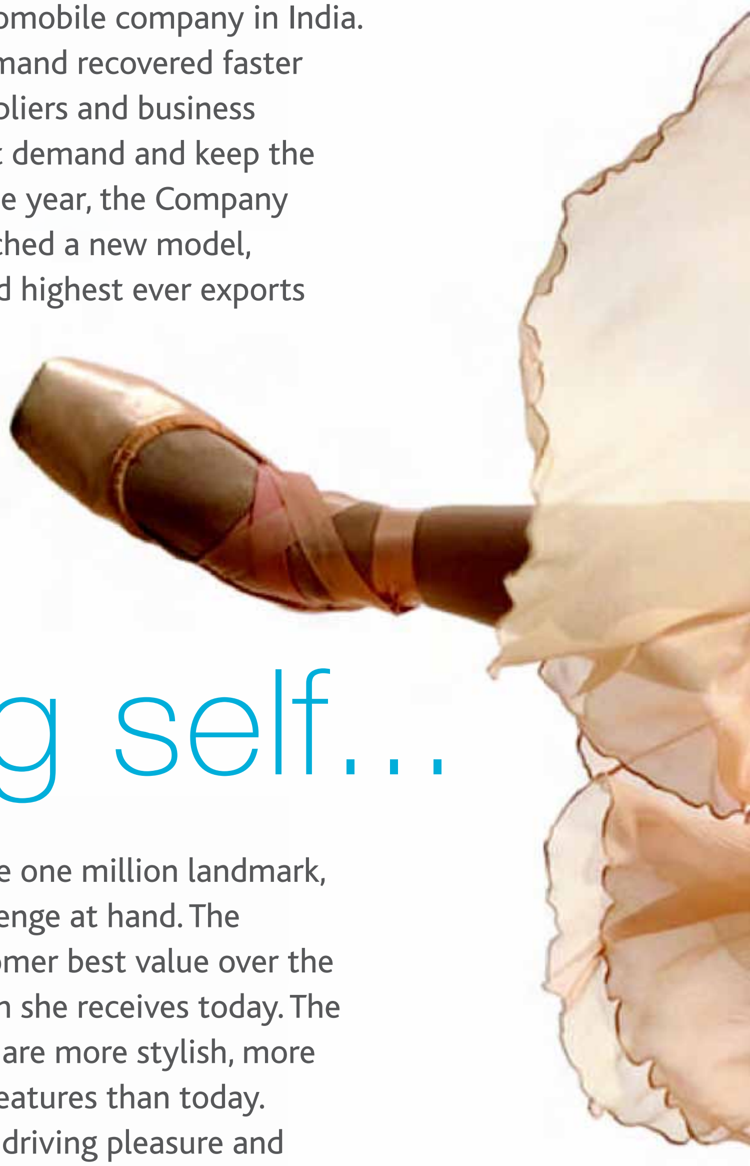
ANNUAL REPORT 2009-10

SURPASSING SELF

MARUTI SUZUKI

In 2009-10, Maruti Suzuki could make and sell over a million vehicles. This was a first for any automobile company in India. After the slowdown of 2008-09, demand recovered faster than anticipated. The Company, its suppliers and business associates worked on a stretch to meet demand and keep the promise of a million vehicles. During the year, the Company expanded its network as planned, launched a new model, refreshed two existing models, achieved highest ever exports overall and in Europe, took the first steps in setting up a world class R&D centre, worked on cost down initiatives, emphasized sustainability and people development and strengthened its focus on customer satisfaction and new markets.



surpassing self...

While the Company duly celebrated the one million landmark, the focus was quickly back to the challenge at hand. The challenge is to provide the Indian customer best value over the period of vehicle ownership. Better than she receives today. The challenge is also to offer products that are more stylish, more comfortable and endowed with more features than today. Deliver technology that provides more driving pleasure and better fuel efficiency. Supported by a network that is proximate, more caring and more efficient than now.

A market leader does not have the benefit of known paths, clearly laid out ahead. The challenge for us is to better Maruti Suzuki, many times over.

CONTENT

OUR VISION

The Leader in the Indian Automobile Industry, Creating Customer Delight and Shareholder's Wealth; a pride of India.

We believe our core values drive us in every endeavour.

- CUSTOMER OBSESSION
- FAST, FLEXIBLE & FIRST MOVER
- INNOVATION & CREATIVITY
- NETWORKING & PARTNERSHIP
- OPENNESS & LEARNING

COMPANY A

COMPANY AT A GLANCE

MILESTONE YEAR
Produced & sold **over a million units** in a single year

DOMESTIC
Highest ever sales: 870, 790, a **growth of 21%**

EXPORT
Highest ever sales: 147, 575, a **growth of 111%**

INCOME
Highest ever Total Income: Rs. 301,198 million, a **growth of 40%**

NET PROFIT
Highest ever PAT: Rs 24, 976 million, a **growth of 105%**

NO. 1 IN CUSTOMER SATISFACTION
For **10 consecutive years** in JD Power CSI survey

NO. 1 IN SALES SATISFACTION
In JD Power SSI survey

NETWORK
Sales Outlets: **802**, Cities: **555**

INSURANCE
Sold **10 million insurance policies** cumulatively

R&D CENTER
Procured **700 acres of land** for the upcoming facility in Rohtak

CHAIRMAN'S MESSAGE

At the time of the AGM last year, there was cautious optimism that the Indian economy would recover faster than the rest of the world. This actually happened and the GDP growth in 2009-10 was 7.4%. This year we may see 8.5% growth. I am happy to report that Maruti Suzuki could establish a new record and cross the significant milestone of selling over a million cars in the last financial year. We were helped by the progressive policies of the government which provided stimulus for growth. However, our performance would not have been possible without the unwavering confidence and trust which the market displayed in the products and services offered by the Company. Equally, all our employees, and particularly those in the production and related areas, performed brilliantly and despite the shortage of installed capacity still managed to manufacture 100,000 cars in a month and a million cars in the year. It is this spirit of 'can do, shall do' which has taken Maruti Suzuki to where it is today. The company works as a single team, and there are no distinctions between management and workers when it comes to furthering the interests of the company.

Domestic consumption is what drives the growth of the Indian economy. The events which take place in the rest of the world cannot automatically be applied to India for making investment decisions or policy, though we should not also ignore that input. Exports do get impacted when there is a global recession, but since exports are a small part of total domestic consumption, the impact is not very significant. However, Maruti Suzuki as a company should perhaps deliberately not attempt to export a large part of its production, but keep exports at about 15% of output. We should concentrate more on the domestic market. To keep our market share, not only should we adequately increase manufacturing capacity, but also remain very aware of the changing consumer tastes and demands and be flexible in making quick adjustments. Secondly, sound financial practices both at the national and the company levels are essential for successfully meeting any unexpected developments anywhere in the world. The Company meets this requirement in every possible way, and I look for your continued support for such policies. We will also continue, with the involvement of our employees to look for all possible ways to reduce costs and improve productivity. Thirdly, we need to rapidly develop our own capacity to develop and design products. This is an area of priority for us and with the help of Suzuki we are investing heavily in research and development.

The Indian economy is expected to see very good growth in the next few years. As per capita incomes rise above US$ 1500, we may reach an inflexion point where the demand for cars becomes significantly higher than in the past. We have to be prepared to expand capacities to meet that demand when it comes. Fortunately, our cash reserves will enable us to do so, without the risk of high leverage. Prudent financial policies have been adopted by us to prepare for such a situation in the future.

An area of concern is infrastructure, particularly urban infrastructure. The highway construction programme has now picked up speed and that is welcome indeed. However, state governments seem almost helpless in improving urban infrastructure. While public transportation is being improved in some cities, it has to be realized that this will never replace the use of private transportation. Those with rising incomes will aspire to own their own means of transportation. Local and state governments have to build this into their plans and display political will in implementing programmes to improve urban infrastructure. The Company is trying to create the infrastructure which will enable drivers to be properly trained before they are given licences. We hope this will increase safety and reduce accidents. However, without substantial improvements in infrastructure, the extent of improvement will remain small. All of us need to put pressure on our political leaders to quickly look at urban infrastructure development, as otherwise cities will descend into chaos.

The rapid growth of the automobile sector is putting pressure on the component industry. Large investments need to be made to keep up with the growing needs of components. In addition, the component manufacturers now need to invest in building engineering and R&D capacities. We cannot remain dependant forever on foreign suppliers for component design as this will greatly handicap us in meeting the needs of our customers in reasonable periods of time. The Tier 2 and Tier 3 vendors will, in particular, pose problems as their capabilities to make investments and improve technology is limited. The Tier 1 vendors have to find a solution to this problem. I believe the component industry now has the opportunity to move to the next level, but to do so it will have to adopt the best corporate governance practices and become totally professional in their management.

The Indian economy, and our industry, is faced with high attrition rates. This is the result of a shortage of well educated and experienced managers, engineers and skilled personnel. The problems of the education sector are immense and will impact the growth of the Indian economy. I believe we need more radical thinking and actions if this vital sector is to support the rising aspirations of our population. Industry needs to recognize the seriousness of the situation and join hands with the government to find workable solutions.

A company can only have sustainable growth if its stakeholders' interests are well looked after. The Company has always adopted business processes that inherently promote the well being of its customers, vendors, dealers, employees, shareholders, community, and the environment.

I look forward to your continued support.

R. C. Bhargava
Chairman

MD'S MESSAGE

A couple of weeks before we were to celebrate the roll-out of our millionth vehicle for the year, I learnt that certain divisions in the Company had already conducted brain-storming sessions on "the next million".

Indeed, Chairman O. Suzuki set the tone for us when, on the eve of the roll-out, he said: "Maruti Suzuki has been the first Company to achieve a million a year. How do we ensure that we are also first in achieving two million cars a year?"

The message for us is clear: we have to continue to better ourselves as we pave the path for the future. As I write this, the celebrations are well behind us and the entire Maruti Suzuki team - dealers, vendors, business associates and employees - is focused on the way forward.

I am encouraged by the fact that in recent months and years, we have been able to upgrade our product range with new models, major and minor face-lifts and new fuel options. These new products, their design philosophy, the K-series technology and our overall value proposition have been well accepted by Indian customers.

This design approach and technology from Suzuki Motor Corporation will continue to drive our product portfolio in the medium term. Once our R & D Centre at Rohtak comes on stream, we will have enhanced capability to test and evaluate. This will provide us speed and flexibility in launching new models and face-lifts in India.

We share the optimism about India in the medium term. While we are still working out the detailed numbers, it is reasonable to assume the Indian passenger car market will double in the next 5-6 years. There is even an outside chance of a China-like boom in the Indian car market, though there is no unanimity yet among experts.

In keeping with this optimism, we are investing in fresh capacity of 250,000 units at Manesar. Our engine facilities are also being scaled up. The bulk of demand is expected to be in small and compact cars, our area of strength.

Our sales and service network has endeared us to customers, on account of its reach as well as quality. I believe this factor will be more critical, as prosperity penetrates deeper into semi-urban and rural India. We will build on this advantage.

At the same time, I expect that our regional stockyards, showrooms and workshops will start coming on stream in the near future. The primary objective of these investments is to come closer to the customer and enhance service levels.

As brand choices widen, customers will look more closely at the total cost of ownership. Apart from initial price, they will evaluate cars in terms of maintenance cost, fuel efficiency, spares and repairs and residual value. This is another area of strength for us, and we will build on it.

Our success so far has been based on the strength of our partners. We are deepening our engagement with them. Our suppliers, for example, are working closely with us to expand their management bandwidth and cope with the challenges of scaling up as we go forward. This will eventually yield benefits for all stakeholders.

I am convinced that the automobile business, like much else, is about getting the basics right. New products, productivity, cost, quality and customer service come together to shape success in the car business. This focus on basics flows throughout the organization.

We are fortunate that we have a competent employee team which is aligned to the core value system. Despite the growing size and diversity of the organization, functions across the company combine well and can work almost seamlessly to achieve goals. This is a critical, though often overlooked, strength of the company.

Our efforts to promote road safety gathered strength last year. We have moved up the learning curve. With more training institutes and a more attractive business model, I expect we will be able to play a bigger role in this critical area of social responsibility.

At the time we rolled out our millionth vehicle for the year, we were filled with gratitude for our partners, investors, customers and well-wishers, of whom we have many. I thank you again for your support and faith.

S. Nakanishi
Managing Director & CEO

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. R. C. Bhargava
Chairman

Mr. Shinzo Nakanishi
Managing Director & CEO

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

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

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

Mr. Osamu Suzuki
Director

Mr. Kenichi Ayukawa
Director

Mr. Amal Ganguli
Director

Ms. Pallavi Shroff
Director

Mr. Manvinder Singh Banga
Director

Mr. Davinder Singh Brar
Director

Chief General Manager (Legal) and Company Secretary

Mr. S. Ravi Aiyar

Audit Committee

Mr. Amal Ganguli - Chairman
Mr. Shinzo Nakanishi - Member
Ms. Pallavi Shroff - Member
Mr. Davinder Singh Brar - Member

Shareholders' and Investors' Grievance Committee

Mr. R. C. Bhargava - Chairman
Mr. Shinzo Nakanishi - Member
Mr. Davinder Singh Brar - Member
Mr. Kenichi Ayukawa - Member

Auditors

Price Waterhouse
Chartered Accountants

REGISTERED OFFICE

1, Nelson Mandela Road, Vasant Kunj,
New Delhi-110 070
Phone: + 91 - 11 - 4678 1000

www. marutisuzuki.com

REGISTRAR AND TRANSFER AGENT

Karvy Computershare Pvt. Ltd.,
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad-500 081,
Andhra Pradesh
Phone: + 91 - 40- 2342 0815 / 2342 0816

www.karvycomputershare.com

BOARD OF DIRECTORS

Mr. R. C. BHARGAVA
Chairman

Mr. SHINZO NAKANISHI
Managing Director & CEO

Mr. OSAMU SUZUKI
Director

Mr. KENICHI AYUKAWA
Director

Mr. AMAL GANGULI
Director

Mr. TSUNEO OHASHI
Director & Managing Executive Officer (Production)

Mr. SHUJI OISHI
Director & Managing Executive Officer (Marketing & Sales)

Mr. KEIICHI ASAI
Director & Managing Executive Officer (Engineering)

Ms. PALLAVI SHROFF
Director

Mr. MANVINDER SINGH BANGA
Director

Mr. DAVINDER SINGH BRAR
Director

EXECUTIVE MANAGEMENT TEAM

Mr. Shinzo Nakanishi
Managing Director & CEO

Administration (HR, IT, Finance & COSL)

Mr. S. Y. Siddiqui
Managing Executive Officer

Marketing & Sales

Mr. Shuji Oishi
Director & Managing Executive Officer

Mr. Mayank Pareek
Managing Executive Officer

Production

Mr. Tsuneo Ohashi
Director & Managing Executive Officer

Mr. M. M. Singh
Managing Executive Officer

Engineering

Mr. Keiichi Asai
Director & Managing Executive Officer

Mr. I. V. Rao
Managing Executive Officer

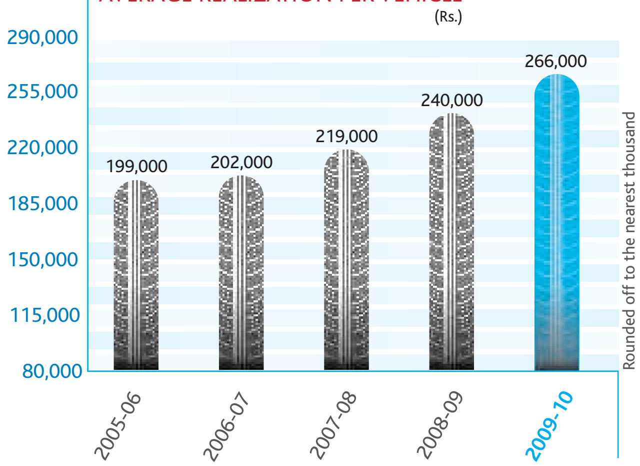
Supply Chain

Mr. Sudam Maitra
Managing Executive Officer

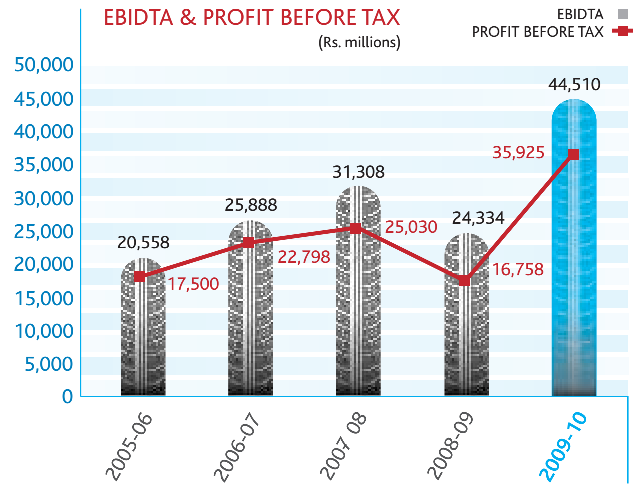
Mr. Kazuhiko Ayabe
Executive Officer

BUSINESS HIGHLIGHTS

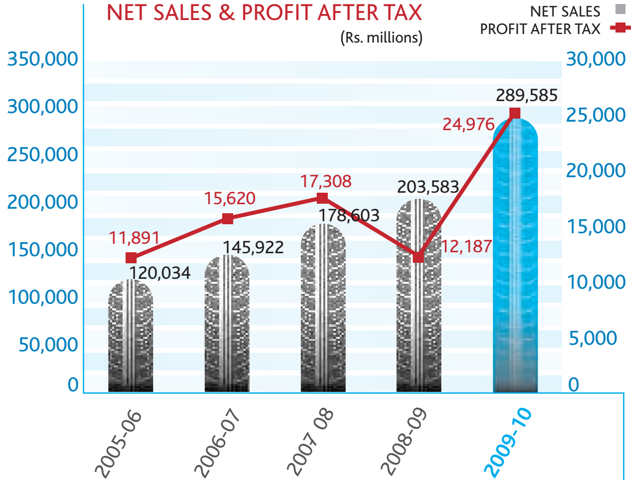
AVERAGE REALIZATION PER VEHICLE



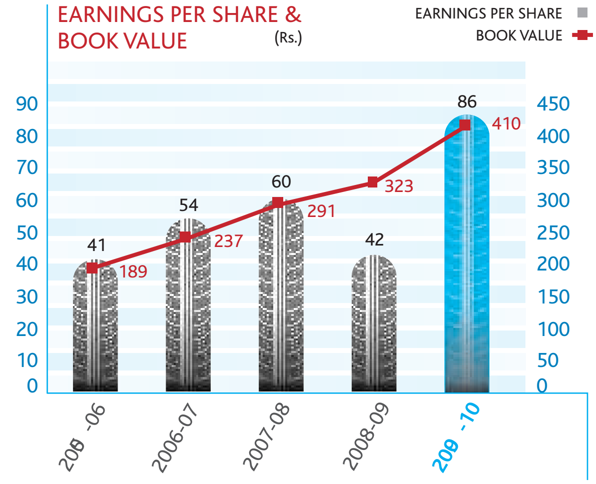
EBIDTA & PROFIT BEFORE TAX

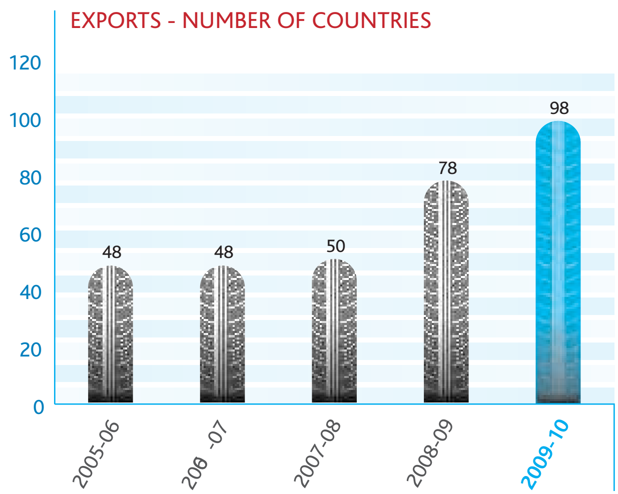


NET SALES & PROFIT AFTER TAX

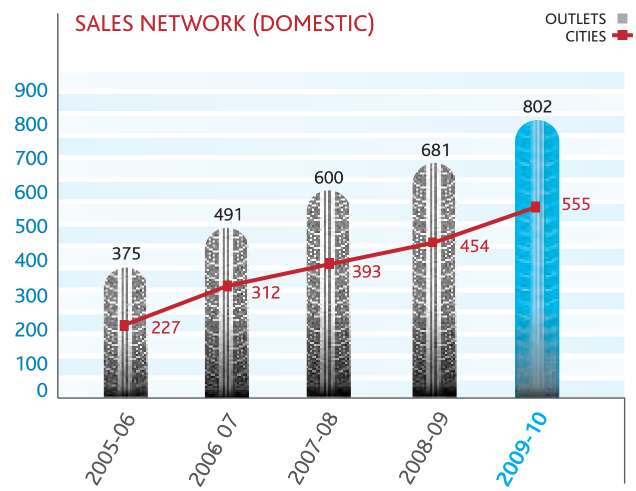


EARNINGS PER SHARE & BOOK VALUE

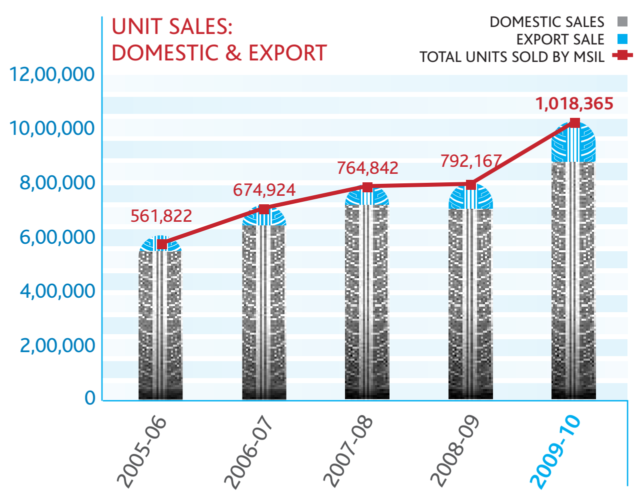




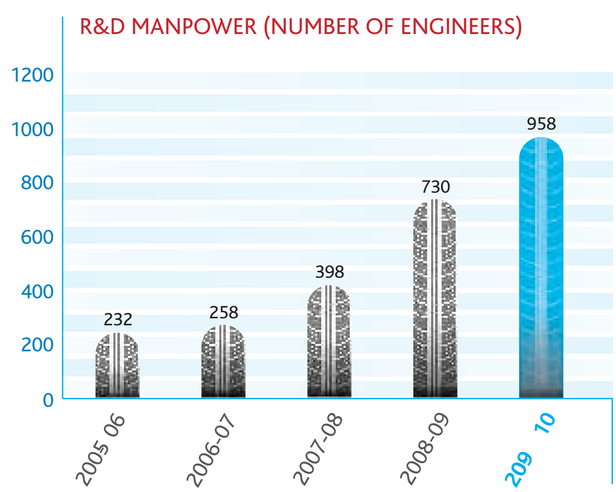
EXPORTS - NUMBER OF COUNTRIES
120
100
80
60
40
20
0
48
48
50
78
98
2005-06
206 -07
2007-08
2008-09
2009-10



SALES NETWORK (DOMESTIC)
OUTLETS
CITIES
900
800
700
600
500
400
300
200
100
0
375
491
600
681
802
227
312
393
454
555
2005-06
2006 07
2007-08
2008-09
2009-10



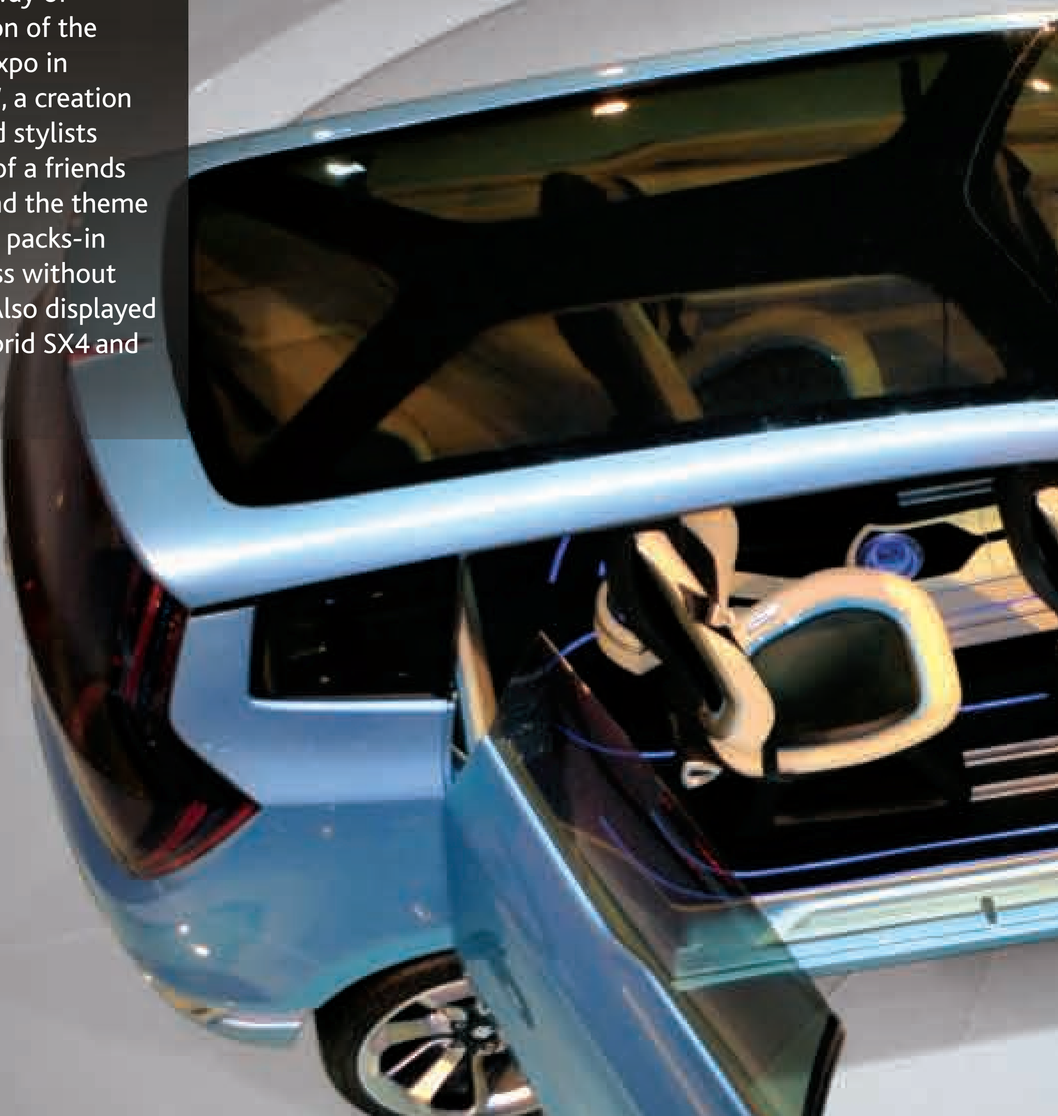
UNIT SALES:
DOMESTIC & EXPORT
DOMESTIC SALES
EXPORT SALE
TOTAL UNITS SOLD BY MSIL
12,00,000
10,00,000
8,00,000
6,00,000
4,00,000
2,00,000
0
561,822
674,924
764,842
792,167
1,018,365
2005-06
2006-07
2007-08
2008-09
2009-10



R&D MANPOWER (NUMBER OF ENGINEERS)
1200
1000
800
600
400
200
0
232
258
398
730
958
2005 06
2006-07
2007-08
2008-09
209 10

AUTO EXPO

A Concept car is a designer's way of communicating his imagination of the future. Unveiled at the Auto Expo in January, 2010, the Concept *rIII*, a creation of Maruti Suzuki designers and stylists showcased their imagination of a friends and family vehicle. Built around the theme of "togetherness", Concept *rIII* packs-in elegance, roominess, sportiness without sacrificing maneouverability. Also displayed at the Auto Expo were the hybrid SX4 and the electric Eeco.



NEW MODEL LAUNCHES

In 2009-10, the company launched its 5th world strategic model - the Ritz. It also came out with a spacious multi purpose van, Eeco and the all new WagonR with a K-series engine. The Suzuki Kizashi was displayed to gauge public feedback at the Auto Expo.


ESTILO


Happiness family size!


MARUTI SUZUKI
ESTILO

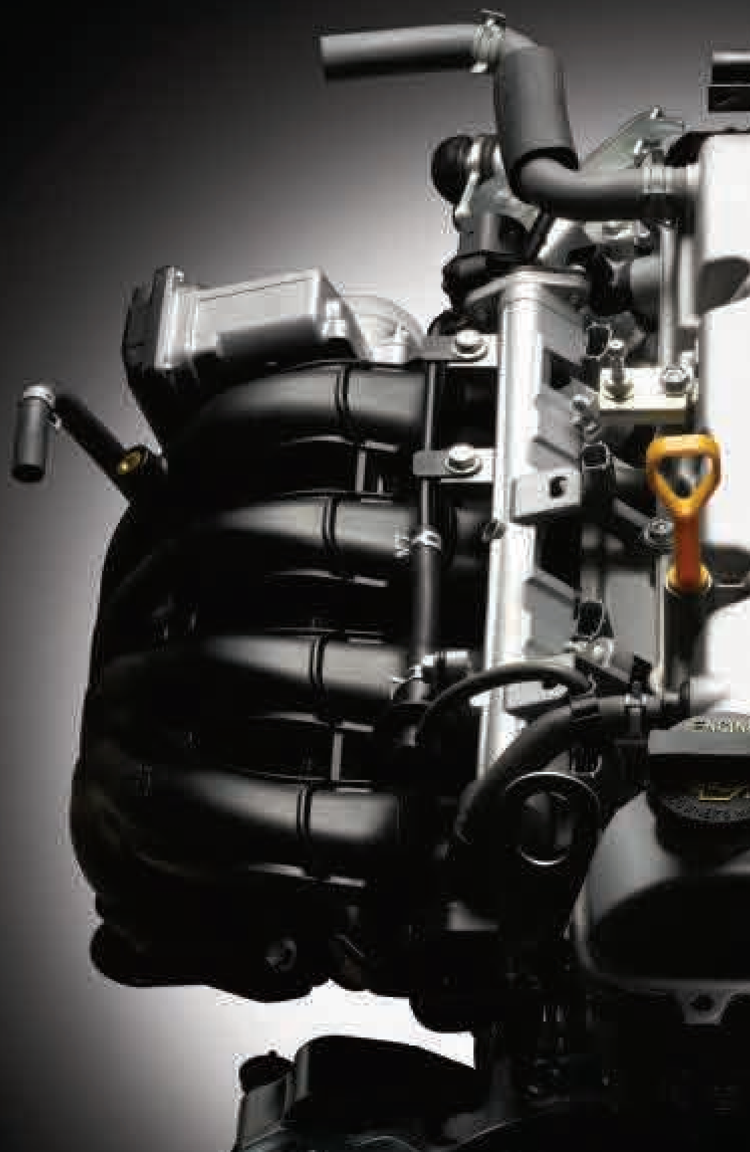
MILLIONTH ROLL OUT

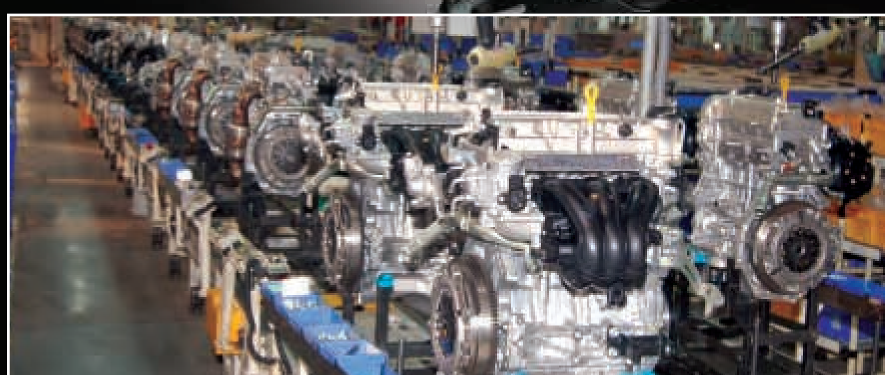
The Rollout of the millionth car of 2009-10 was not just a ceremony; it is a page in history when the Indian car industry achieves global scales. Chief Minister of Haryana, Mr. B. S. Hooda, Union Minister of Heavy Industries, Mr. Vilas Rao Deshmukh and Chairman of Suzuki Motor Corporation, Mr. O. Suzuki, came to Manesar to flag off the millionth vehicle and lay the foundation stone for additional manufacturing capacity.


