at 67%, nearly 2% higher than the average score across the Indian manufacturing industry. Based on employee feedback, initiatives have been taken for strengthening HR communication and employee grievance redressal mechanism, training and handholding of new hires, and expanding the network of HR business partners to cover the entire workforce.

Industrial Relations

The Company respects the right of employees to form and join a union. The management officially recognises three employee unions, one each at its Gurugram facility, Manesar vehicle manufacturing facility and Manesar Powertrain facility. These are internal and independent labour unions and their elections are held as per union by-laws. All three unions and the management regularly engage with each other through constructive dialogue and collective bargaining. Nearly 100% of workers are represented by the unions.

Trust and transparency form the foundation of the Company's engagement with employees. Strong connect has been established with employees at the grassroot level, through a continuous two-way communication process coupled with robust grievance redressal mechanism.

Engagement with unions and shop floor employees

Frequency	Engagement Channel
Monthly	Meeting of Managing Director with union representatives Meetings of Production and HR top management with union representatives Meetings of Production and HR functions with union representatives
Ongoing basis	Interactions of Production and HR functions with shop floor employees
Weekly	Dedicated grievance redressal helpdesk 'Samadhan' for shop floor employees

Talent Acquisition and Retention

A well-defined recruitment policy is in place to ensure the right mix of talent as per business requirements. During 2019-20, 602 regular employees were recruited, while 549 employees separated from the Company. The attrition rate for regular employees stood at 3.4% during the same period.

Some of the key initiatives in talent acquisition during the reporting period included onboarding of young engineers through an all-India test to reduce attrition and digitalisation of recruitment process to reduce hiring costs and improve efficiency. Special emphasis was given towards retention of employee groups with less than one year and between 5-10 years of work experience, as well as those trained at SMC Japan.

New hires by age group and gender

Employee Tiers	FY'17	FY'18	FY'19	FY'20						
				Less than 30 years		30-50 years		More than 50 years		Total
				Male	Female	Male	Female	Male	Female	
Top and senior management	4	4	6	0	0	0	0	4	0	4
Mid management	25	14	29	0	0	20	0	1	0	21
Junior management	744	766	1,006	386	39	33	5	0	0	463
Supervisors	347	269	367	102	8	2	0	0	0	112
Associates	217	105	54	2	0	0	0	0	0	2

Turnover* by age group and gender

Employee Tiers	FY'17	FY'18	FY'19	FY'20						
				Less than 30 years		30-50 years		More than 50 years		Total
				Male	Female	Male	Female	Male	Female	
Top and senior management	15	13	12	0	0	3	0	16	0	19
Mid management	20	22	23	0	0	8	0	17	0	25
Junior management	314	287	400	259	27	78	8	61	3	436
Supervisors	46	43	45	22	1	8	0	10	1	42
Associates	24	31	30	3	0	7	0	15	2	27

*Employees who left the Company on account of resignation, retirement, death in service and others

In 2019-20, a succession planning process was initiated on a pilot basis to help manage talent in a strategic manner and execute transition of individuals in leadership positions. Using the learnings from the pilot, the process will be revamped and scaled up in the coming years to cover all business functions.

Performance Management

The Company provides equal opportunities for all employees to exhibit and nurture their potential regardless of their personal and professional background. It has established a simple and transparent merit-based process for career progression of employees. Regular feedback is provided to the employees, enabling them to grow in their professional space. All employees have clearly articulated and documented goals for performance, which are set based on business requirements through discussion with respective reporting managers. The annual performance appraisal helps define new goals and identifies competency development needs. All regular employees at the level of supervisors and above (except new recruits who joined outside the appraisal period and engineering trainees) received performance appraisal during the reporting period.

Learning and Development

New technologies and business models are disrupting the automobile industry, thus making it imperative for the workforce across the entire value chain to diversify and upgrade its skillset on a continual basis. To achieve its business goals and stand out from the competition, the Company invests significantly in the training and development of employees and prepares them for the future with the appropriate set of skills, at the speed of change. It also supports suppliers and dealers in capacity building of their workforce, to make its value chain agile and responsive to the dynamic nature of business requirements.

Learning and Development Framework for Employees

The learning and development strategy is aimed at creating a dynamic talent pipeline, capable of supporting the Company to meet evolving business challenges in the long run. With significant hiring at the entry level, there is a strong focus on nurturing young talent with requisite technical and behavioural skills, along with culture building. This is coupled with their involvement in cross-functional teams for challenging projects and stretch role assignments, thereby preparing them for future leadership roles.

A comprehensive learning and development framework is being implemented by Maruti Suzuki Training Academy (MSTA), the training arm of the Company. It comprises of structured band-wise training programmes, which are delivered through blended learning modes. Hands-on technical and multi-skilling trainings of shop floor employees and trainees are imparted through the Maruti Suzuki Finishing School, the Centre of Excellence and the Technical Training Centre.

Training process overview

Assessment/ development centre	Competency gap identification	Training design and development	Training delivery	Training evaluation
• Workforce competency gap identification • Alignment with the Company's HR competency matrix	• Focus group discussions with functional leaders and other stakeholders • Identification of strengths and weaknesses through the competency matrix • Identification of learning needs	• Competency-based training content development • Blend of classroom and e-learning methods	• Physical and virtual instructor-led classroom trainings • E-learning programmes assigned through internal Learning Management System (e-Gurukul), available on smartphone and desktop	• Post-training feedback • Success stories shared by the participants of the programmes

Key topics covered in training programmes for regular and non-regular employees

Technical

- Basic automation
- Maruti production system
- Analytical tools
- Multi-skilling interventions
- Safety training
- Cost consciousness and value engineering

Induction

- Core values
- Code of business conduct and ethics
- Prevention of sexual harassment
- Business etiquettes
- Manufacturing process simulation
- Information security

Behavioural

- Transformational leadership
- Strategic networking
- Change management
- Shop floor communication
- Conflict management

Functional

- Project management
- Business and data analytics
- Strategic planning
- Financial acumen and analysis
- Managerial effectiveness

New programmes introduced in 2019-20 include:

- Electric vehicles (EV), battery technology and the impact of EV technology in domestic market
- Industry 4.0 focusing on value chain disruption and digital transformation of manufacturing processes through cyber physical systems, connected technologies, data analytics and intelligent networking, among others
- Behavioural training (‘Samarthya’, ‘Aarohan’ and ‘Utkraman’) on enhancing leadership skills, emotional intelligence, interpersonal skills and conflict management among supervisors
- Development of employees as coaches (‘Abhivyakti’) and trainers on behavioural and technical aspects

Training hours by employee category

Employee category	FY’17	FY’18	FY’19	FY’20
Regular employees	619,683	590,446	798,307	544,131
Non-regular employees	367,512	729,838	622,268	441,387

Student trainees at Maruti Suzuki Finishing School

DOJO training centre

MSIL service training on wheels

Training of Value Chain Partners

Ensuring consistency in workforce skill at suppliers' end is important to prevent quality issues in parts due to human error. The Company supports Tier-1 suppliers in setting up DOJO training centres at their facilities, which focus on skilling and re-skilling the workforce on aspects of quality, safety and productivity. New workers are trained and assessed before joining work and only qualified workers are sent to the shop floor. As on 31st March 2020, over 300 suppliers had established DOJO training centres at their plants.

Additionally, need-based trainings are conducted for Tier-1 and Tier-2 suppliers on Japanese manufacturing practices, process failure mode effect analysis, automation, welding control, assembly process and safety, among others, thus supporting them in streamlining internal practices and enhancing productivity. During the reporting period, employees representing over 90 suppliers were provided practical and classroom trainings on the above topics.

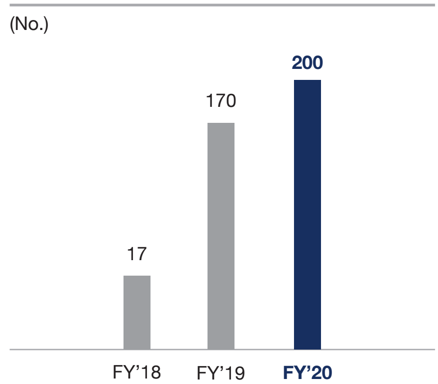
For dealerships, the Company has dedicated training programmes aimed at improving customer experience and increasing sales. During 2019-20, over 50,000 frontline and managerial sales staff were trained on products, processes and soft skills, through a combination of practical exercises and digital and classroom trainings. A unique digital learning platform was launched to enable dealer sales staff to access a large repository of learning content on the go, in order to enhance their efficiency and output. The platform offers a self-assessment feature to check knowledge retention. Training need is identified using a variety of methods such as Digital Sales Certification Contest and industry benchmarking.

The Company, in its efforts to continuously deliver quality service, trains service staff at its dealerships on latest and advanced technological platforms, behavioural skillsets and soft skills so as to create value for the customers. Over 167,000 service staff have been trained during the reporting period. The Company also facilitates trainings close to service workshops and is constantly expanding its network of training facilities. In 2019-20, the number of service training centres increased from 170 to 200, reducing the average distance to reach nearest training centre from 70 kilometres to 43 kilometres. Trainings on new technologies such as smart hybrid, advanced K-series petrol engines and New Affordable Touch Screen Audio (NATSA) are being conducted. Nearly 55% of the dealers' technical staff were certified under the Suzuki Service Qualification System Certification. In addition to enhancing diagnostic skills, this programme also focuses on improving safety, process and time adherence.

~220,000

service and sales staff trained in products, processes, technological platforms and soft skills

Service training center expansion



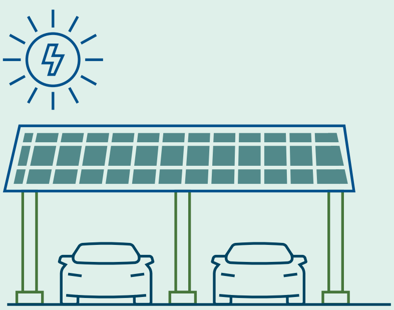
Operational Eco-Efficiency

The Company's environment policy conveys its commitment towards sustainable use of natural resources and reducing pressure on the environment. Environmental Impact Assessments (EIA) have been carried out during establishment and expansion of manufacturing facilities and Environmental Management Plans have been implemented. Additionally, Environment Management System based on ISO 14001 has been implemented at the Gurugram, Manesar and Rohtak facilities, which is certified externally. In order to improve operational eco-efficiency, initiatives on energy and water conservation, renewable energy deployment and recycling have been undertaken.

Energy and Emissions Management

Energy is one of the critical inputs to the production process at the Company. A major share of its energy requirement is met through captive natural gas power plants and grid power. In 2019-20, the usage of grid power increased across all manufacturing facilities.

The Company is steadily increasing the share of solar power in its energy portfolio. In 2019-20, a photovoltaic (PV) solar plant of 5 MWp capacity was set up at the Gurugram facility, increasing the total installed capacity of solar power to 6.3 MWp. The solar power generated is synchronised with power generated from natural gas to collectively cater to internal energy needs. Going forward, further expansion of captive solar power generation capacity is being planned.



32,985 sq. m.
Area

7,010 MWh
Annual output

5,390 tCO_2
Annual CO_2 savings (estimated)

₹ 200 million +
Investment

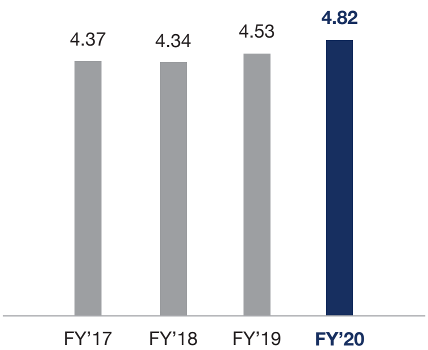
5 MWp carport style solar PV plant at the Gurugram facility

Energy use by type (GJ)					
Energy use		FY'17	FY'18	FY'19	FY'20
Energy inputs*	Natural gas	7,121,604	7,609,163	7,759,461	5,864,677
	High Speed Diesel (HSD)	201,431	187,856	182,513	67,053
	Liquefied Petroleum Gas (LPG) and Propane	22,959	28,425	29,113	22,282
	Gasoline	30,916	26,821	32,674	28,334
	Solar	4,797	4,706	4,684	8,676
	Purchased electricity	142,401	147,262	157,681	404,593
Electricity supplied to vendors		187,359	197,879	181,437	94,957

*Energy inputs are inclusive of fuel used (natural gas and HSD) to generate electricity for supply to the Company's vendors located in vendor parks at Gurugram and Manesar

Energy intensity

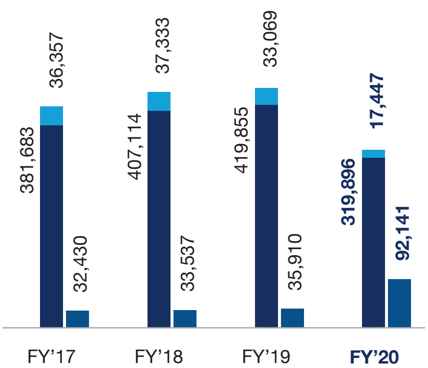
(GJ/vehicle manufactured)



Note: Excludes energy consumed for (a) manufacturing engine and other auto parts for Suzuki Motor Gujarat Private Limited and Suzuki Motorcycles India Private Limited (b) supplying electricity to the Company's vendors located in vendor parks at Gurugram and Manesar

Greenhouse gas (GHG) emission by type

(tCO_2e/vehicle manufactured)

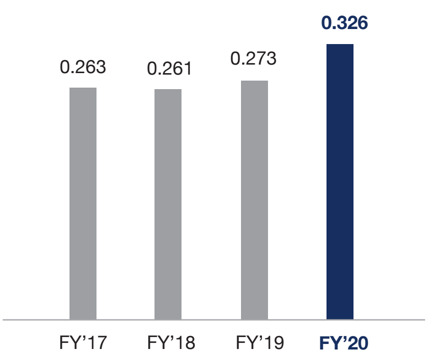


- From energy consumed for generating electricity for supply outside the Company (Scope 1)
- From energy consumed for the Company's own operations (Scope 1)
- From purchased electricity (Scope 2)

Note: Scope 1 and Scope 2 emissions are calculated on the basis of the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories and User Guide (Version 12.0) of Central Electricity Authority (Ministry of Power, Government of India)

GHG intensity

(tCO_2e)



Note: Excludes GHG emissions from energy consumed for (a) manufacturing engine and other auto parts for Suzuki Motor Gujarat Private Limited and Suzuki Motorcycles India Private Limited (b) supplying electricity to the Company's vendors located in vendor parks at Gurugram and Manesar

During 2019-20, the energy intensity and GHG emission intensity increased by 6.4% and 19.4% respectively due to a 25% decline in production as compared with the previous year.

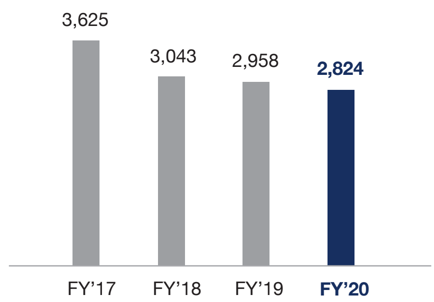
Capital investment in 2019-20 towards energy conservation is mentioned in Annexure - D of the Board's Report (page 144). The energy-saving initiatives undertaken in the reporting period include:

- Replacement of inefficient condensate transfer pump and boiler feed pump with higher efficiency pumps at the captive power plant in Gurugram
- Operation of variable frequency drives (VFD) in auto mode for booth air handling unit spray pumps with humidity feedback system and eliminating throttling at paint shops in Gurugram
- Installation of VFDs in horticulture water pump, potable water pump in Water Treatment Plant (WTP) and hemming machines at weld shops in Gurugram
- Optimisation of cooling water circuit and pumps for die casting and die cooling at casting plant in Gurugram
- Operation of parallel pumps of cooling tower with VFD at same frequency with feedback system at casting plant in Manesar
- Installation of air saving vacuum ejector at assembly shops in Gurugram
- Installation of 5-star rated brushless direct current motor ceiling fans at canteen in Gurugram

The Company is committed to eliminate the use of Ozone-Depleting Substances (ODS) at its facilities. It is gradually reducing its inventory of R-22, which is currently contained in condensers, chillers and air-conditioning units, and intends to procure equipment with only non-ODS refrigerants. During 2019-20, there was a 4.5% reduction in total ODS inventory compared to the previous year.

ODS (R-22) inventory

(Tonnes of refrigerant)



Water and Waste Water Management

Acknowledging the stress on ground water resources in the areas of its operations in Haryana, the Company ensures that consumption of ground water is kept minimum. The primary source of water is canal. It is supplied by the concerned government authorities.

During 2019-20, the total water withdrawal decreased by 13.5% as compared to the previous year. However, due to a 25% decline in production during the same period, fresh water withdrawal intensity increased by 15.5%.

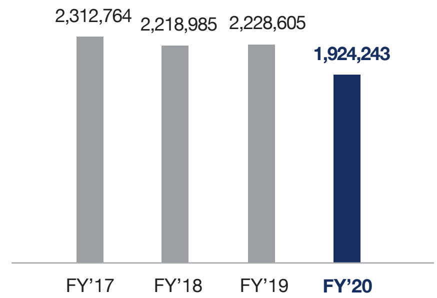
The Company's commitment towards improving its water footprint is demonstrated by its zero-water discharge initiative. The entire volume of wastewater from Gurugram, Manesar and Rohtak facilities is treated through in-house Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) and recycled for process and horticultural purposes respectively, thereby keeping it in a closed loop within the facilities. In the reporting period, nearly 3.2 million m³ water was recycled across manufacturing facilities.

Zero water discharge from facilities

demonstrating commitment to water stewardship

Canal water sourced

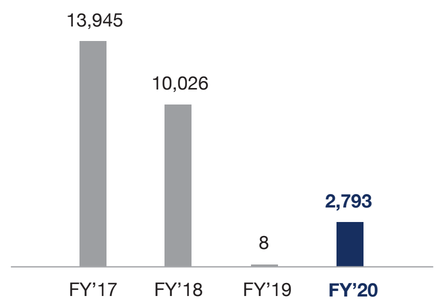
(m³)



Note: TDS<=1,000 mg/L

Ground water withdrawal

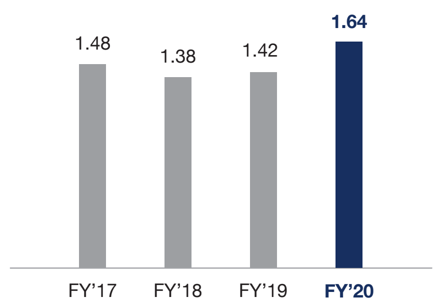
(m³)



Notes: 1. TDS>1000 mg/L
2. In 2019-20, ground water withdrawal is attributed to maintenance and testing of wells

Water withdrawal intensity

(m³/vehicle manufactured)



~3.2 million m³

water recycled

Waste Management

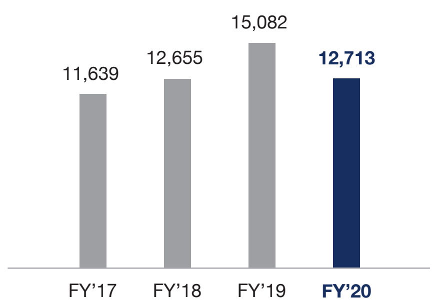
The Company follows the Reduce, Reuse, Recycle (3R) principle of waste management. Handling, storage and disposal are carried out after proper segregation according to the waste type. A major portion of the hazardous waste, such as process and ETP sludge, is sent to the cement industry for co-processing. The remaining portion of the hazardous waste, including used oil, contaminated barrels and cloth, is sent to authorised recyclers.

Metallic scrap, generated from manufacturing processes, constitutes a large portion of the non-hazardous waste. It is sent to recyclers and suppliers to make components. Aluminium and trim scrap are recycled into ingots and steel waste is transformed into smaller sheet metal parts.

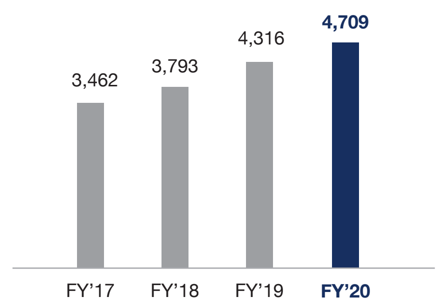
Zero waste to landfill

through maximum utilisation of waste by recycling and co-processing

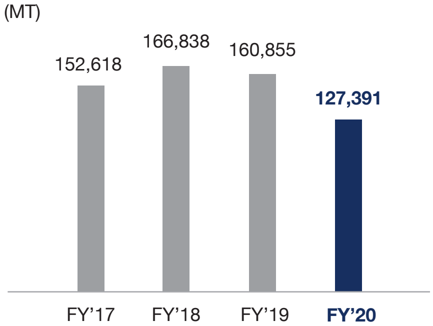
Hazardous waste sent to cement industry for co-processing



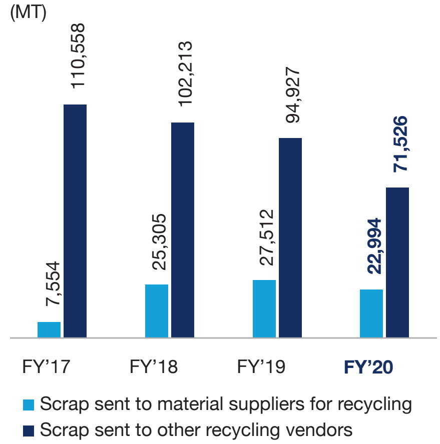
Hazardous waste sent to authorised recyclers



Non-hazardous waste sent for recycling



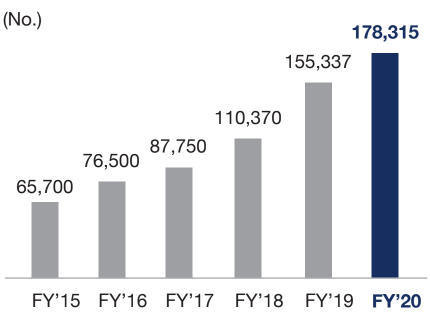
Metallic scrap sent for recycling



Multi-Modal Dispatches through Rail

Considering the logistics and workforce related challenges and the environmental impacts associated with long-haul road transport, the share of vehicle dispatch through rail mode is being steadily increased. The Company uses specially designed rakes, that it owns, to dispatch vehicles to dealer destinations across the country and to gateway ports for exports. During 2019-20, 178,315 vehicles amounting to nearly 12% of annual sales were transported through rail. Four new railway dispatch destinations, namely Siliguri, Kolkata, Chennai and Agartala, were operationalised. In order to further enhance volumes and operational efficiency of dispatches, the Company is planning to commission railway sidings at Manesar plant and Gujarat sales and distribution facility by 2022 and 2023 respectively.

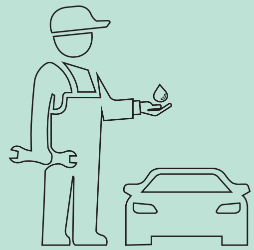
Vehicles dispatched through rail mode



Railway dispatch of MSIL vehicles

Resource Conservation at Workshops

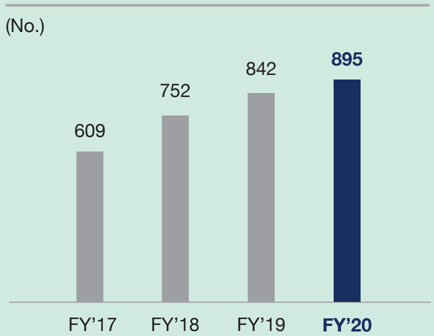
The Company has helped dealers implement various innovative systems at service workshops that lead to resource conservation and environmental protection. Over the years, there has been a steady increase in the number of workshops which have adopted the eco-efficiency measures.



Automated oil management system

System to minimise oil spillage and control and monitor oil consumption

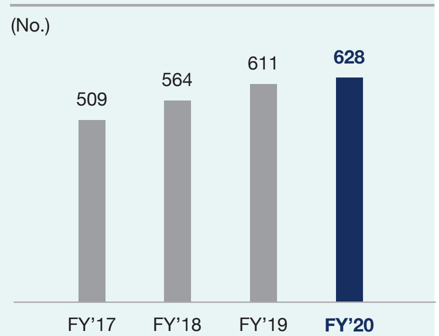
Workshops covered



Paint-less dent repair system

Minor dents repaired without stripping the paint in an environment-friendly, faster and cost-effective manner.

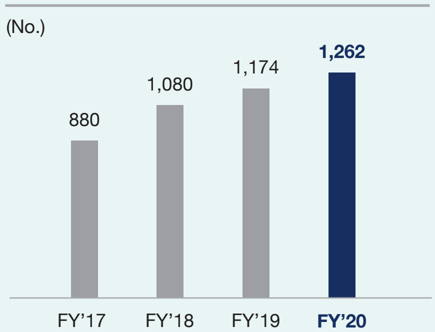
Workshops covered



Automatic car washing system

Automatic car washing and underbody car washing systems leading to around 20% reduction in water consumption and better washing quality.

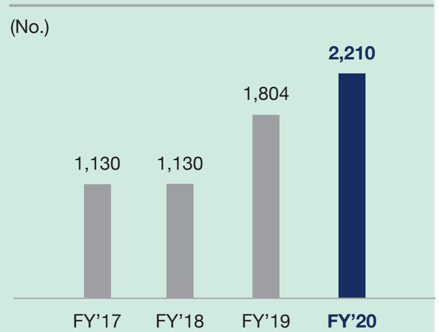
Workshops covered



Dry wash systems

Water-based car wash replaced with chemical-based wash, thereby reducing the washing time, improving the final wash quality and reducing water use. In 2019-20, nearly 13 million vehicles used the dry wash system, saving 1,248 million litres of water.

Workshops covered



Corporate Social Responsibility

The Company undertakes Corporate Social Responsibility (CSR) projects in the areas of community development, road safety and skill development, in alignment with the national human development priorities. It has a CSR policy which aims to create a meaningful and lasting impact in the lives of beneficiaries. The CSR Committee of the Board provides strategic direction to the Company's CSR agenda and monitors outcomes and impacts of the initiatives. The projects are undertaken through the Maruti Suzuki Foundation in association with various implementation partners.

Community Development

Community development projects are undertaken in 26 villages around the Company's facilities in Haryana (Gurugram, Manesar and Rohtak) and Gujarat, with the objective of improving social conditions and maintaining harmonious relationships. The initiatives are focused on health, education, water and sanitation, and common community infrastructure.

Health

A 100-bed hospital is being set up in Sitapur, Gujarat in partnership with Ramanbhai Foundation, Ahmedabad. The facility will be one of its kind in the area with emergency care and super-specialty medical services. Residential support facilities will be provided to the hospital staff. The first phase of the project with 50 beds is expected to be operational by April 2021.

A health centre in Becharaji, Gujarat is being operated since 2018. The facility is fully equipped with advanced diagnostic facilities, emergency care and ambulance facilities. Over 13,000 patients have been provided with medical care since its inception. Additionally, the medical infrastructure at community health centres in five villages in Haryana and Gujarat has been upgraded.

Representative photo of multi-specialty hospital under construction in Sitapur, Gujarat

During the reporting period, the Company partnered with Mamta Health Institute for Mother and Child to initiate a project for reduction of anaemia in four villages in Rohtak targeting over 11,000 women and children. Women's participatory learning groups were formed and over 5,000 group meetings were conducted to create awareness on causes and prevention of anaemia.

Group awareness session for prevention of anaemia

Education

The Company is setting up a school in Sitapur, Gujarat in partnership with Podar Education Network. Its primary wing is expected to become functional from June 2021.

Additionally, it has supported 58 government-run schools in 23 villages across Haryana and Gujarat by upgrading infrastructure and providing supplementary teachers and teaching aids.

School in Sitapur, Gujarat under construction

Water and Sanitation

The Company has set up 24 water ATMs in 23 villages to supply drinking water to community members at an affordable price. Over 24 million litres of drinking water has been provided since commencement of the project. The water ATMs are self-sustainable as the operations and maintenance costs are met with user-fees. Around 20 kilometres of water pipeline has been laid and overhead water tanks have been constructed to improve the potable water supply infrastructure.

In 2019-20, a ground water recharge project was initiated in a village in Manesar, with an annual recharge capacity of around 1.3 million litres of rain water.

The Company has constructed 4,455 individual household toilets to help villages achieve open-defecation-free status and laid around 56 kilometres of sewer line, cumulatively improving the quality of lives in 24 villages. Support for door-to-door household waste collection and sweeping is provided in 21 villages.

In 2019-20, a mechanised solid waste management facility was set up in Manesar to convert organic waste from two villages to compost, thus reducing solid waste that goes to the landfill. Approximately five tonnes of solid waste are handled daily and roughly 220 kg of compost are generated. The compost is given to nurseries and local institutions. In addition to providing infrastructure and resources, the Company educated over 2,000 children in 45 government schools on waste reduction through the ‘Mottainai Grandma’ storytelling programme.

Waste management facility in Manesar

Mottainai Grandma storytelling session

Water ATM

Skill Development Projects

India is currently in the period of demographic dividend, with majority of its population in the working age group. In order to reap the maximum benefit from this change in demographic structure, the government is focused on imparting employability skills and knowledge to the country's youth and is encouraging private sector companies to contribute to the national skill development objectives. The Company has a set of well-established skill development programmes that are aimed at enabling a large number of youth to undergo industry-relevant skill training that will help them in securing dignified and rewarding employment opportunities in manufacturing and service sectors.

Japan-India Institute for Manufacturing

The Company has established two Japan-India Institutes for Manufacturing (JIM), one in Gujarat and the other in Haryana. This is the result of collaboration between the Governments of Japan and India to create a pool of skilled workforce for the Indian manufacturing industry.

The first JIM was set up at Mehsana in Gujarat in 2017. JIM Mehsana offers National Council for Vocational Training (NCVT) approved technical training in seven trades related to automobile industry. It also conducts a supplementary course on Japanese manufacturing practices and processes covering soft skills such as Kaizen, 5S, and 3G, which is integrated with the NCVT curriculum for all the trades. The soft skill curriculum has been developed by the Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS), Japan under the guidance of Ministry of Economy, Trade and Industry (METI), Japan. Unique features of the JIM include mini vehicle assembly line, engine assembly line, safety lab, virtual welding simulators and spot-welding equipment that provide hands-on training to students to make them industry-ready. Students from the two batches who have graduated from JIM Mehsana have received 100% job placement.

Technical trainings conducted by SMC experts at JIM Mehsana

Portable spot welder training for students at JIM Mehsana

Based on the success of JIM Mehsana, a second JIM was set up in August 2019 at Uncha Majra in Gurugram, where the first batch is undergoing training in eight automobile related trades and learning Japanese manufacturing practices. JIM Uncha Majra has a large diversity of students who come from 14 states in India.

Adoption of Industrial Training Institutes

The Company has adopted 43 government-run Industrial Training Institutes (ITI) across 14 states in the country. The interventions are focused on upgrading workshop infrastructure, training on manufacturing trades and Japanese manufacturing practices as well as enhancing industry exposure for trainers and students. Additionally, soft skills are imparted to make students industry-ready and placement support is also provided. Over 10,000 students were trained during the reporting period. Around 3,500 final year students were given placement support, of whom 72.5% were successfully placed.

Automotive Skill Enhancement Centres

Automobile Skill Enhancement Centres (ASECs) have been set up in ITIs to impart training on trades such as Mechanic Motor Vehicle (MMV), Auto Body Repair (ABR) and Auto Body Paint (ABP) as well as new technologies. During the reporting period, over 3,300 students were trained at 83 ASECs in 26 states.

Training on Auto-Body Repair

Road Safety Initiatives

Road accidents are a major cause of death and disabilities in the country. According to a 2018 report of the Ministry of Road Transport and Highways (MoRTH), India accounts for almost 11% of the road accident-related deaths in the world, of which around 80% are attributed to drivers' faults. Driven by the commitment to make Indian roads safer, the Company undertakes projects to enhance road safety consciousness and improve driving skills.

Institutes of Driving Training and Research

In order to provide quality driving training and education, the Company has set up seven Institutes of Driving Training and Research (IDTR) and 19 Road Safety Knowledge Centres (RSKC) in association with five state governments in India. The IDTRs use scientifically designed test tracks, driving simulators and a well-defined curriculum to conduct learner, refresher and evaluation courses for drivers of light motor vehicles, heavy motor vehicles, two-wheelers, three-wheelers and forklifts. The IDTRs and RSKCs have trained over 0.4 million drivers during the reporting period and nearly 3.4 million drivers over the past 20 years. In future, the Company plans to set up new IDTRs in Chhattisgarh and Jammu.

Automated Driving Test Centres

The Company has partnered with the Delhi Transport Department to set up 12 Automated Driving Test Centres (ADTC) in Delhi. The centres have specially designed tracks to conduct driving tests. They are also equipped with high resolution cameras to capture real-time footage of tests, analytics-based assessment tools and biometrics to help in issuance of driving licences in a more transparent and efficient manner. As on 31st March 2020, five centres have been made operational and over 100,000 candidates have taken tests.

In July 2019, an ADTC was set up in Dehradun in collaboration with the Uttarakhand State Transport Department. This facility uses high resolution cameras and smartphone-based technology. Around 7,400 candidates have taken driving tests at this facility.

Automated Driving Test Centre in Uttarakhand

Traffic Safety Management System

A Traffic Safety Management System (TSMS) has been implemented in partnership with the Delhi Police at 13 road junctions with high traffic density. The TSMS comprises of 3D radars and high-resolution cameras that simultaneously capture traffic violations such as over-speeding, red-light violation, stop line violation and wrong side driving. The information on violations is transmitted to the central control room of Delhi Police, from where an e-penalty slip is sent to the violator by SMS. Nearly 2.4 million e-penalty slips were issued between February 2019 and March 2020.

Road Safety Education in Schools

The Company has undertaken the 'Catch Them Young' project aimed at creating road safety awareness among school children in Delhi. The educational activities were rolled out in December 2019 across 52 schools targeting 80,000 children. Around 5,000 children were covered till 31st March 2020. Road Safety Clubs comprising of teacher coordinator and school children have been formed. The Clubs will conduct activities such as poster making competitions and mock road scene investigations.


Delhi Police control room for Traffic Safety Management System

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403-8	Workers covered by an occupational health and safety management system	Occupational health and safety management system**	84
403-9	Work-related injuries	Safety performance**	86
404-1	Average hours of training per year per employee	Learning and development framework for employees; Diversity of workforce	91; 87
404-2	Programs for upgrading employee skills and transition assistance programs	Learning and development framework for employees; Employee benefits	91; 89
404-3	Percentage of employees receiving regular performance and career development reviews	Performance management	91
405-1	Diversity of governance bodies and employees	Corporate governance report; Diversity of workforce	155; 87
405-2	Ratio of basic salary and remuneration of women to men	Employee remuneration	88
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate social responsibility	99
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information security and data privacy	67

* Reporting boundary includes manufacturing facilities at Gurugram and Manesar, and R&D facility at Rohtak

** Reporting boundary includes head office at New Delhi, manufacturing facilities at Gurugram and Manesar, and R&D facility at Rohtak

Alignment with UNGC Principles

UNGC principle	Description	Reference section	Page no.
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Code of business conduct and ethics; Prevention of sexual harassment; Respecting human rights	64; 65; 65
Principle 2	Businesses should make sure they are not complicit in human rights abuses	Code of business conduct and ethics; Prevention of sexual harassment; Respecting human rights; Suppliers' human resource development	64; 65; 65; 82
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Industrial relations	89
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	Code of business conduct and ethics; Suppliers' human resource development	64; 82
Principle 5	Businesses should uphold the effective abolition of child labour	Code of business conduct and ethics; Suppliers' human resource development	64; 82
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Code of business conduct and ethics; Diversity of workforce	64; 87
Principle 7	Businesses should support a precautionary approach to environmental challenges	Product innovation and stewardship; Operational eco-efficiency	68; 94
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Product innovation and stewardship; Operational eco-efficiency	68; 94
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Product innovation and stewardship; Operational eco-efficiency	68; 94
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Governance mechanism	62

TÜV INDIA
TÜV NORD GROUP

Independent Assurance Statement

To the Directors and Management of Maruti Suzuki India Limited

Maruti Suzuki India Limited (hereafter 'MSIL') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial information disclosed in MSIL's Annual Integrated Report (hereinafter 'the Report') for the period 1st April 2019 to 31st March 2020. The Report is based on the principles of IIRC Integrated Reporting (<IR>) framework and the Global Reporting Initiative (GRI) standards.

Management's Responsibility

MSIL has developed the Report content and its management is responsible for identification of material topics and carrying out the process of collection, analysis and disclosure of the information presented in web-based and printed Reports, including website maintenance and its integrity. MSIL's management is also responsible for ensuring quality and accuracy of the Report in accordance with the applied criteria stated in the <IR> framework and GRI standards in such a way that it is free of intended or unintended material misstatements.

Scope and Boundary

The scope of work included limited assurance of the following non-financial indicators disclosed in the Report. In particular, the assurance engagement included the following:

- Review of the disclosures submitted by MSIL;
- Review of the quality of information;
- Review of evidence (on sample basis) for identified non-financial indicators

TUVI has verified the below mentioned disclosures given in the report.

Topic	Indicator	GRI Disclosure
Energy	Energy consumption within the organisation	302-1
	Energy intensity	302-3
Water and effluents	Water withdrawal	303-3
	Water discharge	303-4
Emissions	Direct (Scope 1) GHG emissions	305-1
	Energy indirect (Scope 2) GHG emissions	305-2
	GHG emissions intensity	305-4
	Emissions of ozone-depleting substances (ODS)	305-6
Waste	Waste by type and disposal method	306-2
Employment	New employee hires and employee turnover	401-1
	Parental leave	401-3
Occupational health and safety	Work-related injuries	403-9
Training and education	Average hours of training per year per employee	404-1
Diversity and equal opportunity	Diversity of governance bodies and employees	405-1

The reporting boundaries for the above topics include manufacturing facilities (Gurugram and Manesar), R&D facility (Rohtak), head office (New Delhi), regional, zonal and area offices across India, stockyards, and sales and distribution facilities. Applicable boundaries for disclosures are explained in the Report.

Limitations

TUVI did not perform any assurance procedures on the prospective information such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI expressly disclaims of any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

Our Responsibility

TUVI's responsibility in relation to this engagement was to perform a limited level assurance and to express a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of MSIL's strategy or management of sustainability-related issues or sufficiency of the report against GRI standards and <IR> framework, other than those mentioned in the scope of assurance. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information disclosed by MSIL. This assurance engagement is based on the assumption that the data and information provided to us by MSIL are complete and true.

Verification Methodology

This assurance engagement was conducted in accordance with ISAE 3000 (Revised) standard. The disclosures mentioned under the scope of assurance were subjected to remote verification[1] during June 2020.

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- TUVI examined and reviewed the documents, data and other information made available by MSIL for non-financial disclosures;
- TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of MSIL;
- TUVI reviewed the level of adherence to principles of GRI standards.

Opportunities for Improvement

The following are the opportunities for improvement reported to MSIL. However, they are generally consistent with the management's objectives and programmes.

- MSIL may consider uniform reporting boundary for all non-financial disclosures in future;
- MSIL may take steps to disclose targets for all non-financial parameters along with action plans, resource allocation and performance;
- MSIL may develop an internal documented protocol / SOP which establishes accountabilities for sustainability reporting and clearly defines responsibilities such as identification of data owners (including supply chain), frequency of internal reporting, and periodic validation by internal sustainability team.

Our Conclusion

Based on the procedures performed and evidences obtained, in line with scope, boundary and limitations of assurance, nothing has come to our attention that causes us to believe that the non-financial data and information presented in the Report by MSIL has not complied, in all material respects, with GRI standards.

The verified non-financial disclosures comply with Reporting Principles for defining report quality as mentioned in GRI standards:

Accuracy: The measurement of data and bases for calculations are adequately described and can be replicated with similar results. The report indicates estimations, underlying assumptions and techniques used for the estimation, or where that information can be found.

[1]Due to COVID19 pandemic, onsite verification was not possible, and remote verification was done through video conferencing

Balance: The report covers both favourable and unfavourable results and topics. The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis.

Clarity: The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail. Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids.

Comparability: The report and its information can be compared on a year-to-year basis. Any significant variation between reporting periods in the list of disclosures, length of reporting period, or information covered in the report can be identified and explained.

Reliability: The scope and extent of external assurance were identified. Representation was available from the original data or information owners, attesting to its accuracy within acceptable margins of error.

Timeliness: Information disclosed in the report is recent and corresponds to the reporting period.

Our Assurance Team and Independence

TUVI is an independent, neutral, third party providing sustainability services, with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "No Conflict of Interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with MSIL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this Assurance Statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 27/07/2020
Place: Mumbai, India
Project Reference No: 8118161502
www.tuv-nord.com/in

List of Abbreviations

Abbreviation	Full Form
3R	Reduce, Reuse, Recycle
ABP	Auto Body Paint
ABR	Auto Body Repair
ABS	Anti-lock Braking System
ADTC	Automated Driving Test Centres
AHSS	Advanced High Tensile Steel
AOTS	Association for Overseas Technical Cooperation and Sustainable Partnerships
ARAI	Automotive Research Association of India
ASEC	Automobile Skill Enhancement Centre
ASSOCHAM	The Associated Chambers of Commerce
ATM	Automatic Teller Machine
BNVSAP	Bharat New Vehicle Safety Assessment Programme
BS	Bharat Stage
CAFE	Corporate Average Fuel Efficiency
CAGR	Compound Annual Growth Rate
CCI	Competition Commission of India
CDI	Customer Delight Index
CE	Comprehensive Excellence
CEO	Chief Executive Officer
CII	Confederation of Indian Industry
CISO	Chief Information Security Officer
CMVR	Central Motor Vehicles Rules
CNG	Compressed Natural Gas
CO2	Carbon Dioxide
COBCE	Code of Business Conduct and Ethics
CoI	Conflicts of Interest
CPCB	Central Pollution Control Board
CSAT	Customer Satisfaction
CSR	Corporate Social Responsibility
EGR	Exhaust Gas Recirculation
EIA	Environmental Impact Assessment
EMS	Environmental Management System
EOT	Electric Overhead Traveling
ESP	Electronic Stability Programme
ETP	Effluent Treatment Plant
EU ELV	European Union End of Life Vehicle
EV	Electric Vehicle
FICCI	Federation of Indian Chambers of Commerce and Industry
GCA	Global Customer Audit
GHG	Greenhouse Gas
GJ	Giga Joules
GPG	Green Procurement Guidelines
HIRA	Hazard Identification and Risk Assessment
HR	Human Resources
HSD	High Speed Diesel
HSE	Health, Safety and Environment
ICAT	International Centre for Automotive Technology
IDTR	Institute of Driving Training and Research
IFM	Initial Flow Management
IMDS	International Material Data System
IPCC	Intergovernmental Panel on Climate Change
IR	Industrial Relations
ISMS	Information Security Management System

Abbreviation	Full Form
ISO	International Organisation for Standardization
IT	Information Technology
ITI	Industrial Training Institute
JAMA	Japan Automobile Manufacturers Association
JIM	Japan-India Institute for Manufacturing
JV	Joint Venture
LPG	Liquefied Petroleum Gas
MD	Managing Director
METI	Ministry of Economy, Trade and Industry
MGU	Motor Generator Unit
MISF	Management Information Security Forum
MMS	Maruti Mobile Support
MMV	Mechanic Motor Vehicle
MoRTH	Ministry of Road Transport and Highways
MPV	Multi-Purpose Vehicle
MSME	Micro, Small and Medium Enterprises
MSSWA	Maruti Suzuki Suppliers Welfare Association
MSTA	Maruti Suzuki Training Academy
MSTI	Maruti Suzuki Toyotsu India Private Limited
NATSA	New Affordable Touch Screen Audio
NCVT	National Council for Vocational Training
NVH	Noise, Vibration and Harshness
OCAS	Online Customer Approval Systems
ODS	Ozone-Depleting Substances
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
OHSMS	Occupational Health and Safety Management System
PDI	Pre-Delivery Inspections
PoSH	Prevention of Sexual Harassment of Women at Workplace
PPVT	Peak Production Verification Trial
PV	Photovoltaic
QRT	Quick Response Team
R&D	Research and Development
RDE	Real Driving Emission
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RoHS	Restriction of Hazardous Substances
RPAS	Reverse Parking Assist System
RRR	Reusability, Recyclability and Recoverability
RSKC	Road Safety Knowledge Centre
SBR	Seat Belt Reminder
SHE	Safety, Health and Environment
SIAM	Society of Indian Automobile Manufacturers
SMC	Suzuki Motor Corporation
SOC	Substance of Concern
STP	Sewage Treatment Plant
SUV	Sports Utility Vehicle
TSMS	Traffic Safety Management System
UHSS	Ultra High Tensile Steel
VFD	Variable Frequency Drive
VOC	Volatile Organic Compound
VVT	Variable Valve Timing
WINGS	Women in Network, Growth, and Success
WIS	Work Instruction Sheet
WTP	Water Treatment Plant

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Statutory Reports

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Board's Report

Your Directors have pleasure in presenting the 39th annual report together with the audited financial statements for the year ended 31st March, 2020.

Financial Results

The Company's financial performance during 2019-20 as compared to the previous year 2018-19 is summarised below:

(₹ in million)

Particulars	2019-20	2018-19
Total revenue	790,314	885,813
Profit before tax	70,648	104,656
Tax expense	14,142	29,650
Profit after tax	56,506	75,006
Retained Earnings		
Balance at the beginning of the year	407,016	363,008
Profit for the year	56,506	75,006
Other comprehensive income arising from remeasurement of defined benefit obligation*	(518)	(284)
Amount transferred to employee welfare fund	(750)	(772)
Income on employee welfare fund	(117)	(36)
Expenses on employee welfare fund	132	-
Amount transferred to scientific research fund	(750)	(772)
Payment of dividend on equity shares	(24,166)	(24,166)
Corporate dividend tax paid	(4,968)	(4,968)
Balance at the end of the year	432,385	407,016

*net of income tax of ₹ 200 million (previous year ₹ 151 million)

Financial Highlights

The total revenue was ₹ 790,314 million as against ₹ 885,813 million in the previous year showing a decrease of 10.78%. Sale of vehicles in the domestic market was 1,461,126 units as compared to 1,753,700 units in the previous year showing a decrease of 16.7%. Total number of vehicles exported was 102,171 units as compared to 108,749 units in the previous year showing a decrease of 6.05%.

Profit before tax (PBT) was ₹ 70,648 million against ₹ 104,656 million showing a decrease of 32.50% and profit after tax (PAT) stood at ₹ 56,506 million against ₹ 75,006 million in the previous year showing a decrease of 24.66%.

Dividend

The Board recommends a dividend of ₹ 60/- per equity share of ₹ 5/- each for the year ended 31st March, 2020 amounting to ₹ 18,125 million. The Company has formulated a dividend distribution policy which forms part of the annual report. No amount was carried to General Reserve.

Operational Highlights

The operations are exhaustively discussed in the 'Management Discussion and Analysis' forming part of the annual report.

Consolidated Financial Statements

In accordance with Indian Accounting Standard (IND AS) - 110 on Consolidated Financial Statements read with Indian Accounting Standard (IND AS) - 28 on Investments in Associates and Joint Ventures, the audited consolidated financial statements are provided in the annual report.

A report containing the names of the companies which have become or ceased to become subsidiaries, joint ventures and associates, their performance, financial position and their contribution to the overall performance of the Company as required by the Companies Act, 2013 ('Act') is provided as an annexure to the consolidated financial statements and hence are not repeated here for the purpose of brevity. (Form AOC-1).

Annual Return

The details forming part of the extract of the annual return in Form MGT-9 is attached as **Annexure – A**. The annual return of the Company for the year 2018-19 is available on its website at https://www.marutisuzuki.com/corporate/investors/company-reports

Material Subsidiaries

In accordance with Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has a policy for determining material subsidiaries. The policy is available on its website at https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_on_Subsidiary_Companies.pdf

Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments, if any, covered under the provisions of Section 186 of the Act are given in the notes forming part of the financial statements.

Board Meetings

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, five board meetings were held, the details of which are given in the Corporate Governance Report

Audit Committee

For composition of the audit committee, please refer to the Corporate Governance Report.

Independent Directors

The Company has received declarations of independence in accordance with the provisions of Section 149 of the Act and Listing Regulations from all the Independent Directors. Under the relevant provisions of the Companies Act and the Listing Regulations, one separate meeting of the Independent Directors was held during 2019-20. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity. The details of the familiarisation programmes for the Independent Directors are available on the website of the Company at https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Familiarization_Programme.pdf

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained, in terms of Section 134 of the Act, your Directors state that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;

b) such accounting policies have been selected and applied consistently and judgments and estimates made 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) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) internal financial controls were followed by the Company and they are adequate and are operating effectively; and

f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively

Directors and Key Managerial Personnel (KMP)

Mr. K. Ayukawa and Mr. T. Hashimoto shall retire by rotation in the ensuing Annual General Meeting of the Company and, being eligible, have offered themselves for re-appointment.

Ms. Lira Goswami was appointed as an Independent Director in the last Annual General Meeting (AGM) for a period of five years from 28th August, 2019 to 27th August, 2024. Mr. D. S. Brar and Mr. R. P. Singh were re-appointed as Independent Directors in the last AGM for a period of five years from 28th August, 2019 to 27th August, 2024. Ms. Renu Sud Karnad, Independent Director, resigned with effect from close of the business hours of 31st March, 2020 due to the reasons given in the Corporate Governance Report. On the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Maheswar Sahu as an Independent Director for a period of five years with effect from 14th May, 2020 till 13th May, 2025 subject to the approval of the shareholders in the Annual General Meeting. Pursuant to the nominations by Suzuki Motor Corporation, Mr. Seiji Kobayashi was appointed as a Non-executive Director with effect from 25th October, 2019 and held his office till 4th December, 2019. Mr. Hiroshi Sakamoto was appointed as a Non-executive Director with effect from 27th July, 2019 and held his office till 24th October, 2019. Mr. Kenichiro Toyofuku was appointed as an Additional Director and Whole-time Director designated as Director (Corporate Planning) with effect from 5th December, 2019.

Risk Management

Pursuant to Regulation 21 of Listing Regulations, the Company has a Risk Management Committee, the details of which are given in the Corporate Governance Report. The Company has a Risk Management Policy and identified risks and taken appropriate steps for their mitigation. For more details, please refer to the Management Discussion and Analysis (MD&A).

Internal Financial Controls

Internal financial controls have been discussed under 'CEO/CFO Certification' in the Corporate Governance Report.

Vigil Mechanism

The Company has in place an established and effective mechanism called the 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 concerns about serious irregularities, unethical behavior, actual or suspected fraud within the Company.

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.

Related Party Transactions

The Company has a policy on related party transactions which is available on the Company's website at https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_on_Related_Party_Transactions.pdf In terms of Section 134(3) (h) of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, there was no transaction to be reported in Form AOC 2. The disclosure with respect to the transactions with promoter and promoter group which is holding 10% or more of the shareholding in the Company are given in the notes forming part of the financial statements.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the annual performance evaluation of the Board, its committees and the Directors was carried out as per the Nomination and Remuneration Policy of the Company. The evaluation of the performance of the Board, its Chairman and the Non-independent Directors was carried out by the Independent Directors. The evaluation of the performance of the Directors individually was done by the Nomination and Remuneration Committee and the evaluation of the performance of the Board, its committees and the individual Directors was done by the Board. The criteria for the evaluation of individual Directors included a) the extent of engagement and contribution to the affairs of the Company including by way of attendance in board and committee meetings; b) ability to discharge their duties and obligations diligently in the best interest of the Company; c) ability to provide effective leadership and checks and balances towards sustaining the highest levels of corporate governance; d) exercise duty of care and skill in the discharge of their functions; e) exercise independence of judgment and bring about objectivity to the board process; and f) safeguarding the interest of all the stakeholders specially the minority shareholders. The evaluation criteria of the performance of the Board and its committees included, inter-alia, their composition, attendance of Directors, participation levels, bringing specialised knowledge for decision making, smooth functioning of the Board/committees and effective decision making. The Directors expressed their satisfaction with the evaluation process. The Board also noted that the Independent Directors had fulfilled the independence criteria as specified in the Listing Regulations and were independent from the management.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy is attached as **Annexure B**.

Corporate Social Responsibility (CSR)

The annual report on CSR activities containing details of CSR Policy, composition of the CSR Committee and other prescribed details are given in **Annexure C**.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti- Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has also complied with its provisions relating to the constitution of Internal Complaints Committee to redress complaints received regarding sexual harassment.

The status of the complaints received by the Company during the year is as under:

a)	Number of complaints filed	4
b)	Number of complaints disposed of	2
c)	Number of complaints pending as on the end of financial year	2

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information in accordance with Section 134(3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached as **Annexure D**.

Corporate Governance

The Company has complied with the corporate governance requirements, as stipulated under the Listing Regulations. A certificate of compliance by auditors shall form part of the annual report.

Secretarial Audit Report

In accordance with the provisions of Section 204 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s RMG & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit for 2019-20. The report on secretarial audit is attached as **Annexure E**. The report does not contain any qualification.

Secretarial Standards

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

Management Discussion and Analysis Report

The annual report has a detailed report on Management Discussion and Analysis.

Personnel

As required by the provisions of Section 197 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of the employees are set out in **Annexure F**. However, as per the provisions of Section 136 of the Act, the annual report is being sent to all the members of the Company excluding the aforesaid information. The said information is available for inspection by the members at the registered office of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

Cost Auditors and Records

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, M/s R. J. Goel & Co., Cost Accountants, New Delhi (Registration No. 000026) were appointed as the Cost Auditors of the Company to carry out the cost audit for 2020-21. The maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is required by the Company and such accounts and records are made and maintained.

Auditors

The auditors, M/s Deloitte Haskins & Sells LLP were appointed in the 35th Annual General Meeting and hold their office till the conclusion of the 40th Annual General Meeting. A certificate has been obtained from Deloitte Haskins & Sells to the effect that the Company is in compliance with the conditions of Foreign Direct Investment for the downstream investment made by the Company.

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 has established and is maintaining an environment management system. During the year, surveillance audit for ISO-14001 was carried out by M/s AVI, Belgium for the manufacturing plants located at Gurugram, Manesar and R&D Centre in Rohtak. The auditors recommended continuance of ISO-14001 for all manufacturing facilities.

The quality management system of the Company is certified as per ISO 9001:2015 standard. Regular assessments of the quality systems are done through surveillance audits and re-certification assessments are done at every three years by an accredited third party agency. The Company has an internal assessment mechanism to verify and ensure adherence to defined quality systems across the Company.

Awards/Recognition/Rankings

The Company received many awards/recognitions/rankings during the year. Some of these are mentioned hereunder:

a) ‘National safety award’ by Ministry of Labour and Employment, Government of India and ‘Platinum safety award’ by FICCI.

b) ‘Marketer of the year’ for the 3rd time in a row by Marquee Award 2019.

c) ‘The enterprise of the year-2019.’

d) ‘Exceed platinum award’.

e) Swift won ‘Motoring world car of the year’ and ‘Hatchback of the year’ at Motoring Awards.

f) Ertiga won ‘MUV of the year’ at Motoring Awards.

g) Mini SUV S-Presso won the following awards:

   i) ‘Hatchback of the year 2019’ by ‘News 18 Tech and Auto Awards 2019’.

   ii) 'Budget Car of the year' by ‘Autocar Awards 2020’.

   iii) ‘Entry level hatchback of the year’ at Car India Awards 2020.

Acknowledgment

The Board of Directors would like to express its sincere thanks for the co-operation and advice received from the Government of India, the State Governments of Haryana and Gujarat. 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 members for their continued patronage.

