MARUTI SUZUKI

Leading with Responsibility.
Delivering Excellence.

Inside this Year's Report

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Approach to Reporting

Maruti Suzuki India Limited (hereafter referred to as 'MSIL' or 'the Company') is pleased to present its 40th Annual Report for the financial year 2020-21. This Report intends to serve as a concise communication about the Company's thoughts on business, governance, performance (financial and non-financial) and prospects in the context of its external environment.

Reporting Framework

The Report is based on the Integrated Reporting Framework (referred to as the **<IR> framework**) developed by the International Integrated Reporting Council (IIRC).

The financial information presented in this Report complies with financial and statutory data requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards.

The non-financial information presented in this Report is based on the Global Reporting Initiative (GRI) standards. Additionally, the Report aligns with the 'Ten Principles of the United Nations Global Compact (UNGC)' and the National Voluntary Guidelines on Social, Environmental and Economic (NVG-SEE) Responsibilities of Businesses in India issued by the Ministry of Corporate Affairs, Government of India.

Scope and Boundary

The 'reporting period' is from 1st April 2020 to 31st March 2021. The Report covers the manufacturing facilities at Gurugram and Manesar, Research & Development (R&D) facilities at Gurugram and Rohtak, Head Office at New Delhi, regional, zonal and area offices across India, sales and distribution facilities and stockyards. Joint ventures and subsidiaries are excluded. There was no significant change in scope and boundary of the non-financial disclosures from the previous reporting period. The calculation methodologies conform to globally accepted standards, while assumptions, exclusions and restatements are clearly stated wherever applicable.

Approach to Stakeholder Engagement

We engage with our stakeholders regularly and responding to their concerns is important for us. Their concerns are captured through our materiality assessment process and various other channels. We present information on these topics of interest for our stakeholders through this report.

Independent Assurance

The financial information in this report has undergone independent assurance by Deloitte Haskins & Sells LLP. Some of the key non-financial disclosures have been independently verified by DNV.

Disclaimer

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

Introducing Key Icons

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

Contribution to UN SDGs

In this Report, you will find icons of the United Nations Sustainable Development Goals (SDGs). For each chapter, we have determined the SDGs where MSIL contributes with its activities.

SUSTAINABLE DEVELOPMENT GOALS

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Company Profile

Maruti Suzuki India Limited was established in 1981. A joint venture agreement was signed between the Government of India and Suzuki Motor Corporation (SMC), Japan in 1982. The Company became a subsidiary of SMC in 2002. In terms of production volume and sales, the Company is now SMC's largest subsidiary. SMC currently holds 56.37% of its equity stake. It is a public limited company and its shares are traded at the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Facilities in India

Manufacturing Sites	Research & Development Centre	Head Office	Sales & distribution Facilities	Stockyards
Gurugram (Haryana)	Rohtak (Haryana)	New Delhi	Gurugram (Haryana)	Siliguri (West Bengal)
Manesar (Haryana)	Gurugram (Haryana)		Manesar (Haryana)	Bengaluru (Karnataka)
			Hansalpur (Gujarat)	Nagpur (Maharashtra)

Zonal Offices	Regional Offices	Area Offices
6 / 6	16 / 19	9 / 19

NEXA | ARENA

Production Capacity

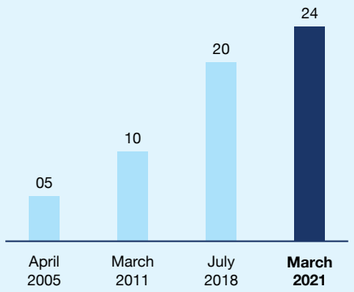
The Company has two state-of-the-art manufacturing facilities located in Gurugram and Manesar in Haryana, capable of producing ~1.5 million units per annum. Highly efficient and lean manufacturing processes, together with a skilled and motivated workforce, enable manufacturing of reliable and quality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

Suzuki Motor Gujarat Private Limited (SMG), a subsidiary of SMC, was set up in Hansalpur, Gujarat to cater to the increasing market demand for the Company's products and has been operational since 2017. In April 2021, the 3rd manufacturing plant, with an annual production capacity of 0.25 million units was made operational. With this new capacity addition, the annual production capacity at SMG reached to 0.75 million units The Company is responsible for the sales and distribution of units produced at the SMG facility in Gujarat.

Total Cumulative Production

(in Millions)

24



Unit sales (Domestic and Export)*

1,457,861

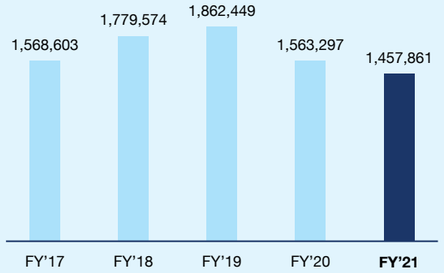
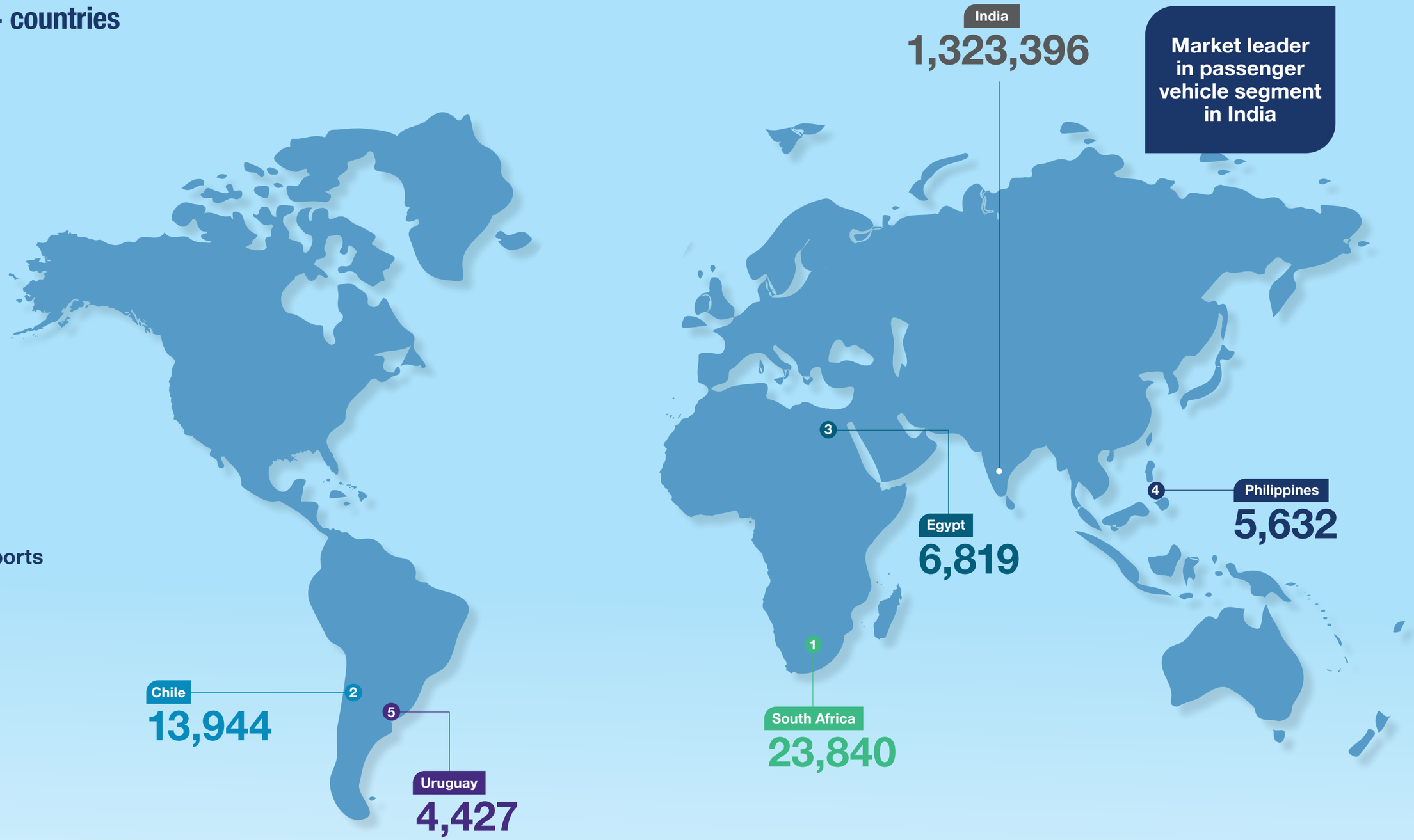


*Figure includes vehicles produced by SMG and supplied to the Company as per contract manufacturing agreement.

Exports to 90+ countries

Top 5
Countries for Exports
1 2 3 4 5



Product Portfolio

NEXA Channel

Baleno

The popular hatchback and one of the best-selling cars in India. Baleno has more than 9 lakh happy customers, and is the fastest-selling car in India to reach this coveted milestone. It has also consistently featured in the top 5 best selling cars in India for the last 4 years.

Fuel Type

Petrol | Petrol Smart Hybrid

Ignis

The hatchback with Urban design and SUV like styling, designed for the tough Urban Roads with an imposing design and superior driving capabilities.

Fuel Type

Petrol

CIAZ

The sedan admired for its elegance was the fastest to reach the landmark sales figure of 100,000 in its segment. Ciaz, by using Smart Hybrid technology, is committed in providing sustainable mobility solutions.

Fuel Type

Petrol Smart Hybrid

XL6

The Multipurpose Utility Vehicle is known for its style and comfort and one of the most-liked cars in its segment. XL6 by using Smart Hybrid technology is committed in providing sustainable mobility solutions.

Fuel Type

Petrol Smart Hybrid

S-Cross

The vehicle that heralded the entry of Maruti Suzuki in the Mid-SUV segment. Aptly positioned as the 'Refined SUV', S-Cross not only enthuses customers with its sophistication and power but also is committed in providing sustainable mobility solutions using Smart Hybrid technology.

Fuel Type

Petrol Smart Hybrid

ARENA Channel

Vitara Brezza

India's highest selling compact SUV, the Vitara Brezza, took the segment by storm ever since its launch. Admired for its bold design and imposing presence, Vitara Brezza has captured the hearts of auto experts and customers alike. Brezza features in top 10 best selling cars in India

Fuel Type

Petrol | Petrol Smart Hybrid

Wagon-R

Introduced in 1999 as a tall boy hatchback, Wagon-R is one of the most popular cars in the country. It has been ranked in the top 5 best selling cars in India consecutively for last 15 years. The 3rd generation Wagon-R is also the highest selling CNG car in India.

Fuel Type

Petrol | CNG

Swift

Introduced in 2005, Swift is one of the most loved hatchbacks in the country and has created a glorious legacy with unmatched driving experience, great customer fan following, acceptance and delight. Swift is the highest selling car in its segment. The 3rd generation Swift became India's highest selling car in FY 2020-21.

Fuel Type

Petrol

Ertiga

Introduced in 2012, Ertiga created a unique segment and became India's highest selling multi-purpose Utility Vehicle in no time. The 2nd generation Ertiga, positioned as 'Technology meets Style', was introduced with Smart Hybrid technology. Ertiga continues to remain the market leader in its segment.

Fuel Type

CNG | Petrol Smart Hybrid

Dzire

Introduced in 2008, Dzire is the most admired and the highest selling sedan in the country. The 3rd generation Dzire continues to excite the customers and is also among the the top 5 best selling cars in the country.

Fuel Type

Petrol

ARENA Channel

Alto

Introduced in 2000, Alto is one of the most iconic hatchbacks in the country. Within a few years of launch, Alto became the highest selling car in the country. The 2nd generation Alto, aptly positioned as 'Desh ki Shaan', (pride of the nation) is the car of choice for over 4 million customers in India.

Fuel Type

Petrol CNG

S-Presso

The hatchback with SUVish design, youthfulness and energy that resonates with the 'go-getters' of India. S-presso is the 2nd highest selling car in its segment.

Fuel Type

Petrol CNG

Celerio

The popular hatchback that has been the pioneer in bringing the revolutionary Auto-gear shift technology in India, is aptly positioned as "Easy to Drive, Easy to Love" car.

Fuel Type

Petrol CNG

CelerioX

Eeco

The versatile Van, has celebrated an iconic decade of its legacy in India. Eeco enjoys an undisputed leadership in the van segment and is also among the Top 10 selling cars in the country.

Fuel Type

Petrol CNG

COMMERCIAL CHANNEL

Super Carry

With the introduction of Super Carry, the Company diversified its product offering and forayed in to the Light Commercial Vehicle segment. Aptly positioned as a "Powerful Mini-truck", the brand has created a niche for itself within a short span and has become the second best-selling Mini-Truck. Super Carry is also available with factory-fitted S-CNG technology, thus, providing affordable and sustainable mobility solutions.

Fuel Type

Petrol | CNG

Eeco Cargo

The nice slick van that is suitable for many urban applications. The variant is a part of the iconic versatile Van Eeco, which is among the top 10 best selling cars in the country. Eeco Cargo has proven to be perfect partner of growth for smart, hard-working and business segment customers.

Fuel Type

Petrol | CNG

Sales and Service Channels in India

MARUTI SUZUKI ARENA

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

2,413 | 1,992

NEXA

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

380 | 228

MARUTI SERVICE

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

4,044 | 2,014

Vehicles deployed for quick response | Service on Wheels

781 | 221

TRUE VALUE

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

1,143 | 868

COMMERCIAL

Exclusive retail outlet for commercial vehicles

327 | 235

Outlets | Cities

Supporting Products and Services

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

Maruti Suzuki Genuine Parts

Quality aftermarket parts for ensuring longevity and performance of vehicle, and safety of passengers

Maruti Suzuki Genuine Accessories

High-quality accessories at reasonable prices,approved and certified by the Company for their compatibility with various products

Maruti Suzuki Finance

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

Maruti Insurance

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

Maruti Suzuki Rewards

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

Maruti Suzuki Subscribe

An innovative and convenient way to bring a new car home and enjoy a hassle-free ownership experience

Maruti Suzuki Driving School

World-class driving training using advanced simulators

Performance Highlights 2020-21

The performance in FY 2020-21 is to be seen in the context of pandemic related disruptions

Financial Capital

The Company's growth strategy, along with disciplined allocation of capital led to sustained financial returns.

	Trend	2020-21	2019-20
Capital employed (₹ million)	↑	513,668	484,370
Net sales (₹ million)	↓	665,621	716,904
PAT (₹ million)	↓	42,297	56,506
Book value per share (₹)	↑	1,700	1,603

Manufactured Capital

The Company utilises state-of-the-art facilities and highly efficient green manufacturing processes to manufacture reliable and quality products.

	Trend	2020-21	2019-20
Vehicles sold	↓	1,457,861	1,563,297

Intellectual Capital

With the product and technology licences received from SMC, the Company is able to offer relevant products to the Indian market.

	Trend	2020-21	2019-20
R&D spend (₹ million)	↓	6,259	7,639
Patents applied/granted	↑	110/31	98/11
R&D engineers	↑	1,889	1,845

Human Capital

The Company is focused on developing the skills, competencies, health, safety and well-being of its human resources, so that they can be optimally leveraged for value creation across other capitals.

	Trend	2020-21	2019-20
Fatalities	↔	Nil	Nil
Employee benefit expenses (₹ million)	↑	34,028	33,839
Voluntary Employee Attrition (%)	↓	1.8%	2.5%
Employees upskilled	↑	15,950	14,809

Social and Relationship Capital

The Company strives to maintain mutually respectful and beneficial relationships with its stakeholders, such as customers, value chain partners, local communities and the government, creating a favourable environment for business.

	Trend	2020-21	2019-20
Sales outlets	↑	3,120	3,086
Service outlets	↑	4,044	3,864
Sales workforce upskilled through various training programmes	↑	190,635	177,073
Service workforce upskilled through various training programmes	↑	353,179	167,268
Training facilities setup for improving the capability of suppliers' workforce	↑	387	304
CSR spend (₹ million)	↓	1,409	1,682
Road safety (No. of drivers trained)	↓	349,443	407,771

Natural Capital

The Company strives to reduce the impact of its products and services on the environment through the sustainable use of natural resources and responsible waste, water and emissions management practices.

	Trend	2020-21	2019-20
Number of products in which International Material Data System (IMDS) was implemented during the year to disclose 'RRR' performance	↑	8 products	2 products
Tier-1 supplier plants implemented ISO 14001 environmental management systems (%)	↑	91%	90%
Recycling of steel scrap (%)	↔	100	100
Renewable energy used in manufacturing vehicles (total solar power capacity - MWp)	↑	10.4	6.3
Cumulative CO_2 emissions avoided by using eco-friendly vehicles since 2005-06 (in MT)	↑	1,291,040	1,158,663
CO_2 emissions avoided by using railway for vehicle dispatches (in MT)	↑	866	805

Awards and Accolades

Business Today Best CEO Award

Kenichi Ayukawa, MD & CEO awarded the 'Best CEO Large Companies' for the fifth time in a row

Motoring World Awards 2020

WagonR won the Hatchback of The Year award

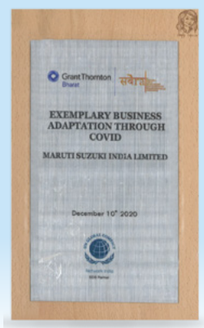
Motorscribes Auto Awards 2020

The Mission Green Million initiative was awarded 'Green Initiative of the Year'

MISSION GREEN MILLION

Grant Thornton Bharat SABERA Award

Exemplary Business Adaptation during COVID-19 award, recognising exceptional work done by individuals/ organisations in India and their contribution towards SDGs (Sustainable Development Goals)



Car India and Bike India Awards 2021

Maruti Suzuki received the Manufacturer of the Year award

11th India Digital Awards

11th India Digital Awards, (IDA) by Internet and Mobile Association of India

Gold
Best Mobile Search Campaign

Silver
Best Use of Mobile for Content Marketing

Bronze
Best Use of AR/VR in a Marketing Campaign

'People First Ace Award 2020' by NHRDN

'People First Ace Award 2020' by NHRDN, accorded for being the 2nd Runners Up in the 'Learning & Development' Category

Message from Chairman

Dear Shareholders,

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

The COVID-19 pandemic took a heavy toll last year. The lack of any precedent or an adequate understanding of all the aspects of the virus, called upon our experts and policy makers to be extremely flexible and innovative in dealing with problems as they arose. I believe that despite our limitations of health infrastructure we did very well to contain the adverse fall out. Our grateful thanks to all concerned, and especially doctors and medical workers, who worked tirelessly, and at much risk to themselves.

Before proceeding further, I would like to offer my sincere condolences to all who have suffered untimely bereavements because of the COVID-19 pandemic. It is well established that getting vaccinated and wearing masks is the only way known to control the pandemic and maximise individual safety. My appeal to all of you is to ensure that you and your families are fully vaccinated and continue to follow the government advisories on the precautions that need to be taken to prevent the third and possibly other waves of the infection.

Your Company, by virtue of its unique position in the manufacturing industry, believes it has a responsibility to step forward and participate in meeting any crisis. Last year I had mentioned that towards the end of April the government had approached us to help in scaling up the domestic production of ventilators. We had worked with M/s Agva, a start-up company, to produce the full ordered quantity of 10,000 ventilators by the end of June. Again, in May this year there was an urgent need for oxygen generators. This time we took the initiative to help scale up production and started working with three small companies. Within May itself 73 generators were produced. In June this further increased to 140 units. This was almost a ten-fold increase over their normal production. 14 generators were donated by us as a part of CSR activities. We were assisted in the efforts to increase production by Motherson Sumi, SKH Metals and Jai Bharat Maruti, all our supplier partners.

MSIL took the lead in devising safety protocols not only for ourselves, but also for our vendors and dealers. These were more comprehensive than even the government guidelines. As a result, we were amongst the quickest to resume production and sales as lockdown conditions were relaxed. Our total production during FY 2020-21 year was 1,441,424 compared to 1,577,304 in 2019-20. In Q4 of the year, production was 21.6 % higher than in the corresponding quarter of the previous year. However, as a result of the lockdown in Q1 of FY 2021-22 and restrictions on production and sales in several States during some parts of the year, the profits in the year were 25.1% lower than in 2019-20. Consequently, your Board decided that dividends for the year should be proportionately reduced to Rs.45 per share. The cash reserves of the Company have been of great help in dealing with the COVID-19 related problems and ensuring that our people did not suffer. We will use these reserves to establish new production facilities as soon as a few problems are resolved.

In March 2021 we were quite optimistic about the outlook for FY2021-22. The suddenness and ferocity of the second wave of the pandemic was a surprise to all, and led to lockdowns and restrictions in most parts of the country. Production and sales again dropped and the recovery that had started in the previous quarter suffered a set-back. Q1 sales were limited at 353,600 units. The performance in the next three quarters largely depends on how effectively all our citizens follow the government's advice to get vaccinated and observe safety protocols. If we can avert the third wave, or substantially reduce its effect, and there are no further waves, economic activities and sale of cars can improve significantly over what was achieved last year.

Your Company expects to be able to work smoothly and without disruptions as we would have vaccinated over 90% of our employees, and their families, by the end of August. We are urging our vendors and dealers to also do the same. The victory over COVID-19 can best be achieved by all of us working together and following the advice given by the government and experts.

Your Company is very aware of its responsibility to support the effort to reduce the carbon footprint as fast as possible. Fortunately, unlike the developed countries, emissions from cars in India are comparatively small as vehicle penetration is very low. We have to ensure that as growth takes place, and more and more people are able to afford a car, your Company uses technology that would take us towards our goal. Suzuki Japan is giving priority to the development of technologies suitable for the Indian market. Research and development efforts are being accelerated and your Company would be fully involved in this work. Suzuki's alliance with Toyota in Japan would prove very valuable for this effort.

Various countries in the world are setting ambitious targets for the replacement of internal combustion engine cars by electric vehicles. We need to recognise that our strategy for moving towards net zero emission has to be consistent with the economic and infrastructure conditions prevailing in the country. Two wheelers consume about 60% of the total petrol used for personal transportation and the emission standards for 2 wheelers that were produced till March 2020 were lower than that for cars. The emission from two-wheelers is thus much higher than from cars and the government has rightly given priority to electrifying two wheelers. This will require a massive effort. The acceptance of electric cars by a large proportion of consumers faces certain problems that are different from the developed countries. The per capita income in India is only about US$ 2,000, about 5% of that in Europe and Japan. This reduces the ability of a large number of people to buy expensive cars. As a result, not only do two-wheelers sell in large numbers, but 77% of cars sold are less than 4 metres in length and lower in cost. No other developed country has such a high sale of small cars. Unfortunately the technology presently available leads to electric cars being produced at a cost much higher than the conventional cars. This, along with the lack of charging infrastructure makes it very difficult to sell electric cars to people who can only afford small cars. Only 5% of cars sold in India are priced at Rs.15 lakh or more. Some of the buyers of such cars can buy electric cars but the market penetration of EVs would be very small.

I have no doubt that the large resources that are now being deployed for technology development will lead to lowering the cost of EVs and reducing dependence on Lithium, procurement of which poses some strategic issues of national importance. The time frame for all of this to happen is not certain but meanwhile we do need to reduce import of oil and harmful emissions. Fortunately, in our market conditions the use of CNG, particularly for small cars, has proved very acceptable to customers. The government has recognised the importance of CNG as a fuel for cars and is making concerted efforts to build the infrastructure to make CNG available in most parts of the country. Your Company will also seek to improve the technology for CNG cars. Hybrid technology also leads to a significant reduction in fuel consumption and emissions and is another area for our engineers to work. Thus, these two technologies, coupled with biofuels, gives the country a means of moving towards the final goal of net zero emission. The use of hydrogen is also an interesting alternative and should be considered specially to reduce dependence on importing Lithium.

It is a matter of some concern that the rate of growth of car sales has been steadily declining in the last decade. During the period 2010 to 2015 the compound annual growth rate of car sales in India dropped from the past 12.9% to 5.9% and in the next five year period of 2015-2020 the growth rate further declined to 1.3%. After March 2020 the COVID-19 pandemic has taken its toll on production and sales. The car industry constitutes about 25% of manufacturing industry and its slowing growth would naturally impact the rate of growth of this sector. The creation of new employment would also have been impacted since the use of cars leads to a large number of jobs being created in the service sector.

The slowing in the demand of cars is largely because the cost of acquisition by consumers has increased due to various reasons like regulatory changes, depreciation of the Rupee, increase in cost of raw materials and taxes imposed by State governments. The GST on cars, based on the past rates of excise duty, is much higher than the GST (or equivalent) in all other major countries of the world. It is unlikely that the car industry will experience reasonable rates of growth unless the central and State governments consider how to reduce the initial acquisition cost of cars.

Your Company continues to make its best efforts to reduce the carbon footprint in the production process, and also to conserve scarce resources. The 20MW solar plant in Manesar is generating power and will reach its full output by the end of August. Efforts continue to conserve water and ensure clean emission from the production process.

The CSR budget has been fully utilised on programmes approved by your Board. The multi-speciality hospital and the school near the Suzuki plant in Gujarat have started operations. These are benefiting a large number of citizens living in that area. The efforts to improve road safety in the national capital by using technology to capture traffic violations and the system for testing aspirants for driving licenses has proved very effective.

Safety of all employees and associates has been an area of priority for your Company. I have already mentioned the vaccination drive and measures to control the pandemic. Safety audits are regularly carried out and systems strengthened wherever possible. During the year under report no employee of the Company met with a fatal accident. Your Company is trying to make its entire value chain safer by working with its supplier partners to adopt OHSAS 18001/ISO 45001 safety management systems to continuously improve their Occupational Health and Safety practices. 89% of Tier-1 suppliers have already adopted this. We are trying to reach deeper and have made a safety programme for Tier-2 suppliers also. More than 6,500 machines at about 340 Tier-2 suppliers have been modified with measures for fool-proofing against human injury.

Your Company has been supporting schemes for employees owning their own houses. During the year, 357 number of employees were able to get houses of their own.

Our employees continue to be our strength and our management strategy of building trust and partnerships with all our associates has stood the test of time. As the country moves to accelerate manufacturing, the experience of MSIL in building a competitive management strategy should be of use to others.

Lastly, I would like to express my sincere thanks all our shareholders for their consistent support and understanding during these difficult days. I wish all of you a safe and healthy year ahead.

Jai Hind

R. C. Bhargava
Chairman

Message from the Managing Director & CEO

Dear Shareholders,

I sincerely wish that each one of you is keeping safe in this tough time. I pray for the speedy recovery of everyone who is battling the COVID-19 infection. I express my deepest condolences to the near and dear ones of those whom we lost to the pandemic.

With the pandemic entering into the second year, each one of us must be extra cautious in the fight against this highly infectious disease. I expect all of us to follow COVID-19 appropriate behavior and get vaccinated to minimise the risk of infection spread.

Being a responsible corporate citizen, the Company is contributing to the best of its ability to support the country in the fight against this pandemic. At the time when the country was battling the second wave of COVID-19 and was facing shortage of oxygen, for medical needs, the Company temporarily suspended business operations to divert the oxygen available for industrial purposes to medical needs. Additionally, the Company realised the critical importance of rapidly installing PSA oxygen plants, to produce life-saving oxygen. The Company decided to collaborate with its supplier partners to help quickly scale up the domestic manufacturing of PSA oxygen generator plants. The Company also donated 14 PSA oxygen generator plants to various government hospitals in the country. Also, the Company together with the help of its parent company, Suzuki Motor Corporation (SMC), donated 1,000 oxygen cylinders to various government hospitals. If you could recall, during the initial stages of the 1st wave of pandemic, the Company offered its mass production expertise to an existing ventilator manufacturer to scale up production multi-fold in the shortest possible time. The Company also mobilised its seat vendors, who have some expertise in seat fabric, to put up facilities to produce masks and bodysuits in large quantities.

Since the beginning of the pandemic last year, the Company's efforts have been extremely focused on the safety and well-being of its value chain members. The Company collaborated with its stakeholders and jointly prepared detailed Standard Operating Procedures (SOPs) catering to specific needs of every member of the value chain partners. Besides, the Company also facilitated the value chain partners in vaccinating their workforce.

To ensure the health and well-being of its employees, including their families, the Company took all-round measures such as forging tie-ups with several healthcare service providers to offer COVID-19 care, quickly supporting with oxygen concentrators, tying up with an external partner for digital health consultation, organising vaccination camps, and imparting trainings on improving physical and mental well-being.

The Company will continue to observe all COVID-19 SOPs and precautions, be sensitive to the human and social element, build an environment of positivity and keep working hard as its bit in these difficult times.

Coming to our business, in my last year's message, I mentioned my views about the resilience of the Indian economy and expressed that its quick recovery is quite probable.
With the extraordinary measures taken by the Government of India, the economy recovered from a big contraction in Q1 FY 2020-21 and posted growth in the second half of FY 2020-21. The demand for cars also followed the path of economic recovery. The demand for cars was driven by pent-up demand, increasing customer preference towards personal mobility and a good demand from non-urban markets. The Company supported the demand recovery by introducing attractive vehicle financing schemes in collaboration with the banks. To ensure that customers feel safe about coming to the showrooms, the Company put in place the highest level of hygiene and sanitisation as well as maximised the use of digital interfaces to ensure contactless operations.

However, on the supply side, the FY 2020-21 was full of challenges and surprises such as lockdown restrictions, uncertain availability of workforce, semi-conductor shortages, and logistical issues, which posed a threat to business continuity.

With meticulous planning and concerted efforts of value-chain partners, the Company managed to maintain business continuity by according utmost priority to safety of personnel and quality of products and services. Besides, the Company increasingly adopted the use of digital technologies, wherever possible, to ensure safety of health, convenience and productivity of all stakeholders in its value chain.

In Q1 FY 2020-21, because of lockdown restrictions and gradual increase in production levels, production in the whole quarter was equivalent to just about two weeks of regular working.

From Q2 FY 2020-21 onwards, with the gradual easing of lockdown restrictions, improvement in supply conditions and ease in the availability of workforce, the Company slowly and steadily improved its production level. During the second half of FY 2020-21, the Company operated nearly at full capacity. Although second half of FY 2020-21 witnessed good demand recovery, domestic sales volume in FY 2020-21 declined by ~8%.

The challenges in FY 2020-21 were not only limited to human safety and business continuity, but also extended to delay in new model development and significant cost pressures led by unprecedented increase in the prices of commodities throughout FY 2020-21. Besides, foreign exchange movement remained adverse during the year. Given uncertainty around the sustenance of demand, the Company undertook a cautious approach in raising the prices of cars.

In the background of multifarious unfavourable factors, in FY 2020-21, the Company's Profit After Tax declined by 25.1%. In line with the profit, the Board of Directors recommended a dividend for ₹ 45 per share for FY 2020-21. The pandemic is still continuing and the possibility of future COVID-19 waves can't be ruled out. Car manufacturing is both capital and labour intensive with a long value chain. Any disruption in operations because of lockdowns will create severe cash-flow concerns and may pose a threat to the survival of some of the value chain partners. In such uncertain circumstances, the Company finds it prudent to conserve cash to provide the supplier and dealer partners with cash-flow support if the need arises. In FY 2020-21, the Company provided such cash-flow support to its supplier and dealer partners. Besides, rapidly changing regulatory and technological landscape is further adding to the uncertainty, which makes maintaining cash reserves a more prudent choice.

The Company continued its CSR programme amid challenges in the external environment. It undertakes CSR projects in areas of community development, road safety and skill development in alignment with the national development priorities.

Key highlights of the CSR efforts include setting-up of multi-specialty hospital and school in Gujarat.

I am happy to share that the hospital with 50 beds and the primary-wing of the school has been made operational in April 2021. The hospital and the school were established in partnership with Zydus Hospitals, Ahmedabad and the Podar Education Network, respectively.

The Company continued to take-forward its CSR efforts in areas of road safety and skill development.

For the conservation of natural resources and environment protection, the Company promotes initiatives across the value chain. Key initiatives include, increasing use of solar power for manufacturing cars, increasing use of railway logistics for vehicle dispatches, optimisation of raw material usage through 3R techniques, water conservation in manufacturing and vehicle servicing, waste management and controlling the use of Substances of Concern. On the product side, the Company is strongly committed to reducing carbon footprint and has been working consciously for many years, irrespective of regulatory requirements. As measured by the CAFE regulation, the Company's fleet has the least CO_2 emission per vehicle among all car manufacturers in India. The Company is following a philosophy of reducing carbon footprint with every new model introduction. For further reduction in CO_2 emissions, the Company is adopting a mix of powertrain technologies based on electrification and CNG.

The Company's efforts to promote the eco-friendly CNG technology vehicles started paying off. In FY 2020-21, despite overall sales of the Company declining in the domestic market by ~8%, the sales of CNG vehicles grew by nearly 50%.

Towards electrification of powertrain, the Suzuki Motor Corporation, in a joint venture with Toshiba Corporation and Denso Corporation, is setting-up India's first lithium-ion battery manufacturing plant with cell level localisation. The manufacturing facility is almost ready to be operationalised and will be announced soon.

The Company is trying to make the entire life cycle of a car sustainable, including scrapping, dismantling and recycling. The Company collaborated with Toyota Tsusho Group and established a joint venture named Maruti Suzuki Toyotsu India Private Limited (MSTI) for vehicle dismantling and recycling facility in India. The MSTI facility is almost ready to be operationalised and will be announced soon.

Recently, our parent company, SMC formulated the Suzuki Environmental Vision 2050 to move towards carbon neutrality in new vehicles and business operations. The Company, being the largest subsidiary of SMC, has an important role to play in the realisation of this vision. In this regard, a project has been initiated to develop strategies and action plans aimed at minimising the Company's carbon footprint.

Although the country is navigating through tough times, its economic prospects appear to be promising over the medium term. With support from SMC in terms of relevant product and technologies, the Company will continue to work on all the enablers to cash-in on the opportunities. Moreover, SMC, in its recent mid-term plan, indicated to offer relevant products such as Utility Vehicles (UV) to strengthen the Company's product line-up, promote the penetration of hybrids and introduce EVs. The partnership between Suzuki Motor Corporation and Toyota Motor Corporation will help the Company in gaining access to hybrid technology.