MARUTI SUZUKI
MARUTI SUZUKI

ENGINE AND R&D CAPABILITY

Our product efforts, led by Suzuki Motor Corporation, are now being ably supported by in-house R&D. The Concept *rIII* and the full model change WagonR are examples of the company's growing capabilities in body design. Similarly, with the technological expertise of Suzuki, the company made a quantum jump in engine technology and developed the next generation K-series engines. These all-aluminium engines have a light weight, low friction construction which leads to higher performance & fuel efficiency. This engine family is now powering half the cars in the company's product portfolio.






for ALLOTMENT OF

SUSTAINABILITY @ MARUTI SUZUKI

Our employees are the biggest strength of the Company and the change agents for the community. Contributing their time and knowledge for the benefit of the underprivileged gives them a sense of fulfillment and adds meaning. The Company published its first Sustainability Report last year as per the international GRI G3 guidelines. It is a step forward to benchmark and achieve higher levels of excellence in business, environment and social performance.

The Company has been awarded the highest financial credit rating of AAA/stable (long term) and P1+ (short term) on its bank facilities by CRISIL. The rating underscores the financial strength of the Company in terms of the highest safety with regard to timely fulfillment of its financial obligations.

Your directors have pleasure in presenting the 29th annual report together with the audited accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

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

(Rs. in million)

	2009-10	2008-09
Gross total income	301,198	214,538
Profit before tax	35,925	16,758
Tax expense	10,949	4,571
Profit after tax	24,976	12,187
Balance brought forward	80,042	70,257
Profit available for appropriation	105,018	82,444
Appropriations:		
General reserve	2,498	1,219
Proposed dividend	1,733	1,011
Corporate dividend tax	288	172
Balance carried forward to balance sheet	100,499	80,042

FINANCIAL HIGHLIGHTS

The gross revenue (net of excise) of the Company for the year was Rs. 301,198 million as against Rs. 214,538 million in the previous year showing growth of 40%. Sales of vehicles in the domestic market increased to 870,790 as compared to 722,144 in the previous year showing a growth of 21%. Exports of vehicles grew at an impressive rate of 111% from 70,023 to 147,575 in the current year. The overall growth was 29%.

Earnings before depreciation, interest, tax and amortization (EBDITA) stood at Rs. 44,510 million against Rs. 24,333 million in the previous year.

Profit before tax (PBT) stood at Rs. 35,925 million against Rs. 16,758 million in the previous year and profit after tax (PAT) stood at Rs. 24,976 million against Rs. 12,187 million in the previous year.

DIVIDEND

The board recommends a dividend of Rs. 6.00 per equity share of Rs. 5.00 each for the year ended 31st March 2010 amounting to Rs.1733 million.

CRISIL RATINGS

The Company has been awarded the highest financial credit rating of AAA/stable (long term) and P1+ (short term) on its bank facilities by CRISIL. The rating underscores the financial strength of the Company in terms of the highest safety with regard to timely fulfillment of its financial obligations.

QUALITY

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

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

The quality management system of the Company is certified against ISO 9001:2000 standard. Re-assessment of the quality systems are done at regular intervals by an accredited third party agency.

The Company has always focused on employees' development. A total of 46,200 man-days of training were conducted for employees across all levels during the year.

The training programmes vary according to the need of the employees at various levels.

HIGHLIGHTS OF OPERATIONS

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

AWARDS/RECOGNITION

The Company won the following awards/recognition during the year under review:

- A-star has been rated as No.1 environment friendly small car by Germany's prestigious VCD environmental car rating;
- 'Manufacturer of the year' award by CNBC overdrive;
- Ritz has been awarded as the 'hatchback car of the year' by autocar UTVi and 'car of the year' by Business Standard Motoring;
- 'National award for excellence in corporate governance' by Institute of Company Secretaries of India;
- 'CII-ITC sustainability award 2009' for strong commitment to 'sustainability';
- 'Golden peacock award' for environmental initiatives;
- Gurgaon plant has been awarded the 'gold award' by Economic Times India Manufacturing Excellence Awards (IMEA).

SUBSIDIARY COMPANIES AND THEIR ACCOUNTS

The Company's six subsidiaries i.e. Maruti Insurance Business Agency Limited, Maruti Insurance Distribution Services Limited, Maruti Insurance Agency Solutions Limited, Maruti Insurance Agency Network Limited, Maruti Insurance Agency Services Limited and Maruti Insurance Agency Logistics Limited are engaged in the business to sell motor insurance policies to owners of Maruti Suzuki vehicles.

In 2009-10, the Maruti Insurance business generated a total income of Rs. 1349.88 million which includes dividend income of Rs 46.10 million earned from investments in mutual funds. Profit before tax (PBT) for 2009-10 was Rs. 635.49 million. In March 2010, Maruti Insurance business achieved the landmark figure of 10 million policies on a cumulative basis since the inception of business in year 2002. 0.81 million new policies and 1.76 million renewals were issued during the year 2009-10.

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

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copy of the balance sheets, profit & loss accounts, reports of the board of directors and auditors of the subsidiary companies have not been attached with the balance sheet of the Company. These documents will be made available upon request by any investor of the Company or subsidiary companies and shall be kept for inspection by any investor at the registered office of the Company. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under "Financial Statement of Subsidiary Companies" forming part of the annual report. Further, pursuant to Accounting Standard AS - 21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its subsidiaries.

HUMAN RESOURCE DEVELOPMENT

The Company has always focused on employees' development. A total of 46200 man-days of training were conducted for employees across all levels during the year.

The training programmes vary according to the need of the employees at various levels. Based on the behavioral traits, some of the trainings introduced in 2009-10 were 'changing mindset-changing lives'; 'being the best'; 'emotional intelligence'; 'planning organizing problem solving'; 'assertiveness & self confidence'; and 'conflict management'. Some of the trainings based on technical needs include 'market research'; 'capital budgeting'; 'risk management & hedging'; 'unigraphics'; 'business simulation games'; 'inhouse quiz'; 'cost management'; 'taxation'; 'motion & time study'; 'design failure mode effect analysis' and 'geometric designing & tolerancing'. Training for leader ship traits include 'departmental heads convention'; 'divisional head training' and 'director re-treat'.

The Company also has higher education schemes for its employees.

DIRECTORS

Mr. Kenichi Ayukawa, Mr. D.S.Brar and Mr. M.S.Banga, directors of the Company, retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) that there were no material departures in the applicable accounting standards followed while preparing the annual accounts;

b) having selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) having taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) having prepared the annual accounts on a going concern basis.

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

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

PERSONNEL

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

CONSOLIDATED FINANCIAL STATEMENTS

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

The energy saving initiatives helped the Company in reduction of energy and water consumption for the current year in comparison to last year. The per vehicle reduction in electricity and water in Gurgaon plant was 2% and 9% respectively, whereas the reduction in Manesar plant was 22% and 27% respectively as compared to last year.

CORPORATE GOVERNANCE

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

AUDITORS

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

COST AUDITORS

In conformity with the directives of the Central Government, the Company has appointed M/s R. J. Goel & Co., Cost Accountants, as the cost auditors under section 233B of the Companies Act, 1956 for the audit of the cost accounts for the motor vehicles business for the year ending 31st March 2011.

ACKNOWLEDGMENT

The board of directors would like to express its sincere thanks for the co-operation and advice received from the Government of India and the Haryana Government. Your directors also take this opportunity to place on record their gratitude for timely and valuable assistance and support received from Suzuki Motor Corporation, Japan. The board also places on record its appreciation for the enthusiastic co-operation, hard work and dedication of all the employees of the Company including the Japanese staff, dealers, vendors, customers, business associates, auto finance companies, state government authorities and all concerned without which it would not have been possible to achieve all round progress and growth of the Company. The directors are thankful to the shareholders for their continued patronage.

For and on behalf of the board of directors

Shinzo Nakanishi
Managing Director & CEO

R.C. Bhargava
Chairman

New Delhi
14th July 2010

ANNEXURE A

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31st March 2010.

A. ENERGY CONSERVATION

The Company has continued its thrust towards compliances of environmental regulation and energy conservation to improve upon its past performance.

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

The Company also received the prestigious 'Golden Peacock Award' in the category of 'Eco-Innovation' from World Environment Foundation.

Some of the activities carried out during the year towards environment and energy conservation are given hereunder:

1. Use of variable frequency drives for motor operation.
2. Introduction of LED lights in place of CFL / HPSV lights for illumination.
3. Motion sensors for auto operation of lights at common places in Manesar plant.
4. Optimization of equipment start up time in paint shop in Manesar plant.
5. Automatic group operation of air compressor to reduce specific electricity consumption in Manesar plant.
6. Optimisation of water and compressed air supply pressure in Manesar plant.
7. Use of canal water in place of tube well water to the extent available in Manesar plant.
8. Natural gas supplies to Manesar plant has commenced, conversion of all equipment of the plant to natural gas shall result in a cleaner environment.

The energy saving initiatives helped the Company in reduction of energy and water consumption for the current year in comparison to last year. The per vehicle reduction in electricity and water in Gurgaon plant was 2% and 9% respectively, whereas the reduction in Manesar plant was 22% and 27% respectively as compared to last year.

B. RESEARCH & DEVELOPMENT (R&D)

To meet ever changing customer needs, battle increasing competition from global players and meet stricter regulatory requirements, R&D had envisaged its vision in 2002~2003 in line with the Company's vision and has worked since then towards meeting it.

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

The strategic objectives set up for achieving the vision are:

- Product design & development: concept car, new models & minor change introduction;
- Engineering capability development: design & development of full body change followed by development of new platform(s);
- Cost management: meet target cost for model development;
- Alternative fuel development: meet the future requirement of low emissions and fuel economy.

The Company's R&D has already achieved capability for carrying out minor change and carrying co-design activity with SMC for new models. The next key milestone for the Company's R&D is to develop full body change capability. Systematic efforts are on to achieve full body change capability through the following:

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

One significant step in this direction has been the increase in manpower from 729 nos. in 08~09 to 968 nos. in 09~10. Further the Company's R&D has plans of increasing its manpower strength from 968 nos. to more than 1100 nos. in 10~11.

I. SPECIFIC AREAS IN WHICH R&D HAS BEEN CARRIED OUT

A Building full model change capability:

A1. Vehicle design and development

Vehicle planning and design

- Capability in product planning from the concept stage has been enhanced by strengthening activities of advance planning cell, which tracks the market, its changing requirements, technology trends, future regulatory requirements and competitor activity so as to work on a competitive product roadmap.

The Company's R&D has already achieved capability for carrying out minor change and carrying co-design activity with SMC for new models.

Skills have been upgraded for evaluation of customer perception/feedback for ergonomics, seating comfort and other parameters of interior design for incorporating them in design from conceptual stage.

- Capability enhancement in complete exterior design of a car is being done by activities like design trends study for arriving at a right design language for Indian market.
- For interior design of full body change, the Company enhanced capability in areas of complete interior concept image generation, interior computer aided design (CAD) based computer graphics (CG), full interior buck design and layout of components based on engineering layouts and occupant packaging.
- Capability enhanced in exterior & interior design of concept car named 'R3' and in-house development of concept car.

Engineering Design

- Capability in the field of engine development was enhanced with the design and development of the new 'K12M' and 'G12' engine and the up-gradation of the Company's vehicles to meet BSIV norms. This was the result of enormous R&D efforts and hours of design, validation and testing.
- Capability enhancement in transmission design and development with the implementation of cable type gear shift mechanism in the Company's vehicles to improve the gear shift feeling.
- Research in area of frugal electronic systems in cost sensitive models like EECO and Alto.
- Capability in the area of body in white (BIW) design has taken the next leap in its journey of achieving the full body change capability in coming years. This will envisage capability to engineer the BIW, interior trims, instrument panel, NVH (Noise Vibration & Harshness) and lighting system & seats for the vehicle.
- Research in the area of new materials i.e. steel & polymer for BIW/interior applications has helped in evaluating and using stronger, lighter & safer materials contributing towards unmatched safety, fuel efficiency & performance of the vehicles like A-star, Alto, etc.
- Capability in area of brake design & development has been enhanced with the introduction of latest global technologies in the Company's vehicles. These were supported by advanced technologies in the field of testing & manufacturing of parts to provide high performance & quality parts to meet growing expectations & rigorous demands of brake system in India's rigorous traffic conditions.
- Capability enhancement in new platform design and development while working on new platform for new 'Wagon-R'.
- Capability enhancement in areas such as instrument panel, door, fuel tank & seating systems was done for carrying out full body change.

- Skills have been upgraded for evaluation of customer perception/feedback for ergonomics, seating comfort and other parameters of interior design for incorporating them in design from conceptual stage.
- The capability in the field of design and development of fuel injection system, storage vessels, safety features like micro switch and structural frames for alternate fuel vehicles.
- Design and development of hybrid & electric concepts of SX4 hybrid and EECO electric models.
- Developing capability for making prototype vehicles for design validation.
- Presentation of engineering design studies in the international platforms like SAE (Society of Automotive Engineers) International, SIAM (Society of Indian Automobile Manufacturers) & others during the last years, has given a global outlook to the Company's engineers.

Virtual design validation

To enhance the virtual validation skills and reduce design cycle time and development cost, digital engineering & engineering information management techniques are being effectively used.

Digital engineering

- The Company has strengthened its capability on virtual engineering by carrying out crash, NVH, strength and computation fluid dynamics (CFD) simulations for new model development activity as well as up gradation of existing models using various simulation tools.
- The computer aided engineering (CAE) simulations are carried out for full vehicle and the component levels.

Engineering information management

- The increased focus on R&D requires knowledge management strategy wherein the knowledge gained is harnessed effectively for future needs. Knowledge based engineering techniques have been employed wherein knowledge base of various design processes have been maintained. This has reduced the time taken by a designer/engineer for iterative design processes and capture expertise knowledge to come up with accurate results in the minimum span of time.
- The PLM (Product Life Cycle Management) system has been optimally utilized with the increase of "Team-center Community Usage" for information exchange with suppliers.
- Tear down data management software is used to manage the component level benchmark data and that has resulted in carrying out VAVE (Value Analysis Value Engineering) effectively during the year.
- To streamline the process of technical specification repository, a web based document 'life-cycle management system' is under implementation.

Development and testing

- Research in the specific areas of emission reduction and emission testing were carried out together with the engine development for BSIV countermeasure. ECU (Engine Control Unit) calibration and engine performance improvements were done in order to optimize the engine performance.
- Fatigue analysis and endurance testing of vehicles, vehicle systems & engines were conducted. Exterior & interior parts safety & strength testing were also carried out for new model development.
- Passive homologation testing of domestic and export models were conducted in-house.
- As part of the Company's consciousness towards environment, all the models are being made ELV (End of Life Vehicle) compliant. The Company shares the honors of being the 2nd company in world to comply with RRR (Reuse-Recycle-Recovery) norms.

A2. Facility set up for R&D

NVH

- Semi anechoic chamber: An anechoic chamber is a shielded room designed to attenuate sound or electromagnetic energy for testing under controlled environment and low ambient noise conditions for better analysis / faster identification of problem areas and implementation.
- Gear noise tester: The gear noise tester measures vibration and noise of a specimen - transaxle, transmission or differential while applying rotational and torque loads to the test specimens.

Engine and transmission testing

- New mass emission lab: Additional facility for testing vehicle exhaust emission level has been set up. This lab is in addition to existing four mass emission labs. New lab will help in gearing up for future emission norms. The stringency of emission norms and increasing numbers of model for which development is required, indicate the requirement of new gasoline emission test facility.

Vehicle Performance

- Brake noise chassis dynamometer with environment chamber: Brake noise dynamometers can simulate the mass, inertia and performance capabilities of a vehicle. It also allows laboratory simulation of braking situations under varied driving conditions. This will result in

Capability in the field of engine development was enhanced with the design and development of the new 'K12M' and 'G12' engine and the up-gradation of the Company's vehicles to meet BSIV norms. This was the result of enormous R&D efforts and hours of design, validation and testing.

improved braking performance with reduced development cost & time.

- Hydraulic actuators: Four actuators have been installed to reduce the lead time for evaluation of chassis / suspension parts. This will result in faster part localization and new source development.

New design software and licenses

- 103 licenses for CAD (Computer Aided Design) designing have been procured to enhance designing capability of Company's engineers.

II. BENEFITS DERIVED AS A RESULT OF ABOVE R&D

a) Launch of Ritz
b) Launch of K12M engine
c) BSIV compliance - Omni, Alto, Swift, A-Star, SX4, Zen Estilo
d) Launch of EECO
e) Zen Estilo minor change
f) SX4 minor change
g) Focused VA/VE
h) Future new model & engine development
i) ELV compliance
j) Next level of rust countermeasure

III. FUTURE PLAN OF ACTION

- To develop capability for full model change in all aspects - planning, design, development and testing.
- To develop more products with alternative fuel option.
- Compliance to safety and emission regulation such as offset, side impact, etc.
- Carry out continuous up gradation of existing models.
- To build the Company's knowledge base and its image on technology by designing and showcasing projects in auto exhibitions.
- Emphasis on VA/VE & innovative cost reduction ideas to cut down costs.
- Developing costing knowledge of various automotive technologies through standard cost tables and cost benchmarking.
- Cost planning of new products right at the new product planning stage to put cost in right perspective during the concept stage and give target cost to designers.
- Emphasis on focused cost down models for competitiveness.

IV. EXPENDITURE INCURRED ON R&D

(Rs. in million)

Particulars	2009-10	2008-09
A Capital expenditure	623	244
B Recurring expenditure	1110	666
Total	**1733**	**910**
Total R&D expenditure as a percentage of total income	0.58%	0.42%

C TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts in brief made towards technology absorption, adaptation and innovation

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

Benefits derived as a result of above efforts

- High localization content in various vehicles has resulted in lower costs.
- Up-gradation of existing models for improved comfort, style and better value for money.
- Continuous reduction in product cost through VA/VE (value analysis/ value engineering).
- Significant cost reduction of parts of new model compared to existing models, ensuring that the new models are profitable from day one.
- Continuous quality up-gradation and weight reduction in products.

Technology inducted

The Company has been a pioneer in offering latest technologies at affordable prices to its customers. As a market leader, the Company intends to keep this momentum in future.

Technology imported

- VVT (Variable Valve Timing) for ensuring better drivability to the customers.
- Detent pin technology for providing smooth, precise and almost effortless gear shift feeling.
- Year of Import: 2009-10
- Status of absorption: Above technologies have been used in products introduced during the year.

D. FOREIGN EXCHANGE EARNINGS & OUTGO (CASH BASIS)

(Rs. in million)

Particulars	2009-10	2008-09
Foreign exchange used: equivalent		
Raw materials and components	24,626	16,842
Capital goods	4,112	10,817
Dies & moulds, maintenance spares & other items	427	720
Royalty, interest, dividend and others	10,466	8,604
Foreign exchange earned: equivalent	45,573	12,648

Activities relating to exports

i) Initiatives taken to increase exports: The Company's exports grew 111% by exporting 147,575 units. It was the first time in its history that the Company crossed the 100,000 vehicle exports mark. On a cumulative basis, the exports crossed 700,000 units.

ii) Development of new export markets for products and services: South Africa, Hong Kong and Norway were added as new markets during the year.

iii) Exports plans: The Company will continue to export 'A-Star' and other models.

For and on behalf of the board of directors

Shinzo Nakanishi	**R.C. Bhargava**
Managing Director & CEO	*Chairman*

New Delhi
14th July 2010

With the continuous implementation of the on-line controls self assessment framework, the Company is one of the few companies in India to have a transparent framework for evaluating the internal controls over financial reporting, thereby reinforcing the commitment to adopt best corporate governance practices.

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

The Company has a multi-tier management structure, comprising the board of directors at the top and followed by managing executive officers, executive officers, divisional heads and departmental heads. Through this, it is ensured that:

- Strategic supervision is provided by the board;
- Control and implementation of Company's strategy is achieved effectively;
- Operational management remains 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 control and integrity are maintained at an optimal level;
- Risk is suitably evaluated and dealt with.

BOARD OF DIRECTORS

Composition of the board

As on 31st March 2010, the Company's board of directors consists of eleven members. The chairman of the board is a non-executive director. The Company has an optimum combination of executive and non-executive directors in accordance with the provisions of clause 49 of the listing agreement. The board is made up of four executive directors and seven non-executive directors, of whom four are independent as given in Table 1. No director is related to any other director. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring best interest of stakeholders and the Company.

Table 1: Composition of the board of directors as on 31st March 2010

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

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.

1. Foreign companies, private limited companies and companies under section 25 of the Companies Act, 1956 are excluded for the purpose of considering the limit prescribed under clause 49 (I) (C) of the listing agreement. The committees considered for the purpose are audit committee and shareholders' grievance committee as prescribed under clause 49(I)(C) of the listing agreement.

In terms of clause 49 of the listing agreement:

1. None of the directors was a member of more than 10 committees or chairman of more than 5 committees across all companies in which he/she is a director.
2. None of the directors hold equity shares in the Company except Mr. Shinzo Nakanishi, who holds 20 equity shares of Rs. 5/- each in capacity of the nominee of Suzuki Motor Corporation, Japan.

BOARD MEETINGS

The board met five times during the year on 24th April 2009, 23rd July 2009, 24th October 2009, 23rd January 2010 and 25th March 2010. The board meets at least once in a quarter with a gap of not more than four months between any two meetings. However, additional meetings are held, whenever necessary. Table 2 gives the attendance record of the directors at the board meetings as well as the last annual general meeting (AGM).

Table 2: Board meeting and AGM attendance record of the directors in 2009-2010

Name of Director	Number of meetings attended (Total meetings held: 5)	Whether attended last AGM
Mr. R.C. Bhargava	5	Yes
Mr. Shinzo Nakanishi	5	Yes
Mr. Shuji Oishi	5	Yes
Mr. Tsuneo Ohashi	5	Yes
Mr. Keiichi Asai	5	Yes
Mr. Osamu Suzuki	0	Yes
Mr. Kenichi Ayukawa	1	Yes
Ms. Pallavi Shroff	4	Yes
Mr. Amal Ganguli	5	Yes
Mr. Manvinder Singh Banga	1	No
Mr. Davinder Singh Brar	4	No

Information supplied to the board

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

- Annual operating plans, capital and revenue budgets and updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of audit committee and other committees of the board;
- Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of chief financial officer and company secretary;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents and dangerous occurrences;
- Any materially significant effluent or pollution problem;
- Any material relevant default in financial obligation to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of a substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions;
- Any significant development in the human resources and industrial relations front;
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholder services such as non-payment of dividend, delay in share transfer, etc.

Remuneration paid / payable to directors

Table 3 gives details of the remuneration paid / payable to directors during the year 2009-10. The Company did not advance any loans to any of its directors in the year under review.

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

a) Actual achievement in terms of growth in sales, profit, etc. as compared to the previous year;

b) Actual achievement of growth as compared to the budget approved at the beginning of the year; and

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

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

Table 3: Remuneration paid / payable to directors during 2009-10

Name of director	Salary & Perquisites (Rs.)	Performance linked bonus (Rs.)	Sitting fees (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Shinzo Nakanishi	16,185,730	6,072,000			22,257,730
Mr. Keiichi Asai	11,842,489	4,470,000			16,312,489
Mr. Kenichi Ayukawa			10,000		10,000
Mr. Shuji Oishi	11,793,402	4,470,000			16,263,402
Mr. Tsuneo Ohashi	11,866,972	4,470,000			16,336,972
Mr. R. C. Bhargava			80,000	2,615,000	2,695,000
Mr. Amal Ganguli			110,000	1,400,000	1,510,000
Ms. Pallavi Shroff			70,000	775,000	845,000
Mr. Manvinder Singh Banga			10,000	325,000	335,000
Mr. Davinder Singh Brar			90,000	925,000	1,015,000

The Company has in place a well defined and transparent control self assessment mechanism to evaluate the effectiveness of internal controls over financial reporting. To facilitate certification by CEO/CFO for the financial year 2009-10, key internal controls over financial reporting were identified and adequately assessed to provide sufficient comfort.

Mr. Shinzo Nakanishi, Mr. S.Y. Siddiqui and Mr. S. Ravi Aiyar receiving the "ICSI National Award For Excellence in Corporate Governance 2009" at the hands of Mr. Vilasrao Deshmukh, Hon'ble Union Minister for Heavy Industries and Public Enterprises, Government of India.

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

Non-executive directors' remuneration

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

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

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

COMMITTEES OF THE BOARD

I. Audit Committee

Composition

Table 4 shows the composition of the audit committee. All the members of the audit committee are financially literate and Mr. Amal Ganguli, the Chairman, has expertise in accounting and financial management. The Chairman attended the last annual general meeting to answer shareholders' queries.

Table 4: Composition of audit committee

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

The chief financial officer, the head of internal audit and the representatives of the statutory auditors, internal auditors and cost auditors are permanent invitees to the audit committee. The company secretary acts as the secretary to the audit committee. Other directors and members of management are also invited from time to time as appropriate.

Role

The role of the audit committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommending the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.

3. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
   b) Changes, if any, in accounting policies and practices and reasons for the same
   c) Major accounting entries involving estimates based on the exercise of judgment by the management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Qualifications in the draft audit report.
4. Reviewing, with the management, the quarterly/annual financial statements before submission to the board for approval.
5. Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control system.
6. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Discussion with internal auditors about any significant findings and follow up thereon.
8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
10. Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
11. Reviewing the functioning of the whistle blower mechanism on a regular basis.
12. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
13. Reviewing any other matter which may be specified as role of the audit committee under the amendments, if any, from time to time, to the listing agreement, Companies Act, 1956 and other statutes.

Meetings

The audit committee met five times in the year under review on 24th April 2009, 23rd July 2009, 15th September 2009, 24th October 2009 and 23rd January 2010. Table 5 gives the details of attendance of audit committee members.

Table 5: Attendance record of audit committee members

Name	Category	Meetings attended in 2009 -10 (Total meetings held: 5)
Mr. Amal Ganguli	Chairman	5
Mr. Shinzo Nakanishi	Member	5
Mr. Davinder Singh Brar	Member	4
Ms. Pallavi Shroff	Member	3

II. Shareholders' / Investors' Grievance Committee

Composition

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

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

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

The company secretary acts as the secretary to the committee.

Objective

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

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

In order to provide efficient and timely services to investors, the board has delegated the power of approval of issue of duplicate / split / consolidation of share certificates, transfer of shares, transmission of shares, dematerialisation / rematerialisation of shares not exceeding 2000 equity shares per transaction to the managing director, director & managing executive officer and company secretary severally.

Meetings

During the year, shareholders'/investors' grievance committee met twice i.e. on 24th April 2009 and 24th October 2009. Table 7 gives the attendance record.

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

Names	Meetings attended in 2009 - 10 (Total meetings held: 2)
Mr. Shinzo Nakanishi	2
Mr. Kenichi Ayukawa	-
Mr. R. C. Bhargava	2
Mr. Davinder Singh Brar	1

Investor grievance redressal

During the year, 27 complaints were received and resolved. No transfer of shares was pending as on 31st March 2010.

MANAGEMENT

Management discussion and analysis report

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

Disclosures made by the management to the board

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

Related party transactions

None of the transactions with any of the related parties was in conflict with the interests of the Company. Details of transactions between the Company and its subsidiaries, fellow subsidiaries, joint ventures, associates during 2009-10 are given in note no. 25 in schedule 23 to the annual accounts.

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

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

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

The code of conduct has been posted on the Company's website www.marutisuzuki.com.

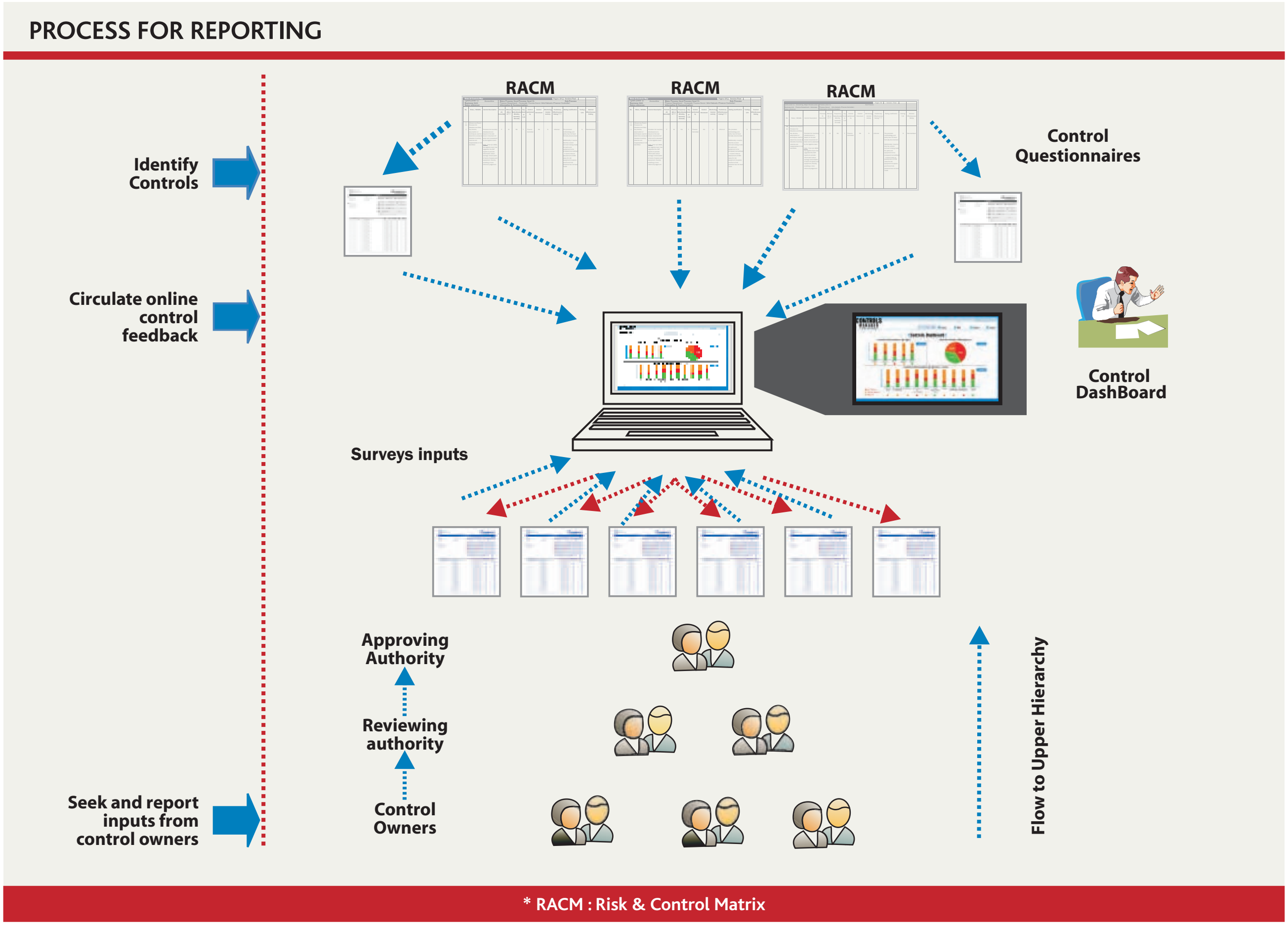
The code of conduct has been circulated to all the members of the board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March 2010. A declaration to this effect signed by Mr. Shinzo Nakanishi, Managing Director & CEO of the Company forms part of this report as Annexure-A.