For and on behalf of the Board of Directors

R.C. Bhargava
Chairman

Kenichi Ayukawa
Managing Director & CEO

Gurugram
13th May, 2020

Annexure - A

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

i.	CIN	L34103DL1981PLC011375
ii.	Registration Date	24/02/1981
iii.	Name of the Company	Maruti Suzuki India Limited
iv.	Category/sub-category of the Company	Company limited by shares
v.	Address of the registered office and contact details	Plot No. 1, Nelson Mandela Road Vasant Kunj, New Delhi- 110 070 Ph. no.: 011-46781000
vi.	Whether listed company	Yes
vii.	Name, address and contact details of registrar and transfer agent, if any	KFin Technologies Private Limited Tower- B, Plot 31-32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad- 500 032, Telangana, India Ph. no.: 040-67162222 Fax no.: 040-23001153 Toll free No.: 1800-345-4001

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the Company:

S. No.	Name and description of the main products/ services	NIC code of the product/ service	% to total turnover of the Company
1.	Manufacture of passenger cars	29101	83.62%

III. Particulars of Holding, Subsidiary, Joint Venture and Associate Companies:

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Suzuki Motor Corporation	N.A.	Holding	56.28%	2(46)
2.	True Value Solutions Limited	U74999DL2002PLC113814	Subsidiary	100.00%	2(87)
3.	J.J. Impex (Delhi) Private Limited	U74140DL1976PTC008245	Subsidiary	50.87%	2(87)
4.	Bharat Seats Limited	L34300DL1986PLC023540	Associate	14.81%	2(6)
5.	Caparo Maruti Limited	U74899DL1994PLC058269	Associate	25.00%	2(6)
6.	Hanon Climate Systems India Private Limited	U34300DL1991PTC046656	Associate	39.00%	2(6)
7.	Jay Bharat Maruti Limited	L29130DL1987PLC027342	Associate	29.28%	2(6)
8.	Krishna Maruti Limited	U34300HR1991PLC032012	Associate	15.80%	2(6)
9.	Machino Plastics Limited	L25209HR2003PLC035034	Associate	15.35%	2(6)
10.	SKH Metals Limited	U74130HR1986PLC023655	Associate	37.03%	2(6)
11.	Nippon Thermostat (India) Limited	U29309TN1994PLC027555	Associate	10.00%	2(6)
12.	Bellsonica Auto Component India Private Limited	U35923HR2006FTC036301	Associate	30.00%	2(6)
13.	Mark Exhaust Systems Limited	U32204DL1993PLC055905	Associate	44.37%	2(6)
14.	FMI Automotive Components Private Limited	U34201DL2007PTC170043	Associate	49.00%	2(6)
15.	Maruti Insurance Broking Private Limited	U74999DL2010PTC210739	Associate	46.26%	2(6)

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
16.	Manesar Steel Processing India Private Limited	U27205HR2010PTC041264	Associate	11.83%	2(6)
17.	Magneti Marelli Powertrain India Private Limited	U40300HR2007PTC046166	Joint Venture	19.00%	2(6)
18.	Plastic Omnium Auto Inergy Manufacturing India Private Limited	U35914HR2010PTC040501	Joint Venture	26.00%	2(6)
19.	Bahucharaji Rail Corporation Limited	U45101GJ2018SGC105602	Associate	33%	2(6)
20.	Maruti Suzuki Toyotsu India Private Limited	U37100DL2019PTC356516	Joint Venture	50%	2(6)

IV. Shareholding Pattern (equity share capital breakup as percentage of total equity)

i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
A. Promoters									
1. Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other..	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
2. Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	169,788,440	0	169,788,440	56.21	169,999,440	0	169,999,440	56.28	0.07
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other…. (Qualified Foreign Investor)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (2):-	**169,788,440**	**0**	**169,788,440**	**56.21**	**169,999,440**	**0**	**169,999,440**	**56.28**	**0.07**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**169,788,440**	**0**	**169,788,440**	**56.21**	**169,999,440**	**0**	**169,999,440**	**56.28**	**0.07**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	18,002,281	0	18,002,281	5.96	22,550,708	0	22,550,708	7.47	1.51
b) Banks/ FI	22,481,441	0	22,481,441	7.44	27,887,779	0	27,887,779	9.23	1.79
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	67,377,517	0	67,377,517	22.30	65,332,947	0	65,332,947	21.63	-0.67
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any other (Qualified Foreign Investor)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**107,861,239**	**0**	**107,861,239**	**35.71**	**115,771,434**	**0**	**115,771,434**	**38.33**	**2.63**
2. Non-Institutions									
a) Bodies Corp.	7,899,094	0	7,899,094	2.61	2,398,064	0	2,398,064	0.79	-1.82
b) Individual									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12,994,175	3,450	12,997,625	4.30	10,303,120	2210	10,305,330	3.41	-0.89

Category of Shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	296,742	0	296,742	0.10	157,710	0	157,710	0.05	-0.05
c)	Others									
i)	Foreign Nationals	146	0	146	0.00	43	0	43	0	0.00
ii)	Non-Resident Indian	482,927	0	482,927	0.16	342,156	0	342,156	0.11	-0.05
iii)	Clearing Member	492,290	0	492,290	0.16	731,411	0	731,411	0.24	0.08
iv)	Trusts	2,015,825	0	2,015,825	0.67	2,179,970	0	2,179,970	0.72	0.05
v)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
vi)	NRI Non-Repatriation	245,732	0	245,732	0.08	194,502	0	194,502	0.06	-0.02
Sub-total (B)(2):-		**24,426,931**	**3450**	**24,426,931**	**8.09**	**16,306,976**	**2210**	**16,309,186**	**5.38**	**-2.71**
Total Public Shareholding (B)=(B)(1)+ (B)(2)		**132,288,170**	**3450**	**132,291,620**	**43.79**	**132,076,200**	**2210**	**132,078,410**	**43.72**	**-0.08**
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)		**302,076,610**	**3450**	**302,080,060**	**100.0**	**302,077,850**	**2210**	**302,080,060**	**100.00**	**0.00**

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Suzuki Motor Corporation	169,788,440	56.21	-	169,999,440	56.28	-	0.07
	Total	**169,788,440**	**56.21**	**-**	**169,999,440**	**56.28**	**-**	**0.07**

iii) Change in promoter's shareholding :

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	169,788,440	56.21%	169,788,440	56.21%
Increase due to Market Purchase (06.03.2020)	211,000	0.07%	169,999,440	56.28%
At the end of the year	169,999,440	56.28%	169,999,440	56.28%

iv) Shareholding pattern of top ten shareholders - Other than directors, promoters and holders of GDRs and ADRs:

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
1.	LIC OF INDIA HEALTH PROTECTION PLUS FUND	20,192,659	6.68	30/03/2019			20,192,659	6.68
				05/04/2019	40,692	Transfer	20,233,351	6.70
				12/04/2019	47,814	Transfer	20,281,165	6.71
				26/04/2019	47,126	Transfer	20,328,291	6.73
				03/05/2019	221,369	Transfer	20,549,660	6.80
				31/05/2019	515	Transfer	20,550,175	6.80
				31/05/2019	(515)	Transfer	20,549,660	6.80
				21/06/2019	50	Transfer	20,549,710	6.80
				21/06/2019	(50)	Transfer	20,549,660	6.80
				28/06/2019	50	Transfer	20,549,710	6.80
				05/07/2019	7,090	Transfer	20,556,800	6.81
				12/07/2019	23,600	Transfer	20,580,400	6.81
				19/07/2019	295,981	Transfer	20,876,381	6.91
				26/07/2019	533,598	Transfer	21,409,979	7.09
				02/08/2019	421,399	Transfer	21,831,378	7.23
				09/08/2019	307,005	Transfer	22,138,383	7.33
				16/08/2019	137,850	Transfer	22,276,233	7.37
				23/08/2019	58,727	Transfer	22,334,960	7.39
				23/08/2019	(2,500)	Transfer	22,332,460	7.39
				30/08/2019	8,500	Transfer	22,340,960	7.40
				30/08/2019	(8,500)	Transfer	22,332,460	7.39
				06/09/2019	173,439	Transfer	22,505,899	7.45
				06/09/2019	(100)	Transfer	22,505,799	7.45
				13/09/2019	88,512	Transfer	22,594,311	7.48
				20/09/2019	243,798	Transfer	22,838,109	7.56
				27/09/2019	114,260	Transfer	22,952,369	7.60
				11/10/2019	3,010	Transfer	22,955,379	7.60
				11/10/2019	(3,010)	Transfer	22,952,369	7.60
				25/10/2019	2,750	Transfer	22,955,119	7.60
				25/10/2019	(2,750)	Transfer	22,952,369	7.60
				01/11/2019	200	Transfer	22,952,569	7.60
				01/11/2019	(200)	Transfer	22,952,369	7.60
				08/11/2019	(373,129)	Transfer	22,579,240	7.47
				15/11/2019	(194,296)	Transfer	22,384,944	7.41
				22/11/2019	(45,100)	Transfer	22,339,844	7.40
				29/11/2019	(289,827)	Transfer	22,050,017	7.30
				06/12/2019	(156,447)	Transfer	21,893,570	7.25
				13/12/2019	(242,244)	Transfer	21,651,326	7.17
				20/12/2019	(697,255)	Transfer	20,954,071	6.94
				27/12/2019	(148,321)	Transfer	20,805,750	6.89
				31/12/2019	(224,200)	Transfer	20,581,550	6.81
				03/01/2020	(233,568)	Transfer	20,347,982	6.74
				10/01/2020	(534,131)	Transfer	19,813,851	6.56
				17/01/2020	500	Transfer	19,814,351	6.56
				17/01/2020	(477,558)	Transfer	19,336,793	6.40
				24/01/2020	(383,017)	Transfer	18,953,776	6.27
				31/01/2020	(234,821)	Transfer	18,718,955	6.20
				07/02/2020	200	Transfer	18,719,155	6.20

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				07/02/2020	(30,542)	Transfer	18,688,613	6.19
				20/03/2020	489,793	Transfer	19,178,406	6.35
				20/03/2020	(700)	Transfer	19,177,706	6.35
				27/03/2020	136,592	Transfer	19,314,298	6.39
				27/03/2020	(970)	Transfer	19,313,328	6.39
				31/03/2020			19,313,328	6.39
2.	SBI CONSUMPTION OPPORTUNITIES FUND	3,248,886	1.08	30/03/2019			3,248,886	1.08
				05/04/2019	18,694	Transfer	3,267,580	1.08
				12/04/2019	181	Transfer	3,267,761	1.08
				12/04/2019	(7,823)	Transfer	3,259,938	1.08
				19/04/2019	4,850	Transfer	3,264,788	1.08
				19/04/2019	(1,486)	Transfer	3,263,302	1.08
				26/04/2019	2,219	Transfer	3,265,521	1.08
				26/04/2019	(2)	Transfer	3,265,519	1.08
				03/05/2019	66,075	Transfer	3,331,594	1.10
				10/05/2019	14,845	Transfer	3,346,439	1.11
				10/05/2019	(7)	Transfer	3,346,432	1.11
				17/05/2019	25,925	Transfer	3,372,357	1.12
				24/05/2019	8,518	Transfer	3,380,875	1.12
				24/05/2019	(272)	Transfer	3,380,603	1.12
				31/05/2019	8,615	Transfer	3,389,218	1.12
				31/05/2019	(150,000)	Transfer	3,239,218	1.07
				07/06/2019	7,827	Transfer	3,247,045	1.07
				07/06/2019	(5,129)	Transfer	3,241,916	1.07
				14/06/2019	8,184	Transfer	3,250,100	1.08
				21/06/2019	10,826	Transfer	3,260,926	1.08
				28/06/2019	17,394	Transfer	3,278,320	1.09
				28/06/2019	(286,865)	Transfer	2,991,455	0.99
				05/07/2019	18,976	Transfer	3,010,431	1.00
				05/07/2019	(13,455)	Transfer	2,996,976	0.99
				12/07/2019	30,165	Transfer	3,027,141	1.00
				19/07/2019	27,016	Transfer	3,054,157	1.01
				26/07/2019	18,732	Transfer	3,072,889	1.02
				02/08/2019	24,880	Transfer	3,097,769	1.03
				09/08/2019	197,947	Transfer	3,295,716	1.09
				09/08/2019	(893)	Transfer	3,294,823	1.09
				16/08/2019	12,908	Transfer	3,307,731	1.09
				16/08/2019	(4,450)	Transfer	3,303,281	1.09
				23/08/2019	1,879	Transfer	3,305,160	1.09
				23/08/2019	(275,815)	Transfer	3,029,345	1.00
				30/08/2019	2,708	Transfer	3,032,053	1.00
				30/08/2019	(5,292)	Transfer	3,026,761	1.00
				06/09/2019	162,205	Transfer	3,188,966	1.06
				06/09/2019	(300)	Transfer	3,188,666	1.06
				13/09/2019	2,163	Transfer	3,190,829	1.06
				13/09/2019	(592)	Transfer	3,190,237	1.06
				20/09/2019	8,269	Transfer	3,198,506	1.06
				20/09/2019	(3)	Transfer	3,198,503	1.06

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				27/09/2019	2	Transfer	3,198,505	1.06
				27/09/2019	(79,305)	Transfer	3,119,200	1.03
				30/09/2019	5,965	Transfer	3,125,165	1.03
				30/09/2019	(891)	Transfer	3,124,274	1.03
				04/10/2019	20,633	Transfer	3,144,907	1.04
				04/10/2019	(52)	Transfer	3,144,855	1.04
				11/10/2019	3,468	Transfer	3,148,323	1.04
				11/10/2019	(1)	Transfer	3,148,322	1.04
				18/10/2019	17,427	Transfer	3,165,749	1.05
				25/10/2019	12,920	Transfer	3,178,669	1.05
				01/11/2019	26,847	Transfer	3,205,516	1.06
				01/11/2019	(2,000)	Transfer	3,203,516	1.06
				08/11/2019	26,604	Transfer	3,230,120	1.07
				15/11/2019	22,659	Transfer	3,252,779	1.08
				15/11/2019	(1,363)	Transfer	3,251,416	1.08
				22/11/2019	18,577	Transfer	3,269,993	1.08
				22/11/2019	(3,014)	Transfer	3,266,979	1.08
				29/11/2019	13,694	Transfer	3,280,673	1.09
				06/12/2019	19,304	Transfer	3,299,977	1.09
				06/12/2019	(13)	Transfer	3,299,964	1.09
				13/12/2019	15,357	Transfer	3,315,321	1.10
				20/12/2019	11,046	Transfer	3,326,367	1.10
				20/12/2019	(253)	Transfer	3,326,114	1.10
				27/12/2019	693	Transfer	3,326,807	1.10
				27/12/2019	(12,151)	Transfer	3,314,656	1.10
				31/12/2019	5,256	Transfer	3,319,912	1.10
				31/12/2019	(1)	Transfer	3,319,911	1.10
				03/01/2020	8,312	Transfer	3,328,223	1.10
				10/01/2020	7,123	Transfer	3,335,346	1.10
				10/01/2020	(11)	Transfer	3,335,335	1.10
				17/01/2020	6,343	Transfer	3,341,678	1.11
				17/01/2020	(420)	Transfer	3,341,258	1.11
				24/01/2020	9,644	Transfer	3,350,902	1.11
				31/01/2020	12,232	Transfer	3,363,134	1.11
				31/01/2020	(652)	Transfer	3,362,482	1.11
				07/02/2020	47,572	Transfer	3,410,054	1.13
				07/02/2020	(17)	Transfer	3,410,037	1.13
				14/02/2020	7,634	Transfer	3,417,671	1.13
				14/02/2020	(10)	Transfer	3,417,661	1.13
				21/02/2020	5,838	Transfer	3,423,499	1.13
				21/02/2020	(125,381)	Transfer	3,298,118	1.09
				28/02/2020	71,247	Transfer	3,369,365	1.12
				28/02/2020	(62,800)	Transfer	3,306,565	1.09
				06/03/2020	109,542	Transfer	3,416,107	1.13
				06/03/2020	(162,110)	Transfer	3,253,997	1.08

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				13/03/2020	34,190	Transfer	3,288,187	1.09
				20/03/2020	994,493	Transfer	4,282,680	1.42
				20/03/2020	(755,388)	Transfer	3,527,292	1.17
				27/03/2020	325,218	Transfer	3,852,510	1.28
				31/03/2020	55,642	Transfer	3,908,152	1.29
				31/03/2020			3,908,152	1.29
3.	EUROPACIFIC GROWTH FUND	575,000	0.19	30/03/2019			575,000	0.19
				05/04/2019	304,627	Transfer	879,627	0.29
				12/04/2019	662,436	Transfer	1,542,063	0.51
				19/04/2019	200,644	Transfer	1,742,707	0.58
				26/04/2019	578,364	Transfer	2,321,071	0.77
				03/05/2019	283,672	Transfer	2,604,743	0.86
				10/05/2019	359,145	Transfer	2,963,888	0.98
				17/05/2019	148,112	Transfer	3,112,000	1.03
				28/06/2019	194,516	Transfer	3,306,516	1.09
				05/07/2019	21,307	Transfer	3,327,823	1.10
				12/07/2019	208,856	Transfer	3,536,679	1.17
				23/08/2019	(499,839)	Transfer	3,036,840	1.01
				17/01/2020	(16,616)	Transfer	3,020,224	1.00
				24/01/2020	(89,560)	Transfer	2,930,664	0.97
				07/02/2020	257,233	Transfer	3,187,897	1.06
				21/02/2020	(135,836)	Transfer	3,052,061	1.01
				28/02/2020	(257,828)	Transfer	2,794,233	0.92
				31/03/2020			2,794,233	0.92
4.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	2,584,814	0.86	30/03/2019			2,584,814	0.86
				05/04/2019	24,622	Transfer	2,609,436	0.86
				12/04/2019	27,089	Transfer	2,636,525	0.87
				12/04/2019	(22,250)	Transfer	2,614,275	0.87
				19/04/2019	(11,000)	Transfer	2,603,275	0.86
				26/04/2019	(58,517)	Transfer	2,544,758	0.84
				03/05/2019	25,400	Transfer	2,570,158	0.85
				03/05/2019	(136,500)	Transfer	2,433,658	0.81
				10/05/2019	(24,000)	Transfer	2,409,658	0.80
				24/05/2019	17	Transfer	2,409,675	0.80
				24/05/2019	(14,993)	Transfer	2,394,682	0.79
				31/05/2019	90,000	Transfer	2,484,682	0.82
				31/05/2019	(10,690)	Transfer	2,473,992	0.82
				07/06/2019	119,817	Transfer	2,593,809	0.86
				07/06/2019	(19,200)	Transfer	2,574,609	0.85
				14/06/2019	42,100	Transfer	2,616,709	0.87
				28/06/2019	28,725	Transfer	2,645,434	0.88
				28/06/2019	(1,543)	Transfer	2,643,891	0.88
				05/07/2019	30,525	Transfer	2,674,416	0.89
				05/07/2019	(3)	Transfer	2,674,413	0.89
				12/07/2019	30,001	Transfer	2,704,414	0.90
				12/07/2019	(9,300)	Transfer	2,695,114	0.89
				19/07/2019	32,000	Transfer	2,727,114	0.90
				19/07/2019	(42,675)	Transfer	2,684,439	0.89

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				26/07/2019	(21,284)	Transfer	2,663,155	0.88
				02/08/2019	28,800	Transfer	2,691,955	0.89
				02/08/2019	(169,580)	Transfer	2,522,375	0.84
				09/08/2019	130,000	Transfer	2,652,375	0.88
				09/08/2019	(21,900)	Transfer	2,630,475	0.87
				16/08/2019	43,811	Transfer	2,674,286	0.89
				23/08/2019	187,230	Transfer	2,861,516	0.95
				23/08/2019	(17,043)	Transfer	2,844,473	0.94
				30/08/2019	(119,775)	Transfer	2,724,698	0.90
				06/09/2019	300,001	Transfer	3,024,699	1.00
				06/09/2019	(392,736)	Transfer	2,631,963	0.87
				13/09/2019	(204,225)	Transfer	2,427,738	0.80
				20/09/2019	144,264	Transfer	2,572,002	0.85
				20/09/2019	(517,826)	Transfer	2,054,176	0.68
				27/09/2019	(530,008)	Transfer	1,524,168	0.50
				30/09/2019	(2)	Transfer	1,524,166	0.50
				04/10/2019	(23,995)	Transfer	1,500,171	0.50
				11/10/2019	1	Transfer	1,500,172	0.50
				18/10/2019	160,850	Transfer	1,661,022	0.55
				25/10/2019	448,804	Transfer	2,109,826	0.70
				25/10/2019	(12,300)	Transfer	2,097,526	0.69
				01/11/2019	228,724	Transfer	2,326,250	0.77
				01/11/2019	(60)	Transfer	2,326,190	0.77
				08/11/2019	91,000	Transfer	2,417,190	0.80
				08/11/2019	(391)	Transfer	2,416,799	0.80
				15/11/2019	(47)	Transfer	2,416,752	0.80
				22/11/2019	151,140	Transfer	2,567,892	0.85
				22/11/2019	(1,343)	Transfer	2,566,549	0.85
				29/11/2019	42,000	Transfer	2,608,549	0.86
				29/11/2019	(137)	Transfer	2,608,412	0.86
				06/12/2019	70,125	Transfer	2,678,537	0.89
				06/12/2019	(115)	Transfer	2,678,422	0.89
				13/12/2019	(373)	Transfer	2,678,049	0.89
				20/12/2019	295,955	Transfer	2,974,004	0.98
				20/12/2019	(323)	Transfer	2,973,681	0.98
				27/12/2019	50	Transfer	2,973,731	0.98
				27/12/2019	(45)	Transfer	2,973,686	0.98
				31/12/2019	117,000	Transfer	3,090,686	1.02
				10/01/2020	39,889	Transfer	3,130,575	1.04
				10/01/2020	(39,889)	Transfer	3,090,686	1.02
				17/01/2020	81,000	Transfer	3,171,686	1.05
				17/01/2020	(101)	Transfer	3,171,585	1.05
				24/01/2020	257,600	Transfer	3,429,185	1.14
				24/01/2020	(88)	Transfer	3,429,097	1.14
				31/01/2020	40,000	Transfer	3,469,097	1.15
				31/01/2020	(226)	Transfer	3,468,871	1.15
				07/02/2020	(170,733)	Transfer	3,298,138	1.09
				14/02/2020	46,600	Transfer	3,344,738	1.11

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				14/02/2020	(1,005)	Transfer	3,343,733	1.11
				21/02/2020	(30,240)	Transfer	3,313,493	1.10
				28/02/2020	114,100	Transfer	3,427,593	1.13
				28/02/2020	(150,000)	Transfer	3,277,593	1.09
				06/03/2020	41,417	Transfer	3,319,010	1.10
				13/03/2020	97,233	Transfer	3,416,243	1.13
				13/03/2020	(10,000)	Transfer	3,406,243	1.13
				20/03/2020	178	Transfer	3,406,421	1.13
				20/03/2020	(159,403)	Transfer	3,247,018	1.07
				27/03/2020	30,403	Transfer	3,277,421	1.08
				27/03/2020	(96,612)	Transfer	3,180,809	1.05
				31/03/2020	15,461	Transfer	3,196,270	1.06
				31/03/2020			3,196,270	1.06
5.	NOMURA INDIA INVESTMENT FUND MOTHER FUND	2,390,366	0.79	30/03/2019			2,390,366	0.79
				05/04/2019	(25,000)	Transfer	2,365,366	0.78
				19/04/2019	(80,000)	Transfer	2,285,366	0.76
				26/04/2019	(83,871)	Transfer	2,201,495	0.73
				10/05/2019	(38,759)	Transfer	2,162,736	0.72
				23/08/2019	(150,000)	Transfer	2,012,736	0.67
				27/09/2019	39,700	Transfer	2,052,436	0.68
				01/11/2019	(145,862)	Transfer	1,906,574	0.63
				13/12/2019	(316,043)	Transfer	1,590,531	0.53
				06/03/2020	(75,000)	Transfer	1,515,531	0.50
				31/03/2020			1,515,531	0.50
6	ICICI PRUDENTIAL BHARAT CONSUMPTION FUND - SERIES	2,259,456	0.75	30/03/2019			2,259,456	0.75
				05/04/2019	53,689	Transfer	2,313,145	0.77
				05/04/2019	(43,154)	Transfer	2,269,991	0.75
				12/04/2019	82	Transfer	2,270,073	0.75
				12/04/2019	(103,327)	Transfer	2,166,746	0.72
				19/04/2019	1,944	Transfer	2,168,690	0.72
				19/04/2019	(876)	Transfer	2,167,814	0.72
				26/04/2019	18,459	Transfer	2,186,273	0.72
				26/04/2019	(304,089)	Transfer	1,882,184	0.62
				03/05/2019	284,922	Transfer	2,167,106	0.72
				03/05/2019	(1,942)	Transfer	2,165,164	0.72
				10/05/2019	12,749	Transfer	2,177,913	0.72
				17/05/2019	58,147	Transfer	2,236,060	0.74
				24/05/2019	41,242	Transfer	2,277,302	0.75
				24/05/2019	(4,314)	Transfer	2,272,988	0.75
				31/05/2019	23,744	Transfer	2,296,732	0.76
				07/06/2019	114	Transfer	2,296,846	0.76
				07/06/2019	(45,049)	Transfer	2,251,797	0.75
				14/06/2019	162	Transfer	2,251,959	0.75
				14/06/2019	(43,462)	Transfer	2,208,497	0.73
				21/06/2019	45,856	Transfer	2,254,353	0.75
				28/06/2019	142	Transfer	2,254,495	0.75
				28/06/2019	(2,039)	Transfer	2,252,456	0.75
				05/07/2019	46,208	Transfer	2,298,664	0.76

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				12/07/2019	48,911	Transfer	2,347,575	0.78
				19/07/2019	1,076	Transfer	2,348,651	0.78
				19/07/2019	(49,050)	Transfer	2,299,601	0.76
				26/07/2019	175	Transfer	2,299,776	0.76
				26/07/2019	(1,207)	Transfer	2,298,569	0.76
				02/08/2019	38,264	Transfer	2,336,833	0.77
				09/08/2019	2,963	Transfer	2,339,796	0.77
				16/08/2019	86	Transfer	2,339,882	0.77
				16/08/2019	(95,618)	Transfer	2,244,264	0.74
				23/08/2019	541	Transfer	2,244,805	0.74
				23/08/2019	(96,525)	Transfer	2,148,280	0.71
				30/08/2019	753	Transfer	2,149,033	0.71
				30/08/2019	(83,207)	Transfer	2,065,826	0.68
				06/09/2019	183,144	Transfer	2,248,970	0.74
				13/09/2019	578	Transfer	2,249,548	0.74
				13/09/2019	(9,388)	Transfer	2,240,160	0.74
				20/09/2019	311	Transfer	2,240,471	0.74
				20/09/2019	(45,456)	Transfer	2,195,015	0.73
				27/09/2019	55,150	Transfer	2,250,165	0.74
				27/09/2019	(44,529)	Transfer	2,205,636	0.73
				30/09/2019	492	Transfer	2,206,128	0.73
				30/09/2019	(201)	Transfer	2,205,927	0.73
				04/10/2019	353	Transfer	2,206,280	0.73
				04/10/2019	(833)	Transfer	2,205,447	0.73
				11/10/2019	324	Transfer	2,205,771	0.73
				11/10/2019	(2,639)	Transfer	2,203,132	0.73
				18/10/2019	6,228	Transfer	2,209,360	0.73
				18/10/2019	(5,363)	Transfer	2,203,997	0.73
				25/10/2019	1,039	Transfer	2,205,036	0.73
				25/10/2019	(110,556)	Transfer	2,094,480	0.69
				01/11/2019	1,921	Transfer	2,096,401	0.69
				01/11/2019	(53,759)	Transfer	2,042,642	0.68
				08/11/2019	51,338	Transfer	2,093,980	0.69
				08/11/2019	(47,000)	Transfer	2,046,980	0.68
				15/11/2019	26,074	Transfer	2,073,054	0.69
				15/11/2019	(7,265)	Transfer	2,065,789	0.68
				22/11/2019	10,783	Transfer	2,076,572	0.69
				29/11/2019	92,180	Transfer	2,168,752	0.72
				06/12/2019	1,817	Transfer	2,170,569	0.72
				13/12/2019	1,423	Transfer	2,171,992	0.72
				20/12/2019	408	Transfer	2,172,400	0.72
				20/12/2019	(4,608)	Transfer	2,167,792	0.72
				27/12/2019	105	Transfer	2,167,897	0.72
				27/12/2019	(4,091)	Transfer	2,163,806	0.72
				31/12/2019	25,283	Transfer	2,189,089	0.72
				03/01/2020	595	Transfer	2,189,684	0.72
				03/01/2020	(104)	Transfer	2,189,580	0.72
				10/01/2020	122,991	Transfer	2,312,571	0.77

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				10/01/2020	(8,469)	Transfer	2,304,102	0.76
				17/01/2020	2,711	Transfer	2,306,813	0.76
				17/01/2020	(41,251)	Transfer	2,265,562	0.75
				24/01/2020	54,937	Transfer	2,320,499	0.77
				24/01/2020	(3,983)	Transfer	2,316,516	0.77
				31/01/2020	46,194	Transfer	2,362,710	0.78
				31/01/2020	(44,461)	Transfer	2,318,249	0.77
				07/02/2020	24,602	Transfer	2,342,851	0.78
				07/02/2020	(22,198)	Transfer	2,320,653	0.77
				14/02/2020	31,431	Transfer	2,352,084	0.78
				21/02/2020	8,082	Transfer	2,360,166	0.78
				21/02/2020	(46,380)	Transfer	2,313,786	0.77
				28/02/2020	478,684	Transfer	2,792,470	0.92
				06/03/2020	111,934	Transfer	2,904,404	0.96
				06/03/2020	(13,800)	Transfer	2,890,604	0.96
				13/03/2020	70,850	Transfer	2,961,454	0.98
				13/03/2020	(119,220)	Transfer	2,842,234	0.94
				20/03/2020	149,600	Transfer	2,991,834	0.99
				20/03/2020	(240)	Transfer	2,991,594	0.99
				27/03/2020	216,794	Transfer	3,208,388	1.06
				27/03/2020	(101,882)	Transfer	3,106,506	1.03
				31/03/2020	17,711	Transfer	3,124,217	1.03
				31/03/2020	(30)	Transfer	3,124,187	1.03
				31/03/2020			3,124,187	1.03
7	GOVERNMENT OF SINGAPORE	2,220,235	0.73	30/03/2019			2,220,235	0.73
				05/04/2019	112,078	Transfer	2,332,313	0.77
				12/04/2019	43,197	Transfer	2,375,510	0.79
				19/04/2019	137,207	Transfer	2,512,717	0.83
				26/04/2019	78,533	Transfer	2,591,250	0.86
				03/05/2019	(10,577)	Transfer	2,580,673	0.85
				10/05/2019	(31,868)	Transfer	2,548,805	0.84
				17/05/2019	(1,462)	Transfer	2,547,343	0.84
				24/05/2019	(13,798)	Transfer	2,533,545	0.84
				31/05/2019	324,900	Transfer	2,858,445	0.95
				07/06/2019	357,399	Transfer	3,215,844	1.06
				14/06/2019	76,704	Transfer	3,292,548	1.09
				21/06/2019	(3,519)	Transfer	3,289,029	1.09
				05/07/2019	23,936	Transfer	3,312,965	1.10
				12/07/2019	(61,602)	Transfer	3,251,363	1.08
				19/07/2019	66,429	Transfer	3,317,792	1.10
				26/07/2019	62,089	Transfer	3,379,881	1.12
				02/08/2019	(6,741)	Transfer	3,373,140	1.12
				09/08/2019	1,385	Transfer	3,374,525	1.12
				16/08/2019	(4,694)	Transfer	3,369,831	1.12
				23/08/2019	7,348	Transfer	3,377,179	1.12
				30/08/2019	38,088	Transfer	3,415,267	1.13
				06/09/2019	397	Transfer	3,415,664	1.13
				20/09/2019	(33,184)	Transfer	3,382,480	1.12

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				27/09/2019	(74,491)	Transfer	3,307,989	1.10
				30/09/2019	(29,948)	Transfer	3,278,041	1.09
				04/10/2019	14,312	Transfer	3,292,353	1.09
				11/10/2019	(11,185)	Transfer	3,281,168	1.09
				18/10/2019	(192,614)	Transfer	3,088,554	1.02
				25/10/2019	(11,464)	Transfer	3,077,090	1.02
				01/11/2019	(71,142)	Transfer	3,005,948	1.00
				08/11/2019	1,485	Transfer	3,007,433	1.00
				08/11/2019	(669)	Transfer	3,006,764	1.00
				15/11/2019	(3,688)	Transfer	3,003,076	0.99
				22/11/2019	(114,112)	Transfer	2,888,964	0.96
				29/11/2019	(67,200)	Transfer	2,821,764	0.93
				06/12/2019	(110,237)	Transfer	2,711,527	0.90
				13/12/2019	(41,804)	Transfer	2,669,723	0.88
				20/12/2019	11,197	Transfer	2,680,920	0.89
				27/12/2019	836	Transfer	2,681,756	0.89
				31/12/2019	(4,979)	Transfer	2,676,777	0.89
				03/01/2020	(15,085)	Transfer	2,661,692	0.88
				10/01/2020	5,060	Transfer	2,666,752	0.88
				10/01/2020	(7,016)	Transfer	2,659,736	0.88
				17/01/2020	28,897	Transfer	2,688,633	0.89
				17/01/2020	(10,344)	Transfer	2,678,289	0.89
				24/01/2020	2,058	Transfer	2,680,347	0.89
				24/01/2020	(13,999)	Transfer	2,666,348	0.88
				31/01/2020	2,319	Transfer	2,668,667	0.88
				31/01/2020	(172,141)	Transfer	2,496,526	0.83
				07/02/2020	17,110	Transfer	2,513,636	0.83
				07/02/2020	(51,761)	Transfer	2,461,875	0.81
				14/02/2020	7,825	Transfer	2,469,700	0.82
				14/02/2020	(2,592)	Transfer	2,467,108	0.82
				21/02/2020	(5,541)	Transfer	2,461,567	0.81
				28/02/2020	(1,076)	Transfer	2,460,491	0.81
				06/03/2020	44,174	Transfer	2,504,665	0.83
				13/03/2020	2,329	Transfer	2,506,994	0.83
				13/03/2020	(81,312)	Transfer	2,425,682	0.80
				20/03/2020	(45,536)	Transfer	2,380,146	0.79
				27/03/2020	5,514	Transfer	2,385,660	0.79
				27/03/2020	(22,148)	Transfer	2,363,512	0.78
				31/03/2020	(13,118)	Transfer	2,350,394	0.78
				31/03/2020			2,350,394	0.78
8	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1,874,138	0.62	30/03/2019			1,874,138	0.62
				05/04/2019	16,588	Transfer	1,890,726	0.63
				26/04/2019	(41,907)	Transfer	1,848,819	0.61
				10/05/2019	8,017	Transfer	1,856,836	0.61
				17/05/2019	7,021	Transfer	1,863,857	0.62
				24/05/2019	21,154	Transfer	1,885,011	0.62
				31/05/2019	7,514	Transfer	1,892,525	0.63
				14/06/2019	5,841	Transfer	1,898,366	0.63

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		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				12/07/2019	8,569	Transfer	1,906,935	0.63
				26/07/2019	15,244	Transfer	1,922,179	0.64
				09/08/2019	21,271	Transfer	1,943,450	0.64
				30/08/2019	7,813	Transfer	1,951,263	0.65
				27/09/2019	(12,480)	Transfer	1,938,783	0.64
				08/11/2019	7,005	Transfer	1,945,788	0.64
				15/11/2019	2,919	Transfer	1,948,707	0.65
				06/12/2019	2,511	Transfer	1,951,218	0.65
				13/12/2019	4,392	Transfer	1,955,610	0.65
				10/01/2020	4,321	Transfer	1,959,931	0.65
				17/01/2020	4,077	Transfer	1,964,008	0.65
				31/01/2020	6,850	Transfer	1,970,858	0.65
				07/02/2020	6,726	Transfer	1,977,584	0.65
				14/02/2020	8,798	Transfer	1,986,382	0.66
				28/02/2020	23,969	Transfer	2,010,351	0.67
				06/03/2020	13,655	Transfer	2,024,006	0.67
				13/03/2020	18,430	Transfer	2,042,436	0.68
				20/03/2020	46,326	Transfer	2,088,762	0.69
				27/03/2020	31,018	Transfer	2,119,780	0.70
				31/03/2020			2,119,780	0.70
9	UTI - HYBRID EQUITY FUND	2,011,702	0.67	30/03/2019			2,011,702	0.67
				05/04/2019	7,967	Transfer	2,019,669	0.67
				05/04/2019	(27,000)	Transfer	1,992,669	0.66
				12/04/2019	240	Transfer	1,992,909	0.66
				12/04/2019	(815)	Transfer	1,992,094	0.66
				19/04/2019	6,755	Transfer	1,998,849	0.66
				19/04/2019	(27)	Transfer	1,998,822	0.66
				26/04/2019	9,488	Transfer	2,008,310	0.66
				26/04/2019	(100)	Transfer	2,008,210	0.66
				03/05/2019	9,107	Transfer	2,017,317	0.67
				03/05/2019	(17,543)	Transfer	1,999,774	0.66
				10/05/2019	4,325	Transfer	2,004,099	0.66
				17/05/2019	10,061	Transfer	2,014,160	0.67
				24/05/2019	8,258	Transfer	2,022,418	0.67
				31/05/2019	2,814	Transfer	2,025,232	0.67
				31/05/2019	(11,627)	Transfer	2,013,605	0.67
				07/06/2019	4,435	Transfer	2,018,040	0.67
				07/06/2019	(73)	Transfer	2,017,967	0.67
				14/06/2019	3,278	Transfer	2,021,245	0.67
				14/06/2019	(9,179)	Transfer	2,012,066	0.67
				21/06/2019	16,151	Transfer	2,028,217	0.67
				28/06/2019	1,678	Transfer	2,029,895	0.67
				28/06/2019	(5,400)	Transfer	2,024,495	0.67
				05/07/2019	6,252	Transfer	2,030,747	0.67
				12/07/2019	35,823	Transfer	2,066,570	0.68
				19/07/2019	11,658	Transfer	2,078,228	0.69
				26/07/2019	12,452	Transfer	2,090,680	0.69
				02/08/2019	11,199	Transfer	2,101,879	0.70

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				02/08/2019	(34)	Transfer	2,101,845	0.70
				09/08/2019	7,126	Transfer	2,108,971	0.70
				09/08/2019	(401)	Transfer	2,108,570	0.70
				16/08/2019	5,457	Transfer	2,114,027	0.70
				23/08/2019	1,500	Transfer	2,115,527	0.70
				23/08/2019	(104,506)	Transfer	2,011,021	0.67
				30/08/2019	25,711	Transfer	2,036,732	0.67
				30/08/2019	(26,650)	Transfer	2,010,082	0.67
				06/09/2019	81,338	Transfer	2,091,420	0.69
				13/09/2019	1,068	Transfer	2,092,488	0.69
				13/09/2019	(26,047)	Transfer	2,066,441	0.68
				20/09/2019	2,920	Transfer	2,069,361	0.69
				27/09/2019	22,813	Transfer	2,092,174	0.69
				27/09/2019	(968)	Transfer	2,091,206	0.69
				30/09/2019	447	Transfer	2,091,653	0.69
				30/09/2019	(1,500)	Transfer	2,090,153	0.69
				04/10/2019	50,946	Transfer	2,141,099	0.71
				11/10/2019	3,131	Transfer	2,144,230	0.71
				11/10/2019	(47,500)	Transfer	2,096,730	0.69
				18/10/2019	32,539	Transfer	2,129,269	0.70
				25/10/2019	3,578	Transfer	2,132,847	0.71
				25/10/2019	(28,725)	Transfer	2,104,122	0.70
				01/11/2019	8,731	Transfer	2,112,853	0.70
				01/11/2019	(82,835)	Transfer	2,030,018	0.67
				08/11/2019	33,027	Transfer	2,063,045	0.68
				08/11/2019	(20,501)	Transfer	2,042,544	0.68
				15/11/2019	39,143	Transfer	2,081,687	0.69
				15/11/2019	(353)	Transfer	2,081,334	0.69
				22/11/2019	88,923	Transfer	2,170,257	0.72
				29/11/2019	4,193	Transfer	2,174,450	0.72
				29/11/2019	(3,000)	Transfer	2,171,450	0.72
				06/12/2019	7,302	Transfer	2,178,752	0.72
				06/12/2019	(66)	Transfer	2,178,686	0.72
				13/12/2019	7,690	Transfer	2,186,376	0.72
				20/12/2019	8,587	Transfer	2,194,963	0.73
				20/12/2019	(5,867)	Transfer	2,189,096	0.72
				27/12/2019	819	Transfer	2,189,915	0.72
				27/12/2019	(3,236)	Transfer	2,186,679	0.72
				31/12/2019	1,250	Transfer	2,187,929	0.72
				31/12/2019	(1,500)	Transfer	2,186,429	0.72
				03/01/2020	1,848	Transfer	2,188,277	0.72
				10/01/2020	2,628	Transfer	2,190,905	0.73
				17/01/2020	1,984	Transfer	2,192,889	0.73
				24/01/2020	2,334	Transfer	2,195,223	0.73
				24/01/2020	(215)	Transfer	2,195,008	0.73
				31/01/2020	5,753	Transfer	2,200,761	0.73
				07/02/2020	10,319	Transfer	2,211,080	0.73
				07/02/2020	(361)	Transfer	2,210,719	0.73

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				14/02/2020	4,201	Transfer	2,214,920	0.73
				14/02/2020	(941)	Transfer	2,213,979	0.73
				21/02/2020	2,231	Transfer	2,216,210	0.73
				28/02/2020	54,750	Transfer	2,270,960	0.75
				06/03/2020	58,831	Transfer	2,329,791	0.77
				06/03/2020	(7,800)	Transfer	2,321,991	0.77
				13/03/2020	15,960	Transfer	2,337,951	0.77
				13/03/2020	(27,500)	Transfer	2,310,451	0.76
				20/03/2020	22,134	Transfer	2,332,585	0.77
				20/03/2020	(81,434)	Transfer	2,251,151	0.75
				27/03/2020	130,552	Transfer	2,381,703	0.79
				27/03/2020	(200)	Transfer	2,381,503	0.79
				31/03/2020	42,134	Transfer	2,423,637	0.80
				31/03/2020	(1,000)	Transfer	2,422,637	0.80
				31/03/2020			2,422,637	0.80
10	NPS TRUST- A/C KOTAK PENSION FUND SCHEME E - TIER	1,983,304	0.66	30/03/2019			1,983,304	0.66
				05/04/2019	(27)	Transfer	1,983,277	0.66
				12/04/2019	894	Transfer	1,984,171	0.66
				19/04/2019	1,213	Transfer	1,985,384	0.66
				19/04/2019	(980)	Transfer	1,984,404	0.66
				26/04/2019	12,220	Transfer	1,996,624	0.66
				03/05/2019	16,011	Transfer	2,012,635	0.67
				10/05/2019	18,302	Transfer	2,030,937	0.67
				17/05/2019	5,134	Transfer	2,036,071	0.67
				17/05/2019	(30)	Transfer	2,036,041	0.67
				24/05/2019	1,675	Transfer	2,037,716	0.67
				24/05/2019	(75)	Transfer	2,037,641	0.67
				31/05/2019	264	Transfer	2,037,905	0.67
				07/06/2019	1,762	Transfer	2,039,667	0.68
				14/06/2019	5,755	Transfer	2,045,422	0.68
				21/06/2019	16,750	Transfer	2,062,172	0.68
				28/06/2019	725	Transfer	2,062,897	0.68
				05/07/2019	1,180	Transfer	2,064,077	0.68
				12/07/2019	9,400	Transfer	2,073,477	0.69
				19/07/2019	20	Transfer	2,073,497	0.69
				26/07/2019	881	Transfer	2,074,378	0.69
				02/08/2019	50	Transfer	2,074,428	0.69
				09/08/2019	649	Transfer	2,075,077	0.69
				16/08/2019	3,105	Transfer	2,078,182	0.69
				16/08/2019	(2,901)	Transfer	2,075,281	0.69
				23/08/2019	2,050	Transfer	2,077,331	0.69
				30/08/2019	800	Transfer	2,078,131	0.69
				30/08/2019	(55)	Transfer	2,078,076	0.69
				06/09/2019	50	Transfer	2,078,126	0.69
				13/09/2019	(440)	Transfer	2,077,686	0.69
				20/09/2019	125	Transfer	2,077,811	0.69
				27/09/2019	(8,000)	Transfer	2,069,811	0.69
				18/10/2019	(6,000)	Transfer	2,063,811	0.68

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				25/10/2019	382	Transfer	2,064,193	0.68
				25/10/2019	(17,650)	Transfer	2,046,543	0.68
				01/11/2019	50	Transfer	2,046,593	0.68
				01/11/2019	(7,000)	Transfer	2,039,593	0.68
				08/11/2019	1,900	Transfer	2,041,493	0.68
				15/11/2019	2,100	Transfer	2,043,593	0.68
				29/11/2019	730	Transfer	2,044,323	0.68
				06/12/2019	50	Transfer	2,044,373	0.68
				13/12/2019	2,150	Transfer	2,046,523	0.68
				20/12/2019	2,200	Transfer	2,048,723	0.68
				20/12/2019	(3,000)	Transfer	2,045,723	0.68
				27/12/2019	437	Transfer	2,046,160	0.68
				10/01/2020	2,539	Transfer	2,048,699	0.68
				17/01/2020	1,033	Transfer	2,049,732	0.68
				17/01/2020	(145)	Transfer	2,049,587	0.68
				24/01/2020	2,606	Transfer	2,052,193	0.68
				24/01/2020	(1,964)	Transfer	2,050,229	0.68
				31/01/2020	2,595	Transfer	2,052,824	0.68
				07/02/2020	11,520	Transfer	2,064,344	0.68
				14/02/2020	18,904	Transfer	2,083,248	0.69
				21/02/2020	7,900	Transfer	2,091,148	0.69
				28/02/2020	16,966	Transfer	2,108,114	0.70
				06/03/2020	2,811	Transfer	2,110,925	0.70
				13/03/2020	3,138	Transfer	2,114,063	0.70
				20/03/2020	18,360	Transfer	2,132,423	0.71
				27/03/2020	23,450	Transfer	2,155,873	0.71
				31/03/2020	2,579	Transfer	2,158,452	0.71
				31/03/2020			2,158,452	0.71
11	KUWAIT INVESTMENT AUTHORITY - FUND NO. 208	1,924,121	0.64	30/03/2019			1,924,121	0.64
				05/04/2019	8,391	Transfer	1,932,512	0.64
				05/04/2019	(19,955)	Transfer	1,912,557	0.63
				12/04/2019	10,421	Transfer	1,922,978	0.64
				26/04/2019	(25,675)	Transfer	1,897,303	0.63
				24/05/2019	75,255	Transfer	1,972,558	0.65
				24/05/2019	(347,415)	Transfer	1,625,143	0.54
				31/05/2019	15,000	Transfer	1,640,143	0.54
				31/05/2019	(220,128)	Transfer	1,420,015	0.47
				07/06/2019	(106,815)	Transfer	1,313,200	0.43
				14/06/2019	(15,500)	Transfer	1,297,700	0.43
				12/07/2019	(59,188)	Transfer	1,238,512	0.41
				26/07/2019	(178,891)	Transfer	1,059,621	0.35
				02/08/2019	(161,589)	Transfer	898,032	0.30
				23/08/2019	(40,950)	Transfer	857,082	0.28
				30/08/2019	(239,645)	Transfer	617,437	0.20
				20/09/2019	(2,402)	Transfer	615,035	0.20
				27/09/2019	110,000	Transfer	725,035	0.24
				27/09/2019	(27,809)	Transfer	697,226	0.23
				30/09/2019	(44,025)	Transfer	653,201	0.22

S. No.	Name of the Shareholder	Shareholding					Cumulative shareholding during the year	
		No. of shares held as on 31/03/2019	% of total shares of the Company	Date	Increase/ decrease in share holding	Reason for change	No. of Shares	% of total shares of the Company
				04/10/2019	(6,373)	Transfer	646,828	0.21
				18/10/2019	52,027	Transfer	698,855	0.23
				29/11/2019	(3,031)	Transfer	695,824	0.23
				13/12/2019	121,389	Transfer	817,213	0.27
				20/12/2019	43,654	Transfer	860,867	0.28
				10/01/2020	26,740	Transfer	887,607	0.29
				24/01/2020	28,993	Transfer	916,600	0.30
				31/01/2020	72,391	Transfer	988,991	0.33
				07/02/2020	27,500	Transfer	1,016,491	0.34
				14/02/2020	70,000	Transfer	1,086,491	0.36
				14/02/2020	(11,578)	Transfer	1,074,913	0.36
				06/03/2020	(6,072)	Transfer	1,068,841	0.35
				13/03/2020	(31,010)	Transfer	1,037,831	0.34
				20/03/2020	17,610	Transfer	1,055,441	0.35
				27/03/2020	38,415	Transfer	1,093,856	0.36
				31/03/2020	15,498	Transfer	1,109,354	0.37
				31/03/2020			1,109,354	0.37

v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
1.	For each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	1. Mr. Ajay Seth, Chief Financial Officer	-	-	-	-
	2. Mr. Sanjeev Grover, Company Secretary	10(ten)	-	10(ten)	-
	3. Directors				
	Date wise Increase/ Decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year				
	1. Mr. Ajay Seth, Chief Financial Officer	-	-	-	-
	2. Mr. Sanjeev Grover, Company Secretary	10(ten)	-	10(ten)	-
	3. Directors	-	-	-	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payment (in ₹)

	Secured Loans excluding deposits	Unsecured Loans (In ₹)	Deposit	Total Indebtedness (In ₹)
Indebtedness at the beginning of the financial year (31st March 2019)				
(i) Principal Amount	-	1,496,250,927	-	1,496,250,927
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	231,196		231,196
Total (i+ii+iii)	**-**	**1,496,482,123**	**-**	**1,496,482,123**
Change in Indebtedness during the financial year				
• Addition	-	1,062,962,441	-	1,062,962,441
• Reduction	-	(1,496,482,123)	-	(1,496,482,123)
Net Change	**-**	**(433,519,682)**	**-**	**(433,519,682)**
Indebtedness at the end of the financial year (31st March 2020)				
(i) Principal Amount	-	1,062,923,695	-	1,062,923,695
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	38,746	-	38,746
Total (i+ii+iii)	**-**	**1,062,962,441**	**-**	**1,062,962,441**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director and Whole-Time Directors (in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD				Total Amount (In ₹)
		Mr. Kenichi Ayukawa (In ₹)	Mr. Takahiko Hashimoto (In ₹)	Mr. Kenichiro Toyofuku (In ₹)	Mr. Kazunari Yamaguchi (In ₹)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,644,000	10,332,194	4,900,645	4,859,806	42,736,645
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	9,804,000	4,302,393	2,038,885	2,027,145	18,172,423
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-		-
	(d) Fee for attending board/ committee meetings	-		-		-
2.	Stock Option	-		-		-
3.	Sweat Equity	-		-		-
4.	Commission - as % of profit - others, specify…	-		-		-
5.	Other – Performance Linked Bonus	14,216,000	7,932,623	3,759,235	1,395,377	27,303,235
	Total (A)	**46,664,000**	**22,567,210**	**10,698,765**	**8,282,328**	**88,212,303**
	Ceiling as per the Act (₹ in million)			4,022		

B. Remuneration to other Directors (in ₹)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount (In ₹)
1.	Independent Directors	Mr. Davinder Singh Brar (In ₹)	Ms. Pallavi Shroff (In ₹)	Mr. Rajinder Pal Singh (In ₹)	Ms. Lira Goswami (In ₹)	Ms. Renu Sud Karnad (In ₹)	
	• Fee for attending board/ committee meetings	1,400,000	400,000	1,150,000	400,000	1,100,000	4,450,000
	• Commission	5,600,000	1,800,000	3,600,000	2,000,000	3,800,000	16,800,000
	• Others, please specify	-	-	-	-		-
	Total (1)	**7,000,000**	**2,200,000**	**4,750,000**	**2,400,000**	**4,900,000**	**21,250,000**
2(i)	Other Non-Executive Directors	Mr. R.C. Bhargava (In ₹)	Mr. Hisashi Takeuchi (In ₹)	Mr. Toshihiro Suzuki (In ₹)	Mr. Osamu Suzuki (In ₹)	Mr. Kinji Saito (In ₹)	Total Amount (In ₹)
	• Fee for attending board/ committee meetings	850,000	300,000	600,000	500,000	500,000	2,750,000
	• Commission	11,200,000	-	-	-	-	11,200,000
	• Others, please specify	-	-	-	-	-	-
	Total (2)	**12,050,000**	**300,000**	**600,000**	**500,000**	**500,000**	**13,950,000**
2(ii)	Other Non-Executive Directors	Mr. Toshiaki Hasuike (In ₹)	Mr. Kazuhiko Ayabe (In ₹)	Mr. Hiroshi Sakamoto (In ₹)	Mr. Seiji Kobayashi (In ₹)		Total Amount (In ₹)
	• Fee for attending board/ committee meetings	100,000	200,000	100,000	100,000		500,000
	• Commission	-	-	-	-		-
	• Others, please specify	-	-	-	-		-
	Total (3)	**100,000**	**200,000**	**100,000**	**100,000**		**500,000**
	Total (B)=(1+2+3) Total Managerial Remuneration	**35,700,000**					
	Overall ceiling as per the Act (₹ In million)	402					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In ₹)
		Mr. Ajay Seth (In ₹)	Mr. Sanjeev Grover (In ₹)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,922,201	8,264,156	54,186,357
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	477,150	71,150	548,300
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify..	-	-	-
5.	Others, please specify	-	-	-
	Total	**46,399,351**	**8,335,306**	**54,734,657**

VII. Penalties/ Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

For and on behalf of the Board of Directors

R.C. Bhargava
Chairman

Kenichi Ayukawa
Managing Director & CEO

Gurugram
13th May, 2020

Annexure - B

Nomination and Remuneration Policy

1. Scope

1.1. This Nomination and Remuneration Policy (the **"Policy"**) has been framed in compliance with Section 178 of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

1.2. This Policy aims to ensure that the persons appointed as Directors and Key Managerial Personnel (KMPs) as defined under the Act and Senior Management (designated Executive Officer and above) possess requisite qualifications, experience, expertise and attributes commensurate with their positions and level of management responsibilities and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate these persons to run the Company successfully.

1.3. This Policy is applicable to Directors, KMPs, Senior Management and other employees of the Company.

2. Objective

1.1. The objective of this Policy is to provide a framework for appointment, removal and remuneration of Directors, KMPs and Senior Management.

1.2. The Policy aims to provide:

(i) Criteria of appointment and removal of Directors, KMPs and Senior Management;

(ii) Criteria for determining qualifications, positive attributes and independence of a Director;

(iii) Remuneration of Directors, KMPs and Senior Management;

(iv) Principles for retaining, motivating and promoting talent and ensuring long term retention of talent and creating competitive advantage.

3. Board Diversity

While considering the composition of the Board, the NRC will take into account the diversity of the members of the Board based on a number of factors, inter-alia, gender, age, qualifications, nationality, professional experience, recognition, skills and ability to add value to the business.

Subject to the provisions of the Act including rules and regulations made thereunder and Listing Regulations, the Board shall have atleast one woman director, persons who have strong technical/managerial/administrative backgrounds relevant to the business of the Company and those who have excelled in one or more areas of finance/ accounting/ law/public policy with top level administrative/ managerial experience.

4. Qualifications and Attributes for Directors, KMPs and Senior Management

1.1. The prospective Director:

(i) should be of the highest integrity and level of ethical standards;

(ii) should possess the requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company.

(iii) should, while acting as a Director be capable of balancing the interests of the Company, its employees, the shareholders, the community and of the need to ensure the protection of the environment; and

(iv) should inter-alia,

- uphold the highest ethical standards of integrity and probity;
- act objectively and constructively while exercising his / her duties;
- exercise his / her responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to his / her professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate his / her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- not abuse his / her position to the detriment of the Company or its shareholders or other stakeholders or attempt to gain direct or indirect personal advantage or advantage for any associated person;

- avoid conflict of interest, and in case of any apparent situation of conflict of interest, make appropriate disclosures to the Board;

- assist the Company in implementing the best corporate governance practices;

- strictly adhere to and monitor legal compliances at all levels; and

- protect confidentiality of the confidential and proprietary information of the Company.

(v) In addition, in the case of an Independent Director(s), he/she must also satisfy the criteria specifically set out under applicable laws including the Act and the Listing Regulations.

1.2. The KMPs and the Senior Management should possess the highest integrity and ethical standards and have the requisite qualification and experience in any field relevant to and necessary for the business of the Company, including but not limited to technology, finance, law, public administration, management, accounting, marketing, production and human resource. They should also meet the requirements of the Act, Rules, Listing Regulations and / or any other applicable laws.

5. Evaluation of the Board, its Chairman, Individual Directors and Committees of the Board

The evaluation of the Board, its Chairman, individual directors and committees of the Board shall be undertaken in compliance with the provisions of Section 134(3)(p), Section 178 and Listing Regulations.

6. Appointment and Removal of Non-Executive/ Independent Directors

1.1 Appointment

(i) Depending upon the requirements of the Company, the NRC shall identify from sources the Committee considers appropriate and reliable the persons who meet the requisite criteria and recommend their appointment to the Board at appropriate times.

(ii) The Board will consider the recommendations of the NRC and accordingly, approve the appointment and remuneration of Non-executive and / or Independent Directors, subject to the needs of the Company and the approval of the shareholders.

(iii) The appointment process shall be independent of the Company management. While selecting persons for appointment as Independent Directors, the Board shall ensure that there is an appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(iv) The appointment of Independent Directors shall be formalised by way of letters of appointment in accordance with the applicable laws and the requisite related disclosures in relation to such appointments made.

(v) The process for appointment of Independent Directors prescribed under the Act, the Listing Regulations and specifically the procedure set out under Schedule IV of the Act (Code for Independent Directors) will be followed. The Board shall also comply with other applicable laws.

1.2. Removal

The appointment of an independent director may be terminated at the recommendation of the NRC or by the Board on its own in the event he/she:

- commits a breach of any of the duties, functions and responsibilities or obligations towards the Company or for reasons prescribed under the Act; or

- compromises independence vis-à-vis the Company in any manner whatsoever which will have an impact on the criteria of independence.

- If he/she becomes prohibited by law or under the Articles of Association from being an independent director of the Company.

7. Appointment and Removal of Managing Director, Joint Managing Director, Whole-Time Directors, KMPs and Senior Management Personnel

1.1. Appointment

(i) Depending upon the requirements of the Company for the above positions, the NRC shall identify persons and recommend their appointment to the Board including the terms of appointment and remuneration.

(ii) The Board will consider the recommendations of NRC and accordingly approve the appointment(s) and remuneration. The appointment of the Managing Director/ Joint Managing Director/Whole-time Directors shall be subject to the approval of the shareholders.

(iii) Appointments of other employees will be made in accordance with the Company's Human Resource (HR) policy.

1.2. Removal

(i) The appointment of the Managing Director/Joint Managing Director/Whole Time Directors may be terminated at the recommendation of the NRC or by the Board on its own, if such Director commits a breach of any of the duties, functions and responsibilities or obligations or he/ she becomes prohibited by law or under the Articles of Association from being such director of the Company.

(ii) The appointment of KMPs/Senior Management Personnel may be terminated at the recommendation of the NRC or by the Board on its own, if the person commits a breach of any duties, functions and responsibilities or obligations or for reasons prescribed under the Act or the Listing Regulations or for reasons of poor performance as measured as the result of the performance appraisal process over one or more years or suffers from any disqualification(s) mentioned in the Act, the Rules or under any other applicable laws, rules and regulations, or breaches the code of conduct and / or policies of the Company.

(iii) In respect of employees in other positions, where an employee suffers from any disqualification(s) mentioned in the Act, if any, under any other applicable laws, rules and regulations, the code of conduct and / or policies of the Company, the Management of the Company may terminate the services of such employee as laid down in the HR Policy of the Company.

8. Remuneration

1.1. The remuneration of the Non-executive / Independent Directors will include the following::

(i) Variable remuneration in the form of commission calculated as a percentage of the net profits of the Company as recommended by the NRC and to the extent permitted in the Act and approved by the Board and / or the shareholders of the Company. The payment of commission is based on criteria such as attendance at meetings of the Board/ Committees of the Board, time devoted to the Company's work, the responsibilities undertaken as Chairmen of various committees/the Board, their contribution to the conduct of the Company's business, etc.;

(ii) Sitting fee for attending meetings of the Board and committees constituted by the Board;

(iii) Reimbursement of expenses for participation in the meetings of the Board and other meetings.

1.2.The remuneration of the Managing Director, Joint Managing Director, Whole-time Directors, KMPs and Senior Management Personnel should be commensurate with qualifications, experience and capabilities. The remuneration should take into account past performance and achievements and be in line with market standards. In determining the total remuneration, consideration should be given to the performance of the individual and also to the performance of the Company. In both cases, performance is measured against goals/plans determined beforehand at the commencement of a year and well communicated to the individual/ the individual holding the management position, as the case may be.

1.3. The remuneration of the Managing Director/Joint Managing Director/Whole Time Director/KMPs/Senior Management Personnel will include the following:

(i) Salary and allowances - fixed and variable besides other Benefits as per Rules contained in the HR Policy applicable to Senior Management Personnel;

(ii) Retirement benefits including provident fund / gratuity / superannuation / leave encashment;

(iii) Performance linked bonus.

1.4. No Sitting Fee shall be payable to the Managing Director/a Whole Time Director for attending meetings of Board or the committees constituted by the Board.

1.5.The remuneration of the employees other than Senior Management Personnel shall be as per Company's HR Policy.

9. Increments

1.1.Increments of Managing Director/Joint Managing Director/ Whole-time Directors will be granted by the Board based on the recommendation of the NRC taking into account the performance of the individual, the performance of the business and the Company as a whole. Performance will be measured against pre-determined and agreed goals/ plans which are made known at the commencement of the year. The Board and the shareholders of the Company may approve changes in remuneration from time to time.

1.2. Appraisal will be carried out and award of increments of the KMPs/Senior Management Personnel/other employees will be determined according to the prevalent HR Policy and practice of the Company. The NRC will oversee compliance with the process.

10.Review/Amendment

Based on the recommendation of the NRC, the Board may review and amend any or all clauses of this Policy depending upon exigencies of business.