With that, I wish all my stakeholders a healthy and prosperous future. I would also like to take this opportunity to thank our stakeholders for their valuable contribution in delivering business results in such a highly challenging business environment.

Thank you,

Kenichi Ayukawa
Managing Director & CEO

Board of Directors

Mr. R. C. Bhargava
Chairman
S N C R

Mr. O. Suzuki
Director

Mr. T. Suzuki
Director
N

Mr. Kenichi Ayukawa
Managing Director & CEO
A* S C R

Mr. D. S. Brar
Independent Director
A S N

Mr. R. P. Singh
Independent Director
A C

Ms. Lira Goswami
Independent Director
A N

Mr. Maheswar Sahu
Independent Director
A

^Mr. Hisashi Takeuchi
Joint Managing Director
(Commercial)
R

#Mr. Shigetoshi Torii
Joint Managing Director
(Production and Supply Chain)
R

Mr. Kenichiro Toyofuku
Director
(Corporate Planning)
R

Mr. Kinji Saito
Director

@Mr. Takahiko Hashimoto
Director (Marketing & Sales)
R

Board Committees

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

Additional Members (Risk Management)
Mr. A. Seth
Mr. Rajiv Gandhi

Vice President and Company Secretary
Mr. S. Grover

Auditor
Deloitte Haskins & Sells LLP

* Till 27th April, 2021

^Mr. Hisashi Takeuchi – Appointed JMD (Commercial) w.e.f. 28th April, 2021
#Mr. Shigetoshi Torii – Appointed JMD (Production and Supply Chain) w.e.f. 28th April, 2021
@Mr. Takahiko Hashimoto - Ceased to be on the Board w.e.f 28th April, 2021

Executive Management Team

1. Mr. K. Ayukawa, Managing Director & CEO
2. Mr. S.Torii, Joint Managing Director (Production and Supply Chain)
3. Mr. H. Takeuchi, Joint Managing Director (Commercial)
4. Mr. T. Miki, Executive Officer (Supply Chain)
5. Mr. S. Kakkar, Sr. Executive Officer (Supply Chain)
6. Mr. K. Toyofuku, Director (Corporate Planning)
7. Mr. R. Bharti, Executive Officer, (Corporate Planning)
8. Mr. S. Y. Siddiqui, Executive Advisor (Realty & Land Acquisition)
9. Mr. P. K. Roy, Sr. Executive Officer (Production)
10. Mr. A. Seth, CFO & MEB (Finance and Internal Audit)
11. Mr. P. Garg, Executive Officer, (Finance)
12. Mr. T. Aggarwal, Executive Officer (Engineering - Electronics, xEV and Connected Systems)
13. Mr. T. Matsushita, Executive Officer (Engineering)
14. Mr. C. V. Raman, Chief Technical Officer & MEB (Engineering)
15. Dr. T. Sahoo, Executive Officer (Engineering - Product & Cost Planning, Design & Development)
16. Mr. S. Srivastava, Sr. Executive Officer (Marketing & Sales)
17. Mr. R S Kalsi, MEB (Process and Audit - Marketing and Sales)
18. Mr. S. Grover, Company Secretary
19. Ms. M. Chowdhary, Executive Officer (Legal)
20. Mr. P. Banerjee, Sr. Executive Officer (Service)
21. Mr. D. Thukral, Executive Officer (Parts & Accessories, Logistics)
22. Mr. R.S. Akella, Executive Officer (Marketing)
23. Mr. V. Khazanchi, Executive Officer (Strategic Projects)
24. Mr. R. Gandhi, MEB (Strategic Projects)
25. Mr. P. Panda, Executive Officer (Quality Assurance)
26. Mr. R. Uppal, Chief HR, IT Officer & MEB (Human Resource, Information Technology, Safety, Digital Enterprise)
27. Mr. K. Suzuki, Sr. Executive Officer (International Marketing)

MEB: Member of the Executive Board

Value Creation Approach

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Stakeholder Engagement	52
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Contribution to Sustainable Development Goals	64

Value Creation Process

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

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

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

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

Inputs

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

Manufactured Capital
- 2 manufacturing facilities in Haryana and 1 manufacturing facility in Gujarat, managed by Suzuki Motor Gujarat
- Key raw materials – steel coils (182,112 MT), non-ferrous castings (33,052 MT) and paints (9,036 KL)

Intellectual Capital
- ₹ 6,259 million R&D investment
- R&D facility at Gurugram and Rohtak, India supported by SMC, Japan
- 1,889 R&D engineers
- Product licences from SMC

Social and Relationship Capital
- 475 Tier-I suppliers
- 3,120 sales outlets
- 1,143 pre-owned car sales outlet
- 4,044 service outlets
- Training and capacity building of value chain partners
- Over 100,000 sales and service workforce of our business partners upskilled
- ₹ 1,409 million spent on Corporate Social Responsibility

Human Capital
- 16,025 regular employees
- 509 regular employees joined
- 436,164 training person hours
- ₹ 34,028 million employee benefit expenses

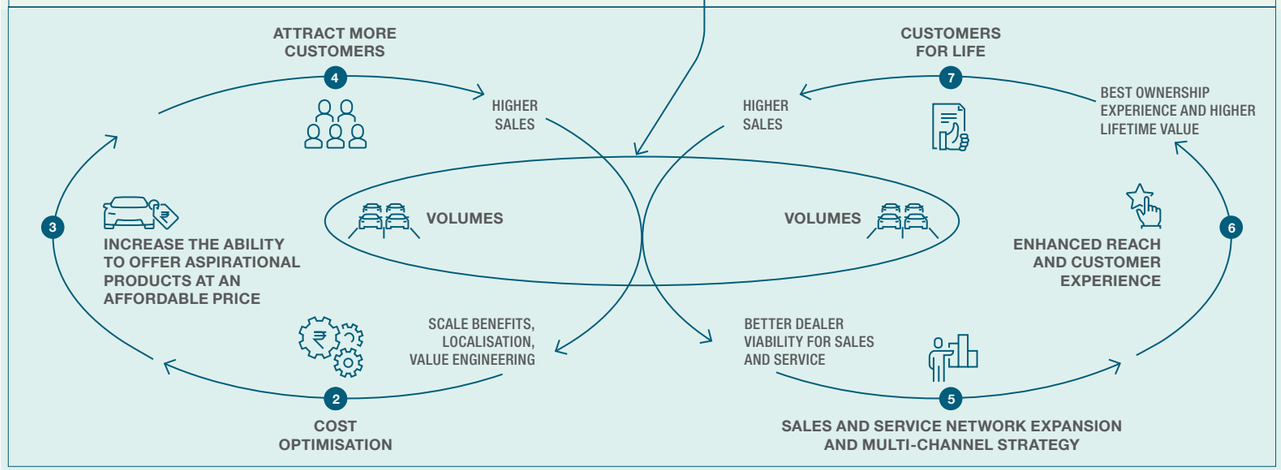
Natural Capital
- Increased use of solar power for manufacturing
- Canal water used for manufacturing
- 62% of water requirement met through recycling

Business Model

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

How we are working towards our vision

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



Enablers

- OPTIMUM RESOURCE UTILISATION
- ATTENTION TO DETAIL
- OPERATIONAL EXCELLENCE
- JAPANESE PRACTICES FOR EFFICIENT OPERATIONS

THE FOUNDATION

Core Values
- CUSTOMER OBSESSION
- FAST, FLEXIBLE AND FIRST-MOVER
- INNOVATION AND CREATIVITY
- OPENNESS AND LEARNING
- NETWORKING AND PARTNERSHIP

Outputs and Outcomes

Financial Capital
- ₹ 513,668 million capital employed at the end of year

Manufactured Capital
- 1,457,861 vehicles sold

Intellectual Capital
- 110 patent filed and 31 granted
- Reduced product development cycle
- Improved vehicle fuel economy, lower emissions and enhanced safety

Social and Relationship Capital
- Over 20 million customers engaged through sales and service activities
- Reduction in customer complaints per 1,000 vehicles serviced by 25% over FY 2019-20
- Social development programmes in 26 villages
- 349,443 persons trained at Institutes of Driving Training and Research (IDTR)
- Over 18,600 students benefitted through various skill development programmes

Human Capital
- Cordial industrial relations
- Zero fatalities
- 461,800 suggestions from employees leading to ₹ 1,683 million savings

Natural Capital
- Over 86,000 MT of metallic scrap sent for recycling.
- 391,096 tCO_2e Scope 1 and 2 emissions
- 11,569 MT hazardous waste co-processed

Triple Bottom Line Performance

Economic Performance

The Company's contributions to its stakeholders have a multiplier effect on the economy, thereby generating millions of direct and indirect employment opportunities. The Company distributes significant share of the value it generates to various stakeholders in its value chain.

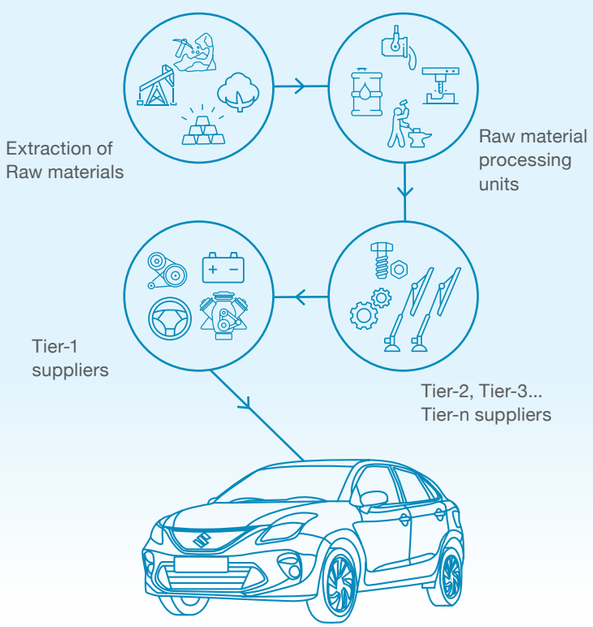
Contribution to SDG:

Material issue:
Economic performance

Suppliers, Capital Goods Manufacturers, In-bound Logistics & MSIL

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

Supplier ecosystem to manufacture passenger vehicles

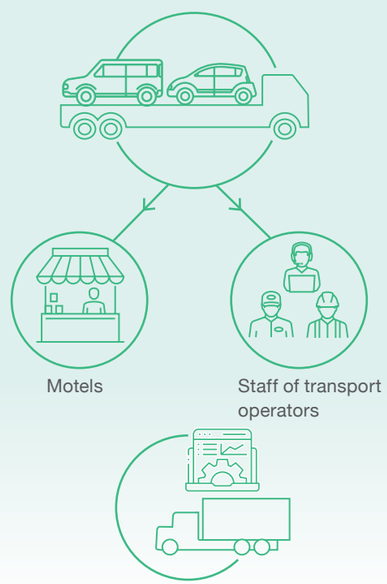


Note: Illustrations are for representation only

Outbound Transporters

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

Transport operators

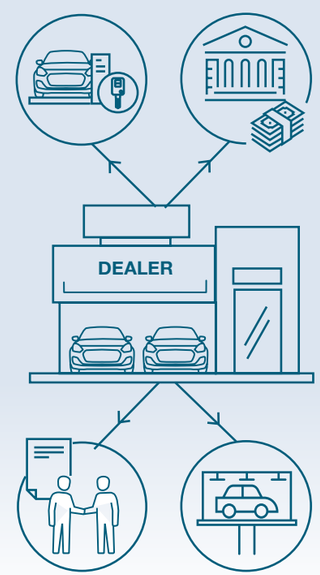


Commercial vehicle OEMs and customised vehicle body makers

Marketing & Sales

Car sales to customers is facilitated by a wide range of professionals such as sales workforce of the Company, dealer workforce car insurance providers, financiers, advertisement and market researchers among others.

Insurance company | **Finance company**

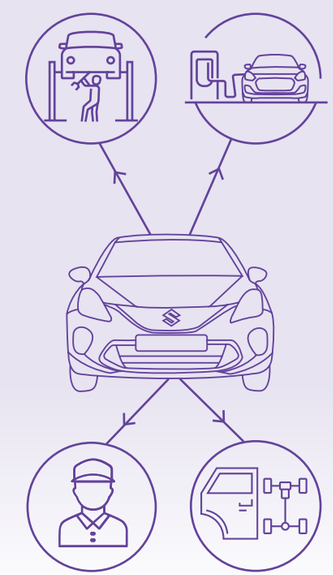


Sales team | **Ad agencies**

Aftermarket

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

Service workshop | **Fuel pump**

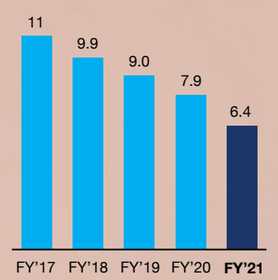


Drivers for personal cars and taxis | **Aftermarket parts distributors**

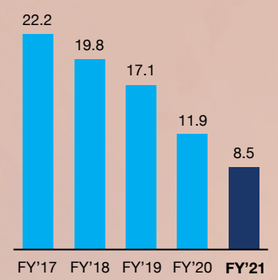
Economic Performance Contd.

Key Financial Figures

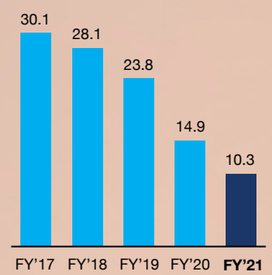
PAT Margin
(%)



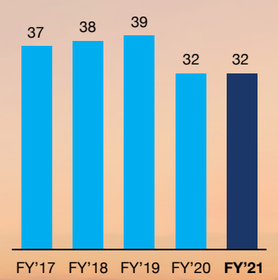
ROE
(%)



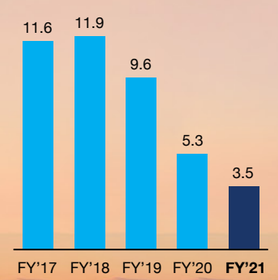
ROCE
(%)



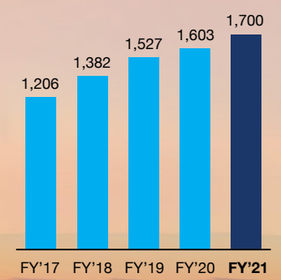
Dividend Payout Ratio
(%)



EBIT
(%)



Book Value Per Share
(₹ Per Share)



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

5-year Performance Summary

(₹ million)

Parameters	FY'17	FY'18	FY'19	FY'20	FY'21
Net Sales	669,094	781,048	830,265	716,904	665,621
EBITDA	103,517	120,615	109,993	73,026	53,453
EBIT	77,496	93,036	79,804	37,769	23,138
PBT	99,603	110,034	104,656	70,648	51,594
PAT	73,502	77,218	75,006	56,506	42,297
EPS (₹)	243	256	248	187	140
Dividend Per Share (₹)	75	80	80	60	45
Net Worth	364,311	417,573	461,415	484,370	513,668
Current Liabilities	132,264	154,421	141,503	112,948	161,067
Total Liabilities	148,195	176,128	167,903	141,151	187,006
Non current Assets	424,744	514,487	505,702	541,247	515,407
Current Assets	87,762	79,214	123,616	84,274	185,267
Total Assets	512,506	593,701	629,318	625,521	700,674
Operating Cash Flow	102,793	117,850	65,932	34,051	88,388

Environment Performance

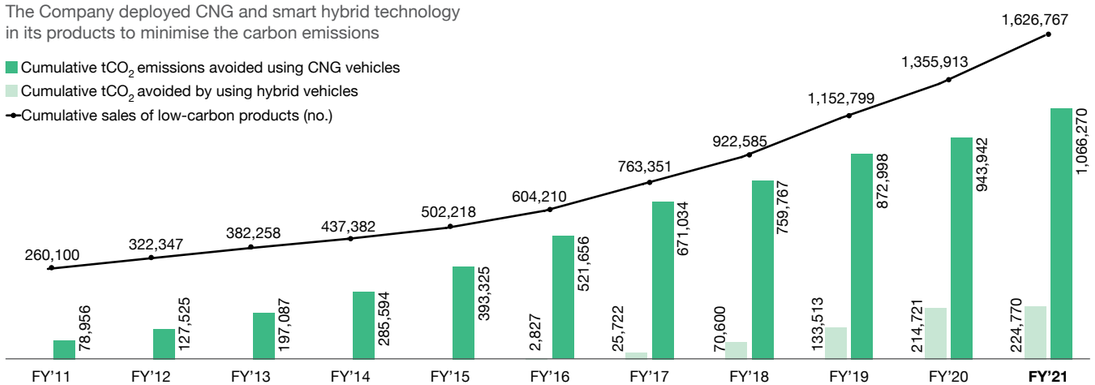
Climate Change Management

Contribution to SDG: 3 GOOD HEALTH AND WELL-BEING; 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION

Material Topic: **Products and Process emissions reduction**

Reducing Carbon Emissions from Products: Cumulative CO_2 Emissions Avoided

The Company deployed CNG and smart hybrid technology in its products to minimise the carbon emissions

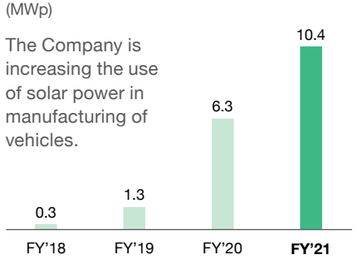


Reducing Carbon Emissions In Manufacturing Operations

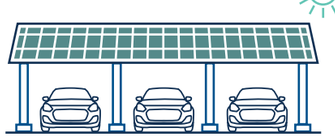
Installed Capacity of Solar Power

(MWp)

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



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



Reducing Carbon Emission In Vehicle Dispatches

The increasing use of rail transport to dispatch vehicles, has helped avoid over 3,800 MT of CO_2 emissions in the past seven years. This has saved over 120,000 truck trips and over 137 million litres of fuel.

Railway wagon carrying cars

Efforts Towards Electrification Of Powertrain

The Toshiba Denso Suzuki Gujarat Private Limited (TDSG) is India's first lithium-ion battery manufacturing plant with cell level localisation. TDSG is a collaboration among Toshiba, Denso and Suzuki – three of the biggest names in global automotive industry. TDSG, with cell level localisation will take India one step closer to its electrification journey. The TDSG manufacturing facility is almost ready to be operationalised and will be inaugurated soon.

A view of TDSG manufacturing facility

Contribution To Circular Economy

Contribution to SDG: 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

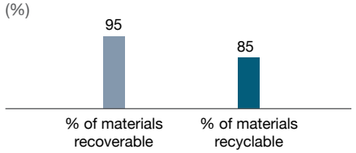
Material Topic: **End-of-life vehicle management**

Designing For Recyclability And Recoverability

In 11 products, the Company uses the IMDS tool to measure the 'RRR' performance. By 2022, the Company targets to implement IMDS tool in all its products.

Proportion of Materials Recyclable and Recoverable

(%)



Creating The Ecosystem For Managing End of Life Vehicles

Understanding that the country lacks the vehicle dismantling and recycling infrastructure for end-of-life vehicles, the Company has collaborated with Toyota Tsusho Group and established a joint venture named Maruti Suzuki Toyotsu India Private Limited (MSTI) for vehicle dismantling and recycling facility in India. The MSTI facility is almost ready to be operationalised and will be inaugurated soon.

A view of MSTI facility

Water Stewardship

Contribution to SDG: 6 CLEAN WATER AND SANITATION

Material Topic: **Water use and recycling**

2,700 million litres of water recycled and reused

1,120 million litres of water saved through dry-wash technology for cleaning cars at the workshop

230 Recharge wells used to rejuvenate the groundwater table

Usage Optimisation Of Natural Resource

Contribution to SDG: 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

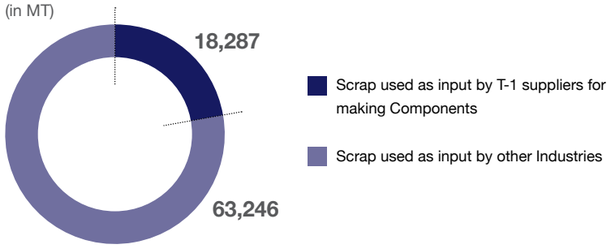
Material Topic: **Effective and efficient use of natural resources**

Through yield improvement projects, the Company as well as its suppliers reduced the consumption of steel by nearly 4,000 Metric tonnes.

100% of waste generated in steel is reused as inputs

Steel Scrap Used as Inputs

(in MT)



Social Performance

Collaboration With Business Partners

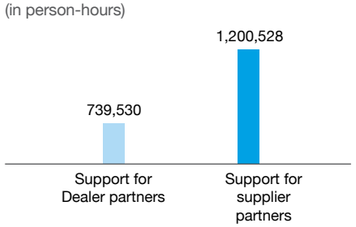
Contribution to SDG: 4, 8, 11, 17

Material Topic: **Occupational Health And Safety, Quality Improvement, People Development, Industrial Labour Relations, Business Continuity And Economic Performance**

Improving Overall Capability of Business Partners

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

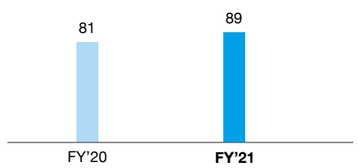
Support Provided by the Company in 2020-21
(in person-hours)



Occupational Health and Safety

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

Proportion of T-1 Suppliers Implemented OHSAS 18001/ISO 45001 (%)



Improving Safety at T-2 Supplier Plants

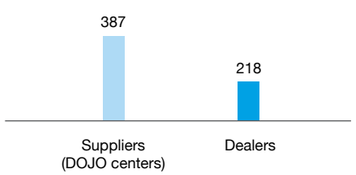
The Company accords utmost importance to the safety of its personnel. In order to improve the occupational safety in the plants of indirect supplier partners (Tier-2), the Company undertook a multi-stakeholder initiative programme along with T-1 suppliers and an NGO.

~340 T-2 supplier partners supplying sheet metal and moulded parts were audited to identify the gap areas and necessary countermeasures were implemented.

Workforce Training

To improve the capability of workforce of supplier and dealer partners, the Company facilitates in setting up dedicated training infrastructure.

Number of Training Centres
(Nos.)



Succession Planning

The Company has a dedicated capability development forum called 'Junoon' for grooming second-generation of dealer partners.

Creating a Talent Pool for Supplier and Dealer Partners

Understanding the need for skilled personnel in tool and die maintenance engineering, the Company undertook a multi-stakeholder initiative and started a new academic course in Tool and Die Engineering in Government Polytechnic Educational Society (GPES), Manesar. The supplier partners will immensely benefit from this arrangement.

The Company is working for development of youth in line with GOI's skill India campaign and supporting the dealer partners by creating a talent pool. The Company has recently collaborated with Sri Vishwakarma Skill University (SVSU) and GLS University, Ahmedabad to start a unique industry integrated skill-based programme by offering an exclusive BBA degree programme in Retail Management. The programme has been designed on 'Earn while Learn' models, in which the students will also receive stipends during their course of training.

Customer Centricity

Contribution to SDG: 8, 11

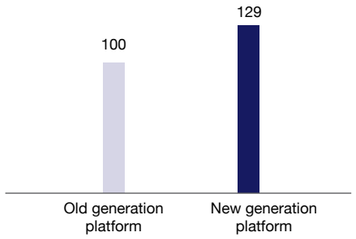
Material Topic: **Product Safety And Quality, Innovation And Digitalisation**

Safety of Vehicles

The Company enables extensive usage of ultra and advanced high tensile steel in the fifth generation HEARTECT platform, ensuring effective absorption and dispersion of impact force.

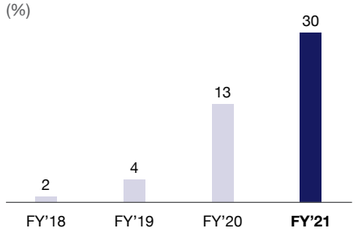
29%
Improvement in body rigidity of the platform used in New Wagon-R

Body Rigidity of New Wagon-R
(in %)



Digitalisation

Contribution of enquiries being received through digital medium in total enquiries
(%)



Employer of Choice

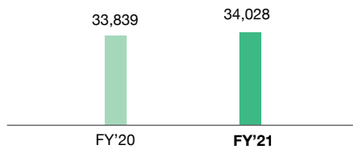
Contribution to SDG: 8, 11

Material Topic: **Product Safety And Quality, Innovation And Digitalisation**

Comprehensive Benefits

The Company provides industry-leading remuneration and benefits to employees.

Employee Benefit Expenses
(in ₹ million)

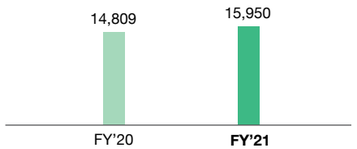


Safe Place to Work

ZERO Fatality

People Development

Employees Trained
(in Nos)



Health and Well-being

6,300
Employees and their families (spouses, children and dependant parents) availed the Company's non-occupational health scheme.

Social Security and Welfare Measures

The Company is the first in the industry to offer post-retirement medical benefit scheme to superannuated employees, including their spouses. The scheme has a total of 562 beneficiaries so far.

357
Employees booked flats through the Company's Housing Scheme in Dharuhera, Haryana

1,724
Employees benefitted by availing the Company's low-interest loan facility for buying houses

4,300
Employee children received rewards towards their achievement in academics and sports

Social Performance Contd.

Responsible Corporate Citizen

Contribution to SDG:

Material Topic:
Health Concern Caused By The COVID-19 Pandemic, Community Development, Skill Development And Road Safety

Response to COVID-19 Pandemic

At the request of Government of India, the Company along with its supplier partners took up the challenge of increasing the production of Masks, Protective gowns and ventilators in the shortest possible time. The Company also donated 280 ventilators to the government. Besides, more than 2 million face masks, over 10,000 medical protective clothing, 1,000 testing kits, and other medical supplies were donated to Haryana and Gujarat state governments. Dry ration kits and cooked meals were provided to the local communities affected by sudden disruption due to the pandemic. The Company realised the critical importance of rapidly installing Oxygen PSA plants, both to produce life-saving oxygen as well as reduce the immense logistical problems. It was found that these plants were being made by small scale units with very limited resources or ability to scale-up production. The Company located two companies in the NCR area, Airox Nigen Equipments Pvt Ltd and SAM Gas Projects Pvt Ltd. They were flooded with orders but had a capacity to manufacture only 5-8 plants a month. The Company decided to collaborate with its supplier partners to help scale-up Airox Nigen Equipments and SAM Gas projects to increase their production. By end of June 2021, the throughput of Airox Nigen Equipments was increased to 3 plants per day and of SAM Gas to 2 plant per day. The Company has also donated 14 PSA oxygen generator plants to various hospitals. Also, the Company together with the help of its parent, Suzuki Motor Corporation, donated 1,000 oxygen cylinders to various government hospitals.

Handing over of Oxygen cylinders
to Gurugram District Administration

Clvil Hospital,
Sector 10, Gurugram

ESIC Hospital,
Sector 9A, Gurugram

ESIC Hospital,
Sector 3, Manesar

1 & 0.5 Ton/day Capacity
Oxygen PSA Plants

1 Ton/day Capacity
Oxygen PSA Plants

1 Ton/day Capacity
Oxygen PSA Plants

Virtual Inauguration of Four Oxygen PSA generation plants by Honorable CM of Haryana Shri. Manohar Lal Khattar.

People in the photo:
Clock-wise from top Shri. Manohar Lal Khattar (Honourable CM of Haryana), Shri. R.C. Bhargava (Chariman, MSIL), Shri. Rahul Bharti (Executive Officer, Corporate Planning, MSIL), Shri. K. Ayukawa (MD&CEO, MSIL)

Availability of Potable Water

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

23,000 +
Household in 25 villages benefitted from the Company's water ATMs

Health Infrastructure

A multi-specialty hospital has been set up in Sitapur, Gujarat in partnership with Ramanbhai Foundation, the philanthropic arm of Zydus Hospitals, Ahmedabad. The construction of the hospital along with residential facilities is complete and the hospital has been made operational with 50 beds in April 2021.

School Infrastructure

Recently, the Company has set up a school in Sitapur, Gujarat in partnership with Podar Education Network with the objective of providing quality education to children of Hansalpur, Becharaji and nearby areas. The primary-wing of the school was made operational in April 2021.

Maruti Suzuki Podar Learn School,
in Sitapur, Gujarat

Multi-speciality Hospital,
in Sitapur, Gujarat

Improving Waste Management in Local Communities

Over 17,000 households benefit from the waste management programme implemented by the Company. The Company has installed organic waste convertors that transform waste to compost, 2 villages are benefitted through this scheme.

40,000 kg
Compost given to nurseries and other institutions

Improving Road Safety

The Company has installed the Traffic Management Systems in 13 junctions in Delhi to support the authorities in enforcing traffic rules and help promote safe driving behaviour. Additionally, the Company installed automated driving skill evaluation and licence issuing systems in 12 centres.

349,443
People trained on safe driving across 7 Institutes of Driving and Traffic Research (IDTR) and 21 Road Safety Knowledge Centers (RSKC)

Skill Development

The Company aligns with the Government of India's flagship "Skill India" mission to impart the relevant skill training to create livelihood opportunities for the youth. Over 18,000 youth were trained in 30 ITIs adopted by the Company and 83 Automobile Skill Enhancement centers across India.

The Japan-India Institute of Manufacturing (JIM) is a flagship and state-of-art training infrastructure imparting relevant training on the technical and behavioural skillsets as required by the industry. Two JIMs have been set up in Haryana and Gujarat and over 400 students have benefitted under this programme.

Digitalisation and Innovation

Maruti Suzuki Smart Finance

To further digitise the car buying process, the Company launched the Maruti Suzuki Smart Finance service and became India's first OEM to offer an online, end-to-end, real-time car finance service facility

Key Benefits to Customers

Convenience

- Option of choosing financiers
- Seamless digital journey
- Ease of use

Personalisation

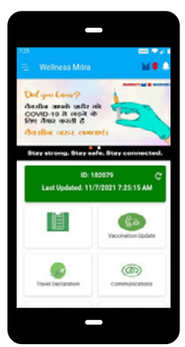
- Personalised Product and Services
- Better transparency on fees and charges

Wellness Mitra

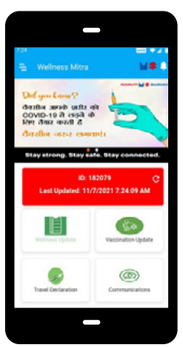
Our Health Monitoring Application
To effectively and efficiently manage the COVID-19 pandemic and to take measures to minimise the risk of infection spread as much as possible, health-related updates were declared by the entire workforce on a daily basis. Based the results of declaration, gate management was strengthened to proactively identify and prevent the entry of suspected people into the plant/office premises. The Company also used this application for the purposes of contact tracing.

A similar health application named 'Kushal Mangal' was developed by the Company and provided to Tier-1 supplier partners at free of cost towards their COVID-19 management.

Basis the results of declaration, a colour code is generated



GREEN STRIP
the person is allowed inside the Company premises



RED STRIP
the person is not allowed inside the Company premises

Digitalisation in Service Operations

Digitalised Job Card opening process through DIY technique
Technology driven solution for customers to create vehicle service Job Cards online.

Step 1
Customer gets Job card details via web link

Step 2
Capture the demanded repairs through text/voice recorded messages

Step 3
Job Card gets created digitally

Benefits:

Social Distancing | Customer Convenience | Time Saving

Maruti Suzuki Innovation Programme

Engaging startups for partnerships
The Company has been able to meaningfully engage with 17 startups under the MAIL programme in less than three years of the programme's launch. Recently, the Company has expanded its innovation programmes for startups named 'Incubation' and 'Mobility Challenge' to engage with start-ups at different levels of maturity.

MARUTI SUZUKI INNOVATION

MARUTI SUZUKI INCUBATION – Program for mobility startups

Started in 2020 in partnership with IIM-B. Incubation programme is targeted towards technology-based startups that are in ideation to proof-of-concept stage. The Company has so far screened 400 startups and has shortlisted 7 startups.

MARUTI SUZUKI MAIL – Mobility & Automobile Innovation Lab

Started in 2020 in partnership with GHV Accelerator. MAIL programme is targeted to accelerate the growth of technology-based start-ups that are at budding stage. The Company has so far screened 700 startups and engaged with 17 startups out of which 4 start-ups have been on-boarded as business partners.

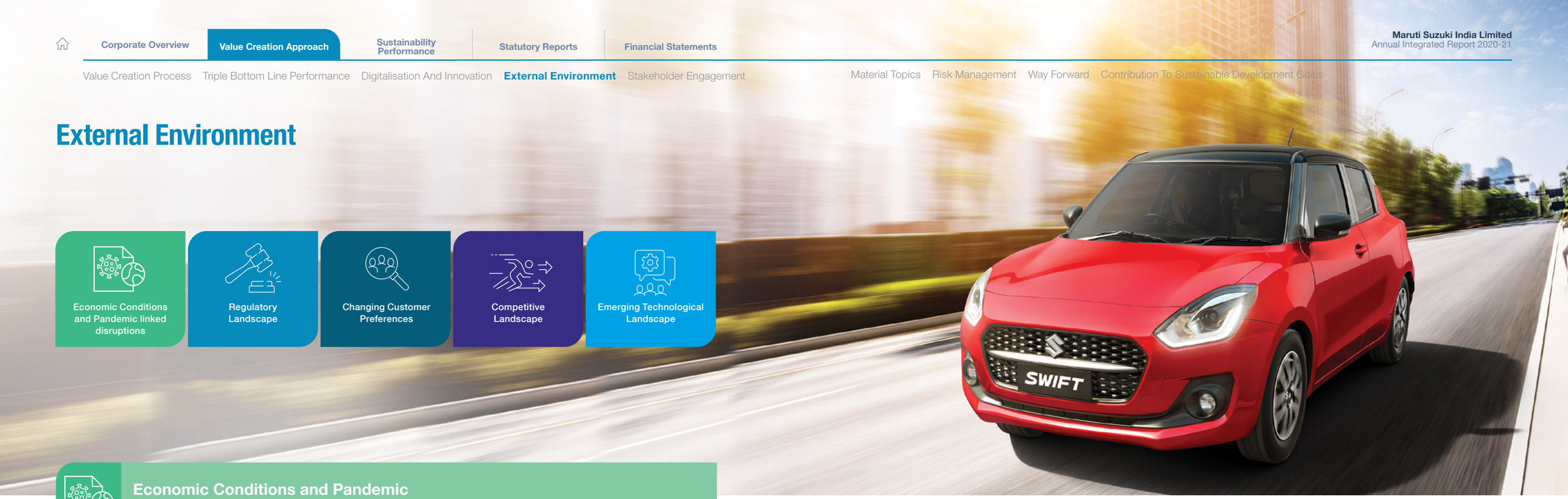
MARUTI SUZUKI MOBILITY CHALLENGE

Started in 2021 in partnership with T-Hub. Mobility Challenge programme is targeted towards technology-based mature or growth stage startups.