CEO/ CFO CERTIFICATION

The Company has in place a well defined and transparent control self assessment mechanism to evaluate the effectiveness of internal controls over financial reporting. To facilitate certification by CEO/CFO for the financial year 2009-10, key internal controls over financial reporting were identified and adequately assessed to provide sufficient comfort. To ensure complete transparency and effectiveness of the self assessment, the whole process was carried out through an on line web based tool called "Controls Manager".

With the continuous implementation of the on-line controls self assessment framework, the Company is one of the few companies in India to have a transparent framework for evaluating the internal controls over financial reporting, thereby reinforcing the commitment to adopt best corporate governance practices.

Enabling controls self-assessments through the "Controls Manager"



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

As required by clause 49 of the listing agreement, the certificate duly signed by Managing Director & CEO and Chief Financial Officer was placed before the board of directors at its meeting held on 26th April 2010.

Risk assessment and minimization procedure

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

An Executive Risk Management Committee (ERMC) is in place to review the risk management activities of the Company on a regular basis. The composition of the committee consists of Managing Director & CEO, all Managing Executive Officers and Executive Officers of the Company. Risks are evaluated by ERMC. In addition to the Company level risks, ERMC also reviews, from time to time, any new risks that may arise due to market dynamics and changes in the business environment. The audit committee and the board of directors also review the status of the risk management activities in the Company.

Legal compliance reporting

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

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

Code for prevention of insider trading practices

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

Details of non compliance

No penalties or strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market since the last three years.

SHAREHOLDERS INFORMATION

Means of communication

Financial results	Quarterly and annual financial results are published in 'The Hindu-Business Line', 'Business Standard', 'Financial Express' and in Hindi editions of 'Jansatta'.
Monthly sales	Monthly sales figures are sent to stock exchanges as well as displayed on 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 shareholders is available including ECS mandate, nomination form and annual report. The website also displays information regarding presentation made to media/ analysts/ institutional investors, etc.
Annual report	Annual report is circulated to members and all others entitled there to like auditors, equity analysts, etc.
Corporate filing and dissemination system (Corpfiling)	All disclosures and communications to BSE and NSE are filed electronically through Corpfiling. Hard copies of the said disclosures and correspondence are also filed with the exchanges.
Exclusive e-mail id's for investors	Following e-mail id's have been exclusively dedicated for the investors queries: **msilinvestorrelations@maruti.co.in** **mailmanager@karvy.com** Queries relating to annual report may be sent to **msilinvestorrelations@maruti.co.in** and queries relating to transfer of shares and splitting/ consolidation / remat of shares, revalidation of expired dividend warrants and other queries relating to dividend may be sent to **mailmanager@karvy.com.**

Subsidiary companies information

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

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

General body meetings

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

Financial Year	Location	Date	Time
2006 - 07	Airforce Auditorium, Subroto Park, New Delhi	6th September 2007	10:00 a. m.
2007 - 08	Airforce Auditorium, Subroto Park, New Delhi	2nd September 2008	10:00 a. m.
2008 - 09	Airforce Auditorium, Subroto Park, New Delhi	2nd September 2009	10:00 a. m.

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

ADDITIONAL SHAREHOLDER INFORMATION

Annual general meeting

Date:	7th September 2010
Day:	Tuesday
Time:	10:00 a.m.
Venue:	Airforce Auditorium, Subroto Park, New Delhi - 110010.

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

Financial year

Financial year: 1st April to 31st March

For the year ending 31st March 2011, results will be announced:

By end of July 2010: First quarter results

By end of October 2010: Second quarter results

By end of January 2011: Third quarter results

By end of May 2011: Fourth quarter and annual results

Book closure

The period of book closure is from Thursday, 26th August 2010 to Tuesday, 7th September 2010 (both days inclusive).

Dividend payment

Subject to the approval of the members in the annual general meeting a dividend payment of Rs.6/- per equity share (face value Rs.5/- per equity share) will be paid on or after 7th September 2010, to those whose names appear in the register of members / beneficial owners at the close of business hours on 25th August 2010.

Listing on stock exchanges

The equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited (NSE). The annual listing fees for the year 2010-11 has been paid to both the stock exchanges. Table 9 lists the Company's stock exchange codes. The Company has also paid the annual custodial fee for the year 2010-11 to both the depositories namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Table 9: Stock code

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

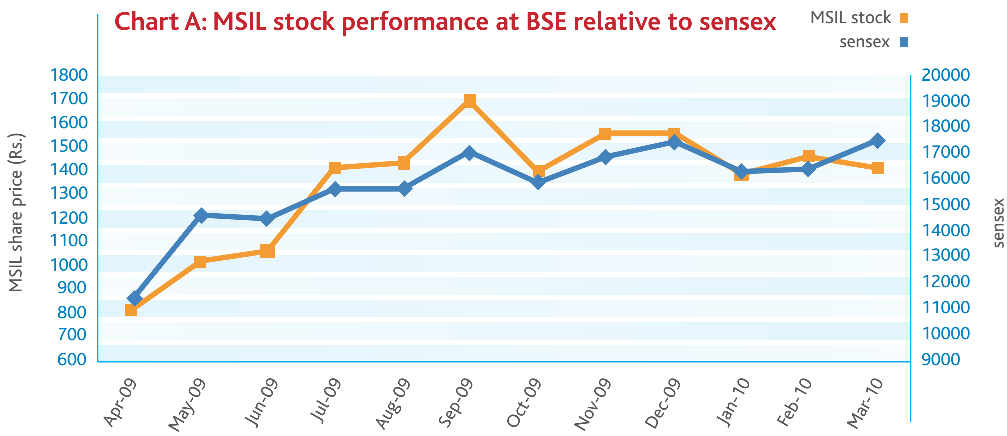
Stock market data

Table 10 gives the monthly high and low prices of the Company's equity shares on BSE and NSE for the year 2009-10. Chart A plots the movement of Company's share prices on BSE vis-a-vis BSE Sensex for the year 2009-10.

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

	Bombay Stock Exchange		National Stock Exchange	
Month	**High (Rs.)**	**Low (Rs.)**	**High (Rs.)**	**Low (Rs.)**
April 2009	873.00	741.50	873.80	741.00
May 2009	1060.00	796.55	1064.00	795.00
June 2009	1120.00	1011.00	1119.00	1005.15
July 2009	1428.65	995.30	1448.65	991.50
August 2009	1515.00	1227.00	1515.90	1220.00
September 2009	1740.00	1447.00	1737.30	1445.65
October 2009	1705.00	1368.50	1715.00	1368.00
November 2009	1657.90	1366.75	1692.30	1390.00
December 2009	1648.00	1515.00	1651.90	1514.75
January 2010	1597.00	1345.60	1586.70	1332.00
February 2010	1491.00	1310.00	1490.00	1317.65
March 2010	1519.90	1361.00	1519.80	1349.00

Chart A: MSIL stock performance at BSE relative to sensex



Registrar and transfer agent

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

Share transfer system

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

Shareholding pattern

Table 11 and 12 list the shareholding pattern and distribution schedule of equity shares of the Company as on 31st March 2010 respectively.

Table 11: (I) (a) Shareholding pattern as on 31st March 2010

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in demateri-alized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) 1	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VI1)
(A)	PROMOTER AND PROMOTER GROUP 2					
(1)	INDIAN					
(a)	Individuals /Hindu Undividend Family	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00
(e)	Any others	0	0	0	0.00	0.00
	Sub-Total (A) (1)	0	0	0	0.00	0.00
(2)	FOREIGN					
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	5	156618440	0	54.21	54.21
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any others	0	0	0	0.00	0.00
	Sub-Total (A)(2)	5	156618440	0	54.21	54.21
	Total Share Holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	5	156618440	0	54.21	54.21
(B)	PUBLIC SHAREHOLDING 3					
(1)	INSTITUTIONS					
(a)	Mutual Funds /UTI	134	7904889	7904889	2.74	2.74
(b)	Financial Institutions /Banks	52	40250313	40250313	13.93	13.93
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	379	61017822	61017822	21.12	21.12
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any others	0	0	0	0.00	0.00
	Sub-Total (B)(1)	565	109173024	109173024	37.79	37.79
(2)	NON-INSTITUTIONS					
(a)	Bodies Corporate	1751	16280136	16280136	5.64	5.64
(b)	Individuals					
	(i) Individual shareholders holding nominal share capital up to Rs.1 lakh	110011	6480547	6475021	2.24	2.24
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1	28000	28000	0.01	0.01
(c)	Any others					
	Clearing Members	192	133212	133212	0.05	0.05
	Non Resident Indians	1807	162632	162632	0.06	0.06
	Trusts	19	33605	33605	0.01	0.01
	Foreign Nationals	2	464	464	0.00	0.00
	OCB	0	0	0	0.00	0.00
	Sub-Total (B)(2)	113783	23118596	23113070	8.00	8.00
	Total Public Share Holding (B)=(B)(1)+(B)(2)	114348	132291620	132286094	45.79	45.79
	Total (A)+(B)	114353	288910060	132286094	100.00	100.00
(C)	Shares held by custodians, against which Depository Receipts have been issued	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	114353	288910060	132286094	100.00	100.00

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

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

No shares have been pledged by the Promoters as on 31st March 2010.

(I) (c) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of share

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	LIFE INSURANCE CORPORATION OF INDIA	24697919	8.55
2.	HSBC GLOBAL INVESTMENT FUNDS A/C HSBC GLOBAL INVESTMENT FUNDS MAURITIUS LTD.	14520621	5.03
3.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	6259049	2.17
4.	LIC OF INDIA MARKET PLUS	4279210	1.48
5.	LIC OF INDIA MONEY PLUS	3858218	1.34
6.	SWISS FINANCE CORPORATION (MAURITIUS) LTD.	3449533	1.19
7.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	3432468	1.19
	TOTAL	**60497018**	**20.95**

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

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

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

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

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

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

Table 12: Distribution schedule as on 31st March 2010

Shareholding class	Number of shareholders	%	Number of shares	%
1 to 5000	113355	99.13	6354755	2.20
5,001 to 10,000	304	0.26	446975	0.15
10,001 to 20,000	141	0.12	404589	0.14
20,001 to 30,000	69	0.06	344709	0.12
30,001 to 40,000	48	0.04	337746	0.12
40,001 to 50,000	30	0.03	276139	0.10
50,001 to 1,00,000	89	0.08	1298764	0.45
1,00,001 and above	317	0.28	279446383	96.72
TOTAL	114353	100.00	288910060	100.00

Table 13: Top ten shareholders

List of top-ten shareholders as on 31st March 2010 is as follows:

	Name	% of holding
1.	Suzuki Motor Corporation	54.21
2.	Life Insurance Corporation of India	8.55
3.	HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	5.03
4.	ICICI Prudential Life Insurance Company Ltd.	2.17
5.	LIC of India Market Plus	1.48
6.	LIC of India Money Plus	1.34
7.	Swiss Finance Corporation (Mauritius) Ltd.	1.19
8.	Bajaj Allianz Life Insurance Company Ltd.	1.19
9.	The Master Trust Bank of Japan Ltd. A/C HSBC India A/c Equity Mother Fund	0.86
10.	HSBC Bank (Mauritius) Limited	0.82
	Total	**76.84**

Dematerialisation of shares and liquidity

As on 31st March 2010, 45.79% of the Company's total paid up equity capital representing 132,286,094 equity shares was held in dematerialised form and the balance 54.21% representing 156,623,966 equity shares was held in physical form. The equity shares of the Company are listed under specified category in BSE and are part of Nifty in NSE.

Pursuant to clause 5A of the listing agreements, the Company has opened a demat account named 'Maruti Suzuki India Ltd.- Unclaimed Shares Demat Suspense Account' with Karvy Stock Broking Limited. The shares issued pursuant to 'Offer for Sale' and still lying unclaimed were credited in this account. The details of these shares are given hereunder:

Securities	as on the date of credit of shares in the account		no. of shareholders who approached for transfer of shares from suspense account	no. of shareholders to whom shares were transferred from suspense account	balance as on 31-03-2010	
	no. of records	no. of shares			no. of records	no. of shares
equity shares	15	1050	-	-	15	1050

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

Secretarial audit

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

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

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

Details of public funding obtained in the last three years

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

Adoption of non-mandatory requirements

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

a. The chairman's office with required facilities is being maintained by the Company at its expense, for use by its non-executive chairman.

b. The Company has established an effective mechanism called Whistle Blower Policy (Policy). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this Policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behaviour, actual or suspected fraud within the Company.

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

The corporate governance norms in the Company meet most of the requirements of the Voluntary Guidelines for Corporate Governance issued by Ministry of Corporate Affairs.

The Company was honoured with 'national award for excellence in corporate governance, 2009' by the esteemed Institute of Company Secretaries of India (ICSI).

Plant location

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

Address for correspondence

Investors may please contact for queries related to:

I. Shares held in dematerialised form

Their Depository Participant(s)
and/or
Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad-500 081
Phone No.: 040-2342 0815-28
Fax No. : 040-2342 0814 / 2342 0857
Mail Id: mailmanager@karvy.com
Website: ww.karvycomputershare.com

II. Shares held in physical form

Karvy Computershare Pvt. Limited
(at the above given address)
Or
The Company at the following address:
Maruti Suzuki India Limited
1, Nelson Mandela Road, Vasant Kunj
New Delhi-110070
Phone No.: (91)-11-4678 1000
Email Id: msilinvestorrelations@maruti.co.in
Website: www.marutisuzuki.com

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

ICSI, one of the premier professional bodies in India, has issued 10 secretarial standards as on 31st March 2010. These secretarial standards are recommendatory in nature. The Company substantially observes secretarial standards voluntarily as good corporate governance practice and for protection of interest of all stakeholders.

DECLARATION OF THE MANAGING DIRECTOR & CEO

This is to certify that the Company has laid down code of conduct for all the board members and the senior management personnel of the Company and the same is uploaded on the website of the Company www.marutisuzuki.com.

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 2010.

Date: 7th June, 2010
Place: New Delhi

Shinzo Nakanishi
Managing Director & CEO

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Maruti Suzuki India Limited

We have examined the compliance of conditions of Corporate Governance by Maruti Suzuki India Limited, for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

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

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

Anupam Dhawan
Partner
Membership Number - F084451

Place: Gurgaon
Date: July 14, 2010

The leader does not have the luxury of a visible and defined benchmark or competitor, as it would be available to the other players. The only benchmark has to be a sharper understanding and anticipation of the stated and unstated need of the customer. The Company, therefore has to keep challenging its own levels of past achievement, keep setting high benchmarks for improvement and continue dedicating itself to understanding and serving its customers.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Year 2009-10 started against a backdrop of mixed macro-economic signals in India. There was an unprecedented slowdown in the previous year, with quarterly swings. By the end of 2008-09, while overall sentiment was cautious, certain sectors had started to recover. At the start of 2009-10, passenger vehicle industry growth projections ranged from -5% to +10%.

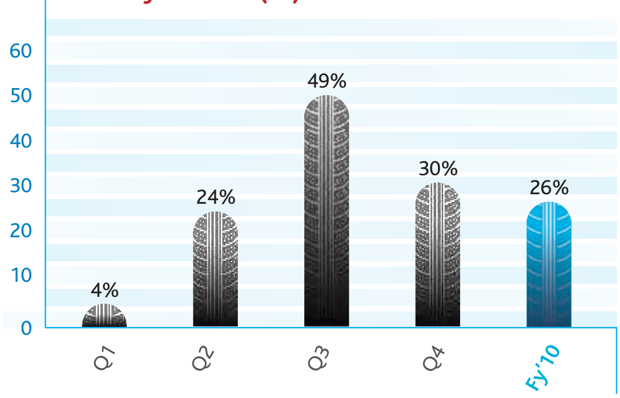
While most governments around the world had to take extreme steps, policymakers in India gave a calibrated impetus to revive consumption. Although this fiscal expansion increased government deficit, it arrested the slowdown. The stimulus package in December-08 included a 4% reduction in Cenvat rate. The Government also reduced fuel prices, and took steps to improve liquidity and bring down interest rates. Together with this, improved availability of car loans by public sector banks, resilient demand from rural areas and government employees and manufacturers' marketing efforts helped improve sentiment and customers returned to showrooms.

During the year, the economy posted a remarkable recovery and grew by 7.4%. It was also a year of several model launches by the Indian car industry, which boosted consumer sentiment. Passenger vehicle industry grew by 26% after flat sales the previous year. The two-wheeler market benefited from demand from rural and mid-urban India and grew by 26%. The commercial vehicle industry saw more pronounced swings and grew at 38% after declining 22% the previous year.

Auto Industry Growth: Indian Automobile Domestic Sales Growth Rate (%)

Category	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Total Passenger Vehicles	18%	8%	21%	12%	0%	26%
- Passenger Cars	18%	8%	22%	12%	1%	25%
- A1	-31%	-23%	-11%	-12%	-29%	28%
- A2	34%	15%	31%	14%	3%	27%
- A3	26%	7%	6%	15%	7%	14%
- A4, A5 & A6	60%	7%	40%	4%	-13%	35%
- Utility Vehicles	20%	10%	13%	11%	-8%	21%
- MPVs	9%	-2%	25%	21%	6%	41%
Total Two Wheelers	16%	14%	11%	-8%	3%	26%
- Scooters	4%	-2%	4%	12%	9%	27%
- Motorcycles	19%	17%	13%	-12%	1%	26%
- Mopeds	5%	3%	7%	16%	4%	31%
Electric Two Wheelers				-43%	49%	-89%
Total Three Wheelers	8%	17%	12%	-10%	-4%	26%
Total CVs	22%	10%	33%	5%	-22%	38%
M&HCVs	23%	5%	33%	0%	-33%	34%
Total LCVs	21%	19%	34%	12%	-7%	43%
Grand Total	**16%**	**13%**	**13.7%**	**-4.6%**	**1%**	**26%**

Industry Growth (%)



Most European countries announced generous incentives to the public to replace their old cars with new ones. Small, fuel efficient cars exported from India benefited from this opportunity.

A close watch on demand in domestic and export markets, strong inventory control, shorter lead times, a stretch on capacities, and better product mix flexibility helped the Company achieve overall growth of 28.5% over the previous year.

Key Stakeholders

COMPANY OVERVIEW

"given the dynamic market situation... we have to accept uncertainty and consciously plan for it. Planning for uncertainty for us would mean building flexibility and agility throughout our value chain. It means speed. Lower response times. Faster decision making. A positive approach to change."

-MD & CEO, Maruti Suzuki in the Annual Report 2008-09

Flexibility and Agility were identified as the mantras to win in a volatile environment. This approach was communicated to all employees, vendors and dealers. A close watch on demand in domestic and export markets, strong inventory control, shorter lead times, a stretch on capacities, and better product mix flexibility helped the Company achieve overall growth of 28.5% over the previous year. The Company sold 1,018,365 vehicles during the year. This comprised of 870,790 cars in the domestic market (growth of 21%) and 147,575 in the export market (growth of 111%).

For the first time, Maruti Suzuki was able to make and sell more than a million vehicles in a year.

The Company launched a new model, refreshed four existing models and introduced its next generation K-series engines in four models.

The Company registered Net Sales of Rs. 289.5 billion, growing at 42.2% over the previous year. Net Profit after Tax stood at Rs. 24.97 billion, a growth of 105% over FY'09. Since the previous year was exceptional on account of the global economic crisis, it may be relevant to look at the financial performance over two years. In the two year period ending 31 March 2010, the Net Sales grew 62%, implying a CAGR of 27% and the Net Profit grew 44% implying a CAGR of 20%. Capex for the year stood at Rs. 14.7 billion.

The Company started work on building an additional capacity of 250,000 cars per year, at Manesar. As part of the efforts to build an R&D capability, 700 acres of land were procured for a world class proving ground at Rohtak. The number of design engineers increased to 958, as planned.

Sustainability

The Company's relationship with its stakeholders is one of mutual well-being and trust. As part of its National Road Safety Mission, the Company trained 1,37,000 people in safe driving at Institutes of Driving Training and Research and Maruti Driving Schools. Of these, training of 28,000 people was sponsored by the Company.

Top management reviews were instituted for all plant emissions and natural resource consumption. Significant time, effort and management thought were invested in training dealers and tier-1 and tier-2 vendors in business excellence, corporate governance, professionalization, financial sustainability and functional competencies. While this is inherently sustainable and has been the Company's philosophy since inception, the Company employed global best practices to proactively map the impact of its business on its stakeholders from economic, environment and social perspectives and published a sustainability report with the theme "Give, Get, Grow". This report is a broadbased internal employee effort and conforms to A+ level of international GRI guidelines. This will continue to be a significant tool for self-improvement.

BUSINESS PERFORMANCE

Domestic Market

Car demand growth started from the rural and smaller towns in the first quarter and spread across India, including the top cities, by the last quarter. The Company's extensive network, and innovative marketing initiatives, enabled it to capture this demand.

The sales network added 121 outlets to reach 802. The number of cities covered increased from 454 to 555. Similarly 127 more dealer service workshops were activated. The total cities covered went up from 1314 to 1335. The Company tied up with five more public sector banks to promote car loans.

There were several new model launches in the Indian market during the year, including in the high volume small and compact segments. The Company has always welcomed competition as it helps the Company grow and aids the process of improvement.

The approach of the Company is to try and understand customer expectations and strive to deliver global or customized products that meet them as closely as possible.

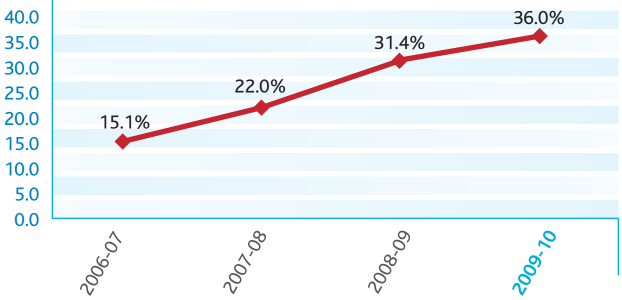
Towards this aspiration, the Company launched its fifth world strategic model - the Ritz. It has global styling and a powerful, best-in-class, fuel efficient K-series engine. The Ritz clocked 50,000 unit sales in 9 months, the fastest for any new model ever. The existing model in the same segment, Swift, continued to be strong. Its sales grew from about eight thousand cars to twelve thousand a month.

The Company launched the Eeco, a spacious multi-purpose van and the new WagonR. It refurbished the SX4 engine to incorporate VVT (variable valve timing) technology and introduced K-series engines in Swift, DZire, Estilo and the new WagonR.

The Company's share in the domestic passenger cars and vans market stood at 51.7%. Since a number of models were on waitlist, the Company made efforts to maximise output through better productivity, innovation and flexibility.

The Company strengthened its leadership in the sedan or A3 segment, increasing market share from 31.4% to 36.0%. The Company's market share in this segment has more than doubled in three years. The Company's average realization per car has increased by about 32% in this period.

Market Share in Sedan segment (A3)



The Company showcased two new models at Auto Expo 2010, which fit with the changing lifestyles of the Indian consumer. One was Concept *rIII*, a three-row family vehicle, designed by the Company's R&D engineers and body stylists. The other was the global Suzuki car, the Kizashi, a major attraction at Suzuki displays at motor shows in Tokyo and Geneva.

Servicing of the car in India and its ease, availability and friendliness continues to be an important consideration in the purchase decision. The Company's network serviced more than 12.9 million cars in the year. Initiatives like a spruced-up customer lounge at workshops, use of high productivity equipment and an IT enabled vehicle tracking system in workshops, were taken. The Company seeks to have a service facility every 25 km on important stretches of major highways.

The Company was rated first in customer satisfaction (post sale service) for the tenth year in a row in the annual survey by JD Power Asia Pacific. The Company was also awarded the JD Power Award for the highest Sales Satisfaction in India. Studies show a strong correlation between customer satisfaction and customer repurchase and advocacy intent. This is also supported by the "Escaped Shoppers Study" of JD Power. It mentions that the percentage of predetermined or loyal customers in the car industry is the highest for Maruti Suzuki, at 78%.

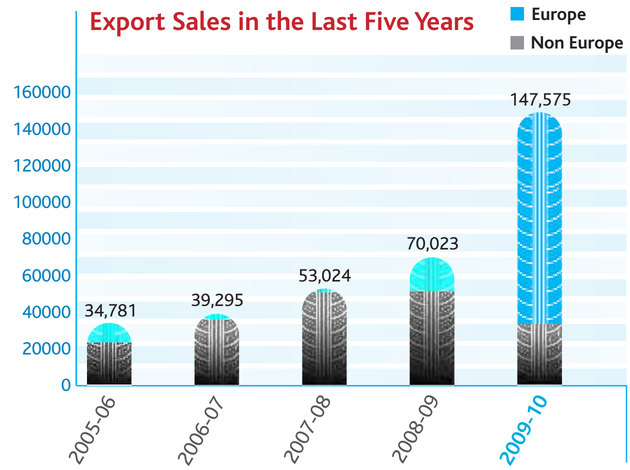
With shortening car ownership cycles, the residual value of the car is becoming an important determinant of total cost of ownership. The Company's pre-owned car business sold 1,63,240 cars in the year, a growth of 33% over the previous year.

The Company strengthened its leadership in the sedan or A3 segment, increasing market share from 31.4% to 36.0%. The Company's market share in this segment has more than doubled in three years.

The Company's insurance initiative facilitates the issue of insurance policies and enables a single point cashless claim. In its ninth year of operations, the insurance business reached a cumulative sale of 10 million policies, out of which 2.5 million were in 2009-10.

Exports

The Company clocked export sales of 147,575 units, its highest ever. This is a 111% growth over the previous year's total of 70,023 units. On a cumulative basis, exports crossed 700,000 units. Europe has accounted for over 75% of the sales.



During the year, exports were helped by the launch of a world strategic model of Suzuki, known as the A-star in India, the new Alto in European and some other markets, the Celerio in various non-European markets and the Pixo in Europe sold under the Nissan brand. The new Alto was received well by customers on account of its styling, safety features and environment friendly engine. In Chile, the launch of Suzuki Celerio was awarded the best launch of the year. In Australia, Suzuki Alto won the nationwide event 'Green Challenge', recording the lowest CO_2 emission and in Philippines, the Suzuki Celerio was voted "Car of the Year" and rated the most fuel efficient car in its category.

The Company was aware that sales in Europe are being helped by scrappage incentive schemes by various governments, and demand may slow down once the schemes are withdrawn. While for the short term, there was focus on a lean and agile supply chain, for the medium term, the Company developed several non Europe markets. The Company now exports to more than a hundred countries across the world.

Spares & Accessories

The spares and accessories business grew at the pace of vehicles sales, achieving a 29% year-on-year growth.

The focus was on ensuring timely availability of parts across the country, at competitive prices. The Company also expanded the product range of accessories, including high end categories.

A new state of the art warehouse has been constructed at Manesar. Initiatives to reduce spare parts inventory at dealerships released critical working capital for car sales.

ENGINEERING, RESEARCH & DEVELOPMENT

Suzuki technology has through the years, given products which are just right for India. The M800 car in the early eighties, Omni as the multipurpose van, Swift as the premium compact car, Dzire and SX4 for the upwardly mobile Indian are all examples of efforts to meet the consumer lifestyle as closely as possible. The Company believes that the Indian consumer is progressing at an impressive pace and deserves to get similar enhancement in technology, features, styling, performance and cost efficiency in the cars she buys.

While the Company gets excellent support from its parent in launching a number of new models, it needs to supplement it with its own R&D capability. The Company has moved in its R&D maturity path from parts localization, to model facelifts, to collaborative design of global models. The next step is full body capability. Towards building this capability, the Company had embarked a few years ago on an integrated effort to induct and train design engineers, put up world class proving grounds, crash test facility, wind tunnel laboratory and other testing infrastructure, put up shared IT infrastructure for computer aided engineering and try to build live project experience with design engineers. The Company is on course on these projects; 700 acres of land has been procured at Rohtak for the test track and the strength of engineers is touching 1000.

The Company's designers showcased their imagination and styling prowess at Auto Expo 2010 through the Concept *rIII*. It is a three row family vehicle seeking to compliment the lifestyle of consumers and giving them an avenue to enjoy with friends and family. They also showcased an SX4 hybrid concept car, on which lines cars will be used in the Commonwealth Games 2010.

During the course of the year, the Company launched several new and refreshed models and introduced the K-series engines with a quantum jump in technology.

It strengthened the premium compact segment with its new offering, the Ritz. Sold in Europe with the brand name "Splash", the Ritz comes with contemporary European styling, advanced features like dual airbags, electronic brake force distribution, steering mounted audio controls, keyless entry, immobilizer. It is fitted with the next generation light weight, low friction, and low noise K12 engine.

The K-series engines employ a plethora of technologies such as high compression ratio, high atomisation injectors, offset crankshaft with light weight piston and low tension rings, nutless conrod, rockerless DOHC, plastic intake manifold, distributorless ignition and the like. The result of these technologies is an unmatched combination of high power and high fuel efficiency at the same time. The K-series engines were introduced in the new Estilo, the new WagonR, the Swift and the Dzire.

The SX4 was refreshed with a facelift and introduction of VVT (variable valve timing) technology in the engine. The Company also launched a refreshed model, the Eeco, with a 1.2 Litre engine which offers the customer space and comfort at a very affordable price. The Company has upgraded all its relevant models to Bharat Stage 4 emission norms.

The product design excellence of the Company was recognized by best in category awards in four passenger car segments: WagonR in entry compact, Ritz in premium compact, Swift Dzire in entry midsize and SX4 in midsize, in the survey on Automotive Performance, Execution and Layout (APEAL) conducted by JD Power Asia Pacific for 2009.

The Company has developed in-house systems for gas injected CNG powered cars, which meet Bharat Stage 4 emission norms and deliver superior fuel efficiency and power compared to conventional systems. CNG as an auto fuel has low carbon dioxide emissions, is cost effective for the consumer and has the potential of reducing the crude oil import of the country.

OPERATIONS

The Company produced 33% more vehicles during the year compared to the previous year, delivering much above installed capacity. The scale of operations, the speed of demand recovery and the dynamism in product mix put a huge requirement on the ability of the Company to stretch production, be more flexible and more adaptive. The Company was prepared and in the beginning of the year itself, the mantras of flexibility and agility were adopted by the Company and business associates.