Annexure - 1

Evaluation Criteria

1. The evaluation of performance of the Directors of the Company shall be undertaken as under:

S. No.	Provisions of the Act	Evaluation of Performance of	Performance to be evaluated by
A.	Section 178(2)	Independent Directors	Nomination and Remuneration Committee
		Non-Independent Directors	
B.	Section 134(3)(p) read with Schedule IV of the Act	The Board	Board
		Committees of the Board	
		Independent Directors	
		Non-Independent Directors	
C.	Listing Regulations and Schedule IV of the Act	Non-Independent Directors	Independent Directors
		The Board	
		Chairman of the Company	

Annexure - C

Annual Report on CSR Activities

1. Brief outline of Company's CSR Policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes.

The Company's CSR Policy aims to create a meaningful and lasting impact in the lives of beneficiaries. To achieve the desired impact, the Company allocates its resources in specific strategic areas rather than spreading them thin over several areas. The CSR activities are undertaken in three areas namely community development, road safety and skill development. All the projects undergo systematic assessments and reviews in order to monitor implementation progress and the outcomes and impacts.

The Company recognises the need to improve community health and lays special emphasis on health projects. It is developing a 100-bed hospital in Sitapur, Gujarat. The facility, spread over 7.5 acres, will be one of its kind in the area with emergency care and super-specialty medical services. This project will supplement the Company's onging efforts of supporting community health centers in villages through upgradation of medical infrastructure.

Additionally, the Company focuses on community development projects related to water, sanitation, education and common community assets in 26 villages near its facilities in Haryana and Gujarat. The projects are developed in consultation with the local communities. Key projects in the area of water and sanitation are potable water ATMs, water supply infrastructure, construction of individual household toilets and laying of sewer lines. During the reporting period, new projects on solid waste management, anaemia reduction in women and children, and rainwater harvesting were undertaken. In the area of education, the Company is setting up a senior secondary English medium school in Gujarat.

In the area of road safety, the Company implemented two technology-driven road safety projects in the national capital namely Traffic Safety Management System (TSMS) and Automated Driving Test Tracks (ADTT) in association with Delhi Government. Under the TSMS project, traffic surveillance systems, comprising of sophisticated 3D radars and high resolution cameras, have been deployed at select high-volume traffic junctions, to capture traffic violations and allow Delhi Traffic Police to issue prosecution notices to offenders. Under the ADTT project, driving test tracks are being laid and advanced cameras are being installed at 12 centers to support Delhi transport authorities in issuing computerised driving licenses in a transparent and efficient manner. The Company continued to offer driving training at the seven Institutes of Driving and Traffic Research (IDTR) set up in association with various state governments across the country. During the reporting period, targeting the future road users, the Company initiated the 'Catch Them Young' project to impart road safety training to children of 52 schools in Delhi NCR.

In the area of skill development, the Company continued to support projects that are aimed to prepare the youth for employment opportunities in manufacturing and service sectors. Its flagship skill development programme, Japan-India Institute for Manufacturing (JIM) in Mehsana, Gujarat achieved 100% job placement for its second batch of students. Based on the success of JIM Gujarat, a second JIM has been set up in Uncha Majra, Haryana and the first batch of students are undergoing industrial training courses and learning Japanese manufacturing practices. The Company provided industrial and soft skill training by adopting 127 Industrial Training Institutes (ITI). The interventions at the ITIs include upgrading workshops, enhancing industry exposure for trainers and students and imparting soft skills to make students industry-ready.

The CSR Policy of the Company can be accessed through the following web link: http://www.marutisuzuki.com/our-policies.aspx

2. The composition of the CSR Committee.

The composition of the CSR Committee of the Board is as under.

S. No.	Name	Designation/ Category	CSR Committee
1.	Mr. R. C. Bhargava	Chairman/ Non-Executive	Chairman
2.	Mr. K. Ayukawa	Managing Director & CEO/ Executive	Member
3.	Mr. R. P. Singh	Independent Director	Member

3. Average net profit of the Company for last three financial years.

Average net profit of the Company for last three financial years (2016-17, 2017-18 and 2018-19), calculated in accordance with the provisions of the Section 198 of Companies Act 2013 is ₹ 83,282 million.

4. Prescribed CSR expenditure (two percent of the amount as in item no. 3 above)

The prescribed CSR expenditure for financial year 2019-20 is ₹ 1,666 million.

5. Details of CSR spent during the financial year:

A. Total amount to be spent for the financial year:
In 2019-20, the Company spent ₹1,682 million on CSR which is over two percent of the average net profit for last three financial years.

B. Amount unspent: Nil

C. Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project / activity identified	Sector	Projects /Programmes. 1. Local area/others 2. Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project/ programme-wise	Amount spent on the project /programme subheads: 1. Direct expenditure on project, 2.Overheads		Cumulative spend up to the reporting period	Amount spent: Direct /through implementing agency
					Direct	Overhead	Total	
				(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)	
	Community Development							
1.	Holistic development of villages in the area of water and sanitation by providing drinking water ATMs, household toilets, water supply infrastructure, sewer lines, rainwater harvesting system, and solid waste collection and management system; Creation of community assets	Water and sanitation, rural development	Local: Gurugram, Manesar and Rohtak (Haryana), Ahmedabad, Surendranagar and Mehsana (Gujarat), Bengaluru Rural (Karnataka)	350.00	340.13	5.63	345.76	Through implementing agency
2.	Upgradation of infrastructure at government schools and improving learning level of students	Education	Local: Gurugram, Manesar and Rohtak (Haryana), Ahmedabad (Gujarat)	40.00	37.45	0.31	37.76	Through implementing agency
3.	Setting up of English medium CBSE school	Education	Sitapur village, Ahmedabad (Gujarat)	140.00	137.29	0.82	138.11	Directly and through implementing agency
4.	Setting up of a multispecialty hospital	Health	Sitapur village, Ahmedabad (Gujarat)	310.00	330.23	0.41	330.64	Directly and through implementing agency
	Infrastructure and equipment support to dispensaries; Reduction in the incidence of anaemia among women and children through community awareness programs	Health	Local: Gurugram, Manesar and Rohtak (Haryana), Ahmedabad and Mehsana (Gujarat)					Through implementing agency
	Skill Development							
1.	Management of two Japan-India Institutes for Manufacturing (JIM) for skill development of youth in automobile trades and Japanese manufacturing practices to make them industry-ready	Vocational training for employability	Mehsana (Gujarat), Gurugram (Haryana)	135.00	135.11	1.20	136.31	Through implementing agency
2.	Upgradation of vocational training facilities at Govt. Industrial Training Institutes (ITI) including upgradation, repair and maintenance of workshops and infrastructure, industry oriented courses and industry exposure for students, setting up of placement centre etc.	Vocational training for employability	Pan-India	165.00	166.21	0.75	166.96	Through implementing agency
3.	Upgradation of vocational training facilities at Govt. Industrial Training Institutes (ITI) in automobile trade including upgradation of training facilities and workshops, provision of study material and practical training etc.	Vocational training for employability	Pan-India	65.00	64.08	0.47	64.55	Through implementing agency

S. No.	CSR project / activity identified	Sector	Projects /Programmes. 1. Local area/others 2. Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project/ programme-wise	Amount spent on the project /programme subheads: 1. Direct expenditure on project, 2.Overheads		Cumulative spend up to the reporting period	Amount spent: Direct /through implementing agency
					Direct	Overhead	Total	
				(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)	
4.	Training of apprentices from various ITIs across India	Vocational training for employability	Gurugram and Manesar (Haryana)	217.00	217.44	-	217.44	Directly
	Road Safety							
1.	Setting up of Traffic Safety Management System (TSMS) comprising of sophisticated radars and high resolution cameras at high-volume traffic junctions, to capture traffic violations leading to reduction in number of accidents	Promotion of road safety	Delhi	110.00	110.25	0.50	110.75	Through implementing agency
2.	Setting up of Automated Driving Test Tracks (ADTT) comprising of tracks and advanced cameras to issue computerised driving licenses in a transparent and efficient manner and help promote safe driving habits	Promotion of road safety	Delhi	93.00	91.90	0.58	92.48	Through implementing agency
3.	Driving training and road safety awareness programs	Road safety education	Pan-India	25.00	22.43	1.00	23.43	Through implementing agency
	Contribution to the Prime Minister's National Relief Fund			-	10.00	-	10.00	Directly
	Total (A)			**1,650.00**	**1,662.52**	**11.67**	**1,674.19**	
	CSR administrative overheads							
	Common administrative overheads (salary of staff and expenditure on training and capacity building) (B)			50.00	7.89	-	7.89	
	Grand Total (A+B)			**1,700.00**	**1,670.41**	**11.67**	**1,682.08**	

6. In case the Company fails to spend the 2% of the Average Net Profit (₹) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report.

Not applicable.

7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee

The Company has implemented and monitored CSR projects in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

R.C. Bhargava
Chairman

Kenichi Ayukawa
Managing Director & CEO

Gurugram
13th May, 2020

Annexure - D

Information in accordance with Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Boards' Report for the year ended 31st March, 2020.

A. Energy Conservation

The Company continued its energy conservation drive with main focus on reducing energy cost and improving efficiency through adoption of new technology and optimisation of processes thereby reducing operational costs. The Company spent ₹ 36.46 Million as capital investment towards energy conservation equipment. Capital investment towards energy conservation equipment & energy saving initiatives at its plants helped the Company in reducing energy cost. Some of the activities carried out during the year towards environment, energy and water conservation are mentioned as under:

1. Renewable Energy:

- Commissioning of grid connected 5 MWp Solar plant at Gurugram.

2. Energy Cost Reduction:

- Switch over from captive power plants to grid electricity with lower cost:
  - 220kV grid supply at Manesar;
  - Increase in usage of grid power at Gurugram (5MVA to 7MVA), Rohtak (5MVA to 8MVA) & MPT-Casting (2MVA to 4MVA);
- Installation of 21MVAR capacitor bank at Manesar;
- Hedging of crude oil prices to cover the risk of crude oil price volatility.

3. Energy Conservation:

- Energy performance studies have been carried out in body-paint-assembly shops, casting-machining-transmission shops and utilities & non-production areas using non-invasive instruments for capturing operational data and identification of opportunities for reduction of CO_2 emissions by 1.28% in equipment & processes;
- Replacement of in-efficient condensate transfer pump & boiler feed pump with higher efficiency pumps at captive power plant-Gurugram;
- Operating variable frequency drive (VFD) in auto mode for booth air supply units (ASU) spray pumps with humidity feedback system and eliminating throttling at paint shops-Gurugram;
- Installation of VFDs in horticulture water pump, potable water pump in water treatment plant (WTP) and in hemming machines in weld shops-Gurugram;
- Optimisation of cooling water circuit and pumps for Die-Casting Die Cooling at casting Gurugram;
- Operating parallel pumps of cooling tower with VFD at same frequency with feedback system at MPT-Casting;
- Isolation of under loaded distribution transformers in Gurugram to eliminate no-load losses;
- Introduction of new technology in energy conservation & efficiency improvement as below:
  - Installation of air saving vacuum ejector in assembly shops in Gurugram;
  - Installation of five star rated brush less DC motor ceiling fans in canteen at Gurugram.

4. Reliability / Process Improvement:

- Upgradation of disc type diffusers (fixed) with membrane type diffuser system (retrievable) having higher oxygen transfer efficiency & less power consumption in effluent treatment plant & sewer aeration basins at Manesar;
- Replacement of twin lobe blower with energy efficient tri lobe blower for effluent treatment plant at Gurugram and sewage treatment plant at Manesar;
- Installation of volute press having higher sludge drying capacity & less water consumption for sludge dewatering process at effluent treatment plant-Gurugram;
- Renewal of air washers with new air washers having energy efficient motors and blowers in Gurugram and Manesar;
- Renewal of 4500 Mtrs of fire hydrant line in Gurugram Plant;
- Life replacement of isolation transformer at Gurugram.

5. Safety improvement:

- In-house development of auto battery operated chemical trolley for shifting of chemicals in effluent treatment plant (ETP) at Manesar;
- Installation of Residual Circuit Breaker with Overload (RCBO) in 273 nos of water coolers and canteen equipment at Manesar;
- Installation of Electronic Motor Protection Relays (EOCR) for air washers at Manesar;
- Substituting Electrically Operated Pumps with Pneumatic Operated Pumps for manpower safety to clean water tank and use of 24V DC lights in confined space in place of halogens bulbs.

6. Water & Environment Conservation:

- Improvement in hazardous waste handling of paint & phosphate sludge with elimination of manual handling of sludge;

- Installation of piezometer with Digital Water level Recorder (DWLR) for online monitoring of ground water level for Gurugram, Manesar & Rohtak Plants;
- Rain Water Storage capacity increased by 13,219 cubic meters in Manesar plant;
- Reduction of Single use Plastic in packaging;
- Renewal of old chillers at R&D and Mezz 1-Gurugram, by energy efficient chillers with Non-Ozone Depleting Substance refrigerants.

B. Research & Development (R&D)

The Indian automotive industry is evolving due to multiple factors including change in the consumer aspirations, shift towards alternate powertrains like hybrid, electric, shared mobility, connected technologies and regulatory requirements with respect to environment and safety. Being a market leader, the Company has been at the forefront of customer satisfaction and value proposition by bringing Suzuki's designed products equipped with the latest technologies, features and offer high level of safety, reliability, performance and fuel efficiency.

The Company's R&D is proactively making efforts to bring new products and technologies into the Indian market based on Suzuki's platform, powertrain and design standards.

The Company proactively complied with the regulatory environmental and safety requirements way before the deadlines. Continuing with its commitment to Government of India's vision for clean and green environment, the Company converted most of its fleet from BS4 to BS6 ahead of the Government stipulated timeline of 1st April 2020. The Company has transcended many challenges while transitioning from BS4 to BS6 including availability of very short time of less than two years to convert its fleet of over fifty variants to BS6, minimising the cost impact while ensuring facility and skill upgradation. The Company has set a new milestone with launch of its BS6 compliant vehicles Baleno and Alto in April 2019, almost one year before the BS6 implementation deadline.

Technology:

The Company introduced Suzuki's technologies in its vehicles centered on improving safety, connectivity, environment-friendliness, comfort and convenience.

Safety:

- **Platform:** Mini SUV S-Presso and all new premium MPV XL6 were built on Suzuki's 5th generation HEARTECT platform. The HEARTECT platform is the new generation platform designed with a core focus on safety and has a better impact absorption capability in the event of collision.

Connected technologies:

- **Connected infotainment system:** The next generation Smartplay Studio Infotainment system was introduced in the Mini SUV S-Presso, all new premium MPV XL6, new Vitara Brezza, new Alto, new Ignis, and new 2020 Dzire to offer next level of infotainment experience to the Indian consumers. It is a new-age 17.78 cm (7") connected touch screen infotainment system that connects the vehicle to the cloud and provides a host of features. Along with that Smartplay, Dock infotainment system was introduced in the new Alto and Mini SUV S-Presso.

Environment friendly technologies:

- **Smart hybrid technology:** Suzuki's next generation progressive smart hybrid technology with a dual battery set up was extended to Baleno, all new premium MPV XL6 and new Vitara Brezza (with Automatic Transmission). The progressive smart hybrid technology offers functions like torque assist, idle start stop and brake energy regeneration. This technology contributes to improved fuel efficiency and lower emissions.

- **Alternate fuel CNG:** To further strengthen green technology footprint in India, the Company offered factory fitted S-CNG technology which ensures consistent performance, high fuel efficiency and high safety standards. This year, S-CNG technology was extended to Mini SUV S-Presso. The Company offered a range of eight S-CNG models including new Alto, Mini SUV S-Presso, Celerio, WagonR, Ertiga, Eeco, Tour S, and Super Carry.

- **New powertrains:** The new 1.5L K-series BS6 petrol engine was introduced in the all new premium MPV XL6 and new Vitara Brezza.

- The engine portfolio was further enhanced with the introduction of 1.5L DDiS 225 diesel engine in Ertiga, all new 1.2L K-series Dual Jet, Dual VVT BS6 petrol engine in Baleno and new 2020 Dzire.

Comfort and convenience:

- **Advanced Auto Gear Shift (AGS) and Automatic Transmission:** Suzuki's revolutionary two-pedal technology, AGS offers driving convenience of automatic transmission to Indian consumer at an affordable price without compromising on fuel economy. AGS technology is available in six models including the all new Mini SUV S-Presso. This technology is one such innovation which has been progressively introduced in models line-up and is widely accepted among customers. 4-speed Automatic Transmission (AT) was introduced in new Vitara Brezza and all new premium MPV XL6.

Focus on safety and emission regulations:

- **Safety:** To reduce road fatalities for vehicle occupants and pedestrians, Government of India introduced different safety norms such as frontal, side and offset crash and pedestrian protection for the Indian market. To enhance vehicular safety with the aim to reduce causes of fatalities, additional safety features such as anti-lock Braking System (ABS), Reverse Parking Assist System (RPAS), Seat Belt Reminder (SBR), Driver Airbag, etc. were mandated by the Government of India. The Company proactively introduced safety features and technologies across its product line up to comply with the regulatory requirements way ahead of implementation timelines. All models by the Company are complied with latest crash safety norms.

- **Emissions:** The Company has led the transition from BS4 to BS6 with more than 160 dedicated engineers, 49 lakh kilometers of fleet testing, 200+ homologation tests and 50+ application development. The BS6 vehicles use Suzuki's proven technology that helps to substantially reduce the emissions thus contributing to a cleaner and greener environment. The BS6 compliant petrol vehicles will lead to a substantial reduction in vehicular emissions.

- Mass emission testing labs, crash and pedestrian labs at Rohtak R&D facility were extensively used for vehicle testing, validation and homologation to meet safety and emission regulations.

Specific areas in which R&D has been carried out:

The Company's efforts to launch latest Suzuki's developed technologies and features by technology absorption, focused benchmarking and localisation helped in enhancing value proposition to our customers in the following areas:

Comfort and convenience:

- The Mini SUV S-Presso high seating layout offers a commanding driving position. It also offers easy ingress and egress with large cabin space and ample leg room.

- The all new premium MPV XL6 offers premium interiors with stone finish characteristics and captain seats as a standard feature across all variants. 3rd row passengers have ease of ingress and egress and option for one touch seat recline.

- The new Vitara Brezza offers a host of comfort and convenience features including premium interiors, leather wrapped steering wheel, automatic rain sensing wipers, cruise control, auto-retracting outside rear view mirror (ORVM), auto-dimming and antiglare inside rear view mirror (IRVM) and gear shift indicator.

- The Next Gen Ertiga with 6-speed manual transmission mated to the new DDIS 225 diesel engine offers superior driving experience and smooth gear shift operation.

- The new 2020 Dzire offers advanced features like cruise control and auto foldable ORVMs with key sync for enhanced customer convenience.

Improved aesthetics:

- The Mini SUV S-Presso comes with bold and powerful SUV stance. The upright A Pillar, back door design, single aperture head lamp and grille graphic gives it a distinct and commanding bold look.

- The all new premium MPV XL6 is designed to evoke a strong presence with its SUV stance. It comes with unique grille, quad chamber LED headlamps, LED daytime running lamp (DRL), stylish all black alloy wheels, roof rails and side claddings which brings unique exterior design language and adds to tough stance.

- The new Vitara Brezza has launched with enhanced sportiness, bolder looks and stronger stance. It comes with bolder front and rear fascia, LED projector lamps with LED DRLs, LED tail lamps, dual tone diamond cut 16"alloy wheels, which enhances the sporty and stylish design of Vitara Brezza.

- The new Ignis was launched with SUV-like design elements. The new front grill, high seating position, rear fascia with tough and wide appearance, roof rails and spoiler enhanced the SUV character of new Ignis. The LED projector headlamps coupled with stylish DRLs further accentuated the stylish design. It also offered a distinct dual tone ivory interiors, new modern pattern for seat fabric and unique linear design of the dashboard.

- The new Alto brought fresh appeal with new elegant grille, newly designed bumper and sharp headlamps.

- The new 2020 Dzire offered refined exterior design and front fascia with new bumper and grille design, along with modern wood finish interiors. The premium single aperture front grille and bold chrome accents in lower bumper gives a stronger road presence.

Safety and NVH:

- Mini SUV S-Presso was made compliant with all the latest Indian safety regulations including frontal offset crash, side impact and with pedestrian safety. It comes with host of safety features such as dual airbags, ABS with EBD (Electronic Brake force distribution), seat belts with pre-tensioners and force limiters, driver/co-driver SBR, rear parking assist system, high speed warning alert and reverse parking sensors.

- All new premium MPV XL6 is compliant with all Indian safety regulations, and equipped with a host of safety features such as dual front airbags, ABS with EBD, ISOFIX child seat anchorages, high speed warning alert, reverse parking sensors as a standard fitment across all variants.

ESP (electronic stability program) with hill hold function is offered as a standard feature in automatic variant, enhancing all-around safety for the occupants.

- The new Vitara Brezza comes loaded with latest safety features including dual front airbags, ABS with EBD, driver and co-driver SBR, rear parking assist, high speed warning alert, reverse parking sensors as standard across all variants to ensure complete safety of passengers. The automatic transmission version of Vitara Brezza is equipped with the hill hold assist feature.

- The new DDIS 225 engine on Next Gen Ertiga equipped with 'Dual Mass flywheel' that helps to reduce engine fluctuations and improves NVH performance. The pendulum type engine mounting in Next Gen Ertiga further adds to superior ride quality leading to refined NVH performance.

- The new Alto complies with crash and pedestrian safety regulations. It now comes with host of safety features including ABS with EBD, reverse parking sensor, driver airbag, speed alert system and SBR for both driver and co-driver.

- The new 2020 Dzire offers superior safety and complies with frontal offset, side impact and pedestrian regulations. It offers ESP with hill hold assist function in the AGS variants.

Weight optimisation and fuel efficiency improvement:

- The Company adopted a number of initiatives for weight optimisation in various system designs.

- Suzuki's all new progressive smart hybrid technology with advanced dual battery setup was extended to Baleno, the all new premium MPV XL6 and new Vitara Brezza (Automatic transmission version) with improved fuel efficiency.

- The new 1.5L K-series BS6 petrol engine of new Vitara Brezza ensured enhanced fuel efficiency.

- The next-generation 1.2L K-series Dual Jet, Dual VVT BS6 petrol engine was introduced in the new 2020 Dzire with idle start stop technology and in Baleno with progressive smart hybrid technology. This new engine with higher compression ratio, cooled Exhaust gas recirculation (EGR) system and piston cooling jet offers improved engine efficiency and friction reduction which leads to best in segment fuel efficiency.

- Various initiatives taken for improving fuel efficiency were:

  - Mechanical loss reduction by using low viscosity engine oil and transmission fluid.

  - Optimisation of transmission gear ratios for better drive and fuel efficiency.

  - Weight optimisation of transmission unit by extensive usage of computer aided engineering techniques.

Benefits derived as a result of above R&D initiative:

- Launched the new product Mini SUV S-Presso with bold and powerful SUV stance.

- Launched new product all new premium MPV XL6 which comes with bold, sporty and aspirational design language having SUV stance.

- Launched the new Vitara Brezza equipped with 1.5L K-series BS6 petrol engine.

- Launched the new Alto with enhanced safety features and captivating design.

- Launched the new Ignis with refreshed design having SUV characteristics with imposing front fascia, wide rear appearance, striking rear spoiler and high seating position.

- Launched the new 2020 Dzire with advanced 1.2L K-series Dual Jet, Dual VVT BS6 engine which offers best in segment fuel efficiency.

- Launched Baleno with Suzuki's next generation Smart Hybrid Technology which provides functionalities as torque assist, brake energy regeneration and idle start stop which ensures enhanced driving performance and improved fuel efficiency.

- Factory fitted S-CNG technology has been extended to Mini SUV S-Presso.

- The Company saved ₹ 57.2 crores by localisation and ₹ 280.1 crores from implementation of Value Analysis / Value Engineering (VA / VE) concepts.

- Rigorous efforts were made to localise imported parts including many high technology parts. This helped in reducing material cost as well as de-risking foreign exchange fluctuations. Further, localisation also helped in lean supply chain, capability development of local suppliers and employment generation.

- The Company worked closely with its vendor partners to increase the value of the parts i.e. higher function at lower cost.

Technology Absorption, Adaptation and Innovation

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

- Product development efforts were further strengthened by analysis of various products and technologies across the globe through focused performance and functional benchmarking of vehicle as well as systems and sub-systems.

- Established simulation methods to replicate market quality feedbacks and suggest countermeasures for design improvement.
- The Company continued to work on special value enhancement idea generation activities jointly with vendor partners for reducing cost to provide better value to customers.
- Value engineering ideas were used to achieve quality, performance and cost targets.
- Focus on capturing passenger comfort for Indian conditions and incorporating the feedback in future models.
- Vehicle body designed using high tensile material and new light weight energy efficient structure.

2. Benefits derived as a result of above efforts:

- Attractive, high quality and value for money products.
- New technologies at right cost, time and quality.
- Weight optimisation in new models relative to existing models without compromising on safety, performance and durability.
- Improved safety for drivers, passengers and pedestrians.
- High local content in new models leading to lower cost.
- Improved fuel efficiency.

3. Technology inducted over last 3 years:

Technology Inducted in 2017-18:

- New Dzire and Swift are based on Suzuki's latest 5th generation HEARTECT platform which is lighter, stronger and safer.
- Android auto extended to other models sold through Arena channel.
- Increased penetration of smart hybrid technology with introduction in S-Cross.
- Advance AGS extended to Swift and Dzire for optimum fuel efficiency and ease of driving.
- Twin cylinder CNG system introduced in Super Carry.

Technology Inducted in 2018-19:

- 2nd Gen Ertiga and 3rd Gen WagonR are engineered and built on Suzuki's 5th generation HEARTECT platform. The platform increases safety of occupants through effective absorption of impact and dispersion of crash energy and assures stability.
- Launched an advanced telematics solution called 'Suzuki Connect'.
- Suzuki designed new generation dual battery smart hybrid technology introduced in Ciaz and later extended to Ertiga as well.
- AGS technology extended to Vitara Brezza for optimum fuel efficiency and ease of driving.
- ESP technology introduction in Ciaz and Ertiga.
- New 1.5L K15 petrol engine introduced in Ciaz and 2nd Gen Ertiga. Engine portfolio further strengthened with the introduction of a new 1.5L DDiS 225 diesel engine in Ciaz.
- New design 6-speed manual transmission with optimised gear ratios introduced for better fuel efficiency and performance in DDiS 225 diesel engine.
- Next generation Smartplay studio and Smartplay dock infotainment systems have been introduced.

Technology Inducted in 2019-20:

- ESP along with hill hold function has been introduced in all new premium MPV XL6 and new 2020 Dzire.
- New 1.2L K-series Dual Jet, Dual VVT BS6 petrol engine has been introduced in Baleno and new 2020 Dzire.
- New Vitara Brezza launched with the powerful 1.5L K-series BS6 petrol engine.
- Advanced Automatic Transmission introduced in all new premium MPV XL6 and new Vitara Brezza.
- Next generation infotainment systems Smartplay Studio and Smartplay Dock extended to new Alto and Mini SUV S-Presso.
- Suzuki's Next Generation SHVS technology has been extended to Baleno, the all new premium MPV XL6 and new Vitara Brezza (Automatic Transmission version).
- Mini SUV S-Presso launched with AGS technology for optimum fuel efficiency and ease of driving.
- Captain seats introduced in the all new premium MPV XL6 as a standard feature.
- Increased penetration of factory fitted S-CNG technology with the introduction in Mini SUV S-Presso.

C. Expenditure incurred on R&D

(₹ in million)

Particulars	2019-20	2018-19
A Capital Expenditure	4,047	4,372
B Net Revenue Expenditure	3,592	2,756
Total	**7,639**	**7,128**

D. Foreign Exchange Earnings and Outgo (Cash Basis)

During the year, total inflows (on cash basis) in foreign exchange were ₹ 54,246 million and total outflows (on cash basis) in foreign exchange were ₹ 90,990 million.

For and on behalf of the Board of Directors

R.C. Bhargava
Chairman

Kenichi Ayukawa
Managing Director & CEO

Gurugram
13th May, 2020

Annexure - E

Form No. MR - 3

Secretarial Audit Report

For the financial year ended on 31st March, 2020

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members
Maruti Suzuki India Limited
CIN: L34103DL1981PLC011375
Plot No.1, Nelson Mandela Road,
Vasant Kunj, New Delhi-110070

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Maruti Suzuki India Limited** (hereinafter referred as 'the Company'), having its Registered Office at Plot No.1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification, to the extent possible due to lockdown announced by Government of India on account of Covid-19 pandemic, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31st March, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

I. The Companies Act, 2013 ('the Act') and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Further, there was no transaction of Overseas Direct Investment which was required to be reviewed during the period under audit;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

   (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **[Not Applicable as the Company has not issued any further share capital during the period under review]**;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not Applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review]**;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review]**;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review]**;

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 **[Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review]**.

VI. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

1. Motor Vehicles Act, 1988

2. The Central Motor Vehicles Rules, 1989

For the compliances of Environmental Laws, Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable Environmental Laws, Labour Laws & other General Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings of the Board and Committees of the Board signed by the Chairman, all the decisions of the Board were adequately passed and the dissenting members' views, if any, was captured and recorded as part of the minutes.

As per the records, the Company has generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

We further report that on review of the compliance mechanism established by the Company, we are of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as the Company has developed comprehensive legal compliance scheduling and management software by which specific compliance tasks were assigned to specified individuals. The software enables in planning and monitoring all compliance activities across the Company.

We further report that during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:-

The Members in the Annual General Meeting held on **27th August, 2019** accorded consent:

a) to re-appointment of Mr. Kenichi Ayukawa (DIN:02262755) as the Managing Director and Chief Executive Officer for a period of three years with effect from 1st April, 2019;

b) to appoint Mr. Takahiko Hashimoto (DIN: 08506746) as a Whole-time Director designated as Director (Marketing & Sales) with effect from 27th July, 2019 for a period of three years;

c) to re-appoint Mr. D.S. Brar (DIN: 00068502), as an Independent Director, for a period of five years with effect from 28th August, 2019;

d) to re-appoint Mr. R.P.Singh (DIN: 02943155), as an Independent Director, for a period of five years with effect from 28th August, 2019;

e) to appoint Ms. Lira Goswami (DIN: 00114636) as an Independent Director, for a period of five years with effect from 28th August, 2019

f) for the payment of commission to the non-executive directors of the Company (other than the Managing / Whole-time Directors) in addition to the sitting fee for attending the meetings of the board and committees thereof, not exceeding in aggregate one percent of the net profits of the Company as calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 or ₹ 500 Lac, whichever is less in any one financial year.

For **RMG & Associates**
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No.: 734/2020

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095
UDIN: F005123B000241911

Place: New Delhi
Date: 13th May, 2020

Note: This report is to be read with **'Annexure I'** attached herewith and forms an integral part of this report.

Annexure - 1

To,
The Members
Maruti Suzuki India Limited

Our Secretarial Audit Report for the financial year ended 31st March, 2020 of even date is to be read along with this letter:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

7. We have tried to verify the physical records maintained by the Company to the extent possible in order to verify the compliances, however, reliance was also placed on electronic records for verification due to lockdown announced by Government of India on account of Covid-19 pandemic.

For **RMG & Associates**
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No.: 734/2020

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095
UDIN: F005123B000241911

Place: New Delhi
Date: 13th May, 2020

Dividend Distribution Policy

The Company has already laid down the Dividend Distribution Guidelines ('Dividend Guidelines') which were approved by the Board of Directors of the Company ('Board') on 30th October, 2014. The Securities and Exchange Board of India has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') under which the Company is required to formulate a dividend distribution policy.

Pursuant to the aforesaid change in the Listing Regulations, the Board has approved this Dividend Distribution Policy ('Policy') of the Company on 23rd March, 2017.

The Company shall declare and pay dividend in accordance with the provisions of the Companies Act, 2013, rules made thereunder and Listing Regulations as amended from time to time.

Following points shall be considered while declaring dividend:

- Consistency with the Dividend Guidelines as laid out by the Board
- Sustainability of dividend payout ratio in future
- Dividend payout ratio of previous years
- Macroeconomic factors and business conditions

Retained earnings are intended to be utilised for:

- Investments for future growth of the business
- Dealing with any possible downturns in the business
- Strategic investment in new business opportunities

The Company currently has only one class of shares i.e. equity shares. As and when it proposes to issue any other class of shares, the policy shall be modified accordingly.

Dividend guidelines

Background: Many shareholders have opined that the Company should provide a dividend policy in the interest of providing greater transparency to the shareholders.

The Board, at the time of approving the annual accounts in each year, also decides the dividend to be paid to the shareholders depending on the context of business in that year. A policy stated by the current Board cannot be binding on future Board. However, the current Board can form a guideline on dividend payout in future in the interest of providing transparency to shareholders.

Board approval

The Board accordingly approved the following guidelines for dividend payment:

The Company would endeavour to keep the Dividend payout ratio, except for reasons to be recorded, within the range of 18% to 40%. The actual dividend for each year would be decided by the Board taking into account the availability of cash, the profit level that year and the requirements of capital investments.

Corporate Governance Report

Corporate Governance Philosophy

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

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

Management Structure and Shared Leadership

The Company has a multi-tier management structure with the Board of Directors at the top. The Company has five business verticals viz. Engineering, Quality Assurance, Production, Supply Chain and Marketing & Sales. Marketing & Sales is further segregated into domestic sales & marketing, international sales & marketing, parts & accessories, service and logistics. Besides the above, there are other functions viz. Human Resources, Finance, Information Technology, Safety, Legal, Corporate Secretarial, Corporate Planning and Realty Acquisition. All key verticals and support functions report directly to the Managing Director & CEO. The Managing Director & CEO is also supported by an executive board, which consists of senior most executives and support in setting strategic direction for the Company and guiding in development of talent pipeline for leadership positions. The leaders at the top level are designated as Executive Officers (EOs)/Senior Executive Officers (Sr. EOs)/Members Executive Board (MEBs). The board meetings of the Company mark the presence of all the Sr. EOs/EOs/MEBs as they act as a channel between the Board above them and the employees. This structure not only allows easy and quick communication of field information to the Board members but also gives the top management the opportunity to give recommendations relevant to their business operations. The Sr.EOs/EOs are supported by the divisional heads and the 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 focused 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 controls are maintained at an optimal level; and
- Risk is suitably evaluated and dealt with.

Board of Directors

Composition of the Board

As on 31st March, 2020, 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Board has three Executive Directors and nine Non-Executive Directors, of whom four are Independent Directors. Ms. Renu Sud Karnad, Independent Director, resigned with effect from close of the business hours of 31st March, 2020 since her total directorship had reached eight after her appointment as a Director in Unitech Ltd. and HDFC Bank which had to be brought down to seven. The composition is given in **Table 1**. Except Mr. Osamu Suzuki and Mr. Toshihiro Suzuki who are related to each other, none of the other Directors 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 the best interests of stakeholders and the Company.

Table 1: Composition of the Board as on 31st March, 2020

S. No.	Name	Category	*No. of directorship(s)		No. of committee(s)		Name of the listed entities	
			Public	Private	Member (including chairpersonship)	Chairpersonship	In which he/she is a director	Category of directorship
1.	Mr. R. C. Bhargava	Chairman, Non-Executive	3	2	3	2	Dabur India Limited Maruti Suzuki India Limited	Independent Non-Executive
2.	Mr. Kenichi Ayukawa	Managing Director and CEO, Executive	4	2	2	-	Maruti Suzuki India Limited Subros Limited	Executive Non-Executive
3.	Mr. Takahiko Hashimoto	Executive	1	1	-	-	Maruti Suzuki India Limited	Executive
4.	Mr. Kenichiro Toyofuku	Executive	1	-	-	-	Maruti Suzuki India Limited	Executive
5.	Mr. Osamu Suzuki	Non-Executive	1	-	-	-	Maruti Suzuki India Limited	Non-Executive
6.	Mr. Toshihiro Suzuki	Non-Executive	1	-	-	-	Maruti Suzuki India Limited	Non-Executive
7.	Mr. Hisashi Takeuchi	Non-Executive	1	-	-	-	Maruti Suzuki India Limited	Non-Executive
8.	Mr. Kinji Saito	Non-Executive	1	-	-	-	Maruti Suzuki India Limited	Non-Executive
9.	Mr. Davinder Singh Brar	Independent	4	10	7	2	Mphasis Limited Maruti Suzuki India Limited Wockhardt Limited Essel Propack Limited	Independent Independent Independent Independent
10.	Mr. R.P. Singh	Independent	4	1	5	-	Bharti Infratel Limited Maruti Suzuki India Limited Nirlon Limited	Independent Independent Independent
11.	Ms. Renu Sud Karnad	Independent	10	0	9	3	ABB India Ltd. Maruti Suzuki India Limited HDFC Life Insurance Company Limited HDFC Asset Management Company Ltd Housing Development Finance Corporation Limited HDFC Bank Limited Glaxosmithkline Pharmaceuticals Limited Unitech Limited	Independent Independent Non-Executive Non-Executive Executive Nominee Non-Executive Nominee
12.	Ms. Lira Goswami	Independent	1	1	1	-	Maruti Suzuki India Limited	Independent

*Doesn't include directorship in foreign companies.

- In terms of Regulation 26(1) of Listing Regulations:
  - Foreign companies, private limited companies and companies under section 8 of the Companies Act, 2013 are excluded for the purpose of considering the limit of committees.
  - The committees considered for the purpose are audit committee and stakeholders' relationship committee.
  - None of the Directors was a member of more than 10 committees or chairperson of more than 5 committees across all listed companies in which he/she is a Director.
- In terms of Schedule V of Listing Regulations:
  - In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of management
  - A certificate from a company secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority forms part of this report as **Annexure - A**.
- None of the Directors holds equity shares in the Company.

Board Meetings

The Board met five times during the year on 25th April, 2019, 26th July, 2019, 24th October, 2019, 4th December, 2019 and 28th January, 2020. The Board meets at least four times a year with a maximum gap of one hundred and twenty days between any two meetings. 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 2019-2020

S. No.	Name	Number of Board Meetings attended (Total meetings held: 5)	Whether attended last AGM (27th August, 2019)
1.	Mr. R. C. Bhargava	5	Yes
2.	Mr. Kenichi Ayukawa	5	Yes
3.	Mr. Takahiko Hashimoto*	3	Yes
4.	Mr. Kenichiro Toyofuku**	1	Not Applicable
5.	Mr. Hisashi Takeuchi***	3	Yes
6.	Mr. Osamu Suzuki	5	Yes
7.	Mr. Toshihiro Suzuki	4	No
8.	Mr. Kinji Saito	5	Yes
9.	Mr. Davinder Singh Brar	5	Yes
10.	Mr. R.P. Singh	5	Yes
11.	Ms. Lira Goswami ****	2	Yes
12.	Ms. Renu Sud Karnad	4	Yes
13.	Ms. Pallavi Shroff #	2	No
14.	Mr. Kazunari Yamaguchi ##	1	Not Applicable
15.	Mr. Toshiaki Hasuike ##	1	Not Applicable
16.	Mr. Kazuhiko Ayabe ##	2	Not Applicable
17.	Mr. Hiroshi Sakamoto ###	1	No
18.	Mr. Seiji Kobayashi ####	1	Not Applicable

*Appointed as Whole-time Director w.e.f 27th July, 2019.

**Appointed as Whole-time Director w.e.f. 5th December, 2019.

***Appointed as Non-executive Director w.e.f 27th July, 2019.

****Appointed as Independent Director w.e.f. 28th August, 2019.

Completion of term as Independent Director on 27th August, 2019.

Ceased to be a Director w.e.f. close of business hours of 26th July, 2019.

Appointed as Non- Executive Director w.e.f 27th July, 2019 and held his office till the close of business hours of 24th October, 2019.

Appointed as Non- Executive Director w.e.f. 25th October, 2019 and held his office till the close of business hours of 4th December, 2019.

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 seven days 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 problems;
- Any material relevant default in financial obligations 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 investments, subsidiaries, assets which are material in nature and 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.

Committees of the Board

I. Audit Committee

Composition and Meetings

Table 3 shows the composition of the audit committee and the details of attendance. The audit committee met six times during the year on 25th April, 2019, 26th July, 2019, 1st August, 2019, 24th October, 2019, 4th December, 2019, and 28th January, 2020. All the members of the audit committee are financially literate and Mr. Davinder Singh Brar, the Chairman, has expertise in accounting and financial management. The Chairman attended the last annual general meeting to answer shareholders' queries.

Table 3: Composition as on 31st March, 2020 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in 2019 - 2020 (Total meetings held: 6)
1.	Mr. Davinder Singh Brar	Independent	Chairman	6
2.	Mr. Kenichi Ayukawa	Executive	Member	6
3.	Mr. R. P. Singh	Independent	Member	6
4.	Ms. Lira Goswami*	Independent	Member	2
5.	Ms. Renu Sud Karnad**	Independent	Member	5

*Appointed as member of Audit Committee w.e.f 28th August, 2019.

**Resigned as Independent Director w.e.f. close of business hours of 31st March, 2020.

The Company Secretary acts as the secretary to the audit committee. Wherever required, other directors and members of the management are also invited.

Role

The role/terms of reference of the audit committee include 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, remuneration and terms of appointment of the auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditors' report 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 (c) sub-section (3) of Section 134 of the Companies Act, 2013.

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.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses/ application of funds 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 steps in this matter.

7. Review and monitor the auditors' independence and performance and effectiveness of the audit process.

8. Approval of transactions of the Company with related parties and any subsequent modification of such transactions.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk evaluation and mitigation systems.

12. Reviewing with the management the performance of statutory and internal auditors and adequacy of the internal control systems.

13. Reviewing the adequacy of the 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.

14. Discussions with internal auditors of any significant findings and follow up there on.

15. 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.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain and resolve any areas of concern.

17. Look 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.

18. Review the functioning of the whistle blower mechanism.

19. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience, background, etc. of the candidate.

20. Reviewing the utilisation of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investment.

21. Carrying out any other function as is mentioned in the charter of the audit committee.

II. Nomination and Remuneration Committee (NRC)

Composition and Meetings

Table 4 shows the composition of NRC and the details of attendance.

Table 4: Composition as on 31st March, 2020 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in 2019 – 2020 (Total meetings held: 5)
1.	Mr. Davinder Singh Brar	Independent	Chairman	5
2.	Mr. R.C. Bhargava	Non-Executive	Member	5
3.	Mr. Toshihiro Suzuki	Non-Executive	Member	4
4.	Ms. Renu Sud Karnad*	Independent	Member	4

*Resigned as Independent Director w.e.f. close of business hours of 31st March, 2020.

The Company Secretary acts as the secretary to NRC.

Terms of Reference

The role/terms of reference of NRC include the following:

1. Identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal.

2. Formulate criteria for evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

3. Formulate the criteria for determining qualification, positive attributes and independence of a Director and devising a policy on Board diversity.

4. Recommend to the Board a remuneration policy applicable to directors, key managerial personnel and other employees.

5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

7. Ensure that:
   a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

   b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

   c. Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

   d. Any other action as may be required under the Companies Act, 2013 and any amendment thereto, Listing Regulations and guidelines/circular issued by the Securities and Exchange Board of India from time to time.

Performance Evaluation Criteria for Independent Directors & Remuneration Policy

For performance evaluation criteria for Independent Directors and details of remuneration policy, please refer to the Board's Report.

Remuneration of Directors

Table 5 gives details of the remuneration for the financial year ended 31st March, 2020. The Company did not advance any loans to any of its Directors in the year under review.

Table 5: Details of Remuneration for the Financial Year ended 31st March, 2020

S. No.	Name	Salary & Perquisites (in ₹)	Performance Linked Bonus* (in ₹)	Sitting Fees (in ₹)	Commission (in ₹)	Total (in ₹)
1.	Mr. R.C. Bhargava	-	-	850,000	11,200,000	12,050,000
2.	Mr. Kenichi Ayukawa	32,448,000	14,216,000	-	-	46,664,000
3.	Mr. Takahiko Hashimoto	14,634,587	7,932,623	-	-	22,567,210
4.	Mr. Kenichiro Toyofuku	6,939,530	3,759,235	-	-	10,698,765
5.	Mr. Hisashi Takeuchi	-	-	300,000	-	300,000
6.	Mr. Osamu Suzuki	-	-	500,000	-	500,000
7.	Mr. Toshihiro Suzuki	-	-	600,000	-	600,000
8.	Mr. Kinji Saito	-	-	500,000	-	500,000
9.	Mr. Davinder Singh Brar	-	-	1,400,000	5,600,000	7,000,000
10.	Mr. Rajinder Pal Singh	-	-	1,150,000	3,600,000	4,750,000
11.	Ms. Renu Sud Karnad	-	-	1,100,000	3,800,000	4,900,000
12.	Ms. Lira Goswami	-	-	400,000	2,000,000	2,400,000
13.	Mr. Toshiaki Hasuike	-	-	100,000	-	100,000
14.	Mr. Kazuhiko Ayabe	-	-	200,000	-	200,000
15.	Mr. Kazunari Yamaguchi	6,886,951	1,395,377	-	-	8,282,328
16.	Ms. Pallavi Shroff	-	-	400,000	1,800,000	2,200,000
17.	Mr. Hiroshi Sakamoto	-	-	100,000	-	100,000
18.	Mr. Seiji Kobayashi	-	-	100,000	-	100,000

*The payment of performance linked bonus is subject to the approval of the Board of Directors.

Apart from the above, there were no pecuniary transactions between the Company and Directors.

The performance criteria for the purpose of payment of remuneration to the Directors are in accordance with the Nomination and Remuneration Policy. For details on performance evaluation, please refer to the Board's Report. There is no severance fee. The Company has not issued any stock options. 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 the payment of commission to Non-Executive Directors within the limit of one percent of the net profits of the Company and subject to the total payments not exceeding ₹ 50 million per annum. The criteria for the purpose of determination of the amounts of commission are in accordance with the Nomination and Remuneration Policy.

III. Corporate Social Responsibility (CSR) Committee

Composition and Meetings

Table 6 shows the composition of CSR Committee and the details of attendance.

Table 6: Composition as on 31st March, 2020 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in 2019-2020 (Total meetings held: 1)
1.	Mr. R.C. Bhargava	Non-Executive	Chairman	1
2.	Mr. Kenichi Ayukawa	Executive	Member	1
3.	Mr. R.P. Singh	Independent	Member	1

The Company Secretary acts as the secretary to the CSR Committee.

Terms of reference

1. To frame the CSR policy and its review from time-to-time.

2. To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.

3. To ensure compliance with the law, rules and regulations governing the CSR and to periodically report to the Board of Directors.

IV. Risk Management Committee (RMC)

Table 7 shows the composition and meetings of the RMC.

Table 7: Composition as on 31st March, 2020

S. No.	Name	Category	Designation
1.	Mr. R.C. Bhargava	Non-Executive	Chairman
2.	Mr. Kenichi Ayukawa	Executive	Member
3.	Mr. Takahiko Hashimoto*	Executive	Member
4.	Mr. Ajay Seth	Chief Financial Officer	Member
5.	Mr. Rajiv Gandhi*	Sr. Executive Officer (Production)	Member

*Appointed as member of the Risk Management Committee w.e.f. 27th July, 2019.

The Company Secretary acts as the secretary to RMC and Executive Vice President (Corporate Planning) coordinates its activities.

Roles and Responsibilities of the RMC

1. Preparation of a charter/policy on risk assessment and minimisation and mitigation process.
2. Preparation and review of a risk library.
3. Monitoring and reviewing risk management and mitigation plan.
4. Monitoring and reviewing cyber security.

The risk management department periodically organises reviews of the risk mitigation and implementation plans of risks with chairman/ top management.

Stakeholders' Relationship Committee (SRC)

Composition

Table 8 shows the composition of SRC. Mr. R. C. Bhargava, the Chairman attended the last annual general meeting to address shareholders' queries.

Table 8: Composition as on 31st March, 2020 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in 2019-20 (Total meetings held : 1)
1.	Mr. R.C. Bhargava	Non-Executive	Chairman	1
2.	Mr. Davinder Singh Brar	Independent	Member	1
3.	Mr. Kenichi Ayukawa	Executive	Member	1

The Company Secretary is the compliance officer and acts as the secretary to SRC.

Objective

The scope of work of the SRC comprises of:

a. Resolving the grievances of the shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

b. Review of measures taken for effective exercise of voting rights by shareholders;

c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent; and

d. Review of the various measures and initiatives taken by Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Investor Grievance Redressal

During the year, 12 complaints were received and resolved. All requests received for transfer of shares in physical form were duly processed.

General Body Meetings

Table 9: Details of the last three AGMs of the Company

Financial Year	Location	Date	Time
2016-17	Air Force Auditorium, Subroto Park, New Delhi	5th September, 2017	10:00 a.m.
2017-18		23rd August, 2018	10:00 a.m.
2018-19		27th August, 2019	10:00 a.m.

In the AGM held on 27th August, 2019 two special resolutions were passed by the shareholders w.r.t. re-appointment of Mr. D.S. Brar and Mr. R.P. Singh as Independent Directors. The special resolutions were not required to be put through postal ballot. In the AGM held on 23rd August, 2018, three special resolutions were passed wr.t. amendment of the Articles of Association, appointment of Mr. R.C. Bhargava as non-executive Director and Mr. O Suzuki as non-executive Director. The special resolutions were not required to be put through postal ballot. In the AGM held on 5th September, 2017 one special resolution was passed w.r.t. adopting a new set of Memorandum and Articles of Association. The special resolution was not required to be put through postal ballot.

Competencies of the Board

The following chart gives the competencies of the Board of Directors:

As on 31st March, 2020

Competencies	O. Suzuki	R.C. Bhargava	K. Ayukawa	T. Suzuki	T. Hashimoto	K. Toyofuku	K. Saito	H. Takeuchi	D.S. Brar	R.P. Singh	R.S. Karnad	Lira Goswami
Knowledge of all aspects of the car industry including its operations, technology, global experience and exports	✓	✓	✓	✓	✓	✓	✓	✓				
Business Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Legal/Corporate Governance		✓	✓		✓	✓			✓	✓	✓	✓
Government Rules/ Regulations		✓	✓		✓	✓			✓	✓	✓	✓
Knowledge of Political/ Social Environment		✓	✓		✓	✓			✓	✓	✓	✓

Disclosures Made by the Management to the Board

During the year, there were no transactions of a material nature with the promoters, the directors or the management, their subsidiaries or relatives, etc. that had any potential conflict with the interests 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.

Code of Conduct for the Board of Directors and Senior Management Personnel

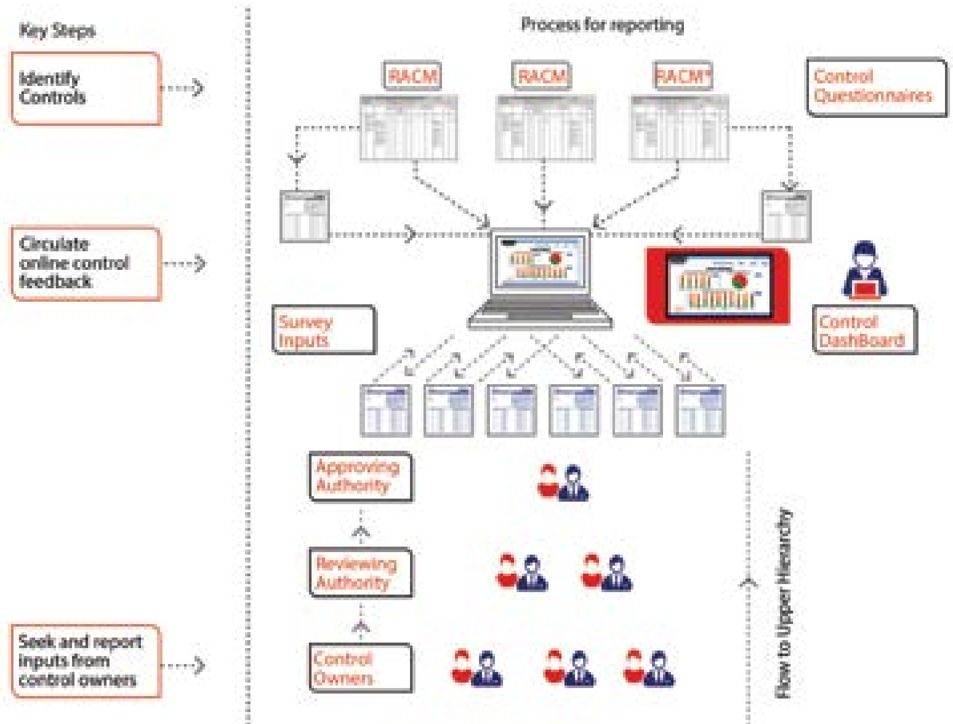
The Company has laid down a code of conduct for the members of the Board and identified senior management personnel of the Company.

The Company's code of conduct has been posted on its website www.marutisuzuki.com. 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 31st March, 2020. A declaration to this effect signed by the Managing Director & CEO of the Company forms part of this report as **Annexure - B**.

CEO/CFO Certification

The Company has institutionalised the framework for CEO/CFO certification by establishing a transparent "controls self assessment" mechanism, thereby laying the foundation for development of the best corporate governance practices which are vital for a successful business. It is the Company's endeavor to attain the highest level of governance to enhance the stakeholders' value. To enable certification by CEO/CFO for the financial year 2019-2020, key controls over financial reporting were identified and subjected to self-assessment by control owners in the form of completion of self-assessment questionnaires through a web based online tool called "Controls Manager". The self-assessments submitted by control owners were further reviewed and approved by their superiors and the results of the self-assessment process were presented to the auditors and the audit committee. The whole exercise was carried out in an objective manner to assess the effectiveness of internal financial controls including controls over financial reporting during the financial year 2019 - 2020.

Enabling controls self-assessments through the 'Controls Manager'



* RACM: Risk & Control Matrix

As required under Regulation 17 of the Listing Regulations, a 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 13th May, 2020.

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 specified employees. The software enables planning and monitoring of 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 in shares of the Company and cautions on the consequences of non-compliances.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Refer Board's Report for details.

Familiarization Programme/Policy On Related Party Transactions/Policy on Material Subsidiaries

The web links of familiarisation programmes for the Independent Directors, policy on related party transactions and policy on material subsidiaries are:

https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Familiarization_Programme.pdf

https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_on_Related_Party_Transactions.pdf

https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_on_Subsidiary_Companies.pdf

Whistle Blower Mechanism

The Company has in place an established and effective mechanism called the 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. 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. No person has been denied access to the Ombudsperson/Audit Committee.

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 the capital market during 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 of and investments made by unlisted subsidiary companies. The minutes of unlisted subsidiary companies are placed before the Board.

Shareholders' Information

Means of Communication

Financial results	Quarterly, half-yearly and annual financial results are published in 'The Hindu-Business Line', 'Financial Express' and in Hindi editions of 'Jansatta' and 'Hindustan'.
Monthly sales/production	Monthly sales and production figures are sent to stock exchanges as well as displayed on the Company's website www.marutisuzuki.com
News releases	All official news releases are sent to stock exchanges as well as displayed on the Company's website www.marutisuzuki.com
Website	The Company's website www.marutisuzuki.com contains a dedicated segment called 'Investors' where all information needed by members is available including ECS mandate, nomination form and annual report. The website, inter-alia, also displays information regarding schedule of analyst or institutional investor meet and presentation made to media/analysts/institutional investors, financials, press releases, stock information, shareholding patterns, details of unclaimed dividend, etc.
Annual report	In our endeavor to protect the environment, the Company sent the annual report for the year 2018-2019 through e-mails to a large number of members 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 members whose e-mail ids were not registered, the annual report in physical mode was sent by post to their registered addresses.

BSE Listing Centre & NEAPS (NSE Electronic Application Processing System)	All disclosures and communications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through BSE Listing Centre and NEAPS.
SCORES (SEBI Complaints Redressal System)	The Company supports SCORES by using it as a platform for communication between SEBI and the Company.
Exclusive e-mail id's for investors	Following e-mail ids have been exclusively dedicated for the investors' queries: investor@maruti.co.in einward.ris@kfintech.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 einward.ris@kfintech.com
Request to members	The members of the Company who are holding shares in demat form are requested to kindly update their e-mail ids with their depository participants and those who are holding shares in physical forms kindly get it registered with KFIN Technologies Pvt. Ltd., the Registrar and Share Transfer Agent of the Company.

Additional Information

Annual General Meeting

Date: 26th August, 2020
Day: Wednesday
Time: 10:00 a.m.
Venue: Air Force Auditorium, Subroto Park, New Delhi – 110010 or via video conferencing (VC) or other audio-visual means (OAVM), as the case may be.

Financial Year

Financial Year: 1st April to 31st March

For the year ending 31st March 2021, results will be announced:

By the end of July 2020: First quarter results

By the end of October 2020: Second quarter results

By the end of January 2021: Third quarter results

By the end of April 2021: Fourth quarter and annual results

Book Closure

The period of book closure is from 15th August, 2020 to 26th August, 2020 (both days inclusive).

Dividend Payment

Subject to the approval of the members in the annual general meeting, a dividend of ₹ 60/- per equity share (face value ₹ 5 per equity share) for the year 2019 - 2020 will be paid on or after 31st August, 2020 to those whose names appear in the register of members/beneficial owners at the close of business hours on 14th August, 2020. Reminders were sent to the members requesting them to claim unclaimed dividend for the year 2011-12. Some members claimed their unclaimed dividends. The payments were made directly to their bank accounts wherever the particulars were available, under intimation to those entitled. The balance amount remaining unclaimed was transferred to the Investor Education & Protection Fund (IEPF) within the stipulated time.

Audit Fees

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/entity of which statutory auditor is a part is ₹ 34.18 million for the financial year 2019-20.

Listing on Stock Exchanges

The equity shares of the Company are listed on BSE, Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 and NSE, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. The annual listing fee for the year 2020-21 has been paid to both the stock exchanges. **Table 10** lists the Company's stock exchange codes. The Company will pay the annual custodial fee for the year 2020-21 to both the depositories namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on receipt of the invoices.

Table 10: Stock Code

BSE Limited	532500
National Stock Exchange of India Limited	MARUTI
ISIN	INE585B01010

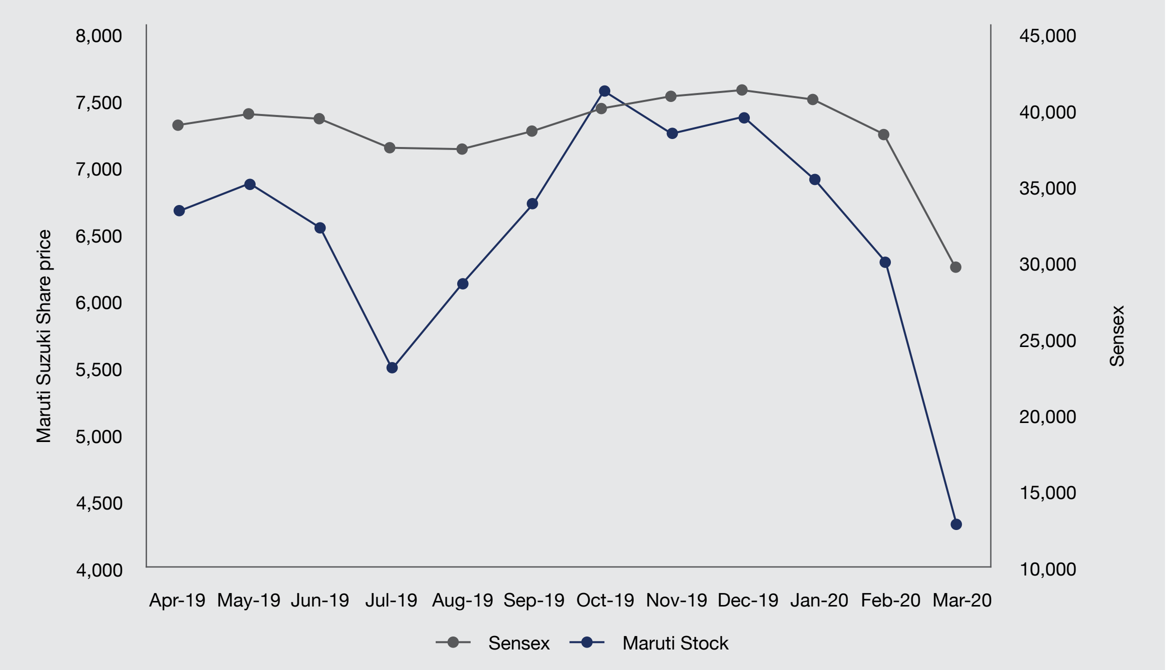
Stock Market Data

Table 11 gives the monthly high and low prices of the Company's equity shares on BSE and NSE for the year 2019- 2020. **Chart A** plots the movement of the Company's share prices on BSE vis-a-vis BSE Sensex for the year 2019 - 2020.