Start-ups onboarded as partners under MAIL programme.

enmovil | REZO.AI | SenseGiz | xone.ai Experience Redefined

External Environment



- Economic Conditions and Pandemic linked disruptions
- Regulatory Landscape
- Changing Customer Preferences
- Competitive Landscape
- Emerging Technological Landscape

Economic Conditions and Pandemic Linked Disruptions

The COVID-19 pandemic disrupted economic performance of the country. Consequently, the Indian economy witnessed one of the steepest contraction in several decades in FY 2020-21. The Government of India and Reserve Bank of India acted fast and took extraordinary measures to limit the damage inflicted by the pandemic. While the economic performance in the first half of FY 2020-21 was severely impacted, in the second half of the year the economy came out of contraction. In line with the economic performance in FY 2020-21, the Indian passenger vehicle market recovered in the second half. However, for FY 2020-21, the sales volume declined. In fact, this is the second successive year in which the Indian passenger vehicle market has witnessed a decline. Effectively, the overall market size of Indian passenger vehicle market in FY 2020-21 was similar to that of FY 2015-16.

At the start of FY 2021-22, the second wave of the pandemic spread thick and fast across the country, leading to imposition of lockdown restrictions in various states. These lockdowns are expected to slow down the pace of economic recovery. Additionally, the risk of the future wave can't be ruled out. As a result of lockdowns, the supply and sales for passenger vehicles might get affected. Additionally, the weaker economic prospects, due to the effect of the pandemic, might impact the Company's ability to create value in the short term.

Additionally, the unprecedented and unabated increase in the prices of commodities is resulting in increase in prices of cars, this eventually may affect the affordability of customers to own a car.

Coming to the supply-side constraints, global semi-conductor shortage is posing a risk in maintaining business continuity. However, with meticulous planning and close coordination with the supplier partners, the Company so far has been able to maintain continuity. Given the uncertain nature of this issue, the risk cannot be ruled out in the short term and might impact the Company's ability to create value.

Our Efforts

In order to manage the dynamic and extraordinary situation caused by the COVID-19 pandemic, the Company has taken several measures to ensure the health and well-being of all the people in the value chain, as well as measures to strengthen business continuity. The Company has implemented stringent engineering and administrative control measures that are over and above the government-stipulated guidelines to prevent the spread of COVID-19. The Company is using AI technologies for COVID-19 management. In addition, standard operating procedures were formulated and shared with business partners. The 'work from home' policy was implemented wherever possible and digitalisation of business processes is increasingly being done across the value chain to maintain business continuity. The Company has also forged tie-ups with several healthcare service providers to offer COVID-19 care to its employees. Also, vaccination camps are being organised for the employees, including the families. Besides, the Company is also facilitating its value chain partners and business associates in this regard.

To limit the cost impact due to the steep increase in cost because of surge in commodity prices, the Company is working on several cost optimisation measures.

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

Regulatory Landscape

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

Few key product regulations are given below

2022	2023	
Corporate Average Fuel Economy (CAFE) norms Phase 2	OBD II	April
April	In-use Performance Ratio	
	RDE compliance	

Our Efforts

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

Changing Customer Preferences

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

Led by the COVID-19 pandemic, customer behaviour and buying habits are changing. Now, digital transactions have become a new way of life for the customer. The initial trends suggest that the consumer interest is shifting towards personal transportation. Also, the customer preference for CNG technology vehicles is increasing significantly. The increase in CNG network over the last two years and the Government's commitment to further improve the CNG network across the country will lead to an increase in demand for CNG-run vehicles. Besides, the customers, preference towards SUV segment is seeing an increase.

Our Efforts

The Company has been successfully satisfying Indian customers by offering contemporary technologies such as auto-gear shift, stylish products such as Vitara Brezza and eco-friendly options such as factory-fitted CNG vehicles at the price point of customer choice. With the Company offering factory-fitted S-CNG technology in several products, the increase in the CNG network across the country will help it improve sales.

Market success of these technologies and products are a testament to the Company's strength that has been built over the years to keep pace with evolving customer preferences. With sustained support from SMC, the Company will continue to launch relevant products and technologies in future.

In order to monitor customer requirements in this digital era, the Company increased its efforts of social listening by investing in digital marketing. Especially during COVID-19, to ensure the safety of customers inside the showroom, the entire customer journey has been redesigned to ensure minimal physical touch points and maximise the use of digital interfaces, wherever possible, to ensure contactless operations. Recently, the Company introduced online smart financing scheme. The Company has become India's first OEM to offer an online, end-to-end, real-time car finance service facility. In the wake of COVID-19, the Company is extensively using its flagship 'Service on Wheels' programme to provide such services at the customer's doorstep. The Company will strengthen its pre-owned car channel and alternate mobility solutions to cater to the customers' needs. The Company is in a position to understand the requirements of existing and prospective customers. It will continue to pursue its channel strategy by expanding sales and service outlets to enhance customers' buying experience.

The Company is watchful of customers' preference towards UV segment. SMC, in its mid-term plan, has indicated to strengthen the Company's product portfolio in UV segment.

Competitive Landscape

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

Our Efforts

The Company is an important subsidiary for its parent, SMC. Therefore, SMC will want the Company to remain highly competitive and agile in manufacturing, technology and market response. In order to maintain the competitive position of the Company in future, access to new-age technologies is crucial. The Company's efforts in this direction are mentioned below in 'Emerging Technological Landscape'. The Company's experience of selling cars for over nearly four decades will greatly assist in making quick and informed decisions. The competitive advantage that the Company has created over this period will also aid in creating value in future.

Emerging Technological Landscape

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

Our Efforts

The business partnership between SMC and Toyota Motor Corporation, Japan, will immensely benefit the Company by gaining access to new-age technologies. (refer to Management Discussion & Analysis section: Electrification of Powertrain page 185.

Stakeholder Engagement

Our collaborative approach is a key contributor to our prominence in the Indian automobile industry. We regularly engage with internal and external stakeholder groups, which are identified based on the nature of its association with the Company and their influence on its value creation process.

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

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

Stakeholder Identification

Criteria	Its relevance
Dependence	Stakeholders who are dependent on the Company's activities, products or services and on whom the Company is dependent for its operations
Responsibility	Stakeholders towards whom the Company has legal, commercial and moral responsibilities
Influence	Stakeholders who can impact the Company's decision-making ability

Stakeholder Engagement Channels

Stakeholder Group	Engagement Activity	Engagement Frequency
Employees	Managing Director's communication meeting with mid-level managers and above on business performance, developments in external environment and business priorities	Quarterly
	Divisional communication meetings on business performance and developments	Monthly
	Managing Director's meeting with union representatives	Monthly
	Plant and functional heads' interactions with workers	Monthly
	'Coffee with HR' to engage employees on HR policies and initiatives	Bimonthly
	Employee engagement survey	Annual
	Young Managers' Forum	Quarterly
	Suggestion schemes, quality circles and safety circles	Ongoing
	'Family Connect' activities (family meets, factory visits, sports events, children and parental counselling)	Ongoing
	'Safety Month – a month-long engagement activity, including the families of employees, to sensitise, educate and share best practices related to occupational safety	Annual
	'Environment Month' – a month-long engagement activity to sensitise, educate and reinforce 'Reduce, Reuse, Recycle' (3R) practices	Annual
	'National Road Safety month' – a month-long engagement activity to sensitise, educate and reinforce responsible driving behaviour and defensive driving	Annual
	'Compliance month' – a month-long engagement activity to sensitise, educate and reinforce the belief that 'Compliance is an integral part of working at Maruti Suzuki'	Annual
	Stay and exit interviews	Ongoing

Stakeholder Engagement Channels

Stakeholder Group	Engagement Activity	Engagement Frequency
Customers	Gauging customers' perception on products and brands through customer clinics and research	Ongoing
	Social media listening and engagement	Ongoing
	Initial quality survey to understand the customers' perception on product quality	Ongoing
	Customer meets and surveys to gauge customers' satisfaction levels	Ongoing
	Mega service camps to understand and resolve customers' concerns	Ongoing
	Customer care cell for 24 x 7 customer support	Ongoing
Shareholders	Annual General Meeting	Annual
	Press releases and emails	Ongoing
	Investor interactions	Ongoing
Suppliers	Maruti Suzuki Suppliers' Welfare Association (MSSWA), a forum for suppliers' interaction with the Company's top management	Ongoing
	Quality month to enhance quality consciousness among suppliers	Annual
	Quality communication meet	Ongoing
	Value Analysis & Value Engineering (VA-VE) programme to achieve cost competitiveness by collaborating with suppliers	Ongoing
	Vendor conference strategy meet at the start of the year with Company's top management	Annual
	'Comprehensive Excellence Programme' to upgrade suppliers' capability	Ongoing
	Vendor HR Meet to sensitise suppliers' CEOs on HR topics	Ongoing
	'Compliance month' – a month-long engagement activity to sensitise, educate and reinforce the belief that 'Compliance is an integral part of doing business with Maruti Suzuki'	Annual
Dealers	Dealer conference – strategy meet at the start of the year with Company's top management	Annual
	'Lakshya' - Dealer forum to understand the operational issues	Half yearly
	Mid-year zonal-dealer conference	Annual
	Guidance on business and financial matters	Ongoing
	'Nexa and Arena Expressions' - Dealer suggestion scheme programme	Ongoing
Local Community	Consultation with local residents around manufacturing locations on community development needs	Ongoing
Government and Regulatory Authorities	Participation in committees set up by Society of Indian Automobile Manufacturers, the government and the trade associations on policy and regulations	Ongoing

(Note: Some of the above mentioned engagement activities have been temporarily put on hold because of pandemic)

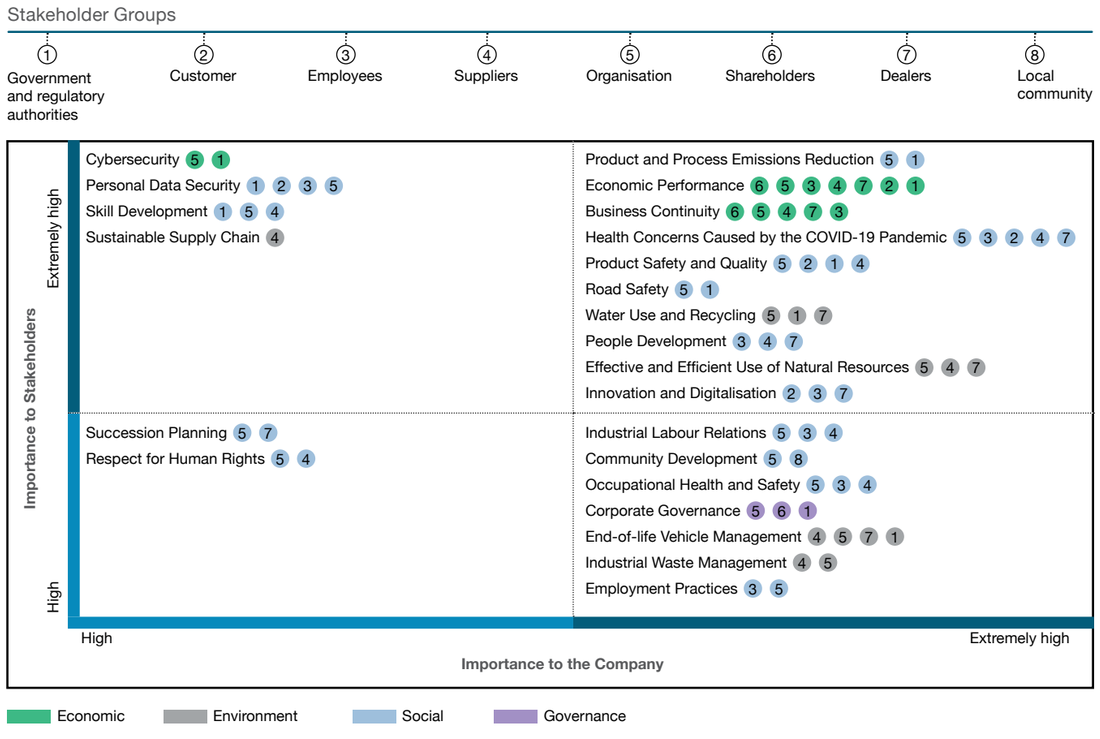
Important Stakeholder Queries and Expectations Identified during Engagement

Stakeholder	Identified Stakeholder Needs	Company's Response to Stakeholders Expectations
Employees	Health and well-being	Page no 43
	Capability development	Page no 102
	Career development and progression	Page no 181
	Remote working/work from home	Page no 175
	Succession planning	Page no 61
	Digitalisation of business processes/virtual trainings	Page no 98, 102
	Social security measures	Page no 43
	Housing scheme and welfare measures	Page no 43, 181
Customers	Superior products and technology at attractive prices	Page no 35
	More digitalisation for convenient and hassle-free sales and service processes	Page no 46, 47
	Easy vehicle financing options	Page no 176
	Expansion of CNG fuel outlets across country	Page no 184
Shareholders	Choice of future powertrain strategy of the Company	Page no 182
	Sudden and steep increase in prices of commodities impacting the financial performance	Page no 49
	Plan to use the excess cash on the books of the Company	Page no 26
	Strengthening the Company's product offering in UV segment	Page no 51
Suppliers	Maintaining Business continuity	Page no 60, 90
	Revising the Standard Operating Procedures of various business operations in the wake of COVID-19 pandemic	Page no 185
	Improving the capability of supply chain in the areas of safety quality management, managing industrial labour relations, etc.	Page no 91, 92, 93
	Skill development for employees of supplier partners	Page no 42, 103
Dealers	Revising Standard Operating Procedures of sales and service operations in the wake of the COVID-19 pandemic	Page no 175
	Managing cash flow during lockdowns	Page no 26
	Digitalisation of sales and service business processes	Page no 46, 47
	Skill development of dealer sales and service executives	Page no 17, 42
	Grooming 2nd generation of dealer partners	Page no 42
Local Community	Improve the health and sanitation facilities	Page no 111, 112
	Potable water facility	Page no 112
	Improve school infrastructure	Page no 112
Government and Regulatory Authorities	Regulations for reducing the CO_2 emissions of the fleet - CAFE	Page no 78, 79
	Support in fight against COVID-19 pandemic	Page no 44, 110
	Regulations to improve vehicle safety	Page no 79
	Improve cyber security	Page no 61
	Improve road safety – To prevent any fatalities in road accidents	Page no 114
	Make in India – increase the local value add and generate more local jobs	Page no 36
	Skill India – imparting skills to make the youth employable	Page no 113
	Start-up India – Encourage entrepreneurship	Page no 47
	Water conservation	Page no 41, 106, 108

Material Topics

The Company has, through stakeholder engagement activities and from the changes in the external operating environment, identified the topics that are material to its business and stakeholders. During the reporting period, the list of material topics presented in the Annual Integrated Report 2019-20 was revalidated through internal stakeholder consultations, which took into account the views and opinions expressed by both internal and external stakeholders.

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



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

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

Material Topics	Relevance to the Company	Boundary	Associated Capitals	Alignment with SDGs	Location in this Report
Business Continuity	• Mitigating risk of disruption in the value chain	MSIL, Suppliers, Dealers			Sustainable Supply Chain, Page 90 Risk Management, Page 60 Management Discussion & Analysis, Page 175,177
Product and Process Emissions Reduction	• Optimising energy use across the value chain and reducing emissions from the products • Complying with rapidly evolving regulatory landscape	MSIL, Suppliers, Dealers		7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action	Powertrain Strategy of the Company, Page 182 CAFE Performance, Page 79 Energy and Emissions Management, Page 104 Environment Performance, Page 40
Product Safety and Quality	• Ensuring strong focus on designing and manufacturing safe vehicles • Complying with evolving regulations on vehicle safety • Institutionalising a 'zero defect' philosophy across the value chain, in the face of increasing scale and complexity of business, to build reliable and safer vehicles	MSIL, Suppliers, Dealers		9 Industry Innovation and Infrastructure 11 Sustainable Cities and Communities	Vehicle Safety, Page 79 Product Quality, Page 84 Sustainable Supply Chain, Page 90
Economic Performance	• Creating economic value in the short, medium and long term for all stakeholders	MSIL, Suppliers, Dealers		8 Decent Work and Economic Growth	Management Discussion & Analysis, Page 175 Economic Performance, Page 38
Health Concerns caused by the COVID-19 pandemic	• Minimising the risk of COVID-19 infection for human capital in the value chain	MSIL, Suppliers, Dealers		3 Good Health and Well-Being	Risk Management, Page 60
People Development	• Augmenting the competence and skills of employees • Developing an industry-ready workforce and minimising the skill gap	MSIL, Suppliers, Dealers		5 Gender Equality 4 Quality Education 8 Decent Work and Economic Growth	People Practices, Page 94 Social Performance, Page 42 Capability Development, Page 181
Effective and Efficient Use of Natural Resources	• Improving 3R practices in manufacturing activities as well as packaging across the value chain • Optimising the consumption of raw material • Eliminating the use of non-biodegradable products in packaging	MSIL, Suppliers		12 Responsible Consumption and Production	Environment Performance, Page 40, 41 Conservation of Natural Resources and Environment Protection, Page 179
Water Use and Recycling	• Embracing water stewardship across the value chain to prevent its degradation and to meet resource requirements in the face of increasing water stress	MSIL		6 Clean Water and Sanitation	Environment Performance, page 41 Water and Wastewater Management, Page 106
Road Safety	• Contributing to the social issue relevant to the automobile sector	MSIL		3 Good Health and Well-Being 11 Sustainable Cities and Communities	Road Safety, page 114 Education to Vehicle Carrier Driver Partners, Page 188 Safety Campaigns, Page 96
Corporate Governance	• Promoting shareholder trust • Ensuring highest standards of business ethics transparency and accountability	MSIL		8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions	Governance Mechanism, Page 70
Cybersecurity	• Ensuring security of the Company's confidential information for business continuity	MSIL			Risk Management, Page 61

Material Topics	Relevance to the Company	Boundary	Associated Capitals	Alignment with SDGs	Location in this Report
Personal Data Privacy	• Protecting personal information of employees, customers and other stakeholders	MSIL			Risk Management, Page 61
Innovation and Digitalisation	• Co-creating technological and process innovations with start-ups • Increasing the use of digital technologies and digitalisation of processes in line with evolving customer needs	MSIL, Dealers		9 Industry, Innovation and Infrastructure 8 Decent Work and Economic Growth	Value Creation Process, Page 35 Digitalisation and Innovation, Page 46,47 Management Discussion & Analysis, Page 175, 177,178
Occupational Health and Safety	• Promoting safety culture, employee well-being and workplace ergonomics across the value chain • Institutionalising a 'zero accident' philosophy across the value chain	MSIL, Suppliers, Dealers		8 Decent Work and Economic Growth	Occupational Health and Safety Management System, Page 94 Social Performance, Page 42
Industrial Labour Relations	• Striving to achieve a happy, harmonious and safe work culture to ensure operational continuity	MSIL, Suppliers		3 Good Health and Well-Being 8 Decent Work and Economic Growth 11 Sustainable Cities and Communities	Industrial relations, Page 100, 181
Employment Practices	• Striving to become employer of choice	MSIL		3 Good Health and Well-Being 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities	People Practices, Page 94 Social Performance, Page 43
Community Development	• Maintaining social licence to operate • Contributing to national developmental priorities	MSIL		3 Good Health and Well-Being 4 Quality Education 6 Clean Water and Sanitation	Community Development, Page 111 Response to COVID-19 Pandemic, Page 110
Skill Development	• Making youth employable by imparting skillsets required within the industry • Partnering with the Government in its 'Skill India' mission	MSIL		4 Quality Education	Skill Development, Page 113
Sustainable Supply Chain	• Mitigating operational and reputational risks from suppliers' non-compliance • Minimising the environmental and social footprint of products	MSIL, Suppliers		8 Decent Work and Economic Growth 12 Responsible Consumption and Production	Sustainable Supply Chain, Page 90
End-of-life Vehicle Management	• Continuing best practices on end-of-life vehicle management to contribute towards circular economy	MSIL, Suppliers		12 Responsible Consumption and Production	End-of-life Vehicle Management, Page 83
Industrial Waste Management	• Ensuring responsible management and disposal of hazardous wastes • Ensuring optimum resource recovery from wastes by improving 3R practices and promoting industry symbiosis	MSIL		12 Responsible Consumption and Production	Waste Management, Page 107
Respect for Human Rights	• Continuing socially responsible business practices across the value chain • Mitigating risk of business disruptions	MSIL, Suppliers, Dealers		8 Decent Work and Economic Growth	Respecting Human Rights, Page 73
Succession Planning	• Grooming employees and creating a talent pool	MSIL			Risk Management, Page 61

Risk Management

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

Management of COVID-19 Related Risks to Ensure Safety of Human Health and Continuity of Operations

Mitigation Measures

- Established top-level steering committee to drive systems and processes, to prevent the spread of infection
- The Company collaborated with its stakeholders and jointly prepared detailed Standard Operating Procedures (SOPs) catering to specific needs of the value chain members
- Implemented stringent engineering and administrative control measures, which were over and above government stipulated guidelines to prevent the spread of infection
- Continuous education of the workforce to observe high degree of self-discipline and safety precautions to minimise the risk of infection spread
- Organising COVID-19 vaccination camps for the employees, including their families.
- Forging tie-ups with several healthcare service providers to offer COVID-19 care for employees

Related Material Topic

Health Concerns Caused by COVID-19 Pandemic | Occupational Health and Safety | Innovation and Digitalisation | Business Continuity

Risk of Supply Disruption due to Natural and Manmade Disasters (Pandemic, Fire, Flood, etc)

Mitigation Measures

- Alternate suppliers
- Enhanced focus on localisation
- Temporary increase in the inventory of components
- Use of advance technologies for prevention and quick suppression of fire
- Topography study to identify and improve the areas prone to flooding.

Related Material Topic

Sustainable Supply Chain | Business Continuity | Occupational Health and Safety | Industrial Labour Relations | Product Safety and Quality | Water Use and Recycling

Safeguarding Personal Data

Mitigation Measures

- Policies, governance structure and technological solutions to safeguard the personal data of various stakeholders

Related Material Topic

Personal data security

Guarding Confidential Information and IT Systems

Mitigation Measures

- Establishment of Security Operations Centre (SOC) to detect IT security incidents
- Implementation of sandboxing technology to ensure proactive malware detection and containment
- Periodic vulnerability assessment and penetration testing
- Regular user awareness programmes to sensitise users on phishing attacks

Related Material Topic

Cyber Security

Strengthening the Capacity and Capability for Future Product Development

Mitigation Measures

- Skilling the employees on new and advanced technologies
- Measures to motivate and retain the talent

Related Material Topic

People Development | Employment Practices

Succession Planning

Mitigation Measures

- Grooming employees and creating a talent pool

Related Material Topic

Succession Planning | People Development | Employment Practices

Way Forward

The following are the few measures taken by the Company to strengthen its position in the market for sustainable value creation.

Strategic Focus Pillars	Key Measures	Material Topics
Business Development	Extending product portfolio by bringing in aspirational, environment-friendly and safer products with support from Suzuki Motor Corporation	• Economic Performance • Product and Process • Emissions Reduction • Product Safety and Quality • Innovation and Digitalisation
	Enhancing the focus on digital marketing and targeted marketing techniques	
	Expansion of warehouses and part distribution centres for quick availability of cars and aftermarket parts	
	Network expansion – going to the customer and tapping new market opportunities	
	Scaling up pre-owned car business	
	Contributing to the Government of India's flagship 'Make in India' initiative: Increasing exports	
	Partnering with start-ups to co-create technological solutions to improve customer convenience	
Technology	Powertrain strategy: Appropriate mix of low-carbon internal combustion engines, and CNG, hybrid and electric vehicles to meet the objective of reducing emissions (carbon footprint and mass vehicular emissions), oil consumption and imports of the country	• Product and Process Emissions Reduction • Product Safety and Quality • Innovation and Digitalisation
	Managing regulatory compliances with support from SMC	
	Introducing new-age technologies with the support from SMC	
	Pursuing Industry 4.0 to continuously improve the quality of products	
	Use of data analytics for effective and efficient decision-making	
Cost Competitiveness	Continued focus on cost optimisation programmes like localisation, value analysis and value engineering, among others	• Economic Performance • Sustainable Supply Chain • Innovation and Digitalisation
	Establishing supplier ecosystem in Gujarat near SMG	
	Continue to focus on flagship employee suggestion scheme 'Sujhav Sangrehika' to optimise cost and improve resource efficiency	
	Partnering with start-ups to co-create technological solutions that improve productivity and increase operational efficiency of business processes	
Capability Building	Capability enhancement for designing, developing and testing of new models	• People Development • Skill Development • Innovation and Digitalisation
	People development – Capability building and career progression	
	Capability building of suppliers and dealers workforce	
	Increasing the use of digital training platforms across the value chain	
	Creating a talent pool to meet increasing scale of business	
	Developing an industry-ready workforce and minimising the skill gap	
Sustainable Practices (ESG Measures)	Adopting measures for energy conservation and emissions reduction: Increasing the use of solar power for manufacturing vehicles	• Product and Process Emissions Reduction • Effective and Efficient Use of Natural Resources • End-of-life Vehicle Management • Industrial Waste Management • Water Use and Recycling • Employment Practices • Occupational Health and Safety • Road Safety • Corporate Governance • Community Development • Industrial Labour Relations • Respecting Human Rights
	Design for recyclability and recoverability	
	Monitoring and controlling the usage of Substances of Concern (SoC) through the IMDS	
	Setting up of vehicle scrappage centres for managing end-of-life vehicles	
	Promoting the 3R principle and waste management techniques across the value chain for effective and efficient use of natural resources	
	Increasing the use of eco-friendly modes of vehicle dispatch: Railway logistics	
	Increasing water recycling and water conservation measures across the value chain	
	Green supply chain	
	Measures to continuously improve occupational and non-occupational health and safety	
	Social security measures and welfare schemes for employees	
	Maintaining cordial industrial labour relations	
	Road safety initiatives	
	Pursuing community development measures in the areas of water, health and hygiene, education, etc.	
	Contributing to the Government of India's ''Skill India' mission, to impart relevant skills training to enable youths in seeking gainful employment.	
	Strengthening internal control measures in the light of increasing complexity due to rising scale of business	
	Strong focus on business conduct and ethics	
Risk Management	Business continuity	• Business Continuity • Cybersecurity • Personal Data Security • Health Concerns Caused by the COVID-19 Pandemic
	Comprehensive Excellence programme for suppliers in areas of safety, quality, HR, financial health, compliance, etc.	
	Talent acquisition and retention measures	
	Succession planning	
	Managing risks related to COVID-19 pandemic	
	Managing risks related to cybersecurity and data security	

Contribution to Sustainable Development Goals

Goal 3

Ensure healthy lives and promote well-being for all at all ages

Initiatives to improve road safety

Road safety education

- **Imparting quality driving training and education**
  Over 349,000 people were trained across 7 Institutes of Driving and Traffic Research and 21 Road Safety Knowledge Centres in association with 5 State Governments. Over 3.7 million people have been trained over 20 years.

Please refer to **Page 114** for more details.

- **Education to employees on safe and defensive driving as a part of 'National Road Safety' month**
  The Company educated employees including their families on safe and defensive driving to ensure safety while driving.

Traffic Safety Management System (TSMS)

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

Please refer to **Page 115** for more details.

Automated Driving Test Track (ADTT)

In partnership with the Transport Departments of Delhi, Uttarakhand and Bihar, the Company has till now set up 12 automated ADTTs, of which 10 are located in Delhi, one each in Dehradun in Uttarakhand and in Aurangabad in Bihar. It uses computer vision systems and AI-based technology to issue driving licences in a transparent and efficient manner. Over 200,000 candidates have taken their tests in these centres so far.

Recently, the Company in collaboration with Microsoft Research India has developed a smart phone based technology for evaluating applicants seeking driving license. The technology - HAMS (Harnessing Automobile for Safety) – has been deployed at 2 ADTTs, Dehradun and Aurangabad, in association with the Transport Department of respective Governments.

Please refer to **Page 115** for more details.

Initiatives for health and well-being

For the community

- The Company in partnership with the philanthropic arm of Zydus Group of hospital, Ahmadabad has set up a 50-bedded multi-specialty hospital in Sitapur, Gujarat as a part of its CSR programme.
- The Company supports in improving the infrastructure of 5 Primary Health Centers benefiting 7 villages located in Haryana and Gujarat. Nearly 48,000 people living in 7 villages have access to these medical facilities.

For employees

- The Company takes care of its employees' health even after their superannuation through flagship post-retirement medical benefit scheme. The Company is the first in the industry to provide such a healthcare scheme. This social security measure also covers the spouse of the employee. Over 560 employees including their spouses have benefitted from this scheme.
- The medicare benefit scheme provided to employees during their employment covers, spouses, dependant children and parents of employees. ~6,000 employees and their families were benefitted from the medicare scheme in 2020-21. The Company is also supporting the employees, including their families towards vaccination from the pandemic.

Response to COVID-19 pandemic

- The Company with the support of its supplier partners has extended support to the Government and assisted in increasing the production of ventilators, face masks, other protective clothing and PSA oxygen generator plants.
- Under CSR, the Company donated 280 ventilators, more than 2 million face masks, over 10,000 medical protective clothing, 1,000 testing kits and other medical supplies to Haryana and Gujarat state governments. Dry ration kits and cooked meals were provided to the local communities affected by sudden disruption due to the pandemic. Besides, the Company has also donated 14 PSA oxygen generator plants to various hospitals in the country.

Please refer to **Page 44, 110** for more details.

Goal 4

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

Supporting improvements in primary education, as part of CSR

- The Company supports 58 Government-run schools across 23 villages in Haryana and Gujarat through infrastructure upgradations. In addition, the Company employs 62 supplementary teachers and provides other teaching aids.
- The Company has setup a school in Sitapur, Gujarat, in partnership with Podar Education Network. Its primary wing has been made operational from April 2021.

Please refer to **Page 112** for more details.

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

- The Company supports 113 Industrial Training Institutes (ITIs) across the country to impart vocational training.
- The Company adopted 30 ITIs across various states and over 15,000 students were trained in 2020-21.
- The Company established Automotive Skill Enhancement Centres in 83 ITIs across 26 states and over 3,200 students were trained in 2020-21.
- The Company also started two Japan-India Institutes for Manufacturing (JIM), one in Gujarat and the other in Haryana. This is the result of collaboration between the Governments of Japan and India to create a pool of skilled workforce for the Indian manufacturing industry.

Please refer to Page 113, 114 for more details.

Goal 5

Achieve gender equality and empower all women and girls

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

Please refer to **Page 97** for more details.

Goal 6

Ensure availability and sustainable management of water and sanitation for all

Water stewardship initiatives

- The Company's manufacturing facilities employ zero liquid discharge techniques, to maximise water recycling and reduce the uptake of freshwater in its manufacturing processes.
- Reducing dependence on groundwater and adopting measures to harvest rainwater:
  - Recharging the water table with 230 recharge wells across manufacturing facilities in Haryana and Gujarat.
- Use of dry-wash technology to clean cars at the workshops saved 1,120 million litres of water.
- The Company promotes usage of Effluent Treatment Plants among direct and indirect suppliers to increase water reuse.

Making potable water available in local communities

The Company has set up 28 water ATMs across 25 villages at an affordable price, as part of CSR. Over 23,000 household within the local communities are benefitting through this initiative.

Please refer to **Page 112** for more details.

Improving hygiene and sanitation in local communities

- Across 24 villages, 4,455 individual toilets were constructed and 58 km of sewer lines were laid.
- Managing door-to-door household waste collection in 16 villages.
- A mechanised solid waste management facility was set up in Manesar to convert organic waste, collected from two villages to compost, thus reducing solid waste that goes to the landfill.

Please refer to **Page 112** for more details.

Goal 7

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

- The Company is increasing the use of solar energy in manufacturing of vehicles. The installed capacity of solar power increased to 10.4 MWp in 2020-21 from 0.3 MWp in 2017-18.

Please refer to **Page 104** for more details.

- Promoting the use of solar power in the supply chain:
  - Over 120 Tier-1 suppliers of the Company use solar power, with a combined installed capacity of ~58 MWp. With this, 96,000 MT of CO_2 emissions are being avoided in a year.

Goal 8

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

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

- Implementing fair employment practices as part of Code of Business Conduct and Ethics policy.
- Ensuring fair and equitable remuneration practices with best employee compensation scheme and welfare measures in the industry.
- Respect for the right to form unions and the right to freedom of association and collective bargaining upheld through cordial industrial relations and a regular two-way dialogue between unions and the management.
- With Focus on zero incidents, no fatality was recorded in last three years.
- Robust Occupational Health and Safety Management Systems implemented in conjunction with a multi-tiered safety governance system.
- The Company promotes robust Occupational Health and Safety Management Systems among Tier-1 suppliers. As on 31st March, 2021, 89% of Tier-1 suppliers have implemented OHSAS 18001 system at their manufacturing facilities.
- The Company not only takes measures to respect human rights at the workplace, but also promotes fair employment practices among Suppliers. According to the Company's Basic Purchase Agreement with suppliers, it is mandatory for suppliers to abide by the below rules and regulations:
  - No child labor should be employed / hired by the Supplier for carrying out its operations.
  - Supplier shall form and implement a suitable policy to prevent the instances of sexual harassment at work place.
  - Supplier shall ensure a safe and secure work environment in all its workshops, showrooms and office premises to prevent any loss to employees.

Please refer to **Page 94** for more details.