The Company has an integrated approach to deliver on its production objectives in the form of a Production Management System or PMS. The core of PMS lies in involvement of all levels of employees and generation of ideas through a series of brainstorming sessions. These ideas

The K-series engines employ a plethora of technologies such as high compression ratio, high atomisation injectors, offset crankshaft with light weight piston and low tension rings, nutless conrod, rockerless DOHC, plastic intake manifold, distributorless ignition and the like. The result of these technologies is an unmatched combination of high power and high fuel efficiency at the same time.

are then discussed within small groups and identified for implementation. This approach unlocks organizational potential through clarity of goals and ownership. The objective of PMS is to achieve manufacturing excellence in four areas: Safety, Quality, Productivity and Cost. The Company benefits from a powerful combination of Japanese best practices and Indian innovation and information technology skills.

Skill and capability development at all levels is the next important enabler. Associates on the shop floor had about 43,000 man-hours of training in the year at the Company's technical training center.

Safety receives top management focus and a culture of zero tolerance is being propagated within the Company. The Company leveraged training in root cause analysis tools and with wide participation of associates in Quality Circle activities was able to improve pre-delivery inspection results by 27%. Output and quality at the new K-series engine casting shop have matched Suzuki levels in less than two years of operation.

The production teams worked on several cost reduction projects and achieved substantial savings through machining tool cost reduction and automation of material handling systems. Similar improvement projects have helped the Company's machine shops to reach an overall equipment effectiveness of 91%, at par with global levels.

Modernisation of Gurgaon Plant

In line with introduction of new models and discontinuation of old ones, some of the older production lines were reconfigured, merged and replaced by highly flexible and productive lines with a net increase in throughput.

Swift Production at Gurgaon

The Company has three plants in Gurgaon and one in Manesar. The Manesar plant produces models like Swift, Dzire, SX4 and A-star. Following strong demand in the Manesar models, the Company created facilities to co-produce the Swift in the Gurgaon plant. The Company was able to deliver about 17,000 more Swift cars to waiting customers in the year through this initiative.

KB series engine plant expansion

The Company raised the capacity of its next generation K-series engine plant to more than 500,000 units per annum. It is a state of the art plant with features like in-process quality check machines, automatic leak testing, automatic measuring machines, cold test bench and RFID & Ethernet traceability systems.

Manesar capacity expansion

The Company started work on an additional plant of 250,000 cars per annum capacity at Manesar. The Company is making all efforts to maximize capability through de-bottlenecking and productivity improvement to meet market demand before the new facility comes up.

Tool & die design capability

The Company has started the design & development of dies for critical sheet metal parts and engine components. During the year, inhouse die development for body parts of models like the Ritz, Eeco and Estilo helped the company save cost over imported dies. In addition, significant cost saving was achieved through better tool design to facilitate yield improvement and use of alternate raw material. With faster product refreshment cycles in the future, this capability will help the Company deliver new models in lesser time and cost.

Information Technology

Information technology serves as a strategic enabler. It helps the management to effectively monitor performance of vendors and dealers using Vendor Management System and Dealer Balance Scorecard. This throws up areas of improvement, operationally and financially.

IT helps in providing a connected environment for seamless collaboration in the entire value chain. At one end, IT connects suppliers on a real time basis through an extranet to ensure on time delivery and supplier enhancement. On the other, it supports all dealers on a real time basis for sales and service transactions, and critical management information system on customer behaviour and operational excellence.

The Company has initiated a project on analytics and business intelligence using a customer database of about 6 million records.

The Company has taken adequate precaution for business continuity in any unforeseen event affecting the information system.

COMPONENTS AND RAW MATERIAL PROCUREMENT

The year 2009-10 was challenging for the auto component industry. After the slowdown of 2008-09, it had to quickly adjust itself to a spurt in demand. Its manufacturing capacities, human resources and finances came under stretch. While the component vendors were able to support the Company, there were select cases of supply disruptions owing to issues relating to industrial relations or manufacturing operation.

The Company is helping component suppliers scale up, given their critical role in the growth of the auto industry. The Company has, since inception, facilitated more than a hundred technology collaborations for vendors and shared its quality and manufacturing best practices with them. In addition, the company is now engaging with vendors on professional management, HR systems and best practices, financial sustainability and a culture that fosters good quality at every step. This engagement is a very structured exercise involving best in class consultants, vendor CEOs with a detailed mapping of the current situation and recommended improvements.

The Company continued to deploy powerful techniques and methodologies of cost reduction. Special emphasis was laid on localization of parts imported by vendors as, apart from cost reduction, it provides immunity from foreign exchange fluctuations.

Steel prices kept low for most part of the year, but climbed steeply towards the end. On select commodities like copper and precious metals, the Company took hedging calls and the experience has been positive. The Japanese yen broadly continued to be strong, and poses a structural cost disadvantage in imports.

FINANCE

The fast-paced recovery of the economy in 2009-10 was largely supported by a prudent policy response of the Government of India in the wake of the financial crisis. The global economy, led by the Asian economies especially China and India, has shown signs of recovery in 2009-10.

Industrial growth gathered pace in India in the second half of the financial year and has averaged 9.3% for the whole year. Combined with good growth in services (8.5%) and flat performance in agriculture despite a dull monsoon, the economy grew by 7.4% in 2009-10. With the softening of commodity prices, good growth in volumes resulting in economies of scale and favourable exchange rate movement in Euro resulting in better export realizations, the Company has shown decent improvement in sales as well as profits.

Highlights

Domestic Volumes	21%
Export Volumes	111%
Net Sales	42.2%
PBT	114%
PAT	105%

The Company registered its highest ever sales of 1,018,365 vehicles in the domestic and export markets during 2009-10.

The product design excellence of the Company was recognized by best in category awards in four passenger car segments: WagonR in entry compact, Ritz in premium compact, Swift Dzire in entry midsize and SX4 in midsize, in the survey on Automotive Performance, Execution and Layout (APEAL) conducted by JD Power Asia Pacific for 2009.

This resulted in Net Sales of Rs. 289,585 million (excluding excise), a growth of 42.2 per cent over 2008-09. The Company's sales growth, coupled with continuous improvements in operational efficiencies has contributed to its financial performance for 2009-10.

Earnings before depreciation, interest, tax and amortization (EBDITA) stood at Rs. 44,510 million against Rs. 24,333 million in the previous year recording a jump of 82.9%.

Net profit increased by 105 per cent, to Rs. 24,976 million from Rs. 12,187 million.

Earnings per share (EPS) increased from Rs. 42.18 in 2008-09 to Rs. 86.45 in 2009-10.

Table 1: Abridged profit and loss account for 2009-10 (Rs. million)

	Parameters	2009-10	2008-09	Change
1	Volumes (Nos.)			
	Domestic	870,790	722,144	
	Exports	147,575	70,023	
	Total	**1,018,365**	**792,167**	**28.6%**
2	Gross Sales	318,073	230,852	
	Vehicles	298,534	216,590	
	Spares, dies, moulds	19,539	14,262	
3	Excise duty	28,488	27,269	
4	Net sales (2-3)	289,585	203,583	
5	Income from services	1,404	954	
6	Total operating income	290,989	204,537	
7	Other income	10,209	10,001	
8	**Total income**	**301,198**	**214,538**	**40.4%**
9	Consumption of raw materials & components, stores & traded goods	224,134	162,427	
10	Employee costs	5,456	4,711	
11	Manufacturing, administrative and other costs	17,938	15,685	
12	Selling and distribution expenses	9,160	7,382	
13	Financial expenses	335	510	
14	Depreciation	8,250	7,065	
15	**Total expenditure**	**265,273**	**197,780**	**34.1%**
16	PBT (8-15)	35,925	16,758	
17	Current tax	11,230	4,592	
18	Deferred tax	(281)	(118)	
19	Fringe benefit tax	0	97	
20	**PAT (16-17-18-19)**	**24,976**	**12,187**	**105%**

Table 2: Financial Performance Ratios (As a Percentage of Net Sales)

Parameters	2009-10	2008-09	Change
Material cost	77.4%	79.8%	-2.4%
Employee cost	1.9%	2.3%	-0.4%
Manufacturing & admin expenses	6.2%	7.7%	-1.5%
Selling and distribution expenses	3.2%	3.6%	-0.4%
Depreciation	2.8%	3.5%	-0.7%
PBT	12.4%	8.2%	4.2%

Transition to International Financial Reporting Standards (IFRS)

The Institute of Chartered Accountants of India has mandated that Listed Indian Companies should converge to IFRS by April 1, 2011. The Company has taken steps towards convergence to IFRS. At the preliminary stages, the impact of convergence on operations and financial performance has been assessed. The Company is confident that it will be ready for convergence to IFRS as per the stipulated time lines.

Working Capital Management

Around 75% of the Company's components by value are outsourced, and manufacturing is undertaken based on Just-In-Time (JIT) inventory principles. Working capital management, therefore, plays a key role in the Company's operations. The inventory turnover ratio of the Company has increased from 16.7 in 2008-09 to 21.2 in 2009-10. The average receivables holding period has decreased from 12.6 days in 2008-09 to 10 days in 2009-10.

Treasury Operations

The Company has efficiently managed its surplus funds through careful treasury operations. The guiding principle of the Company's treasury investments is safety and prudence. In view of this, the Company invested its surplus funds in debt schemes of mutual funds and short-term bank fixed deposits. This has enabled the Company to earn reasonable and stable returns in a dynamic interest rate scenario.

Table 3 lists the different portfolios while Table 4 lists the return on these surplus funds.

Table 3: Investment of surplus funds (Rs. million)

	31-03-10	% of total	31-03-09	% of total
Bank fixed deposits	0	0%	17,000	38%
Debt mutual fund	67,930	100%	27,907	62%
Total	**67,930**	**100%**	**44,907**	**100%**

Table 4: Income from investment of surplus funds (Rs. million)

	2009-10	2008-09
Interest on fixed deposits	1,156	660
Dividend from debt mutual funds	1,531	1,399
Profit from sale of investments	1,257	2,137
Total	**3,944**	**4,196**

Foreign exchange risk management

The Company is exposed to the risks associated with fluctuations in foreign exchange rates mainly on import of components, raw materials, royalty payments and export of vehicles. The Company has a well structured exchange risk management policy. The Company manages its exchange risk by using appropriate hedge instruments depending on the market conditions and the view on the currency. With a quantum increase in exports in the year, the Company became marginally surplus on foreign exchange, however with a cross-currency exposure. Most of the exports being to Europe were denominated in Euro and most of the imports being from Japan were denominated in Japanese yen. With a view to protect its budgeted assumptions, the Company took calibrated hedges on the ratio of euro to yen and the experience has broadly been positive.

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 unauthorized use or disposition, and that all transactions are authorized, recorded and reported correctly. The internal control system is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. The internal control system is supplemented by an extensive program of internal audits, reviews by management, and documented policies, guidelines and procedures.

HUMAN RESOURCES

The Company has, over a period of time, inculcated an environment of exceptional employee engagement, ownership, motivation and pride. The people in the Company take the growth of the Company as a means of their own advancement and believe in team spirit and collective progress. This environment is a result of principles of equality, objectivity and openness, examples set by top leadership, a fair, transparent and interactive performance assessment and recognition system and a culture of appreciation. The Company encourages people to look out for facts and do root cause analysis with depth and rigour. The Company has since inception followed practices like an open office, a common canteen for all levels, common uniform all of which encourage openness and honesty. Similarly the Company

Building engineering capability has been identified as a key strategic imperative. Substantial steps were taken to create a large talent pool of young engineers with a clearly defined skill building process within Maruti and Suzuki, Japan. The Company also went to the USA, Europe and Japan for global hiring of engineering talent.

insists on 3G a Japanese principle meaning *go to the spot, see the problem for yourself, take countermeasure then and there*. This is actually a measure to encourage people to stay in touch with reality. Internal communication is driven both culturally and through organized and structured tools to facilitate flow of this wisdom. The Company believes that this is the foundation of superior business performance and is strong enough to create unprecedented results in market share, customer satisfaction and financials.

The Company is adopting initiatives like 360 degree feedback for middle management, tea group meetings with MD and top management and Stay-Interview to take this openness to a still higher level. This translates to better speed, responsiveness, commitment and people excellence.

The Company keeps realigning the organization structure with environment and business needs. The HR organization in the Company split itself to have dedicated HR departments for functions like R&D, Marketing and Production. These departments are located in the offices of their respective functions and have dual reporting to the HR head and to the functional heads. The result is each function gets customized HR support in terms of policy and training interventions. A company wide succession planning exercise was undertaken for key roles to ensure the leadership pipeline stays full and business continuity is assured.

Building engineering capability has been identified as a key strategic imperative. Substantial steps were taken to create a large talent pool of young engineers with a clearly defined skill building process within Maruti and Suzuki, Japan. The company also went to the USA, Europe and Japan for global hiring of engineering talent for imparting their knowledge to the younger engineers and for specific competencies.

In depth thought was given to training needs at all levels and functions. For instance, to help sales staff understand customer satisfaction better, they were trained in 5-Why analysis, a tool normally associated with engineering and quality function. Union members were sensitized to macroeconomic and business realities for a better appreciation of management thought. The industrial relations were cordial and a long term wage settlement was signed in April '09 with the help of a proactive, fair, firm and transparent approach.

The HR division partnered with the Supply Chain division to engage the company's vendors to facilitate HR functional maturity in a very structured project. The Company believes, as in its own case, the scalability and growth of component manufacturers will happen only if they place people first.

RISK FACTORS

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

- Macroeconomic Factors
- Inappropriate product portfolio
- Competition product launches
- Talent acquisition & retention
- Continuance and growth of channel partners
- High dependence on suppliers
- Geographic concentration
- Changes in government policy and legislation

OUTLOOK

The passenger vehicle market size in India is now comparable to some of the developed economies of the world and ranks 7th globally. A simple extrapolation of the past growth rates suggests that India will improve its ranking from this level. If there is a steeper non-linear growth owing to a household income tipping point, the ranking will improve more. The presence of a number of global players, the introduction of technology, features, styling and regulation indicate that the market is gradually attaining maturity. While all indicators suggest a good growth path for the market, a number of entrants are eyeing the same market.

The Company has in the past built a position for itself in terms of a sizeable portfolio of relevant products, a wide network with good systems and processes, strong customer equity, R&D capability, cost leadership, and a profitable business model with healthy practices for its vendors, dealers and itself. There is a well-defined roadmap for building on strengths like products, total cost of ownership, sales and service network and systems and processes for customer delight. They all augur well for the future, but the risks to organizations at such levels are more internal than external. The Company has to watch out for signs of complacence, self satisfaction or sluggishness. The leader does not have the luxury of a visible and defined benchmark or competitor, as it would be available to the other players. The only benchmark has to be a sharper understanding and anticipation of the stated and unstated need of the customer. The Company, therefore has to keep attacking itself, keep challenging its own levels of past achievement, keep setting high benchmarks for improvement and continue dedicating itself to understanding and serving its customers.

Disclaimer

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations are categorized 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 a downward trend in the domestic auto-industry, competition, rise in input costs, exchange rate fluctuations, and significant changes in the political and economic environment in India, environmental standards, tax laws, litigation and labour relations.

Over its 26 years of journey, the Company transformed itself from a successful Public Sector Company (PSU) to a vibrant and listed Multi-National Company (MNC), sustained its leadership position and remained profitable despite tough competition.

SUSTAINABILITY @ MARUTI SUZUKI

The sustainability philosophy of Maruti Suzuki revolves around the theme of 'Give, Get and Grow' or 3G. We believe that Give is the starting point and a route to Get and Grow. The resounding example is Maruti 800, the car which gave the customers freedom to travel without worrying about affordability, reliability and post-sale service. It got the distinction of putting India on four wheels and Maruti Suzuki on the growth path.

The Company facilitated Indian entrepreneurs in partnering with foreign component manufacturers when auto component industry was virtually non-existent, launched relevant cars to suit customer requirements, and set up a large sales and service network. These partnerships stood the test of time and most of the suppliers and dealers who started business with the Company are still part of Maruti Suzuki family.

Over its 26 years of journey, the Company transformed itself from a successful Public Sector Company (PSU) to a vibrant and listed Multi-National Company (MNC), sustained its leadership position and remained profitable despite tough competition. Stakeholders supported the Company in facing various challenges. The parent, Suzuki Motor Corporation played key role in inculcating quality and cost consciousness among employees, suppliers and in implementing Japanese manufacturing practices, Kaizen, 5S, Suggestion Scheme, QC etc.

Economic Sustainability

All financial and investment decisions are taken for the long term sustainability and profitable growth of the Company and its stakeholders. Temptations to achieve quick short term gains are avoided. Expansion programmes are funded through internal accruals. The Company has a robust liquid surplus of Rs. 67.9 billion as on 31st March 2010 and gearing of 0.07.

The Company has put in place a comprehensive Executive Risk Management Framework and has a designated Chief Risk Officer. All risks to the business arising out of internal and external environment are reviewed and presented to the Board along with mitigation plans.

The operational efficiencies achieved through Production Management System (PMS), productivity improvement initiatives, cost saving drives and elimination of wastages give significant cost benefits to the Company. Around 86% suppliers (by value) are located within a radius of 100 kms of our manufacturing facilities thus reducing transportation and inventory carrying cost.

Introduction of new technologies and contemporary designs gave sustained demand growth for Maruti Suzuki cars, necessitating expansion of operations both in the upstream and downstream and creating employment opportunities for skilled and semi-skilled manpower. In addition, our dealers and suppliers also increased manpower to keep pace with the growth of the business. The Company contributed Rs. 54.6 billion to the national exchequer in 2009-10.

Environmental Sustainability

The Company remained ahead of regulations while introducing products, setting up manufacturing facilities and in supply chain management. We believe that steps taken to minimise environmental impacts ultimately help the Company becoming more profitable and its products more acceptable to customers. There are many firsts to Maruti Suzuki's credit in the area of environment.

- 1st to set up effluent treatment facilities way back in 1984, when there was no legal requirement
- 1st Indian automobile company to go for ISO 14001 certification in 1999
- 1st to use natural gas for power generation at its captive power plants
- 1st to introduce factory fitted LPG and CNG cars
- 1st to launch ELV compliant cars
- 1st to launch cars complying to Bharat Stage-IV emission norms
- 1st to voluntarily disclose fuel efficiency of cars at dealerships

Through various proactive initiatives, the Company has been able to reduce its per vehicle energy consumption by 20%, water consumption by 60%, land fill rate by 65% since the implementation of EMS (Environment Management System) in 1999. With 100% recycling of waste water, the Company has achieved zero waste water discharge status since 2003-04 at its Gurgaon facility. In 2009-10, natural gas supply was extended to Manesar plant for captive power generation.

The Company facilitates implementation of EMS at its suppliers. Periodic briefing and training programmes are organised for suppliers on topics such as EMS, Environmental law/regulations, Hazardous waste management, etc. Recyclable packaging has been a major focus area and all new model parts are supplied in recyclable packaging only.

In 2009-10, the Company published its first Sustainability Report as per GRI G3 Reporting guidelines. This report is externally assured and conforms to A+ level. The report is available on the Company's website www.marutisuzuki.com.

Social Sustainability

The Company's social sustainability initiatives cover customers, employees, local community and society at large. Robust engagement processes are in place to understand their needs.

Customers are central to the business and its long term sustainability. Besides offering the customers safe and comfortable cars, the Company sensitises them about the impact of spurious spare part usage on vehicle performance, retro-fitment of unauthorized LPG/CNG kits on personal safety and tips to achieve maximum fuel efficiency.

The Company provides conducive and healthy work environment to employees. Utmost importance is given to employee training, development and career growth. Employees and their dependent family members are provided with medical facilities in the reputed hospitals. All employees over 40 years of age have to compulsorily undergo an annual health check up. Employees are encouraged to volunteer their time for the benefit of needy people. In 2009-10, employees contributed over 4000 volunteering manhours.

Road Safety and Vocational Training are the flagship CSR programmes of the Company. The Road Safety journey of the Company began in 2000 with the setting up of Institute of Driving Training and Research (IDTR) in partnership with Delhi government. This was followed by a second IDTR in Delhi in 2006. In 2009-10, two more IDTRs were activated; one each in Gujarat and Uttrakhand, and two IDTRs are nearing completion in Haryana.

To expand reach of its road safety initiatives to a larger population, the Company launched Maruti Driving Schools (MDS) in 2005. With the activation of 27 new MDS in 2009-10, the number of MDS has reached 83 as on 31st March, 2010. In 2008-09, the Company launched its National Road Safety Mission to promote road safety in the country through training, awareness and advocacy. The Company took a target to train 500,000 people in safe driving in three years. The Company is on course to achieve this target. In 2009-10, 137,000 people were trained in safe driving.

In 2006, the Company, along with two of its suppliers partnered with the state government to upgrade four ITIs in Haryana. In 2009-10, the Company took this initiative forward by adopting a women's ITI at Gurgaon, Haryana. An Institute Development Plan (IDP) has been prepared to upgrade this ITI into 'Centre of Excellence' for apparels.

The Company considers the local community an important stakeholder. A dedicated CSR team with an NGO partner works for the overall development of four adopted villages surrounding Manesar plant. The key focus areas are education, employability, health care and infrastructure development.

The Company spent Rs. 113 million in 2009-10 on CSR activities as compared to Rs. 76.7 million in 2008-09.

In 2009-10, the Company published its first Sustainability Report as per GRI G3 Reporting guidelines. This report is externally assured and conforms to A+ level. The report is available on the Company's website www.marutisuzuki.com.

FINANCIAL Results 2009-2010

AUDITORS' REPORT

TO THE MEMBERS OF MARUTI SUZUKI INDIA LIMITED

1. We have audited the attached Balance Sheet of Maruti Suzuki India Limited (the "Company"), as at 31st March, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that:

i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items, except furniture and fixtures, office appliances and certain other assets having an aggregate net book value of Rs. 455 million, over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with the third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii) The Company has not taken / granted any loans, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time. In respect of purchase of goods and materials including components from the holding company, the prices paid for these items are not comparable as these are of special nature.

vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31st, 2010 which have not been deposited on account of any dispute are as follows:

(Rs. in Million)

Name of the statute (Nature of Dues)	Amount	Amount deposited under protest	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961 (Tax & Interest)	5,274	3,818	1991 to 2005	Income Tax Appellate Tribunal/ High Court/ Commissioner Income Tax (Appeals)
Wealth Tax Act, 1957 (Tax)	1	1	1997 to 1998	High Court
Haryana General Sales Tax Act (Tax & Interest)	3	-	1983 to 1988	Assessing Authority
Delhi Sales Tax Act (Tax)	47	2	1987 to 1991	Additional Commissioner
The Central Excise Act, 1944 (Duty, Interest & Penalty)	801	6	May 1988 to March 2008	Commissioner Appeals /Customs Excise & Service Tax Appellate Tribunal/ High Court/ Supreme Court
The Finance Act, 1994 (Service Tax, Interest & Penalty)	23	-	1999 to March 2008	Customs Excise & Service Tax Appellate Tribunal
Customs Act, 1962 (Duty & Interest)	27	22	February 2003 to August 2003	Customs Excise & Service Tax Appellate Tribunal

For detailed listing refer Note 29 on Schedule 23

x) The Company has no accumulated losses as at March 31st, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or debenture holders as at the balance sheet date.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.

xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

xix) The Company has no outstanding debentures as at the year end.

xx) The Company has not raised any money by public issue during the year.

xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

4. Further to our comments in paragraph 3 above, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section(3C) of Section 211 of the Act and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act;

(e) On the basis of written representations received from the directors as on March 31st 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Anupam Dhawan
Partner
Membership Number - F084451

Place: New Delhi
Date: April 26, 2010

BALANCE SHEET
AS AT 31st MARCH, 2010

(Rs. in Million)

	Schedule	As at 31.03.10		As at 31.03.09	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Capital	1	**1,445**		1,445	
Reserves and Surplus	2	**116,906**	**118,351**	92,004	93,449
LOAN FUNDS					
Secured Loans	3	**265**		1	
Unsecured Loans	4	**7,949**	**8,214**	6,988	6,989
DEFERRED TAX (Note 19 on Schedule 23)					
Deferred Tax Liabilities		**2,206**		2,340	
Deferred Tax Assets		**(836)**	**1,370**	(789)	1,551
Total			**127,935**		101,989
APPLICATION OF FUNDS					
FIXED ASSETS	5				
Gross Block		**104,067**		87,206	
Less: Depreciation		**(53,820)**		(46,498)	
		50,247		40,708	
Capital Work-In-Progress	6	**3,876**	**54,123**	8,613	49,321
INVESTMENTS	7		**71,766**		31,733
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	8	**12,088**		9,023	
Sundry Debtors	9	**8,099**		9,378	
Cash and Bank Balances	10	**982**		19,390	
Other Current Assets	11	**848**		981	
Loans and Advances	12	**15,707**		16,328	
		37,724		55,100	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	13	**29,394**		30,358	
Provisions	14	**6,284**		3,807	
		35,678		34,165	
Net Current Assets			**2,046**		20,935
Total			**127,935**		**101,989**
Significant Accounting Policies	22				
Notes to Accounts	23				

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

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

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

ANUPAM DHAWAN
Partner
Membership Number - F 084451

Place: New Delhi
Date: April 26, 2010

SHINZO NAKANISHI
Managing Director & CEO

AJAY SETH
Chief Financial Officer

S. OISHI
Director

S. RAVI AIYAR
Company Secretary & Chief Legal Officer

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Million)

	Schedule	For the year ended 31.03.10	For the year ended 31.03.09
INCOME			
Gross Sales	15	**318,073**	230,852
less: Excise Duty		**28,488**	27,269
Net Sales		**289,585**	203,583
Income from Services [Net of expenses Rs 50 million (previous year Rs 153 million)]		**1,404**	954
Other Income	16	**10,209**	10,001
Total		**301,198**	214,538
EXPENDITURE			
Consumption of Raw Materials and Components (Note 4,14 and 17 on Schedule 23)		**214,881**	150,598
Purchase of Traded Goods		**9,050**	7,256
Consumption of Stores		**2,432**	1,978
Employees Remuneration and Benefits	17	**5,456**	4,711
Manufacturing, Administrative and Other Expenses	18	**17,938**	15,685
Selling and Distribution Expenses	19	**9,160**	7,382
Total		**258,917**	187,610
Less: Vehicles/Dies for Own Use		**296**	223
Add: (Increase)/Decrease to Work-in-Progress and Finished Goods and Spare Parts	21	**(1,933)**	2,818
Total		**256,688**	190,205
Earnings before Interest, Depreciation, Tax and Amortizations (EBIDTA)		**44,510**	24,333
Interest	20	**335**	510
Depreciation	5	**8,250**	7,065
		8,585	7,575
Profit before Tax		**35,925**	16,758
Less : Tax Expense - Current Tax		**11,230**	4,592
- Deferred Tax (Note 19 on Schedule 23)		**(281)**	(118)
- Fringe Benefit Tax		**-**	97
Profit after Tax		**24,976**	12,187
Add: Brought forward from previous year's account		**80,042**	70,257
Profit available for Appropriation		**105,018**	82,444
Less: Appropriation :			
General Reserve		**2,498**	1,219
Proposed Dividend		**1,733**	1,011
Corporate Dividend Tax		**288**	172
Balance carried forward to Balance Sheet		**100,499**	80,042
Basic/Diluted Earnings Per Share (in Rupees) (Note 18 on Schedule 23)		**86.45**	42.18
Significant Accounting Policies	22		
Notes to Accounts	23		

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

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

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

ANUPAM DHAWAN
Partner
Membership Number - F 084451

Place: New Delhi
Date: April 26, 2010

SHINZO NAKANISHI
Managing Director & CEO

AJAY SETH
Chief Financial Officer

S. OISHI
Director

S. RAVI AIYAR
Company Secretary
& Chief Legal Officer

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Million)

	For the year ended 31.03.2010	For the year ended 31.03.2009
A. Cash flow from Operating Activities:		
Net Profit before Tax	**35,925**	16,758
Adjustments for:		
Depreciation	**8,250**	7,065
Interest Expense	**335**	510
Interest Income	**(2,150)**	(2,436)
Dividend Income	**(1,560)**	(1,440)
Net Loss on Sale/Discarding of Fixed Assets	**97**	125
Profit on Sale of Investments(net)	**(1,246)**	(2,137)
Provisions no longer required written back	**(511)**	(379)
Unrealised Foreign Exchange (Gain)/Loss	**130**	(610)
Operating Profit before Working Capital changes	**39,270**	17,456
Adjustments for changes in Working Capital :		
- (Increase)/Decrease in Sundry Debtors	**1,279**	(2,650)
- (Increase)/Decrease in Other Current Assets, Loans & Advances	**754**	(6,161)
- (Increase)/Decrease in Inventories	**(3,065)**	1,357
- Increase/(Decrease) in Current Liabilities and Provisions	**915**	6,455
Cash generated from Operating Activities	**39,153**	16,457
- Taxes (Paid) (Net of Tax Deducted at Source)	**(10,279)**	(4,524)
Net Cash from Operating Activities	**28,874**	11,933
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets	**(13,597)**	(16,207)
Sale of Fixed Assets	**448**	71
Sale of Investments	**167,804**	192,372
Purchase of Investments	**(206,591)**	(170,191)
Interest Received	**2,543**	2,029
Dividend Received	**1,560**	1,440
Net Cash from Investing Activities	**(47,833)**	9,514

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Million)

	For the year ended 31.03.2010	For the year ended 31.03.2009
C. Cash flow from Financing Activities:		
Proceeds from Short Term borrowings	**4,014**	4,548
Repayment of Short Term borrowings	**(661)**	(7,887)
Repayment of Long Term borrowings	**(1,472)**	-
Interest Paid	**(319)**	(579)
Dividend Paid	**(1,011)**	(1,444)
Net Cash from Financing Activities	**551**	(5,362)
Net Increase/(Decrease) in Cash & Cash Equivalents	**(18,408)**	16,085
Cash and Cash Equivalents as at 1st April (Opening Balance)	**19,390**	3,305
Cash and Cash Equivalents as at 31st March (Closing Balance)	**982**	19,390
Cash and Cash Equivalents comprise	**982**	19,390
Cash & Cheques in Hand	**843**	2,124
Balance with Scheduled Banks in Current Accounts	**139**	266
Balance with Scheduled Banks in Deposit Accounts	**-**	17,000

Notes :

1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 on "Cash Flow Statement" notified Under Section 211 (3C) of the Companies Act, 1956.

2 Cash and Cash Equivalent includes Rs 4 Million (Previous Year Rs. 4 Million) in respect of unclaimed dividend, the balance of which is not available to the Company.