Table 11: Monthly High & Low Quotation of the Company's Equity Share

Month	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 19	7,539	6,630	7,542	6,635
May 19	7,194	6,441	7,190	6,445
Jun 19	7,099	6,323	7,102	6,325
Jul 19	6,618	5,446	6,600	5,447
Aug 19	6,467	5,450	6,464	5,447
Sept 19	7,178	5,791	7,184	5,790
Oct 19	7,759	6,558	7,755	6,560
Nov 19	7,649	7,000	7,648	7,001
Dec 19	7,432	6,864	7,430	6,862
Jan 20	7,570	6,896	7,566	6,890
Feb 20	7,232	6,103	7,228	6,110
Mar 20	6,480	4,030	6,479	4,039

Chart A



Registrar and Transfer Agent

During the year, the name of the RTA of the Company changed from Karvy Fintech Pvt. Ltd. to KFIN Technologies Private Limited. The details of the RTA are given hereunder:

KFIN Technologies Private Limited

Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District, Nanakramguda
Hyderabad – 500 032
Phone No.: 040- 67162222
Fax No.: 040-23001153
Toll Free: 1800-345-4001
Mail Id: einward.ris@kfintech.com
Website: www.kfintech.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 is attended within the stipulated time. All requests received for transfer of shares in physical form were duly processed.

Shareholding Pattern

Table 12 lists the distribution schedule of equity shares of the Company as on 31st March, 2020.

Table 12: Distribution Schedule as on 31st March, 2020

S. No.	Category	No. of shareholders	%	No. of shares	%
1.	Upto 1 - 5000	419,151	99.52	10,236,966	3.39
2.	5001 - 10000	520	0.12	749,384	0.25
3.	10001 - 20000	310	0.07	881,220	0.29
4.	20001 - 30000	156	0.04	777,578	0.26
5.	30001 - 40000	101	0.02	704,155	0.23
6.	40001 - 50000	97	0.02	879,297	0.29
7.	50001 - 100000	231	0.05	3,289,635	1.09
8.	100001 & above	614	0.15	284,561,825	94.20
	Total	**421,180**	**100.00**	**302,080,060**	**100.00**

Dematerialisation of Shares and Liquidity

As on 31st March, 2020, 99.999% of the Company's total paid up equity capital representing 302,077,850 equity shares was held in dematerialised form. The balance 0.001% equity representing 2210 equity shares was held in physical form. Suzuki Motor Corporation, the promoter of the Company holds 169,999,440 shares in dematerialised form.

Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 1,357 shares in respect of which dividend had not been paid or claimed for seven consecutive years or more were transferred in favour of IEPF Authority.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Please refer to **Annexure - C** and Management Discussion & Analysis for details.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Company has 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.

Plant Location

The Company has five plants, two located in Palam Gurugram Road, Gurugram, Haryana and three located at Manesar Industrial Town, Gurugram, Haryana.

Adoption of Non-Mandatory Requirements

The Chairman's office with the required facilities is maintained by the Company at its expense, for use by its non-executive Chairman. The Company has appointed separate persons to the post of Chairperson and Managing Director.

Other Disclosures

The Company has complied with the Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

Address for correspondence

Investors may please contact for queries related to:

I. Shares held in dematerialised form

Their **Depository Participant(s)**

and/or

KFIN Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District, Nanakramguda
Hyderabad – 500 032
Phone No.: 040-67162222
Fax No.: 040-23001153
Toll Free: 1800-345-4001
Mail Id: einward.ris@kfintech.com
Website: www.kfintech.com

II. Shares Held in Physical form

KFIN Technologies Private 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-110 070
Phone No.: (+91)-11-4678 1000
Email Id: investor@maruti.co.in
Website: www.marutisuzuki.com

Annexure - A

Certificate

{Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To,
The Members
Maruti Suzuki India Limited
(CIN: L34103DL1981PLC011375)
Plot No.1, Nelson Mandela Road,
Vasant Kunj, New Delhi-110070

We have examined the relevant registers, records, forms and returns maintained/filed by **Maruti Suzuki India Limited (CIN: L34103DL1981PLC011375)** having its Registered Office at **Plot No. 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070** ("hereinafter referred to as **the Company"**) and notices and disclosures received from the Directors of the Company and produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, as amended (hereinafter referred to as "Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal (www.mca.gov.in) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

S. No.	DIN	Name	Designation
1	00007620	Mr. Ravindra Chandra Bhargava	Chairman
2	00008064	Ms. Renu Sud Karnad	Independent Director
3	00049067	Mr. Kinji Saito	Director
4	00068502	Mr. Davinder Singh Brar	Independent Director
5	00114636	Ms. Lira Goswami	Independent Director
6	00680073	Mr. Osamu Suzuki	Director
7	02262755	Mr. Kenichi Ayukawa	Managing Director
8	02943155	Mr. Rajinder Pal Singh	Independent Director
9	06709846	Mr. Toshihiro Suzuki	Director
10	07806180	Mr. Hisashi Takeuchi	Director
11	08506746	Mr. Takahiko Hashimoto	Whole-time Director
12	08619076	Mr. Kenichiro Toyofuku	Whole-time Director

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RMG & Associates**
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No.: 734/2020

CS Manish Gupta
Partner
FCS No.: 5123; C.P. No.: 4095

Place: New Delhi
Date: 13th May, 2020
UDIN: F005123B000241920

Annexure - B

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 senior management personnel of the Company and the same is uploaded on its website 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 31st March, 2020.

Kenichi Ayukawa
Managing Director & CEO

13th May, 2020
Gurugram

Annexure – C

Commodity price risk or foreign exchange risk and hedging activities

a. Risk Management Policy: The Company has a commodities price risk management and hedge policy. The policy is attached herewith as **Annexure -1**.

b. Total exposure: ₹ 1,752 crore.

c. Exposure to various commodities:

Commodity	Exposure in INR towards the particular commodity (crore)	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Copper (MT)	426	9240	-	-	71%	-	71%
Aluminum (MT)	409	26688	-	-	63%	-	63%
Lead (MT)	135	8748			62%		62%
Palladium (Toz)	620	60315	-	-	62%	-	62%
Platinum (Toz)	162	25463	-	-	63%	-	63%

d. Price movement of commodities are quite volatile in nature and the Company hedges commodity prices (procured directly or indirectly) to mitigate the risk and protect budgetary level, thus ensuring stable financial performance.

Annexure - 1

Commodities Price Risk Management and Hedge Policy

1.0 Background

Maruti Suzuki India Limited (MSIL) for producing cars needs to purchase large volumes of basic commodities like steel, aluminium directly and indirectly and consume high quantities of copper and lead being used by its vendors for supplying components. Apart from these basic metals, significant quantities of Precious Group Metals like Platinum, Palladium and Rhodium as well as other commodities like plastics, High speed diesel (HSD) etc., are consumed.

Due to high volume usage of the above-mentioned commodities in manufacturing cars and very high price volatility, which is being witnessed in last couple of years, Company is exposed to severe commodity price risk directly as well as indirectly. These commodities are either being purchased from suppliers directly at mutually negotiated rates or the price is settled with suppliers, who manufacture these components for MSIL using these commodities, at monthly/quarterly settled prices based on prevalent market trends.

Since these commodities and components are not purchased under a fixed price contract, the cost of the raw material input is variable.

2.0 Commodities Price Risk Management Objective and Strategies

The commodities price risk management objective of the Company is to hedge the risk of changes in the commodity prices procured directly or indirectly (i.e., procured by component supplier). Since the fluctuations in commodity prices have severe impact on financials of the Company, hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

The Company shall follow a consistent policy of mitigating the commodities price risk by undertaking following strategies:

I. Bundling of commodity sourcing

Under this strategy, the Company shall negotiate with suppliers bundling its in house requirement with its vendor requirement to get a better price for different commodities based on large consolidated volume.

II. Bundling of Suzuki Motor Corporation's (SMC) subsidiaries sourcing

This strategy allows the Company to bundle the commodity sourcing for the SMC subsidiaries present in India in order to get better pricing for all the SMC group companies in India.

III. Commodity Grade Standardisation & Substitution

The Company shall undertake grade standardisation across various categories of commodities to the extent possible like in the case of steel and plastic products so as to optimise the costs.

The Company shall also change raw material grades to cheaper grades without affecting product performance e.g. in the case of steel from IF to EDD grade.

IV. Yield Improvement

The Company shall continuously undertake yield improvement activities across various commodities like in the case of plastic products and electrical components, etc., done so far.

V. Commodity price risk hedging

MSIL shall follow a consistent policy of mitigating commodities price risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on commodity prices, the Company may keep the exposures un-hedged or hedge only a part of the total exposure.

The Company shall not enter into commodity hedging transactions for speculative purposes i.e. without any actual/ anticipated underlying exposure.

The Company shall strictly observe the rules and regulations laid down by RBI for undertaking the commodities price risk hedging.

3.0 Commodities Permitted for Hedging

The Company may hedge commodities price risk on all the commodities being purchased directly or indirectly e.g. Aluminum, Copper, Lead, Platinum, Rhodium, Palladium, Steel, Plastic, etc., wherever possible and permissible under the applicable rules and regulations to enable fixing the sourcing costs.

Hedging for commodities allowed by Reserve Bank of India (RBI) from time to time (like Aluminum, Copper, Lead, Nickel and Zinc listed on a recognised stock exchange currently allowed) may be done through Authorised Dealer Category-1 banks specifically authorised by the RBI on a recognised stock exchange.

For hedging of (a) above commodities (i.e., the commodities allowed for hedging through a recognised stock exchange) through Over the Counter (OTC) Market or (b) the commodities, which are not permitted by RBI, specific approval of RBI shall be taken before undertaking any hedge for the same.

4.0 Permitted Financial Instruments

Exchange traded instruments:

- Futures

Over the Counter (OTC) instruments:

- Forward contracts
- Range forward Options

5.0 Hedging Ratio

A hedging ratio is defined as the total amount hedged divided by the sum of booked and budgeted/projected exposures. The hedge ratio for the Company shall normally be subject to following limits:

Exposure	Hedge Period	Maximum permissible hedge ratio
Budgeted exposures	0-12 months	75%
Projected/Estimated exposures	12-24 months	50%

However, depending on the commodity price outlook and views, the Company may exceed the above hedge ratio or the hedge period beyond 24 months.

Auditor's Certificate

Regarding Compliance of Conditions of Corporate Governance

To
The Members of
Maruti Suzuki India Limited

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter reference no. ND/JA/240 dated 10th September, 2019.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Maruti Suzuki India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations").

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2020.

9. 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 20087104AAAACE7918)

Place: New Delhi
Date: 13th May, 2020

Management Discussion and Analysis

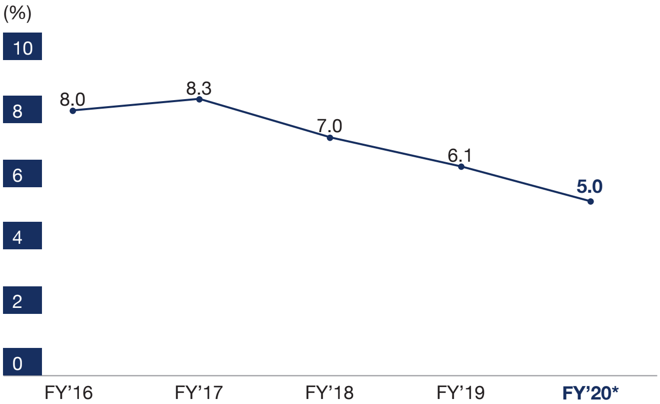
Overview

FY 2019-20 began amid considerable challenges with sluggish economic growth in India and the world. One of the primary reasons for the global economic slowdown was growing protectionist measures in many countries of the world.

In India, the issue of inadequate credit availability, driven by challenges in the financial sector was one of the important reasons for moderate economic expansion. Consequently, the slowdown in consumption affected the overall demand environment. Therefore, a combined impact of muted demand in the domestic and export markets dragged down capacity utilisation of industries and dried up fresh investments.

To bolster the economy, the Government of India took some bold measures like reducing corporate tax rates and offering credit guarantee for financially sound Non-Banking Financial Companies (NBFCs). The year also witnessed considerable easing of monetary policy by the Reserve Bank of India (RBI) with reduction in the repo rate to the tune of 185 basis points. With significant fiscal and monetary measures, the economy started to show early signs of improvement in the later part of FY 2019-20. However, at the end of the year, the outbreak of COVID-19 brought the economy to a screeching halt.

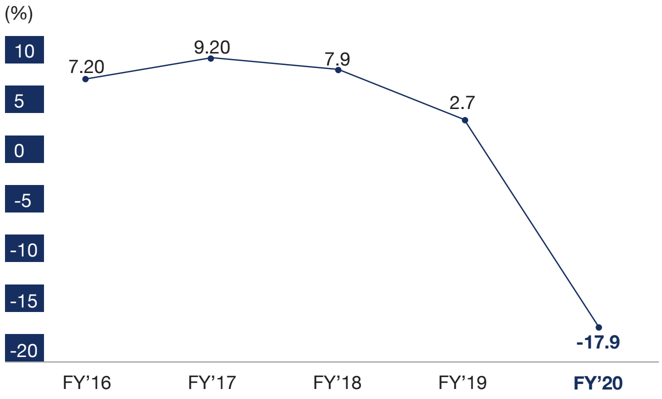
India's GDP Growth



*Second Advance Estimate

For the auto sector, FY 2019-20 can best be summarised as 'the year when all negative factors struck simultaneously with full force'. Over the last two decades, the auto industry hasn't witnessed such a huge demand contraction. The slowdown was broad-based with all the segments of auto industry witnessing significant decline.

Growth in Passenger Vehicles (PV)



In line with the degrowth in sales in the domestic passenger vehicle market, sales volume of the Company in the segment declined by 18.2%. Including the sales of Light Commercial Vehicles, the overall sales in the domestic market for the Company declined by 18.1%.

FY 2019-20 began with the general elections spread over April and May. During these two months, the passenger vehicle industry saw significant degrowth. Initially, it appeared that slowdown in consumption—a tendency during elections—may have caused this decline. However, as the year progressed, other major factors began to emerge.

The key factors that affected the demand of passenger vehicle industry can be summarised as follows:

a) **Increase in selling price specially of entry level cars affected the affordability to own a car**

The cost of acquisition of cars increased due to simultaneous convergence of multiple factors, including:

- Implementation of various product regulations: Mass emission regulation (BSVI), and Safety regulations (Frontal-Offset, Pedestrian safety, Airbag, ABS etc.)
- Increase in road tax in some states
- Increase in vehicle insurance premiums

Due to these factors the car prices, especially of those in the entry segment, saw a sharp rise to the tune of ~20% This increase, along with subdued economic growth adversely impacted the affordability of cars and consequently car demand.

b) Issues related to vehicle financing

With financiers getting more cautious in lending, both dealers as well as customers faced the issue of credit availability. Moreover, a reduction in the Loan-to-Value (LTV) ratio led to an increase in the down payment amount. The total upfront payment, which a customer needs to incur at the time of vehicle purchase, further rose due to an increase in insurance premiums and road taxes. Given the fact that over 80% of cars are sold on finance, the issues in vehicle financing considerably affected the sales.

c) Uncertainties in the mind of customers

- With significant degrowth of car sales in the starting months of the financial year, there was a strong anticipation of GST rate cut leading to customers deferring purchases
- Much discussion around Electric Vehicles (EVs) made customers wait for EVs without knowing much about the price and challenges related to charging infrastructure
- Some customers were not sure whether to buy BSIV or BSVI cars. While BSIV cars had a cost advantage, they felt BSVI cars would be technologically superior and command high resale value
- Customers were also doubtful that a government or court ruling may render BSIV cars obsolete even before the useful life of the car
- A section of customers held back their purchases hoping that car manufacturers would be forced to liquidate their stocks at heavy discounts as the Supreme Court deadline of BSIV sale by end-March approached

d) Slowdown in rural economy

Over the last 2-3 years, PV sales growth in rural markets outpaced that in urban markets. However, in FY 2019-20, especially in the first half, rural consumer sentiments weakened impacting sales. The monsoon was delayed and erratic. Rainfall during the harvesting time damaged some crops as well. The excessive rainfall also led to floods in more than 10 states. However, the sentiments in rural markets improved in the latter part of FY 2019-20.

e) Disruption due to COVID-19

The demand for cars usually remains good in March. The unprecedented COVID-19 outbreak led to a nationwide shutdown of economic activity. In line with the national policy, the Company's operations were suspended in the latter part of March 2020, which also impacted the sales.

Besides, the economic and political uncertainties and increased protectionism in some of the export markets impacted the exports sales.

As a result of the weak demand environment in both the domestic and export markets, the Company registered an overall volume decline of 16.1%.

Being capital as well as labour intensive, the passenger vehicle industry has higher fixed costs and capacity utilisation is one of the important levers for profit margins. With a decline in volume on one hand and capacity addition on the other, the capacity utilisation fell much below that of the previous year. Weak demand condition kept sales promotion expenditure at an elevated level. These two factors viz: reduced capacity utilisation and higher sale promotion expenses alone brought down the operating margin significantly. Moreover, due to weak market situation, the Company could not take adequate price increases to neutralise the increase in input costs.

The Company could partially off-set the impact of unfavourable factors by stepping up cost reduction measures. The movement in commodity prices and foreign exchange remained favourable during the year.

During the year, the Company also began vehicle sales to another OEM, thereby selling 25,002 units. This incremental volume also helped the Company to marginally improve its capacity utilisation.

Domestic Sales

Passenger vehicles

During the year, the Company posted a decline in sales of 18.2% in the domestic passenger vehicle market, which is the highest ever annual de-growth registered by the Company since its inception.

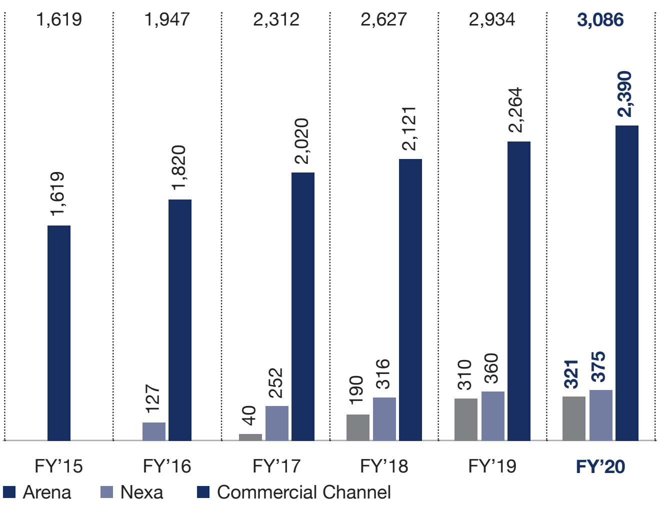
Amid weak market demand with fewer walk-in customers to the showrooms, the Company increased its efforts to reach out to customers. The Company conducted relevant events across urban and non-urban markets. The targeted digital campaigns through hyper-local activity were stepped up to identify potential customers. The enquires for new car buying through digital platform witnessed multi-fold increase during the year.

Given the issue in credit availability in both working capital financing for dealer and retail financing for consumers, the Company established tie-ups with leading Scheduled Commercial banks, NBFCs and Regional Rural Banks in order to ensure the credit availability at competitive interest rates with low down-payment requirements. The Company forged tie-ups with 13 finance companies like Bank of Baroda, Kotak Mahindra, HDB Financial Services, Federal Bank and Tata Capital.

Amidst a weak demand environment, the Company successfully managed the transition from BSIV to BSVI vehicle technology. Given the wider portfolio of the Company, the introduction of BSVI vehicles had to be done at the right time with meticulous planning in order to ensure that the dealer partners were not burdened with any unsold stock of BSIV vehicles. The Company has sold around 8 lakh BSVI vehicles during the year.

During FY 2019-20, the Company expanded its sales network further. With the pursuit of going closer to the customer for better convenience and experience, despite weak market conditions, the Company added 152 sales outlets primarily in non-urban markets.

Maruti Suzuki Sales Network



The Company has acquired 118 land parcels for setting-up sales outlets and service workshops on the CODO principle (Company Owned & Dealer Operated). Six pilot projects are being taken up across zones. During the year, the focus was to complete pre-construction activities and roll out the pilot projects in FY 2020-21. Based on the learning from these pilot projects, the sales and service facilities will be built on rest of the acquired land parcels. The Company will continue to work on this initiative in future with higher focus on setting up small service workshops to increase its service touchpoints.

The Company's two new products—XL6 and S-Presso—launched just before the festive period, were well received by customers. This created excitement in the market and helped improve sales. The shift towards petrol vehicles is more evident now with share of diesel vehicles for the industry falling below 20% in Q4 FY 2019-20. For the Company the contribution of sales from petrol vehicles stands at 93% in Q4 FY2019-20.

Seven out of the top ten best-selling models in India came from the Company. Maruti Suzuki has been leading the green mobility initiative in India by providing the factory fitted S-CNG Technology. During the year, while overall sales of the Company in domestic market declined by 18%, the CNG sales grew by 1%. This clearly indicates the growing interest of customers in CNG vehicles.

Light Commercial Vehicles (LCVs)

The Company sold 21,778 units of Super Carry during the year posting a degrowth of 8.8%. Going forward, the Super Carry CNG with industry-best fuel efficiency and attractive pricing is well placed to provide value to the customer.

Pre-owned car sales: Adopting increasingly digital ways in functioning

The Company had re-launched its pre-owned car brand 'True Value' with a new brand identity three years ago and has since been evolving every year. The Company uses a combination of digital applications and artificial intelligence based tools in vehicle evaluation. This not only ensures transparent practices but helps in buying and selling good quality cars to help improve the overall customer satisfaction. During the year, the Company introduced online vehicle buying facility through which the customers can get their cars evaluated digitally at their homes. There are now a total 280 independent True Value outlets across 162 cities. During the year, the certified True Value sales contracted by 6.5%.

Service

One of the key success factors of the automobile industry is the ease and low cost of maintenance of vehicle. This includes service workshops in close proximity and quick availability of spare parts at affordable price.

During the year, 250 service workshops were added to the network across Arena and NEXA Service channels. This is the highest ever addition in a single year, taking the total number of workshops to 3,864 covering 1,914 cities, towns and villages.

Based on the size of the market, suitable workshop formats are being introduced. A mobile single bay workshop concept 'Service on Wheels' is very useful for a customer residing in a remote area. Workshops are being set up at existing sales touchpoints in rural areas by creating 1-2 bay infrastructure.

Use of technology is being increased to improve customer satisfaction at service workshops and productivity of service personnel. Digitising the job card opening system and customerd voice capturing system are initiatives in this regard.

To improve the quality of service, the Company trains the workshop manpower on the latest and advanced technological platforms, behavioural and soft skills through Suzuki Service Qualification System (SSQS) based on the global standards defined by the Suzuki Group. The Company has rapidly scaled up its training infrastructure from just 17 in FY 2017-18 to 200 this year.

Spare Parts and Accessories

Availability of spare parts is critical in minimising the downtime of the vehicle and enhances customer satisfaction. It is a big challenge to ensure quick availability of every single part, from a basket of 70,000 different spare parts, in the vast network spread across the country.

Accurate forecasting methods, along with Artificial Intelligence based delivery route optimisation system has helped ensure that more than 98% of customers have immediate access to Maruti Suzuki Genuine Parts (MGP).

The Company's efficient warehouses in NCR (Gurugram and Manesar) and Gujarat along with the Regional Parts Distribution Centres at Bengaluru, Nagpur and Siliguri also help ensure faster delivery. In addition to dealer workshops, 84 distributors and 599 retail outlets across the country assist in easy availability of Genuine Parts and Accessories to customers located even in the farthest corners of the country.

During the year, the Company extended round the clock support to customer vehicles affected by Cyclone Fani in Odisha, floods in Kerala, Mumbai, parts of Gujarat, Bihar, Pune and Sangli.

To ensure that the customer buys and uses genuine parts, the Company launched a mobile App 'Scan & Assure' that scans the unique QR code on the part to test its genuineness.

The new-age customer is constantly evolving and wants to have customisation in a car. The Company launched about 100 new accessories during the year. To improve the customer convenience, an e-commerce compatible website was also launched for selling accessories. Despite sluggish market conditions, proactive steps taken by the Company to satisfy customer needs led to a 10% growth in the amount a customer spends on accessories in their cars.

Exports

During the year, the Company exported 102,171 vehicles to over 100 countries, registering a decline of 6%. The economic and political uncertainties and increased protectionism in some of the export markets affected the sales.

Exports to Latin American region, one of the major markets for the Company, were adversely affected due to socio-political unrest and huge currency depreciation in some of the countries.

The Company's exports were further impacted when a South East Asian country imposed model-wise quota restrictions on import of cars. Moreover, restrictions on vehicle financing and the prevalent used car market remained a challenge in SAARC countries.

The decline in sales was contained to some extent by increasing the dispatches to Africa and the Middle East. South Africa emerged as one of the growing markets for the Company. Towards the end of the year, the global outbreak of COVID-19 pandemic severely affected the sales performance.

Operations

The Company's manufacturing philosophy is based on zero safety incident, zero defect and continuous optimisation of the resource efficiency by imbibing lean and green manufacturing practices.

Increasing features and multiple regulations lead to increase in complexity of manufacturing a vehicle. To achieve defect free products, the Company put in place a robust process control system by leveraging new technologies and implementing traceability solutions to prevent wrong fitment of parts.

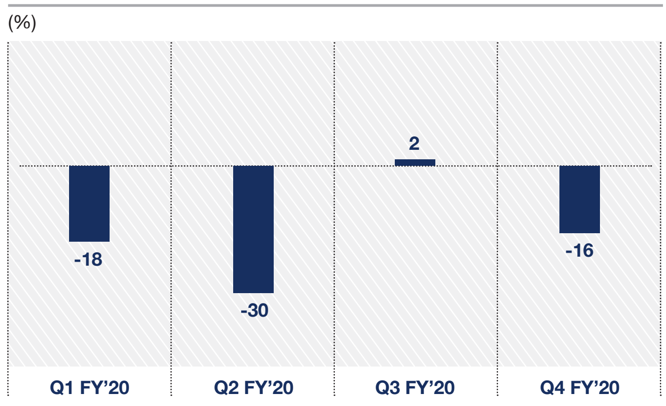
The inspection systems are increasingly being shifted to the source to prevent outflow of defects. This significantly reduces the time taken for any corrective action leading to resource optimisation. The Company is progressively using IoT technology for improving product quality.

To minimise the changes during the mass production of a vehicle, the accessibility of part fitment and workplace ergonomics is simulated using virtual reality techniques to incorporate suitable modifications during the design and development stage of the vehicle. The Company extensively uses technologies such as weld spots projection for position check of more than 2,500 Weld Spots in new model weld body trials and scanning of vehicle body using photogrammetry for achieving "build to design" as close as possible.

Since the market demand is witnessing considerable fluctuations both in terms of overall volume and choice of models, the manufacturing operations need to be flexible.

To achieve this, the Company not only invests in agile and flexible manufacturing systems but also up-skills its workforce continuously to manage volume fluctuations.

Volatility/fluctuation in PV Demand for Maruti Suzuki



Conservation of Natural Resources and Environment Protection

The 3R (Reduce, Reuse and Recycle) principle, is a way of life for the Company. 'Smaller, fewer, shorter, lighter and neater' is the guiding principle based on which the Company's operating processes are designed. The Company's commitment to preserve resources is reflected in every step, right from designing products to improvising manufacturing processes.

In a bid to conserve natural resources, the Company uses solar power in its overall energy mix. During the year, the Company commenced the installation of 5 MW (p) grid connected PV solar plant at Gurugram With this addition, the total solar power used in manufacturing of cars now stands at 6.3 MWp. Apart from this the Board has also approved commissioning of a 20 MW solar power plant.

During the year, with the initiative to promote recycling of resources, the sand used for making cores in the casting shop is 100% recycled for use in brick manufacturing. Further, 100% reusable material is used for packaging to ensure resource optimisation.

Towards environment protection, the Company not only conforms to laws and regulations, but strives to stay ahead. The Company has adopted the globally acclaimed International Material Data Systems (IMDS) tool for controlling the use of Substance of Concern (SoC). Since long, the Company has done away with usage of SoC, and now with IMDS, it will be able to quantify the recoverable and recyclable materials in its vehicles. IMDS has been implemented in Wagon-R, XL-6 and S-presso models. Besides commitment to environment protection, this initiative reinforces the Company's firm belief in the 3R practices.

As a step towards circular economy, with an aim to promote recycling of steel and other commodities, the Company, together with the Toyota Tsusho Group, announced setting up one-of-its-kind vehicle dismantling and recycling joint venture in Noida, Uttar Pradesh, with each of the firms having a stake of 50%. The unit will have an initial capacity to dismantle ~2,000 vehicles per month and will source vehicles from dealers as well as directly from customers. This Joint Venture will also be responsible for procuring and dismantling End-of-Life Vehicles (ELVs).

During the year, the Company took an initiative to drastically reduce the usage of bottled mineral water as well as plastic and paper cups. The reduction in plastic wastage achieved was ~4 tonnes plastic in a year.

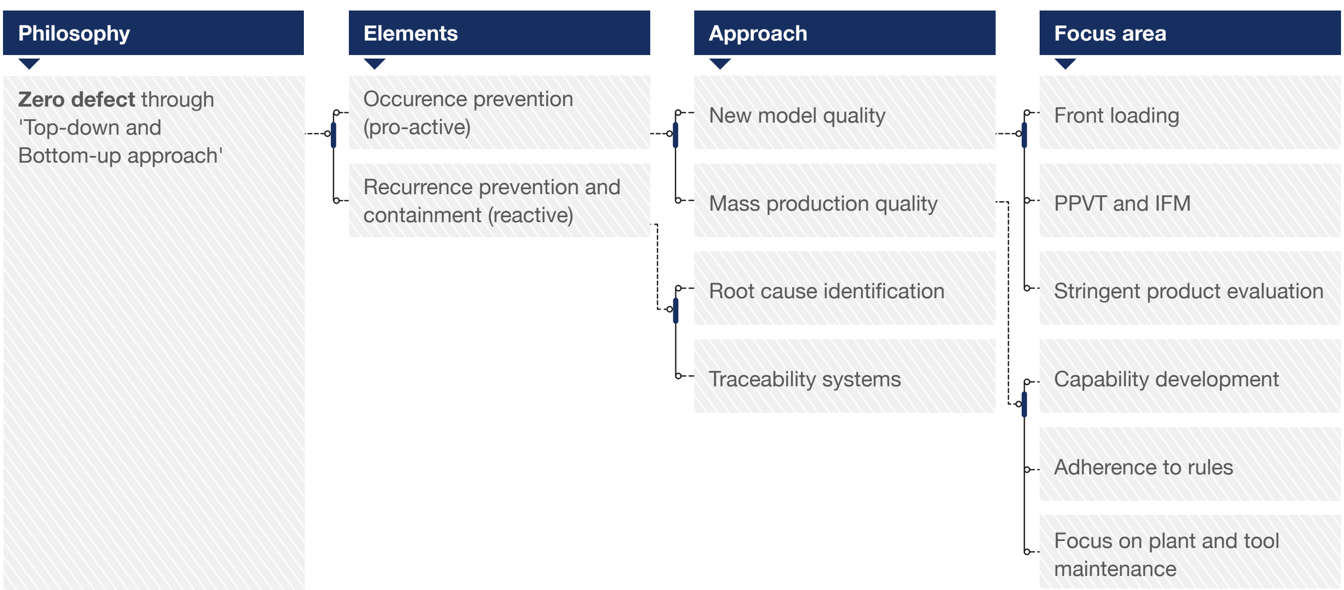
The Company's Sustainability Report elaborates on the initiatives undertaken in this section.

Safety

The Company's vision on Safety is 'Zero Incident - Zero Human Injury - Zero Fire'. A 3-tier committee under the direct supervision of the MD & CEO is making constant progress towards the improvement of safety systems and compliance to achieve the Company's safety vision. The Company also reinforces a culture of safety across its value chain. The Company carries out periodic risk assessment of fire safety, water logging and human injuries at the facilities of its suppliers and dealers. Keeping in view the increasing trend of road incidents, the Company has also taken initiatives to promote and create awareness on the importance of road safety discipline among employees. Also, the Company carried out training on defensive driving skills during the year.

Quality

In order to deliver defect-free products, the Company not only focuses on excellence in its in-house production processes, but also actively supports suppliers in manufacturing defect-free components. With increasing customer expectations on product quality and to comply with the upcoming stringent product regulations, the complexity of manufacturing components and vehicle has increased manifold. This makes quality improvement a continuous journey. Among the many thrust areas to achieve world class quality, the broad area of quality management is depicted below:



Reinforcement of zero-defect philosophy

The Company believes that for utmost customer satisfaction, not a single product should have any defect. To accomplish this, the Company has taken an initiative to establish zero defect lines at suppliers' works. During the year, a series of sensitisation workshops by the Company encouraged suppliers to enhance their knowledge and implement best practices to achieve zero defect production lines.

Measures to prevent reoccurrence of defects (Pro-active Quality Management)

A) New model quality improvement

a. Implementing 'Front Loading' concept

'Front loading' refers to early involvement of the Quality Assurance function at designing and development stage of components. With this, the inputs for part quality improvement get incorporated at the design stage. This will not only reduce defects, but also improve the overall build quality and also lead to faster development of new models.

b. Peak production verification trials and initial flow management

The Company uses Peak Production Verification Trial (PPVT) method to identify well in advance, the quality defects that can surface after the commencement of mass production of a new model component. Since there is a sufficient time gap between the trial production and the mass production, this enables suppliers get time to take countermeasures. Further, Initial Flow Management is used to stabilise the quality parameters of new models before ramping up the production.

c. Stringent product evaluation

In order to comply with the upcoming stringent product regulations, thorough evaluation of new models is required during the development stage. For this, the Company uses its state-of-the-art testing facility in Rohtak, to rigorously evaluate the new models, following which it incorporates necessary improvements.

B) Mass production quality improvement

a. Capability development

The Company is promoting the development of relevant workmen skills by setting up DOJO training centre at suppliers' works. The training is provided in simulated production conditions to equip workmen to do a high-quality job on the production lines.

b. Adherence to rules: '10 cycle check'

The Company is implementing one of the best practices, '10 cycle check', for identifying the root cause of why a workman is not able to adhere to the standard operating procedures leading to quality defects. In this method, by observing a workman continuously for 10 cycles of operations, the reasons for not adhering to rules like lack of awareness, fatigue, improper workplace ergonomics, use of improper tools etc. get identified.

c. Focus on equipment and tool maintenance

Upkeep and periodic maintenance of equipment and tools is necessary in order to maintain consistent quality. The Company has been focusing on improving Tool and Die maintenance capabilities of plastics and sheet metal suppliers for the last three years. It has created standard maintenance manuals containing the best practices for upkeep of tools, dies and jigs with periodic assessment for their condition and ensuring quality.

Measures to prevent recurrence of defects & containment (Reactive Quality Management)

a) Reinforcing the culture of identification of root cause

The Company carefully reviews market and dealer feedback. Prompt and corrective actions are undertaken to prevent recurrence of all issues. The Company has established a defect-recurrence-prevention department to institutionalise the learning and take necessary countermeasures.

b) Implementing part traceability system

In case if any defect flows from the suppliers or from the Company, traceability system helps identify the vehicles in which the defective part is fitted. Without a traceability system in place, it is quite possible that corrective action is taken on a wider range of vehicles causing unwarranted inconvenience to customers and deployment of additional resources towards its corrective action.

Human Resources

Our philosophy

The Company always strives to promote a safe, healthy and happy workplace. It creates and instills a culture of partnership among its employees.

Empowerment of the human resource to acquire knowledge and build capability, grow and prosper in a healthy work environment is the guiding philosophy of the Company's HR policies. With people-centric policy interventions, a constant two-way communication led by the MD & CEO to promote participative decision-making and various welfare measures that are taken from time to time, the Company's motivated human resource has been making strong contribution to the best of its ability in responding to business challenges successfully.

Industrial relations environment

The Company strives for a stable and cordial industrial relations environment through effective communication, participation of employees across levels in important decisions and various employee welfare programmes. A regular two-way communication led by the MD & CEO with the employees across levels keeps them informed on the overall business scenario and provides them with a strong platform for exchange of views.

Capability development

Apart from regular training programmes for capability building, employees have an opportunity to excel academically for their growth. For this, the Company has tied up with renowned academic institutions and employees completing the training programmes are promoted to take up higher responsibilities.

Courses	Courses taken by	Number of employees undergoing higher education
Diploma programme	Workmen	173
B. Tech programme	Supervisors	152
Part-time MBA programme	Managers	67
Total		**392**

The Company's in-house training academy also provides tailormade course based on individual skill gaps to improve proficiency levels of personnel. During the year, a total of 73,500 people were trained (including own employees, vendor employees, dealer employees and other flexi-manpower).

Employee welfare

Along with industry leading benefits, making an employee own a house has been a major area of intervention for the Company, right from its first housing project in 1989. FY 2019-20 saw another milestone in this journey, when a lot of flats was delivered to the employees in a housing society in Dharuhera town situated in Haryana. The Company has facilitated the entire process from selecting land, negotiating the price and appointing a real estate firm for ensuring quality, timely construction of houses and providing housing loan subsidies. Going forward, the Company plans to introduce similar housing options at more locations.

The Company values its employees, who have devoted their lives for the progress of the organisation. It contributes 1% of the Profit After Tax of the previous year to a fund that is exclusively earmarked for the welfare of the employees. The fund is used to provide social security measures such as post-retirement medical benefits and welfare measures like educational support for children of employees and developing common infrastructure facilities in housing projects.

The Company takes care of the health of its employees. Periodic medical checkups, regular talks on health from experts are organised. The Company not only encourages participation in various sporting events held in the country, but also organises marathons exclusively for its employees. This initiative helps the Company to engage positively with its employees.

Multi-layered connect

For larger connect and welfare of the families of employees, the Company has a calendar of events, which includes expert career counselling for children of employees, a gala family day, plant visits for family members and attractive rewards for innovators. In engaging with the families of employees in communication, an in-house magazine and MD & CEO's messages on special occasions play an important role.

Gender diversity and inclusion

The Company promotes gender diversity and provides equal opportunity to all. Various welfare measures are taken to support and encourage our female employees.

Grievance redressal mechanism

To address any grievance of its workmen, including temporary workforce, the Company has a well-structured grievance redressal mechanism. Periodic grievance redressal camps are organised to address the issues of workmen.

Supporting business partners

The Company has put in place a Vendor HR department. This has been created to promote good people practices throughout the value chain. Regular workshops and audits are conducted for suppliers. Till now, this initiative has helped more than 380 suppliers in improving their HR practices and for some suppliers it helped in resolving IR issues.

Customised training courses are also carried out for Tier-1 suppliers. Courses offered range from shop specific training and preventive maintenance to plant safety and 5S.

During the year, an initiative was taken for contractor evaluation and a department was created to ensure that all contractors working with the Company abide by all compliances and welfare schemes related to the contractual workforce working with the Company.

Engineering, Research and Development

FY 2019-20 was marked with introduction of several product regulations in passenger vehicle industry. The Company being a responsible market leader complied with the regulations well ahead of the timeline. This was achieved through timely support from Suzuki Motor Corporation in providing the requisite technological support. Considering the wider range of product portfolio with multiple product variants and also keeping in mind that the dealer partners should not be burdened with excessive inventory of unsold BSIV vehicles, the Company chalked out a detailed transition plan. The Company embarked on its journey for transiting towards BSVI standards in 2016 when the entire auto industry was not even BSIV compliant. Starting April 2019, which was a year ahead of the stipulated timeline for adhering to BSVI standards, the Company started introducing BSVI compliant vehicle models in a phased manner. The Company sold around 800,000 BSVI compliant vehicles in FY 2019-20 itself, reflecting its commitment to urgently reduce the pollution levels.

In a weak demand environment, it is necessary to create excitement in the market by offering new products with relevant technologies. With the support from Suzuki Motor Corporation in providing the necessary platform and powertrain technology, the Company launched two new models XL6 and S-Presso just before the festive period. In order to cater to the growing interest of consumers in the Utilility Vehicles (UV) space, the Company launched its flagship model—Vitara Brezza—with a bigger engine and a host of other features.

Key highlights of R&D efforts during FY 2019-20 are discussed in detail in Annexure D of the Board Report.

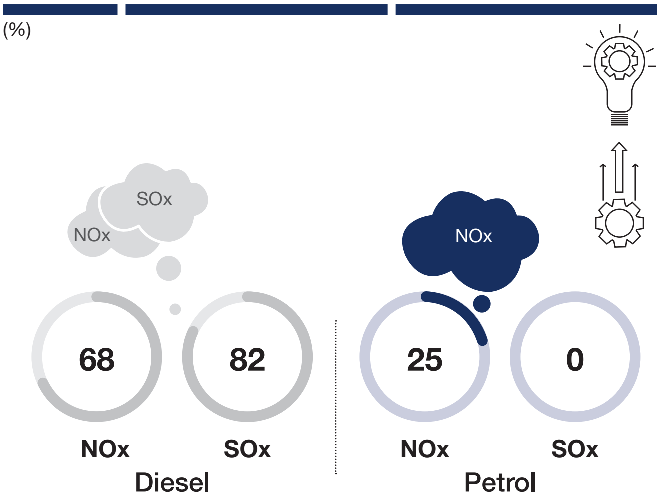
Powertrain strategy

The emission regulations both in terms of emission standards (BSVI, CAFÉ etc.) and in terms of emission measurement (RDE, WLTP, IUPR, OBD etc.) are becoming increasingly stringent. In India over the next 2-3 years, major emission regulations would be in force. Consequently, the auto industry is at a crossroad now and industry players had to make hard choices over which technology to embrace and which to exit from.

An analysis suggests that continuing with diesel technology may be challenging in the long run, given the significant cost increase compared to that of petrol vehicles due to several regulations coming in succession. Improvement required to comply with BSVI norms is much higher in the case of diesel vehicles as compared to the petrol vehicles. The cost of compliance is therefore much higher in diesel vehicles.

Improvement required in BSVI with respect to BSIV standards

(%)



Additionally, in the next 3 years, an emission measurement regulation (RDE) would be in force and would lead to further disproportionate cost increase in diesel vehicles compared to that of petrol vehicles.

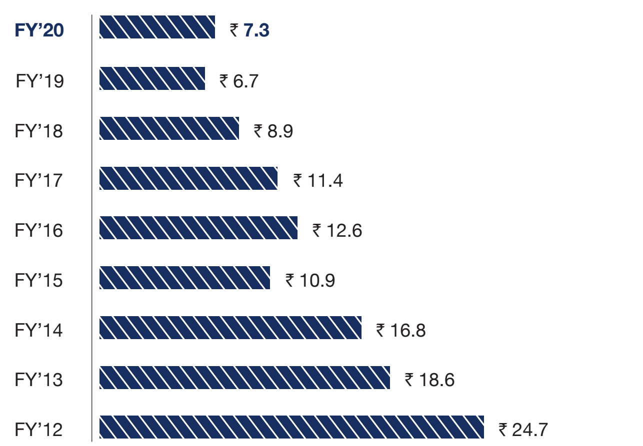
Besides, if the fuel efficiency of diesel vehicles is to be improved for meeting CAFÉ norms, then the hybridisation would be required.

Cost increase due to various upcoming regulations in diesel vehicles seems to be exorbitantly high. On the other hand, the economic advantage in running cost of a diesel car over a petrol car is reducing for a customer.

Given the uniqueness of the Indian passenger vehicle industry with over 75% of sales coming from small cars, the significant increase in acquisition cost coupled with the narrowing price gap between petrol and diesel fuel prices would only mean diesel vehicles are not going to be affordable to the masses. Even before transition to BSVI standard, the share of diesel vehicles in industry sales was continuously falling from the highs of ~60% in FY 2012-13 to well below 30% in FY 2019-20, especially the industry diesel share in Q4 FY 2019-20 was lowest at ~20%. Any model or powertrain technology offered in the market should be relevant to preferences of the consumers.

Fuel Price Gap

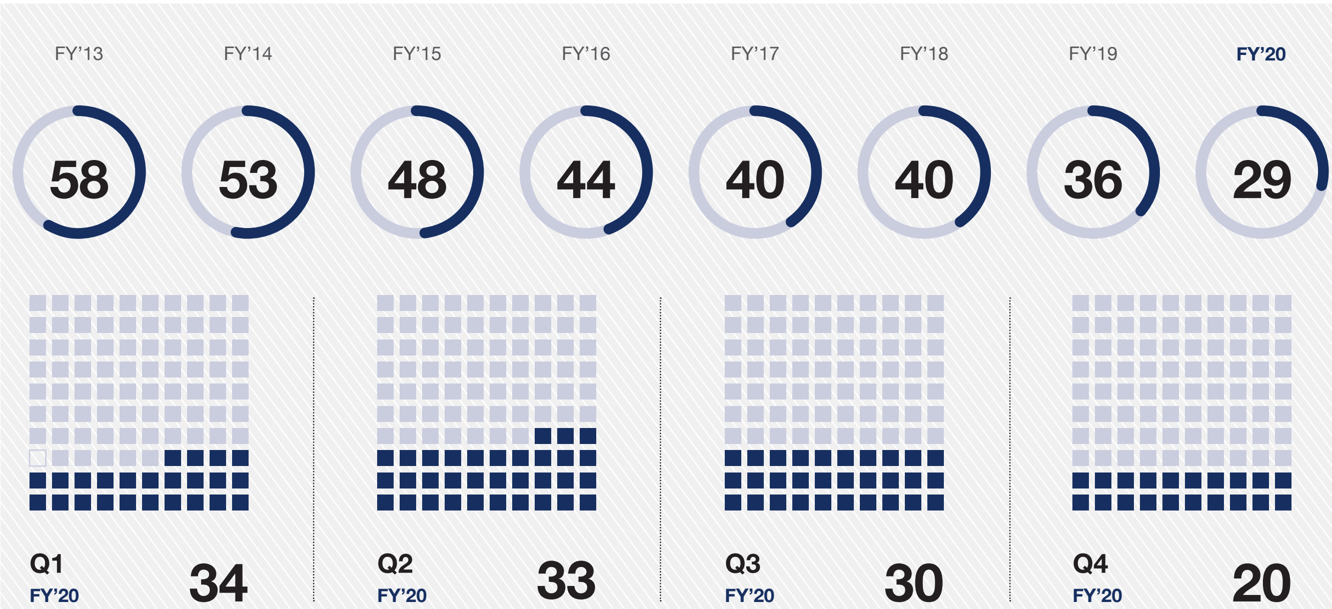
(₹/litre)



Consequent to the reducing gap in fuel prices between diesel and petrol, the share of diesel models in Indian passenger vehicle market has contracted continuously.

Diesel Share Over the Years

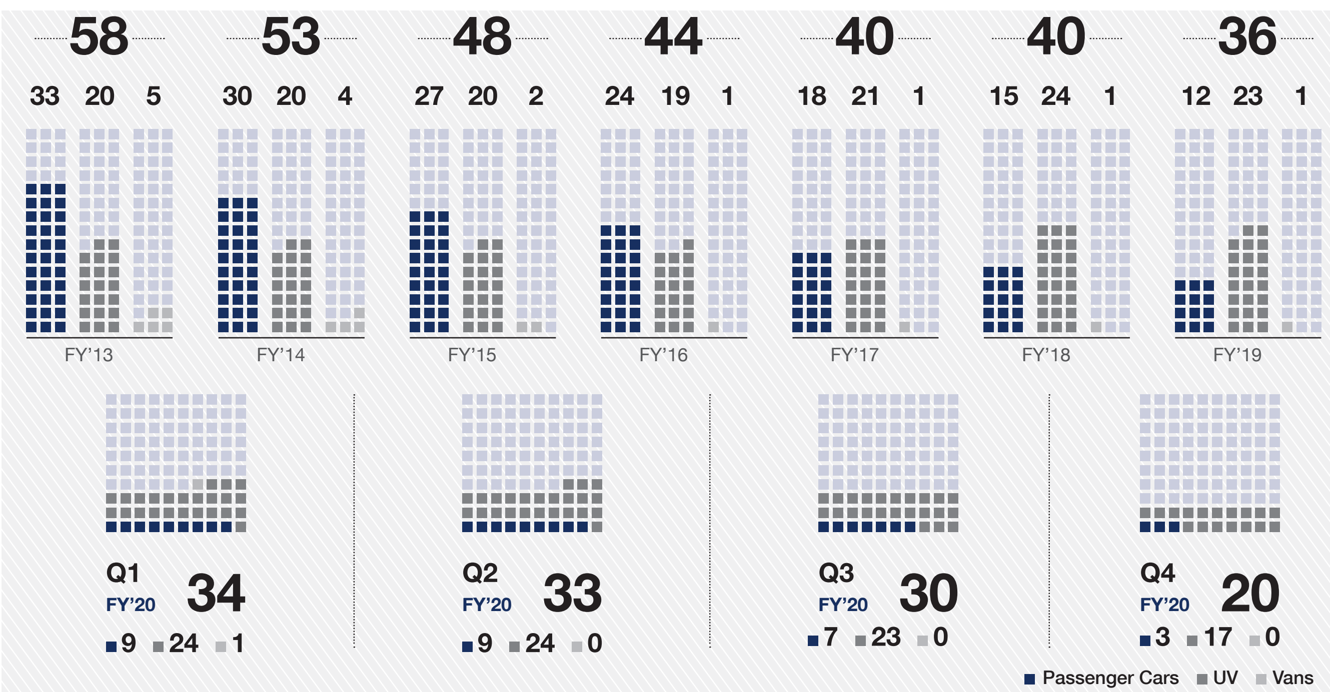
(%)



The share of passenger cars in the total diesel vehicle sales of the industry has witnessed steepest drop. The share of UV segment, however, did not go down the passenger car way largely on account of successful product launches.

Segment-wise Diesel Share Over the Year

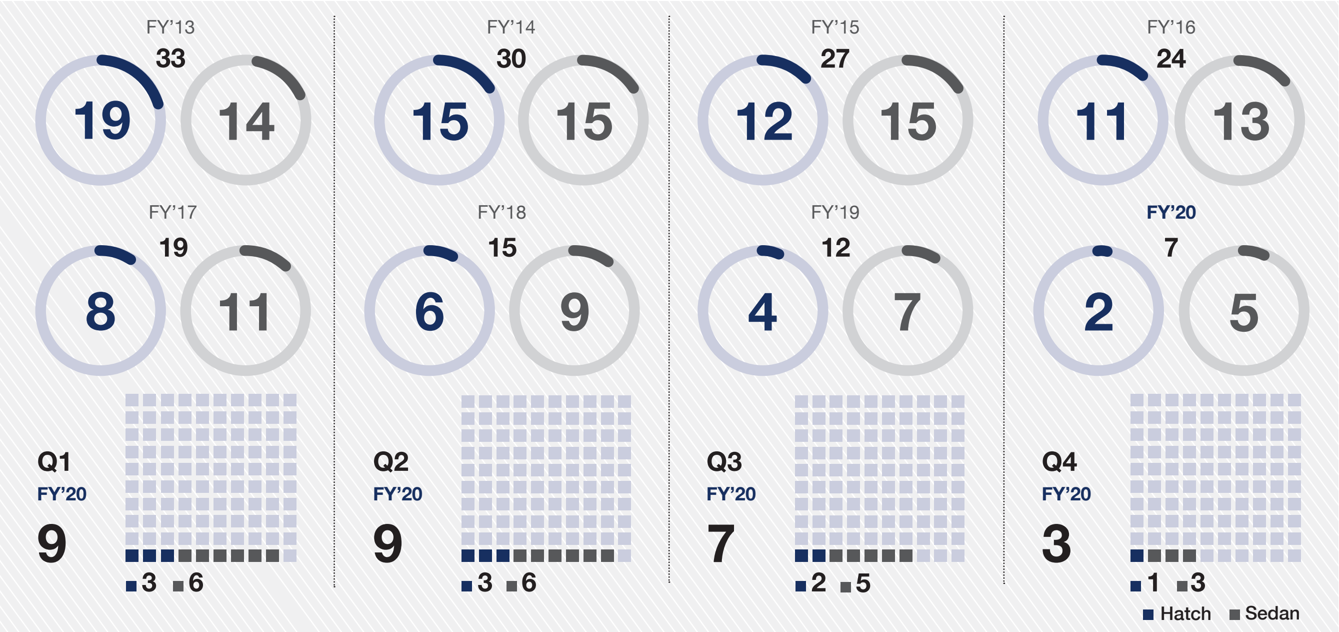
(%)



Within the passenger car segment, the hatchback segment has lost its appeal. The diesel share in the hatchback segment declined rapidly from the highs of ~1/5th of the PV market in FY 2012-13 to a meagre ~1% in Q4 FY 2019-20. This clearly shows the hatchback segment consumers are highly price sensitive.

Share of Diesel vehicles in passenger car segment

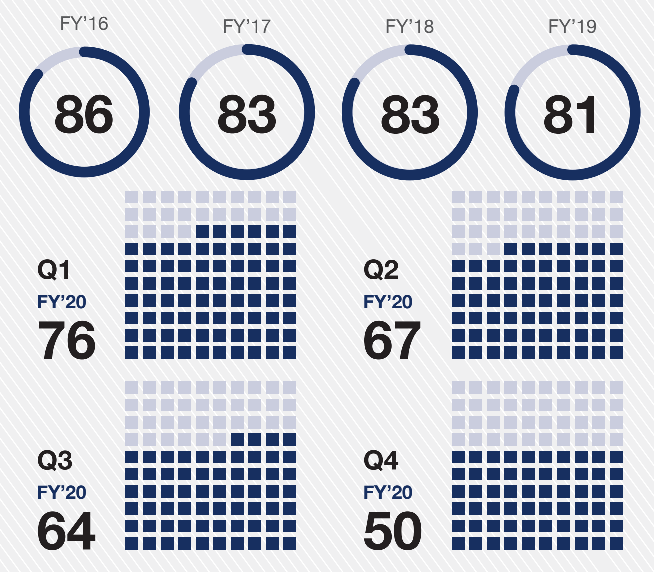
(%)



Within UV segment, the diesel penetration was fairly constant at ~80%. During the year, the diesel penetration even within UV segment declined rapidly. The diesel penetration by end of Q4 FY 2019-20 was just under 50%.

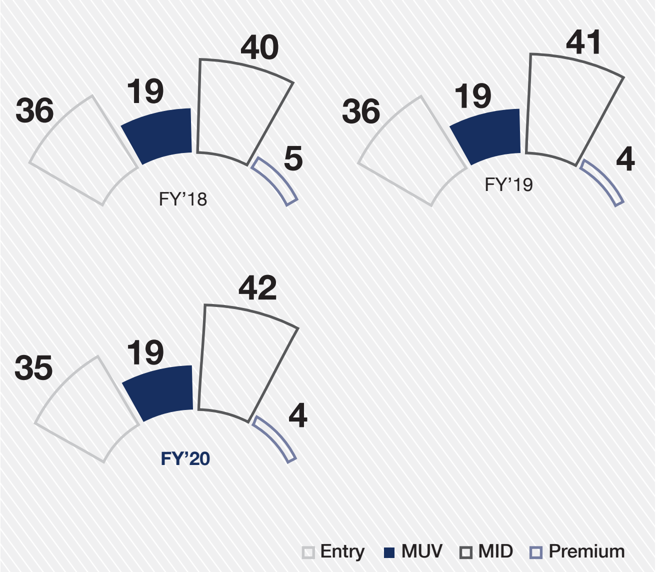
Declining Share of Diesel in UV segment

(%)



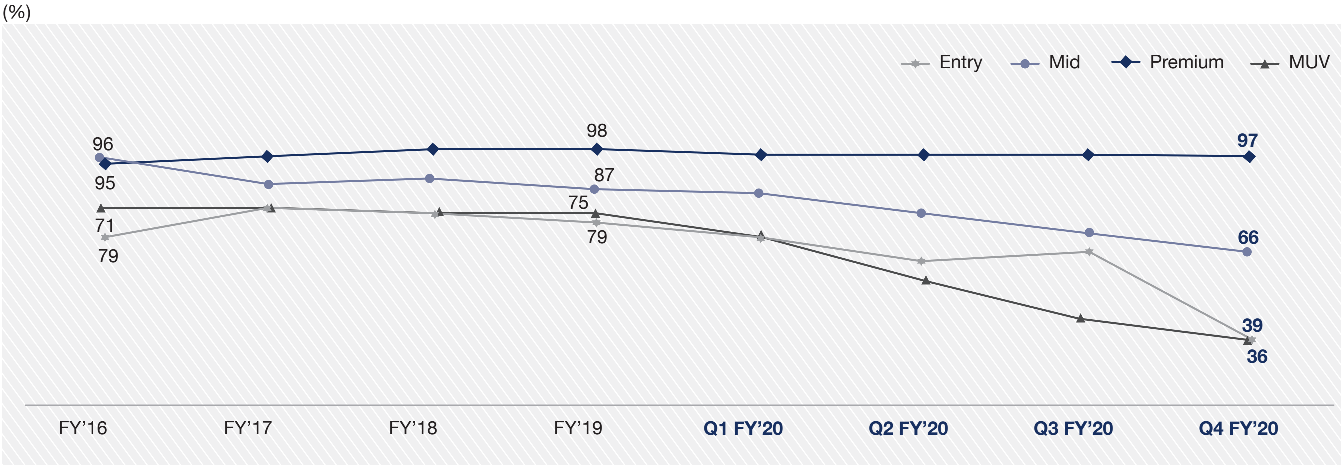
Volume Share within UVs

(%)



Within the UV segment, the steepest fall in diesel penetration was witnessed, especially in Entry UV and Multi-utility vehicle (MUV) segment. The Company's flagship models 'Brezza' and 'Ertiga' belong to these segments and are offered in petrol version now.

Declining Share of Diesel within UV Segment



The Company is watchful of big diesel engine space (1.5 litre) and would explore to re-enter the diesel space, provided customers continue to prefer diesel vehicles in that segment.