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

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

- The Company, in association with National Council of Vocational Training under the Ministry of Skill Development and Entrepreneurship, offers a scheme named 'Learn and Earn', specially designed to provide on-the-job training and stipends to students during their 24-month training period. In order to increase the uptake for this programme, the student trainees are deployed at the manufacturing plants of supplier partners. On successful completion of the 24-month training period, a vocational training certificate is provided by the Government, which can be used by the student trainees to secure gainful employment. In 2020-21, ~1,580 student trainees benefitted, and since inception of this scheme, ~8,480 students have benefitted.

Goal 9

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

Passenger car manufacturing has a long supply chain there by creating significant employment opportunities across the supply chain. The Company has played a key role in setting up automobile manufacturing ecosystem in the country. With a high level of localisation, the Company continues to contribute to the growth of manufacturing sector of the economy.

The Company has a Robust R&D infrastructure with state-of-the-art testing facility situated in Rohtak.

The Company continues to work in generating Intellectual Property. In FY 2020-21, 110 patents were filed and 31 were granted.

The Company aligns with the Government of India's 'Start-up India' and 'Digital India' initiatives to promote entrepreneurship in the country. The Company started a Mobility and Automobile Innovation Lab (MAIL) to promote innovation within the automotive and mobility space. Under this corporate accelerator programme, start-ups and the Company collaborate to co-create technological solutions that improve customer convenience, efficiency of business processes among others. Out of 700 start-ups screened, so far, 17 start-ups were engaged, of which 4 start-ups were on-boarded as a supplier partner with the Company.

Goal 10

Reduce inequality within and among countries

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

Please refer **Page 99** for more details.

Goal 11

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

Housing scheme for employees

Since 1989 the Company has been supporting employees in owning a house. Recently, the Company launched a housing project in Dharuhera. This housing scheme is also aligned with Government of India's affordable housing project, Pradhan Mantri Awas Yojana. The project was facilitated by the Company, so far 357 employees benefitted from the project.

Home loan interest subsidy for employees buying affordable homes

In another employee-friendly initiative, the Company extends home loans at a subsidised rate of interest to employees for buying affordable homes. Over 1,700 employees have benefitted from this scheme.

Safe, affordable, accessible and sustainable transport systems

With technological support from Suzuki Motor Corporation (SMC), the Company manufactures eco-friendly, innovative, safe and affordable products and technologies.

Please refer to **Page 76** for more details.

Goal 12

Ensure sustainable consumption and production patterns

Optimising the use of finite resources by promoting 3R practices

- ~4,000 MT of steel was saved in FY 2020-21 through yield improvement activities undertaken at the Company and across its suppliers' manufacturing facilities. A dedicated expert team was put in place by the Company to help improve the capability of suppliers to optimise the use of raw material.
- Suppliers and other recycling agents are reusing ~81,500 MT of steel scrap and ~4,700 MT of aluminium scrap generated by the Company.
- Promoting industry symbiosis by recycling the sand used in manufacturing as an input for brick manufacturing.
- Reduced dependence on fossil fuels for captive power generation by progressively increasing the use of solar power.
- Design for recyclability and recoverability in the products by progressively implementing the process of voluntarily meeting the European Union's End-of-Life Vehicle (EU-ELV) directive norms on recoverability and recyclability for all domestic models by 2022. The Company, along with Toyota Tsusho Group, is setting up one-of-its-kind vehicle dismantling and recycling joint venture in India, Maruti Suzuki Toyotsu India Private Limited (MSTI).

Please refer to **Page 83** for more details.

Promoting environment-friendly measures

- ~91% of Tier-1 suppliers implemented ISO 14001 Environmental Management systems and voluntarily controls the usage of Substances of Concern (SoC) in products sold in India as per the EU-ELV directive.

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

Please refer to **Page 107** for more details.

Goal 13

Take urgent action to combat climate change and its impacts

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

Please refer to **Page 79** for more details.

In order to reduce carbon emissions during the dispatch of finished vehicles to dealerships across the country, the Company is increasingly using rail transport to dispatch vehicles, consequently avoiding 3,800 MT of CO_2 release.

Sustainability Performance

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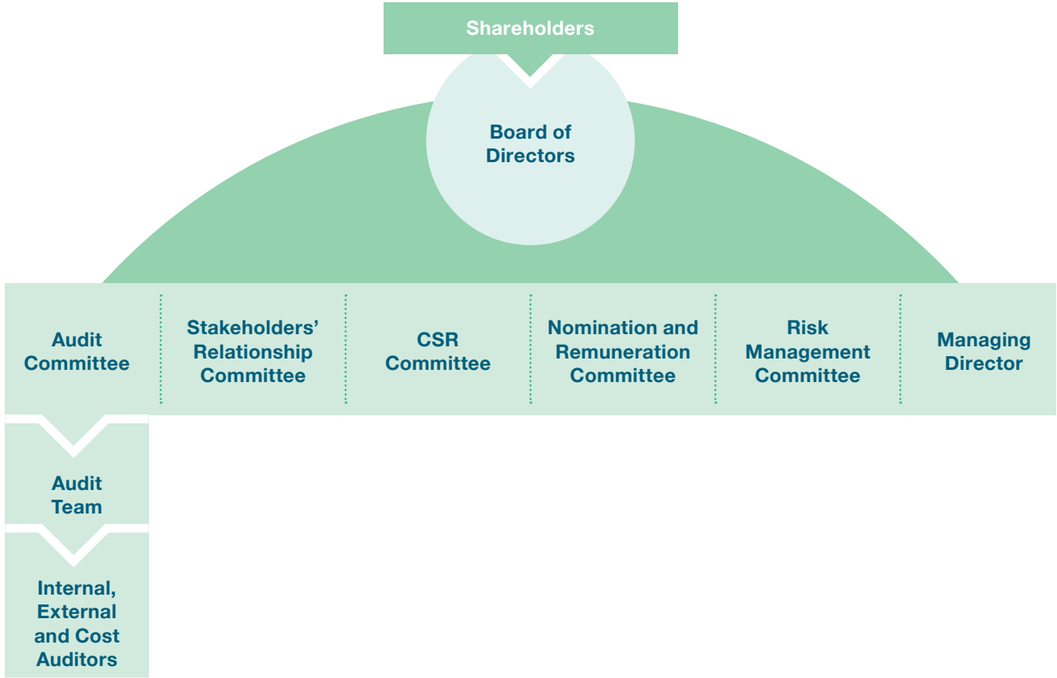
Governance Mechanism

SDGs

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

Structure of the Board and its Committees

The election, composition and functioning of the Board of Directors are governed by the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board, along with its committees, carries out responsibilities towards all stakeholders by ensuring transparency, fair play and independence in decision-making. It comprises 12 members, including the Chairman as a Non-Executive and Non-Independent Director and the Managing Director (MD) as an Executive Director. As on 31st March 2021, the average tenure of the Board members was around 7.25 years. Further details on the Board and its committees are given on page 154 of the Corporate Governance Report.



Board composition

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

Board Diversity

The Nomination and Remuneration Policy of the Company provides a framework for ensuring diversity of the Board members based on factors, such as gender, age, qualifications, nationality, professional experience, recognition, skills and ability to add value to the business. As on 31st March 2021, there was one independent female Director on the Board. The Board members possess requisite qualifications, experience, expertise and attributes commensurate with their positions, which are described in page 162 of the Corporate Governance Report.

Board Independence and Effectiveness

One-third of the Board of Directors are independent, and the Company has received declarations of independence from all the Independent Directors. Further details on Board independence are given in page 127 of the Board's Report.

The Board of Directors ensures that the Company protects the rights and interests of its shareholders and creates maximum value for its stakeholders. The Board, in compliance with the applicable regulations, undertakes annual evaluation of its own performance, individual Directors and the committees. Further details on Board performance evaluation are given in page 128 of the Board's Report.

Five Board meetings were held during the reporting year and the average attendance of directors was 100%.

Key Codes and Policies

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

Compliance Management

To ensure compliance with increasing regulatory requirements and enforcement, the Company has established systems and controls to continually ensure zero non-compliance with the law. A compliance certificate is submitted to the Board on a quarterly basis. During the reporting period, over 3,500 applicable compliances were monitored through an electronic system and 78 compliance health checks were done covering all facilities. The tracking mechanism was enhanced to manage compliances more efficiently and productively. There was no significant non-compliance with applicable laws and regulations during the year.

The Company observes an annual 'Compliance Month' reinforcing its commitment to doing business with compliance and integrity. Over the years, the Company has continued to enhance its compliance programme - from meeting statutory obligations to now being determined to excel through compliance and leveraging it as a competitive advantage for the business. In FY 2020-21, Compliance Month was organised virtually on the theme 'Being Compliant in the New Normal'. The event comprised panel discussions, training programmes and external speaker series covering topics such as increased relevance of privacy and cyber security, changing face of enterprise risk, compliance, corporate governance and learnings from the pandemic. As a first, the Company's Board members participated in the event along with senior leadership and shared their valuable thoughts on managing enterprise risk and compliance, especially in the face of the unprecedented pandemic situation. These sessions benefitted over 4,000 attendees.

Panel discussion on 'understanding and managing enterprise risk in the new normal' with Board members and senior leadership during compliance month

Mr. Kenichi Ayukawa,
MD & CEO, MSIL lauded employees for following COVID-19 SOPs and stated that the Company had resumed operations by complying with the unlock guidelines of the government. He asked employees to be vigilant, keep assessing new risks, adapt to the new normal and recalibrate strategies.

Mr. D. S. Brar,
Independent Director, suggested a cluster approach for mitigating emerging challenges such as profitability and liquidity concerns, safety of stakeholders, labour and skill shortage, digital inadequacy and cyber frauds.

Ms. Lira Goswami,
Independent Director, noted the importance of risk management in relation to compliance and emphasised on mitigation measures such as adapting to customer preferences, cyber security and building trust and empathy within the organisation.

Mr. Ajay Seth,
CFO and Member of Executive Board, emphasised on the Company's efforts towards reducing risks, while focusing on cost optimisation and productivity. He highlighted the need to maintain business continuity while giving priority to employee health and safety.

Ms. Manjaree Chowdhary,
Executive Officer (Legal) & General Counsel, conducted the session.

Code of Business Conduct and Conflicts of Interest

The Company has laid down a Code of Business Conduct and Ethics (COBCE) that is applicable to all employees, including supervisors. Based on Suzuki Motor Corporation's Code of Ethics, the COBCE provides guidance to employees on standards of integrity, conduct and compliance in all business dealings with internal and external stakeholders, including business partners. The key principles address aspects such as compliance with applicable laws, fair employment practices, working with stakeholders, environment, health and safety, conflicts of interest, privacy and safeguarding of assets.

In FY 2020-21, a self-paced e-learning module of COBCE (eCOBCE) was launched to maintain continuity of COBCE compliance training during the pandemic. All employees completed the module within the stipulated time period. This demonstrates the priority accorded to compliance initiatives by the employees and management of the Company. The eCOBCE module was recognised as a best practice initiative within the Suzuki Group.

During the reporting period, the Conflicts of Interest (CoI) policy was operationalised through a series of awareness sessions that guided employees to identify, avoid and disclose any kind of actual, potential and perceived conflict of interest situation that may arise during the execution of duties.

Employees are required to sign an undertaking of compliance with COBCE at the time of joining and thereafter on a yearly basis. All employees have digitally submitted the annual declaration of compliance with COBCE and CoI policy for FY 2020-21. Employees are encouraged to report violations of COBCE and disclose any kind of conflict that an employee may have encountered. During the reporting period, all complaints received were promptly and appropriately addressed. Additionally, new policies on complaint response and disciplinary action were rolled out to bring more structure, consistency and transparency in the process of complaint management.

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

To meet regulatory requirements, the Company has laid down a code of conduct for the Board of Directors and top management personnel, covering topics, such as regulatory compliances, ethics and integrity, conflict of interest, related party transactions, confidentiality and insider trading. All Board members and top management personnel have affirmed their compliance with the code for FY 2020-21. Violations of the code can be reported to the Company's Compliance Officer. Complaints are kept confidential and complainants are protected from retaliation. During the year, there were no instances of violation of the conflict of interest or provisions of the code.

Prevention of Sexual Harassment

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

As mandated by the POSH Act, there is a formal internal committee for receiving, investigating and resolving sexual harassment complaints in a time-bound manner. The committee comprises 17 employees and two external subject matter experts. It ensures full confidentiality and protection of the complainant, the accused and the witnesses. During the reporting period, four complaints of sexual harassment were investigated and closed. Of these four complaints, two were received in FY 2019-20 and the other two were received in FY 2020-21.

Whistle Blower Mechanism

The Company's Whistle Blower policy allows employees to bring instances of unethical behaviour to the knowledge of the management. An ombudsman has been appointed to receive and investigate complaints. During the reporting period, two complaints were received, of which one complaint was resolved and one was pending resolution. Additionally, one pending complaint from FY 2019-20 has been resolved.

Respecting Human Rights

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

Status of compliances during FY 2020-21

Environmental laws and regulations	No non-compliance and significant sanctions (monetary or non-monetary) were imposed on the Company by the regulatory authorities. Emissions and waste generation were within the limits defined by the Pollution Control Board. As on 31st March 2021, satisfactory replies had been given to all show-cause notices received from the Pollution Control Board.
Marketing communications	No incidents of non-compliance.
Advertising standards	No complaints were filed.
Competition law	Case related to after-market sale of spare parts: An investigation was initiated by the Competition Commission of India (CCI) in 2011 against few car manufacturing companies wherein it was contended that these companies were not making genuine spare parts of automobiles freely available in the open market. CCI later expanded the scope of investigation to the Company and other car manufacturing companies. In the final order passed by the CCI on 25th August 2014, certain directions were laid down against the automobile companies and penalties were imposed. A penalty of ₹ 4,711.4 million was imposed on the Company. The Company contested this matter before the Delhi High Court primarily on the ground that it was not a named party in the investigation and that the investigation ought not to have been conducted against the Company. On the contrary, the Company was named in the information given by the informant as a company that made spare parts easily accessible in the open market. The Delhi High Court, on 16th May 2019, disposed the Company's petition stating that the Company had alternative remedies available. Thereafter, it filed a Special Leave Petition before the Supreme Court of India, wherein a stay on the CCI's order was granted and the stay is continuing. Matter relating to discount control practices: An investigation was initiated suo-moto by the CCI in February 2019 on the basis of the information provided to it by a purported dealer of the Company. The dealer alleged that the Company resorts to anti-competitive discount control practices. All documents required by CCI were filed by the Company and the final hearing was conducted before CCI in April 2021. The final order from CCI is now awaited.
Consumer protection laws	As on 31st March 2021, 1,651 consumer cases involving the Company were pending before various forums.

Policy Advocacy Practices

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

Industry body memberships

Name of the committee/forum	Position
CII Haryana State Council	Chairman
CII Regional Committee on HR and IR	Chairman
CII Northern Regional Council	Member
CII Regulatory Affairs Committee	Member
CII Financial Reporting Committee	Member
CII Manufacturing Council	Member
CII Smart Manufacturing Council	Member
CII National Committee on Design	Member
CII Legal Services Task Force	Member

Industry body memberships

Name of the committee/forum	Position
Governing Council for CII Skills Training Centre, Chhindwara	Member
Society of Indian Automobile Manufacturers (SIAM)	President
SIAM Group on International Relations and Trade Policy	Chairman
SIAM Group on Gas-based Mobility (CNG and LNG)	Chairman
SIAM Aatmnirbhar Bharat Group	Chairman
SIAM Group on Taxation Procedural and Ease of Doing Business (Tax)	Chairman
SIAM Group on Emissions and Conservation	Chairman
SIAM Group on CMVR and Safety	Chairman
SIAM Group on International Harmonisation	Chairman
SIAM Engagement Team	Chairman
SIAM Group on Finance, Leasing and Insurance	Co-Chairman
Federation of Indian Chambers of Commerce and Industry (FICCI) Manufacturing Committee	Member
FICCI Manufacturing Excellence Taskforce	Member
FICCI Electric Vehicle Committee	Member
FICCI Public Procurement Committee	Member
Associated Chambers of Commerce (ASSOCHAM) National Council on Auto and Auto Ancillaries	Chairman
ASSOCHAM Direct Tax and International Tax Council	Member
ASSOCHAM Direct Tax and Indirect Tax Council	Member

Information Security and Data Privacy

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

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

An Information Security Management System (ISMS) has been established as per ISO 27001, and the Head Office and manufacturing facilities in Gurugram and Manesar are certified by authorised external agencies. As part of ISMS, vulnerability assessment of IT infrastructure (servers and network devices) and applications is conducted at least twice a year, under the supervision of the CISO. The ISMS is audited annually, both internally and externally. Based on vulnerability assessments and audits, corrective and preventive actions are prepared for the ISMS.

Employees are sensitised on information security and cyber security policies of the Company through e-learning modules, new joiners' induction programme and regular advisories through e-mail and an intranet portal. Sessions with industry experts are conducted to further enhance the dissemination of information security awareness.

The Company has a privacy policy for protection of stakeholders' personally identifiable information. A Data Protection Office has been created and a Data Protection Officer has been appointed for management of data privacy related matters. The Company collects information from its employees, business partners, service providers, customers and the general public for various business purposes. It has a suite of internal policies which provide guidelines for collection, use, storage, retention and destruction of information. It also allows stakeholders to access, correct, update and object from providing their information to the Company. Stakeholders are required to consent to the disclosure of their information to third-parties or for uses other than those upon which both parties contractually agreed. Data privacy is embedded into the Company's COBCE and risk management system. Policies, governance structure and technological solutions are strengthened to safeguard consumer and personal data. In case of non-compliance with these policies, the concerned person or company is liable to face disciplinary action or criminal action as per law. There were no data privacy breaches during the reporting period.

Product Stewardship and Innovation

SDGs

The Company has maintained its leadership in the Indian passenger car market by providing reliable, fuel-efficient, safe and affordable products to customers. It leverages the engineering expertise of its parent SMC to introduce advanced technologies and features in the product line-up. Environmental, human health and safety impacts associated with products are managed responsibly at the design and development stage itself.

In India, policies and regulations on vehicular emissions, safety and end-of-life vehicle management are evolving rapidly. After the successful adoption of BS VI in all its models ahead of regulatory timelines, the Company is now upgrading its models with technologies required to meet the BS VI Phase 2 regulations, which will be implemented in 2023.

The Company's focus on popularising CNG vehicles complements the efforts by the Government of India to increase the network of CNG fuel stations in the country. Additionally, current activities for the adoption of alternate fuels and powertrains support the national sustainable development goals.

Processes and systems for reduction of hazardous substances in products and end-of-life (ELV) vehicle management are being strengthened with support from value chain partners.

Low-Carbon Products

The Company's low-carbon product portfolio comprises Smart-CNG (S-CNG) and Smart Hybrid vehicles. Factory-fitted CNG technology was launched in 2010. S-CNG vehicle is equipped with an intelligent injection system that maintains a perfect air-to-fuel ratio within the combustion chamber, resulting in high mileage. A retuned suspension setup accommodates the added weight of S-CNG components and delivers stable performance in every terrain. To maintain highest standards of safety, the entire CNG structure is designed in a leak-proof manner using stainless-steel pipes and joints. The wiring harness inside the car is an integrated system that eliminates any chance of short circuits or tampering. S-CNG vehicles are available in personal segment (Alto, Celerio, S-Presso WagonR, Ertiga, Eeco) and commercial segment (Tour S, Tour V, Tour M, Tour H1, Tour H2, Super Carry).

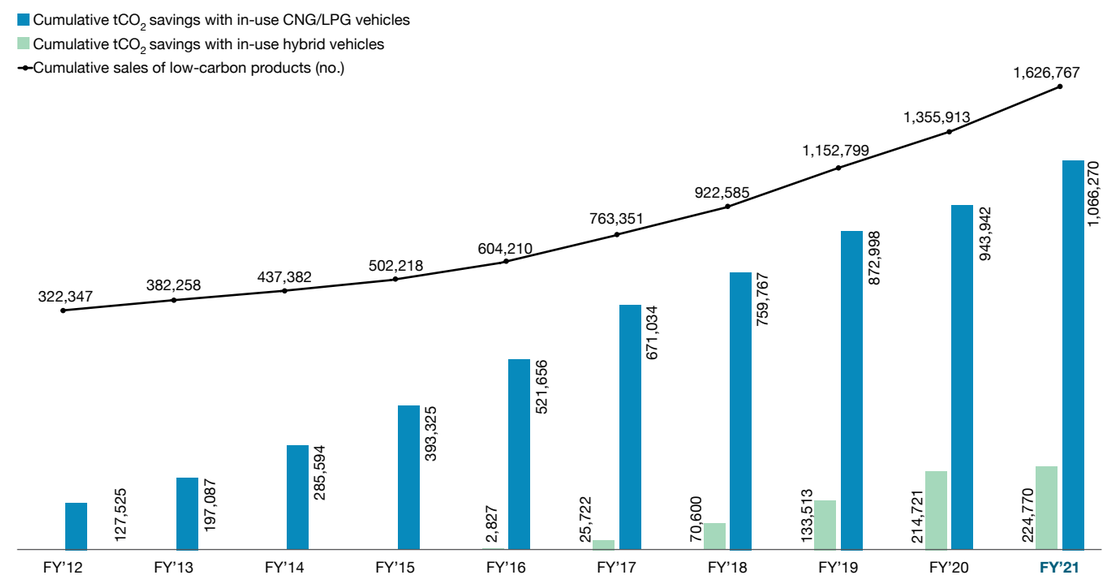
Smart Hybrid technology used in products increases fuel efficiency and enhances driving performance. The engine automatically stops when idle and starts when optimal conditions are met in manual and automatic transmissions. It comes with a dual battery setup including a Lithium-ion Battery (LiB). These high capacity batteries store the energy generated during braking to assist the engine's idle start-stop and the torque assist functions. The energy stored in the LiB helps the engine provide optimal acceleration and performance. Smart Hybrid technology was introduced in 2015 and is available in Ertiga, Ciaz, S-Cross, Baleno, XL6 and Brezza.

By FY 2019-20, the Company had already sold one million low-carbon vehicles with S-CNG and Smart Hybrid technologies. The Company declared its 'Mission Green Million' with an aim to sell the next one million green vehicles in the next couple of years. In FY 2020-21, the Company launched BS VI compliant S-CNG variant of S-Presso, Celerio and Super Carry. The latter is India's first petrol BS VI compliant LCV. During the reporting period, the Company sold 157,954 units of S-CNG vehicles. Till date, the Company has sold over 800,000 CNG vehicles and over 600,000 Smart Hybrid vehicles, thus demonstrating the acceptance of low-carbon technologies among customers.

Over 1.6 million low-carbon vehicles sold till date leading to avoidance of ~ 1.3 million tonnes of CO_2 emissions

FY 2020-21 S-CNG vehicle sales 50% higher than previous year, and highest ever yearly sale

Cumulative CO_2 avoidance from usage of alternate fuel vehicles



Notes:
- Vehicle running data used for calculation is captured from service data
- Cumulative sales are considered from base year 2005-06
- Average vehicle life considered to be 10 years for calculation of cumulative CO_2 savings

Key initiatives for improvement of fuel efficiency and CO_2 performance

New generation platform utilising high tensile strength steel	New light weight design with enhanced structural strength in body and closure systems	Weight reduction by use of alternate materials	Weight optimisation in trim parts by using Computer Aided Engineering (CAE) and alternate materials
Design optimisation of various chassis components such as rear axle, suspension frame and steering gear	Powertrain electrification through smart hybrid vehicles and use of ISG technology	Reduction of exterior gaps to improve aerodynamic performance	Continual improvement of tire rolling resistance
Improvements in exterior hang-on parts such as Outside Rear View Mirror (ORVM), spoiler and bumpers to reduce air drag	New engine technologies such as dual Variable Valve Timing (VVT), duel injectors, cooled Exhaust Gas Recirculation (EGR) and increase in compression ratio along with piston cooling jets	Introduction of energy-efficient Light Emitting Diode (LED) lamps	Utilisation of engine friction test facility to test mechanical friction in engine components

New Swift (BS VI) Petrol

Engine	FE (km/L)	CO_2 (g/km)
K12N ISS Next-gen dual-jet dual-VVT petrol	MT: 23.20 AGS: 23.76	102.17 99.80

CAFE Performance

The Government of India has implemented the Corporate Average Fuel Efficiency (CAFE) norms to reduce the carbon footprint of the automobile industry. The first phase of the norms was implemented from April 2017 with a fleet target of 130 g CO2/km at 1,037 kg of fleet weight. The second phase is planned to be implemented from April 2022 with a more stringent fleet target of 113 g CO2/km at 1,145 kg of fleet weight. The Company complied with the first phase of the CAFE norms and is continuously working along with SMC on improving the fuel economy of its vehicles to comply with CAFE Phase 2.

MSIL fleet most efficient among M1 category passenger vehicle manufacturers in terms of emissions and fuel consumption

Evaluation of Alternate Fuels and Powertrains

The Company is conducting nationwide field testing of prototype electric vehicles across multiple terrains and climatic conditions. The inputs gathered from the tests will help develop a reliable and suitable electric vehicle for the Indian market.

The Government of India is promoting low-carbon bio-fuels as alternate vehicular fuels to reduce carbon footprint and improve national energy security. Currently, 10% Ethanol Blended Petrol (EBP) is being commercialised and 20% EBP is planned from April 2023. Engine tuning, rubber parts upgradation and homologation are necessary to make vehicles compatible with EBP. The Company has provided policy-level inputs to the government on vehicle compatibility with higher ethanol blends. Rubber components in all the petrol models have been made compatible with 10% EBP and homologation is being planned. The process for 20% EBP compatibility will be initiated in the near future.

Government is promoting Compressed Biogas (CBG) through the Sustainable Alternative towards Affordable Transportation (SATAT) scheme. MoRTH has permitted the usage of CBG, meeting specific quality standards, in CNG vehicles. The Company plans to test CNG vehicles with CBG to check compatibility, emissions, fuel efficiency and other parameters.

Vehicle Safety

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

Customer safety is a key focus area while designing and developing our products. The Company's vehicles comply with all applicable safety regulations. It upgraded its entire range of vehicles to meet crash and pedestrian protection regulations ahead of the stipulated timeframe. It also introduced safety features and technologies across its product line-up to achieve compliance ahead of implementation timelines. All existing models comply with crash safety norms.

Crash worthiness of vehicles in case of full frontal, frontal offset and side impacts has been improved by using high strength steel and improved design. Front fascia, hood and cowl structure in the latest products were re-designed to offer enhanced pedestrian protection.

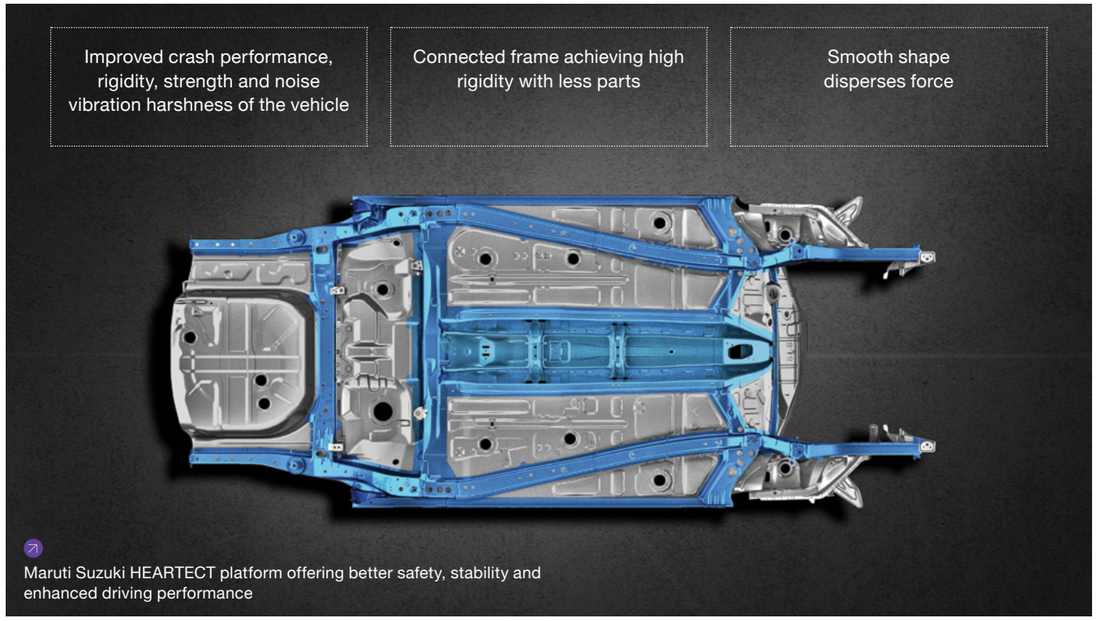
A remarkable vehicle safety technology adopted by the Company is Suzuki's new-generation HEARTECT platform. Designed with a core focus on passenger safety, the platform uses Ultra and Advanced High Tensile Steel (UHSS and AHSS), which help it better withstand and absorb collision impact and disperse the residual impact evenly through the intelligently designed structure. The HEARTECT platform has been used in nine models. The S-CNG S-Presso and new Swift launched this year are based on this on the fifth-generation platform.

Head Up Display (HUD), a transparent vehicle information display near the driver's line of sight, will be added to upcoming models. This feature helps drivers access vehicle information without the need to look away from their usual viewpoints, thereby reducing their distraction and chance of accidents.

Electronic Stability Programme (ESP) is being progressively adopted. This technology was first introduced in Ciaz and Ertiga. In FY 2019-20, ESP along with hill-hold function has been introduced in XL6 and Dzire.

ESP improves a vehicle's stability by detecting and reducing loss of traction. ESP with hill-hold function is offered as a standard feature in automatic variants.

Pedal withdrawal mechanism was introduced for the first time in S-Presso. This feature helps to retract the brake pedal inwards, at the time of crash, therefore preventing injury to the driver's leg.



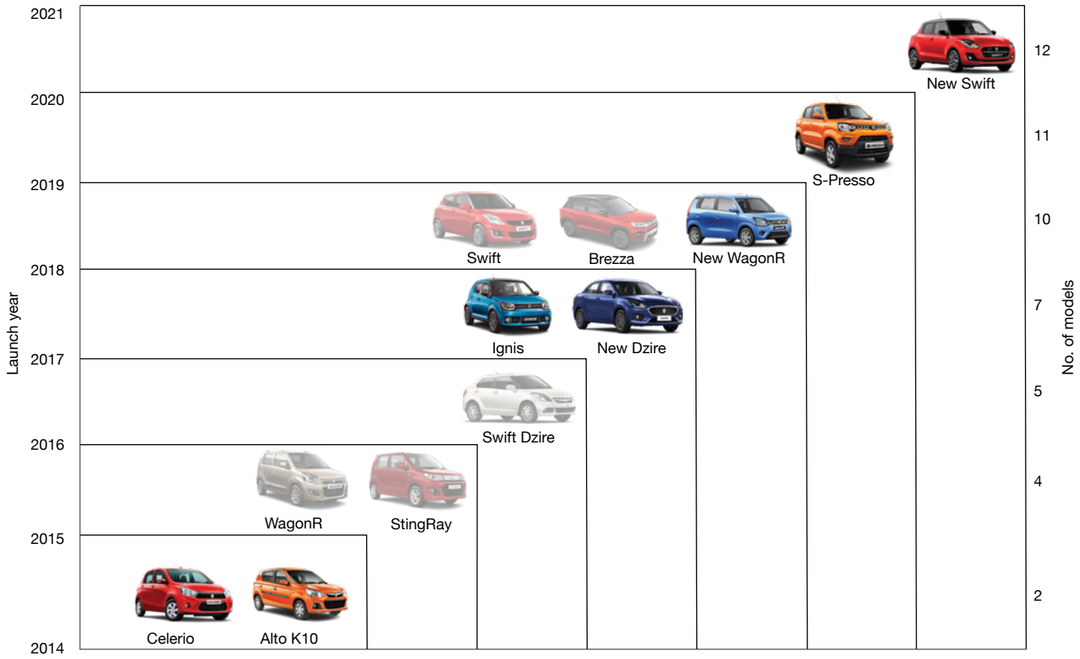
Maruti Suzuki HEARTECT platform offering better safety, stability and enhanced driving performance

Auto Gear Shift Technology

The Company-pioneered Auto Gear Shift (AGS) technology is equipped with an intelligent electric-hydraulic shift-control actuator that automatically performs clutch and shift operations and allows users to experience the futuristic two-pedal technology. AGS combines the actuator and controller and directly mounts them in the transmission to unify the working components. This permits synchronised control over the clutch, gear and engine for a smoother drive and brings together the advantages of both manual and automatic transmissions. Additionally, features such as start assist and creep system help in stop-go traffic and parking manoeuvres, while kick down function helps meet sudden acceleration demands. AGS provides the same convenience as that of automatic transmission with 50% lesser cost, 30% lighter weight and improved fuel economy.

Maruti Suzuki Auto Gear Shift technology

AGS technology progression



Note: Alto K10, WagonR, StingRay, Swift Dzire, Swift and Brezza have been revamped with new products

Research and Development

The Company's integrated Research and Development (R&D) centre at Rohtak in Haryana has state-of-the-art facilities for development, testing, and evaluation of products. The test tracks at Rohtak facility are being utilised for evaluation and introduction of new technologies such as ESP, ABS and hill hold control as well for various homologation activities, which were earlier done at overseas locations. New test facilities for door, lamp, body, seating, airbag deployment, HVAC, infotainment and other systems have been set up and enhanced during the reporting period. Laboratories for pedestrian safety, component safety and strength, durability and NVH (Noise, Vibration and Harshness) are constantly being upgraded with latest facilities and equipment to help improve the overall performance of the products. Recently, a ride comfort simulator facility has been added to enhance customer experience.

The Company's R&D engineers leveraged their intellectual capital to file 110 patents, of which 31 were granted, and register 13 industrial designs.

Control of Hazardous Substances in Products

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

Globally, Substances of Concern (SOC) mentioned in the European Union End of Life Vehicle (EU-ELV) Directive, EU Restriction of Hazardous Substances Directive (RoHS), Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulations, the Japan Automobile Manufacturers Association (JAMA) guidelines and Stockholm Convention are compiled under the Global Automotive Declarable Substance List (GADSL).