3 Figures in bracket represents cash outflow.

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

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

ANUPAM DHAWAN
Partner
Membership Number - F 084451

Place: New Delhi
Date: April 26, 2010

SHINZO NAKANISHI
Managing Director & CEO

S. OISHI
Director

AJAY SETH
Chief Financial Officer

S. RAVI AIYAR
Company Secretary
& Chief Legal Officer

(Rs. in Million)

	As at 31.03.10	As at 31.03.09
SCHEDULE 1 - SHARE CAPITAL		
Authorised Capital		
744,000,000 Equity Shares of Rs. 5 each (Previous year 744,000,000 equity shares of Rs. 5 each)	**3,720**	3,720
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	**1,445**	1,445
288,910,060 Equity Shares of Rs. 5 each (Previous year 288,910,060 equity shares of Rs. 5 each) fully paid up		
Of the above -		
- 8,840,000 Equity Shares of Rs. 5 each (Previous year 8,840,000 equity shares of Rs. 5 each) were issued for consideration other than cash.		-
- 156,618,440 Equity Shares of Rs. 5 each (Previous year 156,618,440 equity shares of Rs. 5 each) are held by Suzuki Motor Corporation, the Holding Company and its nominees		
	1,445	1,445

	Balance as at 1st April, 2009	Additions during the Year	Transfer / Adjustment during the year	Balance as at 31st March 2010
SCHEDULE 2 - RESERVES AND SURPLUS				
Share Premium Account	4,241	-	-	**4,241**
Hedge Reserve Account	(1,709)	-	1,947	**238**
General Reserve	9,430	2,498	-	**11,928**
Balance as per Profit and Loss Account	80,042	20,457	-	**100,499**
	92,004	22,955	1,947	**116,906**

	As at 31.03.10	As at 31.03.09
SCHEDULE 3 - SECURED LOANS		
SHORT TERM LOANS		
- FROM BANKS		
Cash Credit	**265**	-
(Secured by pari passu first charge on the stock, book debts and other current assets)		
- FROM OTHERS		
Loan from Sundram Finance (Payable within 1 Year)	**-**	1
(Secured against vehicles taken on finance lease)		
	265	1

(Rs. in Million)

	As at 31.03.10	As at 31.03.09
SCHEDULE 4 - UNSECURED LOANS		
SHORT TERM LOANS - FROM BANKS		
Export Credit	**3,750**	**660**
LONG TERM LOANS - FROM BANKS		
Foreign Currency Loans *	**4,199**	**6,328**
Loan from Japan Bank of International Cooperation and Bank of Tokyo Mitsubishi		
*(Guaranteed by Suzuki Motor Corporation, Japan, the Holding Company)		
{Payable within one year Rs. 1400 Million (Previous Year Rs. 1582 Million)}		
	7,949	**6,988**

SCHEDULE 5 - FIXED ASSETS

(Note 23 on Schedule 23)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.09	Additions	Deductions/ Adjustments	As at 31.03.10	As at 01.04.09	For the year	Deductions/ Adjustments	As at 31.03.10	As at 31.03.10	As at 01.04.09
Freehold Land (Note 1 & 3)	1,274	5,648	-	**6,922**	-	-	-	**-**	**6,922**	1,274
Leasehold Land	570	-	-	**570**	5	1	-	**6**	**564**	565
Building	6,340	920	(29)	**7,231**	1,143	200	(13)	**1,330**	**5,901**	5,197
Plant and Machinery (Note 2)	76,580	11,107	(981)	**86,706**	43,950	7,684	(625)	**51,009**	**35,697**	32,630
Electronic Data Processing Equipment	1,344	114	(231)	**1,227**	1,048	212	(230)	**1,030**	**197**	296
Furniture , Fixtures and Office Appliances	566	131	(7)	**690**	202	36	(3)	**235**	**455**	364
Vehicles:										
- Owned	529	220	(222)	**527**	147	82	(54)	**175**	**352**	382
- Leased	3	-	(3)	**-**	3	-	(3)	**-**	**-**	-
Intangible Assets - Lump Sum Royalty	-	194	-	**194**	-	35	-	**35**	**159**	-
Total	**87,206**	**18,334**	**(1,473)**	**104,067**	**46,498**	**8,250**	**(928)**	**53,820**	**50,247**	**40,708**
Previous Year Figures	72,853	15,004	(651)	**87,206**	39,888	7,065	(455)	**46,498**	**40,708**	

(1) Land costing Rs. 5,255 million (Previous year Rs. 4 million) is not yet registered in the name of the Company. A part of this land has been/ would be made available to group companies.

(2) Plant and Machinery Gross Block includes pro-rata cost amounting to Rs. 374 million (Previous year Rs. 374 million) of a Gas Turbine jointly owned by the Company with its group companies and other companies.

(3) Freehold Land includes 600 acres of land allotted to the Company by Haryana State Industrial Development Corporation, a part of which has been made available to group companies.

	As at 31.03.10	As at 31.03.09
SCHEDULE 6 - CAPITAL WORK-IN-PROGRESS		
Plant and Machinery	1,840	5,851
Civil Work-in-progress	450	832
Capital Advances	1,586	1,930
	3,876	**8,613**

(Rs. in Million)

		As at 31.03.10		As at 31.03.09
SCHEDULE 7 - INVESTMENTS				
(Note 27 on Schedule 23)				
Trade Investments :				
Long Term:				
Quoted Equity Shares (Fully Paid)		**111**		111
Unquoted Equity Shares (Fully Paid)*		**3,716**		3,706
Investment in Subsidiary Companies				
Unquoted Equity Shares (Fully Paid)		**9**		9
Other Investments:				
Long Term (Unquoted):				
Mutual Funds		**15,658**		16,857
Current (Unquoted):				
Mutual Funds		**52,272**		11,050
		71,766		31,733
Aggregate Value of Unquoted Investments		**71,655**		31,622
Aggregate Value of Quoted Investments		**111**		111
Market Value of Quoted Investments		**2,151**		1,087

* Includes equity shares pending allotment amounting to Rs 5 Million.

SCHEDULE 8 - INVENTORIES				
Components and Raw Materials				
In transit	**2,075**		2,075	
With vendors	**204**		160	
At factory	**4,085**	**6,364**	3,292	5,527
Stores and Spares				
Vehicles	**1,019**		1,044	
Machinery	**124**		31	
Consumables	**100**		85	
In transit	**67**	**1,310**	34	1,194
Tools at factory		**219**		152
Work-in-Progress		**401**		489
Finished Goods		**3,794**		1,661
		12,088		9,023

(Rs. in Million)

		As at 31.03.10		As at 31.03.09
SCHEDULE 9 - SUNDRY DEBTORS				
(Note 21 on Schedule 23)				
Debts outstanding for more than six months				
Unsecured - Considered Good	362		1,128	
- Considered Doubtful	266		266	
	628		1,394	
Less: Provision for Doubtful Debts	266	362	266	1,128
Other Debts :				
Unsecured - Considered Good		7,737		8,250
		8,099		9,378

	As at 31.03.10	As at 31.03.09
SCHEDULE 10 - CASH AND BANK BALANCES		
Cash in Hand	1	2
Cheques in Hand	842	2,122
Bank balances with Scheduled Banks in:		
Current Accounts	135	262
Deposit Accounts	-	17,000
Dividend Account	4	4
	982	19,390

		As at 31.03.10		As at 31.03.09
SCHEDULE 11 - OTHER CURRENT ASSETS				
Interest accrued on Deposits, Loans and Advances				
Secured - Considered Good	33		37	
- Considered Doubtful	6		6	
	39		43	
Less: Provision for Doubtful Interest	6	33	6	37
Unsecured - Considered Good	139		528	
- Considered Doubtful	1		1	
	140		529	
Less: Provision for Doubtful Interest	1	139	1	528
Claims - Unsecured				
- Considered Good	676		416	
- Considered Doubtful	28		31	
	704		447	
Less: Provision for Doubtful Claims	28	676	31	416
		848		981

(Rs. in Million)

		As at 31.03.10		As at 31.03.09
SCHEDULE 12 - LOANS AND ADVANCES				
(Notes 21 & 22 on Schedule 23)				
Loans				
Secured - Considered Good	**29**		36	
- Considered Doubtful	**8**		8	
	37		44	
Less: Provision for Doubtful Loans	**8**	**29**	8	36
Unsecured - Considered Good	**2,769**		3,988	
- Considered Doubtful	**1**		1	
	2,770		3,989	
Less: Provision for Doubtful Loans	**1**	**2,769**	1	3,988
Advances recoverable in cash or in kind or for value to be received:				
Unsecured - Considered Good	**4,781**		6,563	
- Considered Doubtful	**110**		110	
	4,891		6,673	
Less: Provision for Doubtful Advances	**110**	**4,781**	110	6,563
Deposits - Considered Good unless otherwise stated				
Balance with Customs, Port Trust and Other Government Authorities		**8,052**		5,665
Inter Corporate Deposits Considered Doubtful	**135**		140	
Less: Provision for Doubtful Deposits	**135**	**-**	140	-
Other Deposits		**76**		76
		15,707		**16,328**

SCHEDULE 13 - CURRENT LIABILITIES				
Sundry Creditors (Note 20 on Schedule 23)				
Due to Micro and Small enterprises		**69**		80
Others		**23,112**		25,616
Advances from Customers/Dealers		**2,489**		1,692
Book Overdraft		**675**		549
Unclaimed Dividend*		**4**		4
Other Liabilities		**1,124**		784
Deposits from Dealers, Contractors and Others		**1,878**		1,606
Interest Accrued but not due on:				
Loans	**40**		24	
Others	**3**	**43**	3	27
		29,394		30,358

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

(Rs. in Million)

	As at 31.03.10	As at 31.03.09
SCHEDULE 14 - PROVISIONS		
(Note 24 and 26 on Schedule 23)		
Litigation Related Provisions	**614**	611
Leave Encashment	**659**	550
Warranty & Product Recall	**810**	432
Proposed Dividend	**1,733**	1,011
Corporate Dividend Tax	**288**	172
Others Provisions	**221**	195
Taxation [Net of Tax Paid Rs. 51,439 million (Previous year Rs. 41,433 million)]	**1,959**	836
	6,284	3,807

	For the year ended 31.03.10	For the year ended 31.03.09
SCHEDULE 15 - SALES		
Vehicles	**298,534**	216,590
Spare Parts/Dies and Moulds/Components	**19,539**	14,262
	318,073	230,852

	31.03.10	31.03.10	31.03.09	31.03.09
SCHEDULE 16 - OTHER INCOME				
Interest on:				
a) Fixed Deposits/Securities (Gross) [Includes TDS of Rs. 136 Million (Previous year Rs. 150 million)]	**1,156**		660	
b) Receivables from Dealers (Gross) [includes TDS of Rs. 56 Million (Previous year Rs. 78 million)]	**418**		474	
c) Advances to Vendors (Gross) [Includes TDS of Rs. 88 Million (Previous year Rs. 132 million)]	**569**		670	
d) Income tax refund	**3**		627	
e) Others	**4**	**2,150**	5	2,436
Sale of Scrap (Net of Excise)		**2,264**		1,923
Sales Tax Benefit		**-**		70
Miscellaneous Receipts (Gross) [Includes TDS of Rs. 11 Million (Previous year Rs. 9 million)]		**625**		406
Cash Discount		**1,463**		918
Profit on Sale of Investments:				
Long Term Investments	**1,257**		1,754	
Short Term Investments	**-**	**1,257**	383	2,137
Dividend:				
Trade Investments - Long Term	**29**		41	
Others	**1,531**	**1,560**	1,399	1,440
Provisions/Liabilities no longer required Written Back		**511**		379
Recovery of Service Charges	**458**		369	
Less: Repair Cost of Damaged Vehicles	**79**	**379**	77	292
		10,209		10,001

(Rs. in Million)

		For the year ended 31.03.10		For the year ended 31.03.09
SCHEDULE 17 - EMPLOYEES REMUNERATION AND BENEFITS				
(Note 8 and 24 on Schedule 23)				
Salaries, Wages, Allowances and Other Benefits [Net of staff cost recovered Rs. 67 million (Previous year Rs. 73 million)]		**4,664**		4,166
Contribution to Provident and Other Funds		**299**		229
Staff Welfare Expenses		**475**		308
Group Insurance		**18**		8
		5,456		4,711

SCHEDULE 18 - MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES				
Power and Fuel [Net of amount recovered Rs. 1,255 million (Previous year Rs. 909 million)]		**2,166**		1,936
Rent		**155**		218
Rates, Taxes and Fees		**460**		325
Insurance		**70**		66
Repairs and Maintenance :				
Plant and Machinery	**434**		370	
Building	**86**		82	
Others	**137**	**657**	117	569
Royalty		**10,182**		6,791
Tools/Machinery Spares Charged Off		**867**		729
Net Loss on Sale/Discarding of Fixed Assets		**97**		125
Provision for Doubtful Debts, Claims, Loans and Advances		**-**		38
Exchange Variation (Net)		**135**		1,842
Loss on sale of short term investments		**11**		-
Other Miscellaneous Expenses		**3,138**		3,046
		17,938		15,685

SCHEDULE 19 - SELLING AND DISTRIBUTION EXPENSES		
Advertisement	**2,810**	2,585
Sales Promotion	**1,509**	1,403
Warranty & Product Recall	**590**	472
Transportation and Distribution Expenses	**4,251**	2,922
	9,160	7,382

(Rs. in Million)

	For the year ended 31.03.10		For the year ended 31.03.09	
SCHEDULE 20 - INTEREST				
Interest				
Fixed :				
Foreign Currency Loans	**102**		249	
Export Credit	**16**	**118**	113	362
Others		**217**		148
		335		510

SCHEDULE 21 - (INCREASE)/DECREASE IN WORK-IN-PROGRESS, FINISHED GOODS & SPARE PARTS				
Work-in-Progress				
Opening Stock	**489**		459	
Less: Closing Stock	**401**	**88**	489	(30)
Finished Goods				
Opening Stock	**1,661**		5,408	
Less: Closing Stock	**3,794**		1,661	
	(2,133)		3,747	
Less: Excise Duty on Increase/ (Decrease) of Finished Stock	**(76)**	**(2,057)**	748	2,999
Spare Parts-Traded				
Opening Stock	**893**		742	
Less: Closing Stock	**857**	**36**	893	(151)
		(1,933)		2,818

SCHEDULE 22 - SIGNIFICANT ACCOUNTING POLICIES

1) BASIS FOR PREPARATION OF ACCOUNTS

These financial statements have been prepared to comply in all material respects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2) REVENUE RECOGNITION

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

3) FIXED ASSETS

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

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

c) The lump sum royalty incurred towards obtaining technical assistance/technical know how, ownership of which rests with the technical know how provider, to manufacture any new car, model is recognized as an intangible asset in accordance with the requirements of Accounting Standard-26 "Intangible Assets". Royalty payable on sale of products i.e. running royalty is charged to profit and loss account as and when incurred.

4) BORROWING COSTS

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

5) DEPRECIATION

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

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

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

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

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

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

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

6) INVENTORIES

a) Inventories are valued at the lower of cost, determined on the weighted average basis, and net realisable value.

b) Tools are written off over a period of three years except for tools valued at Rs. 5,000 or less individually which are charged off to revenue in the year of purchase.

c) Machinery spares (other than those supplied along with main plant and machinery, which are capitalized and depreciated accordingly) are charged to revenue on consumption except those valued at Rs. 5,000 or less individually, which are charged off to revenue in the year of purchase.

7) INVESTMENTS

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

8) RESEARCH AND DEVELOPMENT

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

9) FOREIGN CURRENCY TRANSLATIONS AND DERIVATIVE INSTRUMENTS

a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of transactions are recognised as income or expense in the year in which they arise.

b) At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are reported at the exchange rates prevailing at the balance sheet date by recognizing the exchange difference in profit and loss account. However, the exchange difference arising on foreign currency monetary items that qualify and are designated as hedge instrument in a cash flow hedge is initially recognized in 'hedge reserve' and subsequently transferred to profit & loss account on occurrence of the underlying hedged transaction.

c) Effective April 1, 2008, the Company adopted Accounting Standard-30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and other regulatory requirements.

d) Derivative contracts are fair valued at each reporting date. The Company records the gain or loss on effective hedges, if any, in a hedge reserve, until the transaction is complete. On completion, the gain or loss is transferred to the profit and loss account of that period. Change in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedge is recognized in the profit and loss account in the accounting period in which it arises.

e) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

10) EMPLOYEE BENEFIT COSTS

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognised by the income tax authorities. These Funds are administered through Trusts and the Company's contributions thereto are charged to revenue every year. The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a Defined Contribution plan administered by The New India Insurance Company Limited. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to revenue every year.

The Company has Defined Benefit Plans namely Leave Encashment/ Compensated Absence, Gratuity, Interest on Provident Fund and Retirement Allowance for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Gratuity Fund is recognised by the income tax authorities and is administered through a Trust.

Termination benefits are recognised as an expense immediately.

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

11) CUSTOMS DUTY

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

12) GOVERNMENT GRANTS

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

13) TAXES

Tax expense for the period, comprising current tax, fringe benefit tax and deferred tax, is included in determining the net profit/ (loss) for the year.

Current tax is recognised based on assessable profit computed in accordance with the Income Tax Act and at the prevailing tax rate.

Deferred tax is recognized for all timing differences. Deferred tax assets are carried forward to the extent it is reasonably / virtually certain that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down/ written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

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

14) DIVIDEND INCOME

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

15) INTEREST INCOME

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

16) IMPAIRMENT OF ASSETS

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

17) PROVISIONS AND CONTINGENCIES

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

SCHEDULE 23 - NOTES TO ACCOUNTS

1) Contingent Liabilities:

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

i. Sales-tax demands of Rs. 50 million (Previous year Rs. 50 million). Against this, the Company has deposited a sum of Rs. 2 million (Previous year Rs. 2 million) under protest.

ii. Excise duty demands/show-cause notices of Rs. 11,192 million (Previous year Rs. 4,799 million). Against this, the Company has deposited a sum of Rs. 3 million (Previous year Rs. 23 million) under protest.

iii. Customs duty demands of Rs. 118 million (Previous year Rs. 118 million). Against this, the Company has deposited a sum of Rs. 22 million (Previous year Rs. 22 million) under protest.

iv. Income-tax demands of Rs. 8,936 million (Previous year Rs. 4,466 million). Against this, the Company has deposited a sum of Rs. 3,797 million under protest (Previous year Rs. 3,802 million).

v. Service-tax demands of Rs. 2,212 million (Previous year Rs. 1,234 million).

vi. Claims against the Company for recovery of Rs. 480 million (Previous year Rs. 472 million) lodged by various parties.

b) As co-lessee in agreements entered into between various vendors of the Company, as lessee, and banks as lessors for leasing of dies and moulds of certain models aggregating Rs. 2 million (Previous year Rs. 2 million).

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

The amount shown in item (b) represent guarantees given in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of the beneficiaries fulfilling their ordinary commercial obligations.

2) Outstanding commitments under Letters of Credit established by the Company aggregating Rs. 3,977 million (Previous year Rs. 2,255 million).

3) Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amount to Rs.17,408 million (Previous year Rs. 11,593 million).

4) a) Consumption of raw materials and components has been computed by adding purchases to the opening stock and deducting closing stock verified physically by the management.

b) Consumption of raw material and components includes a provision of Rs. 7 million (Previous year Rs. 9 million) on account of estimated reversal of tax benefit on quantity differences on inputs.

5) The Company was granted sales tax benefit in accordance with the provisions of Rule 28C of Haryana General Sales Tax Rules, 1975 for the period from 1st August, 2001 to 31st July, 2015. The ceiling amount of concession to be availed of during the entitlement period is Rs. 5,644 million. Till 31st March, 2010, the Company has availed of sales tax benefit amounting to Rs. 1,675 million (Previous year Rs. 1,675 million).

6) "The Company has considered" business segment" as the primary segment .The Company is primarily in the business of manufacture, purchase and sale of motor vehicles and spare parts ("automobiles"). The other activities of the Company comprise facilitation of Pre-Owned Car sales, Fleet Management and Car Financing. The income from these activities, which are incidental to the Company's business, is not material in financial terms but contribute significantly in generating the demand for the products of the Company. Accordingly, the Company has considered "Business Segment" as the primary segment and thus no business segment information is required to be disclosed.

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

Financial information of geographical segments is as follows:

(Rs. in Million)

Particulars	2009-10 Domestic	Overseas	Unallocated	Total	2008-09 Domestic	Overseas	Unallocated	Total
Revenue from external customers	275,934	48,785	4,967	329,686	218,297	17,497	6,013	241,807
Segment assets	84,555	5,200	73,858	163,613	95,363	6,031	34,760	136,154
Capital expenditure during the year	18,334	-	-	18,334	15,004	-	-	15,004

Notes:

a) Domestic segment includes sales to customers located in India and services income accrued in India.

b) Overseas segment includes sales and services rendered to customers located outside India.

c) Unallocated revenue includes interest income, dividend income and profit on sale of investment.

d) Unallocated assets include other deposits, dividend bank account and investments.

(Rs. in Million)

	2009-10	2009-10	2008-09	2008-09
7 The following expenses incurred on Research and Developement are included under respective account heads:				
Revenue Expenditure				
Employees Remuneration and Benefits		**624**		375
Other Expenses of Manufacturing and Administration		**486**		291
Capital Expenditure		**623**		244
		1,733		910
8 a) MANAGERIAL REMUNERATION				
Salaries and Allowances		**28**		30
Commission/Performance linked Bonus*		**25**		27
Contribution to Provident Fund		**8**		2
Estimated value of Perquisites		**15**		17
		76		76
*Includes profit linked bonus amounting to Rs 19 million which is subject to approval of the board of directors				
b) Computation of net profit in accordance with Section 349/ 198 of the Companies Act, 1956				
Profit before Taxation		**35,925**		16,758
Add:Depreciation as per Accounts	**8,250**		7,065	
Managerial Remuneration to Whole Time Directors	**70**		70	
Commission to Non-Whole Time Directors	**6**		6	
Director's Sitting Fees	**0**		0	
[Rs. 0.4 million (Previous year Rs. 0.5 million)]				
Provision for Diminution in Value of Investment	**8**		30	
Provision for Doubtful Advances	**-**		38	
Net Loss on Sale/Discarding of Fixed Assets	**97**	**8,431**	125	7,334
		44,356		24,092
Less: Depreciation as per Section 350 of The Companies Act,1956	**8,250**		7,065	
Provision no longer required Written Back	**511**		379	
Profit on Sale of Investments	**1,257**	**10,018**	2,137	9,581
Net Profit as per Sections 349/350		**34,338**		14,511

(Rs. in Million)

		2009-10	2008-09
	Maximum Commission payable to Non-Whole-time Directors @ 1% on Rs. 34338 million (Previous Year 1% on Rs. 14,511 million)	**343**	145
	Restricted to	**6**	6
9	**AUDITORS' REMUNERATION***		
	Statutory Audit	**8.0**	8.0
	Other Audit Services/Certification	**2.2**	3.0
	Reimbursement of Expenses	**0.5**	0.6
	*Excluding Service Tax		
10	**CIF VALUE OF IMPORTS**		
	Raw Materials and Components	**25,616**	17,388
	Capital Goods	**3,968**	12,095
	Maintenance Spares	**133**	205
	Dies and Moulds	**76**	61
	Other Items	**308**	213
11	**EXPENDITURE IN FOREIGN CURRENCY (CASH BASIS)**		
	Fees for Technical Services (Net of TDS)	**1,474**	1,466
	Travelling Expenses	**161**	107
	Royalty (Net of TDS)	**7,617**	5,410
	Interest	**218**	484
	Others	**448**	354
12	**EARNINGS IN FOREIGN CURRENCY**		
	Export of Goods (FOB basis)	**45,437**	15,022
13	**DIVIDEND REMITTED IN FOREIGN CURRENCY (CASH BASIS)**		
	Dividend for the year 2008-09 (Previous year 2007-08)	**548**	783
	No. of non-resident shareholders	**5**	5
	No. of shares for which dividend remitted	**156,618,440**	156,618,440
14	**VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED**		
	i) RAW MATERIALS AND COMPONENTS		
	Imported	**27,708**	17,716
	Indigenous	**187,173**	132,882
		214,881	150,598
	PERCENTAGE OF TOTAL CONSUMPTION		
	Imported	**13%**	12%
	Indigenous	**87%**	88%
	ii) MACHINERY SPARES		
	Imported	**179**	174
	Indigenous	**415**	332
		594	506
	PERCENTAGE OF TOTAL CONSUMPTION		
	Imported	**30%**	34%
	Indigenous	**70%**	66%

15) LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

PRODUCT	UNIT	LICENSED CAPACITY	INSTALLED CAPACITY**	ACTUAL PRODUCTION
Passenger Cars and Light Duty Utility Vehicles	Nos	- *	943,000	1,027,879
		(-)*	(920,000)	(774,738)

Notes:

*Licensed Capacity is not applicable from 1993-94.

**Installed Capacity is as certified by the management and relied upon by the auditors, being a technical matter.

Previous year figures are in brackets.

16) SALES, OPENING STOCK AND CLOSING STOCK

(Rs. in Million)

PRODUCT	SALES		OPENING STOCK		CLOSING STOCK	
	QTY.(Nos.)	VALUE	QTY.(Nos.)	VALUE	QTY.(Nos.)	VALUE
Passenger Vehicles	1,018,365	298,534	5,838	1,661	14,600	3,794
	(792,167)	(216,590)	(24,174)	(5,408)	(5,838)	(1,661)
Spare Parts	*	19,307	*	1,044	*	1,019
	*	(14,067)	*	(877)	*	(1,044)
Dies and Moulds	*	232	*	-	*	-
	*	(195)	*	-	*	-

Notes :

1. Purchase of traded goods comprise of Vehicles, Spares, Components and Dies and Moulds. During the year, 121 Vehicles (Previous year 50 Vehicles) were purchased.
2. Closing stock of vehicles is after adjustment of 15 vehicles (Previous Year - 29 vehicles) totally damaged.
3. Sales quantity excludes own use vehicles 710 Nos. (Previous Year - 763 Nos.)
4. Sales quantity excludes sample vehicles 148 Nos. (Previous Year - 165 Nos.)
5. Previous Year figures are in brackets.

* In view of the innumerable sizes/numbers (individually less than 10%) of the Components, Spare parts and Dies and Moulds, it is not possible to give quantitative details.

17) STATEMENT OF RAW MATERIALS AND COMPONENTS CONSUMED

GROUP OF MATERIAL	UNIT	2009-10 QTY.	2009-10 AMOUNT	2008-09 QTY.	2008-09 AMOUNT
Steel Coils	MT	**242,713**	**11,025**	179,085	8,254
Ferrous Castings	MT	**25,125**	**1,783**	24,389	1,900
Non-ferrous Castings	MT	**14,525**	**1,916**	11,619	2,526
Other Components		*	**198,680**	*	136,620
Paints	K.LTR	**5,087**		5,782	
	MT	**5,408**	**1,477**	3,998	1,298
			214,881		150,598

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

(Rs. in Million)

18) STATEMENT OF EARNING PER SHARE

	2009-10	2008-09
Net Profit after tax attributable to shareholders (in Million Rupees)	**24,976**	12,187
Weighted Average Number of Equity Shares Outstanding during the year (Nos.)	**288,910,060**	288,910,060
Nominal value per share (In Rupees)	**5.00**	5.00
Basic/Diluted Earning Per Share (In Rupees)	**86.45**	42.18

19) DEFERRED TAX

Major Components of Deferred Tax arising on account of temporary timing differences along with their movement as at March 31, 2010 are:

Assets	**31.03.09**	**Movement During the year**	**31.03.10**
Provision for Doubtful Debts/Advances	**183**	-	183
Contingent Provisions	**184**	36	220
Others	**422**	11	433
Total (A)	**789**	47	836
Liabilities			
Depreciation on Fixed Assets	**2,145**	(64)	2,081
Exchange variation on Capital Account	**(30)**	(104)	(134)
Allowances under Income Tax Act, 1961	**225**	34	259
Total (B)	**2,340**	(134)	2,206
Net Deferred Tax Liability* (B) - (A)	**1,551**	(181)	1,370
Previous Year	**1,701**	(150)	1,551

* Includes adjustment of Rs. 100 million [Previous year Rs. (38) million] on account of reclassification of Deffered Tax Liabilities from Provision for Taxation.

20) The Balance due for more than 30 days to Micro and Small Scale Enterprises as at March 31, 2010 is Rs. 0.1 million (Previous year Rs. 0.2 million). The above mentioned amount of Rs. 0.1 million (Previous year 0.2 million) due to these enterprises is under reconciliation as at March 31, 2010. The Company pays its vendors within 30 days and no interest during the year has been paid or is payable under the terms of The Micro, Small and Medium Enterprises Development Act, 2006.

21) AMOUNT DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

	2009-10	2008-09
Sundry Debtors		
Balance at year end		
Suzuki Motor Corporation Japan	54	64
Ireland Suzuki Cars (Ireland) Ltd.	-	2
Suzuki Austria Automobil Handels GmBH	46	74
Suzuki Motor Iberica S.A.	34	47
Suzuki Powertrain India Limited	-	325
Suzuki Australia Pty. Ltd.	87	-
Suzuki New Zealand Ltd.	12	-
Suzuki Motor Poland Sp. Z.O.O. (Formerly Suzuki Motor Poland Ltd.)	38	-
PT Suzuki Indomobil Motor (Formerly PT Indomobil Suzuki International)	245	-
Suzuki France SA	48	296
Suzuki GB PLC	194	286
Suzuki Italia SPA	156	-
Suzuki International Europe GMBH	42	274
Suzuki Philippines	11	0
Suzuki Auto South Africa	1	-
Taiwan Suzuki Automobile Corporation	1	-
Loans and Advances		
Suzuki Motor Corporation	20	4
Maximum Balance During the Year	25	12
Suzuki Powertrain India Limited	2,957	4,637
Maximum Balance During the Year	5,485	5,035
Suzuki Motorcycle India Limited	155	1
Maximum Balance During the Year	155	15

22) LOANS AND ADVANCES IN NATURE OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES ETC:

(Rs. in Million)

Name of Company		As at 31.3.10	Maximum Balance during the year	As at 31.3.09	Maximum Balance during the year
Suzuki Powertrain India Limited	Associate	**1,862**	**2,947**	2,947	2,986
Suzuki Motorcycle India Limited	Fellow Subsidiary	**150**	**150**	-	-

23) The company normally acquires vehicles under Finance Leases with the respective underlying assets as security. Minimum lease payments outstanding as of 31st March, 10 in respect of these assets are as follows.

(Rs. in Million)

Due	March 31, 2010			March 31, 2009		
	Total Minimum Lease Payment Outstanding as on 31st March, 10	Interest not due	Present Value of Minimum Lease Payments	Total Minimum Lease Payment Outstanding as on 31st March, 09	Interest not due	Present Value of Minimum Lease Payments
Within One Year	-	-	-	1	-	1
Later than one Year but less than five Years	-	-	-	-	-	-
Total	-	-	-	**1**	-	**1**

Minimum Lease payments outstanding as on 31st March, 2010 in respect of assets taken on non cancellable operating leases are as follows.

Due	March 31, 2010		March 31, 2009	
	Total Minimum Lease Payments Outstanding as on 31st March, 10	Contingent Rent	Total Minimum Lease Payments Outstanding as on 31st March, 09	Contingent Rent
Within One Year	**57**	**1**	58	1
Later than one Year but less than five Years	**251**	-	241	-
later than five years	**1,055**	-	1,121	-

	March 31, 2010		March 31, 2009	
	Minimum Lease Payment	Contingent Rent	Minimum Lease Payment	Contingent Rent
Charged to P&L	**75**	-	63	1

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

A. Defined Contribution Plans

a) Superannuation Fund

b) Post Employment Medical Assistance Scheme

c) Provident Fund

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

(In Rs. Million)

	March 31, 2010	March 31, 2009
Employers Contribution to Superannuation Fund*	28	23
Employers Contribution to Post Employment Medical Assistance Scheme*	1	1
Provident Fund*	164	114

B. State Plans

a) Employers contribution to Employee State Insurance*

b) Employers contribution to Employee's Pension Scheme 1995*

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

(In Rs. Million)

	March 31, 2010	March 31, 2009
Employers contribution to Employee State Insurance*	6	6
Employers contribution to Employee's Pension Scheme 1995*	43	41

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

C. Defined Benefit Plans

a) Contribution to Gratuity Funds - Employee's Gratuity Fund

b) Leave Encashment/Compensated Absence

c) Retirement Allowance

In accordance with Accounting Standard 15 (revised 2005), an acturial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions

	March 31, 2010			March 31, 2009		
	Leave Encashment/ Compensated Absence	**Employees Gratuity Fund**	**Retirement Allowance**	**Leave Encashment/ Compensated Absence**	**Employees Gratuity Fund**	**Retirement Allowance**
Discount Rate (per annum)	**8.00%**	**8.00%**	**8.00%**	8.00%	8.00%	8.00%
Rate of increase in compensation levels	**6.00%**	**6.00%**	**0.00%**	6.00%	6.00%	0.00%
Rate of return on plan assets.	**Not Applicable**	**8.00%**	**Not Applicable**	Not Applicable	8.00%	Not Applicable
Expected Average remaining working lives of employees (years)	**21**	**21**	**21**	22	22	22

In calculating the leave encashment/compensated absence liability 24% (Previous year - 24%) of the leave has been assumed to be availed of/encashed during the year.