Future Powertrain Strategy of the Company

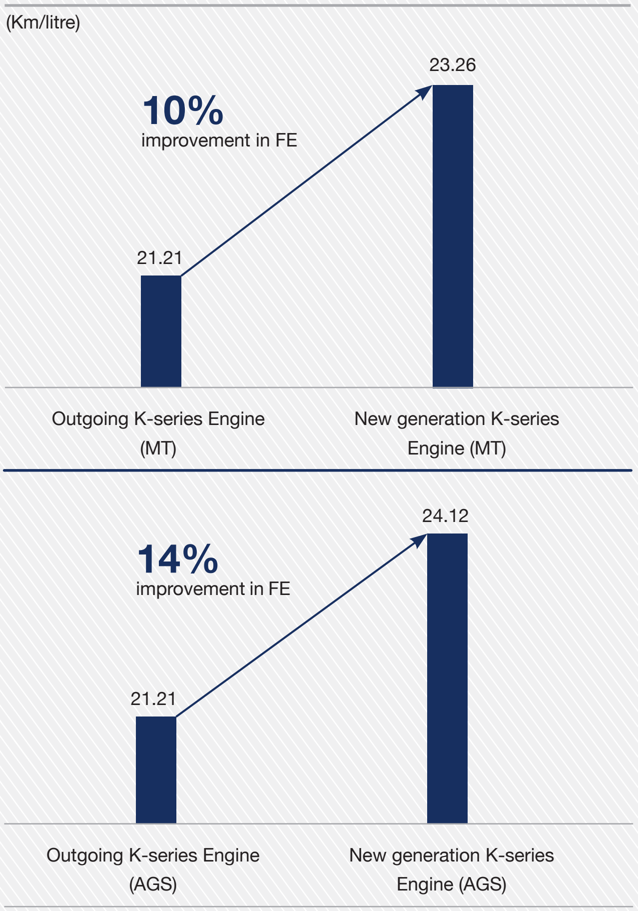
The Company always chooses the strategy that is best placed to serve the needs of consumers and also meets the national priorities of reducing vehicular emissions and enhancing energy security. To this end, the Company would pursue a wide range of powertrain options ranging from:

- Fuel efficient internal combustion engines
- Promotion of Green Fuel: CNG
- Electrification of powertrain including smart hybrids, strong hybrids and electric vehicles

A) Fuel-efficient Internal Combustion engines

The Company, with the support of its parent - Suzuki Motor Corporation, has been able to progressively improve the fuel efficiency of the Internal Combustion engines. The new generation, more fuel efficient K-series powertrain stands as a testament to the exemplary and innovative design skills of the Suzuki Motor Corporation.

Fuel Efficiency Improvement in New Dzire

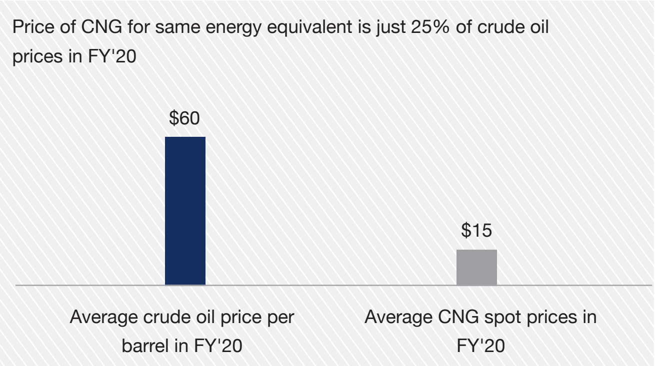


B) Promoting Green fuel: CNG strategy

CNG, being an environment-friendly fuel with higher fuel efficiency and lower running cost, is best placed in meeting both the consumers' interest as well as national priorities. With the increased focus of the government towards increasing the CNG distribution infrastructure across the country and diesel vehicles losing their appeal, the demand for CNG vehicles could see an upsurge in the near future.

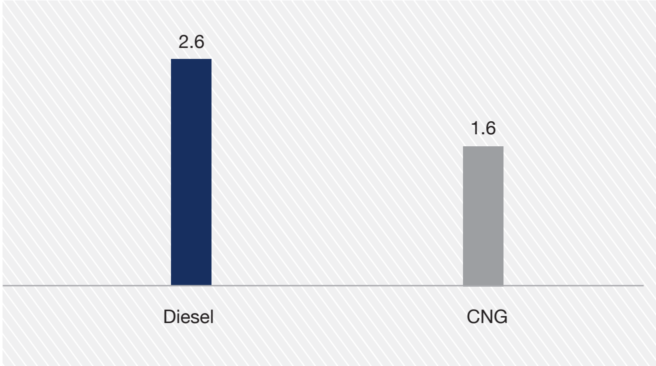
Going forward, in order to further strengthen the competitive advantage in CNG, the Company is also exploring the possibility of localising more parts of CNG system in India. FY 2019-20 despite being a challenging year, CNG posted a growth during the year while the overall sales of the Company declined by 18%. Even in retail-sales CNG vehicles posted a growth of 6.1%. CNG is advantageous both for the customer as well as for the country.

Savings in Oil Import Bill



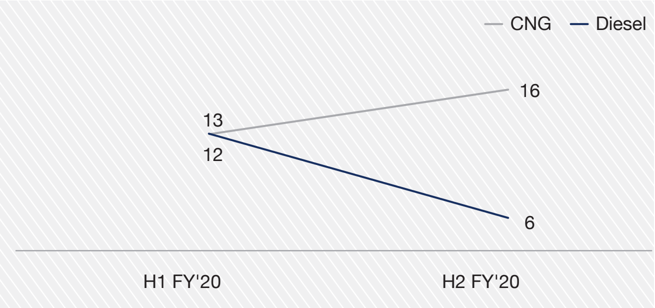
Fuel Cost for Compact Sedan

(in ₹/Km)



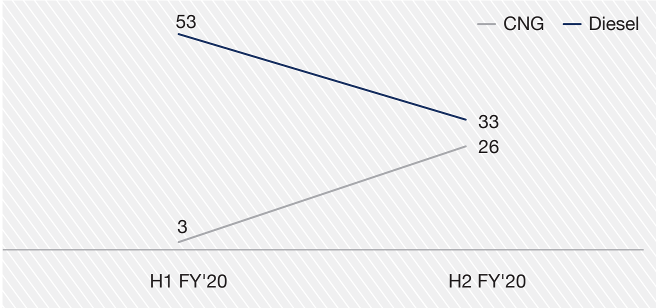
Share of CNG and Diesel in Hatchback

(%)



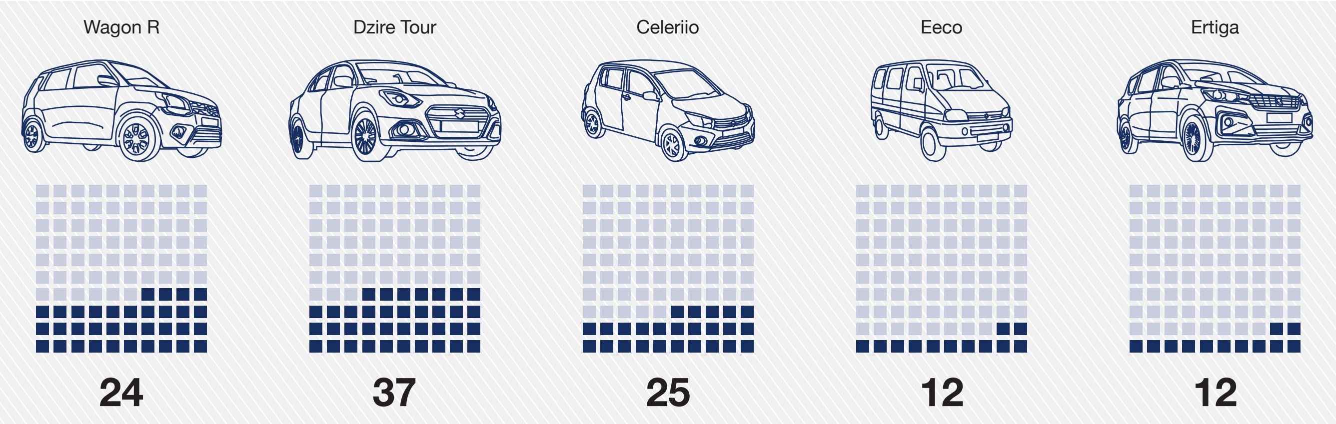
Share of CNG and Diesel in MUV

(%)



Contribution of CNG Vehicles in Overall Sales

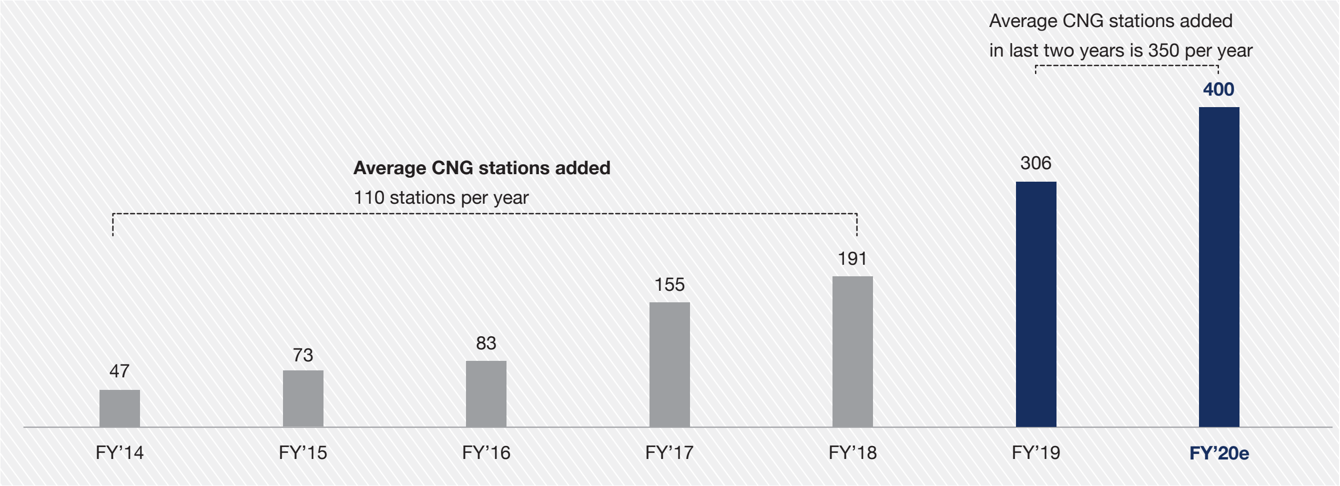
(%)



Healthy increase in CNG outlets across the country

Average CNG stations added in a year increased by three folds in FY 2018-19 and FY 2019-20. The CNG stations in the country are expected to be doubled over the next 2-3 years. The government has already completed the bidding of 8,000 new CNG stations in various regions across the country and commissioning of the same would progressively be completed by FY 2026-27. With this, CNG distribution will cover ~75% of the population of India.

CNG Outlets



C) Electrification of Powertrain

The Company has a well laid out plan in electrifying its powertrain ranging from smart hybrids to strong hybrids to electric vehicles. The partnership between Suzuki Motor Corporation and the Toyota Motor Corporation will help the Company to gain access to hybrid technology. If the Company were to develop this technology on its own, it would take considerable time and significant investments. Also, many emission and safety related regulations are coming in the near future, thereby requiring more resources. Sourcing hybrid technology from Toyota could free up the Company resources to deploy them on other priorities. Combining the global volume of Suzuki and Toyota will provide a significant scale and make technology more comma after affordable, specially for a price-sensitive market like India.

The Suzuki Motor Corporation is not only providing its support in providing the requisite technology to manufacture hybrid and electric vehicles but also developing the battery manufacturing ecosystem in India. Some measures include investing in India's first cell level lithium battery manufacturing, skilling people on battery manufacturing, recycling of lithium ion batteries. Further, the possibility of investing in developing electric charging infrastructure is being explored.

The Company is offering Smart hybrid versions in XL6, Ciaz, Brezza, Ertiga and Baleno models. Rigorous testing of over 50 EVs across the length and breadth of the country in various terrains and in different climatic conditions is helping the Company gather critical inputs based on actual consumer usage and will help it to develop a reliable and suitable electric vehicle for the Indian market.

Cost Optimisation

FY 2019-20 was a challenging year on the cost front. A weak demand environment led to reduced capacity utilisation and increase in sales promotion expenses, which severely impacted operating margins.

In order to partially off-set this impact, several cost reduction programmes continued throughout the year. These include localisation of direct and indirect imports, value engineering and value analysis, yield improvement, logistic cost optimisation etc.

The Company has also been working with Indian steel makers for localisation of high-tensile and galvanised steel. Introduction of alternate source for raw materials like Plastic, Aluminum Alloy etc. also helped reduce cost. The Company was also able to maximise the benefit of softening of commodities prices through better negotiation and hedging.

The Company has minimal import content but is still working on an ambitious plan to reduce it significantly and insulate the financial performance from such fluctuations.

Every year, the contribution of all employees in cost reduction drives and suggestion schemes result in significant cost savings. It demonstrates the oneness with which employees collectively work towards achieving organisational goals. During the year, the Company achieved cost savings to the tune of ₹ 2,479 million on account of such efforts.

Besides, as an austerity measure, operating overheads were reduced to a greater extent by deferring or reviewing discretionary activities, curtailing travel expenses, optimising marketing expenditure and having stricter cost control.

Financial Performance

The Company registered Net Sales of ₹ 716,904 million and Profit after Tax of ₹ 56,506 million, a degrowth of 24.7% over the previous year.

Treasury Operations

The Company has efficiently managed its surplus funds through prudent and cautious treasury operations. The guiding principle of the Company's treasury investments is to keep safety and liquidity of investment over and above returns. In view of this, the Company invested its surplus funds in debt schemes of mutual funds. This has enabled the Company to earn reasonable and stable returns.

Abridged profit and loss account for 2019-20

(₹ million)

	Parameters	FY'20	FY'19	Change
1	Volumes (Nos.)			
	Domestic	1,461,126	1,753,700	
	Export	102,171	108,749	
	Total	**1,563,297**	**1,862,449**	**(16.1%)**
2	Gross sale of products	716,904	830,265	
	Vehicles	632,266	747,715	
	Spare parts/ dies & moulds/ components	84,638	82,550	
3	Excise duty	-	-	
4	Net sales (2-3)	716,904	830,265	
5	Other operating revenue	39,202	29,938	
6	Other income	34,208	25,610	
7	Total revenue (4+5+6)	790,314	885,813	(10.8%)
8	Consumption of raw materials, components & traded goods	530,349	594,264	
9	Employee benefit expenses	33,839	32,549	
10	Finance costs	1,329	758	
11	Depreciation and amortisation	35,257	30,189	
12	Other expenses	118,892	123,397	
13	Total expenses	719,666	781,157	(7.9%)
14	Profit before tax (7-13)	70,648	104,656	(32.5%)
15	Current tax	13,748	29,323	
16	Deferred tax	394	327	
17	Profit after tax (14-15-16)	56,506	75,006	(24.7%)

Table 2: Financial Performance – Ratios

(% of Net Sales)

Parameters	FY'20	FY'19	Change
Material cost	74.0%	71.6%	2.4
Employee benefit expenses	4.7%	3.9%	0.8
Depreciation and amortisation	4.9%	3.6%	1.3
Other expenses	16.6%	14.9%	1.7
Profit before tax	9.9%	12.6%	(2.7)
Profit after tax	7.9%	9.0%	(1.1)

Particulars	FY'20	FY'19	Change	Remarks:
(i) Debtors Turnover (No of Times)	39	52	-25%	Debtor turnover is lower this year on account of higher secured credit sales
(ii) Inventory Turnover (No of Times)	16	18	-11%	
(iii) Interest Coverage Ratio	214	430	-50%	Interest Coverage Ratio is lower this year due to lower profit as compared to last year.
(iv) Current Ratio	0.7	0.9	-15%	
(v) Debt Equity Ratio	0.002	-		
(vi) Operating Profit Margin (%)	5.3%	9.5%	-45%	Operating Profit Margin is lower as compared to previous year, mainly on account of lower sales volumes, higher sales promotion and depreciation expenses, partially offset by lower operating expenses and cost reduction efforts.
(vii) Net Profit Margin (%)	7.9%	9.0%	-13%	
Return on Net Worth	12%	16%	-26%	Return on Networth is lower this year due to lower Net profit as compared to last year.

Table 3 lists the investment of surplus funds while Table 4 lists the return on these surplus funds.

Table 3: Investment of surplus funds

(₹ million)

	31-03-20	31-03-19
Debt Mutual Fund	358,089	354,810

Table 4: Income from investment of surplus fund

(₹ million)

	31-03-20	31-03-19
Interest on fixed deposits	1	168
Net Gain on sale of investment in debt mutual funds	1,503	1,601
Fair Value gain on investment in debt mutual funds	29,413	22,681
Total	**30,917**	**24,450**

Foreign exchange risk management

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

Information Technology (IT)

The Company continuously leverages the use of IT to improve the quality of business, optimise resource efficiency and receive analytical inputs to enable faster and better decision making.

New-age technologies like Artificial Intelligence and Machine Learning have been incorporated in various aspects of the business. One such initiative undertaken was the implementation of a holistic analytics driven Customer Relationship Management. Encompassing all aspects of a customer's life cycle experience, it is a transformation that delivers superior customer experience and assists dealer partners with analytics-based insights for individual customers.

To translate the vast data repository that the Company possesses into business value, initiatives are being taken to establish enterprise data management and analytics platforms using Data Lake technology.

Logistics

During the year, there was a 15% increase in vehicle dispatches through rail mode. With the rail mode remaining a focus area, the Company formed joint ventures with the state governments of Haryana and Gujarat and the Indian Railways for setting up in-plant railway sidings at Manesar and Gujarat manufacturing plants. These sidings will facilitate car loading directly from the plants, enhancing operational efficiency. This will be the first time in the country that an automobile OEM will be using an in-plant railway siding.

The increasing use of rail transport has helped reduce over 3,000 MT of CO2 emissions in the past six years as it saved over 94,000 truck trips and around 100 million litres of oil.

A Unified Digital Interface, launched during the year provides real-time tracking on the movement of cars and spare parts. This helps the dealer in planning the delivery to the customers accurately thus improving customer satisfaction. The platform also helps in monitoring the movement of import consignments and any possible delay is immediately communicated to adjust the production plan.

The Company accords high priority to the wellbeing of drivers and undertakes numerous initiatives. Regular training on state-of-the-art driving simulators to enhance driver skills in various driving conditions, behavioural training to inculcate safe driving habits and periodical medical check-up camps are year round activities in the Company. Several training programmes covering over 100,000 people have been conducted during the year.

Risk Management

While few risks are discussed hereunder, Risk management is covered in greater detail in Integrated reports section of the annual report.

Cyber security

Over the past several years the Company has made conscious and concerted efforts to counter the threat of cyber security to its business. This year it implemented GRC (Governance, Risk & Compliance) Framework to proactively and effectively combat the ever growing technological threats.

Ensuring continuity in component supplies

The Company conducts a comprehensive supplier capability assessment to identify the weak areas. Risks get identified during assessments and appropriate mitigation measures are subsequently taken with a time bound action plan. A few areas covered under comprehensive supplier assessment are ensuring fire safety, industrial relations management, quality improvement, financial prudence, water logging, succession planning, and minimising single location supply dependence.

Ensuring continuity in company’s operations

In the recent past, the Company has implemented various preventive measures including some of the best fire safety practices employed by SMC, Japan. Given the increased frequency of hailstorms in recent time, the Company has taken various measures to prevent any damage to the vehicles caused by hailstorm to vehicles.

Succession planning

To tap the growth opportunity going ahead, it is imperative for the Company to groom its employees and create a talent pool. Accordingly, the Company has put in place a systematic succession planning process in place to create a talent pipeline.

Outlook

The Passenger Vehicle Industry has witnessed unprecedented de-growth this year that has not been experienced in at least the last two decades. Consequently the volumes have significantly contracted and the industry is back to volume levels of FY15. Given the outbreak of COVID-19 resulting in almost no sales in the initial months of FY 2020-21, the gradual easing of lock-down restrictions will further delay the return of normalcy in sales operation. With the most of the credible national and international research agencies lowering their projection for economic growth for FY 2020-21; the industry is apparently set for another year of dismal performance unless some bold measures are taken to revive the industry. The auto industry has a long value chain starting from Tier3, Tier2 and Tier1 suppliers which completes at sales and service outlets of the dealers which are spread all over the country and the world. A discontinuity in any one of them can lead to a discontinuity in the whole business. The Company along with the industry associations is in discussion with the government to overcome these challenges while keeping the infection from spreading. The Company has evolved some of the best safety systems and operating procedures and is continually sharing this openly while learning and improving.

During the Global financial crisis of 2008, a crisis similar or less severe than the current crisis, countries across the world unleashed revival packages to revive the auto industry. Due to its strong interlinkages with many other industries, the industry is one of the biggest employment generators in the economy and acts as a major lever to revive overall economy. Pursuing production, sales, service and keeping the economic activity running in such times will use up the best of human endeavor, innovation, execution and partnership like never before.

Disclaimer

Statements in this Management Discussions 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 trends 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

Section A: General Information about the Company

1.	Corporate Identification Number (CIN) of the Company	L34103DL1981PLC011375			
2.	Name of the Company	Maruti Suzuki India Limited			
3.	Registered address	1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070			
4.	Website	www.marutisuzuki.com			
5.	E-mail Id	investor@maruti.co.in			
6.	Financial year reported	2019-20			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Description	Industrial activity code		
			Group	Class	Sub-class
		Manufacture of motor vehicles	291	2910	29101
		Sale of motor vehicle parts and accessories	453	4530	45300
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Passenger Vehicles (PV) 2. Multi-Utility Vehicles (MUV) 3. Multi-Purpose Vehicles (MPV)			
9.	Total number of locations where business activity is undertaken by the Company				
	Number of international locations	Nil			
	Number of national locations	• Head Office in New Delhi • 2 Manufacturing facilities at Gurugram and Manesar (Haryana) • 2 Research and Development facilities at Gurugram and Rohtak (Haryana) • 3 Sales and Distribution facilities at Gurugram and Manesar (Haryana) and Hansalpur (Gujarat) • 3 Stockyards at Siliguri (West Bengal), Bengaluru (Karnataka) and Nagpur (Maharashtra) • Regional offices, area offices and zonal offices across India • 1 Service facility at Naraina, New Delhi			
10.	Markets served by the Company - Local/State/National/International	Domestic: Across India International: Europe, Africa, Asia, Oceania and Latin America			

Section B: Financial Details of the Company

1.	Paid up capital (₹ million)	1,510
2.	Total turnover (₹ million)	756,106
3.	Total profit after taxes (₹ million)	56,506
4.	Total Corporate Social Responsibility (CSR) spend (₹ million)	1,682
5.	Total spending on CSR as percentage of profit after tax (%)	2.98
6.	Total spending on CSR as percentage of average net profit of the previous three years as per Companies Act 2013 (%)	2.02
7.	List of activities in which expenditure in 4 above has been incurred	Community development, skill development and road safety

Section C: Other 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 percentage of such entity/entities?	The Company collaborates with suppliers, joint ventures, and dealerships for carrying out business activities in a responsible manner. Further details are available in Sustainable Supply Chain (Page 80) and Operational Eco-Efficiency (Page 94)

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR
   (i) Details of the Director/Director responsible for implementation of the BR policy/policies

S. No.	Particulars	Details
1.	DIN Number (if applicable)	02262755
2.	Name	Mr. Kenichi Ayukawa
3.	Designation	Managing Director and CEO

   (ii) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. A. K. Tomer
3.	Designation	Executive Advisor, Corporate Social Responsibility
4.	Telephone number	011-46781000
5.	E-mail id	ak.tomer@maruti.co.in

2. Principle-wise (as per NVGs) BR policy/policies

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 well-being 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

(i) Details of compliance

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify?	Y ±	Y ±	Y ±	Y ±	Y ±	Y ±	N	Y ±	Y ±
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	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	Y	Y	Y	Y	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online?	Y*	Y*	Y*	Y*	Y*	Y*	N	Y*	Y*
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	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	N	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	N	Y	N	Y	Y

±The policies conform to standards such as ISO 9000, ISO 14000, OHSAS 18000, UNGC guidelines, ILO principles and National Guidelines for Responsible Business Conduct, among others

*Policies are available on the Company website www.marutisuzuki.com and/or internal portal

(ii) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	*	-	-

* The Company does not have a standalone advocacy policy. For advocacy on policies related to the automobile industry, the Company engages with industry associations and expert agencies.

3. Governance related to BR

(i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.

The Company's top management along with the Managing Director reviews its financial and non-financial performance on a monthly basis through Business Review Meetings (BRM).

(ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Company publishes an Annual Integrated Report, which is prepared in alignment with the <IR> Framework and in accordance with Global Reporting Initiative (GRI) standards. This report contains description of the sustainability performance of the Company.

Section E: Principle-wise Performance

National Voluntary Guidelines Principles		Response/Section mapping	Page No.
Principle 1:			
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the group/joint ventures/suppliers/contractors/NGOs/others?	Code of business conduct and ethics	64
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	Prevention of sexual harassment; Whistle blower mechanism	65
Principle 2:			
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Product innovation and stewardship	68
2.	For each such product, provide the following details in respect of resource use per unit of product: (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain (b) Reduction during usage by consumers achieved since the previous year	Control of hazardous substances in products; Resource conservation in supply chain; Operational eco-efficiency	74; 82; 94
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs were sourced sustainably?	Sustainable supply chain	80
4.	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Sustainable supply chain	80
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste?	End-of-life vehicle management; Waste management	75; 97
Principle 3:			
1.	Please indicate the total number of employees.	Diversity of workforce	87
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis.	Diversity of workforce	87
3.	Please indicate the number of permanent women employees.	Diversity of workforce	87
4.	Please indicate the number of permanent employees with disabilities.	Diversity of workforce	87
5.	Do you have an employee association that is recognised by management?	Industrial relations	89
6.	What percentage of your permanent employees are member of this recognised employee association?	Industrial relations	89
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year and pending, as on the end of the financial year.	Prevention of sexual harassment	65
8.	What percentage of your under mentioned employees were given safety and skill upgradation training in the last year? (a) Permanent employees (b) Permanent women employees (c) Casual/temporary/contractual employees (d) Employees with disabilities	Safety communication and training; Learning and development	85; 91

National Voluntary Guidelines Principles		Response/Section mapping	Page No.
Principle 4:			
1.	Has the Company mapped its internal and external stakeholders?	Yes	44
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	Corporate social responsibility	99
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	Corporate social responsibility	99
Principle 5:			
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?	Code of business conduct and ethics; Respecting human rights	64; 65
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Prevention of sexual harassment	65
Principe 6:		Prevention of sexual harassment	65
1.	Does the policy related to Principle 6 cover only the Company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?	Operational eco-efficiency; Resource conservation in supply chain	94; 82
2.	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc?	Product innovation and stewardship; Operational eco-efficiency	68; 94
3.	Does the Company identify and assess potential environmental risks?	Operational eco-efficiency	94
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?	Two Clean Development Mechanism projects are registered with the UNFCCC: 1. Shifting a part of vehicle transportation from roadways to railways with specially designed railway wagons 2. Waste heat recovery from gas turbines by installing steam turbine generator at Gurugram facility	
5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc?	Product innovation and stewardship; Operational eco-efficiency; Resource conservation in supply chain	68; 94; 82
6.	Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Status of compliances	66
7.	Number of show cause/legal notices received from CPCB/SPCB which are pending as on end of financial year.	Status of compliances	66
Principle 7:			
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.	Policy advocacy practices	66
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.	Policy advocacy practices	66
Principle 8:			
1.	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, please provide the details thereof.	Corporate social responsibility	99
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?	Corporate social responsibility	99
3.	Have you done any impact assessment of your initiative?	Third-party impact assessment of CSR projects is done on annual basis	
4.	What is your Company's direct contribution to community development projects?	Annexure – C of Board's Report	140

National Voluntary Guidelines Principles	Response/Section mapping	Page No.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Corporate social responsibility	99
Principe 9:		
1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Status of compliances	66
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?	An Owner's Manual and Service Booklet is provided to every customer on purchase of a vehicle. The booklet contains information related to safety, operation and maintenance of the vehicle. Critical information on product usage (e.g., AC gas, tyre pressure, brake fluid) is displayed as labels.	
3. 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 on end of financial year?	Status of compliances	66
4. Did your Company carry out any consumer survey/consumer satisfaction trends?	Customer engagement	78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Independent Auditor's Report

To The Members of Maruti Suzuki India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Maruti Suzuki India Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Evaluation of uncertain tax positions relating to Income taxes and Excise duty** The Company has material uncertain tax positions including matters under disputes relating to Income taxes. Further, the Company has matters under litigation relating to Excise duty. These matters involve significant management judgement to determine the possible outcome of disputes. Refer note 2.4 and 37 of the financial statements.	**Principal audit procedures performed:** We obtained details of completed income tax and excise duty assessments during the year ended 31 March, 2020 from the management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income taxes and matters under litigations for Excise duty. Additionally we considered the effect of new information in respect of uncertain tax positions and matters under litigation as at 1 April, 2019 to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

       In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

       i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements –Refer to note 37 to standalone financial statements.

       ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

       iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer to Note 16 to the standalone financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 20087104AAAACC9208)

Place: New Delhi
Date: 13 May, 2020

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Maruti Suzuki India Limited** (“the Company”) as of 31 March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 20087104AAAACC9208)

Place: New Delhi
Date: 13 May, 2020

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment except furniture and fixtures, office appliances and certain other property, plant and equipment having a carrying value of ₹ 2,956 million, were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds / conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings shown as property, plant and equipment are held in the name of the Company as at the balance sheet date, except the following:

Particulars of buildings	Amount as on 31-03-2020 (₹ in million)	Remarks
4 residential flats located at Mundra Port	10	Title deeds are yet to be executed pending finalisation of disputes regarding title of property.
3 residential flats at Ranchi	11	Title deeds are yet to be executed pending finalisation of disputes regarding title of property.
114.77 acres Land in Gujarat	285	Land parcels under possession by the Company under litigation / title disputes

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals other than for stock lying with third parties, loose tools and machinery spares and goods in transit. Confirmations were obtained by management for stock lying with third parties. The discrepancies noted on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(iv) According to the information and explanations given to us, the Company has not accepted any deposit during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(v) Other than for "Manufacturing of Engines" and "Generation of Power", the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vi) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.

Details of dues of Income-tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as on 31 March, 2020 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (Financial year)	Amount (₹ in million)*	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income Tax	High Court	1991-92, 1994-95 to 1995-96, 1997-98, 2003-04 to 2004-05, 2007-08	903	-
		Income Tax Appellate Tribunal (ITAT)	2002-03, 2008-09 to 2014-15	70,955	64,876
		Upto Commissioner (Appeals)	2006-07 to 2017-18	38	38
Wealth tax Act, 1957	Wealth tax	High Court	1996-97 to 1997-98	1	-
The Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2002 to 2017	15,367	13,671
The Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2006 to 2017	4,113	4022
Customs Act, 1962	Customs Duty	Commissioner (Appeals)	2012 to 2020	157	157
Sales Tax Laws	Haryana General Sales Tax Act	Assessing Authority, Gurgaon by Sales Tax Tribunal.	1983-84 to 1984-85, 1987-88	4	3
	Central Sales Tax (Gujarat)	Appeal pending with Deputy Commissioner (Appeals)	2012-13 to 2013-14	6	6

*amount as per demand orders including interest and penalty wherever quantified in the Order.

The following matters have been decided in favour of the Company, but department has preferred appeals before higher authorities.

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (Financial year)	Amount (₹ in million)*	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income Tax	Supreme Court	1992-93 to 2000-02, 2003-04 to 2005-06	5,904	5,904
		High Court	1996-97 to 1999-00, 2003-04 to 2004-05, 2006-07 to 2008-09	7,725	7,725
		Income Tax Appellate Tribunal (ITAT)	2002-03, 2010-11	5,641	5,641
The Central Excise Act, 1944	Excise Duty	Supreme Court	2006-07 to 2008-09	395	395
		High court	1990-91	517	517
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1993-94, 2006-07 to 2015-16	222	222
The Finance Act, 1994	Service Tax	Supreme Court	2003-04 to 2012-13	256	256
		CESTAT	2004-05 to 2010-11, 2011-12	17	17

(vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from financial institutions or Government nor issued any debentures during the year.

(viii) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(x) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xi) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiii) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 20087104AAAACC9208)

Place: New Delhi
Date: 13 May, 2020

Balance Sheet

As at March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	As at 31.03.2020	As at 31.03.2019
ASSETS				
Non-current assets				
Property, plant and equipment	4	221-222	147,618	149,567
Capital work-in-progress	4	221-222	13,374	16,001
Intangible assets	5	223	4,067	4,511
Right-of-use Assets	35	258-259	6,127	-
Financial assets				
Investments	6	223-226	352,488	314,695
Loans	7	226	2	2
Other financial assets	9	227	358	340
Other non-current assets	12	228	17,213	20,586
Total non-current assets			**541,247**	**505,702**
Current assets				
Inventories	10	227	32,149	33,257
Financial assets				
Investments	6	223-226	12,188	50,455
Trade receivables	8	226	21,270	23,104
Cash and bank balances	11	228	211	1,789
Loans	7	226	169	160
Other financial assets	9	227	5,075	4,964
Current tax assets (Net)	21	235	5,269	4,274
Other current assets	12	228	7,943	5,613
Total current assets			**84,274**	**123,616**
Total Assets			**625,521**	**629,318**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	228-229	1,510	1,510
Other equity	14	229-232	482,860	459,905
Total equity			**484,370**	**461,415**
Liabilities				
Non-current liabilities				
Financial liabilities				
Lease liabilities	35	258-259	550	-
Provisions	17	233-234	516	395
Deferred tax liabilities (Net)	18	234	5,984	5,640
Other non-current liabilities	19	235	21,153	20,365
Total non-current liabilities			**28,203**	**26,400**
Current liabilities				
Financial liabilities				
Borrowings	15	232	1,063	1,496
Trade payables				
Total outstanding dues of micro and small enterprises	20	235	478	682
Total outstanding dues of creditors other than micro and small enterprises	20	235	74,463	95,648
Lease liabilities	35	258-259	94	-
Other financial liabilities	16	232	9,017	14,400
Provisions	17	233-234	6,796	6,244
Current tax liabilities (Net)	21	235	6,962	6,729
Other current liabilities	19	235	14,075	16,304
Total current liabilities			**112,948**	**141,503**
Total liabilities			**141,151**	**167,903**
Total Equity and Liabilities			**625,521**	**629,318**

The accompanying notes are forming part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

JITENDRA AGARWAL
Partner

Place: New Delhi
Date: May 13, 2020

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

AJAY SETH
Chief Financial Officer

Place: Gurugram
Date: May 13, 2020

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

SANJEEV GROVER
Vice President
& Company Secretary

ICSI Membership No : F3788

Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

	Particulars	Notes No.	Page No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
I	Revenue from operations	22	236	756,106	860,203
II	Other income	23	236	34,208	25,610
III	**Total Income (I+II)**			**790,314**	**885,813**
IV	**Expenses**				
	Cost of materials consumed	24.1	237	346,366	450,239
	Purchases of stock-in-trade			187,581	143,138
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.2	237	(2,381)	2,108
	Employee benefits expenses	25	237	33,839	32,549
	Finance costs	26	238	1,329	758
	Depreciation and amortisation expenses	27	238	35,257	30,189
	Other expenses	28	238-239	118,892	123,397
	Vehicles / dies for own use			(1,217)	(1,221)
	Total expenses (IV)			**719,666**	**781,157**
V	**Profit before tax (III - IV)**			**70,648**	**104,656**
VI	**Tax expense**				
	Current tax	29	239-240	13,748	29,323
	Deferred tax	29	239-240	394	327
				14,142	**29,650**
VII	**Profit for the year (V - VI)**			**56,506**	**75,006**
VIII	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) gain / (loss) of defined benefit obligation	14.4	230-231	(718)	(435)
	(b) gain / (loss) on change in fair value of equity instruments	14.5	231	(3,902)	(1,745)
				(4,620)	**(2,180)**
	A (ii) Income tax relating to items that will not be reclassified to profit or loss	29	239-240	203	149
	B (i) Items that will be reclassified to profit or loss				
	(a) effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.6	231	-	2
				-	**2**
	B (ii) Income tax relating to items that will be reclassified to profit or loss	29	239-240	-	(1)
	Total Other Comprehensive Income (A (i+ii)+B (i+ii))			**(4,417)**	**(2,030)**
IX	**Total Comprehensive Income for the year (VII + VIII)**			**52,089**	**72,976**
	Earnings per equity share (₹)	31	241		
	Basic			187.06	248.30
	Diluted			187.06	248.30

The accompanying notes are forming part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

JITENDRA AGARWAL
Partner

Place: New Delhi
Date: May 13, 2020

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

AJAY SETH
Chief Financial Officer

Place: Gurugram
Date: May 13, 2020

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

SANJEEV GROVER
Vice President
& Company Secretary

ICSI Membership No : F3788

Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

a. Equity share capital

	Amount
Balance at April 01, 2018	1,510
Changes in equity share capital during the year	-
Balance at March 31, 2019	**1,510**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**1,510**

b. Other equity

	Reserves and Surplus						Items of other comprehensive income		
	Reserves created on amalgamation	Securities premium	General reserve	Retained earnings	Employee Welfare Fund	Scientific Research Fund	Equity instrument through other comprehensive income	Effective portion of cash flow hedge	Total
Balance at April 01, 2018	**9,153**	**4,241**	**29,309**	**363,008**	**-**	**-**	**10,353**	**(1)**	**416,063**
Profit for the year	-	-	-	75,006	-	-	-	-	75,006
Other comprehensive income for the year, net of income tax	-	-	-	(284)	-	-	(1,747)	1	(2,030)
Total comprehensive income for the year	**-**	**-**	**-**	**74,722**	**-**	**-**	**(1,747)**	**1**	**72,976**
Payment of dividend	-	-	-	(24,166)	-	-	-	-	(24,166)
Tax on dividend	-	-	-	(4,968)	-	-	-	-	(4,968)
Employee welfare fund	-	-	-	(772)	772		-	-	-
Scientific research fund	-	-	-	(772)	-	772	-	-	-
Income from Employee welfare fund	-	-	-	(36)	36	-	-	-	-
Balance at March 31, 2019	**9,153**	**4,241**	**29,309**	**407,016**	**808**	**772**	**8,606**	**-**	**459,905**
Profit for the year	-	-	-	56,506	-	-	-	-	56,506
Other comprehensive income for the year, net of income tax	-	-	-	(518)	-	-	(3,899)	-	(4,417)
Total comprehensive income for the year	**-**	**-**	**-**	**55,988**	**-**	**-**	**(3,899)**	**-**	**52,089**
Payment of dividend	-	-	-	(24,166)	-	-	-	-	(24,166)
Tax on dividend	-	-	-	(4,968)	-	-	-	-	(4,968)
Employee welfare fund	-	-	-	(750)	750		-	-	-
Scientific research fund	-	-	-	(750)	-	750	-	-	-
Income from Employee welfare fund	-	-	-	(117)	117	-	-	-	-
Expense on Employee welfare fund	-	-	-	132	(132)	-	-	-	-
Balance at March 31, 2020	**9,153**	**4,241**	**29,309**	**432,385**	**1,543**	**1,522**	**4,707**	**-**	**482,860**

The accompanying notes are forming part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

JITENDRA AGARWAL
Partner

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No : F3788

Place: New Delhi
Date: May 13, 2020

Place: Gurugram
Date: May 13, 2020

Cash Flow Statement

for the year ended March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
A Cash flow from Operating Activities:				
Profit before tax			70,648	104,656
Adjustments for:				
Depreciation and amortisation expense	27	238	35,257	30,189
Finance costs	26	238	1,329	758
Interest income	23	236	(966)	(1,237)
Dividend income	23	236	(904)	(91)
Net loss on sale / discarding of property, plant and equipment	28	238-239	424	531
Net gain on sale of investments in debt mutual funds	23	236	(1,503)	(1,601)
Fair valuation gain on investment in debt mutual funds	23	236	(29,413)	(22,681)
Liabilities no longer required written back	22	236	(37)	(53)
Unrealised foreign exchange (gain)/ loss			(768)	85
Operating Profit before Working Capital changes			**74,067**	**110,556**
Adjustments for changes in Working Capital :				
- (Increase)/decrease in other financial assets (non-current)	9	227	(18)	(16)
- (Increase)/decrease in other non-current assets	12	228	(1,549)	(4,281)
- (Increase)/decrease in inventories	10	227	1,108	(1,649)
- (Increase)/decrease in trade receivables	8	226	1,888	(8,518)
- (Increase)/decrease in loans (current)	7	226	(9)	(130)
- (Increase)/decrease in other financial assets (current)	9	227	808	(2,155)
- (Increase)/decrease in other current assets	12	228	(2,416)	7,506
- Increase/(decrease) in non-current provisions	17	233-234	121	130
- Increase/(decrease) in other non-current liabilities	19	235	788	4,512
- Increase/(decrease) in trade payables	20	235	(21,551)	(8,603)
- Increase/(decrease) in other financial liabilities (current)	16	232	(2,576)	4,501
- Increase/(decrease) in current provisions	17	233-234	(166)	209
- Increase/(decrease) in other current liabilities	19	235	(2,087)	(4,702)
Cash generated from Operating Activities			**48,408**	**97,360**
- Income taxes paid (net)			(14,357)	(31,428)
Net Cash from / (used in) Operating Activities			**34,051**	**65,932**
B Cash flow from Investing Activities:				
Payments for purchase of property, plant and equipment and capital work in progress	4	221-222	(31,936)	(47,447)
Payments for purchase of intangible assets	5	223	(2,423)	(1,254)
Proceeds from sale of property, plant and equipment	4	221-222	369	1,701
Payments for purchase of investment in Associate/JV company	6	223-226	(150)	(3)
Proceeds from sale of debt mutual funds	6	223-226	469,687	539,864
Payments for purchase of debt mutual funds	6	223-226	(442,050)	(529,572)
Interest received	23	236	960	1,237
Dividend received	23	236	904	91
Net Cash from / (used in) Investing Activities			**(4,639)**	**(35,383)**

Cash Flow Statement

for the year ended March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
C Cash flow from Financing Activities:				
Movement in short term borrowings (net)	15	232	(433)	388
Principal elements of lease payments	35	258-259	(91)	-
Finance cost paid	26	238	(1,342)	(732)
Payment of dividend on equity shares	14.4	230-231	(24,166)	(24,166)
Related income tax	14.4	230-231	(4,968)	(4,968)
Net Cash from / (used in) Financing Activities			**(31,000)**	**(29,478)**
Net Increase/(Decrease) in cash & cash equivalents			**(1,588)**	**1,071**
Cash and cash equivalents at the beginning of the year			**1,770**	**699**
Cash and cash equivalents at the end of the year			**182**	**1,770**
Cash and cash equivalents comprises :				
Cash and cheques in hand	11	228	1	881
Balance with Banks	11	228	181	889
			182	**1,770**
Other bank balances - unclaimed dividend accounts	11	228	29	19
Cash and Bank balances	11	228	**211**	**1,789**

The accompanying notes are forming part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

JITENDRA AGARWAL
Partner

Place: New Delhi
Date: May 13, 2020

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No : F3788

Place: Gurugram
Date: May 13, 2020

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

1 General Information

Maruti Suzuki India Limited ("The Company") is a public limited company incorporated and domiciled in India, listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is #1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070. The Company is a subsidiary of Suzuki Motor Corporation, Japan. The principal activities of the Company are manufacturing, purchase and sale of motor vehicles, components and spare parts. The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. 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 twelve months for the purpose of current non-current classification of assets and liabilities.

The principal accounting policies are set out below.

2.3 Going concern

The board of directors have considered the financial position of the Company as at March 31, 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 32 : Provision for employee benefits

Provision for employee benefits requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Company's retirement benefit obligations.

Note 17 & 37 : Provision for litigations

Income Tax: The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Other litigations: Litigations often involve complex legal/regulatory issues and are connected with a high degree of uncertainty. Accordingly, the assessment of whether an obligation exists on the balance sheet date as a result of an event in the past, and whether a future cash outflow is likely and the obligation can be reliably estimated, largely depends on estimations by the management.

Note 17 : Provision for warranty and product recall

The Company creates provision based on historical warranty claim experience. In addition, assumptions on the amounts of potential costs are also included while creating the provisions. The provisions are regularly adjusted to reflect new information.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Note 4 : Property, Plant and Equipment - Useful economic life

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered possible effects that may result from pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. (Refer note no 35).

2.5 Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 'Revenue from Contracts with Customers'. First time adoption has been conducted retrospectively with cumulative effect of initially applying this standard as on the transition date. The effect on the transition to Ind AS 115 was insignificant.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, discounts, sales incentives, goods & service tax and value added taxes.

The Company recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

2.5.1 Sale of goods

Revenue is recognised for domestic and export sales of vehicles, spare parts, and accessories when the Company transfers control over such products to the customer on dispatch from the factory and the port respectively.

2.5.2 Income from services

Revenue from engineering services are recognised as the related services are performed. Revenue from extended warranty is recognised on time proportion basis. Income from other services are accounted over the period of rendering of services. Invoicing in excess of revenues are classified as contract liabilities. Contract liabilities pertains to advance consideration received towards sale of extended warranty and other services by the Company.

2.5.3 Income from royalty

Revenue from royalty is recognised on an accrual basis in accordance with the substance of the relevant arrangements.

2.6 Other Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.7 Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability. Accordingly, comparatives for previous year ended March 31, 2019 have not been retrospectively adjusted.

(All amounts in ₹ million, unless otherwise stated)

2.7.1 The Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Company did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

2.7.2 The Company as lessee (Till March 31, 2019)

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.9 below).

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

Upfront amount paid for land taken on lease is amortised over the period of lease.

The Company as lessee (With effect from April 1, 2019)

The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Company recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lesse's incremental borrowing rate is used, being the rate that

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the statement of profit and loss in the period in which the condition that triggers those payments that occur.

2.8 Foreign currencies

2.8.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

2.8.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of surplus funds out of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.10 Employee benefits

2.10.1 Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

2.10.2 Other long-term employee benefit obligations

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.10.3 Post-employment obligations

Defined benefit plans

The Company has defined benefit plans namely gratuity, provident fund and retirement allowance for employees. The gratuity fund and provident fund are recognised by the income tax authorities and are administered through trusts set up by the Company. Any shortfall in the size of the fund maintained by the trust is additionally provided for in profit or loss.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

(All amounts in ₹ million, unless otherwise stated)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

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 profit or loss every year. The Company has no further payment obligations once the contributions have been paid. The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a defined contribution plan. 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.

Termination benefits

A liability for the termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

2.12 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

arise from continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Building	3-60 years
Plant and machinery other than Dies and Jigs	8 years
Dies and jigs	5 years
Electronic data processing equipment	3 years
Furniture and fixtures	10 years
Office appliances	5 years
Vehicles	8 years

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

Freehold land and Leasehold land in the nature of perpetual lease is not amortised.

2.13 Intangible assets

2.13.1 Intangible assets acquired separately

Lump sum royalty and engineering support fee is carried at cost which is incurred and stated in the relevant licence agreement with the technical knowhow / engineering support provider less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.13.2 Amortisation methods and useful lives

Lump sum royalty and engineering support fee is amortised on a straight line basis over its estimated useful life i.e. 5 years from the start of production of the related model. An intangible asset is derecognised when no future economic benefits are expected from use.

2.14 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.15 Inventories

Inventories are valued at the lower of cost, determined on the weighted average basis and net realisable value.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Machinery spares (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to profit or loss on consumption except those valued at ₹ 5,000 or less individually, which are charged to revenue in the year of purchase.

2.16 Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and 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 determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

2.18 Financial assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.18.1 Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.

- Cash flow characteristic test: the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.

- cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

2.18.2 Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

The Company has equity investments in certain entities which are not held for trading. The Company has elected the fair value through other comprehensive income irrevocable option for all such investments. Dividend on these investments are recognised in profit or loss.

2.18.3 Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.18.4 Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit or loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

2.18.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

2.18.6 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

2.18.7 Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

2.18.8 Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

2.18.9 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which

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are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

2.19 Financial liabilities and equity instruments

2.19.1 Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.19.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

2.19.3.1 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

2.19.3.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.19.3.3 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.19.3.4 Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

2.19.3.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.20 Derivative financial instruments

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Further details of derivative financial instruments are disclosed in note 33.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

2.20.1 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through

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profit or loss. Embedded derivatives closely related to the host contracts are not separated.

2.21 Hedge accounting

The Company designates certain hedging instruments, in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the ineffective portion is recognised immediately in the profit or loss. Amount accumulated in equity are reclassified to the profit or loss in the periods in which the forecasted transaction occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in other equity is retained there until the forecast transaction occurs.

Note 33 sets out details of the fair values of the derivative instruments used for hedging purposes.

2.22 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.23 Government Grant

Government grants are recognised where there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expense the related cost for which the grants are intended to compensate.

2.24 Earning Per Share

Basic earning per share has been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earning per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

2.25 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

2.26 Royalty

The Company pays / accrues for royalty in accordance with the relevant licence agreements.

2.27 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard. Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.28 Rounding of amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

3 Applicability of New and Revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

4 Property, Plant and Equipment and Capital Work-In-Progress

	As at 31.03.2020	As at 31.03.2019
Carrying amount of		
Freehold Land	39,974	38,419
Leasehold Land #	-	525
Buildings	19,927	18,826
Plant & Machinery	83,654	88,296
Electronic Data Processing (EDP) Equipment	615	519
Furniture, Fixtures and Office Appliances	1,908	1,595
Vehicles	1,540	1,387
	147,618	**149,567**
Capital work-in-progress	13,374	16,001
	160,992	**165,568**

In the nature of perpetual lease

	Freehold Land^	Leasehold Land**	Buildings	Plant & Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
Gross Carrying amount								
Balance at April 01, 2018	31,403	525	19,764	150,769	1,717	2,053	1,610	**207,841**
Addition	8,382	-	3,516	36,707	396	500	736	**50,237**
Disposal / adjustments*	(1,366)	-	(25)	(2,040)	(40)	134	(518)	**(3,855)**
Balance at March 31, 2019	**38,419**	**525**	**23,255**	**185,436**	**2,073**	**2,687**	**1,828**	**254,223**
Addition	1,555	-	3,037	26,233	577	792	783	**32,977**
Disposal / adjustments*	-	(525)	(55)	(3,987)	(281)	(21)	(564)	**(5,433)**
Balance at March 31, 2020	**39,974**	**-**	**26,237**	**207,682**	**2,369**	**3,458**	**2,047**	**281,767**
Accumulated depreciation and impairment								
Balance at April 01, 2018	-	-	2,864	72,330	1,147	666	361	**77,368**
Depreciation expenses	-	-	1,580	26,258	446	405	222	**28,911**
Disposal / adjustments*	-	-	(15)	(1,448)	(39)	21	(142)	**(1,623)**
Balance at March 31, 2019	**-**	**-**	**4,429**	**97,140**	**1,554**	**1,092**	**441**	**104,656**
Depreciation expenses	-	-	1,901	30,506	481	469	251	**33,608**
Disposal / adjustments*	-	-	(20)	(3,618)	(281)	(11)	(185)	**(4,115)**
Balance at March 31, 2020	**-**	**-**	**6,310**	**124,028**	**1,754**	**1,550**	**507**	**134,149**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	Freehold Land^	Leasehold Land**	Buildings	Plant & Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
Carrying amount								
Balance at April 01, 2018	31,403	525	16,900	78,439	570	1,387	1,249	**130,473**
Addition	8,382	-	3,516	36,707	396	500	736	**50,237**
Disposal / adjustments*	(1,366)	-	(10)	(592)	(1)	113	(376)	**(2,232)**
Depreciation expenses	-	-	(1,580)	(26,258)	(446)	(405)	(222)	**(28,911)**
Balance at March 31, 2019	**38,419**	**525**	**18,826**	**88,296**	**519**	**1,595**	**1,387**	**149,567**
Addition	1,555	-	3,037	26,233	577	792	783	**32,977**
Disposal / adjustments*	-	(525)	(35)	(369)	-	(10)	(379)	**(1,318)**
Depreciation expenses	-	-	(1,901)	(30,506)	(481)	(469)	(251)	**(33,608)**
Balance at March 31, 2020	**39,974**	**-**	**19,927**	**83,654**	**615**	**1,908**	**1,540**	**147,618**

4.1 Notes on Property, Plant And Equipment

1 Immovable properties having carrying value of ₹ 21 million (as at 31.03.19 ₹ 22 million) are not yet registered in the name of the Company.

2 Plant and Machinery includes a Gas Turbine jointly owned by the Company with its group companies and other companies (pro-rata cost amounting to ₹ 374 million, carrying amount as at 31.03.2020 is Nil (as at 31.03.19 is Nil).

3 A part of freehold land of the Company situated at Gurugram, Manesar and Gujarat has been made available to its group companies / fellow subsidiary for their business purpose.

^Above includes 114.77 acres of vacant land parcels in the state of Gujarat with capitalized value of ₹ 285 million acquired by the Company for expansion activities, which are under litigation / title disputes

* Adjustment includes the intra-head re-grouping of amounts.

** In accordance with Ind AS 116 adopted by the company on April 1, 2019, Leasehold Land have been transferred to right-of-use assets, for details refer Note 35.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

5 Intangible Assets

	As at 31.03.2020	As at 31.03.2019
Carrying amount of		
Lumpsum royalty and engineering support fee	4,067	4,511
	4,067	**4,511**

	Lumpsum royalty and engineering support fee
Gross Carrying amount	
Balance at April 01, 2018	6,398
Addition	2,672
Balance at March 31, 2019	**9,070**
Addition	1,005
Balance at March 31, 2020	**10,075**
Accumulated amortisation and impairment	
Balance at April 01, 2018	3,281
Amortisation expenses	1,278
Balance at March 31, 2019	**4,559**
Amortisation expenses	1,449
Balance at March 31, 2020	**6,008**
Carrying amount	
Balance at April 01, 2018	3,117
Addition	2,672
Amortisation expenses	(1,278)
Balance at March 31, 2019	**4,511**
Addition	1,005
Amortisation expenses	(1,449)
Balance at March 31, 2020	**4,067**

6 Investments

	As at 31.03.2020	As at 31.03.2019
Non-current		
Investments in equity instruments		
- Subsidiary companies	77	77
- Associate companies	1,085	1,085
- Joint venture companies	302	152
- Others	5,123	9,026
Investments in preference shares	-	-
Investments in debt mutual funds	345,901	304,355
	352,488	**314,695**
Current		
Investments in debt mutual funds	12,188	50,455
	12,188	**50,455**
Aggregate value of unquoted investments	359,945	356,597
Aggregate value of quoted investments	4,781	8,603
Market value of quoted investments	5,598	10,773
Aggregate provision for diminution in value of investments	50	50

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

6.1 Investments in subsidiaries

Break-up of investment in subsidiaries (carrying amount at cost)

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
J.J Impex (Delhi) Private Limited (Face value of ₹ 10 each)	4,476,250	76	4,476,250	76
True Value Solutions Limited (Face value of ₹ 10 each)	50,000	1	50,000	1
Total aggregate unquoted investments		**77**		**77**

6.2 Investments in associates

Break-up of investment in associates (carrying amount at cost)

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Quoted investments (fully paid up)				
Bharat Seats Limited (Face value of ₹ 2 each)	4,650,000	5	4,650,000	5
Jay Bharat Maruti Limited (Face value of ₹ 5 each)	6,340,000	16	6,340,000	16
Machino Plastics Limited (Face value of ₹ 10 each)	941,700	5	941,700	5
Total aggregate quoted investments (A)		**26**		**26**
Aggregate market value of quoted investments		**843**		**2,196**

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Caparo Maruti Limited (Face value of ₹ 10 each)	2,500,000	25	2,500,000	25
Hanon Climate Systems India Private Limited (Face value of ₹ 100 each)	518,700	52	518,700	52
Krishna Maruti Limited (Face value of ₹ 10 each)	670,000	7	670,000	7
SKH Metals Limited (Face value of ₹ 10 each)	2,645,000	49	2,645,000	49
Nippon Thermostat (India) Limited (Face value of ₹ 10 each)	125,000	1	125,000	1
Mark Exhaust Systems Limited (Face value of ₹ 10 each)	4,437,465	57	4,437,465	57
Bellsonica Auto Components India Private Limited (Face value of ₹ 100 each)	3,540,000	354	3,540,000	354
FMI Automotive Components Private Limited (Face value of ₹ 10 each)	44,100,000	441	44,100,000	441
Manesar Steel Processing India Private Limited (Face value of ₹ 10 each)	6,840,000	68	6,840,000	68
Maruti Insurance Broking Private Limited (Face value of ₹ 10 each)	751,643	2	231,275	2
Bahucharaji Rail Corporation Limited (Face value of ₹ 10 each)	330,000	3	330,000	3
Total aggregate unquoted investments (B)		**1,059**		**1,059**
Total investments carrying value (A) + (B)		**1,085**		**1,085**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

6.3 Investments in joint ventures

Break-up of investment in joint ventures (carrying amount at cost)

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Plastic Omnium Auto Inergy Manufacturing India Private Limited (Face value of ₹ 10 each)	6,656,000	67	6,656,000	67
Magneti Marelli Powertrain India Limited (Face value of ₹ 10 each)	8,550,000	85	8,550,000	85
Maruti Suzuki Toyotsu India Private Limited (Face value of ₹ 10 each)	15,000,000	150	-	-
Total aggregate unquoted investments		**302**		**152**

6.4 Other equity instruments

Investments in equity instruments at fair value through other comprehensive income

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Quoted investments (fully paid up)				
Asahi India Glass Limited (Face value of ₹ 1 each)	26,995,200	4,201	26,995,200	7,062
JTEKT India Limited (Formerly known as Sona Koyo Steering Systems Limited) (Face value of ₹ 1 each)	13,800,000	554	13,800,000	1,515
Total aggregate quoted investments (i)		**4,755**		**8,577**

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Denso India Private Limited (Face value of ₹ 10 each)	2,862,758	367	2,862,758	448
Total aggregate unquoted investments (ii)		**367**		**448**
Investment in equity shares of Section 8 Company				
International Automobile Centre of Excellence (Face value of ₹ 10 each)	100,000	1	100,000	1
Investment in equity shares of Section 8 Company (iii)		**1**		**1**
Investments in other equity instruments [i+ii+iii]		**5,123**		**9,026**

6.5 Investment in unquoted preference shares

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Western Paques (India) Limited (Face value of ₹ 100 each)	500,000	50	500,000	50
Less: Provision for diminution in value		(50)		(50)
Total investment in unquoted preference shares		**-**		**-**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

6.6 Investments in unquoted debt mutual funds*

	As at 31.03.2020		As at 31.03.2019	
	Current	Non Current	Current	Non Current
Fixed term debt maturity plans	-	34,116	7,209	31,155
Open ended debt schemes	12,188	311,785	43,246	273,200
Total investments in unquoted debt mutual funds	**12,188**	**345,901**	**50,455**	**304,355**

* Includes debt mutual funds for Employee Welfare Fund as at 31.03.2020 : ₹ 1,543 million (as at 31.03.2019 : ₹ 808 million)

7 Loans (unsecured and considered good, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Employee related loans and advances	1	1
Inter corporate deposits - unsecured considered doubtful	125	125
Provision for doubtful Intercorporate deposits	(125)	(125)
Others	1	1
	2	**2**
Current		
Employee related loans and advances	169	160
	169	**160**

8 Trade Receivables

	As at 31.03.2020	As at 31.03.2019
Unsecured - considered good	21,270	23,104
- considered doubtful	27	24
Provision for doubtful debts	(27)	(24)
	21,270	**23,104**

8.1 The credit risk to the Company is limited since most of the sales are made against advances or letter of credit/bank guarantees from banks of national standing. The credit period generally allowed on domestic sales varies from 30 to 45 days (excluding transit period). The credit period on export sales varies on case to case basis, based on market conditions.