The Company fully complies with SOC regulations of various regions or countries to which it exports. In India, regulations on SOC control in automobiles are currently in their formative stage. However, the Company voluntarily restricts SOC usage in its domestic products as per the most stringent international norms through interventions at the design stage itself. Preparedness for compliance with upcoming SOC regulations is ensured through rigorous engagement with suppliers.

Voluntary restriction on SOC use in domestic products as per international norms

The Company's, Green Procurement Guidelines (GPG), based on Suzuki Engineering Standards, set requirements for all Tier-1 component suppliers to restrict the use of SOCs covered by GADSL in vehicle parts and other constituents such as accessories, raw materials and direct consumables. All suppliers have signed an agreement with the Company to comply with the requirements of the GPG and demonstrate compliance by submission of declarations, test reports and part-wise composition details, as applicable.

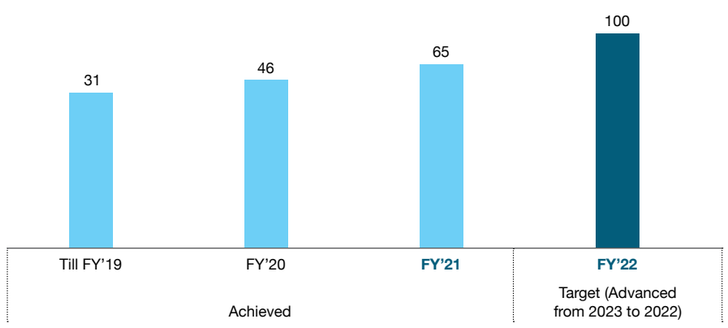
All suppliers feed material level data related to their parts into a globally recognised International Material Data System (IMDS). This data is analysed to identify SOCs and calculate Reusability, Recyclability and Recoverability (RRR) of a model.

IMDS was implemented for new WagonR in 2018 and S-Presso and XL6 in 2019 during their development phases. Since then, RRR and SOC calculations are being done for all new models from start of production. Target has been taken to complete such calculations for pre-2018 models and 65% of all running models have been covered. The remaining models will be covered by 2022.

Suspected parts are periodically inspected at in-house testing facilities to verify SOC compliance by suppliers. Recently, laboratories were set up for testing parts for Asbestos and Volatile Organic Compounds (VOCs).

Technical trainings on SOC control and ELV management were provided to more than 1,300 employees during the reporting period.

SOC and RRR compliance confirmation of running models (%)



End-of-Life Vehicle Management

End-of-Life Vehicle (ELV) management is of vital importance for environment conservation, circular economy and sustainable development. Effective ELV management requires products to be designed for maximum recoverability and recyclability.

Reusability, Recyclability and Recoverability

The Company is complying with the EU ELV Directive norms for RRR for export markets as per calculations specified in ISO 22628.

In 2017, the Company voluntarily started activities to ensure RRR compliance of all domestic models to the EU ELV norms, ahead of Indian regulations. MoRTH is working towards ELV management policies in line with global practices.

Vehicle recyclability and recoverability rates are quantified with the help of IMDS. Average recyclability rate of the models analysed till date is greater than 90%. The high recyclability rate is attributed to high average content of recyclable materials such as metals (73.4%) and polymers (11.2%).

ELV dismantling and recycling unit

Scientific recycling of vehicles after end of their useful life helps in resource conservation, pollution prevention and public health protection. In India, the development of formal systems for recycling of ELVs at a formative stage. MoRTH and the Central Pollution Control Board (CPCB) have introduced policies and standards on ELV management. In FY 2020-21, MoRTH announced the Voluntary Vehicle Scrappage Policy which encourages effective ELV management by laying down draft rules for vehicle fitness testing and registered vehicle scrapping facilities.

In 2019, the Company formed a joint venture with Toyota Tsusho Group called Maruti Suzuki Toyotsu India Private Limited (MSTI) to set up a vehicle dismantling and recycling unit in Noida, Uttar Pradesh. Toyota Tsusho group has been involved in ELV recycling in Japan since 1970s and has significant expertise in this area. The unit is expected to be operational in FY 2021-22. ELVs will be taken back through dealer network as well as directly from customer. Dismantling will be done in accordance with globally accepted quality, environment and safety standards and in compliance with local regulations.

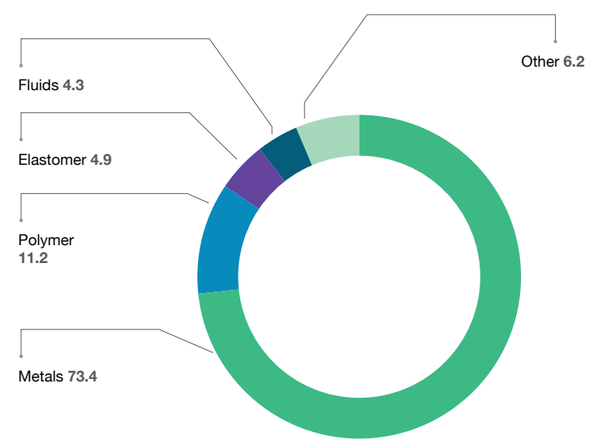
Li-ion battery recycling

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

Since the introduction of its first hybrid vehicle in India in 2018, the Company has proactively established a mechanism for recovery and recycling of LiBs from market and in-house sources. Customers can return end-of-life LiBs at dealer workshops throughout India. All dealer workshops have been asked to return LiBs to the Company for recycling. Till 31st March 2021, 859 end-of-life LiBs from hybrid vehicles have been collected.

The Company has entered into an agreement with an international battery recycling firm and is also exploring domestic market for recyclers with end-to-end capabilities, starting from safe collection of batteries to efficient recovery of precious metals. Successful trials have been completed with a domestic recycler.

Average material composition of MSIL's vehicles (%)



Product Quality

3D scanning room for product quality checks at Manesar facility

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

Product quality is ensured right from the beginning of new model development. Vehicles are thoroughly evaluated through multiple static and dynamic quality checks to identify quality issues and act in advance. The Company is consistently updating test standards as per current usage conditions of customers to avoid recurrence of defects. The Company, along with suppliers, carries out process improvements on a continual basis to prevent defects and conducts verification of actions in each trial event. Peak Production Verification Trial (PPVT) is undertaken to capture quality, productivity and process-related issues at peak production conditions. Initial Flow Management (IFM) process is carried out for quality stabilisation and checks during the initial production phase. During the mass production stage, revalidation of parts and processes is done at the suppliers' end at defined frequency, and abnormalities are corrected immediately. Feedback regarding parts' quality issues from the production shops is communicated to the vendors for taking countermeasures. Target to reduce line defects is taken at the beginning of the year. Accordingly, targets are communicated to vendors and monitoring is done throughout the year.

At every stage of production, standard Work Instruction Sheets (WIS) are used to minimise deviations in processes. At the vehicle inspection stage, rigorous visual and operational checks are carried out with strict controls, to maintain high direct pass at each plant. After vehicle inspection, Global Customer Audit (GCA) is carried out on random vehicle samples by SMC-certified inspectors who check the vehicle from customers' point of view and ensure that plant inspection controls are effective. Lastly, Pre-Delivery Inspections (PDI) are carried out by dealers in accordance with defined standards on product quality.

At the supplier end, the Company has taken various initiatives to ensure quality of supplied parts and components. Efforts are being made to ensure the vendors become self-reliant in maintaining the condition of their tools and machines for producing quality parts. The Company is continuously guiding vendors to improve maintenance of machines and tools such as molds, dies and jigs. Suppliers are advised to carry out timely refurbishment of tools to enhance their productive life leading to better quality of parts. With support from Tier-1 suppliers, it promotes skilling and re-skilling of Tier-2 suppliers' workforce in the areas of quality, safety and productivity through mini DOJO training centers. Periodic assessments of supplier quality management system are carried out, which cover critical areas such as product development, abnormality handling systems, change management and Tier-2 supplier control.

Due to COVID-19, the Company began engaging with its suppliers through digital channels to ensure adherence to quality systems during production ramp-up. Online quality communication meetings were conducted to share quality expectations with suppliers on a regular basis and virtual visits to suppliers' facilities were organised.

Product Recall Management

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

- 134,885 units of Baleno and WagonR having fuel pump motor defect.
- 40,453 units of Eeco having headlamp defect

These recalls were voluntarily carried out based on SIAM Voluntary Code on Vehicle Recall. The Company received feedback on defects from the market through dealerships as well as from suppliers and its own production. Based on the analysis and technical evaluation of feedback, market action judgment was taken and technical problems were rectified without cost to the customer.

MoRTH's mandatory recall guidelines for vehicles with defects that pose risks to safety or environment came into effect from 1st April 2021. The Company is ensuring strict adherence to the government's guidelines. The Company will proactively continue to seek defect-related feedback from the market and voluntarily recall vehicles in view of customers' safety and environment protection.

The Company's Quality Management System comprises of a robust traceability system. It helps identify defective parts or lots, right from raw material to final assembly in vehicles, and reduce the suspected range of vehicles in case of market recall and vehicle hold. For ensuring front-end traceability, critical parts are scanned at assembly lines before fitment into the vehicle. For back-end traceability, systems have been implemented to record information for all critical parts, such as raw material batch code, critical process parameters, product parameters which is interlinked with final batch code. These systems lead to faster identification of defects and taking action for rectification of defective vehicles.

Systems and processes have been developed for root cause analysis and communication with stakeholders such as suppliers, dealers, customers and government agencies for effective validation and rectification of defects. These systems are continuously reviewed and realigned to evolving regulations and market dynamics.

Open Innovation

Maruti Suzuki Mobility and Automobile Innovation Lab (MAIL), launched in 2019, aims to collaborate with startups to identify technology solutions that can add value to business. The focus areas include computer vision, artificial intelligence, big data analysis, vehicle safety, augmented reality and electric vehicles. The digital innovation projects are not only driving agile thinking and cost savings, but also enabling access to upcoming technologies and supplementing the Company's R&D efforts. This initiative is aligned with Start-up India, Skill India, Digital India and Make in India initiatives of the Government of India. Till FY 2019-20, over 700 startups were screened and four cohorts involving 17 startups were completed. Twelve startups have been given the opportunity to conduct paid Proofs of Concept (PoC). Four startups namely Xane AI, Sensegiz, Rezo and Enmovil were on-boarded as business partners. In the fifth cohort initiated in FY 2020-21, eight new startups were on-boarded for acceleration.

Key note address by Mr. Kenichi Ayukawa, MD & CEO, MSIL on MAIL demo day

Customer Engagement and Support

SDGs

Satisfied customers drive brand value and loyalty. Driven by its core value of customer obsession, the Company leaves no stone unturned to ensure that its customers are satisfied with the product offerings, sales experience, and service quality. The Company is steadily enhancing digitalisation of its customer interfaces to provide a delightful buying and servicing experience and timely redressal of complaints. The Company plans to invest heavily on customer relationship building through its various value-added services and customer engagement processes.

Affordable Mobility Initiatives

The Company launched 'Maruti Suzuki Subscribe' to offer easy and flexible car ownership to customers. This all-inclusive subscription service enables customers to enjoy the experience of owning a brand new car without purchasing it. Customers can avail flexible ownership tenure options, ranging from 12 to 48 months, by paying a monthly fee which is inclusive of vehicle cost, road tax, registration charges, insurance, maintenance, road-side assistance and accessories. At the end of the ownership period, customers have the option to purchase the same vehicle at market price or renew their subscription. The programme is offered in 9 cluster cities covering 10 models, in partnership with 3 leading shared mobility service providers. The Company plans to expand this programme to more than 40 cities over the next 3 years.

To address personal mobility needs of customers during the pandemic, the Company partnered with several leading banks and financial service providers in the country to deliver a wide range of attractive retail financing solutions. New car buyers are offered a wide range of schemes with low down-payment options, low monthly instalments, flexible repayments and other attractive features.

Maruti Suzuki Subscribe launched in FY 2020-21 offers flexible ownership tenure options

Subscribe offered in 9 cluster cities covering 10 models

Digital Customer Connect

Modern-day customers make use of various digital channels to communicate with brands. Additionally, during the pandemic, customers have become increasingly reliant on digital touchpoints for availing any service or buying a product. The Company provides a seamless engagement experience to prospective as well as existing customers through a variety of digital platforms.

More than 90% of the sales touch points have been digitalised. Additionally, efforts are underway to automate the test drive experience and roll out video conferencing with customers.

The Company's website provides customers with a 3-dimensional viewing experience of vehicles with customised choice of colour and accessories. This experience was enhanced by introducing Augmented Reality (AR), which provides an interactive experience of a real-world environment where vehicle can be visualised in real time and space, without

AR technology for enhanced customer experience

physically visiting a dealership. During the reporting period, over 100,000 users availed the AR experience on the Company's website.

In order to make the process of car financing easy, quick and transparent, the Company launched Maruti Suzuki Finance, a digital marketplace providing end-to-end car financing solutions to customers. Customers can choose from various loan providers, calculate monthly instalments, navigate through customised loan offers, upload documents and get loan disbursed in a few clicks.

Recently, the Company increased its focus on hyperlocal service approach targeting customers who show strong intent to visit nearby dealer workshops for vehicle service through 'near-me' Google searches. The Company's service workshops were listed on Google My Business (GMB), which is helping them enhance their online presence across Google applications. Customers are able to easily locate workshops through Google maps and contact them for service-related queries.

The Company's website provides a customer-friendly interface that gives detailed information about servicing and maintenance of their vehicles. Some of its key features include workshop locator, service cost calculator, maintenance tips and preventive measures.

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

>90% of sales touchpoints digitalised

Increased focus on hyperlocal service approach

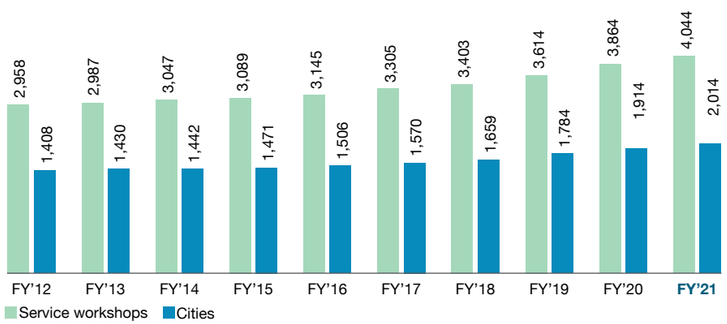
Service Network

The Company widened its service network in India to 4,044 service workshops across 2,014 cities and catered to over 17 million customers in FY 2020-21. Despite the unprecedented pandemic situation and reduced market sentiment due to COVID-19, the Company added 180 workshops to its network in FY 2020-21. Select workshops continued to offer seven-days-a-week service to provide customers with flexibility of availing services as per their convenience.

Doorstep service facility, with 221 specially designed service-on-wheels workshops, has been made available in 130 cities across India. Additionally, 1,130 Maruti Mobile Support (MMS) vehicles are providing servicing facility at the doorstep of customers mostly in areas away from the existing service infrastructure.

Quick Response Teams (QRT) provide emergency support to customers stranded due to vehicular breakdowns, comprising 781 support vehicles in 432 cities. They attend to over 11,000 breakdown calls per month. The quick response service staff is equipped with essential tools and spares needed to quickly restore the vehicle in distress. A web-based live tracking system helps the customer contact and coordinate with the nearest service technician.

Expansion of service workshop network (No.)



4,044 service workshops across 2,014 cities

Doorstep service facility in 130 cities

Quick Response Teams in 432 cities

Customer Satisfaction

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

Customer satisfaction levels associated with the buying experience are measured through an internal Customer Delight Index (CDI), which takes into account customers' feedback across various attributes collated on a quarterly basis.

The CDI is derived using a rating scale ranging from -50 to +150 (Excellent: 150, Very Good: 100, Good: 50, Fair: 0, Poor: -50). CDI results are used by the Company to enhance and align sales processes at dealerships in line with customer expectations.

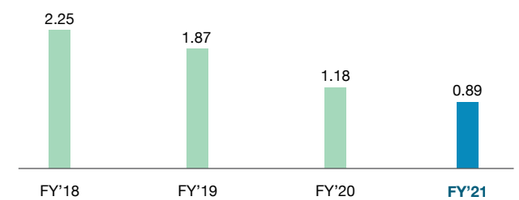
Customer satisfaction survey scores

	Actual FY 2019-20	Target FY 2020-21	Actual FY 2020-21	Target FY 2021-22
Customer Delight Index	113	113	114	115

An important parameter to evaluate customer satisfaction related to service operations is customer complaints per 1,000 vehicles serviced (CC/1,000). The Company continuously monitors customer feedback and ensures timely implementation of countermeasures by the workshops. As a result, CC/1,000 has reduced by 60% in the last four years and customer experience has significantly improved.

Reduction in customer service complaints

(CC/1,000)



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

Sanitisation activities at dealerships to safeguard customer health

Sustainable Supply Chain

SDGs

The Indian automobile industry is undergoing transformational changes in terms of technology, competition, regulations and changing purchasing patterns of consumers, among others. In order to overcome these challenging business scenarios and achieve inclusive growth, the Company is focused on developing a sustainable supply chain network which not only ensures timely development and delivery of high-quality components at competitive prices, but is also supple, responsive and resilient to risks.

Supply Chain Focus Areas

- Sourcing and development
- Delivery/ supply management
- Localisation
- Vendor engagement
- Cost management
- Quality support
- Supply continuity and de-risking in face of the pandemic
- Comprehensive excellence

Business Continuity During COVID-19 Pandemic

COVID-19 posed immense challenges to the functioning of the Company's supply chain. To ensure smooth resumption of business operations after lockdown, the Company engaged with its suppliers to implement health and safety preparedness measures across their plants, offices, warehouses and other locations. Increase in supplier interactions through virtual mode ensured continued communication on aspects such as business planning, risk management, knowledge sharing and cost reduction.

As part of Maruti Suzuki Supplier Welfare Association (MSSWA) activities, suppliers pooled together their experiences and tapped knowledge of their overseas partners who had already been through the pandemic situation. A detailed checklist for operating factories with COVID-19 related health and safety precautions was prepared and circulated to all suppliers, for use during production resumption.

Preparedness at Tier-1 suppliers' plants and warehouses was assessed on the basis of the checklist and progress was monitored through a combination of virtual and physical audits. Additionally, support was extended to Tier-1 suppliers by participating in audits of Tier-2 suppliers.

When lockdown was announced, supplier operations came to a sudden halt and their financial health was impacted. To help suppliers pay their own employees and continue procurement of future supplies, the Company provided early payments and reduced cash discounting interest rates.

Additionally, the financial situation of suppliers was analysed, and support was extended to the pandemic-affected suppliers through advance payments and facilitation of purchase order financing through banks.

Supply Chain Structure

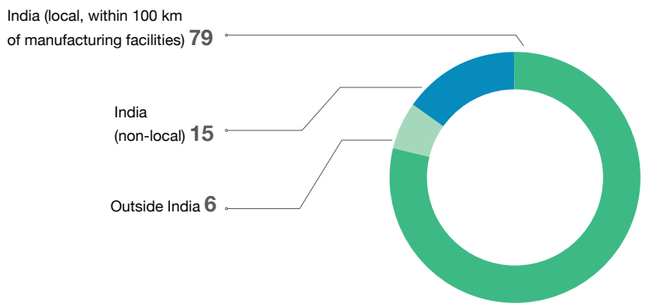
The upstream segment of the Company's value chain consists of a complex multi-tiered supply chain network providing components, raw material and consumables. It consists of 475 Tier-1 suppliers, including 17 JV companies and over 1,750 Tier-2 suppliers. The Company has a basic policy of prioritising local procurement in order to improve efficiency, mitigate environmental and safety impacts, and ensure business continuity. Around 94% of Tier-1 suppliers are located in India and around 82% of supplier plants in the country are within 100 kilometers of the Company's manufacturing facilities.

The Company has identified 80 Tier-1 suppliers to be critical to business operations, which include suppliers of high-volume materials, critical components and those with non-substitutable relationships. Of the Company's total procurement, 75% spent during FY 2020-21 is attributed towards these suppliers. Additionally, 25 Tier-2 suppliers have also been identified as critical.

All entities in the supply chain were adversely affected by the pandemic.

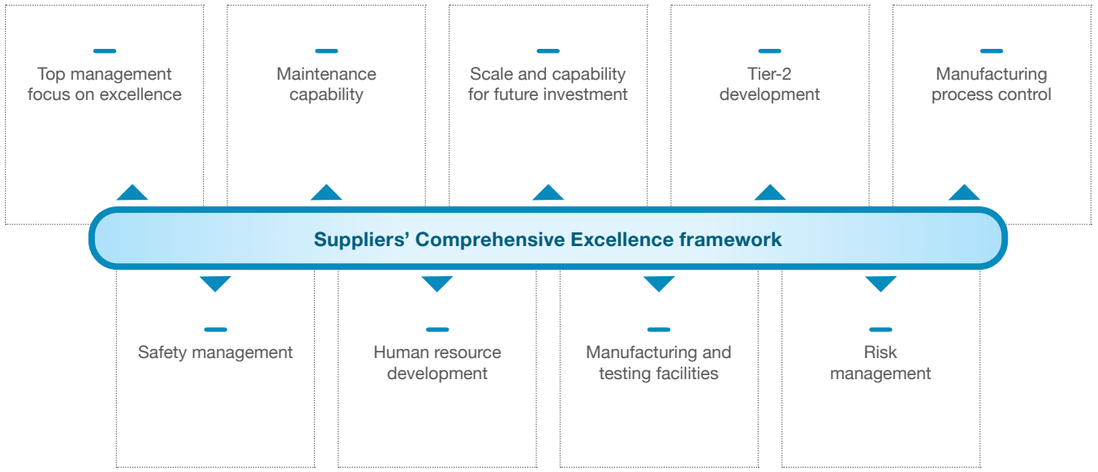
The Company undertook de-risking activities, not only at Tier-1 but also among Tier-2, Tier-3 suppliers and raw material suppliers. Back-up supplier plants have been identified and are being on-boarded on an ongoing basis.

Share of procurement spend by geography (%)



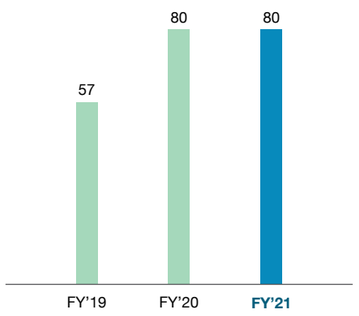
Supply Chain Sustainability Framework

The Company has implemented a Comprehensive Excellence (CE) programme, through which it aims to upgrade the performance of Indian Tier-1 suppliers on nine critical sustainability pillars.



Assessments of supplier plants is carried out by the Company on all pillars in a planned manner. Suppliers are required to implement improvement measures to meet a certain minimum performance threshold under each pillar. Maruti Suzuki Supplier Welfare Association (MSSWA) and the Maruti Centre for Excellence provides handholding and training support to the suppliers. By 31st March 2021, 80% of supplier plants achieved the desired performance standards under all pillars. The Company is working with these suppliers to ensure that their performance is sustained in the long run. It is also working with the remaining 20% suppliers to help them meet the standards.

Supplier plants meeting comprehensive excellence standards (%)



Low-Cost Automation

The Company has identified opportunities to improve supplier performance in terms of productivity, product quality and human safety by creating some degree of automation in the existing processes. It is encouraging Tier-1 suppliers to implement low-cost automation projects at their plants as well as providing technical assistance and guidance wherever required.

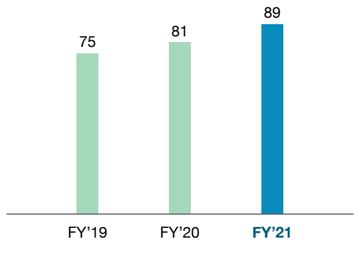
Fire Safety Programme

Fire has been identified as a major risk to suppliers in terms of human life and property damage and to the Company in terms of business continuity. As part of the CE framework, a supplier fire safety programme has been implemented to help Tier-1 suppliers reduce fire risks. The programme focuses on preparedness and ability of supplier plants to manage routine fires and respond to emergency situations. The Company is continuously working with its supplier partners to implement and sustain appropriate fire safety practices and maintenance of infrastructure at their plants. Despite few fire accidents at supplier plants during the reporting period, there were no loss of lives or supply disruptions. In FY 2020-21, follow-up audits were conducted at 52% of supplier plants.

Human Safety Programme

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

Supplier plants in India with OHSAS 18001/ISO 45001 certification (%)



In FY 2019-20, the human safety programme was extended to Tier-2 suppliers. Around 650 plants involved in sheet metal production and plastic moulding were estimated to have a high potential risk of accidents. The Company initiated the audit of these Tier-2 suppliers through its Tier-1 suppliers in a phased manner for availability of safety infrastructure and improvement of the same. Till date, in ~340 Tier-2 plants the safety infrastructure has been improved through low-cost measures such as cam guard and safety curtain in press operations and safety doors and purge covers in plastic moulding operations. Going forward, the remaining 310 Tier-2 suppliers will be covered under the programme.

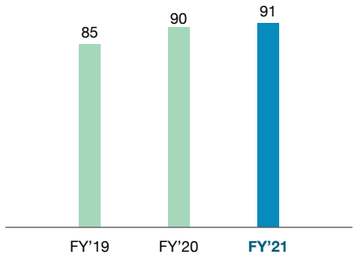
Green Initiatives in Supply Chain

The Company requires its Tier-1 suppliers to comply with its Green Procurement Guidelines (GPG), which restrict the use of globally recognised SOC in parts, accessories, raw material and direct consumables. Over 1,100 audits of Tier-1 supplier plants have been carried out over the past 3 years to confirm SOC compliance. All suppliers are complying with the GPG requirements and are extending the requirements to Tier-2 suppliers.

Substances which are Persistent, Bio-accumulative and Toxic (PBTs) in nature like Persistent Organic Pollutants (POPs) have been restricted by Stockholm and Rotterdam Conventions. In India, restriction on 7 POPs have been introduced in 2018 and rules for further restriction of hazardous substances are in formative stages. The Company is also creating supplier awareness and conducting yearly assessments to confirm the restriction of such specific SOCs being periodically added around the world. In FY 2020-21, over 600 supplier sites were assessed to check usage of 12 such SOCs including Perfluorooctanoic acid (PFOA) which were restricted in export destinations. Full compliance was achieved in both export and domestic models.

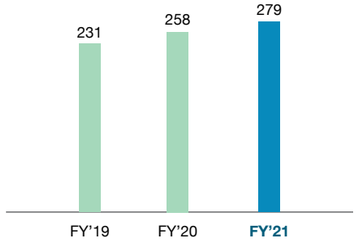
Tier-1 suppliers are encouraged through GPG to establish an Environmental Management System (EMS) at their facilities and promote EMS adoption among Tier-2 suppliers.

Suppliers in India with ISO 14001 certification (%)



The 'One Component, One Gram, One Yen' programme, inspired by SMC's management philosophy of 'smaller, fewer, lighter, shorter and neater', focuses on reducing the use of input material and accordingly helps in cost reduction. In this regard, various resource conservation initiatives have been taken in collaboration with the Tier-1 suppliers. Yield improvement activities are carried out with suppliers to conserve key raw material used in manufacturing components such as sheet metal, plastics, rubber, fabrics, electrical and casting items. During the year, there was renewed focus on the 'back to basics' approach of using traditional yield improvement methods. Additionally for new models, yield improvement is being targeted from design stage through benchmarking with SMC models and involvement of tool makers. All packaging materials used for supplying raw material and components are of recyclable nature. Furthermore, energy efficiency projects are taken up by suppliers based on energy audits carried out by the Maruti Centre of Excellence.

Savings through yield improvement (₹ million)



Suppliers' Human Resource Development

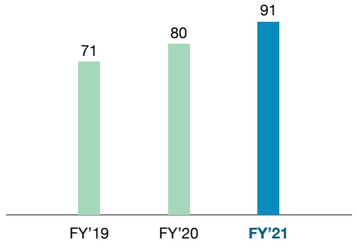
Industrial relations are key to business continuity in the automobile and auto-ancillary industries. The crucial areas identified for improvement at suppliers' end involved top management focus, HR organisation structure, employee connect and management of unions. The CE framework includes a structured programme to assess and develop HR capability of supplier organisations.

Suppliers' top management is sensitised by the Company's Managing Director and top management regarding the importance of good HR practices in business operations at CEO sensitisation workshops. All suppliers have been covered under this initiative till date.

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

Detailed audits comprising leadership meetings, plant visit, focus group discussion with employees and document review are carried out by the Company through an independent organisation. Based on the assessments, each supplier is recommended an action plan for improvement and is monitored. As on 31st March 2021, the Company audited 383 supplier plants and carried out re-verification audits of 295 plants to check implementation of countermeasures.

Supplier plants meeting HR excellence criteria under CE framework (%)



People Practices

SDGs

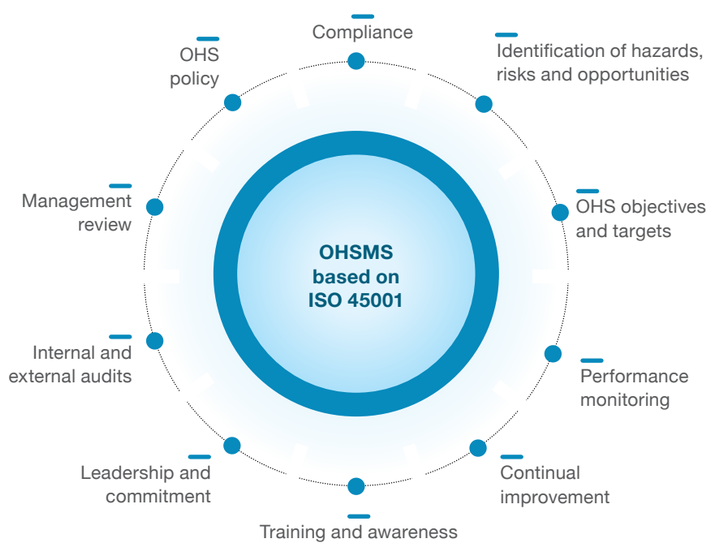
The Company considers employees as the most valued asset and a key contributor in its success over the years. There is constant focus on attracting, developing and retaining competent people, promoting safe work practices and equal opportunity, providing better employee welfare and benefits, and ensuring employee engagement and harmonious industrial relations.

Occupational Health and Safety

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

Safety governance
To ensure compliance with statutory requirements and strengthen the Safety Management System, various safety committees have been constituted across the Company. These committees promote cooperation and dialogue between workers and the management on occupational health and safety matters.

Occupational Health and Safety Management System
The Company has a robust Occupational Health and Safety Management System (OHSMS), which engages all employees in creating a culture of risk awareness and accident prevention, and involves them in identification and reporting of hazards and potentially hazardous situations. In FY 2020-21, the Company upgraded the OHSMS in line with requirements of ISO 45001. This transition is aimed towards making the OHSMS more preventative and proactive in nature, while reducing risks, improving stakeholder confidence, and enhancing employee consultation and participation. Training and awareness sessions were carried out to acclimatise employees on procedural changes and additional requirements of ISO 45001.



The Head Office in New Delhi, the manufacturing plants in Manesar and Gurugram, as well as the R&D centre in Rohtak are externally certified under ISO 45001. To ensure efficient functioning of internal processes and controls, the OHSMS is subject to internal and external audits on yearly basis.

Identification, assessment, elimination and control of hazards in the workplace are critical components of OHSMS. The Company follows a comprehensive set of hazard identification and risk assessment (HIRA) guidelines, which are aligned to ISO 45001 as well as applicable legal requirements.

Safety communication and training
One of the reasons for the Company's exceptional safety performance is the strong emphasis on communication. Employees are encouraged to follow the principle of Ho-Ren-So (timely reporting, communication and consultation) to avert mishaps at work. The occupational safety policy and basic safety principles are displayed across all work locations.

The safety policy encourages reporting of incidents, which are investigated using root cause analysis techniques such as 5-why analysis, 3G and Ishikawa diagram. Post investigation and analysis, information regarding incidents is circulated to departmental managers and safety ambassadors, in the form of causal factors, key learnings and action plans.

OHSMS transitioned to ISO 45001 standard in FY 2020-21

Occupational safety training hours

Employee Category	Training Person Hours
Regular employees	26,770
Non-regular employees	47,145

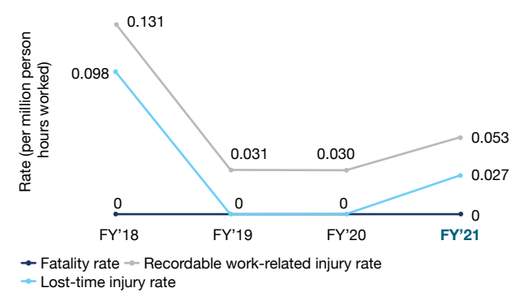
Safety performance

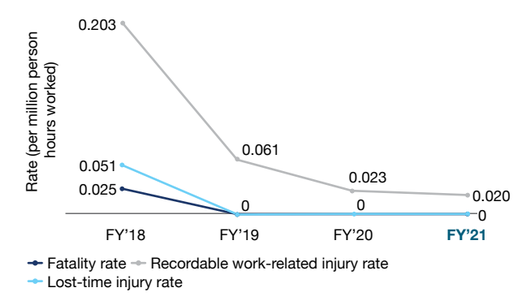
Regular employees

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fatalities due to work-related injuries	0	0	0	0
Recordable work-related injuries	4	1	1	2
Lost time injuries	3	0	0	1

Non-regular employees

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fatalities due to work-related injuries	1	0	0	0
Recordable work-related injuries	8	3	1	1
Lost time injuries	2	0	0	0





Safety campaigns

In line with National Road Safety Month, MoRTH's month-long campaign on road safety awareness, the Company observed Road Safety Month from 18th January to 17th February 2021. Employees were sensitised on responsible driving behaviour through engagement initiatives such as defensive driving training for two-wheeler commuters, road safety quiz and sharing of learnings from accidents. Training sessions for drivers were also organised.

Road safety month - launch of driver safety and vehicle handling manual

During the 50th National Safety Month, observed from 4th March 2021, various activities such as safety trainings, competitions, seminars and knowledge sharing sessions were organised virtually.