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

(Rs. in Million)

Changes in Present Value Of Obligations

	March 31, 2010			March 31, 2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at beginning of the year	550	621	27	429	524	25
Interest cost	35	49	2	26	41	2
Current service cost	42	42	-	65	35	-
Benefits Paid	84	7	-	57	17	-
Actuarial (gain)/loss on Obligations	116	29	(0)	87	38	(0)
Present value of obligation as at the year end	659	734	29	550	621	27

Changes in the Fair value of Plan Assets

	March 31, 2010 Employees Gratuity Fund	March 31, 2009 Employees Gratuity Fund
Fair value of Plan Assets as at beginning of the year	621	491
Expected return on Plan Assets	44	39
Contribution	57	73
Benefits Paid	79	18
Actuarial gain/(loss) on Obligations	91	36
Fair value of Plan Assets as at the year end	734	621

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

	March 31, 2010			March 31, 2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	**659**	**734**	**29**	550	621	27
Fair value of Plan Assets as at the year end	**-**	**734**		-	621	
Surplus/(Deficit)	**(659)**	**-**	**(29)**	(550)	-	(27)
Unfunded Net Asset/(Liability) recognised in Balance Sheet.	**(659)**	**-**	**(29)**	(550)	-	(27)

Expenses Recognised in Profit & Loss Account

(Rs. in Million)

	March 31, 2010			March 31, 2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Current service cost	42	42	-	65	35	-
Interest cost	35	49	2	27	41	2
Expected return on Plan Assets	-	(44)		-	(39)	
Settlement cost	-			-	22	
Net Actuarial (gain)/loss recognised during the year	116	(62)	(0)	87	2	(0)
Total Expense recognised in Profit & Loss Account*	193	(15)	2	179	61	2

* Included in Salaries, Wages, Allowances and Other Benefits under Employee Remuneration and Benefits (Refer schedule 17)

Constitution of Plan Assets	**Gratuity**	
	March 31, 2010	**March 31, 2009**
a) Debt Funds	585	543
b) Others	149	78
Total	**734**	**621**

The return on the investment is the nominal yield available on the format of investment as applicable to Approved Gratuity Fund under Rule 101 of Income Tax Act 1962.

Expected contribution on account of Gratuity for the year ending March 31, 2010 can not be ascertained at this stage.

25) STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Holding Company
Suzuki Motor Corporation

Joint Ventures
J.J. Impex (Delhi) Private Limited
Mark Exhaust Systems Limited
Bellsonica Auto Component India Pvt Ltd.
FMI Automotive Components Ltd.
Krishna Auto Mirrors Limited
(Krishna Ishizaki Auto Limited)

Subsidiaries
Maruti Insurance Agency Services Ltd.
Maruti Insurance Agency Logistics Ltd.
Maruti Insurance Distribution Services Ltd.
Maruti Insurance Agency Network Ltd.
Maruti Insurance Agency Solutions Ltd.
True Value Solutions Ltd.
Maruti Insurance Business Agency India Ltd.

Key Management Personnel
Mr Shinzo Nakanishi
Mr Shuji Oishi
Mr Tsuneo Ohashi
Mr Keiichi Asai

Associates
Asahi India Glass Limited
Bharat Seats Limited
Caparo Maruti Limited
Climate Systems India Limited
Denso India Limited
Jay Bharat Maruti Limited
Krishna Maruti Limited
Machino Plastics Limited
SKH Metals Limited
Nippon Thermostat (India) Limited
Sona Koyo Steering Systems Limited
Citicorp Maruti Finance Limited
Maruti Countrywide Auto Financial Services Limited
Magneti Marelli Powertrain India Pvt. Ltd.
Suzuki Powertrain India *

Fellow Subsidiaries (Only with whom the Company had transactions during the year)
Suzuki International Europe G.m.b.H.
Suzuki Motor Iberica, S.A.U.
Suzuki Italia S.P.A.
Suzuki Austria Automobile Handels G.m.b.H.
Suzuki France S.A.S.
Magyar Suzuki Corporation Ltd.
Suzuki GB PLC
Suzuki Cars (Ireland) Ltd.
Suzuki Motor Poland Sp. Z.O.O.(Formerly Suzuki Motor Poland Ltd.)
Suzuki Motorcycle India Private Ltd.
PT Suzuki Indomobil Motor (Formerly PT Indomobil Suzuki International)
Suzuki Philippines Inc.
Suzuki Automobile (Thailand) Co. Ltd.
Suzuki Australia Pty. Ltd.
Suzuki New Zealand Ltd.
Suzuki Auto South Africa (Pty) Ltd.
Taiwan Suzuki Automobile Corporation

(Rs. Million)

	2009-10							2008-09						
	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
Outstanding at year end														
Loans and advances recoverable														
Suzuki PowerTrain India Limited	-		3,020	-	-	-	3,020	-		4,781	-		-	4,781
Others	92	-	612	20	5	-	729	127	40	1,834	4	1	-	2,006
Total	**92**	**-**	**3,632**	**20**	**5**	**-**	**3,749**	**127**	**40**	**6,615**	**4**	**1**	**-**	**6,787**
Amounts payable														
Suzuki Motor Corporation	-		-	5,848	-	-	5,848	-		-	3,932	-	-	3,932
Suzuki PowerTrain India Limited	-		1,422	-	-	-	1,422	-		1,983	-	-	-	1,983
Others	323		1,812	-	67	-	2,202	438		2,905	-	21	-	3,364
Total	**323**		**3,234**	**5,848**	**67**	**-**	**9,472**	**438**		**4,888**	**3,932**	**21**	**-**	**9,279**
Guarantees given to third parties for the Company														
Suzuki Motor Corporation				4,199			4,199				6,328			6,328
Others														
Total				4,199			4,199				6,328			6,328
Finances (Equity & Loans)														
Suzuki Motorcycle India Private Limited	-			-	150	-	150	-			-	-	-	
Krishna Ishizaki Auto Limited	10			-	-	-	10	-			-	-	-	
Others			-	-	-	-	-	-	6	668	-	-		674
Total	**10**			**-**	**150**	**-**	**160**	**-**	**6**	**668**	**-**	**-**	**-**	**674**
Amount recoverable														
SKH Metals Limited	-		272	-	-	-	272	-		314	-	-	-	314
Suzuki GB PLC	-		-	-	194	-	194	-		-	-	286	-	286
PT Suzuki Indomobil Motor					245		245					-		
Others	177		417	54	478	-	1,126	245		1,009	64	677	-	1,995
Total	**177**	**-**	**689**	**54**	**917**	**-**	**1,837**	**245**	**-**	**1,323**	**64**	**963**	**-**	**2,595**
Transaction during the year														
Purchases of Capital items														
Suzuki Motor Corporation	-		-	1,092	-	-	1,092	-		-	3,571	-	-	3,571
Others	-		-	-	2	-	2	-		-	-	1	-	1
Total	**-**	**-**	**-**	**1,092**	**2**	**-**	**1,094**	**-**	**-**	**-**	**3,571**	**1**	**-**	**3,572**
GOODS IN TRANSIT - COMP ETC.														
Suzuki Motor Corporation	-		-	1,530	-	-	1,530	-		-	834	-	-	834
Others	-		-	-	-	-	-	-		-	-	-	-	-
Total	**-**	**-**	**-**	**1,530**	**-**		**1,530**	**-**	**-**	**-**	**834**	**-**		**834**

(Rs. in Million)

	2009-10							2008-09						
	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total	Joint Ventures	Subsidiaries	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
Sale of goods														
Suzuki France SA	-		-	-	2,247	-	2,247	-		-	-	879	-	879
Suzuki GB PLC	-		-	-	3,397	-	3,397	-		-	-	935	-	935
Suzuki International Europe Gmbh	-		-	-	4,054	-	4,054	-		-	-	1,043	-	1,043
Suzuki Italia S.P.A					2,552		2,552							
Others	1,059	-	1,931	147	4,162	-	7,299	596		1,189	317	1,236		3,338
Total	**1,059**	**-**	**1,931**	**147**	**16,412**	**-**	**19,549**	**596**	**-**	**1,189**	**317**	**4,093**	**-**	**6,195**
Other Income														
Finance income/commission/Dividend														
Krishna Maruti Limited	-		100	-	-	-	100	-		86	-	-	-	86
Suzuki PowerTrain India Limited	-		495	-	-	-	495	-		450	-	-	-	450
Others	41		336	-	-	-	377	21		294	-	-	-	315
Total	**41**	**-**	**931**	**-**	**-**	**-**	**972**	**21**	**-**	**830**	**-**	**-**	**-**	**851**
Other Misc Income														
Suzuki PowerTrain India Limited	-		830	-		-	830	-		671	-		-	671
SKH Metals Limited			162				162			44				44
Others	145	-	248	3	16	-	412	81		166	-	-		247
Total	**145**	**-**	**1,240**	**3**	**16**	**-**	**1,404**	**81**	**-**	**881**	**-**	**-**	**-**	**962**
Expenditure														
Purchases of goods														
Krishna Maruti Limited			7,444				7,444			5,872				5,872
Suzuki Powertrain India Ltd.	-		26,610	-	-	-	26,610	-		19,291	-	-	-	19,291
Others	5,119		29,422	18,064	10	-	52,615	2,976		24,774	11,294	4	-	39,048
Total	**5,119**	**-**	**63,476**	**18,064**	**10**	**-**	**86,669**	**2,976**	**-**	**49,937**	**11,294**	**4**	**-**	**64,211**
Proposed Dividend														
Suzuki Motor Corporation	-		-	940	-	-	940	-		-	548	-	-	548
Total	**-**	**-**	**-**	**940**	**-**	**-**	**940**	**-**	**-**	**-**	**548**	**-**	**-**	**548**
Royalty														
Suzuki Motor Corporation	-		-	10,168	-	-	10,168	-		-	6,777	-	-	6,777
Total	**-**	**-**	**-**	**10,168**	**-**	**-**	**10,168**	**-**	**-**	**-**	**6,777**	**-**	**-**	**6,777**
Receiving of services														
Suzuki Motor Corporation	-		-	505	-	-	505	-		-	736	-	-	736
Others	-		-	-	-	-	-	-		-	-	-	-	-
Total	**-**	**-**	**-**	**505**	**-**	**-**	**505**	**-**	**-**	**-**	**736**	**-**	**-**	**736**
Other-expenditure														
Suzuki GB PLC	-		-	-	37	-	37	-		-	-	22	-	22
Suzuki Motor Corporation				119			119							
Others	4	13	1	-	67	-	85	-		1	-	18	-	19
Total	**4**	**13**	**1**	**119**	**104**	**-**	**241**	**-**	**-**	**1**	**-**	**40**	**-**	**41**
Managerial Remuneration														
Mr Shinzo Nakanishi	-		-	-	-	22	22	-		-	-	-	20	20
Mr. Hirofumi Nagao (Retired on 10th July, 2008)	-		-	-				-		-	-	-	5	5
Mr Tsuneo Ohashi	-		-	-	-	16	16	-		-	-	-	15	15
Mr Keiichi Asai	-		-	-	-	16	16	-		-	-	-	15	15
Mr. Syuji Oishi	-		-	-	-	16	16	-		-	-	-	15	15
Total	**-**		**-**	**-**	**-**	**70**	**70**	**-**		**-**	**-**	**-**	**70**	**70**

Note:

* Suzuki Powertrain India Limited is also a Fellow Susidiary

26) THE COMPANY HAS THE FOLLOWING PROVISIONS IN THE BOOKS OF ACCOUNT AS ON 31.03.2010 :

(Rs. in Million)

	Description	Balance as on 31.03.09	Additions during the year	Utilized/Reversed during the year	Balance as on 31.03.10
a)	Litigation Related Provisions	611	36	33	614
		(596)	(37)	(22)	(611)
b)	Warranty/Product Recall	432	590	212	810
		(253)	(472)	(293)	(432)
c)	Others	195	31	5	221
		(273)	(41)	(119)	(195)

a) Litigation Related Provisions pertain to the estimated outflow in respect of disputes with various government authorities .The information required by AS 29, Provisions, Contingent Liabilities and Contingent Assets has not been disclosed on the grounds that it can be expected to prejudice the interest of the Company.

b) Warranty and Product Recall Provisions relate to the estimated outflow in respect of warranty and recall cost for products sold during the year. Due to the very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as the expected reimbursements from such estimates.

c) Other Provisions relate to excise duty, export obligation and guarantees etc. given. Due to the very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as the expected reimbursements from such estimates.

d) Amounts in brackets represents previous year's figures.

27) THE DETAILS OF INVESTMENT AS PER SCHEDULE 7 ARE PROVIDED BELOW :

(Rs. in Million)

Name of the Company	Interest / Dividend %age	Face Value Rupees 31.03.2010	Face Value Rupees 31.03.2009	Number AS AT 31.03.2010	Number AS AT 31.03.2009	AS AT 31.03.2010	AS AT 31.03.2009
Long Term Trade Investments :							
Quoted Equity Shares (Fully Paid) :							
Asahi India Glass Limited		1	1	17,760,000	17,760,000	2	2
Bharat Seats Limited		2	2	4,650,000	4,650,000	5	5
Denso India Limited		10	10	2,862,758	2,862,758	73	73
Jay Bharat Maruti Limited		5	5	6,340,000	6,340,000	16	16
Machino Plastics Limited		10	10	941,700	941,700	5	5
Sona Koyo Steering Systems Limited		1	2	13,800,000	6,900,000	10	10
						111	111
Unquoted Equity Shares (Fully Paid) :							
Caparo Maruti Limited		10	10	2,500,000	2,500,000	25	25
Citicorp Maruti Finance Limited		10	10	26,000,000	25,999,990	260	260
Climate Systems India Limited		100	100	518,700	518,700	52	52
J.J. Impex (Delhi) Private Limited		10	10	4,323,750	4,323,750	72	72
Krishna Maruti Limited		10	10	670,000	670,000	7	7
SKH Metals Limited		10	10	2,645,000	2,645,000	49	49
Maruti Countrywide Auto Financial Services Limited		10	10	10,400,000	10,400,000	104	104
Nippon Thermostat (India) Limited		10	10	125,000	125,000	1	1
Mark Exhaust Systems Limited		10	10	4,437,465	4,437,465	57	57
Bellsonica Auto Components India Private Limited		100	100	3,540,000	3,540,000	354	354
Suzuki Powertrain India Limited (Company under same management)		10	10	232,800,000	232,800,000	2,328	2,328
Magneti Marelli Powertrain India Limited		10	10	8,550,000	8,550,000	86	86
FMI Autmotive Components Limited		10	10	44,100,000	44,100,000	441	441
Krishna Ishizaki Auto Limited		10	-	229,680	-	10*	-
						3,846	3,836
*(Includes equity shares pending allotment amounting of Rs 5 Million)							
Less :Provision for diminution in value						130	130
						3,716	3,706

SCHEDULE

(Rs. in Million)

Name of the Company	Interest / Dividend %age	**Face Value Rupees 31.03.2010**	Face Value Rupees 31.03.2009	**Number AS AT 31.03.2010**	Number AS AT 31.03.2009	**AS AT 31.03.2010**	AS AT 31.03.2009
Unquoted Equity Shares in Subsidiary Companies (Fully Paid):							
Maruti Insurance Business Agency Limited		**10**	10	**150,000**	150,000	**1.5**	1.5
Maruti Insurance Distribution Services Limited		**10**	10	**150,000**	150,000	**1.5**	1.5
True Value Solutions Limited		**10**	10	**50,000**	50,000	**0.5**	0.0
Maruti Insurance Agencies Solutions Limited		**10**	10	**150,000**	150,000	**1.5**	1.5
Maruti Insurance Agencies Network Limited		**10**	10	**150,000**	150,000	**1.5**	1.5
Maruti Insurance Agency Services Limited		**10**	10	**150,000**	150,000	**1.5**	1.5
Maruti Insurance Agency Logistic Limited		**10**	10	**150,000**	150,000	**1.5**	1.5
						9.5	9.5
Other Long Term Investments :							
Unquoted Redeemable Preference Shares (Fully Paid) :							
Western Paques (India) Limited	14.50%	**100**	100	**500,000**	500,000	**50**	50
						50	50
Less: Provision for diminution in value						**50**	50
						-	-
Units of Debt Mutual Funds :							
Long Term (Unquoted)							
ABN Amro FTP 13 Month Growth March 08		**-**	10.0	**-**	10,000,000	**-**	100
Axis Fixed Term Plan Series 1 Growth		**10.0**	-	**8,000,000**	-	**80**	-
Birla Sunlife Saving Fund Institutional Growth		**-**	10.0	**-**	114,877,934	**-**	1,750
Birla Fixed Term Plan Series CC-Growth		**10.0**	-	**10,000,000**	-	**100**	-
Birla FMP Series AR March 08 Growth		**-**	10.0	**-**	10,000,000	**-**	100
Birla Sunlife Dynamic Bond Fund- Growth		**10.0**	-	**60,109,436**	-	**931**	-
Birla Sunlife Liquid PlusInstitutional Growth		**10.0**	-	**87,712,155**	-	**1,500**	-
Deutsche FMP 13 Month series 46 inst Growth		**-**	10.0	**-**	20,000,000	**-**	200
Deutsche FMP 13 Month series 47 inst Growth		**-**	10.0	**-**	20,000,000	**-**	200
Deutsche FMP 17 Month Growth Oct 07		**-**	10.0	**-**	10,000,000	**-**	100
Deutsche FTF Series 52 Institutional Dividend		**-**	10.0	**-**	30,000,000	**-**	300
Deutsche FTF Series 54 Institutional Dividend		**-**	10.0	**-**	11,621,654	**-**	116
DSP Black Rock FMP 13M Series 3 Growth		**10**	-	**11,000,000**	-	**110**	-
DSP ML 12 M Series 1 Institutional Dividend		**-**	10	**-**	10,511,742	**-**	105
DSP ML 12 M Series 2 Institutional Dividend		**-**	10	**-**	15,653,471	**-**	157
DSP ML FTP 12.5 Month Series 1 Growth		**-**	10	**-**	40,000,000	**-**	400
DSP ML FTP 13 Month Series 1 Growth		**-**	10	**-**	30,000,000	**-**	300
DSP MLFMP Series 2 Inst 15 Month Gr Feb 08		**-**	10	**-**	15,000,000	**-**	150
DWS Fixed Term Fund Series 67 Growth		**10**	-	**55,000,000**	-	**550**	-
Fidelity FMP Seires 1 Growth		**-**	10	**-**	15,000,000	**-**	150
HDFC CMF Treasury Advantage Institutional Growth		**10**	-	**75,946,296**	-	**1,500**	-
HDFC FMP 13 M Growth-		**10**	-	**18,000,000**	-	**180**	-
HDFC High Interest Fund Short Term Fund Growth		**10**	-	**54,344,873**	-	**1,000**	-
HDFC Long Term Floater 13 Month		**10**	-	**60,100,716**	-	**950**	-
HDFC Short term Plan - Growth		**10**	10	**34,870,216**	20,965,646	**600**	350
ICICI FMP SERIES 49 1YEAR PLAN B Growth		**10**	-	**20,000,000**	-	**200**	-
ICICI FMP SERIES 51 1YEAR PLAN A Growth		**10**	-	**10,000,000**	-	**100**	-
ICICI FMP SERIES 52 1YEAR PLAN A Growth		**10**	-	**10,000,000**	-	**100**	-
ICICI Prudential Flexible income plan Institutional Growth		**-**	10	**-**	93,861,613	**-**	1,400
ICICI Prudential FMP Series 41 14M Growth		**-**	10	**-**	10,000,000	**-**	100
ICICI Prudential FMP Series 43 13M Growth		**-**	10	**-**	10,000,000	**-**	100
ICICI Prudential FMP Series 47 One Year Plan B Dividend		**-**	10	**-**	40,000,000	**-**	400
ICICI Prudential Institutional Short term Plan Growth		**10**	10	**22,086,147**	22,086,147	**400**	400
IDFC 13 M Series V Growth		**10**	-	**10,000,000**	-	**100**	-

(Rs. in Million)

Name of the Company	Interest / Dividend %age	Face Value Rupees 31.03.2010	Face Value Rupees 31.03.2009	Number AS AT 31.03.2010	Number AS AT 31.03.2009	AS AT 31.03.2010	AS AT 31.03.2009
IDFC FMP 13 Months Series1 Institutional Dividend		10	10	20,000,000	20,000,000	200	200
JM Fixed Maturity Fund Series XI 13Month Plan Inst		-	10	-	10,000,000	-	100
JM Money Manager Super plus plan Institutional Growth		-	10	-	154,666,149	-	1,750
Kotak 13M Series VI Growth		10	-	20,000,000	-	200	-
Kotak 370 Days Series II Growth		10	-	28,000,000	-	280	-
Kotak 370 Days Series III Growth		10	-	22,569,873	-	226	-
Kotak Floater Long Term-Institutional Growth		10	-	34,835,923	-	500	-
Kotak FMP 12 Month Series 7 Institutional Dividend		-	10	-	15,694,401	-	157
Kotak FMP 12 Month Series 8 Institutional Dividend		-	10	-	41,914,480	-	419
Kotak FMP 13 M Series 3 Growth		-	10	-	20,000,000	-	200
Kotak FMP 13 M Series 5 Growth		10	10	25,000,000	25,000,000	250	250
Kotak FMP 14 M Series 3 Growth		-	10	-	10,000,000	-	100
Kotak FMP 14 M Series 4 Growth		-	10	-	10,000,000	-	100
Kotak FMP 15 M Series 4 Growth		-	10	-	30,000,000	-	300
Principal PNB Fixed Maturity Plan (FMP 44) 540 days		-	10	-	12,000,000	-	120
Principal PNB Fixed Maturity Plan (FMP 50) 385 days		-	10	-	7,136,776	-	71
Principal PNB FMP (47) 385 days Inst Series VII Institutional Dividend		-	10	-	15,000,000	-	150
Reliance Fixed horizon Fund IV Series 5 Inst Growth		-	10	-	50,000,000	-	500
Reliance Fixed horizon Fund IV Series 6 Inst Growth		-	10	-	40,000,000	-	400
Reliance Fixed horizon Fund IV Series 7 Inst Growth		-	10	-	50,000,000	-	500
Reliance Fixed horizon Fund VI Series 3 Inst Growth		-	10	-	40,000,000	-	400
Reliance Fixed horizon Fund VI Series 4 Inst Growth		-	10	-	60,000,000	-	600
Reliance Fixed horizon Fund VI Series 6 Inst Growth		-	10	-	9,603,562	-	96
RELIANCE FIXED HORIZON FUND XIII- SERIES-1 Growth		10	-	25,000,000	-	250	-
RELIANCE FIXED HORIZON FUND XIII- SERIES-2 Growth		10	-	25,000,000	-	250	-
RELIANCE FIXED HORIZON FUND XIII- SERIES-3 Growth		10	-	25,000,000	-	250	-
Reliance FMP X Series 2 Institutional Dividend		-	10	-	50,000,000	-	500
Reliance Income Fund Retail Plan Growth Option		10	10	8,636,175	8,636,175	250	250
Reliance Money Manager Fund Institutional Growth		1,000	-	1,220,037	-	1,501	-
RelianceShort Term Plan Growth Option		10	10	15,486,301	15,486,301	250	250
Religare FMP Series II Plan A Growth		10	-	55,000,000	-	550	-
Religare FMP Series II Plan F Growth		10	-	45,000,000	-	450	-
SBI Debt Fund Series(13months)10 March 09 Growth		10	10	50,000,000	50,000,000	500	500
SBI SDFS 13 Month Series 8 Institutional Dividend		-	10	-	46,220,290	-	463
SBI SDFS 15 M -5 Growth		10	-	40,000,000	-	400	-
SBI SDFS 370 Days Series III Growth		10	-	50,000,000	-	500	-
SBNPP FTP 367 DAYS Series S - Growth		10	-	10,000,000	-	100	-
Standard Chartered Fixed Maturity Plan Yearly Serie 1		-	10	-	15,000,000	-	150
Standard Chartered Fixed Maturity Plan Yearly Serie 1		-	10	-	25,000,000	-	250
Standard Chartered Fixed Maturity Plan Yearly Serie 2		-	10	-	25,000,000	-	250
Sundaram BNP Paribas FTP Plan D Growth		-	10	-	10,000,000	-	100
Sundaram BNP Paribas FTP Plan E Growth		-	10	-	10,000,000	-	100
Sundaram FMP 13 month Series H Institutional Dividend		-	10	-	9,314,508	-	93
Sundaram FMP 13 Month Series I Institutional Dividend		-	10	-	6,344,534	-	63
Sundaram FMP 367 days Series 4 Institutional Dividend		-	10	-	29,655,643	-	297
TATA Fixed Maturity Plan Series 26 Growth		10	-	10,000,000	-	100	-
Templton Fixed Tenure Series VII Plan C Growth		-	10	-	30,000,000	-	300
UTI FIXED MATURITY PLAN- Growth		10	-	25,000,000	-	250	-
						15,658	16,857

(Rs. in Million)

Name of the Company	Interest / Dividend %age	**Face Value Rupees 31.03.2010**	Face Value Rupees 31.03.2009	**Number AS AT 31.03.2010**	Number AS AT 31.03.2009	**AS AT 31.03.2010**	AS AT 31.03.2009
Current (Unquoted)							
ABN Amro (Fortis) Money Plus Institutional Weekly Dividend		**10**	10	**144,442,752**	86,010,504	**1,445**	861
Axis Treasury Advantage Fund Institutional Weekly Dividend		**1,000**	-	**890,897**	-	**892**	-
Baroda Poineer Treasury Advantage Fund Weekly Dividend		**10**	-	**95,408,343**	-	**954**	-
Birla Sunlife Dynamic Bond Funds		**10**	-	**204,989,441**	-	**2,132**	-
BSL Interval Income Fund INSTL Quarterly Series 1 Dividend		**10**	-	**80,000,000**	-	**800**	-
BSL Interval Income Fund INSTL Quarterly Series 2 Dividend		**10**	-	**100,000,000**	-	**1,000**	-
Canara Robeco Interval Scheme Series II		**10**	-	**30,000,000**	-	**300**	-
Canara Robeco Treasury Advantage Super Institutional							
Plan Weekly Dividend		**10**	-	**87,821,149**	-	**1,090**	-
DSP Black Rock Bond Fund-Regular Plan-Monthly Dividend		**10**	10	**4,038,331**	13,752,016	**44**	149
DSP Black Rock Floating Rate Fund Super Institutional							
Weekly Dividend		**1,000**	-	**1,303,856**	-	**1,305**	-
DWS Cash Opportunities Fund Institutional Weekly Dividend		**10**	-	**169,929,147**	-	**1,713**	-
DWS Short Term Maturity Fund Weekly Dividend		**10**	-	**61,299,096**	-	**639**	-
DWS Ultra Short term fund -Inst. Weekly Dividend		**10**	-	**5,964,120**	-	**60**	-
Fidelty Ultra Short Term Debt Fund Super Inst. -Wekly Dividend		**10**	-	**95,382,083**	-	**954**	-
HDFC Cash Mngmnt Fund Treasury Wholesale Weekly Dividend		**10**	-	**63,499,435**	-	**636**	-
HDFC FMP 100 Days March 10 Dividend		**10**	-	**20,000,000**	-	**200**	-
HDFC Short Term Plan_Dividend		**10**	-	**132,027,756**	-	**1,364**	-
HSBC Floating Rate Long Term Plan Weekly Dividend		**10**	-	**35,749,331**	-	**402**	-
HSBC Ultra Short Term Fund Weekly Dividend		**10**	-	**40,896,097**	-	**416**	-
ICICI Pru Interval IV Quarterly B Institutional Dividend		**10**	-	**20,000,000**	-	**200**	-
ICICI Prudencial Banking & PSU Debt Fund Weekly Dividend		**10**	-	**170,457,576**	-	**1,707**	-
ICICI Prudential Institutional Income Plan Quarterly Dividend		**10**	10	**44,777,263**	42,539,439	**524**	493
ICICI Prudential Short Term Plan- Monthly Dividend		**10**	-	**188,130,216**	-	**2,264**	-
ICICI Ultra Short Term Weekly Dividend		**10**	-	**87,139,704**	-	**874**	-
IDFC Fixed Maturity Plan Quarterly Series 55 A		**10**	-	**40,000,000**	-	**400**	-
IDFC Money Manager Fund Treasury Plan -Weekly Dividend		**10**	-	**164,531,127**	-	**1,647**	-
IDFC SSIF PLAN D Monthly Dividend		**10**	-	**61,904,525**	-	**624**	-
JM Money Manager Treasury Plan Weekly Dividend		**10**	-	**142,912,387**	-	**1,468**	-
JP Morgan India Treasury Fund Super Inst Plan Weekly Dividend		**10**	-	**147,580,107**	-	**1,486**	-
Kotak Bond Fund (Regular) Institutional Quarterly Dividend		**-**	10	**-**	36,462,582	**-**	393
Kotak Floater Long Term Inst. Weekly Dividend		**10**	10	**-**	83,994,141	**-**	847
Kotak QIP Series 8 Dividend		**10**	-	**22,910,739**	-	**229**	-
Kotak QIP Series I Dividend		**10**	-	**40,000,000**	-	**400**	-
Kotak Quarterly Interval Plan Series 3 Dividend		**10**	-	**45,183,495**	-	**452**	-
Kotak Quarterly Interval Plan Series 6 Dividend		**10**	-	**100,551,763**	-	**1,006**	-
Kotak Quarterly Interval Plan Series 7 Dividend		**10**	-	**40,164,316**	-	**402**	-
LIC Income Plus Fund Weekly Dividend		**10**	-	**288,272,445**	-	**2,884**	-
Lotus India Short Term Plan inst Weekly Dividend		**10**	10	**-**	47,314,869	**-**	481

(Rs. in Million)