	As at 31.03.2020	As at 31.03.2019
Age of receivables		
Within the credit period	20,249	22,198
1-90 days past due	983	837
91-180 days past due	-	37
More than 180 days past due	38	32
	21,270	**23,104**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

9 Other Financial Assets (unsecured and considered good, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Non-current		
Financial assets carried at amortised cost		
Security deposits	230	212
Others	128	128
	358	**340**
Current		
Financial assets carried at amortised cost		
Interest accrued - secured	1	1
- unsecured	27	21
Recoverable from related parties (Refer to note 34)	3,982	4,708
Others - considered good	15	162
- considered doubtful	28	28
Less: provision for doubtful assets	(28)	(28)
Financial assets carried at fair value		
Foreign currency and commodity forward contract not qualifying or not designated in hedge accounting relationships	1,050	72
	5,075	**4,964**

10 Inventories

	As at 31.03.2020	As at 31.03.2019
Inventories (lower of cost and net realisable value)		
Raw materials	13,810	17,658
Work-in-progress	1,218	2,995
Finished goods		
Vehicle	9,236	5,683
Vehicle spares and components	376	454
Traded goods		
Vehicle	852	85
Vehicle spares and components	3,260	3,344
Stores and spares	2,489	1,894
Loose Tools	908	1,144
	32,149	**33,257**
Inventory includes in transit inventory of:		
Raw materials	3,740	4,149
Stock in trade	42	49

10.1 The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 602,012 million (previous year ₹ 666,249 million).

The cost of inventories recognised as an expense includes ₹ 129 million (previous year ₹ 119 million) in respect of write-downs of inventory to net realisable value.

The mode of valuation of inventories has been stated in note 2.15.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

11 Cash and Bank Balances

	As at 31.03.2020	As at 31.03.2019
Cash and cash equivalents:		
Balances with Banks	181	889
Cheques, drafts in hand	-	880
Cash in hand	1	1
	182	**1,770**
Other bank balances:		
Unclaimed dividend accounts	29	19
	211	**1,789**
Cash and cash equivalents as per cash flow statement	**182**	**1,770**

12 Other Assets (unsecured and considered good, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Non-current		
Capital advances - considered good	4,354	4,295
Prepaid expenses and leases*	3,005	7,730
Amount paid under protest / dispute	9,771	7,395
Claims - unsecured considered good	57	58
- unsecured considered doubtful	27	27
Less : provision for doubtful claims	(27)	(27)
Others	26	1,108
	17,213	**20,586**
Current		
Balance with customs, port trust and other Government authorities	2,802	585
Claims	564	848
Prepaid expenses and leases*	1,000	769
Balance with related parties (Refer to note 34)	1,983	1,948
Others - considered good	1,594	1,463
- considered doubtful	283	238
Less: provisions for doubtful balances	(283)	(238)
	7,943	**5,613**

* In accordance with Ind AS 116 adopted by the Company on April 1, 2019, Prepaid Leases have been transferred to right-of-use assets (Refer to note 35).

13 Equity Share Capital

	As at 31.03.2020	As at 31.03.2019
Authorised share capital:		
3,751,000,000 equity shares of ₹ 5 each (as at 31.03.19: 3,751,000,000 equity shares of ₹ 5 each)	18,755	18,755
Issued, subscribed and fully paid up share capital comprises:		
302,080,060 equity shares of ₹ 5 each (as at 31.03.19: 302,080,060 equity shares of ₹ 5 each)	1,510	1,510
	1,510	**1,510**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

13.1 Rights, preference and restriction attached to shares

The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholders 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.

13.2 Reconciliation of number of shares

	As at 31.03.2020		As at 31.03.2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of year	302,080,060	1,510	302,080,060	1,510
Balance as at the end of year	302,080,060	1,510	302,080,060	1,510

13.3 Details of shares held by the holding company

	As at 31.03.2020		As at 31.03.2019	
	Number of shares	Amount	Number of shares	Amount
Suzuki Motor Corporation, Japan	169,999,440	850	169,788,440	849
	169,999,440	**850**	**169,788,440**	**849**

13.4 Details of shares held by each shareholder holding more than 5% shares

	As at 31.03.2020		As at 31.03.2019	
	Number of shares	% holding	Number of shares	% holding
Suzuki Motor Corporation (the holding company)	169,999,440	56.28	169,788,440	56.21
Life Insurance Corporation of India	19,313,328	6.39	20,192,659	6.68

14 Other Equity

	As at 31.03.2020	As at 31.03.2019
General reserve	29,309	29,309
Securities premium	4,241	4,241
Reserve created on amalgamation	9,153	9,153
Retained earnings	432,385	407,016
Employee welfare fund	1,543	808
Scientific research fund	1,522	772
Reserve for equity instruments through other comprehensive income	4,707	8,606
	482,860	**459,905**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14.1 General reserve

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	29,309	29,309
Balance at the end of year	**29,309**	**29,309**

The general reserve is free reserve which is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

14.2 Securities premium

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	4,241	4,241
Balance at the end of year	**4,241**	**4,241**

Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 ("the Act") for specified purposes.

14.3 Reserve created on amalgamation

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	9,153	9,153
Balance at the end of year	**9,153**	**9,153**

This reserve was created on the basis of the scheme of amalgamation of erstwhile Suzuki Powertrain India Limited (SPIL) with the Company as approved by the High Court of Delhi in the year ended March 31, 2013.

14.4 Retained earnings

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	407,016	363,008
Profit for the year	56,506	75,006
Other comprehensive income arising from remeasurement of defined benefit obligation *	(518)	(284)
Amount transferred to Employee welfare fund	(750)	(772)
Income on funds	(117)	(36)
Expenses on funds	132	-
Amount transferred to Scientific research fund	(750)	(772)
Payment of dividend on equity shares	(24,166)	(24,166)
Tax on dividend	(4,968)	(4,968)
Balance at the end of year	**432,385**	**407,016**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

During the year, a dividend of ₹ 80 per share, total dividend ₹ 24,166 million (previous year : ₹ 80 per share, total dividend ₹ 24,166 million) was paid to equity shareholders.

The Board of Directors recommended a final dividend of ₹ 60 per share (nominal value of ₹ 5 per share) for the financial year 2019-20. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total expected amount of cash outflow is ₹ 18,125 million.

* net of income tax of ₹ 200 million (previous year ₹ 151 million)

14.5 Reserve for equity instruments through other comprehensive income

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	8,606	10,353
Net fair value gain/(loss) on investment in equity instruments at FVTOCI	(3,902)	(1,745)
Income tax on net fair value gain/(loss) on investments in equity instruments at FVTOCI	3	(2)
Balance at the end of year	**4,707**	**8,606**

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

14.6 Cash flow hedging reserve

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	-	(1)
Recognised / (released) during the year	-	2
Income tax related to above	-	(1)
Balance at the end of year	**-**	**-**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedging item.

14.7 Employee Welfare Fund

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	808	-
Addition during the year	750	772
Income on funds during the year	117	36
Expenses on funds during the year	(132)	-
Balance at the end of year	**1,543**	**808**

This reserve is created by appropriating 1% of profit after tax of the previous year and will be utilised for undertaking welfare activities such as housing, education and health for the employees of the Company.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14.8 Scientific Research Fund

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	772	-
Addition during the year	750	772
Balance at the end of year	**1,522**	**772**

This reserve is created by appropriating 1% of profit after tax of the previous year and will be utilised for promotion of scientific research and technology in India. No expenditure has been done from this fund during the current year.

15 Borrowings

	As at 31.03.2020	As at 31.03.2019
Current		
Unsecured		
Term loan from bank	570	-
Loans repayable on demand from banks - cash credit and overdraft	493	1,496
	1,063	**1,496**

15.1 Summary of borrowing arrangements

Loan repayable on demand from banks (Cash credit and Overdraft) and working capital term loan at an interest rate of 7.10% to 8.15%, repayable within 0-10 days (as at 31.03.19: interest rate of 7.60% to 8.75%, repayable within 0-10 days)

15.2 Breach of loan agreement

There has been no breach of covenants mentioned in the loan agreements during the reporting periods.

16 Other Financial Liabilities

	As at 31.03.2020	As at 31.03.2019
Current		
Financial liabilities carried at amortised cost		
Payables to capital creditors	3,608	6,411
Deposits from dealers, contractors and others	4,256	7,020
Interest accrued on security deposits	33	46
Unpaid dividend *	29	19
Book overdraft	267	898
Others	824	6
	9,017	**14,400**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

17 Provisions

	As at 31.03.2020	As at 31.03.2019
Non-current		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit plan	209	72
Other provisions		
Provision for warranty & product recall	307	323
	516	**395**
Current		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit plan	12	3
Provision for compensated absences	4,096	3,512
Other provisions		
Provision for litigation / disputes	1,981	2,151
Provision for warranty & product recall	707	578
	6,796	**6,244**

Details of other provisions

	Litigation / Dispute		Warranty / Product recall	
	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
Balance as at the beginning of year	2,151	2,118	901	762
Addition during the year	20	71	1,229	1,111
Utilised during the year	-	-	1,116	972
Reversed during the year	190	38	-	-
Balance as at the end of year	**1,981**	**2,151**	**1,014**	**901**

	Litigation / Dispute		Warranty / Product recall	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Classified as long term	-	-	307	323
Classified as short term	1,981	2,151	707	578
Total	**1,981**	**2,151**	**1,014**	**901**

Provisions for employee benefits

The provision for employee benefits include compensated absences and retirement allowance.

Provision for warranty and product recall

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as and when warranty claims will arise. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Provision for litigation / disputes

In the ordinary course of business, the Company faces claims by various parties. The Company assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claim where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable (also refer to note 37).

18 Deferred Tax Balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

	As at 31.03.2020	As at 31.03.2019
Deferred tax assets	2,903	2,525
Deferred tax liabilities	8,887	8,165
Net deferred tax liabilities	**5,984**	**5,640**

2018-19	Opening Balance	Recognised in profit or loss	Recognised in OCI	Adjustments*	Closing Balance
Deferred tax assets					
Deferred revenue	1,194	(897)	-	-	297
Expenses deductible in future years	1,568	294	-	(202)	1,660
Provision for litigation / dispute	204	25	-	133	362
Provision for doubtful debts / advances	99	46	-	-	145
Others	118	(256)	151	48	61
	3,183	**(788)**	**151**	**(21)**	**2,525**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	3,370	(775)	-	14	2,609
Investment in debt mutual funds	3,998	278	-	-	4,276
Investment in equity instruments	54	-	2	-	56
Other current & non-current assets	1,351	36	-	(163)	1,224
Cashflow hedges	(1)	-	1	-	-
	8,772	**(461)**	**3**	**(149)**	**8,165**
Net deferred tax liabilities	**5,589**	**327**	**(148)**	**(128)**	**5,640**
2019-20					
Deferred tax assets					
Deferred revenue	297	(297)	-	-	-
Expenses deductible in future years	1,660	(241)	-	(96)	1,323
Provision for litigation / dispute	362	(120)	-	-	242
Provision for doubtful debts / advances	145	(28)	-	7	124
Property, plant and equipment and Intangible assets	-	1,206	-	-	1,206
Leases	-	8	-	-	8
Others	61	(249)	180	8	-
	2,525	**279**	**180**	**(81)**	**2,903**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	2,609	(2,551)	-	(58)	-
Investment in debt mutual funds	4,276	3,457	-	-	7,733
Investment in equity instruments	56	-	(23)	-	33
Other current & non-current assets	1,224	(372)	-	130	982
Others	-	139	-	-	139
	8,165	**673**	**(23)**	**72**	**8,887**
Net deferred tax liabilities	**5,640**	**394**	**(203)**	**153**	**5,984**

* On account of reclassification to/from "Deferred Tax balances" from/to "Provision for Taxation" and intra movement within Deferred tax assets/ Deferred tax liabilities

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

19 Other Liabilities

	As at 31.03.2020	As at 31.03.2019
Non-current		
Contract liabilities (Deferred revenue)	21,153	20,365
	21,153	**20,365**
Current		
Advance from customers	4,668	4,158
Contract liabilities (Deferred revenue)	7,838	6,457
Statutory dues	1,569	5,689
	14,075	**16,304**

Note: During the year, the Company has recognised revenue of ₹ 6,457 million which was included in the Contract liability balance as on April 1, 2019 (for the year ended March 31, 2019 ₹ 4,651 million which was included in the Contract liability balance as on April 1, 2018).

20 Trade Payables

	As at 31.03.2020	As at 31.03.2019
Total outstanding dues of micro and small enterprises	478	682
Total outstanding dues of creditors other than micro and small enterprises	74,463	95,648
	74,941	**96,330**

20.1 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at 31.03.2020	As at 31.03.2019
a. Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	478	682
- Interest due thereon	2	4
b. Payments made to suppliers beyond the appointed day during the year		
- Principal	2,428	2,888
- Interest paid thereon	1	1
c. Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	16	30
d. Amount of interest accrued and remaining unpaid as at year end	18	34

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

21 Current Tax

	As at 31.03.2020	As at 31.03.2019
Current tax assets		
Taxes paid (Net)	5,269	4,274
Current tax liabilities		
Income tax payable (Net)	6,962	6,729

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

22 Revenue from Operations

	Year ended 31.03.2020	Year ended 31.03.2019
Sale of products		
Vehicles	632,266	747,715
Spare parts / dies and moulds / components	84,638	82,550
	716,904	**830,265**
Other operating revenues		
Income from services	11,833	10,332
Sale of scrap	4,103	5,705
Recovery of freight & service charges	20,642	11,631
Liabilities no longer required written back	37	53
Rental income	395	337
Others	2,192	1,880
	39,202	**29,938**
	756,106	**860,203**

Refer to note 8.1 for payment terms with customers.

Revenue from contract with customers is disaggregated by geographical region and presented in Note 30.

Reconciliation of revenue recognised with contract price:

	Year ended 31.03.2020	Year ended 31.03.2019
Contract price (Gross)	801,789	901,799
Adjustments for:		
Discount & Incentives as per contract/scheme bulletins	(45,683)	(41,596)
Revenue From Operations	**756,106**	**860,203**

23 Other Income

	Year ended 31.03.2020	Year ended 31.03.2019
Interest income on		
Bank deposits	1	168
Income tax refund	276	502
Receivables from dealers	671	546
Advance to vendors	1	1
Others	17	20
	966	**1,237**
Dividend income		
Dividend from equity investments	904	91
	904	**91**
Others		
Net gain on sale of investments in debt mutual funds	1,503	1,601
Fair valuation gain on investment in debt mutual funds	29,413	22,681
Exchange variations on transactions and translation (net)	1,422	-
	32,338	**24,282**
	34,208	**25,610**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

24 Material Consumed

24.1 Cost of materials consumed

	Year ended 31.03.2020	Year ended 31.03.2019
Raw material inventory at the beginning of year	17,658	14,418
Add: Purchases during the year	342,518	453,479
Less: Raw material inventory at the end of year	13,810	17,658
	346,366	**450,239**

24.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31.03.2020	Year ended 31.03.2019
Opening balances		
Work in progress	2,995	1,772
Finished goods manufactured		
Vehicle	5,683	9,700
Vehicle spares and components	454	363
Traded goods		
Vehicle	85	-
Vehicle spares and components	3,344	2,834
	12,561	**14,669**
Closing balances		
Work in progress	1,218	2,995
Finished goods manufactured		
Vehicle	9,236	5,683
Vehicle spares and components	376	454
Traded goods		
Vehicle	852	85
Vehicle spares and components	3,260	3,344
	14,942	**12,561**
	(2,381)	**2,108**

25 Employee Benefits Expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Salaries and wages	29,886	28,704
Contribution to provident and other funds	1,687	1,438
Staff welfare expenses	2,266	2,407
	33,839	**32,549**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

26 Finance Costs

	Year ended 31.03.2020	Year ended 31.03.2019
Interest costs:		
Cash credit and overdrafts	332	244
Deposits from dealers, contractors and others	480	505
Interest on enhanced compensation for land	-	9
Others	517	-
	1,329	**758**

27 Depreciation and Amortisation Expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Depreciation of property, plant and equipment	33,608	28,911
Amortisation of intangible assets	1,449	1,278
Depreciation of right-of-use assets (Refer to note 35)	200	-
	35,257	**30,189**

28 Other Expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Consumption of stores (Refer to note 42)	1,708	2,093
Power and fuel [net of amount recovered ₹ 444 million (previous year ₹ 832 million)]	6,978	8,617
Rent	10,064	5,333
Repair and maintenance: plant and machinery	2,255	2,741
Repair and maintenance: building	404	582
Repair and maintenance: others	624	558
Insurance	259	168
Rates, taxes and fees	131	148
Royalty	38,173	44,983
Tools / machinery spares charged off	2,584	4,009
Exchange variations on transactions and translation (net)	-	1,784
Advertisement	6,703	7,338
Sales promotion	5,310	8,368
Warranty and product recall	1,229	1,111
Transportation and distribution expenses	22,648	16,401
Net loss on sale / discarding of property, plant and equipment	424	531
Corporate social responsibility expenses	1,682	1,541
Other miscellaneous expenses*	17,716	17,091
	118,892	**123,397**

* Does not include any item of expenditure with a value of more than 1% of the revenue from operation

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Note on Corporate Social Responsibility

Gross amount required to be spent by the Company during the year was ₹ 1,666 million (previous year ₹ 1,535 million) as per Section 135 of the Companies Act, 2013.

Amount spent during the year on:

	Year ended 31.03.2020	Year ended 31.03.2019
(i) Construction / acquisition of any asset		
- in cash	-	-
- yet to be paid in cash	-	-
	-	**-**
(ii) On purpose other than above		
- in cash	1,682	1,541
	1,682	**1,541**
(i) + (ii)	**1,682**	**1,541**

29 Income Taxes

29.1 Income tax recognised in profit or loss

	Year ended 31.03.2020	Year ended 31.03.2019
Current tax		
In respect of the current year	14,296	30,771
In respect of prior years	(548)	(1,448)
	13,748	**29,323**
Deferred tax		
In respect of the current year	394	327
	394	**327**
Total income tax expense recognised in the current year	**14,142**	**29,650**

The income tax expense for the year can be reconciled to the accounting profit as follows

	Year ended 31.03.2020	Year ended 31.03.2019
Profit before tax	**70,648**	**104,656**
Tax at the Indian Tax Rate of 25.168% (previous year 34.944%)	17,781	36,571
Weighted deduction for research and development expenses	-	(1,394)
Differential tax rate on fair value gain on investments	(2,037)	556
Differential tax rate on capital gain on sale of investments	(840)	(4,993)
Effect of expenses that are not deductible in determining taxable profit	239	355
Impact of reversal of opening deferred tax due to change in corporate tax rate from 34.944% to 25.168%	(365)	-
Others	(88)	3
	14,690	**31,098**
Adjustments recognised in the current year in relation to the current tax of prior years	(548)	(1,448)
Income tax expenses recognised in profit or loss	**14,142**	**29,650**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

On September 20, 2019, the Government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Income tax at reduced rate effective April 1, 2019 subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided for at reduced tax rate.

29.2 Income tax recognised in other comprehensive income

	Year ended 31.03.2020	Year ended 31.03.2019
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	3	(2)
Net gain on designated portion of hedging instruments in cash flow hedges	-	(1)
Remeasurement of defined benefit obligation	200	151
Total income tax recognised in other comprehensive income	**203**	**148**
Bifurcation of the income tax recognised in other comprehensive income into : -		
Items that will not be reclassified to profit or loss	203	149
Items that may be reclassified to profit or loss	-	(1)
	203	**148**

30 Segment 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 income from these activities is not material in financial terms but such activities contribute significantly in generating demand for the products of the Company.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company.

30.1 Entity wide disclosure

	Domestic	Overseas	Total
Revenue from operations			
2019-20	703,658	52,448	**756,106**
2018-19	802,897	57,306	**860,203**
Non current segment assets			
As at 31.03.2020	175,540	-	**175,540**
As at 31.03.2019	174,374	-	**174,374**

a) Domestic information includes sales and services to customers located in India.

b) Overseas information includes sales and services rendered to customers located outside India.

c) Non-current segment assets includes property, plant and equipment, capital work in progress, intangible assets, capital advances and right of use assets.

d) No customer individually accounted for more than 10% of the company's revenue

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

31 Earnings Per Share

	Year ended 31.03.2020	Year ended 31.03.2019
Basic earnings per share (₹)	187.06	248.30
Diluted earnings per share (₹)	187.06	248.30
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	56,506	75,006
Weighted average number of equity shares for the purpose of basic earning per share and diluted earning per share (numbers)	302,080,060	302,080,060

32 Employee Benefit Plans

The various benefits provided to employees by the Company are as under:

A. Defined contribution plans

a) Superannuation fund

b) Post employment medical assistance scheme

c) Employers contribution to Employee State Insurance Act 1948

d) 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:

	Year ended 31.03.2020	Year ended 31.03.2019
Employers contribution to Superannuation Fund *	129	120
Employers contribution on Post Employment Medical Assistance Scheme *	18	10
Employers contribution to Employee State Insurance *	23	58
Employers contribution to Employee's Pension Scheme 1995 *	264	271

* Included in 'Contribution to provident and other funds'

B. Defined benefit plans and other long term benefits

a) Contribution to Gratuity Funds - Employee's Gratuity Fund

b) Leave encashment / compensated absence

c) Retirement allowance

d) Provident fund

e) Post Retirement Medical Benefit Plan

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The probability or likelihood of lower returns as compared to the expected return on any particular investment.

Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.20					
Discount rate(s)	8.50%	6.85%	6.85%	6.85%	6.85%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	24	24	24	24	1
As at 31.03.19					
Discount rate(s)	8.65%	7.70%	7.70%	7.70%	NA
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	25	25	25	25	NA

Components of expenses recognised in the statement of profit or loss in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.20					
Current service cost	805	391	316	15	4
Past service cost	-	-	-	-	128
Actuarial Loss / (gain)	-	622	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	262	-	6	-
Expenses recognised in profit or loss	**805**	**1,275**	**316**	**21**	**132**
Year ended 31.03.19					
Current service cost	701	370	278	14	-
Past service cost	-	-	-	-	-
Actuarial Loss / (gain)	-	577	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	220	-	5	-
Expenses recognised in profit or loss	**701**	**1,167**	**278**	**19**	**-**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Components of expenses recognised in the other comprehensive income in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.20					
Actuarial (gains) / losses					
- changes in demographic assumptions	-	-	(15)	-	-
- changes in financial assumptions	-	-	522	12	-
- experience variance	-	-	80	(19)	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	138	-	-
Component of defined benefit costs recognised in other comprehensive income	**-**	**-**	**725**	**(7)**	**-**
Year ended 31.03.19					
Actuarial (gains) / losses					
- changes in demographic assumptions	-	-	-	-	-
- changes in financial assumptions	-	-	53	1	-
- experience variance	-	-	421	(14)	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	(26)	-	-
Component of defined benefit costs recognised in other comprehensive income	**-**	**-**	**448**	**(13)**	**-**

The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.20					
Present value of obligation	23,048	4,096	4,676	89	132
Fair value of plan assets	24,280	-	3,853	-	-
Surplus / (deficit)	**1,232**	**(4,096)**	**(823)**	**(89)**	**(132)**
Effects of asset ceiling, if any *	1,232	-	-	-	-
Net asset / (liability)	**-**	**(4,096)**	**(823)**	**(89)**	**(132)**
As at 31.03.19					
Present value of obligation	19,439	3,512	3,705	75	-
Fair value of plan assets	20,079	-	3,705	-	-
Surplus / (deficit)	**640**	**(3,512)**	**-**	**(75)**	**-**
Effects of asset ceiling, if any *	640	-	-	-	-
Net asset / (liability)	**-**	**(3,512)**	**-**	**(75)**	**-**

* The Company has an obligation to make good the shortfall, if any.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Classification into long term and short term:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.20					
Classified as long term	-	-	-	86	123
Classified as short term	-	4,096	-	3	9
Classified as other financial liabilities (current)	-	-	823	-	-
Total	**-**	**4,096**	**823**	**89**	**132**
As at 31.03.19					
Classified as long term	-	-	-	72	-
Classified as short term	-	3,512	-	3	-
Total	**-**	**3,512**	**-**	**75**	**-**

Movement in the present value of the defined benefit obligation are as follows:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.20					
Present value of obligation as at the beginning	**19,439**	**3,512**	**3,705**	**75**	**-**
Current service cost	805	391	316	15	4
Interest expense or cost	1,938	262	286	6	-
Employees' contribution	2,172	-	-	-	-
Transfer in	16	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:					
- change in demographic assumptions	-	1	(15)	-	-
- change in financial assumptions	-	220	522	12	-
- experience variance	-	401	80	(19)	-
- others	-	-	-	-	-
Past service cost	-	-	-	-	128
Benefits paid	(1,322)	(691)	(218)	-	-
Present value of obligation as at the end	**23,048**	**4,096**	**4,676**	**89**	**132**

(All amounts in ₹ million, unless otherwise stated)

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.19					
Present value of obligation as at the beginning	**16,672**	**2,916**	**2,906**	**69**	**-**
Current service cost	701	370	278	14	-
Interest expense or cost	1,517	220	227	5	-
Employees' contribution	1,864	-	-	-	-
Transfer in	17	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:					
- change in demographic assumptions	-	-	-	-	-
- change in financial assumptions	-	22	53	1	-
- experience variance	-	555	421	(14)	-
- others	-	-	-	-	-
Past service cost	-	-	-	-	-
Benefits paid	(1,332)	(571)	(180)	-	-
Present value of obligation as at the end	**19,439**	**3,512**	**3,705**	**75**	**-**

Movement in the fair value of the plan assets are as follows:

	Provident Fund	Employees Gratuity Fund
Year ended 31.03.20		
Fair value of plan assets at the beginning	**20,079**	**3,705**
Interest income	1,737	286
Employer's contribution	805	218
Employee's contribution	2,172	-
Transfer in	809	-
Benefits paid	(1,322)	(218)
Actuarial Gain/(Loss) on Plan Assets	-	(138)
Fair value of plan assets as at the end	**24,280**	**3,853**
Year ended 31.03.19		
Fair value of plan assets at the beginning	**17,292**	**2,906**
Interest income	1,479	227
Employer's contribution	701	726
Employee's contribution	1,864	-
Transfer in	75	-
Benefits paid	(1,332)	(180)
Actuarial Gain/(Loss) on Plan Assets	-	26
Fair value of plan assets as at the end	**20,079**	**3,705**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Major categories of plan assets (as percentage of total plan assets)

	Provident Fund	Employees Gratuity Fund
As at 31.03.20		
Government Securities (Central & State)	42%	0%
Corporate bonds	47%	0%
Equity Mutual Funds	6%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	1%	0%
Cash & cash equivalents	4%	0%
Total	**100%**	**100%**
As at 31.03.19		
Government Securities (Central & State)	46%	0%
Corporate bonds	47%	0%
Equity Mutual Funds	5%	0%
Fund managed by insurer (including ULIP)	0%	84%
Special deposit scheme	1%	0%
Cash & cash equivalents	1%	16%
Total	**100%**	**100%**

The fair value of the above ULIP schemes are determined based on the Net Asset Value (NAV). Moreover, for other investments the fair value is taken as per the account statements of the insurance companies.

The average duration of the defined benefit obligation of gratuity fund at 31.03.20 is 15 years (as at 31.03.19: 14 years).

The Company expects to make a contribution of ₹ 1,170 million (as at 31.03.19: ₹ 305 million) to the defined benefit plans during the next financial year.

Sensitivity analysis

Significant actuarial assumption for the determination of defined benefit obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by ₹ 875 million (increase by ₹ 1,048 million) (As at 31.03.19: decrease by ₹ 663 million (increase by ₹ 789 million)).

If the expected salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 974 million (decrease by ₹ 837 million) (As at 31.03.19: increase by ₹ 740 million (decrease by ₹ 638 million)).

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

33 Financial Instruments and Risk Management

33.1 Financial instruments by category

	As at 31.03.2020				As at 31.03.2019			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
Financial assets								
Investments *								
- in equity instruments	-	5,123	-	5,123	-	9,026	-	9,026
- in debt mutual funds	358,089	-	-	358,089	354,810	-	-	354,810
Trade Receivable	-	-	21,270	21,270	-	-	23,104	23,104
Cash and bank balances	-	-	211	211	-	-	1,789	1,789
Loans	-	-	171	171	-	-	162	162
Security deposits	-	-	230	230	-	-	212	212
Foreign currency / commodity forward contracts	1,050	-	-	1,050	72	-	-	72
Interest accrued	-	-	28	28	-	-	22	22
Recoverable from related parties	-	-	3,982	3,982	-	-	4,708	4,708
Others	-	-	143	143	-	-	290	290
Total financial assets	**359,139**	**5,123**	**26,035**	**390,297**	**354,882**	**9,026**	**30,287**	**394,195**
Financial liabilities								
Borrowings	-	-	1,063	1,063	-	-	1,496	1,496
Trade payables	-	-	74,941	74,941	-	-	96,330	96,330
Deposits from dealers, contractors and others	-	-	4,256	4,256	-	-	7,020	7,020
Payable to capital creditors	-	-	3,608	3,608	-	-	6,411	6,411
Interest accrued	-	-	33	33	-	-	46	46
Unpaid dividend	-	-	29	29	-	-	19	19
Book overdraft	-	-	267	267	-	-	898	898
Foreign currency / commodity forward contracts	-	-	-	-	-	-	-	-
Lease Liabilities	-	-	644	644	-	-	-	-
Others	-	-	824	824	-	-	6	6
Total financial liabilities	**-**	**-**	**85,665**	**85,665**	**-**	**-**	**112,226**	**112,226**

* Investment value excludes investment in subsidiaries of ₹ 77 million (as at 31.03.2019 : ₹ 77 million); investment in joint ventures of ₹ 302 million (as at 31.03.2019 : ₹ 152 million) and investment in associates of ₹ 1,085 million (as at 31.03.2019 : ₹ 1,085 million) which are shown at cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31.03.2020	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	323,973	34,116	-	358,089
Foreign currency / commodity forward contracts	9	-	1,050	-	1,050
Financial instruments at FVTOCI					
Quoted equity instruments	6	4,755	-	-	4,755
Unquoted equity instruments	6	-	-	368	368
Total financial assets		**328,728**	**35,166**	**368**	**364,262**

As at 31.03.2019	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	316,446	38,364	-	354,810
Foreign currency / commodity forward contracts	9	-	72	-	72
Financial instruments at FVTOCI					
Quoted equity instruments	6	8,577	-	-	8,577
Unquoted equity instruments	6	-	-	449	449
Total financial assets		**325,023**	**38,436**	**449**	**363,908**

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Derivative contracts: The Company has entered into variety of foreign currency and commodity forward contracts and swaps to manage its exposure to fluctuations in foreign exchange rates and commodity price risk. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

(All amounts in ₹ million, unless otherwise stated)

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurement

	Unlisted equity instruments
As at 01.04.2018	**437**
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	12
As at 31.03.2019	**449**
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	(81)
As at 31.03.2020	**368**

33.2 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Business commitment and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

The financial risk management of the Company is carried out under the policies approved by the Board of Directors. Within these policies, the Board provides written principles for overall risk management including policies covering specific areas, such as foreign exchange risk management, commodity risk management and investment of funds.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

(A) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables, loans and advances and derivative instruments. None of the financial instruments of the Company results in material concentration of credit risks.

Financial assets for which loss allowance is measured:

	Notes No	As at 31.03.2020	As at 31.03.2019
Loans - non current	7	125	125
Trade receivables	8	27	24
Other financial assets - current	9	28	28

Other than financial assets mentioned above, none of the finanacial assets were impaired and there were no indications that defaults in payment obligations would occur.

(B) Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

The Company operates with a low Debt Equity ratio. The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Company has access to the borrowing facilities of ₹ 30,000 million as at 31.03.2020 (₹ 30,000 million as at 31.03.2019) to honour any liquidity requirements arising for business needs. The Company has large investments in debt mutual funds which can be redeemed on a very short notice and hence carries negligible liquidity risk.

(i) Financing arrangements

The Company had access to the following borrowing facilities at the end of the reporting period:

	As at 31.03.2020	As at 31.03.2019
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	30,000	30,000
- Expiring beyond one year (bank loans)	-	-
	30,000	**30,000**

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Contractual maturities of financial liabilities

	Less than 1 year	More than 1 year	Total
As at March 31, 2020			
Borrowings	1,063	-	1,063
Trade payables	74,941	-	74,941
Lease Liabilities	94	550	644
Other financial liabilities	9,017	-	9,017
	85,115	**550**	**85,665**
As at March 31, 2019			
Borrowings	1,496	-	1,496
Trade payables	96,330	-	96,330
Lease Liabilities	-	-	-
Other financial liabilities	14,400	-	14,400
	112,226	**-**	**112,226**

(C) Market risk

(i) Foreign currency risk

The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Company enters into derivative financial instruments to mitigate the foreign currency risk and interest rate risk including,

a) forward foreign exchange and options contracts for foreign currency risk mitigation

b) foreign currency interest rate swaps to mitigate foreign currency & interest rate risk on foreign currency loan.

Foreign currency risk exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of year expressed in INR, are as follows:

(In Millions)

As at March 31, 2020	JPY	USD	EURO	GBP	CHF
Financial assets					
Trade receivables	2,918	1,001	75	-	-
Foreign exchange derivative contracts	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**2,918**	**1,001**	**75**	**-**	**-**
Financial liabilities					
Trade payables and other financial liabilites	13,728	1,773	1,022	10	-
Foreign exchange derivative contracts	(13,237)	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**491**	**1,773**	**1,022**	**10**	**-**

(In Millions)

As at March 31, 2019	JPY	USD	EURO	GBP	CHF
Financial assets					
Trade receivables	5,102	3,141	68	-	-
Foreign exchange derivative contracts	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**5,102**	**3,141**	**68**	**-**	**-**
Financial liabilities					
Trade payables and other financial liabilites	15,313	1,532	614	22	1
Foreign exchange derivative contracts	(4,440)	-	(614)	-	-
Net exposure to foreign currency risk (liabilities)	**10,873**	**1,532**	**-**	**22**	**1**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Foreign currency sensitivity analysis

The Company is mainly exposed to JPY, USD and EURO.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

	Year ended 31.03.2020		Year ended 31.03.2019	
	₹ strengthens by 10%	₹ weakening by 10%	₹ strengthens by 10%	₹ weakening by 10%
Impact on profit or loss for the year				
JPY impact	1,081	(1,081)	1,021	(1,021)
USD Impact	77	(77)	(161)	161
EURO Impact	95	(95)	55	(55)

(ii) Security price risk

Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended March 31, 2020 would increase / decrease by ₹ 256 million (for the year ended March 31, 2019: increase / decrease by ₹ 451 million) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) decleared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period.

If NAV has been 1% higher / lower:

Profit for year ended 31.03.2020 would increase / decrease by ₹ 3,581 million (for the year ended 31.03.2019 by ₹ 3,548 million) as a result of the changes in fair value of mutual fund investments.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

33.3 Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company has large investments in debt mutual fund schemes wherein underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings. The credit quality of the entire portfolio investments is monitored on a quarterly basis. The Company's overall strategy remains unchanged from previous year.

The following table provides detail of the debt and equity at the end of the reporting period :

	As at 31.03.2020	As at 31.03.2019
Borrowings	1,063	1,496
Cash and cash equivalents	(182)	(1,770)
Net debt	**881**	**(274)**
Total equity	484,370	461,415
Net debt to equity ratio	0.002	-

The Company is not subject to any externally imposed capital requirements.

33.4 Foreign exchange derivative contracts

The Company follows a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Company may keep the exposures unhedged or hedged only as a part of the total exposure.

The Company does not enter into a foreign exchange derivative transactions for speculative purposes.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

34 Related Party Transactions

34.1 Description of related parties

Holding Company	**Associates**
Suzuki Motor Corporation, Japan (SMC)	Bharat Seats Limited
	Caparo Maruti Limited
Subsidiaries	Jay Bharat Maruti Limited
J.J. Impex (Delhi) Private Limited	Krishna Maruti Limited
True Value Solutions Limited	Machino Plastics Limited
	SKH Metals Limited
Joint Ventures	Nippon Thermostat (India) Limited
Magneti Marelli Powertrain India Private Limited	Bellsonica Auto Component India Private Limited
Plastic Omnium Auto Inergy Manufacturing India Private Limited	Mark Exhaust Systems Limited
Maruti Suzuki Toyotsu India Private Limited	FMI Automotive Components Private Limited
	Maruti Insurance Broking Private Limited
	Manesar Steel Processing India Private Limited
Contribution to Post Retirement Benefit Plans	Hanon Climate Systems India Private Limited
Maruti Suzuki India Limited - Employees Group Gratuity Fund	Bahucharaji Rail Corporation Limited
Maruti Suzuki India Limited - Employees Provident Fund Trust	
Maruti Suzuki India Limited - Employees Superannuation Fund	

Fellow Subsidiaries (only with whom the Company had transactions during the current year)	
Magyar Suzuki Corporation Ltd.	Taiwan Suzuki Automobile Corporation
Suzuki Motor Gujarat Private Limited	Suzuki Motor (Thailand) Co., Ltd.
Cambodia Suzuki Motor Co. Ltd.	Suzuki Thilawa Motor Co. Ltd
Suzuki Motor De Mexico	Suzuki Motorcycle India Private Limited
Vietnam Suzuki Corporation	Thai Suzuki Motor Co., Ltd.
Suzuki International Europe G.M.B.H.	Suzuki (Myanmar) Motor Co., Ltd.
Suzuki Australia Pty. Ltd.	Suzuki New Zealand Ltd.
Suzuki GB PLC	PT. Suzuki Indomobil Motor
Suzuki Auto South Africa (Pty) Ltd	Suzuki Italia S.P.A.
Suzuki Philippines Inc.	Automotive Electronics Power Private Limited
Suzuki Motor de Colombia S.A.	

Others (Associate of holding company with whom the Company had transactions during the current year)	
Chongqing Changan Suzuki Automobile Co. Ltd.	ISE Suzuki Egg India Private Limited

Key Management Personnel (KMP)	
Mr R. C. Bhargava	Chairman
Mr. Kenichi Ayukawa	Managing Director & CEO
Mr. O. Suzuki	Director
Mr. T. Suzuki	Director
Mr. Kazunari Yamaguchi	Director (till July 26, 2019)
Mr.Takahiko Hashimoto	Director (w.e.f July 27, 2019)
Mr. Hiroshi Sakamoto	Director (w.e.f July 27, 2019 till Oct 25, 2019)
Mr. Seiji Kobayashi	Director (w.e.f Oct 25, 2019 till Dec 5, 2019)
Mr. Toshiaki Hasuike	Director (till July 26, 2019)
Mr. Kenichiro Toyofuku	Director (w.e.f December 5, 2019)
Mr. K. Ayabe	Director (till July 26, 2019)
Mr.Hisashi Takeuchi	Director (w.e.f July 27, 2019)
Mr. K. Saito	Director

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Key Management Personnel (KMP)	
Mr. Davinder Singh Brar	Independent Director
Mr. Rajinder Pal Singh	Independent Director
Ms. Pallavi Shroff	Independent Director (till August 27, 2019)
Ms. Lira Goswami	Independent Director (w.e.f August 28, 2019)
Ms. Renu Sud Karnad	Independent Director (till March 31, 2020)
Mr. Ajay Seth	Chief Financial Officer
Mr. Sanjeev Grover	Company Secretary

34.2 Transaction with related parties

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Sale of goods to:		
- Holding Company, Suzuki Motor Corporation	19,475	17,906
- Subsidiaries	301	253
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Limited	10,614	10,029
- Others	3,821	9,099
- Others	11	6
	34,222	**37,293**
Sale of property, plant & equipment to:		
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	139	120
- Suzuki Motorcycle India Private Limited	389	181
- PT. Suzuki Indomobil Motor	61	-
	589	**301**
Purchase of goods from:		
- Holding Company, Suzuki Motor Corporation	10,987	18,012
- Associates	54,823	60,475
- Joint Ventures	5,062	8,966
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	142,935	90,433
- Others	905	3,575
- Others	51	49
	214,763	**181,510**
Purchase of property, plant & equipment and intangible assets from:		
- Holding Company, Suzuki Motor Corporation	1,280	3,329
- Associates		
- Jay Bharat Maruti Limited	289	1,016
- Others	851	863
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	7	-
- Joint Ventures	248	39
	2,675	**5,247**
Finance income / commission / dividend from:		
- Associates		
- Hanon Climate Systems India Private Limited	110	-
- Others	22	22
- Joint Ventures		
- Magneti Marelli Powertrain India Private Limited	730	-
- Plastic Omnium Auto Inergy Manufacturing India Private Limited	5	22
	867	**44**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Other operating revenue / other income from:		
- Holding Company, Suzuki Motor Corporation	3,528	4,022
- Associates	60	81
- Joint Ventures	10	12
- Fellow Subsidiaries	345	110
	3,943	**4,225**
Recovery of expenses from:		
- Holding Company, Suzuki Motor Corporation	-	1,047
- Associates	414	714
- Joint Ventures	85	288
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	11,875	7,258
- Others	51	61
	12,425	**9,368**
Services received from:		
- Holding Company, Suzuki Motor Corporation	2,123	1,962
- Associates	24	4
- Joint Ventures	0	3
	2,147	**1,969**
Dividend paid to:		
- Holding Company, Suzuki Motor Corporation	13,583	13,583
	13,583	**13,583**
Royalty expenses:		
- Holding Company, Suzuki Motor Corporation	38,173	44,983
	38,173	**44,983**
Other expenses:		
- Holding Company, Suzuki Motor Corporation	314	335
- Subsidiaries	191	32
- Associates	49	18
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	9,787	4,912
- Others	37	14
	10,378	**5,311**

	As at 31.03.2020	As at 31.03.2019
Trade Receivables:		
- Holding Company, Suzuki Motor Corporation	3,170	5,134
- Subsidiaries	4	5
- Associates	41	38
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Limited	906	1,026
- Suzuki Motor Gujarat Private Limited	222	527
- Others	293	258
- Others	0	7
	4,636	**6,995**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Other current assets:		
- Holding Company, Suzuki Motor Corporation	290	48
- Associates	6	1
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	1,687	1,899
	1,983	**1,948**
Other financial assets:		
- Holding Company, Suzuki Motor Corporation	0	1,327
- Associates	212	247
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	3,746	3,134
- Others	24	-
	3,982	**4,708**
Other non current assets:		
- Holding Company, Suzuki Motor Corporation	1,211	112
- Associates		
- Bellsonica Auto Component India Private Limited	233	-
- Others	210	290
- Joint Ventures	32	42
	1,686	**444**
Goods in transit:		
- Holding Company, Suzuki Motor Corporation	1,538	1,614
- Fellow Subsidiaries	11	203
- Others	6	-
	1,555	**1,817**
Trade payable:		
- Holding Company, Suzuki Motor Corporation	19,083	20,197
- Subsidiaries	51	-
- Associates	4,655	6,465
- Joint Ventures	0	781
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	2,629	4,276
- Others	12	213
- Others	6	6
	26,436	**31,938**
Other financial liabilities		
- Holding Company, Suzuki Motor Corporation	34	1,266
- Associates		
- Krishna Maruti Limited	83	1
- Others	56	84
- Joint Ventures, Plastic Omnium Auto Inergy Manufacturing India Private Limited	125	-
- Fellow Subsidiaries, Suzuki Motorcycle India Private Limited	114	-
	412	**1,351**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

34.3 Key management personnel compensation

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Short-term benefits	178	155
Post-employment benefits	1	1
Other long-term benefits	0	1
Total Compensation	**179**	**157**
Mr. Kenichi Ayukawa	47	50
Mr. Ajay Seth	46	31
Mr. Sanjeev Grover	8	8
Mr. Kazunari Yamaguchi	8	33
Mr. Takahiko Hashimoto	23	-
Mr. Kenichiro Toyofuku	11	-
Others	36	35
Total Compensation	**179**	**157**

Contribution to Post Retirement Benefit Plans

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Maruti Suzuki India Limited - Employees Group Gratuity Fund	316	277
Maruti Suzuki India Limited - Employees Provident Fund Trust	811	701
Maruti Suzuki India Limited - Employees Superannuation Fund	129	120
	1,256	**1,098**

35 Leases

The Company as a Lessee

The Company's leases primarily consists of leases for land and buildings and offices and equipment. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term. In a case where the Company has purchase option, the option is exercisable at nominal value and the Company's obligations are secured by the lessor's title to the leased assets for such leases.

(i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:

	As at 31.03.2020	As at 31.03.2019*
Right-of-use assets		
Land	5,545	-
Buildings	582	-
Total	**6,127**	**-**
Additions to the Right-of-use asset during the year were ₹ 9 Millions.		

	As at 31.03.2020	As at 31.03.2019*
Lease liabilities		
Current	94	-
Non-Current	550	-
Total	**644**	**-**

* In the previous year, the Company had no lease contracts classified as 'finance leases' under Ind AS 17, Leases.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Maturity analysis of lease liabilities

	As at 31.03.2020	As at 31.03.2019
Within one year	94	-
Later than one year but less than five years	250	-
Later than five years	300	-
	644	**-**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

	Notes No	As at 31.03.2020	As at 31.03.2019
Depreciation charge of right-of use assets			
Land	27	102	-
Buildings	27	98	-
Total		**200**	**-**

	Notes No	As at 31.03.2020	As at 31.03.2019
Interest expense on lease liabilities (included in finance cost)	26	61	-
Expense relating to short term and low value leases (included in other expense)	28	271	-
Income from subleasing right-of-use assets (included in Other Operating Revenue)	22	71	-

The total cash outflow for leases for the year ended March 31, 2020 were ₹ 423 million.

(iii) Extension and termination option

Extension and termination options are included in various property and equipment leases executed by the company. These are used to maximise operational flexibility in terms of managing the assets used in company's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.

The Company as a Lessor

Leasing arrangements

The Company has entered into operating lease arrangements for various land and premises. These arrangements are cancellable in nature and range between three to fifteen years. Lease rental income earned by the Company is set out in Note 22 as 'Rental income'.

36 Capital & Other Commitments

	As at 31.03.2020	As at 31.03.2019
Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for	19,784	27,587
Outstanding commitments under Letters of Credit established by the Company	1,514	2,192

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

37 Contingent Liabilities

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

	As at 31.03.2020	As at 31.03.2019
(i) Excise Duty		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,628	1,624
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	14,414	13,884
Total	**16,042**	**15,508**
Amount deposited under protest	1,696	1,694
(ii) Service Tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,383	1,210
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	3,450	3,569
(c) Show cause notices on issues yet to be adjudicated	-	12
Total	**4,833**	**4,791**
Amount deposited under protest	92	60
(iii) Income Tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals	12,319	10,370
(b) Cases pertaining to issues decided in favour of the Company for an earlier year but the Income Tax Department have raised a demand for a similar issue for subsequent years and are pending before Appellate authorities / Dispute Resolution Panel pursuant to appeals filed by the Company	39,973	30,529
(c) Other cases pending before Appellate authorities / Dispute Resolution Panel in appeals filed by the Company	31,265	23,830
Total	**83,557**	**64,729**
Amount deposited under protest	7,279	4,789
(iv) Custom Duty		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals	81	81
(b) Others	76	70
Total	**157**	**151**
Amount deposited under protest	-	-
(v) Sales Tax		
Cases pending before Appellate authorities in respect of which the Company has filed appeals	11	10
Amount deposited under protest	1	1
(vi) Claims		
Claims against the Company lodged by various parties	1,176	1,043
Others	2,323	1,929

(vii) In respect of disputed Local Area Development Tax (LADT) (upto April 15, 2008) / Entry Tax, the amounts under dispute are ₹ 21 million (as at 31.03.2019: ₹ 21 million) for LADT and ₹ 21 million (as at 31.03.2019: ₹ 20 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from April 16, 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

(viii) The Competition Commission of India ("CCI") had passed an order dated August 25, 2014 stating that the Company has violated certain sections of the Competition Act, 2002 and has imposed a penalty of ₹ 4,712 million. An interim stay is in operation on the above order of the CCI pursuant to the writ petition filed by the Company before the Delhi High Court.

(ix) The Hon'ble Supreme Court in a ruling during the previous year, had passed a judgment on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company for the previous periods, if any, cannot be ascertained. Currently, the Company has started providing for the revised liability w.e.f from April 1, 2019

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 or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

38 The Company entered into a 'Contract Manufacturing Agreement' (CMA) with Suzuki Motor Gujarat Private Limited (SMG), a fellow subsidiary of Suzuki Motor Corporation (SMC) on December 17, 2015. In accordance with the contractual terms, SMG during the term of this agreement, shall manufacture and supply vehicles on an exclusive basis to MSIL. The consideration for the arrangement would be cost incurred by SMG to manufacture the cars which will be charged to the Company on no-profit-no-loss basis.

The Company evaluated the CMA arrangement in accordance with guidance provided in Ind AS 116 and concluded that the specified assets and right to use the same are implied in the agreement. The Company also evaluated the contractual rights and obligations including relating to pricing, termination and renewal and concluded that a reasonable certainty, as defined by Ind AS 116, does not exists across the lease period. Accordingly no right-of-use assets or lease liability has been recognised on account of the given arrangement. The payments made towards cost of purchase of vehicles recorded during the year includes ₹ 9,780 million (previous year ₹ 4,912 million) towards a component of lease payment for specified assets (Written Down value of specified assets as on March 31,2020 is ₹ 68,857 million (Previous year ₹ 61,902 million)), as per the information provided by SMG.

39 Auditors' Remuneration*

	Year ended 31.03.2020	Year ended 31.03.2019
Statutory audit	18	16
Taxation matters	13	8
Other audit services / certification	2	3
Reimbursement of expenses	1	1

* excluding GST.

40 Details of Research and Development Expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Revenue expenditure		
Employees remuneration and benefits	3,762	3,471
Other expenses of manufacturing and administration	3,287	3,245
Capital expenditure	4,047	4,372
Less: Contract research income	(3,457)	(3,960)
	7,639	**7,128**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

41 CIF Value of Imports

	Year ended 31.03.2020	Year ended 31.03.2019
Raw materials and components	24,876	43,969
Capital goods	9,173	13,312
Stores and spares	741	1,142
Dies and moulds	115	89
Others	525	496

42 Value of Imported and Indigenous Material Consumed

		Year ended 31.03.2020	Year ended 31.03.2019
i)	**Raw material and components**		
	Imported	20,193	29,489
	Indigenous	326,173	420,750
		346,366	**450,239**
	Percentage of total consumption		
	Imported	6%	7%
	Indigenous	94%	93%
ii)	**Machinery spares**		
	Imported	505	630
	Indigenous	1,058	2,323
		1,563	**2,953**
	Percentage of total consumption		
	Imported	32%	21%
	Indigenous	68%	79%
iii)	**Consumption of stores**		
	Imported	102	131
	Indigenous	1,606	1,962
		1,708	**2,093**
	Percentage of total consumption		
	Imported	6%	6%
	Indigenous	94%	94%

43 Licensed Capacity, Installed Capacity and Actual Production

Product	Units	Licensed Capacity	Installed Capacity **	Actual Production
Passenger Car and Light Duty Utility Vehicles	Nos	- *	1,308,000	1,171,800
		(-)*	(1,576,000)	(1,562,938)

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 bracket.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

44 Sales, Opening Stock and Closing Stock

Product	Sales		Opening Stock		Closing Stock	
	Qty (Nos)	Value	Qty (Nos)	Value	Qty (Nos)	Value
Passenger Vehicles	1,563,297	632,266	18,122	5,768	29,710	10,088
	(1,862,449)	(747,715)	(29,789)	(9,700)	(18,122)	(5,768)
Spare Parts and Components	*	84,088	*	3,798	*	3,636
	*	(82,295)	*	(3,197)	*	(3,798)
Dies, Moulds and Others	*	550	*	-	*	-
	*	(255)	*	-	*	-
Work in Progress	*	NA	*	2,995	*	1,218
	*	(NA)	*	(1,772)	*	(2,995)

Notes:

1 Traded goods comprise vehicle, spares, components, dies and moulds. During the year 404,549 vehicle (previous year 289,467 vehicle) was purchased.

2 Closing stock of vehicles is after adjustment of 133 vehicles (previous year 199 vehicles) totally damaged.

3 Sales quantity excludes own use vehicles 1,293 Nos. (previous year 1,403 Nos.)

4 Sales quantity excludes sample vehicles 38 Nos. (previous year 21 Nos.)

5 Previous year figures are in bracket.

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

45 Statement of Raw Material and Components Consumed

Group of material	Unit	2019-20		2018-19	
		Qty	Amount	Qty	Amount
Steel coils	MT	210,764	11,128	284,306	15,809
Ferrous castings	MT	26,330	3,707	41,204	5,913
Non-ferrous castings	MT	38,888	6,131	48,354	8,916
Other components		*	322,349	*	415,818
Paints	K.LTR	10,070		13,005	
	MT	9,713	3,051	11,307	3,783
			346,366		**450,239**

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

46 The figures of previous year have been re-grouped, wherever necessary, to conform to the current year classification.

47 The financial statements were approved by the the Board of Directors and authorised for issue on May 13, 2020.

For and on behalf of the Board of Directors

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President & Company Secretary
ICSI Membership No : F3788

Place: Gurugram
Date: May 13, 2020

Independent Auditor's Report

To The Members of Maruti Suzuki India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Maruti Suzuki India Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit / loss in its associates and its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Evaluation of uncertain tax positions relating to Income tax and Excise duty** The Group has material uncertain tax positions including matters under disputes relating to Income Taxes. Further, the Company has matters under litigation relating to Excise duty. These matters involve significant management judgement to determine the possible outcome of disputes and disclosure thereof. Refer note 2.5 and 39 of the financial statements.	**Principal Audit Procedures:** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: We obtained details of completed income tax and excise duty assessments during the year ended 31 March, 2020 from the management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income taxes and matters under litigations for Excise duty. Additionally we considered the effect of new information in respect of uncertain tax positions and matters under litigation as at 1 April, 2019 to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of 2 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 623 million as at 31 March, 2020, total revenues of ₹ 973 million and net cash outflows amounting to ₹ 65 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 869 million for the year ended 31 March, 2020, as considered in the consolidated financial statements, in respect of 1 associate whose financial statement / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit of ₹ 315 million for the year ended 31 March, 2020, as considered in the consolidated financial statements, in respect of 13 associates and 3 joint ventures, whose financial statements/financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures- Refer to note 39 to consolidated financial statements.