Mr. Kenichi Ayukawa, MD & CEO, MSIL taking pledge during National Safety Month

Employees taking oath during National Safety Month

Human Resources

During the COVID-19 pandemic, the prime responsibility of the Company's HR function was to work towards restoring the entire support ecosystem for ensuring employee health and well-being. This required steps such as immediate adoption of remote working, roster-based workforce planning, increased digitalisation of HR systems, strengthening of medical facilities, health monitoring and continuous communication. These steps built confidence among the employees, who in-turn extended full support by adapting to the changed working patterns and conditions.

Diversity of workforce

The Company's diverse workforce, comprising different age groups, genders, intellectual abilities and professional backgrounds, has played a key role in fostering innovation and enhancing productivity, leading to competitive advantage and sustained market leadership over the years. As on 31st March 2021, the Company had 37,156 employees, including 16,025 regular and 21,131 non-regular employees working at various offices and manufacturing facilities. Among the regular employees, 17 persons were differently abled.

Break-up of regular employees by age group and gender

Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21						
				<30 years		30-50 years		>50 years		
				Male	Female	Male	Female	Male	Female	Total
Top and senior management	175	198	214	0	0	127	2	99	2	230
Mid management	303	323	334	0	0	265	6	68	0	339
Junior management	5,431	6,151	6,285	2,064	209	3,717	230	221	5	6,446
Supervisors	3,143	3,450	3,367	1,544	80	1,387	30	218	0	3,259
Associates	5,888	5,770	5,745	596	0	4,887	3	255	10	5,751
Total	**14,940**	**15,892**	**15,945**							**16,025**

Break-up of non-regular employees

Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Apprentices	2,454	2,534	2,065	2,160
Temporary workmen	5,908	3,845	4,137	7,249
Student trainees	2,117	3,045	3,088	3,370
Outsourced employees	9,096	8,881	8,047	8,352
Total	**19,575**	**18,305**	**17,337**	**21,131**

The Company is driving a gender diversity and inclusion initiative, Women in Network, Growth and Success (WINGS), for empowerment of women at work and promotion of an inclusive work environment. Commitment towards equity in employment, recognition and career advancement is helping make the workplace more female friendly. Dedicated engagement sessions were organised to address physical and mental well-being of female employees. A series of sessions were conducted as part of a newly launched coaching and mentoring programme to identify and groom women leaders at the Company. Industry connect programmes and panel discussions on gender diversity and inclusiveness helped employees gain insights from top women leaders in the Indian industry.

Women's Day celebration at MSIL

COVID-19 management
A detailed action plan was prepared to ramp-up business activities with prime focus on employee health and well-being. A central taskforce, including senior leadership of the Company, was created to implement the action plan and track government advisories and guidelines. Health monitoring and contact tracing for entire workforce were carried out with the help of mobile applications (Wellness Mitra, Kalyan Sathi and Kushal Mangal) developed in-house. This initiative was also extended to subsidiary supplier companies. A gate management mechanism, comprising health status check on the mobile application and sanitisation at all entry points was instituted to ensure smooth and safe entry of employees inside Company premises.

A host of new policies on roster duty, work from home, special pandemic leaves and travel were introduced to support employees in carrying out business activities during the pandemic. The Company's medical teams were strengthened to ensure timely support to all employees. Round-the-clock assistance was provided by the Chief Medical Officer and other medical staff. Regular communication through various internal platforms helped create employee awareness on COVID-19 situation and protocols. To help employees adjust to the changing work environment in view of the pandemic, virtual talks and advisories on health and wellness were given a regular basis.

First car roll-out from Gurugram facility after lockdown

First car roll-out from Manesar facility after lockdown

Digital transformation
The Company has embarked on a digital transformation of its human resource management systems to bring in more innovation, agility and operational excellence as well as create value for the employees. Digital platforms such as Ask HR for employee grievance redressal and Chika chat-bot for queries on HR policies are available to employees. HR Assist mobile app helps employees to manage leaves, employee lookup, payroll and visitor gate pass on-the-go. The hiring process has been made completely online. An artificial intelligence-based application that provides candidate recommendation and advanced analytics has made the recruitment process more efficient and enabled faster decision making. An online travel and expense management system has been introduced to provide employees an option to file expenses from their mobile phones.

A platform called SAP Success Factors Employee Central Module – NEEV (Nurturing Employee Experience and Value) has been launched to centrally maintain and disseminate employee-related information as well as provide self-service features for employees and people managers. This reduces operational turnaround time and enables informed decision-making by managers. The platform is being gradually integrated with other human resource processes of the organisation, such as hiring, performance management, learning management, rewards and recognition, succession planning, payroll and separation, thereby providing better experience over the entire employee lifecycle.

The Company is focusing comprehensively on people analytics to measure the effectiveness of the HR programmes and identify mechanisms to make meaningful business decisions based on trends and patterns. Using the NEEV portal, respective HR business partners and managers are able to view analysis reports on aspects such as overall workforce, reportees, employee demographics, hiring and separation. Training sessions are being conducted to promote use of the analytic tools by people managers and decision-makers.

The Company converted its already existing employee engagement channels to digital modes to ensure continuous two-way interaction with employees on workplace matters during the pandemic. These include initiatives such as Coffee with HR, Young Managers' Forum and Communication Champions.

Employee remuneration
The Company is committed to equitable pay for work that is of equal value, skill and responsibility. Pay scales are developed as per industry remuneration practices and constantly reviewed to provide maximum value for employees. Even in challenging business circumstances due to the pandemic, the Company's leadership ensured job security for all employees, no pay cuts, and timely salary disbursement, increments and bonuses.

Remuneration ratio for regular employees (female to male)

FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
Fixed	Total	Fixed	Total	Fixed	Total	Fixed	Total
1.13	1.06	1.07	1.06	1.03	1.04	1.07	1.03

Ratio of compensation between highest-paid individual and employees

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Ratio of the annual total compensation of Managing Director to the median annual total compensation for all regular employees	46.69	46.90	39.07	34.11

Employee benefits
There is a wide array of benefit schemes for regular and non-regular employees. All regular employees are covered under a medical reimbursement policy, together with their dependent children and parents. Contractual employees are covered under the Government's Employees' State Insurance Corporation's social security and health insurance schemes. Life insurance, healthcare, disability coverage and retirement benefits, among other welfare measures are also provided to the employees. Post-retirement medical benefits are extended to superannuating employees and their spouses. Superannuation planning workshops are conducted covering topics such as financial investment and health. Creche facilities are available at the Head Office in Delhi and the facilities in Gurugram and Manesar. Female employees are allowed to extend maternity leave up to 6 months more than the statutory entitlement.

Maternity leaves availed by female employees during FY 2020-21

Female employees who took maternity leave	43
Female employees who returned to work after maternity leave ended	28 out of 43
Percentage of female employees whose maternity leave ended during FY 2019-20, and were still employed as on 31st March 2021	85.2%

The Company inaugurated its new housing township for employees, Maruti Suzuki Enclave, in Dharuhera, Haryana. It comprises affordable and modern apartments built in a secure and emerging neighborhood. By facilitating soft loans and access to the Government's affordable housing schemes, the Company supported employees in fulfilling their aspirations of owning homes. The first batch of houses were handed over to employees during the reporting period.

Maruti Suzuki Enclave - new employee housing township

Ceremony for hand-over of employee houses

Industrial relations

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

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

Engagement with unions and shop floor employees

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

Talent acquisition and retention

During FY 2020-21, 509 regular employees were recruited, while 429 employees separated from the Company. The attrition rate for regular employees stood at 2.7% during the same period.

New hires by age group and gender

Employee Tiers	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21						
				<30 years		30-50 years		>50 years		
				Male	Female	Male	Female	Male	Female	Total
Top and senior management	4	6	4	0	0	0	0	1	0	1
Mid management	14	29	21	0	0	13	0	2	0	15
Junior management	766	1,006	463	308	31	12	0	0	0	351
Supervisors	269	367	112	106	7	2	0	0	0	115
Associates	105	54	2	22	0	5	0	0	0	27

Turnover* by age group and gender

Employee Tiers	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21						
				<30 years		30-50 years		>50 years		
				Male	Female	Male	Female	Male	Female	Total
Top and senior management	13	12	19	0	0	0	0	15	1	16
Mid management	22	23	25	1	0	12	0	14	1	28
Junior management	287	400	436	167	26	57	15	59	1	325
Supervisors	43	45	42	21	0	4	0	14	0	39
Associates	31	30	27	0	0	4	0	16	1	21

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

Performance management

The Company follows a merit-based process for career progression of employees. Based on business requirements, all employees are assigned clearly articulated and documented goals for performance, through discussion with respective reporting managers. All regular employees at the level of supervisors and above, barring engineering trainees and new recruits who joined outside the appraisal period, received performance appraisal during the reporting period.

Learning and Development

In order to achieve its business goals, the Company invests significantly in the training and development of employees and equips them with appropriate knowledge and skillsets. It also supports suppliers and dealers in capacity building of their workforce, to make its value chain agile and responsive to the dynamic nature of business requirements. During the COVID-19 pandemic, the Company leveraged technology in its training processes to quickly adapt to the changing situation. There was increased focus on virtual training programmes and introduction of new training programmes as per the evolving business scenario.

Training programmes for employees

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

Maruti Suzuki Training Academy (MSTA), the training arm of the Company, implements a comprehensive learning and development framework comprising structured band-wise training programmes. Hands-on technical and multi-skilling trainings of shop floor employees and trainees are imparted through the Maruti Suzuki Finishing School, the Centre of Excellence and the Technical Training Centre.

A completely online learning model was adopted during the lockdown period. The Company returned to its hybrid learning model after the lockdown with greater focus on virtual training programmes.

Key Topics Covered in Training Programmes

Technical

- Sheet metal forming technology
- Plastic moulding technology
- Rubber technology
- Industry 4.0 - cyber physical system
- Ergonomics
- Basic automation
- EV technology

Behavioral

- Strategic networking
- Emotional intelligence
- Change management
- Campus to corporate
- Core values
- Shop floor practices
- Gender sensitisation

Functional

- Data analytics
- Digital marketing
- Business finance
- Data visualisation
- Financial risk analytics
- Statistics for data science

COVID-19 related

- Physical and mental well-being for employees and their families
- COVID-19 prevention procedures during work, travel and personal activities

Training hours by employee category

Employee Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Regular employees	590,446	798,307	544,131	280,235
Non-regular employees	729,838	622,268	441,387	155,929

*The decrease in training hours in FY 2020-21 may be attributed to the pandemic

Training of value chain partners

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

The Company, in its efforts to continuously deliver quality service, has been training service staff at its dealerships on latest and advanced technological platforms, behavioral skillsets and soft skills in order to create value for customers. After the onset of the pandemic, the Company accelerated digitalisation of trainings for service staff to ensure uninterrupted learning and continual capability building. In additional to live online training sessions, a mobile application based learning management system, iLearn Service, containing interactive learning content, videos and self-assessments was launched.

For dealership staff, the Company has dedicated training programmes aimed at improving their productivity and enhancing customer experience. Training contents have been designed keeping in view business needs and leading practices across industry. During the reporting period, trainings were conducted through instructor-led online training programmes and a digital self-learning platform. This platform includes instructor-led courses, online modules as well as self-assessment feature for users. Over 44,000 dealership sales staff were trained through these training initiatives.

The Company collaborated with a private university in Haryana for an industry-integrated Bachelor's programme to equip youth with automotive retail skills required at dealerships. The programme is a blend of academic learning and skill development, where students acquire theoretical knowledge through classroom learning in the first year and receive on-the-job training for next two years at the Company's dealerships.

Mini-DOJO center at Tier-2 supplier's facility

Operational Eco-efficiency

SDGs

The Company's environment policy conveys its commitment towards sustainable use of natural resources and reducing pressure on the environment. Environment Management System based on ISO 14001 has been implemented at the Gurugram, Manesar and Rohtak facilities, and is certified externally. In order to improve operational eco-efficiency, initiatives on energy and water conservation, renewable energy deployment and recycling have been undertaken.

Energy and Emissions Management

Energy is one of the critical inputs to the production process at the Company. A major share of its energy requirement is met through captive natural gas power plants and grid power. In FY 2020-21, the usage of grid power for manufacturing operations has increased.

The Company is steadily increasing the share of solar power in its energy portfolio. In FY 2020-21, an additional solar photovoltaic (PV) capacity of 4.1 MWp was commissioned at the Manesar facility, thus increasing the total installed capacity of grid connected solar power across all manufacturing facilities to 10.4 MWp. This incremental capacity addition is part of an upcoming 20 MWp captive solar plant in the Manesar facility, which is expected to be completed in 2021. The output of these plants is synchronised with power generated from natural gas to collectively cater to internal energy needs. The Company is exploring opportunities for further expansion of renewable energy share in its overall energy mix.

New solar plant at Manesar facility

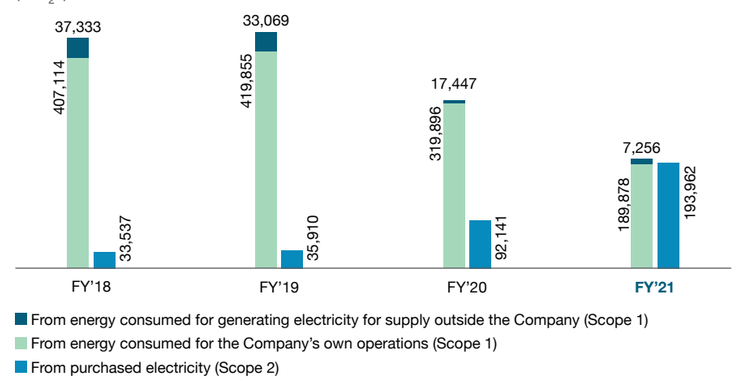
Energy use by type (GJ)

	Energy Use	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Energy Inputs	Natural Gas*	7,609,163	7,759,461	5,864,677	3,353,771
	High Speed Diesel (HSD)*	187,856	182,513	67,053	73,896
	Liquefied Petroleum Gas (LPG) and Propane	28,425	29,113	22,282	24,759
	Gasoline	26,821	32,674	28,334	28,179
	Solar	4,706	4,684	8,676	32,468
	Purchased electricity	147,262	157,681	404,593	884,036
Electricity supplied to MSIL's vendors		197,879	181,437	94,957	37,602

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

Greenhouse gas (GHG) emissions by type

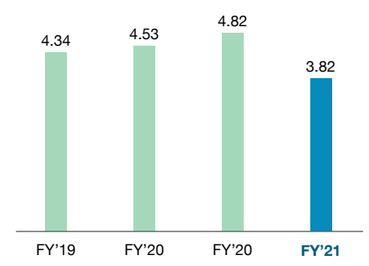
(tCO_2e)



Note: Scope 1 and Scope 2 emissions are calculated on the basis of the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories and User Guide (Version 16.0) of Central Electricity Authority (Ministry of Power, Government of India)

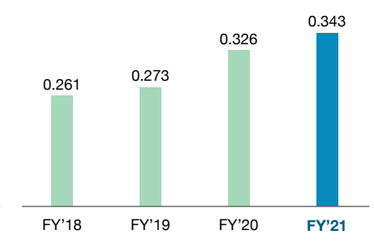
Energy intensity

(GJ/vehicle manufactured)



GHG intensity

(tCO_2e/vehicle manufactured)



During FY 2020-21, the energy intensity decreased by 21% while the GHG intensity increased by 5% as compared to the previous year. This may be attributed to an 8% decrease in production during the same period and switch over of selected load centers from natural gas based captive power to grid power in Manesar.

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

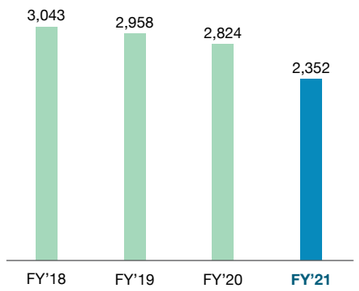
Capital investment in FY 2020-21 towards energy conservation is mentioned in Annexure - C of the Board's Report (page 144). Key energy-saving initiatives undertaken in the reporting period include:

- Energy performance studies across Gurugram, Manesar and Rohtak facilities using non-invasive instruments for capturing operational data and identifying energy reduction opportunities
- Installation of Variable Frequency Drives (VFD) for variable load equipment, such as paint shop pumps, casting plant air blower and water pumps in Manesar and feed pump of package boiler at Gurugram to reduce energy consumption in case of partial loading
- Installation of additional cascade unit in CNG filling station at Gurugram to reduce start-stop operations of CNG compressor
- Optimisation of power distribution in shops through correct loading of transformers in Gurugram, thereby eliminating the use of four distribution transformers
- Modifications in design and layout of cooling ducts and pulley size of paint shop air washers in Gurugram
- Installation of capacitor bank at press shop substation in Manesar to improve power factor and reduce losses in electrical distribution system
- Installation of economiser for waste heat recovery and reduction of fuel consumption in captive power plant boiler in Manesar
- Replacement of inefficient IE1/IE2 rated electric motors with energy-efficient IE3 motors for pumps in paint shops and water treatment plants across Gurugram and Manesar

Annual emission reduction of ~ 25,000 tCO_2e and cost savings of ~ ₹ 300 million through energy-saving measures

The Company is committed to eliminate the use of Ozone-Depleting Substances (ODS) at its facilities by the year 2025, which is well ahead of the regulatory timeline of 2030. It is gradually reducing its inventory of R-22, which is currently contained in condensers, chillers and air-conditioning units, and intends to procure equipment with only non-ODS refrigerants. During 2020-21, there was a 17% reduction in total ODS inventory compared to the previous year.

ODS (R-22) inventory
(Tonnes of refrigerant)



Water and Waste Water Management

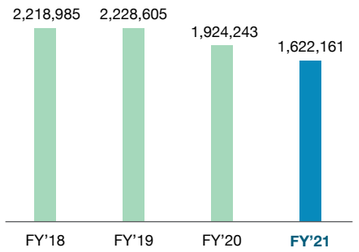
Acknowledging the stress on ground water resources in the areas of its operations in Haryana, the Company ensures that consumption of ground water is kept minimum. The primary source of water is canal. It is supplied by the concerned government authorities.

Due to decrease in production during 2020-21, total water withdrawal and water withdrawal intensity decreased by 16% and 8% respectively, as compared to the previous year.

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

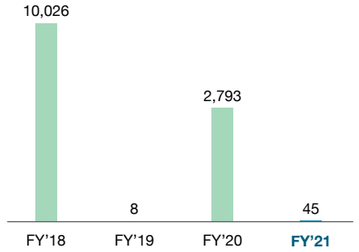
2.7 million m^3 water recycled in manufacturing facilities in FY 2020-21

Canal water sourced (m^3)



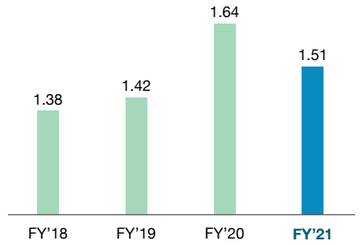
Note: TDS<=1,000 mg/L

Groundwater withdrawal (m^3)



Note: TDS>1,000 mg/L

Water withdrawal intensity
(m^3/vehicle manufactured)



Waste Management

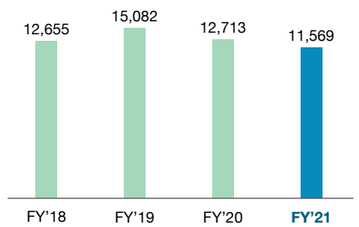
The Company follows the Reduce, Reuse, Recycle (3R) principle of waste management. Handling, storage and disposal are carried out after proper segregation according to the waste type. A major portion of the hazardous waste, such as process and ETP sludge, is sent to the cement industry for co-processing.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

Zero waste to landfill practiced at manufacturing and R&D facilities

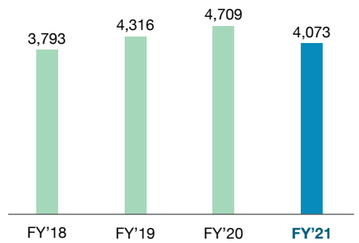
During FY 2020-21, bio-composters were installed in Gurugram and Manesar facilities to convert food waste from canteens to bio-manure, for in-house use in horticulture.

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

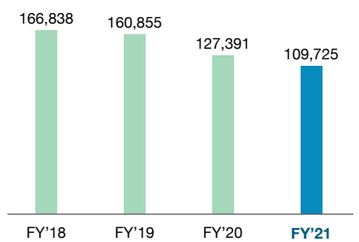
Hazardous waste sent to cement industry for co-processing (MT)



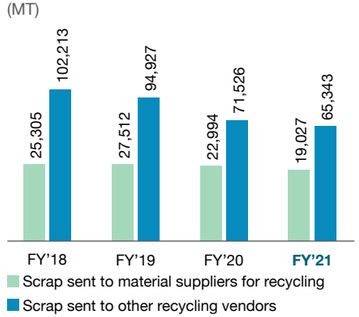
Hazardous waste sent to authorised recyclers (MT)



Non-hazardous waste sent for recycling (MT)



Metallic scrap sent for recycling
(MT)

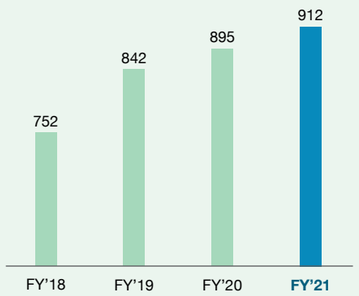


Resource Conservation at Workshops

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

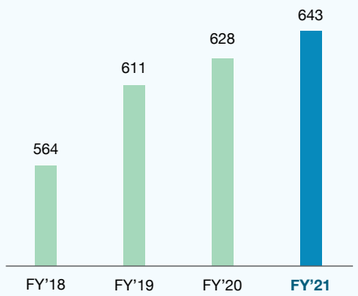
Automated oil management system:
System to minimise oil spillage and control and monitor oil consumption

Workshops covered
(No.)



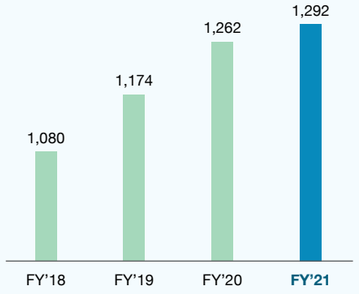
Paint-less dent repair system:
Minor dents repaired without stripping the paint in an environment-friendly, faster and cost-effective manner

Workshops covered
(No.)



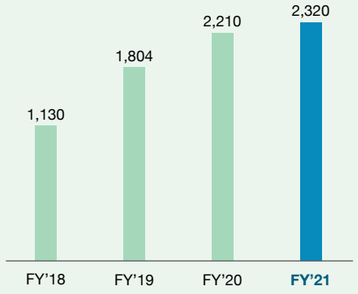
Automatic car washing system:
Automatic car washing and underbody car washing systems leading to nearly 20% reduction in water consumption and better washing quality

Workshops covered
(No.)



Dry wash systems:
Water-based car wash replaced with chemical-based wash, thereby reducing the washing time, improving the final wash quality and reducing water use

Workshops covered
(No.)



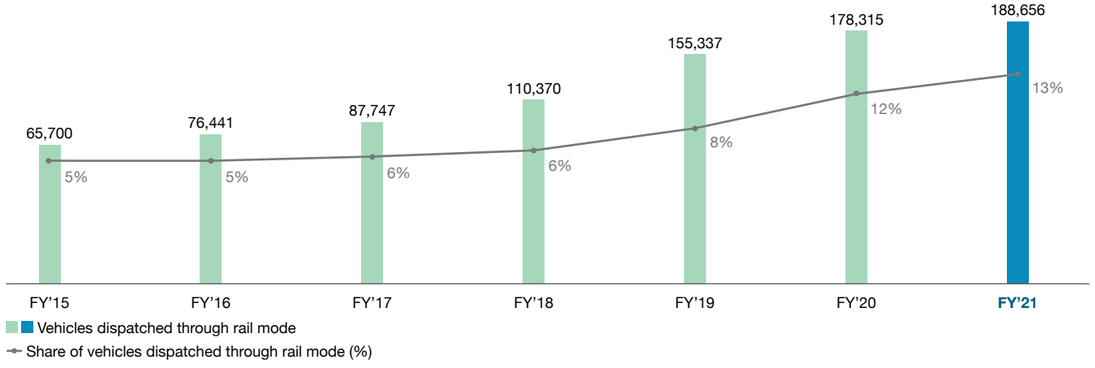
Multi-Modal Dispatches by Railways

Considering the logistics and workforce related challenges and the environmental impacts associated with long-haul road transport, the share of vehicle dispatch through rail mode is being steadily increased. The Company uses specially designed rakes, which it owns, to dispatch vehicles to dealer destinations across the country and to gateway ports for exports. During FY 2020-21, over 13% of vehicles sold were transported through rail. Two new railway dispatch destinations, namely Pune and Coimbatore, were operationalised, taking the total number of destinations to 15. To further enhance dispatch volumes, the Company is developing railway sidings at Manesar plant and Gujarat sales and distribution facility, which are expected to be completed by 2023.

188,656 vehicles transported through rail in FY 2020-21

Super Carry vehicles modified for customer dispatched using specially designed flat-bed rakes

Vehicles dispatched through rail mode
(No.)



Corporate Social Responsibility

SDGs

Guided by its CSR policy, the Company undertakes Corporate Social Responsibility (CSR) projects in the areas of community development, road safety and skill development, in alignment with the national development priorities. The Company aims to create a meaningful and lasting impact on the lives of beneficiaries. As a response to COVID-19 pandemic, efforts were made by the Company to aid healthcare facilities and local communities affected by the health and economic crisis.

Response to COVID-19 Pandemic

COVID-19 pandemic has led to unprecedented health crises and humanitarian challenges. To support the government in tackling the crises, the Company extended assistance in the production of ventilators, face masks and other protective equipment. Support was provided to AgVa Healthcare, an approved ventilator manufacturer, to rapidly scale up their production from 50 units per day to around 400 units per day, thereby reaching a volume of about 10,000 units per month. Additionally, face masks and medical protective clothing were produced, with the support of vendor partners Krishna Maruti Limited and Bharat Seats Limited.

280 ventilators donated

2 million+ face masks handed out

10,000 medical protective clothing distributed

1,000 testing kits and other medical supplies donated to Haryana and Gujarat state governments

12,000+ dry ration kits and 120,000+ cooked meals provided to the affected local communities

Senior management of MSIL and Krishna Group handing over the first batch of face masks to Haryana Government

MSIL senior management donating the first set of 50 ventilators to Haryana Government

Community Development

Community development projects are undertaken in 26 villages around the Company's facilities in Haryana (Gurugram, Manesar and Rohtak) and Gujarat to improve community well-being and maintain harmonious relationships. The initiatives are focused on improving health, education, water and sanitation, and common community infrastructure.

Health initiatives

A multi-specialty hospital has been set up in Sitapur, Gujarat in partnership with Ramanbhai Foundation, the philanthropic arm of Zydus Hospitals, Ahmedabad. The construction of the hospital along with residential facilities is complete and will be operational with 50 beds in April 2021.

A health centre, operated by the Company in Becharaji, fully equipped with advanced diagnostic facilities, emergency care and ambulance facilities, has provided medical care to over 36,000 patients since 2018.

Multi-specialty hospital in Sitapur, Gujarat

Education

The Company has set up a school in Sitapur, Gujarat in partnership with Podar Education Network with the objective of providing quality education to children of Hansalpur, Becharaji and nearby areas. The school will focus on holistic development of children by adopting best academic practices and inculcating moral values, discipline and ethics. The primary school will be operational in April 2021.

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

Maruti Suzuki Podar Learn School in Sitapur, Gujarat

Village development project

The Company has set up water ATMs in 25 villages to supply drinking water to community members at an affordable price. The water ATMs are self-sustainable as the operations and maintenance costs are met with user fees.

28 community water ATMs installed till date

44 million litres of drinking water dispensed

Community water ATM

The Company has constructed 4,455 individual household toilets to help villages achieve open-defecation-free status. It has also laid around 57 kilometers of sewer line and 60 kilometers of village roads. Support for door-to-door household waste collection and sweeping is being provided. These initiatives have improved the quality of life in 24 villages.

4,455 individual household toilets constructed till date

The mechanised solid waste management facility, set up in Manesar area, handles approximately 5 tonnes of waste daily from two villages. The organic compost produced is given to nurseries and local institutions.

Skill Development

The Company's skill development programmes are aimed at enabling the youth to undergo industry-relevant skill training and preparing them for employment opportunities.

Japan-India Institute for Manufacturing (JIM)

A Memorandum of Cooperation (MoC) on Manufacturing Skill Transfer Promotion Programme was signed in 2016 between the Ministry of Economy, Trade and Industry (METI) of Japan and the Ministry of Skill Development and Entrepreneurship (MSDE) of India to work together towards human resource development in India's manufacturing sector. Based on the MoC, the Company has established two Japan-India Institutes for Manufacturing (JIM), in Gujarat and Haryana.

The institutes offer training courses in the domain of automobile manufacturing, maintenance and service such as Mechanic Motor Vehicle, Mechanic Auto Body Painting, Electrician, Welder, Mechanic Diesel Engine, Mechanic Auto Body Repair and Fitter. These courses are recognised by the National Council for Vocational Training (NCVT) and the institute is accredited by METI, Japan. The unique features of JIM include mini-vehicle assembly line, engine assembly line, safety lab, virtual welding simulators and spot-welding equipment, which provide hands-on training to students to make them industry-ready.

Additionally, the students are trained in soft skills and Japanese shop floor practices in the areas of safety, quality, discipline, punctuality, Kaizen, 3G, and 5S. The soft skill curriculum has been developed by the Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS), Japan under the guidance of METI, Japan.

Students are given training under the Dual System of Training (DST) scheme of MSDE. DST is an amalgamation of theoretical training imparted through ITIs and practical training in the industry. It provides hands-on experience to students on latest industrial technologies and enables industry linkages.

~ 900 students trained at JIM since 2017

Dual System of Training introduced at JIM

Basic vehicle assembly training at JIM

Upgradation of Industrial Training Institutes (ITI)
The Company has adopted 30 government-run Industrial Training Institutes (ITI) across 10 states and 1 union territory. The interventions are focused on upgrading workshop infrastructure, training on manufacturing trades and Japanese manufacturing practices as well as enhancing industry exposure for trainers and students. Additionally, soft skills are imparted to make students industry-ready and placement support is also provided.

Additionally, the Company has set up Automobile Skill Enhancement Centres (ASECs) in 83 government-run ITIs across 22 states and 3 union territories to impart training on trades such as Mechanic Motor Vehicle (MMV), Auto Body Repair (ABR) and Auto Body Paint (ABP).

Under the Apprentice Training Programme for Industrial Training Institute (ITI) students, over 2,000 trainees from ITIs across 13 trades were trained in the Company.

Training on vehicle component fitment at ITI

15,000+ students trained at MSIL supported ITIs in FY 2020-21

3,200+ students trained at ASECs in FY 2020-21

Road Safety

Deaths and injuries resulting from road accidents cause significant health and economic burden to victims, their families and the nation. According to a 2019 report of the Ministry of Road Transport and Highways (MoRTH), India accounts for almost 11% of the road accident-related deaths in the world. Driven by the commitment to make Indian roads safer, the Company undertakes projects to improve driving skills and improve road safety consciousness.

Improving road safety through Institute of Driving and Traffic Research (IDTR)
To provide quality driving training and education, the Company has set up 7 Institutes of Driving and Traffic Research (IDTR) and 21 Road Safety Knowledge Centres (RSKC) in association with 5 state governments. The IDTRs use scientifically designed test tracks, driving simulators and a well-defined curriculum to conduct learner, refresher and evaluation courses for drivers of light motor vehicles, heavy motor vehicles, two-wheelers, three-wheelers and forklifts. The IDTRs and RSKCs have trained over 0.34 million drivers during the reporting period and nearly 3.72 million drivers over the past 20 years.

~ 3.72 million drivers trained over the last 20 years

0.34 million drivers trained at IDTRs and RSKCs in FY 2020-21

Driving licencing through Automated Driving Test Tracks (ADTT)
The Company has partnered with the Delhi Transport Department to set up 12 Automated Driving Test Tracks (ADTT) in Delhi. The centres have specially designed tracks to conduct driving tests. They are also equipped with high-resolution cameras to capture real-time footage of tests, analytics-based assessment tools and biometrics to help in the issuance of driving licences more transparently and efficiently. As of 31st March 2021, 10 centres have been operationalised in Delhi. Additionally, two ADTTs are operational in IDTR Dehradun, Uttarakhand and IDTR Aurangabad, Bihar. These ADTTs use mobile vision cameras.

213,000+ candidates took driving licence tests at ADTTs since project inception

Traffic Safety Management System
Traffic Safety Management System (TSMS) has been implemented in association with Delhi Police at 13 road junctions with high traffic density. The project aims to improve compliance by the general public with traffic rules, thereby reducing road accidents. The TSMS comprises 3D radars and high-resolution cameras that simultaneously capture traffic violations such as over-speeding, red-light violation, stop line violation and wrong side driving at traffic junctions. The information on violations is transmitted to the central control room of Delhi Traffic Police for manual validation, from where e-prosecution slips are sent to the violators by SMS with a web link showing the evidence. Nearly three million e-prosecution slips have been issued since inception of the project in 2019.