Name of the Company	Interest / Dividend %age	Face Value Rupees 31.03.2010	Face Value Rupees 31.03.2009	Number AS AT 31.03.2010	Number AS AT 31.03.2009	AS AT 31.03.2010	AS AT 31.03.2009
Lotus Ultra short Term Fund Weekly Dividend		**10**	10	**32,851,493**	73,214,251	**329**	733
Principal Cash Management Fund Daily Dividend		**-**	10	**-**	129,409,745	**-**	1,300
Principal flexible maturity plan Weekly Dividend		**10**	10	**80,070,843**	114,152,057	**800**	1,142
Principal Ultra Short Term Plan Weekly Dividend		**10**	-	**55,705,212**	-	**558**	-
Pru ICICI Flexible income plan Weekly Dividend		**10**	10	**-**	157,513,830	**-**	1,661
Reliance Income Fund Institutional Dividend		**10**	10	**13,451,742**	57,221,830	**175**	743
Reliance Medium Term Fund Weekly Dividend		**10**	10	**-**	111,566,031	**-**	1,907
Reliance Money Manager Fund Institutional Weekly Dividend		**1,000**	-	**818,796**	-	**820**	-
Reliance Short Term fund Retail Plan-Dividend		**10**	-	**242,539,471**	-	**2,581**	-
Religare Active Income Fund Monthly Dividend		**10**	-	**20,054,881**	-	**201**	-
Religare Credit Opportunities Fund Monthly-Dividend		**10**	-	**141,557,456**	-	**1,420**	-
SHF Ultra Short Term Fund Weekly Dividend		**10**	-	**154,457,352**	-	**1,557**	-
Sundaram Money Fund Super Inst Daily Dividend		**-**	10	**-**	31,952,485	**-**	340
Sundram Ultra Short Term Fund- Weekly Dividend		**10**	-	**130,194,863**	-	**1,376**	-
Tata Fixed Income Portfolio Scheme B3		**10**	-	**30,000,000**	-	**300**	-
Tata Floater Fund Weekly Dividend		**10**	-	**258,113,945**	-	**2,602**	-
Templton India Ultra Short Bond Fund Super Institutional Plan Weekly Dividend		**10**	-	**289,210,479**	-	**2,920**	-
UTI Fixed Income Interval Fund Monthly Income Plan Monthly Dividend		**10**	-	**50,000,000**	-	**500**	-
UTI Fixed Income Interval Fund Quarterly Plan Series III		**10**	-	**60,000,000**	-	**600**	-
UTI FLOATING RATE Weekly Dividend		**1,000**	-	**2,616,429**	-	**2,620**	-
						52,272	11,050
						67,930	27,907

28) FOLLOWING SHORT TERM INVESTMENTS WERE PURCHASED AND REDEEMED/SOLD DURING THE YEAR:

(Rs. in Million)

Name of the Company/Mutual Fund	**Face Value**	**Purchase Cost**	**Sale/Redemption Proceeds**
Units of Mutual Funds	138,388	142,248	142,230
	138,388	142,248	142,230
Previous Year:	145,703	153,477	153,537

29) PURSUANT TO CLAUSE IX(B) OF SECTION 227 (4A) OF THE COMPANIES ACT, 1956, THE DETAILS OF DISPUTED DUES ARE AS FOLLOWS:

Name of the Statute	Nature of the Dues	Amount (Rs.in Millions)	Amount deposited under protest (Rs.in Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6	20	1992-93 A.Y.	Income Tax Appleant Tribunal (ITAT) & High Court
	Interest	15			
	Income Tax	16	18	1994-95 A.Y.	ITAT & High Court
	Interest	2			
	Income Tax	242	725	1995-96 A.Y.	ITAT & High Court
	Interest	483			
	Income Tax	123	123	1996-97 A.Y.	ITAT & High Court
	Interest	-			
	Income Tax	174	210	1998-99 A.Y.	ITAT & High Court
	Interest	20			
	Income Tax	1,093	1,151	2003-04 A.Y.	Commissioner of Income Tax (Appeals) [CIT(A)]
	Interest	433			
	Income Tax	348	488	2004-05 A.Y.	High Court
	Interest	140			
	Income Tax	1,495	1,083	2005-06 A.Y.	ITAT & High Court
	Interest	684			
	Total	**5,274**	**3,818**		
Wealth Tax Act, 1957	Wealth Tax	1	1	1998-99 A.Y.	Appeal is pending before High Court
	Total	**1**	**1**		
Haryana General Sales Tax Act	Interest	1	-	1984-85 to 1985-86 A.Y.	Assessing Authority , Gurgaon
	Sales Tax	2	-	1988-89 A.Y.	Assessing Authority , Gurgaon
	TOTAL	**3**	**-**		
Delhi Sales Tax Act	Sales Tax	47	2	A.Y. 1988-89 to 1991-92	Additional Commissioner, Delhi
	TOTAL	**47**	**2**		
The Central Excise Act, 1944					
	Excise Duty	71	-	Jul, 01 to May, 08	Customs, Excise & Service Tax Appellate Tribunal
	Interest	50	-		
	Penalty	51	-		
	Excise duty	17	3	Aug, 96 to Mar, 01	Supreme Court of India.
	Excise duty	7	-	Mar, 03 to Mar, 05	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	7	-		
	Excise duty	5	-	Dec, 99-Aug, 2004	Customs, Excise & Service Tax Appellate Tribunal.
	Penalty	5	-		
	Interest	6	-		
	Excise duty	32	-	Oct, 06 to Sep, 07	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	4	-		
	Interest	13	-		
	Excise duty	18	-	Oct, 07 to Mar, 08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	18	-		
	Interest	6	-		
	Excise duty	325	-	May, 05 to Jan, 08	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	2	-		
	Interest	155	-		
	Excise duty	4	1	Feb, 03	Customs, Excise & Service Tax Appellate Tribunal
	Penalty	1	-		
	Excise duty	1	1	May, 89 to Mar, 92	High Court of Delhi.
	Penalty	1	1		
	Penalty	2	-	Dec, 07 to Jan, 08	Commissioner (A)
	Total	801	6		
The Finance Act, 1994	Service Tax	5	-	Jul, 03 to Aug, 04	Commissioner (A)
	Penalty	5	-		
	Inerest	4	-		
	Service Tax	2	-	Apr, 05 to Mar, 08	Commissioner (A)
	Penalty	2	-		
	Inerest	1	-		
	Service Tax	2	-	1999 to Aug, 02	Commissioner (A)
	Inerest	2	-		
	TOTAL	**23**	**-**		
Customs Act, 1962	Customs duty	22	22	Feb, 03 to Aug, 03	Customs, Excise & Service Tax Appellate Tribunal.
	Interest	5	-		
	TOTAL	**27**	**22**		
	GRAND TOTAL	**6,176**	**3,849**		

30) STATEMENT ON ASSETS, LIABILITIES, INCOME & EXPENSES OF JOINT VENTURES

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

Sr. No.	Name of Company	% Ownership Interest	Country of Incorporation
1	J.J Impex (Delhi) Private Limited	49.13	India
2	Mark Exhaust Systems Limited	44.37	India
3	Bellsonica Auto Components India Limited	30.00	India
4	FMI Automotive India Limited	49.00	India
5	Krishna Ishizaki Auto Limited (Formerly known as Krishna Auto Mirrors Limited)	15.00	India

(Rs. in Million)

	2009-10	2008-09
Detail of Assets		
Fixed Assets - Gross Block	**1,957**	1,796
Accumulated Depreciation	**539**	379
Net Block	**1,418**	1,417
Capital Work-in-Progress	**46**	20
Investments	**4**	0
Inventories	**197**	195
Sundry Debtors	**287**	335
Cash and Bank Balances	**157**	101
Other Current Assets	**5**	5
Loans and Advances	**198**	210
Deferred Tax Assets	**2**	3
Detail of Liabilities		
Secured Loans	**97**	118
Unsecured Loans	**744**	481
Current Liabilities	**596**	934
Provisions	**12**	3
Deferred Tax Liabilities	**93**	49
Detail of Income		
Sales(Net)	**3,443**	1,997
Income from services	**134**	87
Other income	**57**	36
Detail of Expenses		
Consumption of Raw Material and Components	**2,841**	1,676
Purchase of Traded Goods	**74**	68
Consumption of Stores	**22**	4
Employees Remuneration and Benefits	**148**	102
Manufacturing Administrative and Other Expenses	**199**	334
Selling and Distribution Expenses	**16**	12

(Rs. in Million)

	2009-10	2008-09
Financial Expenses	**39**	35
Depreciation	**163**	99
(Increase)/Decrease to Work in progress and Finished Goods	**(8)**	(9)
Tax Expense Current	**24**	8
Tax Expense Deferred	**43**	4
Details of Contingent Liabilities		
Income Tax demands	**2**	-
Claims against the Company lodged by various parties	**3**	3
Capital commitments	**36**	4
Outstanding commitments under letter of credit	**44**	46

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

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

ANUPAM DHAWAN
Partner
Membership Number - F 084451
Place: New Delhi
April 26, 2010

SHINZO NAKANISHI
Managing Director & CEO

S. OISHI
Director

AJAY SETH
Chief Financial Officer

S. RAVI AIYAR
Company Secretary
& Chief Legal Officer

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	**Registration Details**		
	Registration No.	11,375 of 1980-81	State Code 55
	Balance Sheet Date	31-03-10	
II.	**Capital Raised During the year**		
	(Amount in Rupees Million)		
		Public Issue	Right Issue
		Nil	Nil
		Bonus Issue	Private Placement
		Nil	Nil
III.	**Position of Mobilisation and Deployment of Funds**		
	(Amount in Rupees Million)	Total Liabilities	Total Assets
		127,935	127,935
	Sources of Funds	Paid-up Capital	Reserve & Surplus
		1,445	116,906
		Secured Loans	Unsecured Loans
		265	7,949
	Application of Funds		
		Net Fixed Assets	Investments
		54,123	71,766
		Net Current Assets	Misc. Expenditure
		2,046	-
		Accumulated Losses	
		Nil	
IV.	**Performance of Company**		
	(Amount in Rupees Million)	Turnover	Total Expenditure
		318,073	265,273
		Profit Before Tax	Profit After Tax
		35,925	24,976
		Earning per share in Rs.	Dividend rate
		(Face Value Rs.5)	120%
		86.45	
V.	**Generic Name of Principal Product of Company**		
	(As per monetary terms)		
	Item Code No.(ITC Code)		8703.00
	Product Description		Motor Cars

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

Name of the Subsidiary Company	Maruti Insurance Distribution Services Limited	Maruti Insurance Business Agency Limited	True Value Solutions Limited	Maruti Insurance Agencies Solutions Limited	Maruti Insurance Agencies Network Limited	Maruti Insurance Agencies Services Limited	Maruti Insurance Logistics Limited
The financial year of the subsidiary company ended on	31st March 2010	31st March 2010	31st March 2010	31st March 2010	31st March 2010	31st March 2010	31st March 2010
Number of shares in the subsidiary company held by Maruti Suzuki India Limited at the above date	150,000	150,000	50,000	150,000	150,000	150,000	150,000
Extent of Holding	100%	100%	100%	100%	100%	100%	100%
The net aggregate of profit/(loss) of the subsidiary company so far as these concern the members of Maruti Suzuki India Limited:							
i) dealt with in the accounts of Maruti Suzuki India Limited amounted to :							
a) For subsidiary's financial year ended on March 31st,2009	Ni	Nil	Nil	Nil	Nil	Nil	Nil
b) For previous financial years of the subsidiary since it become subsidiary of Maruti Suzuki India Limited	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) not dealt with in the accounts of Maruti Suzuki India Limited amounted to:							
a) For subsidiary's financial year ended on March 31st, 2010	Rs. 34,194,573	Rs. 186,127,419	Rs. (-) 149,262	Rs. 54,191,239	Rs. 67,505,391	Rs.23,270,058	Rs. 69,021,345
b) For previous financial years of the subsidiary since it become subsidiary of Maruti Suzuki India Limited	Rs. 27,364,690	Rs. 193,415,391	Rs. (-) 249,546	Rs. 38,512,125	Rs. 56,131,460	Rs.11,407,721	Rs. 19,773,503

New Delhi
April 26, 2010

SHINZO NAKANISHI
Managing Director & CEO

S. OISHI
Director

AJAY SETH
Chief Financial Officer

S. RAVI AIYAR
Company Secretary
& Chief Legal Officer

FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES 2009-10

(Amount in Rs.)

No	Particulars	Maruti Insurance Business Agency Ltd.	Maruti Insurance Distribution Services Ltd.	Maruti Insurance Agency Network Ltd.	Maruti Insurance Agency Solutions Ltd.	Maruti Insurance Agency Services Ltd.	True Value Solutions Ltd.	Maruti Insurance Agency Logistics Ltd.
1	Capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	500,000	1,500,000
2	Reserves & Surpluses	886,854,185	143,271,195	228,316,652	168,848,633	35,864,426	1,694,743	88,829,649
3	Total Assets	889,089,460	144,771,195	229,816,652	170,348,633	37,364,426	2,194,743	90,329,649
4	Total Liabilities	889,089,460	144,771,195	229,816,652	170,348,633	37,364,426	2,194,743	90,329,649
5	Investments	777,428,855	50,665,074	111,705,086	44,354,755	12,214,080	-	64,010,702
6	Turnover Income	591,034,419	113,030,626	226,852,634	185,090,683	84,873,925	-	254,482,346
7	Profit Before Tax	263,819,196	51,367,747	99,917,857	81,235,198	34,978,483	(149,262)	104,171,345
8	Tax	78,385,275	17,270,000	32,755,000	27,065,000	11,860,000	-	35,150,000
9	Prior Period Item	(693,498)	(96,826)	(342,534)	(21,041)	(151,575)		-
10	Profit After Tax	186,127,419	34,194,573	67,505,391	54,191,239	23,270,058	(149,262)	69,021,345

AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MARUTI SUZUKI INDIA LIMITED

The Board of Directors of Maruti Suzuki India Limited

1. We have audited the attached consolidated balance sheet of Maruti Suzuki India Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate companies; hereinafter referred to as the "Group" (refer Note 1 on Schedule 22 to the attached consolidated financial statements) as at March 31st, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of 7subsidiaries and 5 jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs.2,327 million and net assets of Rs.1,395 million as at March 31st, 2010, total revenue of Rs.5,050 million, net profit of Rs.474 million and net cash flows amounting to Rs. 167 million for the year then ended; and (ii) 15 associate companies which constitute net profit of Rs.797 million for the year then ended. These financial statements and other financial information (other than for the jointly controlled entities and associate companies as stated in Para 4 below) have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

4. Attention is invited to Note 7 (a) and 7 (b) of Notes to accounts (Schedule 23) regarding certain associate entities and jointly controlled entities whose financial statements are unaudited, the impact of which is not likely to be material.

5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211of the Companies Act, 1956.

6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31st, 2010;

   (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Anupam Dhawan
Partner
Membership Number - F084451

Place: New Delhi
Date: April 26, 2010

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31st, 2010

(Rs. in Million)

	Schedule	As at 31.03.10		As at 31.03.09	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Capital	1	**1,445**		1,445	
Reserves and Surplus	2	**120,381**	**121,826**	94,208	95,653
LOAN FUNDS					
Secured Loans	3	**362**		119	
Unsecured Loans	4	**8,693**	**9,055**	7,469	7,588
DEFERRED TAX (Note 10 on Schedule 23)					
Deferred Tax Liabilities		**2,299**		2,389	
Deferred Tax Assets		**(838)**	**1,461**	(791)	1,598
Total			**132,342**		104,839
APPLICATION OF FUNDS					
FIXED ASSETS	5				
Gross Block		**106,085**		89,041	
Less: Accumulated Depreciation		**(54,372)**		(46,878)	
		51,713		42,163	
Capital Work-In-Progress	6	**3,922**	**55,635**	8,674	50,837
INVESTMENTS	7		**73,968**		32,772
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	8	**12,276**		9,213	
Sundry Debtors	9	**8,494**		9,788	
Cash and Bank Balances	10	**1,627**		19,868	
Other Current Assets	11	**883**		988	
Loans and Advances	12	**15,952**		16,548	
		39,232		56,405	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	13	**30,289**		31,620	
Provisions	14	**6,204**		3,555	
		36,493		35,175	
Net Current Assets			**2,739**		21,230
Total			**132,342**		104,839
SIGNIFICANT ACCOUNTING POLICIES	22				
NOTES TO ACCOUNTS	23				

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

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

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

ANUPAM DHAWAN
Partner
Membership Number - F 084451

New Delhi
April 26, 2010

SHINZO NAKANISHI
Managing Director & CEO

AJAY SETH
Chief Financial Officer

S. OISHI
Director

S. RAVI AIYAR
Company Secretary
& Chief Legal Officer

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Million)

	Schedule	For the year ended 31.03.10	For the year ended 31.03.09
INCOME			
Gross Sales	15	321,805	233,076
less: Excise Duty		28,777	27,497
Net Sale		293,028	205,579
Income from Services [Net of expenses Rs. 50 million (previous year Rs. 153 million)]		2,887	1,043
Other Income	16	10,333	11,148
Total		306,248	217,770
EXPENDITURE			
Consumption of Raw Materials and Components (Note 4 on Schedule 23) [Share of Joint Ventures Rs. 2,841 million (Previous Year Rs. 1,676 million)]		217,725	152,274
Purchase of Traded Goods [Share of Joint Ventures Rs. 74 million (Previous Year Rs. 68 million)]		9,124	7,323
Consumption of Stores		2,454	1,982
Employees Remuneration and Benefits	17	5,605	4,813
Manufacturing, Administrative and Other Expenses	18	18,130	16,024
Selling and Distribution Expenses	19	9,990	8,044
Total		263,028	190,460
Less: Vehicles/Dies for Own Use		296	223
Add : (Increase)/Decrease in Work-in-Progress and Finished Goods & Spares Parts	21	(1,941)	2,810
Total		260,791	193,047
Earnings before Interest, Depreciation, Tax and Amortizations (EBIDTA)		45,457	24,723
Interest	20	374	545
Depreciation		8,414	7,165
		8,788	7,710
Consolidated Profit before Tax		36,669	17,013
Less : Tax Expense - Current Tax		11,455	4,754
- Deferred Tax (Note 10 on Schedule 23)		(236)	(114)
- Fringe Benefit Tax		-	97
Consoliated Profit after Tax		25,450	12,276
Share of Profit in respect of Investment in Associates		797	(2)
Profit for the Year		26,247	12,274
Add: Brought forward from previous year's account		82,210	72,338
Profit available for appropriation		108,457	84,612
Less: Appropriation :			
General Reserve		2,498	1,219
Proposed Dividend		1,733	1,011
Corporate Dividend Tax		288	172
Balance carried forward to Balance Sheet		103,938	82,210
Basic/Diluted Earnings Per Share (in Rupees) (Note 9 on Schedule 23)		90.85	42.48
Significant Accounting Policies	22		
Notes to Accounts	23		

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

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

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

SHINZO NAKANISHI
Managing Director & CEO

S. OISHI
Director

ANUPAM DHAWAN
Partner
Membership Number - F 084451

AJAY SETH
Chief Financial Officer

S. RAVI AIYAR
Company Secretary
& Chief Legal Officer

New Delhi
April 26, 2010

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31st, 2010

(Rs. in Million)

	For the year ended 31.03.2010	For the year ended 31.03.2009
A. Cash flow from Operating Activities:		
Net Profit before Tax	**36,669**	17,013
Adjustments for:		
Depreciation	**8,414**	7,165
Interest Expense	**374**	545
Interest Income	**(2,199)**	(2,454)
Dividend Income	**(1,560)**	(1,437)
Share of Profit in respect of Investment in Associates	**797**	(2)
Net Loss on sale/discarding of Fixed Assets	**97**	125
Profit on sale of Investments (net)	**(1,264)**	(2,157)
Provision for Doubtful Debts and Advances	**-**	50
Provisions no longer required written back	**511**	(379)
Unrealised Foreign Exchange (Gain)/ Loss	**130**	(610)
Operating Profit before Working Capital changes	**41,969**	17,859
Adjustments for changes in Working Capital :		
- (Increase)/Decrease in Sundry Debtors	**1,294**	(2,801)
- (Increase)/Decrease in Other Current Assets, Loans & Advances	**336**	(6,221)
- (Increase)/Decrease in Inventories	**(3,063)**	1,270
- Increase/(Decrease) in Current Liabilities and Provisions	**(74)**	7,195
Cash generated from Operating Activities	**40,462**	17,302
- Taxes (Paid) (Net of Tax Deducted at Source)	**(10,341)**	(4,672)
Net Cash from Operating Activities	**30,121**	12,630
B. Cash flow from Investing Activities:		
Purchase of Fixed assets	**(13,804)**	(17,060)
Sale of Fixed Assets	**495**	71
Sale of Investments	**167,822**	192,372
Purchase of Investments	**(207,754)**	(170,338)
Interest received	**2,564**	2,046
Dividend received	**1,560**	1,437
Net Cash from Investing Activities	**(49,117)**	8,528

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31st, 2010

(Rs. in Million)

	For the year ended 31.03.10	For the year ended 31.03.09
C. Cash flow from Financing Activities:		
Proceeds from Short term borrowings	**4,015**	-
Repayment of Short term borrowings	**(419)**	(3,133)
Repayment of Long term borrowings	**(1,472)**	-
Interest paid	**(358)**	(614)
Dividend paid	**(1,011)**	(1,444)
Net Cash from Financing Activities	**755**	(5,191)
Net Increase/(Decrease) in Cash & Cash Equivalents	**(18,241)**	15,967
Cash and Cash Equivalents as at 1st April (Opening Balance)	**19,868**	3,901
Cash and Cash Equivalents as at 31st March (Closing Balance)	**1,627**	19,868
Cash and Cash Equivalents comprise	**1,627**	19,868
Cash & Cheques in hand	**844**	2,167
Balance with Scheduled Banks in Current Accounts	**404**	352
Balance with Scheduled Banks in Deposit Accounts	**379**	17,349

Notes :

1 The Consolidated Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on "Cash Flow Statement" notified Under Section 211(3C) of the Companies Act, 1956

2 Cash and Cash Equivalent includes Rs. 4 Million (Previous Year Rs. 4 Million) in respect of unclaimed dividend, the balance of which is not available to the Company.

3 Figures in bracket represents cash outflow.

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

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

ANUPAM DHAWAN
Partner
Membership Number - F 084451
Place: New Delhi
April 26, 2010

SHINZO NAKANISHI
Managing Director & CEO

AJAY SETH
Chief Financial Officer

S. OISHI
Director

S. RAVI AIYAR
Company Secretary
& Chief Legal Officer

(Rs. in Million)

	As at 31.03.10	As at 31.03.09
SCHEDULE 1 - SHARE CAPITAL		
Authorised Capital		
744,000,000 Equity Shares of Rs. 5 each (Previous year 744,000,000 equity shares of Rs. 5 each)	**3,720**	3,720
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	**1,445**	1,445
288,910,060 Equity Shares of Rs. 5 each (Previous year 288,910,060 equity shares of Rs. 5 each) fully paid up		
Of the above -		
- 8,840,000 Equity Shares of Rs. 5 each (Previous year 8,840,000 equity shares of Rs. 5 each) were issued for consideration other than cash.		
- 156,618,440 Equity Shares of Rs. 5 each (Previous year 156,618,440 equity shares of Rs. 5 each) are held by Suzuki Motor Corporation, the Holding Company and its nominees.		
	1,445	1,445

	Balance as at 1st April, 2009	Additions during the Year	Transfer during the year	Balance as at 31st March, 2010
SCHEDULE 2 - RESERVES AND SURPLUS				
Capital Reserve on consolidation [includes Joint Venture share of Rs. 3 Million (Previous Year Rs. 3 million)]	31		-	**31**
Share Premium Account [Includes Joint Venture of Rs. 5 Million (Previous Year Rs. 5 Million)]	4,246		-	**4,246**
Hedge Reserve Account	(1,709)	-	1,947	**238**
General Reserve	9,430	2,498	-	**11,928**
Balance as per Profit and Loss Account [includes Joint Venture share of Rs. (113) Million (Previous Year Rs. (187) Million)]	82,210	21,728		**103,938**
	94,208	24,226	1,947	**120,381**

	As at 31.03.10	As at 31.03.09
SCHEDULE 3 - SECURED LOANS		
SHORT TERM LOANS		
FROM BANKS		
Cash Credit		
(Secured by pari passu first charge on the stock, book debts and other current assets)	**265**	-
FROM OTHERS		
Loan from Sundram Finance (Payable within 1 Year)	**-**	1
(Secured against vehicles taken on finance lease)		
	265	1
Share in Joint Venture	**97**	118
	362	119

(Rs. in Million)

SCHEDULE 4 - UNSECURED LOANS	As at 31.03.10	As at 31.03.09
SHORT TERM LOANS - FROM BANKS		
Export Credit	3,750	660
LONG TERM LOANS - FROM BANKS		
Foreign Currency Loans *	4,199	6,328
Loan from Japan Bank of International Corporation and Bank of Tokyo Mitsubishi		
	7,949	6,988
Share in Joint Venture	744	481
	8,693	7,469

*(Guaranteed by Suzuki Motor Corporation, Japan, the Holding Company)
{Payable within one year Rs. 1400 Million (Previous Year Rs. 1582 Million)}

SCHEDULE 5 - FIXED ASSETS

(Note 11 on Schedule 23)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	AS AT 01.04.09	Additions/ Adjustments	Deductions/ Adjustments	AS AT 31.03.10	AS AT 01.04.09	For the year	Deductions/ Adjustments	AS AT 31.03.10	AS AT 31.03.10	AS AT 31.03.09
Freehold land (Note 1 & 4)	1,283	5,647	-	6,930	-	-	-	-	6,930	1,283
Leasehold land	589	-	-	589	5	1	-	6	583	584
Building	6,757	929	(65)	7,621	1,181	218	(14)	1,385	6,236	5,576
Plant and Machinery (Note 2)	77,898	11,311	(981)	88,228	44,264	7,816	(616)	51,464	36,764	33,634
Electronic Data Processing Equipment	1,368	118	(231)	1,255	1,062	215	(229)	1,048	207	306
Furniture , Fixtures and Office Appliances	585	133	(7)	711	208	38	(3)	243	468	377
Vehicles:										
- Owned	558	224	(225)	557	155	91	(55)	191	366	403
- Leased	3	-	(3)	-	3	-	(3)	-	-	-
Intangible Assets - Lump Sum Royalty	-	194	-	194	-	35	-	35	159	-
Total	89,041	18,556	(1,512)	106,085	46,878	8,414	(920)	54,372	51,713	42,163
Previous Year Figures	73,561	16,132	(652)	89,041	40,168	7,166	(456)	46,878	42,163	
Share in Joint Venture (Note 3)	1,796	199	(38)	1,957	379	163	(3)	539	1,418	
Previous Year Figures	707	1,089	-	1,796	280	99	-	379	1,417	

(1) Land costing Rs. 5,225 million (Previous year Rs. 4 million) is not yet registered in the name of the Maruti Suzuki India Ltd. A part of this land has been/would be made available to group companies.

(2) Plant and Machinery Gross Block includes pro-rata cost amounting to Rs. 374 million (Previous year Rs. 374 million) of a Gas Turbine jointly owned by the group companies and other companies.

(3) The Joint Ventures' share is included in the above schedule.

(4) Freehold Land includes 600 acres of land allotted to the Maruti Suzuki India Limited by Haryana State Industrial Development Corporation, a part of which has been made available to group companies.

	As at 31.03.10	As at 31.03.09
SCHEDULE 6 - CAPITAL WORK-IN-PROGRESS		
Plant and Machinery	1,840	5,851
Civil Work-in-progress	450	873
Capital Advances	1,586	1,930
	3,876	8,654
Share in Joint Venture	46	20
	3,922	8,674

(Rs. in Million)

		As at 31.03.10		As at 31.03.09
SCHEDULE 7 - INVESTMENTS				
Trade Investments :				
Long Term:				
Investment in Associates				
[Includes Rs. 28 Million of capital reserves on accquisition of certain Associates (Previous year Rs. 28 million)]		**4,973**		4,205
Other Investments:				
Long Term (Unquoted) :				
Mutual funds		**16,258**		16,885
Current (Unquoted) :				
Mutual funds		**52,733**		11,682
		73,964		32,772
Share in Joint Venture		**4**		-
		73,968		32,772

SCHEDULE 8 - INVENTORIES				
Components and Raw Materials				
In transit	**2,075**		2,075	
With vendors	**204**		159	
At factory	**4,085**	**6,364**	3,286	5,520
Stores and Spares				
Vehicles	**1,010**		1,038	
Machinery	**124**		31	
Consumables	**100**		86	
In transit	**67**	**1,301**	34	1,189
Tools at factory		**219**		152
Dies and Moulds		**-**		6
Work-in-Progress		**401**		490
Finished Goods		**3,794**		1,661
		12,079		9,018
Share in Joint Venture		**197**		195
		12,276		9,213

(Rs. in Million)

	As at 31.03.10		As at 31.03.09	
SCHEDULE 9 - SUNDRY DEBTORS				
Debts Outstanding for more than six months				
Unsecured - Considered Good	**470**		1,203	
- Considered Doubtful	**266**		266	
	736		1,469	
Less: Provision for Doubtful Debts	**(266)**	**470**	(266)	1,203
Other Debts :				
Unsecured - Considered Good		**7,737**		8,250
		8,207		9,453
Share in Joint Venture		**287**		335
		8,494		9,788

SCHEDULE 10 - CASH AND BANK BALANCES				
Cash in Hand		**1**		2
Cheques in Hand		**842**		2,164
Bank balances with Scheduled Banks in :				
Current Accounts		**321**		295
Dividend Accounts		**4**		4
Deposit Accounts		**302**		17,302
		1,470		19,767
Share in Joint Venture		**157**		101
		1,627		19,868

SCHEDULE 11 - OTHER CURRENT ASSETS				
Interest accrued on Deposits, Loans and Advances				
Secured - Considered Good	**33**		37	
- Considered Doubtful	**6**		6	
	39		43	
Less: Provision for Doubtful Interest	**6**	**33**	6	37
Unsecured - Considered Good	**169**		530	
- Considered Doubtful	**1**		1	
	170		531	
Less: Provision for Doubtful Interest	**1**	**169**	1	530
Claims - Unsecured				
Considered Good	**676**		416	
Considered Doubtful	**29**		31	
	705		447	
Less: Provision for Doubtful Claims	**29**	**676**	31	416
		878		983
Share in Joint Venture		**5**		5
		883		988

(Rs. in Million)

		As at 31.03.10		As at 31.03.09
SCHEDULE 12 - LOANS AND ADVANCES				
Loans				
Secured - Considered Good	29		36	
- Considered Doubtful	8		8	
	37		44	
Less: Provision for Doubtful Loans	8	29	8	36
Unsecured				
- Considered Good	2,769		3,988	
- Considered Doubtful	1		1	
	2,770		3,989	
Less: Provision for Doubtful Loans	1	2,769	1	3,988
Advances recoverable in cash or in kind or for value to be received:				
Unsecured - Considered Good	4,827		6,555	
- Considered Doubtful	110		110	
	4,937		6,665	
Less: Provision for Doubtful Advances	110	4,827	110	6,555
Deposits - Considered Good unless otherwise stated				
Balance with Customs, Port Trust and other Government Authorities		8,052		5,683
Inter Corporate Deposits Considered Doubtful	135		140	
Less :Provision for Doubtful Deposits	135	-	140	-
Other Deposits		77		76
		15,754		16,338
Share in Joint Venture		198		210
		15,952		16,548

SCHEDULE 13 - CURRENT LIABILITIES				
Sundry Creditors		23,461		25,972
Advances from Customers/Dealers		2,489		1,693
Book Overdraft		675		545
Unclaimed Dividend *		4		4
Other Liabilities		1,124		823
Deposits from Dealers, Contractors and Others		1,897		1,622
Interest Accrued but not due on :				
Loans	40		24	
Others	3	43	3	27
		29,693		30,686
Share in Joint Venture		596		934
		30,289		31,620

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

(Rs. in Million)

	As at 31.03.10	As at 31.03.09
SCHEDULE 14 - PROVISIONS (Note 13 and 14 on Schedule 23)		
Litigation Related Provisions	**614**	611
Leave Encashment	**659**	550
Warranty & Product Recall	**810**	432
Proposed Dividend	**1,733**	1,011
Corporate Dividend Tax	**288**	172
Others Provisions	**221**	195
Taxation (Net of Advance-Tax)	**1,867**	581
	6,192	3,552
Share in Joint Venture	**12**	3
	6,204	3,555

	For the year ended 31.03.10	For the year ended 31.03.09
SCHEDULE 15 - SALES		
Vehicles	**298,534**	216,589
Spare Parts/Dies and Moulds/Components	**19,539**	14,262
	318,073	230,851
Share in Joint Venture	**3,732**	2,225
	321,805	233,076