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India- Refer to note 17 to consolidated financial statements.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 20087104AAAACD2215)

Place: New Delhi
Date: 13 May, 2020

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of **Maruti Suzuki India Limited** (hereinafter referred to as “Parent”) and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on “the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies and 1 associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 20087104AAAACD2215)

Place: New Delhi
Date: 13 May, 2020

Consolidated Balance Sheet

As at March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	As at 31.03.2020	As at 31.03.2019
ASSETS				
Non-current assets				
Property, plant and equipment	4	286-287	147,905	149,862
Capital work-in-progress	4	286-287	13,443	16,069
Intangible assets	5	288	4,067	4,511
Right-of-use Assets	37	329-330	6,181	-
Financial assets				
Investments	6	288-291	362,692	324,581
Loans	7	292	2	2
Other financial assets	9	293	365	344
Other non-current assets	12	294	17,216	20,591
Total non-current assets			**551,871**	**515,960**
Current assets				
Inventories	10	293	32,139	33,226
Financial assets				
Investments	6	288-291	12,188	50,455
Trade receivables	8	292	21,298	23,128
Cash and bank balances	11	294	290	1,878
Loans	7	292	170	161
Other financial assets	9	293	5,075	4,964
Current tax assets (Net)	22	304	5,272	4,277
Other current assets	12	294	7,974	5,638
Total current assets			**84,406**	**123,727**
Total Assets			**636,277**	**639,687**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	295	1,510	1,510
Other equity	14	296-298	492,620	469,411
Equity attributable to owners of the Company			**494,130**	**470,921**
Non controlling interest	15	298-299	192	176
Total equity			**494,322**	**471,097**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	299-300	54	80
Lease liabilities	37	329-330	598	-
Provisions	18	300-301	516	395
Deferred tax liabilities (Net)	19	302	6,575	6,139
Other non-current liabilities	20	303	21,158	20,371
Total non-current liabilities			**28,901**	**26,985**
Current liabilities				
Financial liabilities				
Borrowings	16	299-300	1,063	1,496
Trade payables				
Total outstanding dues of micro and small enterprises	21	303	481	682
Total outstanding dues of creditors other than micro and small enterprises	21	303	74,507	95,695
Lease liabilities	37	329-330	103	-
Other financial liabilities	17	300	9,040	14,420
Provisions	18	300-301	6,807	6,254
Current tax liabilities (Net)	22	304	6,962	6,729
Other current liabilities	20	303	14,091	16,329
Total current liabilities			**113,054**	**141,605**
Total liabilities			**141,955**	**168,590**
Total Equity and Liabilities			**636,277**	**639,687**

The accompanying notes are forming part of these consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary

ICSI Membership No : F3788

Place: New Delhi
Date: May 13, 2020

Place: Gurugram
Date: May 13, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

	Particulars	Notes No.	Page No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
I	Revenue from operations	23	304	756,600	860,685
II	Other income	24	305	33,344	25,616
III	**Total Income (I+II)**			**789,944**	**886,301**
IV	**Expenses**				
	Cost of materials consumed	25.1	305	346,348	450,257
	Purchases of stock-in-trade			187,672	143,209
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25.2	305-306	(2,387)	2,116
	Employee benefits expenses	26	306	34,162	32,850
	Finance costs	27	306	1,342	759
	Depreciation and amortisation expenses	28	306	35,284	30,208
	Other expenses	29	307	118,896	123,442
	Vehicles / dies for own use			(1,217)	(1,221)
	Total expenses (IV)			**720,100**	**781,620**
V	**Share of profit of associates**			1,175	1,273
VI	**Share of profit of joint ventures**			9	284
VII	**Profit before tax (III - IV + V + VI)**			**71,028**	**106,238**
VIII	**Tax expense**				
	Current tax	30	308-309	13,765	29,338
	Deferred tax	30	308-309	487	394
				14,252	**29,732**
IX	**Profit for the year (VII - VIII)**			**56,776**	**76,506**
X	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss				
	(a) gain / (loss) of defined benefit obligation	14.5	297	(718)	(436)
	(b) gain / (loss) on change in fair value of equity instruments	14.6	297	(3,902)	(1,745)
				(4,620)	**(2,181)**
	A (ii) Income tax relating to items that will not be reclassified to profit or loss	30	308-309	203	150
	B (i) Items that will be reclassified to profit or loss				
	(a) effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.7	298	-	2
				-	**2**
	B (ii) Income tax relating to items that will be reclassified to profit or loss	30	308-309	-	(1)
	Total Other Comprehensive Income (A (i+ii)+B (i+ii))			**(4,417)**	**(2,030)**
XI	**Total Comprehensive Income for the year (IX + X)**			**52,359**	**74,476**
	Profit for the year attributed to:				
	Owners of the Company			56,760	76,491
	Non controlling interest			16	15
				56,776	**76,506**
	Other comprehensive income for the year attributable to:				
	Owners of the Company			(4,417)	(2,030)
	Non controlling interest			-	-
				(4,417)	**(2,030)**
	Total comprehensive income for the year attributable to:				
	Owners of the Company			52,343	74,461
	Non controlling interest			16	15
				52,359	**74,476**
	Earnings per equity share (₹)	32	310		
	Basic			187.95	253.26
	Diluted			187.95	253.26

The accompanying notes are forming part of these consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary

ICSI Membership No : F3788

Place: New Delhi
Date: May 13, 2020

Place: Gurugram
Date: May 13, 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

a. Equity share capital

	Amount
Balance at April 01, 2018	1,510
Changes in equity share capital during the year	-
Balance at March 31, 2019	**1,510**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**1,510**

b. Other equity

	Reserves and Surplus							Items of other comprehensive income		Attributable to owners of the company	Non controlling interest	Total
	Reserves created on amalgamation	Securities premium	Capital reserves	General reserve	Retained earnings	Employee Welfare Fund	Scientific Research Fund	Equity instrument through other comprehensive income	Effective portion of cash flow hedge			
Balance at April 01, 2018	**9,153**	**4,241**	**2**	**29,309**	**371,027**	**-**	**-**	**10,353**	**(1)**	**424,084**	**161**	**424,245**
Profit for the year	-	-	-	-	76,491	-	-	-	-	76,491	15	76,506
Other comprehensive income for the year, net of income tax	-	-	-	-	(284)	-	-	(1,747)	1	(2,030)	-	(2,030)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**76,207**	**-**	**-**	**(1,747)**	**1**	**74,461**	**15**	**74,476**
Payment of dividend	-	-	-	-	(24,166)	-	-	-	-	(24,166)	-	(24,166)
Tax on dividend	-	-	-	-	(4,968)	-	-	-	-	(4,968)	-	(4,968)
Employee welfare fund	-	-	-	-	(772)	772		-	-	-	-	-
Scientific research fund	-	-	-	-	(772)	-	772	-	-	-	-	-
Income on funds for employee welfare fund	-	-	-	-	(36)	36	-	-	-	-	-	-
Balance at March 31, 2019	**9,153**	**4,241**	**2**	**29,309**	**416,520**	**808**	**772**	**8,606**	**-**	**469,411**	**176**	**469,587**
Profit for the year	-	-	-	-	56,760	-	-	-	-	56,760	16	56,776
Other comprehensive income for the year, net of income tax	-	-	-	-	(518)	-	-	(3,899)	-	(4,417)	-	(4,417)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**56,242**	**-**	**-**	**(3,899)**	**-**	**52,343**	**16**	**52,359**
Payment of dividend	-	-	-	-	(24,166)	-	-	-	-	(24,166)	-	(24,166)
Tax on dividend	-	-	-	-	(4,968)	-	-	-	-	(4,968)	-	(4,968)
Employee welfare fund	-	-	-	-	(750)	750		-	-	-	-	-
Scientific research fund	-	-	-	-	(750)		750	-	-	-	-	-
Income on funds for employee welfare fund	-	-	-	-	(117)	117	-	-	-	-	-	-
Expense on funds for employee welfare fund	-	-	-	-	132	(132)	-	-	-	-	-	-
Balance at March 31, 2020	**9,153**	**4,241**	**2**	**29,309**	**442,143**	**1,543**	**1,522**	**4,707**	**-**	**492,620**	**192**	**492,812**

The accompanying notes are forming part of these consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No : F3788

Place: New Delhi
Date: May 13, 2020

Place: Gurugram
Date: May 13, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
A. Cash flow from Operating Activities:				
Profit before tax			71,028	106,238
Adjustments for:				
Share of profit of associates			(1,175)	(1,273)
Share of profit of joint ventures			(9)	(284)
Share of dividend from Joint ventures and associates			867	-
Depreciation and amortisation expense	28	306	35,284	30,208
Finance costs	27	306	1,342	759
Interest income	24	305	(969)	(1,243)
Dividend income	24	305	(37)	(91)
Net loss on sale / discarding of property, plant and equipment	29	307	424	531
Net gain on sale of investments in debt mutual funds	24	305	(1,503)	(1,601)
Fair valuation gain on investments in debt mutual funds	24	305	(29,413)	(22,681)
Liabilities no longer required written back	23	304	(37)	(53)
Unrealised foreign exchange (gain)/ loss			(768)	85
Operating Profit before Working Capital changes			**75,034**	**110,595**
Adjustments for changes in Working Capital :				
- (Increase)/decrease in other financial assets (non-current)	9	293	(21)	(16)
- (Increase)/decrease in other non-current assets	12	294	(1,547)	(4,282)
- (Increase)/decrease in inventories	10	293	1,087	(1,624)
- (Increase)/decrease in trade receivables	8	292	1,884	(8,506)
- (Increase)/decrease in loans (current)	7	292	(9)	(131)
- (Increase)/decrease in other financial assets (current)	9	293	808	(2,153)
- (Increase)/decrease in other current assets	12	294	(2,422)	7,502
- Increase/(decrease) in non-current provisions	18	300-301	121	130
- Increase/(decrease) in other non-current liabilities	20	303	787	4,512
- Increase/(decrease) in trade payables	21	303	(21,551)	(8,579)
- Increase/(decrease) in other financial liabilities (current)	17	300	(2,577)	4,499
- Increase/(decrease) in current provisions	18	300-301	(165)	209
- Increase/(decrease) in other current liabilities	20	303	(2,096)	(4,709)
Cash generated from Operating Activities			**49,333**	**97,447**
- Income taxes paid (net)			(14,375)	(31,438)
Net Cash from / (used in) Operating Activities			**34,958**	**66,009**
B. Cash flow from Investing Activities:				
Payments for purchase of property, plant and equipment and capital work in progress	4	286-287	(31,947)	(47,470)
Payments for purchase of intangible assets	5	288	(2,423)	(1,254)
Proceeds from sale of property, plant and equipment	4	286-287	370	1,702
Payment for purchase of investment in joint venture/associate company	6	288-291	(150)	(3)
Proceeds from sale of debt mutual funds	6	288-291	469,687	539,864
Payments for purchase of debt mutual funds	6	288-291	(442,050)	(529,572)
Deposits with banks not considered as cash and cash equivalents	11	294	(53)	-
Interest received	24	305	963	1,243
Dividend received	24	305	37	91
Net Cash from / (used in) Investing Activities			**(5,566)**	**(35,399)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
C. Cash flow from Financing Activities:				
Movement in long term / short term borrowings (Net)	16	299-300	(456)	388
Principal elements of lease payments	37	329-330	(98)	-
Finance cost paid	27	306	(1,355)	(733)
Payment of dividend on equity shares	14.5	297	(24,166)	(24,166)
Related income tax	14.5	297	(4,968)	(4,968)
Net Cash from / (used in) Financing Activities			**(31,043)**	**(29,479)**
Net Increase/(Decrease) in cash & cash equivalents			**(1,651)**	**1,131**
Cash and cash equivalents at the beginning of the year			**1,859**	**728**
Cash and cash equivalents at the end of the year			**208**	**1,859**
Cash and cash equivalents comprises:				
Cash and cheques in hand	11	294	4	882
Balance with Banks	11	294	204	977
			208	**1,859**
Other bank balances:				
Deposits (more than 3 months but less than 12 months original maturity period)	11	294	53	-
Unclaimed dividend accounts	11	294	29	19
Cash and bank balances			**290**	**1,878**

The accompanying notes are forming part of these consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

JITENDRA AGARWAL
Partner

Place: New Delhi
Date: May 13, 2020

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

AJAY SETH
Chief Financial Officer

Place: Gurugram
Date: May 13, 2020

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

SANJEEV GROVER
Vice President
& Company Secretary

ICSI Membership No : F3788

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

1 General Information

Maruti Suzuki India Limited ("The Company") is a public limited company incorporated and domiciled in India, listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is #1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070. The Company is a subsidiary of Suzuki Motor Corporation, Japan. The principal activities of the Company and its subsidiaries are manufacturing, purchase and sale of motor vehicles, components and spare parts. The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing. The Company together with its subsidiaries is herein referred to as "the Group".

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Group's operating cycle and other criteria set out in the Act. 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 Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The principal accounting policies are set out below.

2.3 Basis of Consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of change in equity and balance sheet respectively.

(ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iv) below), after initially being recognised at cost.

(iii) Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method of accounting (see note(iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests which does not result in loss of control as transaction with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.4 Going concern

The board of directors have considered the financial position of the Group as at March 31, 2020 and the projected cash flows and financial performance of the Group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Group's operations.

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 33 : Provision for employee benefits

Provision for employee benefits requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Group's retirement benefit obligations.

Note 18 & 39 : Provision for litigations

Income Tax: The Group's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Other litigations: Litigations often involve complex legal/regulatory issues and are connected with a high degree of uncertainty. Accordingly, the assessment of whether an obligation exists on the balance sheet date as a result of an event in the past, and whether a future cash outflow is likely and the obligation can be reliably estimated, largely depends on estimations by the management.

Note 18 : Provision for warranty and product recall

The Group creates provision based on historical warranty claim experience. In addition, assumptions on the amounts of potential costs are also included while creating the provisions. The provisions are regularly adjusted to reflect new information.

(All amounts in ₹ million, unless otherwise stated)

Note 4 : Property, Plant and Equipment - Useful economic life

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Group considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. (Refer to note 37)

2.6 Revenue recognition

Effective April 1, 2018, the Group adopted Ind AS 115 'Revenue from Contracts with Customers'. First time adoption has been conducted retrospectively with cumulative effect of initially applying this standard as on the transition date. The effect on the transition to Ind AS 115 was insignificant.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, discounts, sales incentives, goods & service tax and value added taxes.

The Group recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

2.6.1 Sale of goods

Revenue is recognised for domestic and export sales of vehicles, spare parts, and accessories when the Group transfers control over such products to the customer on dispatch from the factory and the port respectively.

2.6.2 Income from services

Revenue from engineering services are recognised as the related services are performed. Revenue from extended warranty is recognised on time proportion basis. Income from other services are accounted over the period of rendering of services. Invoicing in excess of revenues are classified as contract liabilities. Contract liabilities pertains to advance consideration received towards sale of extended warranty and other services by the Group.

2.6.3 Income from royalty

Revenue from royalty is recognised on an accrual basis in accordance with the substance of the relevant arrangements.

2.7 Other Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

2.8 Leases

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise Right of use assets (RoU) at an amount equal to the lease liability. Accordingly,

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

comparatives for previous year ended March 31, 2019 have not been retrospectively adjusted.

2.8.1 The Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Group did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

2.8.2 The Group as lessee (Till March 31, 2019)

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (Refer to note 2.10 below).

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

Upfront amount paid for land taken on lease is amortised over the period of lease.

The Group as lessee (With effect from April 1, 2019)

The Group assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Group recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the Statement of profit and loss in the period in which the condition that triggers those payments that occur.

2.9 Foreign currencies

2.9.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the Group’s functional and presentation currency.

2.9.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of surplus funds out of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Employee benefits

2.11.1 Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

2.11.2 Other long-term employee benefit obligations

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.11.3 Post-employment obligations

Defined benefit plans

The Group has defined benefit plans namely gratuity, provident fund and retirement allowance for employees. The gratuity fund and provident fund are recognised by the income tax authorities and are administered through trusts set up by the Group. Any shortfall in the size of the fund maintained by the trust is additionally provided for in profit or loss.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group 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 Group and the Group's contribution thereto is charged to profit or loss every year. The Group has no further payment obligations once the contributions have been paid. The Group also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a defined contribution plan. The Group'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.

Termination benefits

A liability for the termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.12.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.12.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

2.13 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

(All amounts in ₹ million, unless otherwise stated)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Building	3-60 years
Plant and machinery other than Dies and Jigs	8 years
Dies and jigs	5 years
Electronic data processing equipment	3 years
Furniture and fixtures	10 years
Office appliances	5 years
Vehicles	8 years

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

Freehold land and Leasehold land in the nature of perpetual lease is not amortised.

2.14 Intangible assets

2.14.1 Intangible assets acquired separately

Lump sum royalty and engineering support fee is carried at cost which is incurred and stated in the relevant licence agreement with the technical knowhow / engineering support provider less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.14.2 Amortisation methods and useful lives

Lump sum royalty and engineering support fee is amortised on a straight line basis over its estimated useful life i.e. 5 years from the start of production of the related model. An intangible asset is derecognised when no future economic benefits are expected from use.

2.15 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.16 Inventories

Inventories are valued at the lower of cost, determined on the weighted average basis and net realisable value.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Machinery spares (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to profit or loss on consumption except those valued at ₹ 5,000 or less individually, which are charged to revenue in the year of purchase.

2.17 Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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 Group 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.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

2.19 Financial assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.19.1 Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Group's business model is to hold the financial asset to collect the contractual cash flows.

- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.

- cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

2.19.2 Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value

(All amounts in ₹ million, unless otherwise stated)

with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Group has equity investments in certain entities which are not held for trading. The Group has elected the fair value through other comprehensive income irrevocable option for all such investments. Dividend on these investments are recognised in profit or loss.

2.19.3 Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit or loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

2.19.4 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

2.19.5 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

2.19.6 Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

2.19.7 Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

2.19.8 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity

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(All amounts in ₹ million, unless otherwise stated)

instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

2.20 Financial liabilities and equity instruments

2.20.1 Classification of debt or equity

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.20.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

2.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

2.20.3.1 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid.

2.20.3.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.20.3.3 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.20.3.4 Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

2.20.3.5 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

2.21 Derivative financial instruments

The Group enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Further details of derivative financial instruments are disclosed in note 34.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

2.21.1 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

2.22 Hedge accounting

The Group designates certain hedging instruments, in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the ineffective portion is recognised immediately in the profit or loss. Amount accumulated in equity are reclassified to the profit or loss in the periods in which the forecasted transaction occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in other equity is retained there until the forecast transaction occurs.

Note 34 sets out details of the fair values of the derivative instruments used for hedging purposes.

2.23 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.24 Government Grant

Government grants are recognised where there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Group recognises as expense the related cost for which the grants are intended to compensate.

2.25 Earning Per Share

Basic earning per share has been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earning per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

2.26 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Group.

2.27 Royalty

The Group pays / accrues for royalty in accordance with the relevant licence agreements.

2.28 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard. Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.29 Rounding of amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

3 APPLICABILITY OF NEW AND REVISED IND AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

4 Property, Plant and Equipment and Capital Work-In-Progress

	As at 31.03.2020	As at 31.03.2019
Carrying amount of		
Freehold Land	40,146	38,591
Leasehold Land #	-	546
Buildings	19,997	18,881
Plant & Machinery	83,688	88,330
Electronic Data Processing (EDP) Equipment	617	522
Furniture, Fixtures and Office Appliances	1,913	1,601
Vehicles	1,544	1,391
	147,905	**149,862**
Capital work-in-progress	13,443	16,069
	161,348	**165,931**

In the nature of perpetual lease

	Freehold Land^	Leasehold Land**	Buildings	Plant & Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
Gross carrying amount								
Balance at April 01, 2018	31,574	551	19,833	150,821	1,723	2,063	1,618	**208,183**
Addition	8,383	-	3,518	36,718	397	502	736	**50,254**
Disposal / adjustments*	(1,366)	-	(25)	(2,040)	(41)	134	(518)	**(3,856)**
Balance at March 31, 2019	**38,591**	**551**	**23,326**	**185,499**	**2,079**	**2,699**	**1,836**	**254,581**
Addition	1,555	-	3,038	26,239	577	793	784	**32,986**
Disposal / adjustments*	-	(551)	(29)	(3,988)	(281)	(21)	(564)	**(5,434)**
Balance at March 31, 2020	**40,146**	**-**	**26,335**	**207,750**	**2,375**	**3,471**	**2,056**	**282,133**
Accumulated depreciation and impairment								
Balance at April 01, 2018	-	5	2,874	72,349	1,150	671	363	**77,412**
Depreciation expenses	-	-	1,586	26,268	446	406	224	**28,930**
Disposal / adjustments*	-	-	(15)	(1,448)	(39)	21	(142)	**(1,623)**
Balance at March 31, 2019	**-**	**5**	**4,445**	**97,169**	**1,557**	**1,098**	**445**	**104,719**
Depreciation expenses	-	-	1,908	30,511	482	471	252	**33,624**
Disposal / adjustments*	-	(5)	(15)	(3,618)	(281)	(11)	(185)	**(4,115)**
Balance at March 31, 2020	**-**	**-**	**6,338**	**124,062**	**1,758**	**1,558**	**512**	**134,228**

(All amounts in ₹ million, unless otherwise stated)

	Freehold Land^	Leasehold Land**	Buildings	Plant & Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
Carrying amount								
Balance at April 01, 2018	31,574	546	16,959	78,472	573	1,392	1,255	**130,771**
Addition	8,383	-	3,518	36,718	397	502	736	**50,254**
Disposal / adjustments*	(1,366)	-	(10)	(592)	(2)	113	(376)	**(2,233)**
Depreciation expenses	-	-	(1,586)	(26,268)	(446)	(406)	(224)	**(28,930)**
Balance at March 31, 2019	**38,591**	**546**	**18,881**	**88,330**	**522**	**1,601**	**1,391**	**149,862**
Addition	1,555	-	3,038	26,239	577	793	784	**32,986**
Disposal / adjustments*	-	(546)	(14)	(370)	-	(10)	(379)	**(1,319)**
Depreciation expenses	-	-	(1,908)	(30,511)	(482)	(471)	(252)	**(33,624)**
Balance at March 31, 2020	**40,146**	**-**	**19,997**	**83,688**	**617**	**1,913**	**1,544**	**147,905**

4.1 Notes on property, plant and equipment

1 Immovable properties having carrying value of ₹ 21 million (as at 31.03.19 ₹ 22 million) are not yet registered in the name of the Company.

2 Plant and Machinery includes a Gas Turbine jointly owned by the Company with its group companies and other companies (pro-rata cost amounting to ₹ 374 million, carrying amount as at March 31, 2020 is Nil (as at 31.03.19 Nil).

3 A part of freehold land of the Group situated at Gurugram, Manesar and Gujarat has been made available to its group companies / fellow subsidiary for their business purpose.

^Above includes 114.77 acres of vacant land parcels in the state of Gujarat with capitalized value of ₹ 285 million acquired by the Company for expansion activities, which are under litigation / title disputes

* Adjustment includes the intra-head re-grouping of amounts.

** In accordance with Ind AS 116 adopted by the Group on April 1, 2019, leasehold land have been transferred to right-of-use assets. (Refer to note 37)

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5 Intangible Assets

	As at 31.03.2020	As at 31.03.2019
Carrying amount of		
Lumpsum royalty and engineering support fee	4,067	4,511
	4,067	**4,511**

	Lumpsum royalty and engineering support fee
Gross carrying amount	
Balance at April 01, 2018	6,398
Addition	2,672
Balance at March 31, 2019	**9,070**
Addition	1,005
Balance at March 31, 2020	**10,075**
Accumulated amortisation and impairment	
Balance at April 01, 2018	3,281
Amortisation expenses	1,278
Balance at March 31, 2019	**4,559**
Amortisation expenses	1,449
Balance at March 31, 2020	**6,008**
Carrying amount	
Balance at April 01, 2018	3,117
Addition	2,672
Amortisation expenses	(1,278)
Balance at March 31, 2019	**4,511**
Addition	1,005
Amortisation expenses	(1,449)
Balance at March 31, 2020	**4,067**

6 Investments

	As at 31.03.2020	As at 31.03.2019
Non-current		
Investments in equity instruments		
- Associate companies	10,496	9,452
- Joint venture companies	1,172	1,748
- Others	5,123	9,026
Investments in preference shares	-	-
Investments in debt mutual funds	345,901	304,355
	362,692	**324,581**
Current		
Investments in debt mutual funds	12,188	50,455
	12,188	**50,455**
Aggregate value of unquoted investments	368,688	365,078
Aggregate value of quoted investments	6,242	10,008
Market value of quoted investments	5,598	10,773
Aggregate provision for diminution in value of investments	50	50

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6.1 Investments in associates

Break-up of Investments in associates (carrying amount determined using the equity method of accounting)

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Quoted investments (fully paid up)				
Bharat Seats Limited (Face value of ₹ 2 each)	4,650,000	168	4,650,000	155
Jay Bharat Maruti Limited (Face value of ₹ 5 each)	6,340,000	1,233	6,340,000	1,183
Machino Plastics Limited (Face value of ₹ 10 each)	941,700	86	941,700	93
Total aggregate quoted investments (A)		**1,487**		**1,431**
Aggregate market value of quoted investments		**843**		**2,196**

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Caparo Maruti Limited (Face value of ₹ 10 each)	2,500,000	310	2,500,000	361
Hanon Climate Systems India Private Limited (Face value of ₹ 100 each)	518,700	899	518,700	899
Krishna Maruti Limited (Face value of ₹ 10 each)	670,000	1,047	670,000	814
SKH Metals Limited (Face value of ₹ 10 each)	2,645,000	523	2,645,000	519
Nippon Thermostat (India) Limited (Face value of ₹ 10 each)	125,000	1	125,000	3
Mark Exhaust Systems Limited (Face value of ₹ 10 each)	4,437,465	337	4,437,465	314
Bellsonica Auto Components India Private Limited (Face value of ₹ 100 each)	3,540,000	181	3,540,000	283
FMI Automotive Components Private Limited (Face value of ₹ 10 each)	44,100,000	671	44,100,000	650
Manesar Steel Processing India Private Limited (Face value of ₹ 10 each)	6,840,000	56	6,840,000	50
Maruti Insurance Broking Private Limited (Face value of ₹ 10 each)	751,643	4,993	231,275	4,125
Bahucharaji Rail Corporation Limited (Face value of ₹ 10 each)	330,000	(9)	330,000	3
Total aggregate unquoted investments (B)		**9,009**		**8,021**
Total investments carrying value (A) + (B)		**10,496**		**9,452**

Investments in associates are accounted for using the equity method in these consolidated financial statements.

Each of the fourteen associates is not individually material to the Group considering the contribution of these associates to the consolidated net asset of the Group.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Financial information of associates that are not individually material

	Year ended 31.03.2020	Year ended 31.03.2019
The Group's share of profit or loss	1,175	1,273
The Group's share of total comprehensive income	**1,175**	**1,273**

	As at 31.03.2020	As at 31.03.2019
Aggregate carrying amount of the Group's interest in these associates	**10,496**	**9,452**

6.2 Investments in joint ventures

Break-up of Investments in joint ventures (carrying amount determined using the equity method of accounting)

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Plastic Omnium Auto Inergy Manufacturing India Private Limited (Face value of ₹ 10 each)	6,656,000	246	6,656,000	221
Magneti Marelli Powertrain India Limited (Face value of ₹ 10 each)	8,550,000	778	8,550,000	1,527
Maruti Suzuki Toyotsu India Private Limited (Face value of ₹ 10 each)	15,000,000	148	-	-
Total aggregate unquoted investment		**1,172**		**1,748**

Investments in joint ventures are accounted for using the equity method in these consolidated financial statements.

Each of three joint ventures is not individually material to the Group considering the contribution of these joint ventures to the consolidated net asset of the Group.

Financial information in respect of joint ventures that are not individually material

	Year ended 31.03.2020	Year ended 31.03.2019
The Group's share of profit or loss	9	284
The Group's share of total comprehensive income	**9**	**284**

	As at 31.03.2020	As at 31.03.2019
Aggregate carrying amount of the Group's interest in these associates	**1,172**	**1,748**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

6.3 Other equity instruments

Investments in equity instruments at fair value through other comprehensive income

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Quoted Investments (fully paid up)				
Asahi India Glass Limited (Face value of ₹ 1 each)	26,995,200	4,201	26,995,200	7,062
JTEKT India Limited (Formerly known as Sona Koyo Steering Systems Limited) (Face value of ₹ 1 each)	13,800,000	554	13,800,000	1,515
Total aggregate quoted Investments (i)		**4,755**		**8,577**

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Unquoted Investments (fully paid up)				
Denso India Private Limited (Face value of ₹ 10 each)	2,862,758	367	2,862,758	448
Total aggregate unquoted Investments (ii)		**367**		**448**
Investment in equity shares of Section 8 Company				
International Automobile Centre of Excellence (Face value of ₹ 10 each)	100,000	1	100,000	1
Investment in equity shares of Section 8 Company (iii)		**1**		**1**
Investments in other equity instruments [i+ii+iii]		**5,123**		**9,026**

6.4 Investment in preference shares

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Western Paques (India) Limited (Face value of ₹ 100 each)	500,000	50	500,000	50
Less: Provision for diminution in value		(50)		(50)
		-		-

6.5 Investments in mutual funds*

	As at 31.03.2020		As at 31.03.2019	
	Current	Non Current	Current	Non Current
Fixed term debt maturity plans	-	34,116	7,209	31,155
Open ended debt schemes	12,188	311,785	43,246	273,200
Total Investments in debt mutual funds	**12,188**	**345,901**	**50,455**	**304,355**

* Includes debt mutual funds for employee welfare fund as at 31.03.2020 amounting to ₹ 1,543 million (as at 31.03.2019 : ₹ 808 million)

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

7 Loans (unsecured and considered good, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Non Current		
Employee related loans and advances	1	1
Inter corporate deposits- unsecured considered doubtful	125	125
Provision for doubtful Intercorporate deposits	(125)	(125)
Others	1	1
	2	**2**
Current		
Employee related loans and advances	170	161
	170	**161**

8 Trade Receivables

	As at 31.03.2020	As at 31.03.2019
Unsecured - considered good	21,298	23,128
- considered doubtful	29	25
Provision for doubtful debts	(29)	(25)
	21,298	**23,128**

8.1 The credit risk to the Company is limited since most of the sales are made against advances or letter of credit/bank guarantees from banks of national standing. The credit period generally allowed on domestic sales varies from 30 to 45 days (excluding transit period). The credit period on export sales varies on case to case basis, based on market conditions.

	As at 31.03.2020	As at 31.03.2019
Age of receivables		
Within the credit period	20,267	22,222
1-90 days past due	983	837
91-180 days past due	3	37
More than 180 days past due	45	32
	21,298	**23,128**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

9 Other Financial Assets (unsecured and considered good, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Non-current		
Financial assets carried at amortised cost		
Security deposits	235	216
Others	130	128
	365	**344**
Current		
Financial assets carried at amortised cost		
Interest accrued - secured	1	1
- unsecured	27	21
Recoverable from related parties (Refer to note 36)	3,982	4,708
Others - considered good	15	162
- considered doubtful	28	28
Less: provision for doubtful assets	(28)	(28)
Financial assets carried at fair value		
Foreign currency and commodity forward contract not qualifying or not designated in hedge accounting relationships	1,050	72
	5,075	**4,964**

10 Inventories

	As at 31.03.2020	As at 31.03.2019
Inventories (lower of cost and net realisable value)		
Raw materials	13,761	17,591
Work-in-progress	1,218	2,995
Finished goods		
Vehicle	9,236	5,683
Vehicle spares and components	376	454
Traded goods		
Vehicle	852	85
Vehicle spares and components	3,295	3,373
Stores and spares	2,489	1,894
Loose Tools	912	1,151
	32,139	**33,226**
Inventory includes in transit inventory of:		
Raw materials	3,740	4,149
Stock in trade	42	49

10.1 The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 602,079 million (previous year ₹ 666,346 million).

The cost of inventories recognised as an expense includes ₹ 129 million (previous year ₹ 119 million) in respect of write-downs of inventory to net realisable value.

The mode of valuation of inventories has been stated in note 2.16.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

11 Cash and Bank Balances

	As at 31.03.2020	As at 31.03.2019
Cash and cash equivalents:		
Balances with Banks	199	933
Cheques, drafts in hand	1	880
Deposits (less than 3 months original maturity period)	5	44
Cash in hand	3	2
	208	**1,859**
Other Bank balances:		
Deposits (more than 3 months but less than 12 months original maturity period)	53	-
Unclaimed dividend accounts	29	19
	82	**19**
	290	**1,878**
Cash and cash equivalents as per cash flow statement	**208**	**1,859**

12 Other Assets (unsecured and considered good, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Non-current		
Capital advances - considered good	4,354	4,295
Prepaid expenses and leases*	3,006	7,730
Amount paid under protest / dispute	9,773	7,397
Claims - unsecured considered good	57	58
- unsecured considered doubtful	27	27
Less : provision for doubtful claims	(27)	(27)
Others	26	1,111
	17,216	**20,591**
Current		
Balance with customs, port trust and other Government authorities	2,802	585
Claims	564	848
Prepaid expenses and leases*	1,002	770
Balance with related parties (Refer to note 36)	1,983	1,948
Others - considered good	1,623	1,487
- considered doubtful	283	238
Less: provisions for doubtful balances	(283)	(238)
	7,974	**5,638**

* In accordance with Ind AS 116 adopted by the Group on April 1, 2019, Prepaid leases have been transferred to Right-of-use assets (Refer to note 37)

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

13 Equity Share Capital

	As at 31.03.2020	As at 31.03.2019
Authorised share capital:		
3,751,000,000 equity shares of ₹ 5 each (as at 31.03.19: 3,751,000,000 equity shares of ₹ 5 each)	18,755	18,755
Issued, subscribed and fully paid up capital comprises:		
302,080,060 equity shares of ₹ 5 each (as at 31.03.19: 302,080,060 equity shares of ₹ 5 each)	1,510	1,510
	1,510	**1,510**

13.1 Rights, preference and restriction attached to shares

The Company has one class of equity shares having 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.

13.2 Reconciliation of number of shares

	As at 31.03.2020		As at 31.03.2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of year	302,080,060	1,510	302,080,060	1,510
Balance as at the end of year	302,080,060	1,510	302,080,060	1,510

13.3 Details of shares held by the holding company

	As at 31.03.2020		As at 31.03.2019	
	Number of shares	Amount	Number of shares	Amount
Suzuki Motor Corporation, Japan	169,999,440	850	169,788,440	849
	169,999,440	**850**	**169,788,440**	**849**

13.4 Details of shares held by each shareholder holding more than 5% shares

	As at 31.03.2020		As at 31.03.2019	
	Number of shares	% holding	Number of shares	% holding
Suzuki Motor Corporation (the holding company)	169,999,440	56.28	169,788,440	56.21
Life Insurance Corporation of India	19,313,328	6.39	20,192,659	6.68

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14 Other Equity

	As at 31.03.2020	As at 31.03.2019
Capital reserve	2	2
General reserve	29,309	29,309
Securities premium	4,241	4,241
Reserve created on amalgamation	9,153	9,153
Retained earnings	442,143	416,520
Employee welfare fund	1,543	808
Scientific research fund	1,522	772
Reserve for equity instruments through other comprehensive income	4,707	8,606
	492,620	**469,411**

14.1 Capital reserves

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	2	2
Balance at the end of year	**2**	**2**

14.2 General reserve

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	29,309	29,309
Balance at the end of year	**29,309**	**29,309**

The general reserve is free reserve which is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

14.3 Securities premium

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	4,241	4,241
Balance at the end of year	**4,241**	**4,241**

Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 ("the Act") for specified purposes.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14.4 Reserve created on amalgamation

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	9,153	9,153
Balance at the end of year	**9,153**	**9,153**

This reserve is created on the basis of the scheme of amalgamation of erstwhile Suzuki Powertrain India Limited (SPIL) with the Company as approved by the High Court of Delhi in the year ended March 31, 2013.

14.5 Retained earnings

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	416,520	371,027
Profit attributable to owners of the Company	56,760	76,491
Other comprehensive income arising from remeasurement of defined benefit obligation attributable to owners of the Company *	(518)	(284)
Amount transferred to Employee welfare fund	(750)	(772)
Income on funds for Employee welfare fund	(117)	(36)
Expenses on funds for Employee welfare fund	132	
Amount transferred to Scientific research fund	(750)	(772)
Payment of dividend on equity shares	(24,166)	(24,166)
Tax on dividend	(4,968)	(4,968)
Balance at the end of year	**442,143**	**416,520**

During the year, a dividend of ₹ 80 per share, total dividend ₹ 24,166 million (previous year : ₹ 80 per share, total dividend ₹ 24,166 million) was paid to equity shareholders.

The Board of Directors recommended a final dividend of ₹ 60 per share (nominal value of ₹ 5 per share) for the financial year 2019-20. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total expected amount of cash outflow is ₹ 18,125 million.

* net of income tax of ₹ 200 million (previous year ₹ 152 million)

14.6 Reserve for equity instruments through other comprehensive income

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	8,606	10,353
Net fair value gain on investment in equity instruments at FVTOCI	(3,902)	(1,745)
Income tax on net fair value gain on investments in equity instruments at FVTOCI	3	(2)
Balance at the end of year	**4,707**	**8,606**

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14.7 Cash flow hedging reserve

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	-	(1)
Recognised / (released) during the year	-	2
Income tax related to above	-	(1)
Balance at the end of year	**-**	**-**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedging item.

14.8 Employee Welfare Fund

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	808	-
Addition during the year	750	772
Income on funds during the year	117	36
Expenses on funds during the year	(132)	-
Balance at the end of year	**1,543**	**808**

This reserve is created by appropriating 1% of profit after tax of the previous year and will be utilised for undertaking welfare activities such as housing, education and health for the employees of the Company.

14.9 Scientific Research Fund

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of year	772	-
Addition during the year	750	772
Balance at the end of year	**1,522**	**772**

This reserve is created by appropriating 1% of profit after tax of the previous year and will be utilised for promotion of scientific research and technology in India. No expenditure has been done from this fund during the current year.

15 Non-Controlling Interest

	Year ended 31.03.2020	Year ended 31.03.2019
Balance at beginning of year	176	161
Share of total comprehensive income of the year	16	15
Balance at the end of the year	**192**	**176**

(All amounts in ₹ million, unless otherwise stated)

Details of non-wholly owned subsidiary

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit (loss) allocated to non-controlling interest		Accumulated non-controlling interest	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
J J Impex (Delhi) Private Limited	India	49.13%	49.13%	16	15	192	176

Summarised financial information of J J Impex (Delhi) Private Limited (before intragroup eliminations)

	As at 31.03.2020	As at 31.03.2019
Non current assets	421	371
Current assets	200	202
Non current liabilities	(108)	(90)
Current liabilities	(122)	(125)
Equity attributable to owners of the Company	199	182
Non controlling interest	192	176

	Year ended 31.03.2020	Year ended 31.03.2019
Revenue	973	893
Expenses	940	862
Profit / (loss) for the year	33	31
Other comprehensive income	-	(1)
Total comprehensive income	**33**	**30**
Profit / (loss) for the year attributable to owners of the Company	17	16
Profit / (loss) for the year attributable to non controlling interest	16	15
Profit (loss) for the year	**33**	**31**
Other comprehensive income attributable to owners of the Company	-	(1)
Other comprehensive income attributable to non controlling interest	-	-
Other comprehensive income for the year	**-**	**(1)**
Total comprehensive income attributable to owners of the Company	17	15
Total comprehensive income attributable to non controlling interest	16	15
Total comprehensive income for the year	**33**	**30**

16 Borrowings

	As at 31.03.2020	As at 31.03.2019
Non-current		
Unsecured		
Term loan from bank	54	80
	54	**80**
Current		
Unsecured		
Term loan from bank	570	-
Loans repayable on demand from banks - cash credit and overdraft	493	1,496
	1,063	**1,496**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

16.1 Summary of borrowing arrangements

1. Loans from banks include:

Loan amounting to ₹ 54 million (as at 31.03.19: ₹ 80 million) is taken from Mizhuho Bank Ltd. at an interest rate of 7.75% (Previous year 8.76%), repayable in 12 quarterly instalments. The above loan is secured by first pari passu charge on Group's plant & machinery excluding existing Chennai workshop and first pari passu charge on current assets of the Group

2. Loan repayable on demand from banks (Cash credit and Overdraft) and working capital term loan at an interest rate of 7.10% to 8.15%, repayable within 0-10 days (as at 31.03.19: interest rate of 7.60% to 8.75%, repayable within 0-10 days)

16.2 Breach of loan agreement

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

17 Other Financial Liabilities

	As at 31.03.2020	As at 31.03.2019
Current		
Financial liabilities carried at amortised cost		
Current maturities of long term debts (Refer to note 16)	23	20
Payables to capital creditors	3,608	6,411
Deposits from dealers, contractors and others	4,256	7,020
Interest accrued	33	46
Unpaid dividend *	29	19
Book overdraft	267	898
Others	824	6
	9,040	**14,420**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act 2013.

18 Provisions

	As at 31.03.2020	As at 31.03.2019
Non-current		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit Plan	209	72
Other provisions		
Provision for warranty & product recall	307	323
	516	**395**
Current		
Provisions for employee benefits		
Provision for retirement allowance	12	3
Provision for compensated absences	4,107	3,522
Other provisions		
Provision for litigation / disputes	1,981	2,151
Provision for warranty & product recall	707	578
	6,807	**6,254**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Details of other provisions

	Litigation / Dispute		Warranty / Product recall	
	Year ended 31.03.2020	Year ended 31.03.2019	**Year ended 31.03.2020**	Year ended 31.03.2019
Balance as at the beginning of the year	2,151	2,118	901	762
Addition during the year	20	71	1,229	1,111
Utilised during the year	-	-	1,116	972
Reversed during the year	190	38	-	-
Balance as at the end of the year	**1,981**	**2,151**	**1,014**	**901**

	Litigation / Dispute		Warranty / Product recall	
	As at 31.03.2020	As at 31.03.2019	**As at 31.03.2020**	As at 31.03.2019
Classified as long term	-	-	307	323
Classified as short term	1,981	2,151	707	578
Total	**1,981**	**2,151**	**1,014**	**901**

Provisions for employee benefits

The provision for employee benefits include compensated absences and retirement allowance.

Provision for warranty and product recall

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as and when warranty claims will arise. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Provision for litigation / disputes

In the ordinary course of business, the Group faces claims by various parties. The Group assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claim where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. (Refer to note 39)

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

19 Deferred Tax Balances

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

	As at 31.03.2020	As at 31.03.2019
Deferred tax assets	2,911	2,528
Deferred tax liabilities	9,486	8,667
Net deferred tax liabilities	**6,575**	**6,139**

2018-19	Opening Balance	Recognised in profit or loss	Recognised in OCI	Adjustments*	Closing Balance
Deferred tax assets					
Deferred revenue	1,194	(897)	-	-	297
Expenses deductible in future years	1,568	294	-	(203)	1,659
Provision for litigation / dispute	204	25	-	133	362
Provision for doubtful debts / advances	99	46	-	-	145
Others	121	(256)	152	48	65
	3,186	**(788)**	**152**	**(22)**	**2,528**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	3,378	(778)	-	15	2,615
Investment in debt mutual funds	3,998	279	-	-	4,277
Investment in equity instruments	54	-	2	-	56
Other current & non-current asset	1,351	36	-	(163)	1,224
Cash flow hedges	(1)	-	1	-	-
Undistributed profit of joint ventures and associates	426	69	-	-	495
	9,206	**(394)**	**3**	**(148)**	**8,667**
Net deferred tax liabilities	**6,020**	**394**	**(149)**	**(126)**	**6,139**
2019-20					
Deferred tax assets					
Deferred revenue	297	(297)	-	-	-
Expenses deductible in future years	1,659	(238)	-	(96)	1,325
Provision for litigation / dispute	362	(120)	-	-	242
Provision for doubtful debts / advances	145	(27)	-	7	125
Property, plant and equipment and Intangible assets	-	1,206	-	-	1,206
Lease	-	9	-	-	9
Others	65	(249)	180	8	4
	2,528	**284**	**180**	**(81)**	**2,911**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	2,615	(2,551)	-	(59)	5
Investment in debt mutual funds	4,277	3,457	-	-	7,734
Investment in equity instruments	56	-	(23)	-	33
Other current & non-current asset	1,224	(372)	-	130	982
Undistributed profit of joint ventures and associates	495	98	-	-	593
Others	-	139	-	-	139
	8,667	**771**	**(23)**	**71**	**9,486**
Net deferred tax liabilities	**6,139**	**487**	**(203)**	**152**	**6,575**

* On account of reclassification to/from "Deferred Tax" from/to "Provision for Taxation" and intra movement within deferred tax assets/deferred tax liabilities

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

20 Other Liabilities

	As at 31.03.2020	As at 31.03.2019
Non-current		
Contract liabilities (Deferred revenue)	21,158	20,371
	21,158	**20,371**
Current		
Advance from customers	4,680	4,175
Contract liabilities (Deferred revenue)	7,838	6,457
Statutory dues	1,573	5,697
	14,091	**16,329**

Note:

During the year the Group has recognised revenue of ₹ 6,457 million which was included in the contract liability balance as on April 1, 2019 (for the year ended March 31, 2019 ₹ 4,651 million which was included in the contract liability balance as on April 1, 2018)

21 Trade Payables

	As at 31.03.2020	As at 31.03.2019
Total outstanding dues of micro and small enterprises	481	682
Total outstanding dues of creditors other than micro and small enterprises	74,507	95,695
	74,988	**96,377**

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at 31.03.2020	As at 31.03.2019
a. Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	481	682
- Interest due thereon	2	4
b. Payments made to suppliers beyond the appointed day during the year		
- Principal	2,428	2,888
- Interest paid	1	1
c. Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	16	30
d. Amount of interest accrued and remaining unpaid as at year end	18	34

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

22 Current Tax

	As at 31.03.2020	As at 31.03.2019
Current tax assets		
Taxes paid (Net)	5,272	4,277
Current tax liabilities		
Income tax payable (Net)	6,962	6,729

23 Revenue from Operations

	Year ended 31.03.2020	Year ended 31.03.2019
Sale of products		
Vehicles	632,266	747,715
Spare parts / dies and moulds / components	84,782	82,670
	717,048	**830,385**
Other operating revenues		
Income from services	12,159	10,543
Sale of scrap	4,109	5,710
Recovery of freight & service charges	20,642	11,631
Liabilities no longer required written back	37	53
Rental income	407	349
Others	2,198	2,014
	39,552	**30,300**
	756,600	**860,685**

Refer to note 8.1 for payment terms with customers.

Revenue from contract with customers is disaggregated by geographical region and presented. (Refer to note 31)

Reconciliation of revenue recognised with contract price:

	Year ended 31.03.2020	Year ended 31.03.2019
Contract price (Gross)	802,283	902,281
Adjustments for:		
Discount & Incentives as per contract/scheme bulletins	(45,683)	(41,596)
Revenue From Operations	**756,600**	**860,685**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

24 Other Income

	Year ended 31.03.2020	Year ended 31.03.2019
Interest income on		
Bank deposits	4	170
Income tax refund	276	502
Receivables from dealers	671	546
Advance to vendors	1	1
Others	17	24
	969	**1,243**
Dividend income		
Dividend from equity investments	37	91
	37	**91**
Others		
Net gain on sale of investments in debt mutual funds	1,503	1,601
Fair valuation gain on investment in debt mutual funds	29,413	22,681
Exchange variations on transactions and translation (net)	1,422	-
	32,338	**24,282**
	33,344	**25,616**

25 Material Consumed

25.1 Cost of materials consumed

	Year ended 31.03.2020	Year ended 31.03.2019
Raw material inventory at the beginning of year	17,591	14,368
Add: Purchases during the year	342,518	453,480
Less: Raw material at the end of year	13,761	17,591
	346,348	**450,257**

25.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31.03.2020	Year ended 31.03.2019
Opening balances		
Work in progress	2,995	1,772
Finished goods manufactured		
Vehicle	5,683	9,700
Vehicle spares and components	454	363
Traded goods		
Vehicle	85	-
Vehicle spares and components	3,373	2,871
	12,590	**14,706**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	Year ended 31.03.2020	Year ended 31.03.2019
Closing balances		
Work in progress	1,218	2,995
Finished goods manufactured		
Vehicle	9,236	5,683
Vehicle spares and components	376	454
Traded goods		
Vehicle	852	85
Vehicle spares and components	3,295	3,373
	14,977	**12,590**
	(2,387)	**2,116**

26 Employee Benefits Expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Salaries and wages	30,163	28,960
Contribution to provident and other funds	1,716	1,468
Staff welfare expenses	2,283	2,422
	34,162	**32,850**

27 Finance Costs

	Year ended 31.03.2020	Year ended 31.03.2019
Interest costs:		
Cash credit and overdrafts	339	245
Deposits from dealers, contractors and others	480	505
Interest on enhanced compensation for land	-	9
Others	523	-
	1,342	**759**

28 Depreciation and Amortisation Expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Depreciation of property, plant and equipment	33,624	28,930
Amortisation of intangible assets	1,449	1,278
Depreciation of right-of-use assets (Refer to note 37)	211	-
	35,284	**30,208**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

29 Other Expenses

	Year ended 31.03.2020	Year ended 31.03.2019
Consumption of stores	1,708	2,093
Power and fuel [net of amount recovered ₹ 444 million (previous year ₹ 832 million)]	6,995	8,633
Rent (Refer to note 40)	10,064	5,346
Repair and maintenance: plant and machinery	2,261	2,745
Repair and maintenance: building	405	582
Repair and maintenance: others	624	558
Insurance	260	169
Rates, taxes and fees	134	150
Royalty	38,173	44,983
Tools / machinery spares charged off	2,585	4,010
Exchange variations on transactions and translation (net)	-	1,784
Advertisement	6,703	7,338
Sales promotion	5,318	8,376
Warranty and product recall	1,229	1,111
Transportation and distribution expenses	22,648	16,401
Net loss on sale / discarding of property, plant and equipment	424	531
Corporate social responsibility expenses	1,682	1,541
Other miscellaneous expenses *	17,683	17,091
	118,896	**123,442**

* Does not include any item of expenditure with a value of more than 1% of the revenue from operation

Note on Corporate Social Responsibility

Gross amount required to be spent by the Company during the year was ₹ 1,666 million (previous year ₹ 1,535 million). as per Section 135 of the Companies Act, 2013.

Amount spent during the year on:

	Year ended 31.03.2020	Year ended 31.03.2019
(i) Construction / acquisition of any asset		
- in cash	-	-
- yet to be paid in cash	-	-
	-	**-**
(ii) On purpose other than above		
- in cash	1,682	1,541
	1,682	**1,541**
Total ((i) + (ii))	**1,682**	**1,541**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

30 Income Taxes

30.1 Income tax recognised in profit or loss

	Year ended 31.03.2020	Year ended 31.03.2019
Current tax		
In respect of the current year	14,313	30,786
In respect of prior years	(548)	(1,448)
	13,765	**29,338**
Deferred tax		
In respect of the current year	487	394
	487	**394**
Total income tax expense recognised in the current year	**14,252**	**29,732**

The income tax expense for the year can be reconciled to the accounting profit as follows

	Year ended 31.03.2020	Year ended 31.03.2019
Profit before tax	**71,028**	**106,238**
Tax at the Indian Tax Rate of 25.168% (previous year 34.944%)	17,876	37,124
Weighted deduction for research and development expenses	-	(1,394)
Differential tax rate on fair value gain on investment	(2,037)	556
Differential tax rate on capital gain on sale of investments	(840)	(4,993)
Effect of expenses that are not deductible in determining taxable profit	239	355
Impact of reversal of opening deferred tax due to change in corporate tax rate from 34.944% to 25.168%	(365)	-
Share of profit in associates and joint ventures after adjustment of dividend received from them	(80)	(544)
Deferred tax on undistributed profit	98	69
Others	(91)	7
	14,800	**31,180**
Adjustments recognised in the current year in relation to the current tax of prior years	(548)	(1,448)
Income tax expenses recognised in profit or loss	**14,252**	**29,732**

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

On September 20, 2019, the Government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Income tax at reduced rate effective April 1, 2019 subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided for at reduced tax rate.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

30.2 Income tax recognised in other comprehensive income

	Year ended 31.03.2020	Year ended 31.03.2019
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	3	(2)
Net gain on designated portion of hedging instruments in cash flow hedges	-	(1)
Remeasurement of defined benefit obligation	200	152
Total income tax recognised in other comprehensive income	**203**	**149**
Bifurcation of the income tax recognised in other comprehensive income into : -		
Items that will not be reclassified to profit or loss	203	150
Items that may be reclassified to profit or loss	-	(1)
	203	**149**

31 Segment Information

The Group is primarily in the business of manufacturing, purchase and sale of motor vehicles, components and spare parts ("automobiles"). The other activities of the Group comprise facilitation of pre-owned car sales, fleet management car financing and servicing of the car manufactured by the Group. The income from these activities is not material in financial terms but such activities contribute significantly in generating demand for the products of the Group.

The board of directors, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore there is no reportable segment for the Group.

31.1 Group wide disclosure

	Domestic	Overseas	Total
Revenue from operations			
2019-20	704,152	52,448	**756,600**
2018-19	803,379	57,306	**860,685**
Non current segment assets			
As at 31.03.2020	175,950	-	**175,950**
As at 31.03.2019	174,737	-	**174,737**

a) Domestic information includes sales and services rendered to customers located in India.

b) Overseas information includes sales and services rendered to customers located outside India.

c) Non-current segment assets includes property, plant and equipment, capital work in progress, intangible assets, capital advances and Right-of-use assets.

d) No customer individually accounted for more than 10% of the company's revenue

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

32 Earnings Per Share

	Year ended 31.03.2020	Year ended 31.03.2019
Basic earnings per share (₹)	187.95	253.26
Diluted earnings per share (₹)	187.95	253.26
Profit attributable to the equity holders of the Group used in calculating basic earnings per share and diluted earnings per share	56,776	76,506
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (numbers)	302,080,060	302,080,060

33 EMPLOYEE BENEFIT PLANS

The various benefits provided to employees by the Group are as under:

A. Defined contribution plans

a) Superannuation fund

b) Post employment medical assistance scheme

c) Employers contribution to Employee State Insurance Act 1948

d) Employers contribution to Employee's Pension Scheme 1995

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

	Year ended 31.03.2020	Year ended 31.03.2019
Employers contribution to Superannuation Fund *	129	120
Employers contribution on Post Employment Medical Assistance Scheme *	18	10
Employers contribution to Employee State Insurance *	26	64
Employers contribution to Employee's Pension Scheme 1995 *	264	271
Employers contribution to Government Provident Fund *	21	18

* Included in 'Contribution to provident and other funds'

B. Defined benefit plans and other long term benefits

a) Contribution to Gratuity Funds - Employee's Gratuity Fund

b) Leave encashment / compensated absence

c) Retirement allowance

d) Provident fund

e) Post retirement medical benefit plan

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The probability or likelihood of lower returns as compared to the expected return on any particular investment.

(All amounts in ₹ million, unless otherwise stated)

Interest risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.20					
Discount rate(s)	8.50%	6.85%	6.85%	6.85%	6.85%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	24	24	24	24	1
As at 31.03.19					
Discount rate(s)	8.65%	7.70%	7.70%	7.70%	NA
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	25	25	25	25	NA

Components of expenses recognised in the statement of profit or loss in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.20					
Current service cost	805	391	321	15	4
Past service cost	-	-	-	-	128
Actuarial Loss / (gain)	-	622	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	262	(1)	6	-
Expenses recognised in profit or loss	**805**	**1,275**	**320**	**21**	**132**
Year ended 31.03.19					
Current service cost	701	372	283	14	-
Past service cost	-	-	-	-	-
Actuarial Loss / (gain)	-	578	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	221	(1)	5	-
Expenses recognised in profit or loss	**701**	**1,171**	**282**	**19**	**-**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Components of expenses recognised in the other comprehensive income in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.20					
Actuarial (gains) / losses					
- changes in demographic assumptions	-	-	(15)	-	-
- changes in financial assumptions	-	-	522	12	-
- experience variance	-	-	80	(19)	-
- others	-	-	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	138	-	-
Remeasurement (or actuarial) (gain) / loss arising because of change in effect of asset ceiling	-	-	-	-	-
Component of defined benefit costs recognised in other comprehensive income	**-**	**-**	**725**	**(7)**	**-**
Year ended 31.03.19					
Actuarial (gains) / losses					
- changes in demographic assumptions	-	-	-	-	-
- changes in financial assumptions	-	-	54	1	-
- experience variance	-	-	421	(14)	-
- others	-	-	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	(26)	-	-
Remeasurement (or actuarial) (gain) / loss arising because of change in effect of asset ceiling	-	-	-	-	-
Component of defined benefit costs recognised in other comprehensive income	**-**	**-**	**449**	**(13)**	**-**

The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.20					
Present value of obligation	23,048	4,107	4,719	89	132
Fair value of plan assets	24,280	-	3,896	-	-
Surplus / (deficit)	**1,232**	**(4,107)**	**(823)**	**(89)**	**(132)**
Effects of asset ceiling, if any *	1,232	-	-	-	-
Net asset / (liability)	**-**	**(4,107)**	**(823)**	**(89)**	**(132)**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.19					
Present value of obligation	19,439	3,522	3,743	75	-
Fair value of plan assets	20,079	-	3,752	-	-
Surplus / (deficit)	**640**	**(3,522)**	**9**	**(75)**	**-**
Effects of asset ceiling, if any *	640	-	9	-	-
Net asset / (liability)	**-**	**(3,522)**	**0**	**(75)**	**-**

* The Group has an obligation to make good the shortfall, if any.

Classification into long term and short term:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.20					
Classified as long term	-	-	-	86	123
Classified as short term	-	4,107	-	3	9
Classified as other financial liabilities (current)	-	-	823	-	-
Total	**-**	**4,107**	**823**	**89**	**132**
As at 31.03.19					
Classified as long term	-	-	-	72	-
Classified as short term	-	3,522	-	3	-
Total	**-**	**3,522**	**-**	**75**	**-**

Movement in the present value of the defined benefit obligation are as follows:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.20					
Present value of obligation as at the beginning	**19,439**	**3,522**	**3,743**	**75**	**-**
Current service cost	805	393	321	15	4
Interest expense or cost	1,938	263	289	6	-
Employees' contribution	2,172	-	-	-	-
Transfer in	16	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:	-	-	-	-	-
- change in demographic assumptions	-	1	(15)	-	-
- change in financial assumptions	-	221	522	12	-
- experience variance	-	401	80	(19)	-
- others	-	-	-	-	-
Past service cost	-	-	-	-	128
Benefits paid	(1,322)	(694)	(221)	-	-
Present value of obligation as at the end	**23,048**	**4,107**	**4,719**	**89**	**132**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.19					
Present value of obligation as at the beginning	**16,672**	**2,925**	**2,938**	**69**	**-**
Current service cost	701	372	283	14	-
Interest expense or cost	1,517	221	230	5	-
Employees' contribution	1,864	-	-	-	-
Transfer in	17	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:	-	-	-	-	-
- change in demographic assumptions	-	-	-	-	-
- change in financial assumptions	-	23	54	1	-
- experience variance	-	555	421	(14)	-
- others	-	-	-	-	-
Past service cost	-	-	-	-	-
Benefits paid	(1,332)	(574)	(183)	-	-
Present value of obligation as at the end	**19,439**	**3,522**	**3,743**	**75**	**-**

Movement in the fair value of the plan assets are as follows:

	Provident Fund	Employees Gratuity Fund
Year ended 31.03.20		
Fair value of plan assets at the beginning	**20,079**	**3,752**
Interest income	1,737	290
Employer's contribution	805	228
Employee's contribution	2,172	-
Transfer in	809	-
Benefits paid	(1,322)	(221)
Actuarial Gain/(Loss) on Plan Assets	-	(138)
Fair value of plan assets as at the end	**24,280**	**3,911**
Year ended 31.03.19		
Fair value of plan assets at the beginning	**17,292**	**2,947**
Interest income	1,479	227
Employer's contribution	701	732
Employee's contribution	1,864	-
Transfer in	75	-
Benefits paid	(1,332)	(183)
Actuarial Gain/(Loss) on Plan Assets	-	29
Fair value of plan assets as at the end	**20,079**	**3,752**

(All amounts in ₹ million, unless otherwise stated)

Major categories of plan assets (as percentage of total plan assets)

	Provident Fund	Employees Gratuity Fund
As at 31.03.20		
Government Securities (Central & State)	42%	0%
Corporate bonds	47%	0%
Equity Mutual Funds	6%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	1%	0%
Cash & cash equivalents	4%	0%
Total	**100%**	**100%**
As at 31.03.19		
Government Securities (Central & State)	46%	0%
Corporate bonds	47%	0%
Equity Mutual Funds	5%	0%
Fund managed by insurer (including ULIP)	0%	84%
Special deposit scheme	1%	0%
Cash & cash equivalents	1%	16%
Total	**100%**	**100%**

The fair value of the above ULIP schemes are determined based on the Net Asset Value (NAV). Moreover, for other investments the fair value is taken as per the account statements of the insurance companies.

The average duration of the defined benefit obligation of gratuity fund at 31.03.20 is 15 years (as at 31.03.19: 14 years).

The Group expects to make a contribution of ₹ 1,170 million (as at 31.03.19: ₹ 305 million) to the defined benefit plans during the next financial year.

Sensitivity analysis

Significant actuarial assumption for the determination of defined benefit obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by ₹ 875 million (increase by ₹ 1,048 million) (As at 31.03.19: decrease by ₹ 663 million (increase by ₹ 789 million)).

If the expected salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 974 million (decrease by ₹ 837 million) (As at 31.03.19: increase by ₹ 740 million (decrease by ₹ 638 million)).

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

34 Financial Instruments and Risk Management

34.1 Financial instruments by category

	As at 31.03.2020				As at 31.03.2019			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
Financial assets								
Investments*								
- in equity instruments	-	5,123	-	5,123	-	9,026	-	9,026
- in debt mutual funds	358,089	-	-	358,089	354,810	-	-	354,810
Trade Receivable	-	-	21,298	21,298	-	-	23,128	23,128
Cash and bank balances	-	-	290	290	-	-	1,878	1,878
Loans	-	-	172	172	-	-	163	163
Security deposits	-	-	235	235	-	-	216	216
Foreign currency / commodity forward contracts	1,050	-	-	1,050	72	-	-	72
Interest accrued	-	-	28	28	-	-	22	22
Recoverable from related parties	-	-	3,982	3,982	-	-	4,708	4,708
Others	-	-	145	145	-	-	290	290
Total financial assets	**359,139**	**5,123**	**26,150**	**390,412**	**354,882**	**9,026**	**30,405**	**394,313**
Financial liabilities								
Borrowings	-	-	1,117	1,117	-	-	1,576	1,576
Current maturities of long term debts	-	-	23	23	-	-	20	20
Trade payables	-	-	74,988	74,988	-	-	96,377	96,377
Deposits from dealers, contractors and others	-	-	4,256	4,256	-	-	7,020	7,020
Payable to capital creditors	-	-	3,608	3,608	-	-	6,411	6,411
Interest accrued	-	-	33	33	-	-	46	46
Unpaid dividend	-	-	29	29	-	-	19	19
Book overdraft	-	-	267	267	-	-	898	898
Lease liabilities	-	-	701	701			-	-
Others	-	-	824	824	-	-	6	6
Total financial liabilities	**-**	**-**	**85,846**	**85,846**	**-**	**-**	**112,373**	**112,373**

* Investment value excludes carrying value of equity accounted investment in joint ventures and investment in associates of ₹ 11,668 million (as at 31.03.2019 : ₹ 11,198 million).