Driver training at IDTR

Driving license test at ADTT

GRI Content Index

GRI Standard	GRI Title	Reference Section / Remarks	Page no.
102-1	Name of organisation	Approach to reporting	01
102-2	Activities, brands, products, and services	Company profile; Product portfolio	04; 08
102-3	Location of headquarters	Company profile	04
102-4	Location of operations	Company profile	04
102-5	Ownership and legal form	Company profile; Notes to the financial statements	04; 229
102-6	Markets served	Company profile	04
102-7	Scale of the organisation	Company profile; Performance highlights; Diversity of workforce; Notes to the financial statements	04; 16; 96; 253
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102-9	Supply chain	Sustainable supply chain	90
102-10	Significant changes to organisation and its supply chain	Company profile; Sustainable supply chain	04; 90;
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102-13	Membership of associations	Policy advocacy practices	74
102-14	Statement from senior decision-maker	Message from Chairman; Message from the MD & CEO	20; 24
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102-46	Defining report content and topic boundaries	Approach to reporting; Material topics	01; 55
102-47	List of material topics	Material topics	55
102-48	Restatements of information	There have been no restatements of information	-
102-49	Changes in reporting	Material topics	55
102-50	Reporting period	Approach to reporting	01
102-51	Date of most recent report	Approach to reporting	01
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303-3	Water withdrawal	Water and waste water management*	106
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305-1	Direct (Scope 1) GHG emissions	Energy and emissions management*	104
305-2	Energy indirect (Scope 2) GHG emissions	Energy and emissions management*	104
305-4	GHG emissions intensity	Energy and emissions management*	104
305-6	Emissions of ozone-depleting substances (ODS)	Energy and emissions management*	104
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee benefits	99
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Vehicle safety; Fire safety programme; Human safety programme; Occupational health and safety	79 92; 92; 94
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404-2	Programs for upgrading employee skills and transition assistance programs	Employee benefits; Training programmes for employees	99; 102
404-3	Percentage of employees receiving regular performance and career development reviews	Performance management	101
405-1	Diversity of governance bodies and employees	Diversity of workforce; Corporate governance report	97; 155
405-2	Ratio of basic salary and remuneration of women to men	Employee remuneration	99
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate social responsibility; Board's report	110; 142
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information security and data privacy	75

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

Alignment with UNGC Principles

UNGC principle	Description	Reference section	Page no.
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Code of business conduct and conflicts of interest; Prevention of sexual harassment; Respecting human rights	73
Principle 2	Businesses should make sure they are not complicit in human rights abuses	Code of business conduct and conflicts of interest; Prevention of sexual harassment; Respecting human rights; Suppliers' human resource development	73; 93
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Industrial relations	100
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	Code of business conduct and conflicts of interest; Suppliers' human resource development	73; 93
Principle 5	Businesses should uphold the effective abolition of child labour	Code of business conduct and conflicts of interest; Suppliers' human resource development	73; 93
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Code of business conduct and conflicts of interest; Diversity of workforce	73; 96
Principle 7	Businesses should support a precautionary approach to environmental challenges	Product stewardship and innovation; Operational eco-efficiency	76; 104
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Product stewardship and innovation; Operational eco-efficiency	76; 104
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Product stewardship and innovation; Operational eco-efficiency	76; 104
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Governance mechanism	70

DNV

Independent Assurance Statement

Scope and Approach

DNV GL Business Assurance India Private Limited ('DNV') has been engaged by the Management of Maruti Suzuki India Limited ('MSIL', or the 'Company', Corporate Identity Number L34103DL1981PLC011375) to undertake an independent verification of its sustainability performance data to be presented in its Annual Integrated Report 2020-21 ('the Report') in its printed format and detailed in Annexure 1 of this statement. The performance data has been prepared using MSIL's internal protocols for measuring, monitoring, recording and reporting data and Global Reporting Initiative's (GRI's) Topic-specific Standards.

We performed a limited level of verification using DNV's assurance methodology VeriSustain™ for the performance data applying a ±5% materiality threshold for errors and omissions.

The intended user of this Verification Statement is the management of the Company. Our engagement was planned and carried out during June 2021 – July 2021. The scope and boundaries of disclosures is as set out in the Report and covers the sustainability performance data for the reporting period 1st April 2020 to 31st March 2021 and related to MSIL's operations in India that is, manufacturing facilities at Gurugram and Manesar, research and development (R&D) facilities at Rohtak and Gurugram, and Head Office at New Delhi, regional, zonal and area offices, sales and distribution facilities and stockyards as brought out in the Report in the section 'Sustainability Performance'.

Responsibilities of the Management of MSIL and of the Verification Provider

The Management of the Company has the sole accountability for the preparation of the sustainability disclosures in this Report and are responsible for integrity of all information disclosed in the printed Report as well as the processes for collecting, analysing and reporting the information presented to us as part of our verification engagement. In performing our work, our responsibility is to the Management of MSIL only.

Our verification engagement is based on the assumption that the Company has provided us data and information during our review in good faith and free from any misstatements. We were not involved in the preparation of any statement or data included in the Report except for this Verification Statement and Report highlighting our findings related to data verification for future reporting. We expressly disclaim any liability or co-responsibility for any decision a person or an entity may make based on this Verification Statement.

Verification Methodology

During the verification, we adopted a risk-based approach and a sample-based verification was carried out for a limited level of verification as per VeriSustain. We planned and performed our work to obtain the evidence considered necessary to provide a basis for our opinion, and as part of the engagement, a multi-disciplinary team of sustainability and assurance specialists reviewed sustainability disclosures related to MSIL's operations in India. Due to the outbreak of the COVID-19 pandemic and associated travel restrictions, we carried out remote assessments with the various teams of MSIL using DNV's remote assessment procedures as one-to-one discussions and onsite location audits were not feasible. We undertook the following activities:

- Reviewed the data management systems, data accuracy, information flow and controls that MSIL has in place to report the performance data. We examined and reviewed supporting evidence such as documents, data and other information made available by MSIL;
- Reviewed the accuracy and reliability of the data prepared for the Company's reporting purposes for a limited level of verification;
- Reviewed the systems and procedures used for data collection and aggregation;
- Interviewed selected senior managers and other representatives at MSIL, including data owners and decision-makers from different functions of the Company to validate the disclosures made in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives;
- Evaluated the sustainability performance indicators based on the requirements of the chosen GRI Topic-specific Standards.

During the process, we did not come across limitations to the scope of the agreed verification engagement. This verification engagement did not involve any interaction with external stakeholders.

Conclusions

In our opinion, on the basis of our scope of work, nothing has come to our attention to suggest that the sustainability data verified for MSIL's operational sites across India, and listed in Annexure 1 is not a reliable and an accurate representation of its sustainability performance. Some of the data inaccuracies identified during the verification process were found to be

DNV

attributable to transcription, interpretation and aggregation errors, and the errors have been communicated for correction and were subsequently corrected.

Our Competence and Independence

We are a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. We state our independence and impartiality with regard to this verification engagement. In our judgement, this engagement outcome including associated findings and conclusions does not compromise our independence or impartiality. We were not involved in the preparation of any statements or data related to the performance data in Annexure 1, with the exception of this Verification Statement. We maintain complete impartiality toward any people interviewed.

For DNV GL Business Assurance India Private Limited

Radhakrishnan, Kiran — Digitally signed by Radhakrishnan, Kiran Date: 2021.07.26 13:14:36 +05'30'

Kiran Radhakrishnan
Lead Verifier,
DNV GL Business Assurance India Private Limited, India.

Vadakepatth, Nandkumar — Digitally signed by Vadakepatth, Nandkumar Date: 2021.07.26 14:22:51 +05'30'

Vadakepatth Nandkumar
Technical Reviewer
DNV GL Business Assurance India Private Limited, India.

26th July 2021, Bengaluru, India

[1]The VeriSustain protocol is available on request from www.dnv.com

DNV GL Business Assurance India Private Limited is part of DNV– Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnvgl.com

DNV

Annexure 1: Verified Performance Data

Parameter	Related GRI Topic-specific Standard	Unit	Verified Value (April 2020-March 2021)
Energy			
Energy Consumption	GRI 302-1	GJ	4,359,507
Energy Intensity	GRI 302-3	GJ/vehicle manufactured	3.82
Water			
Water Withdrawal	GRI 303-3	KL	1,622,206
Water Discharge	GRI 303-4	KL	Nil
Emissions			
Scope 1 GHG Emissions	GRI 305-1	Tonnes CO_2e	197,134
Scope 2 GHG Emissions	GRI 305-2	Tonnes CO_2e	193,962
GHG Emissions Intensity	GRI 305-4	Tonnes CO_2e per vehicle manufactured	0.343
Waste			
Waste Disposal (Hazardous)	GRI 306-2	Tonnes	15,642
Waste Disposal (Non-Hazardous)		Tonnes	109,725
Employment			
Employee Hires and Turnover	GRI 401-1	Numbers	
- New Hires			509
- Total Turnover (voluntary and involuntary)			429
Parental Leave	GRI 401-3	Numbers	
- Female employees who took maternity leave			43
- Female employees who returned to work after maternity leave ended			28
- Percentage of female employees whose maternity leave ended during FY 2019-20, and were still employed as on 31st March 2021			85.2%
Employee Count	GRI 405-1	Numbers	37,156
Remuneration Ratio of Female to Male (Regular Employees)	GRI 405-2	-	
- Fixed			1.07
- Fixed and Variable			1.03
Occupational Health and Safety			
Regular Employees	GRI 403-9	Per million person hours worked	
- Fatality Rate			Nil
- Recordable work-related injury rate			0.053
- Lost time injury rate			0.027
Non-regular Employees		Per million person hours worked	
- Fatality Rate			Nil
- Recordable work-related injury rate			0.020
- Lost time injury rate			Nil
Training and Education			
Average Training Hours (Regular Employees)	GRI 404-1	Hours	17.49
Average Training Hours (Non-regular Employees)			7.38

Note 1: As per a limited level of verification, we verified 30-40% of the samples which were covered during our verification based on our risk-based approach.

Note 2: CO_2 emission factors used for estimating greenhouse gas emissions due to consumption of natural gas, diesel, petrol, LPG and propane and gasoline are as per IPCC guidelines. Grid emission factor used for Scope 2 GHG calculation is based on the CO_2 Baseline Database for the Indian Power Sector User Guide Version 16.0 dated March 2021 issued by the Central Electricity Authority, of 0.79 tCO_2/MWh.

Note 3: Hazardous wastes are accounted based on amounts recorded in manifests (Form 10) for wastes sent to authorised recyclers.

Note 4: Total employee count considers 16,025 regular employees including top and senior management, middle management, junior management, supervisors and associates and 21,131 non-regular employees including as apprentices, temporary workmen, student trainees and outsourced employees.

Note 5: 23 out of 27 persons who returned to work after maternity leave ended in April 2019 – March 2020 were still in employment as of 31 March 2021.

Note 6: 4 injuries including recordable work-related injuries and lost time injuries as per Factories Act 1948.

Note 7: Training hours account for trainings carried out through classroom and virtual (e-learning and WebEx) modes.

List of Abbreviations

Abbreviation	Full Form
3R	Reduce, Reuse, Recycle
ABP	Auto Body Paint
ABR	Auto Body Repair
ABS	Anti-lock Braking System
ADTT	Automated Driving Test Track
AGS	Auto Gear Shift
AHSS	Advanced High Tensile Steel
AOTS	Association for Overseas Technical Cooperation and Sustainable Partnerships
AR	Augmented Reality
ASEC	Automobile Skill Enhancement Centre
ASSOCHAM	The Associated Chambers of Commerce
ATM	Automated Teller Machine
BS VI	Bharat Stage VI
CAE	Computer Aided Engineering
CAFE	Corporate Average Fuel Efficiency
CBG	Compressed Biogas
CCI	Competition Commission of India
CDI	Customer Delight Index
CE	Comprehensive Excellence
CEO	Chief Excecutive Officer
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CISO	Chief Information Security Officer
CMVR	Central Motor Vehicles Rules
CNG	Compressed Natural Gas
CO2	Carbon Dioxide
COBCE	Code of Business Conduct and Ethics
CoI	Conflicts of Interest
CPCB	Central Pollution Control Board
CSR	Corporate Social Responsibility
DST	Dual System of Training
EBP	Ethanol Blended Petrol
EGR	Exhaust Gas Recirculation
ELV	End-of-Life Vehicle
EMS	Environmental Management System
ESP	Electronic Stability Programme
ETP	Effluent Treatment Plant
EU	European Union
EU ELV	European Union End-of-Life Vehicle
EV	Electric Vehicle

Abbreviation	Full Form
FICCI	Federation of Indian Chambers of Commerce and Industry
GADSL	Global Automotive Declarable Substance List
GCA	Global Customer Audit
GHG	Green House Gas
GJ	Giga Joules
GMB	Google My Business
GPG	Green Procurement Guidelines
HIRA	Hazard Identification and Risk Assessment
HR	Human Resources
HSD	High Speed Diesel
HSE	Health, Safety and Environment
HUD	Head Up Display
HVAC	Heating, Ventilation and Air Conditioning
IDTR	Institute of Driving and Traffic Research
IE1	International Efficency Class 1
IE2	International Efficency Class 2
IE3	International Efficency Class 3
IFM	Initial Flow Management
IMDS	International Material Data System
IPCC	Intergovernmental Panel on Climate Change
IR	Industrial Relations
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
IT	Information Technology
ITI	Industrial Training Institute
JAMA	Japan Automobile Manufacturers Association
JIM	Japan-India Institute for Manufacturing
JV	Joint Venture
LED	Light Emitting Diode
LiB	Lithium-ion Battery
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MAIL	Mobility and Automobile Innovation Lab
MD	Managing Director
METI	Ministry of Economy, Trade and Industry
MISF	Management Information Security Forum
MMS	Maruti Mobile Support
MMV	Mechanic Motor Vehicle
MoC	Memorandum of Cooperation
MoRTH	Ministry of Road Transport and Highways
MSDE	Ministry of Skill Development and Entrepreneurship

Abbreviation	Full Form
MSSWA	Maruti Suzuki Supplier Welfare Association
MSTA	Maruti Suzuki Training Academy
MSTI	Maruti Suzuki Toyotsu India Private Limited
MT	Manual Transmission
MWp	Mega Watt Peak
NCVT	National Council for Vocational Training
NEEV	Nurturing Employee Experience and Value
NVH	Noise, Vibration and Harshness
OCAS	Online Customer Approval System
ODS	Ozone-Depleting Substances
OHSAS	Occupational Health and Safety Assessment Series
OHSMS	Occupational Health and Safety Management System
ORVM	Outside Rear View Mirror
PBT	Persistent, Bio-accumulative and Toxic
PDI	Pre-Delivery Inspection
PFOA	Perfluorooctanoic acid
PoC	Proofs of Concept
POP	Persistent Organic Pollutant
PoSH	Prevention of Sexual Harassment of Women at Workplace
PPVT	Peak Production Verification Trial
PV	Photovoltaic
QRT	Quick Response Team
R&D	Research and Development
RDE	Real Drive Emissions

Abbreviation	Full Form
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals Regulations
RoHS	Restriction of Hazardous Substances
RPAS	Reverse Parking Assist System
RRR	Reusability, Recyclability and Recoverability
RSKC	Road Safety Knowledge Centre
SATAT	Sustainable Alternative towards Affordable Transportation
SBR	Seat Belt Reminder
S-CNG	Smart-CNG
SIAM	Society of Indian Automobile Manufacturers
SMC	Suzuki Motor Corporation
SMS	Short Message Service
SOC	Substance of Concern
SOP	Standard Operating Procedure
STP	Sewage Treatment Plant
TDS	Total Dissolved Solids
TSMS	Traffic Safety Management System
UHSS	Ultra High Tensile Steel
VFD	Variable Frequency Drive
VOC	Volatile Organic Compound
VVT	Variable Valve Timing
WINGS	Women in Network, Growth and Success
WIS	Work Instruction Sheets

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Board's Report

Your Directors have pleasure in presenting the 40th annual report together with the audited financial statements for the year ended 31st March, 2021.

Financial Results

The Company's financial performance during 2020-21 as compared to the previous year 2019-20 is summarised below:

(₹ in million)

Particulars	2020-21	2019-20
Total revenue	732,789	790,314
Profit before tax	51,594	70,648
Tax expense	9,297	14,142
Profit after tax	42,297	56,506
Retained Earnings		
Balance at the beginning of the year	432,385	407,016
Profit for the year	42,297	56,506
Other comprehensive income arising from remeasurement of defined benefit obligation*	408	(518)
Amount transferred to employee welfare fund	(565)	(750)
Income on employee welfare fund	(108)	(117)
Expenses on employee welfare fund	14	132
Amount transferred to scientific research fund	(565)	(750)
Payment of dividend on equity shares	(18,125)	(24,166)
Corporate dividend tax paid	-	-
Balance at the end of the year	455,741	432,385

*net of deferred tax liabilities of ₹ 137 million (previous year includes deferred tax assets of ₹ 200 million)

Financial Highlights

The total revenue was ₹ 732,789 million as against ₹ 790,314 million in the previous year showing a decrease of 7.28%. Sale of vehicles in the domestic market was 1,361,722 units as compared to 1,461,126 units in the previous year showing a decrease of 6.80%. Total number of vehicles exported was 96,139 units as compared to 102,171 units in the previous year showing a decrease of 5.90%

Profit before tax (PBT) was ₹ 51,594 million against ₹ 70,648 million showing a decrease of 26.97% and profit after tax (PAT) stood at ₹ 42,297 million against ₹ 56,506 million in the previous year showing a decrease of 25.15%.

Dividend

The Board recommends a dividend of ₹ 45/- per equity share of ₹ 5/- each for the year ended 31st March, 2021 amounting to ₹ 13,594 million. The Company has formulated a dividend distribution policy that forms part of the annual report. No amount was carried to General Reserve.

Operational Highlights

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

Consolidated Financial Statements

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

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

Annual Return

The annual return of the Company is available on its website at https://www.marutisuzuki.com/corporate/investors/company-reports.

Material Subsidiaries

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

Particulars of Loans, Guarantees and Investments

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

Board Meetings

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

Audit Committee

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

Independent Directors

The Company has received declarations of independence in accordance with the provisions of Section 149 of the Act and Listing Regulations from all the Independent Directors. Under the relevant provisions of the Act and the Listing Regulations, one separate meeting of the Independent Directors was held during 2020-21. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity. The details of the familiarization programmes for the Independent Directors are available on the website of the Company at https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Familiarization_Programme.pdf

Directors' Responsibility Statement

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

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

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

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

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

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

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

Directors and Key Managerial Personnel (KMP)

Mr. T. Suzuki and Mr. Kinji Saito shall retire by rotation in the ensuing Annual General Meeting of the Company and, being eligible, have offered themselves for re-appointment. Pursuant to the withdrawal of nomination by Suzuki Motor Corporation, Mr. Takahiko Hashimoto resigned with effect from close of business hours of 27th April, 2021. Mr. Shigetoshi Torii was appointed as a Director to fill the casual vacancy caused by the resignation of Mr. Takahiko Hashimoto and also Whole-time Director designated as Joint Managing Director (Production and Supply Chain) with effect from 28th April, 2021 for a period of three years till 27th April, 2024. Mr. Hisashi Takeuchi was appointed as a Whole-time Director designated as Joint Managing Director (Commercial) with effect from 28th April, 2021 for a period of three years till 27th April, 2024.

Risk Management

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

Internal Financial Controls

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

Vigil Mechanism

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

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

Related Party Transactions

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

Performance Evaluation

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

Nomination and Remuneration Policy

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

Corporate Social Responsibility (CSR)

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

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

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

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

a)	Number of complaints filed	2
b)	Number of complaints disposed of	2
c)	Number of complaints pending as on the end of financial year	0

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

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

Corporate Governance

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

Secretarial Audit Report

In accordance with the provisions of Section 204 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s RMG & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit for 2020-21. The report on secretarial audit is attached as **Annexure D**. The report does not contain any qualification.

Secretarial Standards

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

Management Discussion and Analysis Report

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

Personnel

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

Cost Auditors and Records

In accordance with the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, M/s R.J. Goel & Co., Cost Accountants, New Delhi (Registration No. 000026) were appointed as the Cost Auditors of the Company to carry out the cost audit for 2021-22. The maintenance of cost records as specified by the Central Government under Section 148(1) of the Act is required by the Company and such accounts and records are made and maintained.

Auditors

The auditors, M/s Deloitte Haskins & Sells LLP ("Deloitte") were appointed in the 35th Annual General Meeting and hold their office till the conclusion of the 40th Annual General Meeting. A certificate has been obtained from Deloitte to the effect that the Company is in compliance with the conditions of Foreign Direct Investment for the downstream investment made by the Company. As per the provisions of Section 139 of the Act, the Board has recommended re-appointment of Deloitte as auditors of the Company from the conclusion of the 40th Annual General Meeting (AGM) till the conclusion of 45th AGM for approval of the members.

CRISIL Ratings

The Company was awarded the highest financial credit rating of AAA/stable (long term) and A1+ (short term) on its bank facilities by CRISIL. The rating underscores the financial strength of the Company in terms of the highest safety with regard to timely fulfillment of its financial obligations.

Quality

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

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

Awards/Recognition/Rankings

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

a) Mr. Kenichi Ayukawa, MD & CEO was awarded the 'Best CEO Large Companies' for the fifth time in a row at Business Today Best CEO Award.

b) WagonR won the Hatchback of the Year Award at Motoring World Awards 2020.

c) 'Car Manufacturer of the year 2020' award by Jagran hiTech Awards 2020.

d) Exemplary Business Adaptation during COVID-19 award by Grant Thornton Bharat SABERA.

e) Green Initiative of the Year was awarded to The Mission Green Million initiative.

f) Three India Digital Awards by IAMAI:

   i) Gold: Best Mobile Search Campaign (Category)

   ii) Silver: Best use of Mobile for content Marketing (Category)

   iii) Bronze: Best use of AR/VR in a Marketing campaign (Category)

g) Manufacturer of the Year award by Car India and Bike India.

Acknowledgment

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

For and on behalf of the Board of Directors

R.C. Bhargava
Chairman

Kenichi Ayukawa
Managing Director & CEO

Gurugram
27th April, 2021

Annexure - A

Nomination and Remuneration Policy

1. Scope

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

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

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

2. Objective

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

1.2. The Policy aims to provide:

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

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

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

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

3. Board Diversity

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

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

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

1.1. The prospective Director:

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

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

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

(iv) should *inter-alia*,

(a) uphold the highest ethical standards of integrity and probity;

(b) act objectively and constructively while exercising his / her duties;

(c) exercise his / her responsibilities in a bona fide manner in the interest of the Company;

(d) devote sufficient time and attention to his / her professional obligations for informed and balanced decision making;

(e) not allow any extraneous considerations that will vitiate his / her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

(f) not abuse his / her position to the detriment of the Company or its shareholders or other stakeholders or attempt to gain direct or indirect personal advantage or advantage for any associated person;

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

(h) assist the Company in implementing the best corporate governance practices;

(i) strictly adhere to and monitor legal compliances at all levels; and

(j) protect confidentiality of the confidential and proprietary information of the Company.

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

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

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

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

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

1.1 Appointment

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

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

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

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

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

1.2. Removal

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

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

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

c. If he/she becomes prohibited by law or under the Articles of Association from being an Independent Director of the Company.

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

1.1. Appointment

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

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

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

1.2. Removal

(i) The appointment of the Managing Director/Joint Managing Director/Whole-time Directors may be terminated at the recommendation of the NRC or by the Board on its own, if such Director commits a breach of any of the duties, functions and responsibilities or

obligations or he/she becomes prohibited by law or under the Articles of Association from being such Director of the Company.

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

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

8. Remuneration

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

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

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

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

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

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

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

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

(iii) Performance linked bonus.

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

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

9. Increments

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

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

10. Review/Amendment

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

Annexure - 1

Evaluation Criteria

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

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

Annexure - B

Annual Report on CSR Activities

1. Brief outline on CSR policy of Company

The Company's CSR policy aims to create a sustainable impact in the community and society. As a policy, the Company's CSR activities focuses on specific strategic areas. The CSR activities are undertaken in three strategic areas namely community development, road safety and skill development. The Company's CSR activities are guided by the CSR Committee. All the projects are regularly monitored and reviewed by the CSR Committee for their impact on the beneficiaries.

The Company focuses on community development projects related to water, sanitation, health, education and common community assets in 26 villages near its facilities in Haryana and Gujarat. The projects are developed in consultation with the local communities. Key projects in the area of water and sanitation are potable water ATMs, water supply infrastructure, construction of individual household toilets and laying of sewer lines.

The Company recognizes the need to improve community health and education status and has focused its efforts in Sitapur, Gujarat where there is requirement for good health and education facilities. It is developing a 100-bed hospital in Sitapur in association with Zydus Hospitals and Healthcare Research Private Limited. The facility, spread over 7.5 acres, will be one of its kind in the area with emergency care and super-specialty medical services. This project will supplement the Company's ongoing efforts of supporting community health centers in villages through upgradation of medical infrastructure. The hospital will be equipped with clinical facilities such as radiology, ophthalmology, physiotherapy, gynecology, cardiology, orthopedic, urology, nephrology and general surgery. Also, residential facility will be provided to hospital staff. The first phase of the hospital with 50 beds has started functioning in April 2021.

The Company is also setting up a senior secondary English medium school in Sitapur, Gujarat with the capacity of 1500 students. The School facilities include Laboratories, Indoor activity rooms and multisport playground. The first phase of the primary section of the school has started functioning in April 2021.

This year, the Company focused on providing the village leaders and local community members with required support to face the challenges posed by the COVID-19 pandemic. At a larger level, the Company extended support to state and local administration in the fight against COVID-19. Leveraging its CSR funds, it provided 280 ventilators, 10,000 protective body suits, face masks and antigen testing kits to the Gujarat and Haryana governments and other stakeholders. Local villages were made aware of the COVID-19 safety protocols communicated by the government. During the lockdown period, the Company provided cooked food, dry ration and other essential supplies to the local needy people. Drinking water and sanitation projects in the villages were also kept operational during lockdown, with strict compliance to health protocols.

In the area of road safety, the Company implemented two technology-driven road safety projects in the national capital namely Traffic Safety Management System (TSMS) and Automated Driving Test Tracks (ADTT) in association with Delhi Government. Under the TSMS project, traffic surveillance systems, comprising of sophisticated 3D radars and high resolution cameras, have been deployed at select high-volume traffic junctions, to capture traffic violations and allow Delhi Traffic Police to issue prosecution notices to offenders. The Company is currently supporting the Police in maintenance of the project infrastructure for a short period as per agreement. Under the ADTT project, driving test tracks are being laid and advanced cameras are being installed at 12 centers to support Delhi transport authorities in issuing computerized driving licenses in a transparent and efficient manner. The Company continued to offer driving training at the seven Institutes of Driving and Traffic Research (IDTR) set up in association with various state governments across the country.

In the area of skill development, the Company continued to support projects that are aimed to prepare the youth for employment opportunities in manufacturing and service sectors. Under its flagship skill development program, it has set up Japan-India Institute for Manufacturing (JIM) at Mehsana, Gujarat and Uncha Majra, Haryana. Here, students undergo industrial training courses and learn Japanese manufacturing practices. This year, government approved Dual System of Training (DST – on the job training) scheme was implemented at the JIMs. Under this scheme, students will undergo theory and basic training at JIMs for five months. They will also undergo on-job training (OJT) in shop-floor of the Company/Suzuki Motor Gujarat Private Limited or partner industry for seven months and will be paid a stipend during this period. In current financial year, 100% students of JIM Mehsana have been placed. In addition, the Company provided industrial and soft skill training by adopting 115 Industrial Training Institutes (ITI). The interventions at the ITIs include upgrading workshops, enhancing industry exposure for trainers and students and imparting soft skills to make students industry-ready.

The CSR Policy of the Company can be accessed through the following web link: https://www.marutisuzuki.com/corporate/about-us/csr

2. The composition of the CSR Committee

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

S. No.	Name	Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. R. C. Bhargava	Chairman/ Non-Executive	Chairman	2	2
2.	Mr. K. Ayukawa	Managing Director & CEO/Executive	Member	2	2
3.	Mr. R. P. Singh	Independent Director	Member	2	2

3. Weblink where composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the Company.

https://www.marutisuzuki.com/corporate/about-us/csr

4. Details of Impact assessment of CSR Projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Report attached.

5. Details of the amount available for setoff in pursuance of Sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Not Applicable.

6. Average net profit of the Company as per section 135(5)

Average net profit of the Company for last three financial years (2017-18, 2018-19 and 2019-20), calculated in accordance with the provisions of the Section 198 of Companies Act 2013 is INR 70,450 millions.

7. a) Two percent of average net profit of the Company as per section 135(5).

The prescribed CSR expenditure for the financial year 2020-21 was INR 1,409 millions.

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

Not applicable.

c) Amount required to be set off for the financial year if any.

Not applicable.

d) Total CSR obligation for the financial year (7a+7b+7c)

INR 1409 millions.

8. a) CSR amount spent or unspent for the financial year

Total Amount spent for the financial year (in INR Millions)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
INR 1409 Millions	Not applicable	Not applicable	Not applicable	Not applicable	Not Applicable

b) Details of CSR amount spent against ongoing projects for the financial year

(In millions)

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project Duration	Amount Allocated for the project	Amount spent in the current Financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of implementation - Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Total			Name	CSR Reg No.
	Community Development											
1.	Setting up of English Medium CBSE School	Education	Yes	Gujarat	Sitapur	2019-2022	102.24	102.24	-	No	Maruti Suzuki Foundation	CSR00002958
2.	Setting up of a multispecialty hospital	Health	Yes	Gujarat	Sitapur	2019-2022	678.00	678.00	-	No	Maruti Suzuki Foundation	CSR00002958
	Road Safety											
3	Setting up of Automated Driving Test Tracks (ADTT) comprising of tracks and advanced cameras to issue computerized driving licenses in a transparent and efficient manner and help promote safe driving habits	Education	Yes	Delhi/ NCR	Delhi/ NCR	2018-2022	74.79	74.79	-	No	Maruti Suzuki Foundation	CSR00002958
	Total							**855.03**				

c) Details of CSR amount spent against other than ongoing projects for the financial year

(In millions)

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the Project	Mode of implementation - Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR Reg No.
	Community Development								
1.	- Holistic development of villages in the area of water and sanitation by providing drinking water ATMs, household toilets (Open Defecation Free villages), water supply infrastructure, sewer lines, rainwater harvesting system, and solid waste collection and management system - Creation of community assets	Water and Sanitation, Rural Development	Yes	Gujarat, Delhi/ NCR	Becharaji, Manesar, Gurugram, Hansalpur, Sitapur, Sankhalpur, Rohtak, Ukradi, Ughrojpur, Sarhaul, Mehsana	89.16	No	Maruti Suzuki Foundation	CSR00002958
2.	Upgradation of infrastructure at government schools and Improving learning level of students	Education	Yes	Haryana	Gurugram, Manesar, Rohtak	21.91	No	Maruti Suzuki Foundation	CSR00002958
3.	- Infrastructure and equipment support to dispensaries - Reduction in the incidence of anemia among women and children through community awareness programs - Community Development COVID-19 expenses	Health	Yes	Gujarat/ Haryana	Hansalpur, Becharaji, Gurugram, Rohtak, Ahmedabad, Uncha Majra	87.57	Both	Maruti Suzuki Foundation/Maruti Suzuki India Limited	CSR00002958
	Skill Development								
1	Management of two Japan India Institutes for Manufacturing (JIM) for skill development of youth in automobile trades and Japanese manufacturing practices to make them industry ready	Vocational training for employability	Yes	Gujarat, Haryana	Mehsana, Uncha Majra	50.54	No	Maruti Suzuki Foundation	CSR00002958
2	Upgradation of vocational training facilities at Govt./Pvt. Industrial Training Institutes (ITIs) including upgradation, repair and maintenance of workshops and infrastructure, industry oriented courses and industry exposure for students, setting up of placement centre etc.	Vocational training for employability	No	Pan India	Pan India	53.43	No	Maruti Suzuki Foundation	CSR00002958
3	Upgradation of vocational training facilities at Govt. Industrial Training Institutes (ITIs) in automobile trade including upgradation of training facilities and workshops, provision of study material and practical training etc.	Vocational training for employability	No	Pan India	Pan India	29.52	No	Maruti Suzuki Foundation	CSR00002958
4	Training of apprentices from various ITIs across India	Vocational training for employability	Yes	Haryana	Gurugram, Manesar	176.92	Yes	MSIL	
	Road Safety								
1	Setting up and operation of Traffic Safety Management System (TSMS) comprising of sophisticated radars and high resolution cameras at high-volume traffic junctions, to capture traffic violations leading to reduction in number of accidents	Promotion of road safety	Yes	Delhi NCR	Delhi, Gurugram	28.98	No	Maruti Suzuki Foundation	CSR00002958
2	Driving training and road safety awareness programs	Road safety education	Yes	Pan India	Pan India	7.75	No	Maruti Suzuki Foundation	CSR00002958
	Total					**545.77**			

d) CSR Administrative Overheads - ₹ 7.19 Millions

e) Amount spent on Impact Assessment – ₹ 1.41 Millions for impact assessment study (FY 2020-21)

f) Total Amount spent for the Financial Year - ₹ 1409.40 Millions

(8b+8c+8d+8e)

g) Excess amount for set off, if any

Sl. No.	Particulars	Amount in (₹ millions)
(i)	Two percent of average net profit of the Company as per section 135(5)	1,409.00
(ii)	Total amount spent for the Financial Year	1,409.40
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.40
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9 a) Details of Unspent CSR amount for the preceding three financial years: Nil

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(In millions)

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project- Completed /Ongoing
						Total		
	Community Development							
1	Education	Setting up of English Medium CBSE School	2019-20	2019-2022	240.35	102.24	240.35	Ongoing
2	Health	Setting up of a multispecialty hospital	2019-20	2019-2022	1,008.64	678.00	1,008.64	Ongoing
	Road Safety							
3	Automated Test Track Project	Setting up of Automated Driving Test Tracks (ADTT) comprising of tracks and advanced cameras to issue computerized driving licenses in a transparent and efficient manner and help promote safe driving habits	2018-19	2018-2022	204.27	74.79	204.27	Ongoing
	Total					**855.03**	**1,453.26**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details)

(In millions)

Sl No.	Project Name	Asset Description	Status of Asset	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1	Setting up of English Medium CBSE School	Furniture & Fittings	Work in Progress	Not Applicable	6.83	Maruti Suzuki Foundation, New Delhi	Sitapur, Gujarat
2	Setting up of English Medium CBSE School	Building	Work in Progress	Not Applicable	92.05	Maruti Suzuki Foundation, New Delhi	Sitapur, Gujarat
3	Setting up of English Medium CBSE School	Computers	Under Installation	Not Applicable	0.26	Maruti Suzuki Foundation, New Delhi	Sitapur, Gujarat
4	Setting up of a multispecialty hospital	Medical Equipment	Work in Progress	Not Applicable	154.83	Maruti Suzuki Foundation, New Delhi	Sitapur, Gujarat
5	Setting up of a multispecialty hospital	Building	Work in Progress	Not Applicable	523.72	Maruti Suzuki Foundation, New Delhi	Sitapur, Gujarat
6	Setting up of English Medium CBSE School	Vehicles	Completed	27-Mar-21	0.77	Maruti Suzuki Education Society	Sitapur, Gujarat
7	Setting up of English Medium CBSE School	Vehicles	Completed	27-Mar-21	0.57	Maruti Suzuki Education Society	Sitapur, Gujarat