SCHEDULE 16 - OTHER INCOME				
Interest on:				
a) Fixed Deposits/Securities (Gross) [Includes TDS of Rs. 136 Million (Previous year Rs. 150 million)]	**1,185**		662	
b) Receivables from Dealers (Gross) [includes TDS of Rs. 56 Million (Previous year Rs. 78 million)]	**418**		474	
c) Advances to Vendors (Gross) [Includes TDS of Rs. 88 Million (Previous year Rs. 132 million)]	**569**		670	
d) Income tax refund	**3**		627	
e) Others	**24**	**2,199**	21	2,454
Sale of Scrap (Net of Excise)		**2,264**		1,923
Sales Tax Benefit		**-**		70
Miscellaneous Receipts (Gross) [Tax Deducted at source of Rs. 203 Million (previous year Rs.243 million)]		**636**		1,482
Cash Discount		**1,463**		918
Profit on Sale of Investments				
Long Term Investments	**1,257**		849	
Short Term Investments	**7**	**1,264**	1,308	2,157

(Rs. in Million)

		For the year ended 31.03.10		For the year ended 31.03.09
Dividend Income		1,560		1,437
Provisions/Liabilities no longer required Written Back		511		379
Recovery of Service Charges	458		369	
Less: Repair Cost of Damaged Vehicles	79	379	77	292
Exchange Variation		-		-
		10,276		11,112
Share in Joint Venture		57		36
		10,333		11,148

SCHEDULE 17 - EMPLOYEES REMUNERATION AND BENEFITS

	For the year ended 31.03.10	For the year ended 31.03.09
"Salaries, Wages, Allowances and Other Benefits [Net of Staff cost recovered Rs. 67 million (Previous year Rs. 73 million)]"	4,665	4,166
Contribution to Provident and Other Funds	299	229
Staff Welfare Expenses	475	308
Group Insurance	18	8
	5,457	4,711
Share in Joint Venture	148	102
	5,605	4,813

SCHEDULE 18 - MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES

		For the year ended 31.03.10		For the year ended 31.03.09
Power and Fuel [Net of amount recovered Rs. 1,255 million (Previous year Rs. 909 million)]		2,166		1,936
Rent		155		218
Rates, Taxes and Fees		460		325
Insurance		70		67
Repairs and Maintenance :				
Plant and Machinery	434		370	
Building	86		82	
Others	137	657	117	569
Royalty		10,182		6,791
Tools/Machinery Spares Charged Off		867		729
Net Loss on Sale/Discarding of Fixed Assets		97		125
Provision for Doubtful Debts, Claims, Loans and Advances		-		50
Exchange Variation		135		1,843
Other Miscellaneous Expenses		3,142		3,037
		17,931		15,690
Share in Joint Venture		199		334
		18,130		16,024

(Rs. in Million)

	For the year ended 31.03.10	For the year ended 31.03.09
SCHEDULE 19-SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Sales Promotion	**5,133**	4,638
Warranty Claims	**590**	472
Transportation and Distribution Expenses	**4,251**	2,922
	9,974	8,032
Share in Joint Venture	**16**	12
	9,990	8,044

SCHEDULE 20 - INTEREST		
Interest		
Fixed:		
Foreign Currency Loans	**102**	249
Others	**233**	261
	335	510
Share in Joint venture	**39**	35
	374	545

SCHEDULE 21 - (INCREASE)/DECREASE TO WORK-IN-PROGRESS, FINISHED GOODS & SPARE PARTS				
Work-in-Progress				
Opening Stock	**489**		459	
Less: Closing Stock	**401**	**88**	489	(30)
Finished Goods				
Opening Stock	**1,661**		5,408	
Less: Closing Stock	**3,794**		1,661	
	(2,133)		3,747	
Less: Excise Duty on (Increase)/Decrease of Finished Stock	**(76)**	**(2,057)**	748	2,999
Spare Parts-Traded				
Opening Stock	**893**		743	
Less: Closing Stock	**857**	**36**	893	(150)
		(1,933)		2,819
Share in Joint Venture		**(8)**		(9)
		(1,941)		2,810

SCHEDULE 22 - SIGNIFICANT ACCOUNTING POLICIES

1) GROUP COMPANIES

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

Sl.No.	Name of Company	Relationship	Country of Incorporation	Percentage of ownership interest as on 31st March, 2010
1	Maruti Insurance Business Agency Limited (Formerly known as Maruti Insurance Brokers Limited)	Subsidiary	India	100.00
2	Maruti Insurance Distribution Services Limited	Subsidiary	India	100.00
3	True Value Solutions Limited	Subsidiary	India	100.00
4	Maruti Insurance Agency Network Limited	Subsidiary	India	100.00
5	Maruti Insurance Agency Solutions Limited	Subsidiary	India	100.00
6	Maruti Insurance Agency Services Limited	Subsidary	India	100.00
7	Maruti Insurance Logistic Limited	Subsidary	India	100.00
8	J.J Impex (Delhi) Private Limited	Joint Venture	India	49.13
9	Mark Exhaust Systems Limited	Joint Venture	India	44.37
10	Bellsonica Auto Components India Limited	Joint Venture	India	30.00
11	Krishna Ishizaki Auto Limited (Formerly known as Krishna Auto Mirrors Limited)	Joint Venture	India	15.00
12	FMI Automotive India Limited	Joint Venture	India	49.00
13	Suzuki Powertrain India Limited	Associate	India	30.00
14	Climate Systems India Limited	Associate	India	39.00
15	SKH Metals Limited	Associate	India	48.71
16	Jay Bharat Maruti Limited	Associate	India	29.28
17	Maruti Countrywide Auto Financial Services Limited	Associate	India	26.00
18	Citicorp Maruti Finance Limited	Associate	India	26.00
19	Caparo Maruti Limited	Associate	India	25.00
20	Machino Plastics Limited	Associate	India	15.35
21	Bharat Seats Limited	Associate	India	14.81
22	Krishna Maruti Limited	Associate	India	15.80
23	Asahi India Glass Limited	Associate	India	11.11
24	Denso India Limited	Associate	India	10.27
25	Nippon Thermostat (India) Limited	Associate	India	10.00
26	Sona Koyo Steering Systems Limited	Associate	India	6.94
27	Magneti Marelli Powertrain India Limited	Associate	India	19.00

2. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements of The Group have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified under section 211(3C) of the Companies Act, 1956 to the extent applicable.

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

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

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

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

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

3. REVENUE RECOGNITION:

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

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

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

4. FIXED ASSETS:

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

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

c) The lump sum royalty incurred towards obtaining technical assistance/technical know how, ownership of which rests with the technical know how provider, to manufacture any new car model is recognized as an intangible asset in accordance with the requirements of Accounting Standard - 26 "Intangible Assets." Royalty payable on sale of products i.e. running royalty is charged to profit and loss account as and when incurred.

5. BORROWING COSTS

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

6. DEPRECIATION

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

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

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

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

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

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

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

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

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

7. GOODWILL

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

8. INVENTORIES

a) Inventories are valued at lower of cost, determined on the weighted average basis, and net realisable value.

b) Tools are written off over a period of three years except for tools valuing Rs. 5,000 or less individually which are charged off to revenue in the year of purchase.

c) Machinery spares (other than those supplied alongwith main plant and machinery, which are capitalized and depreciated accordingly) are charged to revenue on consumption except those valuing Rs. 5,000 or less individually, which are charged to revenue in the year of purchase.

In case of certain associates inventory is valued at lower of cost, determined on the first in first out basis, and net realisable value.

9. INVESTMENTS

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

10. RESEARCH AND DEVELOPMENT

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

11. FOREIGN CURRENCY TRANSLATIONS AND DERIVATIVE INSTRUMENTS

a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of transactions, are recognised as income or expense in the year in which they arise.

b) At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are reported at the exchange rates prevailing at the balance sheet date by recognizing the exchange difference in profit and loss account. However, the exchange difference arising on foreign currency monetary items that qualify and are designated as hedge instrument in a cash flow hedge is initially recognized in 'hedge reserve' and subsequently transferred to profit & loss account on occurrence of the underlying hedged transaction.

c) Effective April 1, 2008, the Company adopted Accounting Standard -30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent that the adoption does not contradict with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and other regulatory requirements

d) Derivative contracts are fair valued at each reporting date. The Company records the gain or loss on effective hedges, if any, in a "hedge reserve", until the transaction is complete. On completion, the gain or loss is transferred to the profit and loss account of that period. Change in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedge is recognized in the profit and loss account in the accounting period in which it arises.

e) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

12. EMPLOYEE BENEFIT COSTS

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognised by the income tax authorities. These Funds are administered through Trusts and the Company's contributions thereto are charged to revenue every year. The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a Defined Contribution plan administered by The New India Insurance Company Limited. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to revenue every year.

The Company has Defined Benefit Plans namely Leave Encashment/ Compensated Absence, Gratuity, Interest on Provident Fund and Retirement Allowance for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Gratuity Fund is recognised by the income tax authorities and is administered through a Trust.

Termination benefits are recognised as an expense immediately.

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

In case of certain joint venture and associate companies, contributions towards gratuity are charged to Profit & Loss Account on the basis of premium paid to the Life Insurance Corporation of India.

13. CUSTOMS DUTY

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

14. GOVERNMENT GRANTS

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

15. TAXES

Tax expense for the period, comprising current tax, fringe benefit tax and deferred tax, is included in determining the net profit/(loss) for the year.

Current tax is recognised based on assessable profit computed in accordance with the Income Tax Act and at the prevailing tax rate.

Deferred tax is recognized for all the timing differences. Deferred tax assets are carried forward to the extent it is reasonably/ virtually certain that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down/ written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

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

16. DIVIDEND INCOME

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

17. INTEREST INCOME

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

18. IMPAIRMENT OF ASSETS

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

19. PROVISIONS AND CONTINGENCIES

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

SCHEDULE 23 - CONSOLIDATED NOTES TO ACCOUNTS:

1) Contingent Liabilities:

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

i. Sales-tax demands of Rs. 52 million (includes share of Joint Venture Rs. Nil) (Previous year Rs. 52 million, includes share of Joint Venture Rs. Nil million). Against this, the Group has deposited a sum of Rs. 2 million under protest (Previous year Rs. 2 million).

ii. Excise duty demands/show-cause notices of Rs. 11,370 million (Previous year Rs. 4,920 million). Against this, the Group has deposited a sum of Rs. 3 million (Previous year Rs. 23 million) under protest.

iii. Customs duty demands of Rs. 120 million (Previous year Rs. 120 million,). Against this, the Group has deposited a sum of Rs. 22 million (Previous year Rs. 22 million) under protest.

iv. Income-tax demands of Rs. 8,969 million (includes share of Joint Venture Rs. 2 million) (Previous year Rs. 4,486 million) (includes share of Joint Venture Rs. Nil million). Against this, the Group has deposited a sum of Rs. 3,799 million (includes share of Joint Venture Rs. 2 million) (Previous year Rs. 3,804 million) (includes share of Joint Venture Rs. Nil million)under protest.

v. Service-tax demands of Rs. 2,212 million (Previous Year Rs. 1,234 million).

vi. Claims against the Group for recovery of Rs. 501 million (includes share of Joint Venture Rs. 3 million) (Previous year Rs. 490 million) (includes share of Joint Venture Rs. 3 million) lodged by various parties.

b) As co-lessee in agreements entered into between various vendors of the Company, as lessee, and banks as lessors for leasing of dies and moulds of certain models aggregating to Rs. 2 million (Previous year Rs. 2 million).

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

The amount shown in items (b) represent guarantees given in the normal course of the Company's operations and are not expected to result in any loss to the company on the basis of the beneficiaries fulfilling their ordinary commercial obligations.

2) Outstanding commitments under Letters of Credit established by the Group aggregating Rs. 4,313 million (includes share of Joint Venture Rs. 44 million) (Previous year Rs. 2,583 million) (includes share of Joint Venture Rs. 46 million).

3) Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amounts to Rs. 17,684 million (includes share of Joint Venture Rs. 36 million) (Previous year Rs. 12,715 million) (includes share of Joint Venture Rs. 4 million).

4) a) Consumption of raw materials and components has been computed by adding purchases to the opening stock and deducting closing stock verified physically by the management.

b) Consumption of raw material and components includes a provision of Rs. 7 million (Previous year Rs. 9 million) on account of estimated reversal of tax benefit on quantity differences on inputs.

5) The Company was granted sales tax benefit in accordance with the provisions of Rule 28C of Haryana General sales Tax Rules, 1975 for the period from 1st August, 2001 to 31st July, 2015. The ceiling amount of concession to be availed of during entitlement period is Rs. 5,644 million. Till 31st March 2010, the Company has availed of sales tax benefit amounting to Rs. 1,675 million (Previous year Rs. 1,675 million).

6) Differences between accounting policies of the Company and other group companies, the impact of which is not expected to be material.

a) In case of certain associate and joint venture companies, contributions towards gratuity are charged to Profit & Loss Account on the basis of premium paid to the Life Insurance Corporation of India.

b) Deferred Revenue Expenditure of Joint Venture and Associate Companies have been charged to Profit & Loss Account in the year of incurrence.

c) In case of certain associate companies, First In First Out method of inventory valuation is followed.

d) In case of a joint venture company, fair value (mark to market) of a derivative instrument i.e. an interest rate swap has not been computed as at March 31, 2010.

e) In case of certain associates, written down value method of depreciation is followed.

7) (a) The Profit after tax of Denso India Limited, Machino Plastics Limited, Sona Koyo Steering Systems Limited & Asahi India Glass Limited has been annualised based on unaudited financial statements of nine months ended 31st December, 2009. It is unlikely that the audited results would be materially different from annualised results.

(b) The Profit after tax of Climate Systems India Limited, Krishna Maruti Limited, SKH Metals Limited, Nippon Thermostat (India) Limited, Magneti Marelli Powertrain India Limited, Krishna Ishizaki Auto Limited, Jay Bharat Maruti Limited and FMI Automotive India Limited has been taken on the basis of unaudited financial statements for financial year ended 31st March, 2010. It is unlikely that the audited results would be materially different from un audited results.

8) "The Group has considered “business segment” as the primary segment .The Group is primarily in the business of manufacture, purchase and sale of motor vehicles, components and spare parts ("automobiles"). The other activities of the Group comprise facilitation of Pre-Owned Car sales, Fleet Management and Car Financing. The income from these activities, which are incidental to the Group's business, is not material in financial terms. Accordingly, the Group has considered "Business Segment" as the primary segment and thus no business segment information is required to be disclosed.The "Geographical Segments" has been considered for disclosure as secondary segment, under which domestic segment includes sales to customer located in India and overseas segment includes sales to customers located outside India."

Financial information of geographical segments is as follows:

(Rs. in Million)

Particulars	2009-10				2008-09			
	Domestic	**Overseas**	**Unallocated**	**Total**	**Domestic**	**Overseas**	**Unallocated**	**Total**
Revenue from external customers	281,217	48,785	5,023	335,025	221,722	17,497	6,048	245,267
Segment assets	87,574	5,200	76,061	168,835	98,184	6,031	35,799	140,014
Capital expenditure during the year	18,556	-	-	18,556	16,132	-	-	16,132

Notes:

a) Domestic segment includes sales to customers located in India and services income accrued in India.

b) Overseas segment includes sales and services rendered to customers located outside India.

c) Unallocated revenue includes interest income, dividend income and profit on sale of investment.

d) Unallocated assets include other deposits, dividend bank account and investments.

(Rs. in Million)

9) STATEMENT OF EARNINGS PER SHARE

	2009-10	2008-09
Net Profit after tax attributable to shareholders (in Million Rupees)	**26,247**	12,274
Weighted Average Number of Equity Shares Outstanding during the year	**288,910,060**	288,910,060
Nominal value per share (In Rupees)	**5.00**	5.00
Basic/Diluted Earnings Per Share (In Rupees)	**90.85**	42.48

10) DEFERRED TAX

Major Components of Deferred Tax arising on account of temporary timing differences along with their movement as at March 31, 2010 are :

	31.03.09	Movement During the year	31.03.10
Assets			
Provision for Doubtful debts/advances	183	-	**183**
Contingent Provisions	184	36	**220**
Others	421	12	**433**
	788	48	**836**
Share in Joint Ventures	3	(1)	**2**
Total (A)	791	47	**838**
Liabilities			
Depreciation on Fixed Assets	2,145	(64)	**2,081**
Exchange variation on Capital Account	(30)	(104)	**(134)**
Allowances under Income Tax Act, 1961	225	34	**259**
	2,340	(134)	**2,206**
Share in Joint Ventures	49	44	**93**
Total (B)	2,389	(90)	**2,299**
Net Deferred Tax Liability* (B) - (A)	1,598	(137)	**1,461**
Previous Year	1,744	(146)	**1,598**

*Includes adjustment of Rs. 100 million [Previous year Rs. (38) million] on account of reclassification of Deffered Tax Liabilities from Provision for Taxation.

11) Vehicles are normally acquired under Finance Leases with the respective underlying assets as security. Minimum lease payments outstanding as of 31st March 2010 in respect of these assets are as follows:-

(Rs. in Million)

Due	March 31, 2010 Total Minimum Lease Payments Outstanding as on 31st March, 10	March 31, 2010 Interest not due	March 31, 2010 Present Value of Minimum Lease Payments	March 31, 2009 Total Minimum Lease Payments Outstanding As on 31st March, 09	March 31, 2009 Interest not due	March 31, 2009 Present Value of Minimum Lease Payments
Within One Year	-	-	-	1	-	1
Later than one Year but less than five Years	-	-	-	-	-	-
Total	-	-	-	1	-	1

Minimum Lease payments outstanding as on 31st March, 2010 in respect of assets taken on non cancellable operating leases are as follows.

Due	March 31, 2010 Total Minimum Lease Payments Outstanding as on 31st March, 10	March 31, 2010 Contingent Rent	March 31, 2009 Total Minimum Lease Payments Outstanding as on 31st March, 09	March 31, 2009 Contingent Rent
Within One Year	**57**	**1**	58	1
Later than one Year but less than five Years	**251**	**-**	241	-
later than five years	**1,055**	**-**	1,121	-

	March 31, 2010 Minimum Lease Payment	March 31, 2010 Contingent Rent	March 31, 2009 Minimum Lease Payment	March 31, 2009 Contingent Rent
Charged to P&L	**75**	**-**	63	1

12) STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

Holding Company
Suzuki Motor Corporation

Joint Ventures
J.J. Impex (Delhi) Private Limited
Mark Exhaust Systems Limited
Bellsonica Auto Component India Pvt. Ltd.
FMI Automotive Components Ltd.
Krishna Auto Mirrors Limited (Krishna Ishizaki Auto Limited)

Key Management Personnel
Mr Shinzo Nakanishi
Mr.Shuji Oishi
Mr Tsuneo Ohashi
Mr Keiichi Asai

Associates
Asahi India Glass Limited
Bharat Seats Limited
Caparo Maruti Limited
Climate Systems India Limited
Denso India Limited
Jay Bharat Maruti Limited
Krishna Maruti Limited
Machino Plastics Limited
SKH Metals Limited
Nippon Thermostat (India) Limited
Sona Koyo Steering Systems Limited
Citicorp Maruti Finance Limited
Maruti Countrywide Auto Financial Services Limited
Magneti Marelli Powertrain India Pvt. Ltd.
Suzuki Powertrain India *

Fellow Subsidiaries (Only with whom the Company had transactions during the year)
Suzuki International Europe G.m.b.H.
Suzuki Motor Iberica, S.A.U.
Suzuki Italia S.P.A.
Suzuki Austria Automobile Handels G.m.b.H.
Suzuki France S.A.S.
Magyar Suzuki Corporation Ltd.
Suzuki GB PLC
Suzuki Cars (Ireland) Ltd.
Suzuki Motor Poland Sp. Z.O.O.(Formerly Suzuki Motor Poland Ltd.)
Suzuki Motorcycle India Private Ltd.
PT Suzuki Indomobil Motor (Formerly PT Indomobil Suzuki International)
Suzuki Philippines Inc.
Suzuki Automobile (Thailand) Co., Ltd.
Suzuki Australia Pty. Ltd.
Suzuki New Zealand Ltd.
Suzuki Auto South Africa (Pty) Ltd.
Taiwan Suzuki Automobile Corporation

	2009-10						2008-09					
	Joint Ventures	Associates	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total	Joint Venture	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
Outstanding at year end												
Loans and advances recoverable												
Suzuki PowerTrain India Limited	-	3,020	-		-	3,020	-	4,781	-		-	4,781
Others	92	612	20	5	-	729	127	1,834	4	1	-	1,966
Total	**92**	**3,632**	**20**	**5**	**-**	**3,749**	**127**	**6,615**	**4**	**1**	**-**	**6,747**
Amounts payable												
Suzuki Motor Corporation	-	-	5,848	-	-	5,848	-	-	3,932	-	-	3,932
Suzuki PowerTrain India Limited	-	1,422	-	-	-	1,422	-	1,983	-	-	-	1,983
Others	323	1,812	-	67	-	2,202	438	2,905	-	21	-	3,364
Total	**323**	**3,234**	**5,848**	**67**	**-**	**9,472**	**438**	**4,888**	**3,932**	**21**	**-**	**9,279**
Guarantees given to third parties for the Company												
Suzuki Motor Corporation			4,199			4,199			6,328			6,328
Others												
Total			4,199			4,199			6,328			6,328
Finances (Equity & Loans)												
Suzuki Motorcycle India Private Limited	-		-	150	-	150	-		-	-		-
Krishna Ishizaki Auto Limited	10		-	-	-	10	-		-	-		-
Others		-	-	-	-	-	-	668	-	-	-	668
Total	**10**		**-**	**150**	**-**	**160**	**-**	**668**	**-**	**-**	**-**	**668**
Amount recoverable												
SKH Metals Limited	-	272	-	-	-	272	-	314	-	-	-	314
Suzuki GB PLC	-	-	-	194	-	194	-	-	-	286	-	286
PT Suzuki Indomobil Motor				245		245				-		
Others	177	417	54	478	-	1,126	245	1,009	64	677	-	1,995
Total	**177**	**689**	**54**	**917**	**-**	**1,837**	**245**	**1,323**	**64**	**963**	**-**	**2,595**
Transaction during the year												
Purchases of Capital items												
Suzuki Motor Corporation	-	-	1,092	-	-	1,092	-	-	3,571	-	-	3,571
Others	-	-	-	2	-	2	-	-	-	1	-	1
Total	**-**	**-**	**1,092**	**2**	**-**	**1,094**	**-**	**-**	**3,571**	**1**	**-**	**3,572**
GOODS IN TRANSIT - COMP ETC.												
Suzuki Motor Corporation	-	-	1,530	-	-	1,530	-	-	834	-	-	834
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**1,530**	**-**		**1,530**	**-**	**-**	**834**	**-**		**834**

	2009-10						2008-09					
	Joint Ventures	Associates	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total	Joint Venture Personnel	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
Sale of goods												
Suzuki France SA	-	-	-	2,247	-	2,247	-	-	-	879	-	879
Suzuki GB PLC	-	-	-	3,397	-	3,397	-	-	-	935	-	935
Suzuki International Europe Gmbh	-	-	-	4,054	-	4,054	-	-	-	1,043	-	1,043
Suzuki Italia S.P.A.				2,552		2,552						
Others	1,059	1,931	147	4,162	-	7,299	596	1,189	317	1,236		3,338
Total	**1,059**	**1,931**	**147**	**16,412**	**-**	**19,549**	**596**	**1,189**	**317**	**4,093**	**-**	**6,195**
Other Income												
Finance income/ commission/Dividend												
Krishna Maruti Limited	-	100	-	-	-	100	-	86	-	-	-	86
Suzuki PowerTrain India Limited	-	495	-	-	-	495	-	450	-	-	-	450
Others	41	336	-	-	-	377	21	294	-	-	-	315
Total	**41**	**931**	**-**	**-**	**-**	**972**	**21**	**830**	**-**	**-**	**-**	**851**
Other Misc Income												
Suzuki PowerTrain India Limited	-	830	-		-	830	-	671	-		-	671
SKH Metals Limited		162				162		44				44
Others	145	248	3	16	-	412	81	166	-	-		247
Total	**145**	**1,240**	**3**	**16**	**-**	**1,404**	**81**	**881**	**-**	**-**	**-**	**962**
Expenditure												
Purchases of goods												
Krishna Maruti Limited		7,444				7,444		5,872				5,872
Suzuki Powertrain India Ltd.	-	26,610	-	-	-	26,610	-	19,291	-	-	-	19,291
Others	5,119	29,422	18,064	10	-	52,615	2,976	24,774	11,294	4	-	39,048
Total	**5,119**	**63,476**	**18,064**	**10**	**-**	**86,669**	**2,976**	**49,937**	**11,294**	**4**	**-**	**64,211**
Proposed Dividend												
Suzuki Motor Corporation	-	-	940	-	-	940	-	-	548	-	-	548
Total	**-**	**-**	**940**	**-**	**-**	**940**	**-**	**-**	**548**	**-**	**-**	**548**
Royalty												
Suzuki Motor Corporation	-	-	10,168	-	-	10,168	-	-	6,777	-	-	6,777
Total	**-**	**-**	**10,168**	**-**	**-**	**10,168**	**-**	**-**	**6,777**	**-**	**-**	**6,777**
Receiving of services												
Suzuki Motor Corporation	-	-	505	-	-	505	-	-	736	-	-	736
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**505**	**-**	**-**	**505**	**-**	**-**	**736**	**-**	**-**	**736**
Other-expenditure												
Suzuki GB PLC	-	-	-	37	-	37	-	-	-	22	-	22
Suzuki Motor Corporation			119			119						
Others	4	1	-	67	-	72	-	1	-	18	-	19
Total	**4**	**1**	**119**	**104**	**-**	**228**	**-**	**1**	**-**	**40**	**-**	**41**
Managerial Remuneration												
Mr Shinzo Nakanishi	-	-	-	-	22.3	22.3	-	-	-	-	20	20
Mr. Hirofumi Nagao (Retired on 10th July.2008)	-	-	-	-			-	-	-	-	5	5
Mr Tsuneo Ohashi	-	-	-	-	16.3	16.3	-	-	-	-	15	15
Mr Keiichi Asai	-	-	-	-	16.3	16.3	-	-	-	-	15	15
Mr. Syuji Oishi	-	-	-	-	16.3	16.3	-	-	-	-	15	15
Total	**-**	**-**	**-**	**-**	**71.2**	**71.2**	**-**	**-**	**-**	**-**	**70**	**70**

Note

* Suzuki Powertrain India Limited is also a Fellow Susidiary

13) THE COMPANY HAS CALCULATED THE VARIOUS BENEFITS PROVIDED TO EMPLOYEES AS UNDER

A. Defined Contribution Plans

a) Superannuation Fund

b) Post Employment Medical Assistance Scheme.

c) Provident Fund

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

(In Rs. Million)

	March 31, 2010	March 31, 2009
Employers Contribution to Superannuation Fund*	28	23
Employers Contribution to Post Employment Medical Assistance Scheme*	1	1
Provident Fund*	164	114

B. State Plans

a) Employers contribution to Employee State Insurance*

b) Employers contribution to Employees' Pension Scheme 1995*

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

(In Rs. Million)

	March 31, 2010	March 31, 2009
Employers contribution to Employee State Insurance*	6	6
Employers contribution to Employees' Pension Scheme 1995*	43	41

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

C. Defined Benefit Plans

a) Contribution to Gratuity Funds - Employees' Gratuity Fund.

b) Leave Encashment/Compensated Absence.

c) Retirement Allowance

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

(Rs. in Million)

	March 31, 2010			March 31, 2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%	0.00%	6.00%	6.00%	0.00%
Rate of return on plan assets.	Not Applicable	8.00%	Not Applicable	Not Applicable	8.00%	Not Applicable
Expected Average remaining working lives of employees (years)	21	21	21	22	22	22

In calculating the leave encashment/ compensated absence liability 24% (Previous year 24%) of the leave has been assumed to be availed of/ encashed during the year.

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

Changes in Present Value Of Obligations

(Rs. in Million)

	March 31,2010			March 31,2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at beginning of the year	550	621	27	429	524	25
Interest cost	35	49	2	26	41	2
Current service cost	42	42	-	65	35	-
Benefits Paid	84	7	-	57	17	-
Actuarial (gain)/ loss on Obligations	116	29	(0)	87	38	(0)
Present value of obligation as at the year end	659	734	29	550	621	27

Changes in the Fair value of Plan Assets

	March 31,2010 Employees Gratuity Fund	March 31,2009 Employees Gratuity Fund
Fair value of Plan Assets as at beginning of the year	621	491
Expected return on Plan Assets	44	39
Contribution	57	73
Benefits Paid	79	18
Actuarial gain/ (loss) on Obligations	91	36
Fair value of Plan Assets as at the year end	734	621

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

	March 31,2010			March 31,2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value of obligation as at the year end	659	734	29	550	621	27
Fair value of Plan Assets as at the year end	-	734		-	621	
Surplus/ (Deficit)	(659)	-	(29)	(550)	-	(27)
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(659)	-	(29)	(550)	-	(27)

Expenses Recognised in Profit & Loss Account

	March 31,2010			March 31,2009		
	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Current service cost	42	42	-	65	35	-
Interest cost	35	49	2	27	41	2
Expected return on Plan Assets	-	(44)		-	(39)	
Settlement cost	-			-	22	
Net Actuarial (gain)/ loss recognised during the year	116	(62)	(0)	87	2	(0)
Total Expense recognised in Profit & Loss Account*	193	(15)	2	179	61	2

* Included in Salaries, Wages, Allownaces and Other Benefits under Employee Remuneration and Benefits (Refer schedule 17)

(Rs. in Million)

Constitution of Plan Assets	Gratuity March 31, 2010	March 31, 2009
(a) Debt Funds	585	543
(b) Others	149	78
Total	**734**	**621**

The return on the investment is the nominal yield available on the format of investment as applicable to Approved Gratuity Fund under Rule 101 of Income Tax Act 1962. Expected contribution on account of Gratuity for the year ending March 31, 2010 can not be ascertained at this stage.

14)FOLLOWING ARE THE PROVISIONS IN THE BOOKS OF ACCOUNT AS ON 31.03.2010:

(Rs. in Million)

Description	Balance as on 31.03.09	Additions during the year	Utilized/Reversed during the year	Balance as on 31.03.10
a) Litigation Related Provisions	611	36	33	614
	(596)	(37)	(22)	(611)
b) Warranty/Product Recall	432	590	212	810
	(253)	(472)	(293)	(432)
c) Others	195	31	5	221
	(273)	(41)	(119)	(195)

a) Litigation Related Provisions pertain to the estimated outflow in respect of disputes with various government authorities. The information required by AS 29, Provisions, Contingent Liabilities and Contingent Assets has not been disclosed on the grounds that it can be expected to prejudice the interest of the Company.

b) Warranty and Product Recall Provisions relate to the estimated outflow in respect of warranty and recall cost for products sold during the year. Due to the very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as the expected reimbursements from such estimates.

c) Other Provisions relate to excise duty, export obligation and guarantees etc. given. Due to the very nature of such costs, it is not possible to estimate the timing/uncertainties relating to their outflows as well as the expected reimbursements from such estimates.

d) Amounts in brackets represents previous year's figures.

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

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

ANUPAM DHAWAN
Partner
Membership Number - F 084451
Place: New Delhi
April 26, 2010

SHINZO NAKANISHI
Managing Director & CEO

AJAY SETH
Chief Financial Officer

S. OISHI
Director

S. RAVI AIYAR
Company Secretary
& Chief Legal Officer

NOTES

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