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31.03.2020	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	323,973	34,116	-	358,089
Foreign currency / commodity forward contracts	9	-	1,050	-	1,050
Financial instruments at FVTOCI					
Quoted equity instruments	6	4,755	-	-	4,755
Unquoted equity instruments	6	-	-	368	368
Total financial assets		**328,728**	**35,166**	**368**	**364,262**

As at 31.03.2019	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	316,446	38,364	-	354,810
Foreign currency / commodity forward contracts	9	-	72	-	72
Financial instruments at FVTOCI					
Quoted equity instruments	6	8,577	-	-	8,577
Unquoted equity instruments	6	-	-	449	449
Total financial assets		**325,023**	**38,436**	**449**	**363,908**

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e.. Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Derivative contracts: The Group has entered into variety of foreign currency and commodity forward contracts and swaps to manage its exposure to fluctuations in foreign exchange rates and commodity price risk. These financial exposures are managed in accordance with the Group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

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(All amounts in ₹ million, unless otherwise stated)

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurement

	Unlisted equity instruments
As at 01.04.2018	**437**
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	12
As at 31.03.2019	**449**
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	(81)
As at 31.03.2020	**368**

34.2 Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Business commitment and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

The financial risk management of the Group is carried out under the policies approved by the Board of Directors. Within these policies, the Board provides written principles for overall risk management including policies covering specific areas, such as foreign exchange risk management, commodity risk management and investment of funds.

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(All amounts in ₹ million, unless otherwise stated)

(A) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables, loans and advances and derivative instruments. None of the financial instruments of the Group results in material concentration of credit risks.

Financial assets for which loss allowance is measured:

	Notes No	As at 31.03.2020	As at 31.03.2019
Loans - non current	7	125	125
Trade receivables	8	29	25
Other financial assets - current	9	28	28

Other than financial assets mentioned above, none of the financial assets were impaired and there were no indications that defaults in payment obligations would occur.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

The Group operates with a low Debt Equity ratio. The Group raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Group has access to the borrowing facilities of ₹ 30,240 million as at 31.03.2020 (₹ 30,100 million as at 31.03.2019) to honour any liquidity requirements arising for business needs. The Group has large investments in debt mutual funds which can be redeemed on a very short notice and hence carries negligible liquidity risk.

(i) Financing arrangements

The Group had access to the following borrowing facilities at the end of the reporting period:

	As at 31.03.2020	As at 31.03.2019
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	30,140	30,000
- Expiring beyond one year (bank loans)	100	100
	30,240	**30,100**

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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(All amounts in ₹ million, unless otherwise stated)

Contractual maturities of financial liabilities

	Less than 1 year	More than 1 year	Total
As at March 31, 2020			
Borrowings	1,086	54	1,140
Trade payables	74,988	-	74,988
Lease Liabilities	103	598	701
Other financial liabilities	9,017	-	9,017
	85,194	**652**	**85,846**
As at March 31, 2019			
Borrowings	1,496	80	1,576
Trade payables	96,377	-	96,377
Other financial liabilities	14,420	-	14,420
	112,293	**80**	**112,373**

(C) Market risk

(i) Foreign currency risk

The Group has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the foreign currency risk management policy approved by the board of directors. The Group enters into derivative financial instruments to mitigate the foreign currency risk and interest rate risk including,

a) forward foreign exchange and options contracts for foreign currency risk mitigation

b) foreign currency interest rate swaps to mitigate foreign currency & interest rate risk on foreign currency loan.

Foreign currency risk exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year expressed in ₹, are as follows:

(In Millions)

As at March 31, 2020	JPY	USD	EURO	GBP	CHF
Financial assets					
Trade Receivables	2,918	1,001	75	-	-
Foreign Exchange Derivative Contracts	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**2,918**	**1,001**	**75**	**-**	**-**
Financial liabilities					
Trade payables and other financial liabilities	13,728	1,773	1,022	10	-
Foreign Exchange Derivative Contracts	(13,237)	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**491**	**1,773**	**1,022**	**10**	**-**

(In Millions)

As at March 31, 2019	JPY	USD	EURO	GBP	CHF
Financial assets					
Trade Receivables	5,102	3,141	68	-	-
Foreign Exchange Derivative Contracts	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**5,102**	**3,141**	**68**	**-**	**-**
Financial liabilities					
Trade payables and other financial liabilities	15,313	1,532	614	22	1
Foreign Exchange Derivative Contracts	(4,440)	-	(614)	-	-
Net exposure to foreign currency risk (liabilities)	**10,873**	**1,532**	**-**	**22**	**1**

(All amounts in ₹ million, unless otherwise stated)

Foreign currency sensitivity analysis

The Group is mainly exposed to JPY, USD and EURO.

The following table details the Group's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

	Year ended 31.03.2020		Year ended 31.03.2019	
	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%
Impact on profit or loss for the year				
JPY impact	1,087	(1,087)	1,021	(1,021)
USD Impact	77	(77)	(161)	161
EURO Impact	95	(95)	55	(55)

(ii) Security price risk

Exposure in equity

The Group is exposed to equity price risks arising from equity investments held by the Group and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended March 31, 2020 would increase / decrease by ₹ 256 million (for the year ended March 31, 2019: increase / decrease by ₹ 451 million) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds

The Group manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such Investments.

Mutual fund price sensitivity analysis

The sensitivity analyses below have been determined based on Mutual Fund Investment at the end of the reporting period.

If NAV has been 1% higher / lower:

Profit for year ended 31.03.2020 would increase / decrease by ₹ 3,581 million (for the year ended 31.03.2019 by ₹ 3,548 million) as a result of the changes in fair value of mutual fund investments.

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(All amounts in ₹ million, unless otherwise stated)

34.3 Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group has large investments in debt mutual fund schemes where in underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings. The credit quality of the entire portfolio investments is monitored on a quarterly basis. The Group's overall strategy remains unchanged from previous year.

The following table details the debt and equity at the end of the reporting period:

	As at 31.03.2020	As at 31.03.2019
Borrowings	1,140	1,596
Cash and cash equivalents and deposits	(261)	(1,859)
Net debt	**879**	**(263)**
Total equity	494,130	470,921
Net debt to equity ratio	0.002	-

The Group is not subject to any externally imposed capital requirements.

34.4 Foreign exchange derivative contracts

The Group follows a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Group may keep the exposures unhedged or hedged only as a part of the total exposure.

The Company does not enter into a foreign exchange derivative transactions for speculative purposes.

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35 Details of Group Companies

35.1 Maruti Suzuki India Limited (The Company) has two subsidiaries, three joint venture companies and fourteen 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 March 31, 2020	As on March 31, 2019
1	True Value Solutions Limited	Subsidiary	India	100.00	100.00
2	J.J Impex (Delhi) Private Limited	Subsidiary	India	50.87	50.87
3	Plastic Omnium Auto Inergy Manufacturing India Private Limited	Joint Venture	India	26.00	26.00
4	Magneti Marelli Powertrain India Private Limited	Joint Venture	India	19.00	19.00
5	Maruti Suzuki Toyotsu India Private Limited	Joint Venture	India	50.00	-
6	Bharat Seats Limited	Associates	India	14.81	14.81
7	Jay Bharat Maruti Limited	Associates	India	29.28	29.28
8	Machino Plastics Limited	Associates	India	15.35	15.35
9	Caparo Maruti Limited	Associates	India	25.00	25.00
10	Hanon Climate Systems India Private Limited	Associates	India	39.00	39.00
11	Krishna Maruti Limited	Associates	India	15.80	15.80
12	SKH Metals Limited	Associates	India	37.03	37.03
13	Nippon Thermostat (India) Limited	Associates	India	10.00	10.00
14	Mark Exhaust Systems Limited	Associates	India	44.37	44.37
15	Bellsonica Auto Component India Private Limited	Associates	India	30.00	30.00
16	FMI Automotive Components Private Limited	Associates	India	49.00	49.00
17	Manesar Steel Processing India Private Limited	Associates	India	11.83	11.83
18	Maruti Insurance Broking Private Limited	Associates	India	46.26	46.26
19	Bahucharaji Rail Corporation Limited	Associates	India	33.00	33.00

35.2 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/Associates/Joint Ventures

Name of Company	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at March 31, 2020		As at March 31, 2019		FY 19-20		FY 18-19	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
1 Maruti Suzuki India Limited	97.99%	484,370	97.94%	461,415	99.48%	52,089	97.98%	72,976
Subsidiaries								
1 True Value Solutions Limited	0.00%	2	0.00%	2	0.00%	-	0.00%	-
2 J.J Impex (Delhi) Private Limited	0.08%	391	0.08%	358	0.06%	33	0.04%	30
Adjustments arising out of consolidation	-0.07%	(273)	-0.06%	(258)	-0.03%	(15)	-0.02%	(15)
Total of Subsidiaries	**0.01%**	**120**	**0.02%**	**102**	**0.03%**	**18**	**0.02%**	**15**
Minority Interests in all subsidiaries	**0.04%**	**192**	**0.04%**	**176**	**0.03%**	**16**	**0.02%**	**15**

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(All amounts in ₹ million, unless otherwise stated)

Name of Company	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at March 31, 2020		As at March 31, 2019		FY 19-20		FY 18-19	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Joint Ventures								
1 Plastic Omnium Auto Inergy Manufacturing India Private Limited	0.05%	246	0.05%	221	0.05%	25	0.01%	11
2 Magneti Marelli Powertrain India Private Limited	0.16%	778	0.32%	1,527	-1.43%	(749)	0.37%	273
3 Maruti Suzuki Toyotsu India Private Limited	0.03%	148	0.00%	-	0.28%	148	0.00%	-
Total of Joint Ventures	**0.24%**	**1,172**	**0.37%**	**1,748**	**-1.10%**	**(576)**	**0.38%**	**284**
Adjustments arising out of consolidation	0.00%	-	0.00%	(1)	0.00%	1	0.00%	1
Less: Investment in Joint Ventures	-0.06%	(302)	-0.03%	(152)	-0.29%	(150)	0.00%	-
Associates								
1 Bharat Seats Limited	0.03%	168	0.03%	155	0.02%	13	0.03%	26
2 Jay Bharat Maruti Limited	0.25%	1,233	0.25%	1,183	0.10%	50	0.17%	128
3 Machino Plastics Limited	0.02%	86	0.02%	93	-0.01%	(7)	0.01%	4
4 Caparo Maruti Limited	0.06%	310	0.08%	361	-0.10%	(51)	-0.02%	(12)
5 Hanon Climate Systems India Private Limited	0.18%	899	0.19%	899	0.00%	-	0.17%	128
6 Krishna Maruti Limited	0.21%	1,047	0.17%	814	0.45%	233	0.25%	184
7 SKH Metals Limited	0.11%	523	0.11%	519	0.01%	4	0.02%	15
8 Nippon Thermostat (India) Limited	0.00%	1	0.00%	3	0.00%	(2)	0.00%	(1)
9 Mark Exhaust Systems Limited	0.07%	337	0.07%	314	0.04%	23	0.04%	31
10 Bellsonica Auto Component India Private Limited	0.04%	181	0.06%	283	-0.19%	(102)	-0.10%	(71)
11 FMI Automotive Components Private Limited	0.14%	671	0.14%	650	0.04%	21	0.10%	74
12 Manesar Steel Processing India Private Limited	0.01%	56	0.01%	50	0.01%	6	0.01%	5
13 Maruti Insurance Broking Private Limited	1.01%	4,993	0.88%	4,125	1.66%	868	1.03%	762
14 Bahucharaji Rail Corporation Limited	0.00%	(9)	0.00%	3	-0.02%	(12)	0.00%	-
Total of Associates	**2.13%**	**10,496**	**2.01%**	**9,452**	**2.01%**	**1,044**	**1.71%**	**1,273**
Adjustments arising out of consolidation	-0.01%	(48)	-0.01%	(63)	0.03%	15	-0.03%	(19)
Less: Investment in Associates	-0.22%	(1,085)	-0.23%	(1,085)	0.00%	-	0.00%	-
Deferred Tax Liabilities on Undistributed Profits of associates and joint ventures	-0.12%	(593)	-0.11%	(495)	-0.19%	(98)	-0.08%	(69)
Total	**100.00%**	**494,322**	**100.00%**	**471,097**	**100.00%**	**52,359**	**100.00%**	**74,476**

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(All amounts in ₹ million, unless otherwise stated)

36 Related Party Transactions

36.1 Description of related parties

Holding Company	**Associates**
Suzuki Motor Corporation, Japan (SMC)	Bharat Seats Limited
	Caparo Maruti Limited
Joint Ventures	Jay Bharat Maruti Limited
Magneti Marelli Powertrain India Private Limited	Krishna Maruti Limited
Plastic Omnium Auto Inergy Manufacturing India Private Limited	Machino Plastics Limited
Maruti Suzuki Toyotsu India Private Limited	SKH Metals Limited
	Nippon Thermostat (India) Limited
Contribution to Post Retirement Benefit Plans	Bellsonica Auto Component India Private Limited
Maruti Suzuki India Limited - Employees Group Gratuity Fund	Mark Exhaust Systems Limited
Maruti Suzuki India Limited - Employees Provident Fund Trust	FMI Automotive Components Private Limited
Maruti Suzuki India Limited - Employees Superannuation Fund	Maruti Insurance Broking Private Limited
	Manesar Steel Processing India Private Limited
	Hanon Climate Systems India Private Limited
	Bahucharaji Rail Corporation Limited
Fellow Subsidiaries (only with whom the Company had transactions during the current year)	
Magyar Suzuki Corporation Limited	Taiwan Suzuki Automobile Corporation
Suzuki Motor Gujarat Private Limited	Suzuki Motor (Thailand) Co., Limited
Cambodia Suzuki Motor Co. Limited	Suzuki Thilawa Motor Co. Limited
Suzuki Motor De Mexico	Suzuki Motorcycle India Private Limited
Vietnam Suzuki Corporation	Thai Suzuki Motor Co., Limited
Suzuki International Europe G.M.B.H.	Suzuki (Myanmar) Motor Co., Limited
Suzuki Australia Pty. Limited	Suzuki New Zealand Limited
Suzuki GB PLC	PT. Suzuki Indomobil Motor
Suzuki Auto South Africa (Pty) Limited	Suzuki Italia S.P.A.
Suzuki Philippines Inc.	Automotive Electronics Power Private Limited
Suzuki Motor de Colombia S.A.	
Others (Associate of holding company with whom the Company had transactions during the current year)	
Chongqing Changan Suzuki Automobile Co. Limited	ISE Suzuki Egg India Private Limited
Key Management Personnel (KMP)	
Mr R. C. Bhargava	Chairman
Mr. Kenichi Ayukawa	Managing Director & CEO
Mr. O. Suzuki	Director
Mr. T. Suzuki	Director
Mr. Kazunari Yamaguchi	Director (till July 26, 2019)
Mr.Takahiko Hashimoto	Director (w.e.f July 27, 2019)
Mr. Hiroshi Sakamoto	Director (w.e.f July 27, 2019 till Oct 25, 2019)
Mr. Seiji Kobayashi	Director (w.e.f Oct 25, 2019 till Dec 5, 2019)
Mr. Toshiaki Hasuike	Director (till July 26, 2019)
Mr. Kenichiro Toyofuku	Director (w.e.f December 5, 2019)
Mr. K. Ayabe	Director (till July 26, 2019)
Mr.Hisashi Takeuchi	Director (w.e.f July 27, 2019)
Mr. K. Saito	Director
Mr. Davinder Singh Brar	Independent Director
Mr. Rajinder Pal Singh	Independent Director
Ms. Pallavi Shroff	Independent Director (till August 27, 2019)
Ms. Lira Goswami	Independent Director (w.e.f August 28, 2019)
Ms. Renu Sud Karnad	Independent Director (till March 31, 2020)
Mr. Ajay Seth	Chief Financial Officer
Mr. Sanjeev Grover	Company Secretary

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(All amounts in ₹ million, unless otherwise stated)

36.2 Transaction with related parties

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Sale of goods to:		
- Holding Company, Suzuki Motor Corporation	19,475	17,906
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Limited	10,614	10,029
- Others	3,821	9,099
- Others	11	6
	33,921	**37,040**
Sale of property, plant & equipment to:		
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	139	120
- Suzuki Motorcycle India Private Limited	389	181
- PT. Suzuki Indomobil Motor	61	-
	589	**301**
Purchase of goods from:		
- Holding Company, Suzuki Motor Corporation	10,987	18,012
- Associates	54,823	60,475
- Joint Ventures	5,062	8,966
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	142,935	90,433
- Others	905	3,575
- Others	51	49
	214,763	**181,510**
Purchase of property, plant & equipment and intangible assets from:		
- Holding Company, Suzuki Motor Corporation	1,280	3,329
- Associates		
- Jay Bharat Maruti Limited	289	1,016
- Others	851	863
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	7	-
- Joint Ventures	248	39
	2,675	**5,247**
Finance income / commission / dividend from:		
- Associates		
- Hanon Climate Systems India Private Limited	110	-
- Others	22	22
- Joint Ventures		
- Magneti Marelli Powertrain India Private Limited	730	-
- Plastic Omnium Auto Inergy Manufacturing India Private Limited	5	22
	867	**44**
Other operating revenue / other income from:		
- Holding Company, Suzuki Motor Corporation	3,528	4,022
- Associates	60	81
- Joint Ventures	10	12
- Fellow Subsidiaries	345	110
	3,943	**4,225**

(All amounts in ₹ million, unless otherwise stated)

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Recovery of expenses from:		
- Holding Company, Suzuki Motor Corporation	-	1,047
- Associates	414	714
- Joint Ventures	85	288
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	11,875	7,258
- Others	51	61
	12,425	**9,368**
Services received from:		
- Holding Company, Suzuki Motor Corporation	2,123	1,962
- Associates	24	4
- Joint Ventures	0	3
	2,147	**1,969**
Dividend paid to:		
- Holding Company, Suzuki Motor Corporation	13,583	13,583
	13,583	**13,583**
Royalty expenses:		
- Holding Company, Suzuki Motor Corporation	38,173	44,983
	38,173	**44,983**
Other expenses:		
- Holding Company, Suzuki Motor Corporation	314	335
- Associates	49	18
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	9,787	4,912
- Others	37	14
	10,187	**5,279**

	As at 31.03.2020	As at 31.03.2019
Trade Receivables:		
- Holding Company, Suzuki Motor Corporation	3,170	5,134
- Associates	41	38
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Limited	906	1,026
- Suzuki Motor Gujarat Private Limited	222	527
- Others	293	258
- Others	-	7
	4,632	**6,990**
Other current assets:		
- Holding Company, Suzuki Motor Corporation	290	48
- Associates	6	1
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	1,687	1,899
	1,983	**1,948**

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	As at 31.03.2020	As at 31.03.2019
Other financial assets:		
- Holding Company, Suzuki Motor Corporation	-	1,327
- Associates	212	247
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	3,746	3,134
- Others	24	-
	3,982	**4,708**
Other non current assets:		
- Holding Company, Suzuki Motor Corporation	1,211	112
- Associates		
- Bellsonica Auto Component India Private Limited	233	-
- Others	210	290
- Joint Ventures	32	42
	1,686	**444**
Goods in transit:		
- Holding Company, Suzuki Motor Corporation	1,538	1,614
- Fellow Subsidiaries	11	203
- Others	6	-
	1,555	**1,817**
Trade payable:		
- Holding Company, Suzuki Motor Corporation	19,083	20,197
- Associates	4,655	6,465
- Joint Ventures	0	781
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	2,629	4,276
- Others	12	213
- Others	6	6
	26,385	**31,938**
Other financial liabilities		
- Holding Company, Suzuki Motor Corporation	34	1,266
- Associates		
- Krishna Maruti Limited	83	1
- Others	56	84
- Joint Ventures, Plastic Omnium Auto Inergy Manufacturing India Private Limited	125	-
- Fellow Subsidiaries, Suzuki Motorcycle India Private Limited	114	-
	412	**1,351**

(All amounts in ₹ million, unless otherwise stated)

36.3 Key management personnel compensation

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Short-term benefits	178	155
Post-employment benefits	1	1
Other long-term benefits	0	1
Total Compensation	**179**	**157**
Mr. Kenichi Ayukawa	47	50
Mr. Ajay Seth	46	31
Mr. Sanjeev Grover	8	8
Mr. Kazunari Yamaguchi	8	33
Mr. Takahiko Hashimoto	23	-
Mr. Kenichiro Toyofuku	11	-
Others	36	35
Total Compensation	**179**	**157**

Contribution to Post Retirement Benefit Plans

	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Maruti Suzuki India Limited - Employees Group Gratuity Fund	316	277
Maruti Suzuki India Limited - Employees Provident Fund Trust	811	701
Maruti Suzuki India Limited - Employees Superannuation Fund	129	120
	1,256	**1,098**

37 Leases

The Group as a Lessee

The Group's leases primarily consists of leases for land and buildings and offices and equipment. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term. In a case where the Group has purchase option, the option is exercisable at nominal value and the Group's obligations are secured by the lessor's title to the leased assets for such leases.

(i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:

	As at 31.03.2020	As at 31.03.2019*
Right-of-use assets		
Land	5,545	-
Buildings	636	-
Total	**6,181**	**-**
Additions to the Right-of-use asset during the year were ₹ 9 Millions.		

	As at 31.03.2020	As at 31.03.2019*
Lease liabilities		
Current	103	-
Non-Current	598	-
Total	**701**	**-**

* In the previous year, the Group had no lease contracts classified as 'finance leases' under Ind AS 17, Leases.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Maturity analysis of lease liabilities

	As at 31.03.2020	As at 31.03.2019
Within one year	103	-
Later than one year but less than five years	296	-
Later than five years	302	-
	701	**-**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

	Notes No	As at 31.03.2020	As at 31.03.2019
Depreciation charge of right-of use assets			
Land	28	102	-
Buildings	28	109	-
Total		**211**	**-**

	Notes No	As at 31.03.2020	As at 31.03.2019
Interest expense on lease liabilities (included in finance cost)	27	67	-
Expense relating to short term and low value leases (included in other expense)	29	271	-
Income from subleasing right-of-use assets (included in Other Operating Revenue)	23	71	-

The total cash outflow for leases for the year ended March 31, 2020 were ₹ 436 million.

(iii) Extension and termination option

Extension and termination options are included in various property and equipment leases executed by the Group. These are used to maximise operational flexibility in terms of managing the assets used in Group's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.

The Group as a Lessor

Leasing arrangements

The Group has entered into operating lease arrangements for various land and premises. These arrangements are cancellable in nature and range between three to fifteen years. Lease rental income earned by the Group is set out in Note 23 as ‘Rental income’.

38 Capital & Other Commitments

	As at 31.03.2020	As at 31.03.2019
Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for	19,784	27,589
Outstanding commitments under Letters of Credit established by the Group	1,514	2,192

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

39 Contingent Liabilities

A) Claims against the Group disputed and not acknowledged as debts:

	As at 31.03.2020	As at 31.03.2019
(i) Excise Duty		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,628	1,624
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	14,414	13,884
Total	**16,042**	**15,508**
Amount deposited under protest	1,696	1,694
(ii) Service Tax		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,383	1,211
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	3,450	3,569
(c) Show cause notices on issues yet to be adjudicated	-	12
Total	**4,833**	**4,792**
Amount deposited under protest	92	60
(iii) Income Tax		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals	12,319	10,370
(b) Cases pertaining to issues decided in favour of the Group for an earlier year but the Income Tax Department have raised a demand for a similar issue for subsequent years and are pending before Appellate authorities / Dispute Resolution Panel pursuant to appeals filed by the Group	39,973	30,529
(c) Other cases pending before Appellate authorities / Dispute Resolution Panel in appeals filed by the Group	31,265	23,830
Total	**83,557**	**64,729**
Amount deposited under protest	7,279	4,789
(iv) Custom Duty		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals	81	81
(b) Others	76	70
Total	**157**	**151**
Amount deposited under protest	-	-
(v) Sales Tax		
Cases pending before Appellate authorities in respect of which the Group has filed appeals	35	12
Amount deposited under protest	3	3
(vi) Claims		
Claims against the Group lodged by various parties	1,179	1,046
Others	2,323	1,929
(vii) Group's share in Associate's and Joint Venture's Contingent Liabilities		
Contingent liabilities incurred by the Group arising from its interest in joint venture (a)	82	84
Contingent liabilities incurred by the Group arising from its interest in associates (a)	1,097	1,080
Group's share of joint ventures' contingent liabilities (b)	21	22
Group's share of associates' contingent liabilities (b)	366	366

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

(a) A number of contingent liabilities have arisen as a result of the Group's interest in its joint venture and associates. The amount disclosed represents the aggregate amount of such contingent liabilities for which the Group as an investor is liable. The extent to which an outflow of funds will be required is dependent on the future operations of the joint venture. The Group is not contingently liable for the liabilities of other ventures in the joint ventures.

(b) The amount disclosed represents the Group's share of contingent liabilities of joint ventures and associates. The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.

(viii) In respect of disputed Local Area Development Tax (LADT) (upto April 15, 2008) / Entry Tax, the amounts under dispute are ₹ 21 million (as at 31.03.2019: ₹ 21 million) for LADT and ₹ 21 million (as at 31.03.2019: ₹ 20 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from April 16, 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date.

(ix) The Competition Commission of India (“CCI”) had passed an order dated August 25, 2014 stating that the Group has violated certain sections of the Competition Act, 2002 and has imposed a penalty of ₹ 4,712 million. An interim stay is in operation on the above order of the CCI pursuant to the writ petition filed by the Group before the Delhi High Court.

(x) The Hon’ble Supreme Court in a ruling during the previous year, had passed a judgment on the definition and scope of ‘Basic Wages’ under the Employees’ Provident Funds and Miscellaneous Provision Act, 1952.

Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company for the previous periods, if any, cannot be ascertained. Currently, the Company has started providing for the revised liability w.e.f from April 1, 2019

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 Group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

40 The Company entered into a ‘Contract Manufacturing Agreement’ (CMA) with Suzuki Motor Gujarat Private Limited (SMG), a fellow subsidiary of Suzuki Motor Corporation (SMC) on December 17, 2015. In accordance with the contractual terms, SMG during the term of this agreement, shall manufacture and supply vehicles on an exclusive basis to MSIL. The consideration for the arrangement would be cost incurred by SMG to manufacture the cars which will be charged to the Company on no-profit-no-loss basis.

The Company evaluated the CMA arrangement in accordance with guidance provided in Ind AS 116 and concluded that the specified assets and right to use the same are implied in the agreement. The Company also evaluated the contractual rights and obligations including relating to pricing, termination and renewal and concluded that a reasonable certainty, as defined by Ind AS 116, does not exists across the lease period. Accordingly no right-of-use asset or lease liability has been recognised on account of the given arrangement. The payments made towards cost of purchase of vehicles recorded during the year includes ₹ 9,780 million (previous year ₹ 4,912 million) towards a component of lease payment for specified assets (Written Down value of specified assets as on March 31, 2020 is ₹ 68,857 millions. (Previous year ₹ 61,902 millions), as per the information provided by SMG.

(All amounts in ₹ million, unless otherwise stated)

41 Auditors' Remuneration *

	Year ended 31.03.2020	Year ended 31.03.2019
Statutory audit	18	16
Taxation matters	13	8
Other audit services / certification	2	4
Reimbursement of expenses	1	1

* excluding GST.

42 The figures of previous year have been re-grouped, wherever necessary, to conform to the current year classification

43 The Consolidated financial statements were approved by the Board of Directors and authorised for issue on May 13, 2020.

For and on behalf of the Board of Directors

KENICHI AYUKAWA
Managing Director & CEO
DIN : 02262755

TAKAHIKO HASHIMOTO
Director
DIN : 08506746

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President & Company Secretary
ICSI Membership No : F3788

Place: Gurugram
Date: May 13, 2020

AOC-1

PART "A" - Subsidiaries

1	Sl. No.	1	2
2	Name of the Subsidiary	J.J. Impex (Delhi) Private Limited	True Value Solutions Limited
3	The date since when Subsidiary was acquired	20-Apr-12	14-Jan-02
4	Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period	NA	NA
5	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	NA	NA
6	Share Capital (in Millions)	88	1
7	Reserves & Surplus (in Millions)	303	1
8	Total Assets (in Millions)	621	2
9	Total Liabilities (in Millions)	230	-
10	Investments (in Millions)	-	-
11	Turnover (in Millions)	973	-
12	Profit before taxation (in Millions)	45	(0)
13	Provision for taxation (in Millions)	12	-
14	Profit after taxation (in Millions)	33	(0)
15	Proposed Dividend	-	-
16	% of shareholding	50.87%	100%

Note:
1 No subsidiaries are yet to commence operations.
2 No subsidiaries have been liquidated or sold during the year.

PART "B" - Associates and Joint Ventures

I. Associates

Sl. No.	Name of Associates/ Joint Ventures	Hanon Climate Systems India Private Limited	SKH Metals Limited	Jay Bharat Maruti Limited	Caparo Maruti Limited	Machino Plastics Limited	Bharat Seats Limited	Krishna Maruti Limited	Nippon Thermostat (India) Limited	Mark Exhaust Systems Limited	Bellsonica Auto Component India Private Limited	FMI Automotive Components Private Limited	Manesar Steel Processing India Private Limited	Maruti Insurance Broking Private Limited	Bahucharaji Rail Corporation Limited
1	Latest Audited Balance Sheet Date	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-20	31-Mar-19
2	Date on which the Associate / Joint Venture was associated or acquired	21-Oct-92	07-Nov-86	30-Nov-88	01-Mar-95	15-Mar-89	17-Oct-88	30-Jul-93	20-Jun-95	09-Feb-01	21-Aug-06	01-Nov-07	23-Sep-10	24-Nov-10	13-Dec-18
3	Shares of Associate/Joint Ventures held by the company on the year end														
	No.	518,700	2,645,000	6,340,000	2,500,000	941,700	4,650,000	670,000	125,000	4,437,465	3,540,000	44,100,000	6,840,000	751,643	330,000
	Amount of Investment in Associates/Joint Venture (in Millions)	52	49	16	25	5	5	7	1	57	354	441	68	2	3
	Extent of Holding %	39.00%	37.03%	29.28%	25.00%	15.35%	14.81%	15.80%	10.00%	44.37%	30.00%	49.00%	11.83%	46.26%	33.00%
4	Description of how there is significant influence	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions

Sl. No.	Name of Associates/ Joint Ventures	Hanon Climate Systems India Private Limited	SKH Metals Limited	Jay Bharat Maruti Limited	Caparo Maruti Limited	Machino Plastics Limited	Bharat Seats Limited	Krishna Maruti Limited	Nippon Thermostat (India) Limited	Mark Exhaust Systems Limited	Bellsonica Auto Component India Private Limited	FMI Automotive Components Private Limited	Manesar Steel Processing India Private Limited	Maruti Insurance Broking Private Limited	Bahucharaji Rail Corporation Limited
5	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Networth attributable to shareholding as per latest audited Balance sheet (in Millions)	899	523	1,233	310	86	168	1,047	1	337	181	671	56	4,993	(9)
7	Profit/Loss for the year														
	i. Considered in Consolidation (in Millions)	-	4	50	(51)	(7)	13	233	(2)	23	(102)	21	6	868	(12)
	ii. Not Considered in Consolidation	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

II. Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Plastic Omnium Auto Inergy Manufacturing India Private Limited	Magneti Marelli Powertrain India Private Limited	Maruti Suzuki Toyotsu India Private Limited
1	Latest Audited Balance Sheet Date	31-Mar-19	31-Mar-19	NA
2	Date on which the Associate /Joint Venture was associated or acquired	07-May-10	09-Feb-01	22-Oct-19
3	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	6,656,000	8,550,000	15,000,000
	Amount of Investment in Associates/Joint Venture (in Millions)	67	85	150
	Extent of Holding %	26.00%	19.00%	50.00%
4	Description of how there is significant influence	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA
6	Networth attributable to shareholding as per latest audited Balance sheet (in Millions)			
a)	Share Capital (in Millions)	67	85	150
b)	Reserves & Surplus (in Millions)	179	693	(2)
7	Profit/Loss for the year			
	i. Considered in Consolidation (in Millions)	25	(749)	(2)
	ii. Not Considered in Consolidation	NA	NA	NA

Note:

1 No associates or joint ventures are yet to commence operations except Bahucharaji Rail Corporation Limited and Maruti Suzuki Toyotsu India Private Limited.

2 The Profit after tax of all JV/Associates except Maruti Insurance Broking Private Limited have been taken on the basis of unaudited financial statements for financial year ended March 31, 2020.

Annexure - A

Report on the performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during the period under report

Maruti Suzuki India Limited has 2 subsidiaries, 3 joint ventures and 14 associates. These 19 companies collectively contribute 0.52 % of the total comprehensive income of the Group for the year ended 31st March 2020 and 2.01% of the total net assets of the Group as at 31st March 2020.

Subsidiaries

The subsidiaries contribute 0.06% of the total comprehensive income for the year ended 31st March 2020 and 0.05% of the total net assets of the Group as at 31st March 2020. Brief overviews of the Companies are given below:

J. J. Impex (Delhi) Private Limited (Subsidiary):

The Company became a subsidiary of Maruti Suzuki India Limited from year ended 31st March 2013. The Company is engaged exclusively in the business of sale of spares and servicing of cars manufactured by Maruti Suzuki India Limited.

True Value Solutions Limited

The Company was incorporated on 14th January 2002. The Company is a 100% subsidiary of Maruti Suzuki India Limited. The Company was formed to act as advisors and consultants to provide value added services of all description to owners and users of motor vehicles. No business activity has been carried out by the company during the year.

Joint Ventures and Associates

Joint Ventures and associates contribute 0.46% of the total comprehensive income for the year ended 31st March 2020 and 1.96% of the total net assets of the Group as at 31st March 2020.

Maruti Insurance Broking Private Limited (Associate):

The Company was incorporated in India on 24th November 2010. The Company is engaged in the business of insurance broking with license from the Insurance Regulatory Development Authority to carry on General Insurance Direct Broking Business.

During the year ended 31st March 2020, the Company has contributed 1.66% (previous year 1.03%) of the total comprehensive income of the Group.

Other Companies

The other joint ventures and associates of the company contribute (1.20) % of the total comprehensive income for the year ended 31st March 2020. They are engaged in the business of manufacturing automotive components. Below is the list of joint ventures and associates:

1. Plastic Omnium Auto Inergy Manufacturing India Private Limited
2. Magneti Marelli Powertrain India Private Limited
3. Maruti Suzuki Toyotsu India Private Limited
4. Bellsonica Auto Component India Private Limited
5. Machino Plastics Limited
6. Mark Exhaust Systems Limited
7. Manesar Steel Processing (India) Private Limited
8. Bharat Seats Limited
9. Jay Bharat Maruti Limited
10. FMI Automotive Components Private Limited
11. Hanon Climate Systems India Private Limited
12. Caparo Maruti Limited
13. SKH Metals Limited
14. Krishna Maruti Limited
15. Nippon Thermostat (India) Limited
16. Bahucharaji Rail Corporation Limited

MARUTI SUZUKI

CIN: L34103DL1981PLC011375

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MARUTI SUZUKI

Way of Life!

Investor Relations
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MARUTI SUZUKI

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Tel: 011-46781000 / 011-46150275
Web: www.marutisuzuki.com **Email Id:** investor@maruti.co.in

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting (AGM) of the members of Maruti Suzuki India Limited will be held on Wednesday, the 26th August, 2020 at 10:00 a.m. through video conferencing/other audio visual means (VC/OAVM) to transact the following business:

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2020 including the audited Balance Sheet as at 31st March, 2020, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2020 including the audited Balance Sheet as at 31st March, 2020, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

2. To declare dividend on equity shares and in this regard pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the recommendation of the Board of Directors of the Company, dividend at the rate of Rs. 60 per share be and is hereby declared to be paid to the members of the Company."

3. To appoint a director in place of Mr. Kenichi Ayukawa, who retires by rotation and being eligible, offers himself for re-appointment and in this regard pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to Article 76(5) of the Articles of Association of the Company read with Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Kenichi Ayukawa (DIN: 02262755) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To appoint a director in place of Mr. Takahiko Hashimoto, who retires by rotation and being eligible, offers himself for re-appointment and in this regard pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to Article 76(5) of the Articles of Association of the Company read with Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Takahiko Hashimoto (DIN: 08506746) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

5. To appoint Mr. Kenichiro Toyofuku as a Director and Whole-time Director designated as Director (Corporate Planning) and in this regard pass the following as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Rules made thereunder, Mr. Kenichiro Toyofuku (DIN: 08619076) be and is hereby appointed as a Director liable to retire by rotation."

   "FURTHER RESOLVED THAT pursuant to Article 76 of the Articles of Association of the Company and Sections 196 and 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Kenichiro Toyofuku be and is hereby appointed as a Whole-time Director designated as Director (Corporate Planning) with effect from 5th Dec, 2019 for a period of three years at the following remuneration:

   a) **Basic Salary:** Rs. 139.92 lac per annum in the scale of Rs. 125 lac to Rs. 200 lac per annum with authority to the Board (which expression shall include a committee thereof) to revise his salary from time to time. The annual increments will be merit based and take into account the Company's performance.

   b) **Special Salary:** Rs. 12 lac per annum with authority to the Board (which expression shall include a committee thereof) to increase it upto Rs. 30 lac per annum.

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 and him; provided that such perquisites and allowances will be Rs. 63.24 lac per annum with authority to the Board (which expression shall include a committee thereof) to increase it from time to time upto a maximum of Rs. 120 lac 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 (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."

6. To appoint Mr. Maheswar Sahu as an Independent Director and in this regard pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Mr. Maheswar Sahu (DIN: 00034051), be and is hereby appointed as an Independent Director, not to retire by rotation, for a period of five years with effect from 14th May, 2020 to 13th May, 2025.

7. To appoint of Mr. Hisashi Takeuchi as a Director and in this regard pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Rules made thereunder, Mr. Hisashi Takeuchi (DIN: 07806180) be and is hereby appointed as a Director liable to retire by rotation."

8. To ratify the remuneration of the Cost Auditor, M/s R.J.Goel & Co., cost accountants and in this regard pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration of M/s R.J.Goel & Co., Cost Accountants (Firm Registration No. 000026) appointed by the Board of Directors as Cost Auditor to conduct the audit of the applicable cost records of the Company for the financial year 2020-21 amounting to Rs. 2.40 lac plus applicable taxes thereon besides reimbursement of out of pocket expenses on actuals incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

By order of the Board
for MARUTI SUZUKI INDIA LIMITED

Sanjeev Grover
Vice President
& Company Secretary
FCS No. 3788

Gurugram
29th July 2020

NOTES:

1. **IN ACCORDANCE WITH THE GENERAL CIRCULAR NO. 20/2020 DATED MAY 5, 2020, READ WITH THE CIRCULARS DATED APRIL 8, 2020 AND APRIL 13, 2020 ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS (MCA) AND IN ACCORDANCE WITH THE CIRCULAR DATED MAY 12, 2020 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA PROVIDING RELAXATIONS TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (LISTING REGULATIONS, COLLECTIVELY "APPLICABLE CIRCULARS") AGM WILL BE CONDUCTED THROUGH VC/OAVM. THE PHYSICAL ATTANDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH AND ACCORDINGLY, A MEMBER IS NOT ENTITLED TO APPOINT A PROXY.**

2. Members who have not updated their latest email addresses in the records with the Company/Transfer Agents and their Depository Participants are requested to update the same at the earliest.

3. The explanatory statement pursuant to Section 102 of Companies Act, 2013 ('Act'), in regard to the business as set out from item nos. 5 to 8 and the relevant details pursuant to the Listing Regulations is annexed hereto.

4. (a) The register of members will remain closed from Saturday, the 15th August, 2020 to Wednesday, the 26th August, 2020 (both days inclusive).

   (b) Subject to the provisions of Section 124 of the Act, dividend as recommended by the Board of Directors, if declared at the AGM will be paid on or after 31st August 2020 to the Members on the basis of the details of beneficial ownership furnished by the Depositories, as at the close of Friday, the 14th August, 2020 and in respect of shares held in physical form to those Members whose names will appear in the Register of Members of the Company as on the close of Wednesday, the 26th August, 2020.

   (c) The members are requested to update their bank details with their Depository Participants or Registrar and Transfer Agent (RTA) for the purpose of receiving dividend. The Ministry of Corporate Affairs (MCA) is encouraging all the members to receive dividend electronically due to unprecedented lockdown in various areas due to Covid-19 and uncertainty of postal services.

   (d) As you may be aware that in terms of the provisions of the Income Tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April, 2020 is taxable in the hands of the Members. The Company is, therefore, required to deduct tax at source at the time of payment of dividend to the Members.

   For resident members: Tax will be deducted at source ("TDS") under Section 194 of the Act (read with Press Release dated May 13th, 2020) @ 7.5% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY 2020-21 does not exceed Rs. 5,000/-.

   Tax at source will not be deducted where a member provides Form 15G (applicable to Individual in case of dividend) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can also be downloaded from the website of the RTA viz. https://ris.kfintech.com/form15

   Needless to mention, the Permanent Account Number (PAN) will be mandatorily required. If PAN is not submitted, Tax at source will be deducted @ 20% as per Section 206AA of the Act.

   In order to provide exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:

   - **Insurance companies**: A declaration that they are beneficial owners of shares held.
   - **Mutual Funds**: A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested).
   - **Alternative Investment Fund (AIF) established in India**: A declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
   - **New Pension System Trust** : A declaration that they are governed by the provisions of Section 10(44) [subsection 1E to Section 197A] of the Act along with copy of registration documents (self-attested).
   - **Corporation established by or under a Central Act** which is, under any law for the time being in force, exempt from income tax on its income - Documentary evidence that the person is covered under Section 196 of the Act.

For non-resident members: Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if they are more beneficial to the member. For this purpose, i.e. to avail tax treaty benefits, the non-resident member will have to provide the following:

i. Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities;

ii. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is resident;

iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;

iv. Self-declaration by the non-resident member of having no permanent establishment in India in accordance with the applicable Tax Treaty;

v. Self-declaration of beneficial ownership by the non-resident member.

The documents referred to in point nos. (iii) to (v) can be downloaded from the website of the RTA viz. https://ris.kfintech.com/form15

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non- resident member.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such rate shall not be reduced on account of the application of the lower DTAA rate, if any.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than 5 PM, Friday, the 14th August, 2020.

To summarize, dividend will be paid after deducting the tax at source as under:

- NIL for resident members receiving dividend upto Rs. 5,000/- or in case Form 15G / Form15H (as applicable) along with self-attested copy of the PAN is submitted.
- 7.5% for resident members in case PAN is provided / available.
- 20% for resident members, if PAN is not provided / not available.
- Tax will be assessed on the basis of documents submitted by the non-resident members.
- 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
- Lower / NIL TDS on submission of self-attested copy of the certificate issued under Section 197 of the Act.

Kindly note that the aforementioned documents should be uploaded with KFin Technologies Private Limited, the Registrar and Transfer Agent ('KFin') at https://ris.kfintech.com/form15 or emailed to einward.ris@kfintech.com.

No communication on the tax determination / deduction shall be entertained after 14th August, 2020.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such tax deducted.

We request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the demat form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first member, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with KFin. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear the members' name, please attach a copy of the bank pass-book statement duly self-attested. **We also request you to register your email IDs and mobile numbers with the RTA**.

(e) In the event the Company is unable to pay the dividend to any member directly in their bank accounts, the Company will dispatch the dividend warrant/ Bankers' cheque/ demand draft/etc. to such member, as the case may be at the earliest once the normalcy is restored.

(f) 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 established by the Central Government. Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay.

(g) Register of contracts or arrangements in which directors are interested will be produced at the commencement of AGM and remain open and accessible during the continuance of the AGM to any person attending meeting through VC/OAVM.

(h) Register of Directors and Key Managerial Personnel will also be kept open for inspection during the AGM and accessible to the persons attending the AGM through VC/OAVM.

5. As per Section 72 of the Act, 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 SH-13 for nomination and Form SH-14 for cancellation/ variation as the case may be to the RTA. The said forms can also be down-loaded from the Company's website www.marutisuzuki.com.

6. Attention of the members is drawn to the provisions of Section 124(6) of the Act which requires a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has intimated the shareholders whose shares are liable to be transferred in the name of IEPF Authority. Members are advised to visit the website of the Company www.marutisuzuki.com to ascertain such details.

7. In accordance with the Applicable Circulars, electronic copies of the Annual Report and this Notice, inter-alia, indicating the process and manner of e-voting along with instructions to attend the AGM through VC/OAVM are being sent by email to those Members whose email addresses have been made available to the Company/ Depository Participants.

8. Notice and the Annual Report are available on the website of the Company www.marutisuzuki.com. Members desiring any information relating to the annual accounts or any document pertaining to explanatory statement are requested to send an email to the Company at investor@maruti.co.in, at least ten (10) days before the AGM.

9. The Company has engaged the services of KFin to provide video conferencing facility during the AGM.

10. The Company is pleased to provide two-way facility through VC/OAVM and live webcast of the proceedings of the AGM on 26th August, 2020 from 10.00 a.m. (IST) onwards at the web link – https://emeetings.kfintech.com.

11. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum.

12. I. Instructions for attending AGM of the Company through VC/OAVM:

i. Members will be able to attend AGM through VC / OAVM or view the live webcast of AGM provided by KFin at https://emeetings.kfintech.com and thereafter clicking on 'VIDEO CONFERENCE' by using their remote e-voting login credentials and selecting the EVEN No. of the Company. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned below.

ii. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available to members on first-come-first-served basis.

iii. Members who need assistance before or during the AGM, can contact KFin at the toll free No.1-800-345-4001 or write to them at einward.ris@kfintech.com or evoting@kfintech.com. Members may also contact Mr. Raj Kumar Kale, Senior Manager, KFin at einward.ris@kfintech.com or 040-6716 2222, for any clarifications. Members are encouraged to join AGM through laptops with Google Chrome for better experience. Further, Members will be required to allow Camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting. Please note that members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

iv. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by accessing the link - https://emeetings.kfintech.com/ and click on Post your Queries from 9 a.m. on 22nd August, 2020 to 5 p.m. on 24th August, 2020 and providing their name, DP ID and Client ID / folio number, PAN, mobile number, and email address. Only those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM and may have to allow camera access during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

v. The "thumb sign" on the left hand corner of the screen will be activated upon instructions of the Chairman during the AGM proceedings. Members will have to click on the sign which would take them to the 'instapoll' page. Members will have to click on 'instapoll' to reach the resolutions page and follow the instructions to vote on the resolutions. Only those members, who are present in the AGM and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, will be eligible to vote during the AGM.

II. Instructions for remote e-voting:

i. Pursuant to the provisions of Section 108 of the Act read with The Companies (Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (remote e-voting) in respect of the resolutions contained in this notice.

ii. The Company is providing remote e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of KFin as the authorised agency to provide remote e-voting facilities.

iii. The Board of Directors has appointed Mr. Manish Gupta, Partner of RMG & Associates, Company Secretaries in whole-time practice, New Delhi with Membership No. FCS 5123 and Certificate of Practice No. 4095 as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.

iv. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

v. The remote e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for remote e-voting:

Commencement of e-voting	**From 9:00 a.m. (IST) on 23rd August, 2020**
End of e-voting	**Up to 05:00 p.m. (IST) on 25th August, 2020**

At the end of remote e-voting period, the facility shall forthwith be blocked. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

vi. The cut-off date for the purpose of remote e-voting and voting during the meeting is 19th August, 2020.

The procedure and instructions for remote e-voting are as under:

a) Open your web browser during the voting period by typing the URL:https://evoting.karvy.com

b) Enter the login credentials (i.e. User ID and password mentioned in the email forwarding the notice of AGM, or mentioned on the notice of AGM. Your Folio No./DP ID Client ID will be your user ID. However, if you hold shares in demat form and you are already registered with KFin for remote e-voting, you shall use your existing User ID and password for casting your vote.

c) After entering these details appropriately, click on "LOGIN".

d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

e) You need to login again with the new credentials.

f) On successful login, the system will prompt you to select the EVEN for the Company.

g) On the voting page, you will see the Resolution Description and the options "FOR/AGAINST/ABSTAIN" for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote.

h) You may then cast your vote by selecting an appropriate option and click on “Submit”.

i) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

j) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

k) Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date may obtain the User ID and password in the manner as mentioned below:

    i) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : **MYEPWD**<space> E-Voting EVEN
    Number+Folio No. or DP ID Client ID to **9212993399**

    Example for NSDL:
    MYEPWD <SPACE> In12345612345678
    Example for CDSL :
    MYEPWD <SPACE> 1402345612345678

    Example for Physical :
    MYEPWD <SPACE> XXXX1234567890

    ii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

l) Corporate / Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board resolution / Authority letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: e-voting@rmgcs.com with a copy to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_EVEN.”

m) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently. **Further, the members who have cast their vote electronically shall not be allowed to vote again during the meeting.**

n) In case of any query pertaining to remote e-voting, please contact KFin’s toll free no. 1-800-34-54-001 or visit the FAQ’s section available at KFin’s website https://evoting.karvy.com/public/Faq.aspx

o) In case of members whose email IDs are not registered with the RTA/ Depository Participant(s) shall first register the same in the following manner:

    • **Members holding shares in physical form**

    Members holding shares in physical mode, who have not registered/ updated their email addresses with the RTA, are requested to register/update the same by clicking on **https://ris.Kfintech.com/email_registration/** or by writing to the RTA with details of folio number and attaching a self-attested copy of PAN card at einward.ris@Kfintech.com .

    • **Members holding shares in electronic mode**

    Members are required to register their e-mail address with their respective Depository Participant “DPs” for receiving all communications from the Company electronically.

    After due verification, KFin will forward your login credentials to your registered email address.

p) The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date.

q) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again during the meeting.

r) The Scrutinizer shall make, not later than three days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him. The results declared along with the consolidated Scrutinizer’s Report shall be placed on the website of the Company and on the website of KFin. The results shall simultaneously be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

The Board, on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Kenichiro Toyofuku as an Additional Director. Pursuant to the provisions of Section 161 (1) of the Act and the Articles of Association of the Company, Mr. Toyofuku holds his office as an Additional Director up to the date of this Annual General Meeting. He was also appointed as a Whole-time Director designated as Director (Corporate Planning) with effect from 5th December, 2019 for a period of three years. Section 196 of the Act provides, *inter-alia*, that a Whole-time Director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the Company. The approval of the members is sought for his appointment as a Director and Whole-time Director and payment of remuneration.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution except Mr. Toyofuku and his relatives. The Board recommends his appointment and payment of remuneration for approval of the members.

ITEM NO. 6

Section 149 of the Act, *inter-alia*, provides that every listed company shall have at least one third of the total number of directors as Independent Directors (IDs). Any fraction contained in such one third shall be rounded off as one. An ID shall hold office for a term upto 5 consecutive years on the Board of a Company. Explanation to Section 152(6) signifies that IDs are not liable to retire by rotation and can be appointed only for a fixed term upto five consecutive years.

Based on the recommendation of the Nomination & Remuneration Committee, the Board recommends the appointment of Mr. Maheswar Sahu as ID not liable to retire by rotation for a term of five years from 14th May, 2020 to 13th May, 2025. The Company has received the requisite declarations from him that he meets the criteria of independence. In the opinion of the Board, he fulfills the conditions as specified in the Act and Rules made thereunder and the Listing Regulations for his appointment and is independent of the management. He is person of integrity and possess appropriate skills, experience, knowledge and qualification in his respective field which would be beneficial to the interest of the Company. Keeping in view his vast experience and knowledge he possesses, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an ID.

None of the Directors/KMPs of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the respective resolutions except Mr. Maheswar Sahu and his relatives. The Board recommends his appointment for approval of the members.

ITEM NO. 7

Mr. Hisashi Takeuchi was appointed with effect from 27th July, 2019 as a Director to fill the casual vacancy caused by the resignation of Mr. Kazuhiko Ayabe. Section 161 of the Act provides that any person appointed in a casual vacancy shall hold office upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated. Mr. Takeuchi shall hold his office as Director upto the date of the AGM and hence the approval of members is sought for his appointment.

None of the Directors/KMP of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except Mr. Takeuchi and his relatives. The Board recommends this resolution for approval of the members.

ITEM NO. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of applicable cost records of the Company for the financial year ending 31st March, 2021. In accordance with the provisions of Section 148 of the Act read with the Rules made thereunder, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2021.

None of the Directors/KMPs of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends ratification of payment of remuneration to the Cost Auditor for approval of the members.

By order of the Board
for MARUTI SUZUKI INDIA LIMITED

Sanjeev Grover
Vice President
& Company Secretary
FCS No. 3788

Gurugram
29th July 2020

Additional information:

Details of directors retiring by rotation/recommended for appointment/re-appointment:

Particulars	**Mr. Kenichi Ayukawa**	**Mr. T. Hashimoto**	**Mr. Maheswar Sahu**	**Mr. Kenichiro Toyofuku**	**Mr. Hisashi Takeuchi**
Age	64	54	66	50	56
Qualification	Law graduate from Osaka University, Japan	Graduated from Business Administration of Suffolk University	He is an ex-senior civil servant and joined the Indian Administrative Service (IAS) in 1980	Bachelor of Arts (BA) in Economics (Environmental Economics), Keio university, Japan	Graduated from the Faculty of Economics, Yokohama National University
Experience	He joined Suzuki Motor Corporation (SMC) 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 as a non-executive director and was appointed as Managing Director with effect from 1st April, 2013.	He joined SMC in April, 1992 and worked at Spare Parts & Accessories Department before joining Suzuki Canada Ltd. in 1997.Thereafter, he worked at various levels like Group Manager and General Manager. He joined Maruti Suzuki India Limited (MSIL) in 2012 and appointed as Director (Marketing & Sales) with effect from 27th July, 2019.	His career span includes more than 20 years of service in industry. He has more than 10 years of active involvement in Public Sector Undertaking Management and has worked for more than 3 years in United Nations Industrial Development Organization. He was instrumental in organization of four Vibrant Gujarat events. Before retiring as Additional Chief Secretary (Industries & Mines),he also had served as Vice Chairman & MD, Gujarat Industrial Development Corporation (GIDC); Joint Secretary, Ministry of Communication & IT; Project Director, International Centre for Advancement of Manufacturing Technology; Joint Secretary, Ministry	In April 1993, he joined METI (Ministry of Economy, Trade & Industry) Japan. From 1993 to 1995 he served as Chief Officer, Small & Medium Enterprise Research Division. From 1995-1997 he served as Chief Officer, International Economic Affairs Division. From 1997-1999 he served as Chief Officer, Research Promotion Division. From 1999-2000 he served as Deputy Director, Japan Patent Office. From 2000-2002 he served as Personal Secretary to Parliamentary Vice Minister METI. From 2002-2004 he acted as Deputy Director, Aichi International Expo Division. In May 2004 he joined as First Secretary at Embassy of Japan in India. In August 2008 he served as Deputy Director, Asia & Oceania Division, METI. In July 2010, he	He joined SMC in April 1986 and worked at various levels like Director (Marketing & Sales), Suzuki Australia PTY Ltd., Deputy Managing Director/Managing Director, Magyar Suzuki Corporation, Managing Officer, Deputy Executive General Manager, Global Automobile Marketing in June, 2019 before being promoted to Managing Officer, In Charge of Asia, Global Automobile Marketing in February, 2020 in SMC.

			of Environment & Forest, Government of India; Industries Commissioner of Government of Gujarat; Commissioner of Information Technology and MD, Gujarat Informatics Limited; Joint Secretary Government of India; Joint Managing Director of Gujarat Industrial Development Corporation; Managing Director of Gujarat Tourism Corporation; and also Head of the District Administration for about eight years. He has extensive exposure in Administrative roles, Project Management, IT projects, Marketing and policy making at District, State and Central levels and has also contributed towards infrastructure development, infrastructure financing, investment, IT development and technology promotion as well as private sector development. He had extensive interaction with International/ National/State Level Industry and Trade Bodies.His area of specialization includes Strategic Planning, Decision Making, Leadership, Connect & Influence, Coaching, Organization & Institution Building,	joined JETRO in India (Japan External Trade Organization) where he served as Deputy Director General at New Delhi Office from 2010 to 2012 and Representative of Ahmedabad Project Office from 2012 to 2014. In October 2014 he joined Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, Coordinator, Japan Plus cell. In October 2017 he joined World Bank (India office) as Senior Private Sector Specialist, Finance, Competitiveness & Innovation Global Practice. In November 2019 he joined Suzuki Motor Corporation (SMC) and was appointed by the Board of the Company as a Whole time Director (Corporate Planning). His area of specialization is India-Japan relationship, regional development, industrial policy, skill development.	

			Large Scale Project Management, Environment Management, Policy Making, and Corporate Social Responsibility.		
Terms & conditions of appointment/ re-appointment	Liable to retire by rotation.	Liable to retire by rotation.	Not liable to retire by rotation.	Liable to retire by rotation.	Liable to retire by rotation.
Remuneration proposed to be paid	N.A.	N.A.	He will be entitled to receive sitting fee and commission as may be determined by the Board on the recommendation of the Nomination and Remuneration Committee.	As per resolution at item no.5.	N.A.
Remuneration last drawn	Please refer Corporate Governance Report forming part of the Annual Report 2019-20.	Please refer Corporate Governance Report forming part of the Annual Report 2019-20.	First appointment on the Board of the Company	First appointment on the Board of the Company.	N.A.
Date of first appointment on the Board	21st July, 2008	27th July, 2019	14th May, 2020	5th Dec, 2019	27th July, 2019
Shareholding in the Company	Nil	Nil	Nil	Nil	Nil
Relationship with other directors, manager and key managerial personnel	N.A.	N.A.	N.A.	N.A.	N.A.
Number of Board meetings attended during 2019-20	Five	Attended all the three meetings held after his appointment.	N.A.	One meeting was held after his appointment which he attended in January, 2020.	Attended all the three meetings held after his appointment.
Other directorships	1. Subros Limited 2. SKH Metals Limited 3. Krishna Maruti Limited 4. Denso India Private Limited 5. Maruti Suzuki Toyotsu India Private Limited	1. Marelli Powertrain India Private Limited	1. Adani Glass Limited 2. Heubach Colour Private Limited 3. Gold Plus Glass Industry Limited 4. Mangalam Alloys Limited 5. Powerica Limited 6. IRM Energy Private Limited 7. Gift SEZ Limited 8. Mahindra World City (Jaipur) Limited 9. GVFL Limited	N.A.	N.A.

			10. Solvay Specialties India Private Limited 11. Venuka Polymers Private Limited 12. GIG – IRM Glass Insulators Private Limited 13. Aspire Disruptive Skill Foundation (Section 8) 14. SME Mavens Foundation (Section 8) 15. AIC-ISE Foundation 16. Farm Gas Pvt Limited		
Memberships/chairpersonship of committees	Maruti Suzuki India Limited **Member:** 1. Audit Committee 2. Stakeholders' Relationship Committee 3. CSR Committee 4. Risk Management Committee	Maruti Suzuki India Limited **Member:** 1. Risk Management Committee Marelli Powertrain India Private Limited **Member:** 1. Audit Committee 2. CSR Committee	Adani Glass Ltd: **Chairman:** 1. Audit Committee 2. Stakeholders Relationship Committee Gold Plus Glass Industry Ltd: **Member:** 1. Audit Committee IRM Energy Private Ltd. **Member:** 1. Audit Committee	N.A.	N.A.

By order of the Board
for MARUTI SUZUKI INDIA LIMITED

Sanjeev Grover
Vice President
& Company Secretary
FCS No. 3788

Gurugram
29th July 2020