(In millions)

Sl No.	Project Name	Asset Description	Status of Asset	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
8	Improvement in licensing system	Automated Test Track	Completed	01-Apr-20	4.08	Transport Department, New Delhi	Burari, Delhi
9	Improvement in licensing system	Automated Test Track	Work in Progress	Not Applicable	10.64	Transport Department, New Delhi	Dwarka, Delhi
10	Improvement in licensing system	Automated Test Track	Work in Progress	Not Applicable	2.53	Transport Department, New Delhi	Hari Nagar, Delhi
11	Improvement in licensing system	Automated Test Track	Work in Progress	Not Applicable	2.67	Transport Department, New Delhi	Jharoda, Delhi
12	Improvement in licensing system	Automated Test Track	Work in Progress	Not Applicable	6.05	Transport Department, New Delhi	Lado Sarai, Delhi
13	Improvement in licensing system	Automated Test Track	Completed	22-Dec-20	10.26	Transport Department, New Delhi	Loni Road, Delhi
14	Improvement in licensing system	Automated Test Track	Completed	16-Jun-20	5.96	Transport Department, New Delhi	Mayur Vihar, Delhi
15	Improvement in licensing system	Automated Test Track	Completed	23-Jan-21	12.72	Transport Department, New Delhi	Raja Garden, Delhi
16	Improvement in licensing system	Automated Test Track	Completed	21-Jan-21	10.65	Transport Department, New Delhi	Rohini, Delhi
17	Improvement in licensing system	Automated Test Track	Completed	01-Apr-20	6.02	Transport Department, New Delhi	Shakur Basti, Delhi
18	Improvement in licensing system	Automated Test Track	Completed	01-Apr-20	4.68	Transport Department, New Delhi	Vishwas Nagar, Delhi
19	Community Development - Water & Sanitation	Plant & Machinery - Rain Water Harvesting System	Completed	23-May-20	0.84	Village community	Khoh Village
20	Japan India Institute of Manufacturing (JIM)	Vehicles	Completed	01-Apr-20	1.36	Principal, JIM Uncha Majra	Uncha Majra, Haryana
21	Japan India Institute of Manufacturing (JIM)	Vehicles	Completed	01-Apr-20	1.99	Principal, JIM Uncha Majra	Uncha Majra, Haryana
22	Upgradation of Govt Vocational and Technical Training Institutes	Building	Completed	01-Apr-20	8.86	Principal, ITI, Mirzapur	Mirzapur, UP
23	Community Development - Education-Improving learning level of students	Underground Water Tank	Completed	01-Apr-20	0.20	Principal, Govt. School	Rohtak, Haryana

(In millions)

Sl No.	Project Name	Asset Description	Status of Asset	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
24	Community Development COVID-19 expenses	Medical Equipments - Ventilators	Completed	16-Jul-20	10.43	Govt. Hospitals	Civil Hospital Ambala, Civil Hospital Jharsa Road, Apollo
25	Community Development COVID-19 expenses	Medical Equipments - Ventilators	Completed	16-Jul-20	37.08	Govt. Hospitals	Gujarat Cancer society & Civil Hospital
26	Upgradation of Govt Vocational and Technical Training Institutes	Buliding - Girls Toilet	Completed	01-Apr-20	0.71	Principal ITI, Udaipur	Udaipur, Rajasthan
27	Community Development - Education-Improving learning level of students	Buliding - Girls Toilet	Completed	01-Apr-20	0.30	Principal ITI, Gurugram	Gurugram, Haryana
28	Upgradation of Govt Vocational and Technical Training Institutes	Buliding - Boys Toilet	Completed	30-Mar-21	0.55	Principal ITI, Udaipur	Udaipur, Rajasthan
29	Upgradation of Govt Vocational and Technical Training Institutes	Vehicles	Completed	15-Jan-21	0.65	Principal ITI, Becharaji	Becharaji, Gujarat
30	Upgradation of Govt Vocational and Technical Training Institutes	Pre Treatment tank with water heater	Completed	12-Feb-21	0.96	Principal ITI, Becharaji	Becharaji, Gujarat
31	Community Development - Rural Development	Construction of Bus Sheds	Completed	01-Apr-20	2.30	Gram Panchayat & Village community	Baliyana, Kheri Sadh, Sarhaul
32	Community Development - Rural Development	Construction of Paver Street	Completed	19-Jan-21	12.67	Gram Panchayat & Village community	Ukaradi, Gujarat
33	Community Development - Rural Development	Construction of Paver Street	Completed	01-Apr-20	5.97	Gram Panchayat & Village community	Ugrojphur, Gujarat
34	Community Development - Rural Development	Construction of Paver Street	Completed	25-Feb-21	3.63	Gram Panchayat & Village community	Carterpuri, Dhundahera, Mullahera
35	Community Development - Rural Development	Construction of Paver Street	Completed	19-Jan-21	4.84	Gram Panchayat & Village community	Kasan village
36	Community Development - Rural Development	Construction of Community Hall	Completed	26-Mar-21	1.10	Gram Panchayat & Village community	Sitapur, Gujarat
37	Community Development - Water & Sanitation	Construction of Water ATMs	Completed	27-Mar-21	7.75	Gram Panchayat & Village community	Bohar, Kheri Sadh- Rohtak, Sarhaul - Gurugram & Prem Ki Dhani- Kassan Manesar

(In millions)

Sl No.	Project Name	Asset Description	Status of Asset	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
38	Community Development - Water & Sanitation	Construction of Sewerge & Household connection Line	Completed	01-Apr-20	7.60	Gram Panchayat & Village community	Baliyana, Rohtak
39	Community Development - Rural Development	Construction of Cemented Street	Completed	01-Apr-20	0.56	Gram Panchayat & Village community	Carterpuri Village

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

R.C. Bhargava
(Chairman CSR Committee)

Kenichi Ayukawa
(Managing Director & CEO)

Impact Assessment Report FY 2020-21

Ten (10) CSR projects were taken up for the Impact Assessment Study. The Company engaged Soulace Consulting Pvt. Ltd. for the evaluation of its CSR Projects. Soulace Research Team conducted field visits and telephonic interviews for data collection. Below are the key findings.

Sl No.	Thematic Area	Impact Assessment Study Key Findings
1.	**Community Development**	
	• Projects on Water, sanitation and common community assets in 26 villages near Company's facilities in Haryana and Gujarat. • 26 Water ATMs in villages. • 4455 Individual household toilets • 19 Waste collection vans and sanitation staff. • Parks, Paver block roads, Bus stops, Community Halls and Cremation grounds.	**1. Water, Sanitation and Common Community Assets** • 89% of the respondents felt that water ATMs have helped them in ensuring easy availability of drinking water at a very reasonable price, remaining 11% didn't respond. • 100% of the respondents have unanimously stated that they experience a sense of security towards the availability of water due to piped connections. • Female respondents stated that toilets have given them privacy, dignity and safety by freeing them from need to go out in dark. • Earlier community members disposed the waste at either dumping ground or on streets, 100% of the respondents stated that now waste collection vans take the waste from the designated locations/their houses. This has improved the overall hygienic conditions and health of the community. • 97% of respondents felt that the Community Hall provided a safe and comfortable place for social gatherings.
	• Infrastructure upgradation, support teachers and digital teaching aids in 50 Government Schools.	**2. Education – Learning Level Improvement Project** • As per respondent (Government school principal), due to lack of infrastructure facility, especially toilet and drinking water, students were not willing to come to school and teachers were finding it difficult to motivate students to attend the school regularly. This project has helped in increasing the number of enrolment and retention. • Digital Aid has increased engagement and generated interest in students towards the learning process.
	• Polyclinic Health Center in partnership with Ramanabhai Foundation (Zydus Hospital) • Anaemia Reduction Project in 4 Villages of Rohtak.	**3. Health** • 95% of respondents (villagers) stated that Polyclinic is easily accessible to them, while it is far for 5%. Quality healthcare, less travelling time and affordable rates as the major reasons for seeking services. • 90% of respondents stated that Women Awareness Groups carried out awareness generation activities, which made them knowledgeable about Anaemia. • The status of any anaemia changed from 59% (baseline) to 56% (end line) amongst women and children.
2.	**Skill Development**	
	• JIM Mehsana initiated in August 2017 • JIM Unchamajra initiated in August 2019. • Upgradation of ITI Mirzapur since 2016	**4. Japan India Institutes for Manufacturing (JIM) Mehsana, Uncha Majra and ITI Mirzapur.** • JIM Mehsana has trained 524 students. 100% of the trainee respondent stated that placement support has been provided to them. 100% of the trainee shared that JIM is equipped with advanced, modern, and upgraded workshops, which is better than any other ITI in the area. • JIM Uncha Majra has trained 344 students. 96% trainee respondents stated that JIM provided placement support to the students. 98% of the trainee shared that JIM has advanced learning infrastructure for them. • ITI Mirzapur has trained 125 students. 85% of respondent trainees from previous batch informed that they received placement support. 85% of the trainee shared that the ITI has upgraded Workshops in comparison with other ITI in the area
	• 30 Government ITIs in 11 states • Training more than 20000 students.	**5. Upgradation of Govt. Industrial Training Institutes (ITIs) in vocational training** • Majority of respondent trainees agreed that the ITI has advanced upgraded Workshops which has helped in getting better training. 80% of the trainees confirmed about availability of placement support at their Institute which helps them connect with the industry.
	• 83 Government ITIs in 22 States and 3 Union Territories.	**6. Upgradation of at Govt. Industrial Training Institutes (ITIs)- Automobile Skill Enhancement Centres (ASECs)** • 100% respondent trainees agreed that their ITIs have advanced, modern and upgraded workshops. 88% of the previous batch respondent trainees visited Industries during their curriculum. 100% trainees informed that they were provided placement support.
	• Trained 2160 trainees from ITIs across 13 trades.	**7. Apprentices training at MSIL floor** • 100% respondent trainees rated the training as excellent or good due to quality of training and industry exposure.
3.	**Road Safety**	**8. Traffic Safety Management System (TSMS)**
	• The Company has installed Radars and cameras in 13 Junctions in Delhi.	• The system has captured 2,728,958 confirmed instances of traffic rule violations. • 100% of the respondents (traffic police) admitted that camera installation has changed the behaviours of commuters; commuters abide by the traffic rules and regulations diligently at the junctions. 100% of the respondents (pedestrians) also revealed that the surveillance system is very effective at the junctions; traffic follows the rules automatically.
		9. Automated Driving Test Tracks (ADTT)
	• 10 Automated Driving Test Centers in Delhi.	• More than 200,000 automated tests have been conducted on tracks till March 2021. 100% of the respondent applicants felt that only a trained driver can pass the test. 88% of the applicants stated that ADTT is more transparent and accurate test. • More than 70% of the interviewed applicants felt that they have been motivated for safe driving through the procedure.
		10. Institute of Driving and Traffic Research and road safety awareness programs
	• 7 IDTRs on Public Private Partnership (PPP) model with State Governments. IDTRs offers courses in LMV & HMV. • Sadak Surakhsa Sewak deployed to assist Traffic Police.	**Institute of Driving and Traffic Research** • 100% of the respondent trainees were confident of driving safely after the training. • Respondent trainees stated that the IDTR training infrastructure facilitates improved learning, • Deployment of traffic marshals • Road users have stated that sadak suraksha sewak (traffic marshals) handled traffic conjunction smoothly at the junctions.

Strength

- Rigorous vendor selection and standardized designs ensures cost effectiveness, quality deliverables and speed of execution.
- Innovative, scalable and technically driven projects aimed to address real social issues of beneficiaries.
- The Projects are well monitored and reported.

Areas of Improvement

- Visibility of the CSR projects should be enhanced.

Annexure - C

Information in accordance with Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Boards' Report for the year ended 31st March, 2021.

A. Energy Conservation

We have continued drive towards energy conservation with focus on improving efficiency and process optimisation. The Company committed a capital investment of ₹ 990 million towards energy conservation equipment. Capital investment towards energy conservation equipment and energy saving initiatives at its plants helped the Company in reducing energy cost. Some of the activities carried out during the year towards environment, energy and water conservation are as follows:

1. Renewable Energy

- Addition of 4.1MW photo voltaic (PV) solar capacity at Manesar plant done in the existing grid connected solar plant capacity at Gurugram and Manesar plant, thereby, increasing the total green power generation capacity to 10.4MW. 4.1MW commissioned is part of 20MW solar power project under installation.
- Capacity upgradation of existing inverters for roof top PV solar units at Manesar plant done to enhance the utilisation of green energy generated.

2. Energy Cost Reduction

- Multiple-Component-Scanning system has been used to scan more than one component at a time at assembly shops at Gurugram and Manesar plants. Earlier multiple machines were being used to scan different components. This improvement has resulted in material saving as well as associated reduction in electricity consumption.
- Electricity sourced from grid power is cheaper than in-house captive generation. Thus, exhaust fans at shop floor at Manesar Powertrain and air-conditioning and air compressor of Rohtak's plant have been switched over from captive to grid power to reduce the energy costs.

3. Energy Conservation and Efficiency improvement

- Energy performance studies have been carried out across Gurugram, Manesar and Rohtak plants using non-invasive instruments for capturing operational data and identification of opportunities for energy reduction and greenhouse gas (GHG) emissions equivalent to 1,084 tonnes of CO_2-eq during the year.
- Variable frequency drives (VFDs) have been installed for equipment with variable load including pumps at paint shop Manesar, air blower and water pumps in Manesar Casting and Boiler Feed Pump of Package Boiler at Gurugram plant to reduce the energy consumption in case of partial loading operations by way of reducing speed of drive motors automatically.
- Additional, CNG cascade unit has been installed at the CNG filling station at Gurugram plant to reduce start-stop operations of compressed natural gas (CNG) compressor.
- Power distribution in the shop has been optimised by proper loading of transformers at Gurugram plant thereby reducing four distribution transformers thus eliminating no-load losses.
- Operating parameters for chiller water circuit temperature and running logic have been optimised thereby reduction in electricity consumption for same running hours, at paint shop Gurugram and Manesar Casting plant.
- Design and layout modifications done in cooling ducts and pulley size of air washers to reduce energy consumption at paint shop Gurugram plant.
- Installation of capacitor bank at Press Shop substation at Manesar plant to improve power factor and reduce the losses in electrical distribution system.
- Waste heat recovery in the boiler at Manesar plant by installation of economizer leading to reduction in fuel (Natural Gas) consumption.
- Use of natural gas fired heat source in place of steam as source in air supply unit of Bumper paint shop at Manesar plant to improve the operational efficiency.
- Upgradation of in-efficient international efficiency (IE) IE1/IE2 rated electric motors with energy efficient IE3 grade motors for pumps at paint shop and Water Treatment Plant across Gurugram and Manesar plants.
- Renewal of old single blower type air washers by more efficient electronically commutated (EC) fan based air washers at Gurugram and Manesar plants.
- Higher efficiency pumps installed at shower test area at Assembly Shop Gurugram and chillers of Manesar Powertrain plant thereby leading to reduction in electricity consumption.

4. Reliability and Safety Improvement

- Renewal of cooling coils of cooling towers at Gurugram and Manesar plants resulting in enhanced performance.
- Renewal of electrical and instrumentation wiring of Gas Turbine at Gurugram plant thus improving its reliability.
- Replacement of flux compensated magnetic amplifier (FCMA) type starter for centrifugal compressors with advanced technology. Thyristor based starter for increasing equipment safety at Gurugram and Manesar plants.
- Installation of temperature controller and aerosol based fire extinguishing systems in capacitor bank panels at Manesar Powertrain Plant for safe and reliable operation.

5. Water and Environment Conservation

- Waste heat recovery boiler at Gurugram plant now equipped with startup vent steam recovery system thereby reducing water consumption in steam generation.
- Fresh water consumption for air washers has been reduced by making arrangement for utilisation of recycled water.
- With a target to eliminate usage of ozone depleting substances (ODS) by year 2025 (well before Governments' guideline of year 2030), old air conditioning equipment being replaced with ODS free equipment at Gurugram and Manesar plants in phased manner.
- Bio composters installed in canteens at Gurugram and Manesar plants to compost the bio-waste into manure and utilise it in-house for horticulture.
- Installation of ground water data monitoring with online piezometer at Gurugram, Manesar and Rohtak plants.

B. Research & Development (R&D)

The Company being the pioneer in Indian automotive industry has been at the forefront of bringing new products and technological solutions, by deeper understanding of Indian consumers and their product usage pattern. The Company's focus is to offer safer, environment friendly, comfortable, convenient and connected products and technologies to Indian customers at an affordable cost. The Company identifies the relevant technologies for India from Suzuki Motor Corporation (SMC), adapt them for Indian conditions and localise with Indian vendors to provide most cost-effective solutions for the Indian customers. The Company has introduced various technologies of SMC such as Smart Hybrid, S-CNG, HEARTECT Platform, Suzuki Connect Telematics Solution, Smartplay Infotainment System, and a range of Automatic Transmissions across its wide portfolio of BS6 compliant cars. The Company, through its various technological interventions, intends to make a noticeable difference that can enhance the user experience and empower lives of the customers.

The COVID-19 pandemic has had an unprecedented impact on the automotive industry and posed immense challenges across the Industry, which was already coping with slow demand, increased commodity prices and the challenge of BS6 transition. Amid the COVID-19 pandemic, Maruti Suzuki engineers worked relentlessly and adapted themselves to the new normal. While keeping the health and safety of its employees on top priority, the Company swiftly took measures to recover the lost time. Continuity of the R&D work was ensured through various virtual technologies to enable Work from Home (WFH), remote access of data, digital collaborations with suppliers & technology partners. The Company reached the normal efficiency with a judicious mix of 'Work from Home' and 'Work at Office'. It is now gearing up to counter any such situation by harnessing the advanced virtual technologies to 'Work from Anywhere'.

This year, the Company has launched new Swift 2021, engineered to further excite the customer with an advanced powertrain, sportier dual tone exterior color, best-in-class fuel efficiency and enhanced safety features. The new Swift is equipped with Next Gen K-Series Dual Jet Dual VVT engine with Idle Start Stop (ISS) technology, resulting in higher fuel efficiency with lower emissions. The new Swift offers Electronic Stability Program (ESP) with Hill hold assist function in the Advanced Auto Gear Shift (AGS) variants.

On the regulatory side, the Company has made strenuous efforts to convert its entire product portfolio from BS4 to BS6 emission norms. The BS6 compliant petrol vehicles will lead to a substantial reduction in vehicular emissions. From the safety front, the Company is committed to offer safer cars to its consumers. In view of this objective, the Company took initiatives to upgrade its entire range of vehicles to meet crash and pedestrian regulations much ahead of the defined timeframe.

The Company has unveiled Mission Green Million in 2020, with the vision to democratise green mobility for its customers and support Government of India's mission of reducing oil imports. The Company under its Mission Green Million aims to sell the next one million green vehicles at a much faster pace, spearheading their mass adoption across the country and reduce carbon footprint. To achieve this objective, the Company has taken various measures such as upgrading current K- Series engines, addition of S-CNG technology and Smart Hybrid technology in more models. The Company has achieved nearly 20% weighted CO2 reduction across the fleet in the past 15 years with these initiatives. The Company is constantly working to strengthen and expand its CNG product portfolio.

The Company has been extensively utilising its integrated R&D facility at Rohtak for testing and evaluation of new models. The integrated R&D facility at Rohtak has state-of-the-art vehicle testing and evaluation labs and different tracks to conduct various tests for design, development, emission and safety. The facility has contributed in a large measure to introduce new technologies.

Technology:

The Company has adopted and introduced many Suzuki's technologies centered on enhancing vehicles safety, fuel-efficiency, comfort, convenience and connectivity.

Safety:

- **(Anti-Lock Braking System) ABS:** To ensure the safety of vehicle, antilock braking system was announced as a mandatory fitment for all cars on sale from April 2019. The Company ensured the testing and implementation of the same in all models with the assistance and guidance of SMC well before the timeline.

- **ESP (Electronic Stability Program):** ESP with hill hold function is offered as a standard feature in automatic variants, enhancing all-around safety for the occupants.
- **HEARTECT Platform:** SMC has developed a next-generation global platform 'HEARTECT Platform' that is designed with a core focus on safety. Built with advanced and high tensile steel, the platform has a smooth continuous design for better impact absorption in case of a collision. At the same time, it offers better stability and control for enhanced driving performance and fuel efficiency. The platform is adopted in all future generation cars globally including cars developed for India.

Comfort and convenience:

- **Infotainment:** The next generation Smartplay studio infotainment system introduced across the Company's product portfolio offers the next level of infotainment experience to the Indian consumers. It is a new-age 17.78 cm (7") connected touch screen infotainment system that connects smartphone, vehicle and cloud-based services to provide a host of features to offer delightful driving experience.
- **Advanced AGS and Automatic Transmission (AT):** The Company's revolutionary two-pedal technology, AGS, offers driving convenience of an automatic transmission vehicle to Indian consumer at an affordable price without compromising on fuel economy. AGS technology is available in six models. Currently, the Company offers three different types of two-pedal transmissions including AT, AGS and Continuously Variable Transmission (CVT) on its 12 models.

Environment friendly technologies:

- **Powertrain:** K-Series engine realises the true spirit of the global design trend of optimising engine performance through innovative design techniques. It is currently offered in four different options across the product line-up: K10B, K12M, K15B and Next-gen Dual VVT Dual Injector K12N Engine. With continuous upgradation of the K-Series engine, the Company has improved nearly 30% fuel efficiency in the last decade to delight value-conscious Indian consumers.
- **Alternate fuel S-CNG:** The Company has also launched BS6 compliant S-CNG variants in Super Carry, Celerio and S-Presso. The Company sees S-CNG as technology that has enormous potential in India and the Company is constantly working to strengthen and expand its S-CNG to more models. The introduction of the S-CNG variant is in line with the Company's commitment to expand its green vehicle portfolio in the country, under its Mission Green Million.

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

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

Comfort and convenience:

- The new Swift 2021 comes equipped with 17.78 cm Smartplay Studio infotainment system that combines smartphone, vehicle and cloud-based services to offer a delightful experience.
- The new Swift 2021 offers host of exciting features like Cruise Control, Key Sync Auto Foldable Outside Rear View Mirror (ORVM), twin-pod meter cluster and a new 10.67cm multi-information coloured thin film transistor display (TFT) display.
- The new S-Cross petrol offers a host of convenience features including Cruise Control, rain sensing wipers, auto headlamps, auto-retracting ORVM, auto-dimming and antiglare inside rear view mirror (IRVM), rear parking camera and gear shift indicator.
- The new S-Cross petrol is available with advanced 4 speed automatic transmission that offers a refined drive experience to customers. The advanced automatic transmission offers ease and comfort of driving on the city roads and with Hill hold assist feature as standard in automatic variants it offers the peace of driving on the tough terrains.

Improved aesthetics:

- The new Swift 2021 comes with refreshed premium silver interior ornamentation and introduction of dual tone exteriors further enhance Swift's stylish character. The new sporty cross mesh grille with bold chrome accent lends a distinctive fascia to the new Swift.
- The new S-Cross petrol with its distinct design offers a powerful, rugged and dominating road presence. The premium urban SUV offers an aggressive upright stance that appeals to the active and adventurous consumers.

Safety and noise vibration & harshness (NVH):

- The new Swift 2021 comes equipped with a host of safety features such as dual airbags, ABS with electronic brake force distribution (EBD), Pre-tensioner and force limiter seat belts, driver / co-driver seat belt reminder and ISOFIX child seat restraint system.
- The new S-Cross petrol is powered by the bigger and powerful 1.5 Litre K-series BS6 petrol engine. The engine offers superior NVH characteristics powered by a pendulum mount engine, offering unmatched best in-class fuel efficiency and an improved cooling performance.
- The new S-Cross petrol comes loaded with the latest safety features which includes, dual front airbags, ABS with EBD, driver and co-driver seat belt reminder, rear parking assist, high speed warning alert, reverse parking sensors and ISOFIX child seat restraint system. These safety features are standard across all variants to ensure complete safety of passengers. Further, the new S-Cross Petrol is compliant with advance safety norms including frontal offset crash, side impact and pedestrian safety.

Weight optimisation and Fuel efficiency improvement:

- The new Swift 2021 is equipped with Next Gen K-Series Dual Jet Dual VVT engine with Idle Start Stop (ISS) technology for a thrilling experience. The Dual Jet technology (2 injectors per cylinder), coupled with Dual VVT (variable valve timing for both intake and exhaust valves) and cooled exhaust gas recirculation (EGR) system result in higher fuel efficiency with lower emissions.
- The new S-Cross petrol is equipped with Progressive Smart Hybrid technology with best-in-class fuel efficiency to enhance the driving experience.
- Weight optimisation of transmission unit by extensive usage of computer aided engineering (CAE) techniques.
- Weight and cost optimisation in S-Presso was obtained by various design measures in chassis components like Rear axle, Suspension frame, Steering gear, etc.

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

- The Company has launched new Swift 2021 with an advanced powertrain, sportier dual tone exterior color, best-in-class fuel efficiency and enhanced safety features.
- The Company has launched the new S-Cross petrol, powered by the bigger and powerful 1.5 Litre K-series BS6 petrol engine. The new S-Cross petrol is equipped with the next generation Smart Hybrid system with lithium ion dual battery system offering improved fuel efficiency, idle start-stop, torque assists functions and brake energy regeneration in addition to providing optimal acceleration and performance.
- The Company has transitioned its entire product portfolio of cars to BS6 compliant emission norms.
- The Company has launched BS6 compliant S-CNG variant in the Super Carry, S-Presso and Celerio.
- The Company has upgraded its entire range of vehicles to meet crash and pedestrian regulations of Government of India much ahead of the timelines.
- The Company saved ₹ 1,419 million by localisation and ₹ 2,508 million from implementation of Value Analysis/Value Engineering (VA /VE) concepts.
- Rigorous efforts to localise imported raw material and high technology parts has helped in reducing the material cost and mitigating the risk of foreign exchange fluctuations. Additionally, it simplifies supply chain and generates employment opportunities.

Technology Absorption, Adaptation and Innovation:

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

- Focused benchmarking of various products and technologies is being done to understand and develop better products for consumers.
- The Company continues to grow its capabilities and experience to deeply understand Indian consumer's aspirations, behaviour and product usage pattern, which will help to adopt and introduce relevant Suzuki's technologies for the Indian market.
- The Company continues to work closely with its supplier partners for value enhancement of parts and subsystems i.e. higher function at lower cost.
- New CAE simulation capabilities added in multiple areas related to chassis development to enhance vehicle performance and enhance product quality.

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

- Introduction of relevant technologies of SMC in wide product portfolio of cars for the India market.
- Creating superior quality and cost effective products.
- Weight optimisation in new models without compromising on safety, performance and durability.
- Improvements in safety of drivers, passengers and pedestrians.
- Higher level of localisation in new models to optimise cost.
- Improvement in vehicle fuel efficiency.

3. **Technology inducted over last 3 years:**

Technology Inducted in 2018-19:

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

Technology Inducted in 2019-20:

- ESP (Electronic Stability Program) along with Hill hold function has been introduced in all new premium MPV XL6 and new 2020 Dzire.
- New 1.2L K-series Dual Jet, Dual VVT BS6 petrol engine has been introduced in Baleno and new 2020 Dzire.

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

Technology Inducted in 2020-21:

- ESP with Hill Hold function is offered as a standard feature in automatic variants.
- The new S-Cross Petrol is equipped with advanced 4 speed automatic transmission with powerful 1.5 litre K-Series BS6 petrol engine.
- Introduced the BS6 compliant S-CNG variant in Super Carry, Celerio, and S-Presso.
- Introduction of New seating system in S-Presso specifically targeted for Indian customer in entry segment vehicle.
- The new Swift 2021 comes equipped with 10.67cm multi-information coloured TFT display.

C. Expenditure incurred on R&D

(₹ in million)

Particulars	2020-21	2019-20
A Capital Expenditure	2,701	4,047
B Net Revenue Expenditure	3,558	3,592
Total	**6,259**	**7,639**

D. Foreign Exchange Earnings and Outgo (Cash Basis)

During the year, total inflows (on cash basis) in foreign exchange were ₹ 45,857 million and total outflows (on cash basis) in foreign exchange were ₹ 78,550 million.

For and on behalf of the Board of Directors

R.C. Bhargava
Chairman

Kenichi Ayukawa
Managing Director & CEO

Gurugram
27th April, 2021

Annexure - D

Form No. MR - 3
Secretarial Audit Report
For the financial year ended on 31st March, 2021

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

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

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

Based on our verification, to the extent possible due to the widespread of COVID- 19 pandemic, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Motor Vehicles Act, 1988

2. The Central Motor Vehicles Rules, 1989

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

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

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

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

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

3. General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/ HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") for conduct of Extra-Ordinary General Meetings/ Annual General Meetings through Video Conferencing (VC) or other audio-visual means (OAVM).

4. MCA Notification No. G.S.R 186 (E) dated March 19, 2020 read with Notification No. G.S.R 395 (E) dated June 23, 2020 to conduct the Meetings of the Board or its committees through Video Conferencing (VC) or other audio- visual means (OAVM).

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

We further report that

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

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

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

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

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

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

1. The Board of Directors in its meeting held on **13th May, 2020** accorded its consent:

   - To aquire 39.13% equity stake from Sumitomo Corporation, Japan and 10% equity stake from Sumitomo Corporation India Private Limited held in J.J. Impex (Delhi) Private Limited, consequent to which the Company (J.J. Impex (Delhi) Private Limited) became wholly owned subsidiary of Maruti Suzuki India Limited.
   - To invest funds of the Company in Maruti Suzuki Toyotsu India Private Limited (MSTI) by subscribing up to 7,050,000 equity shares, making the Company's total investment in the MSTI to ₹ 220.50 million.

2. The Board of Directors in its meeting held on 29th July, 2020 accorded its consent for making investment in Equity of startups under MSIL MAIL (Mobility Automobile & Innovation Lab) program.

3. The Board of Directors in its meeting held on 28th January, 2021 accorded its consent to increase equity participation in Haryana Orbital Rail Corporation Limited (HORCL), a joint venture Company, for an amount up to ₹ 1950 million.

4. The Members of the Company, in the Annual General Meeting held on 26th August, 2020, accorded their consent:

   - To re-appoint Mr. Kenichi Ayukawa (DIN: 02262755) as a Director of the Company, who is liable to retire by rotation;
   - To re-appoint Mr. Takahiko Hashimoto (DIN: 08506746) as a Director of the Company, who is liable to retire by rotation;
   - To appoint Mr. Kenichiro Toyofuku (DIN:08619076) as Whole-time Directors designated as Director (Corporate Planning) for a period of three years with effect from 5th December, 2019, who is liable to retire by rotation;
   - To appoint Mr. Maheswar Sahu (DIN:00034051) as an Independent Director for period of five years with effect from 14th May 2020;
   - To appoint Mr. Hisashi Takeuchi (DIN:07806180) as a Director liable to retire by rotation.

5. The Members of the Company gave their consent vide a special resolution passed through postal ballot on 16th March, 2021 for alteration of object clause in Memorandum of Association

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

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095
UDIN: F005123C000185820

Place: New Delhi
Date: 27th April, 2021

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

Annexure - 1

To,
The Members
Maruti Suzuki India Limited

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2021 is to be read along with this letter:

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

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

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

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

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

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

7. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

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

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095
UDIN: F005123C000185820

Place: New Delhi
Date: 27th April, 2021

Dividend Distribution Policy

The Company has already laid down the Dividend Distribution Guidelines ('Dividend Guidelines') which were approved by the Board of Directors of the Company ('Board') on 30th October, 2014. The Securities and Exchange Board of India has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') under which the Company is required to formulate a dividend distribution policy.

Pursuant to the aforesaid change in the Listing Regulations, the Board has approved this Dividend Distribution Policy ('Policy') of the Company on 23rd March, 2017.

The Company shall declare and pay dividend in accordance with the provisions of the Companies Act, 2013, rules made thereunder and Listing Regulations as amended from time to time.

Following points shall be considered while declaring dividend:

- Consistency with the Dividend Guidelines as laid out by the Board
- Sustainability of dividend payout ratio in future
- Dividend payout ratio of previous years
- Macroeconomic factors and business conditions

Retained earnings are intended to be utilised for:

- Investments for future growth of the business
- Dealing with any possible downturns in the business
- Strategic investment in new business opportunities

The Company currently has only one class of shares i.e. equity shares. As and when it proposes to issue any other class of shares, the policy shall be modified accordingly.

Dividend guidelines

Background: Many shareholders have opined that the Company should provide a dividend policy in the interest of providing greater transparency to the shareholders.

The Board, at the time of approving the annual accounts in each year, also decides the dividend to be paid to the shareholders depending on the context of business in that year. A policy stated by the current Board cannot be binding on future Board. However, the current Board can form a guideline on dividend payout in future in the interest of providing transparency to shareholders.

Board approval

The Board accordingly approved the following guidelines for dividend payment:

The Company would endeavour to keep the Dividend payout ratio, except for reasons to be recorded, within the range of 18% to 40%. The actual dividend for each year would be decided by the Board taking into account the availability of cash, the profit level that year and the requirements of capital investments.

Corporate Governance Report

Corporate Governance Philosophy

Maruti Suzuki India Limited (the Company) is fully committed to practising sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven organisation, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees. The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value. The sustainable business practices are the foundation on which the Company operates since its inception. The Company places utmost importance in creating value for all its stakeholders and it actively promotes sustainable business practices across the value chain. The Company's value creation is based on equitable, inclusive, transparent and collaborative stakeholder practices. The Company actively collaborates with the stakeholders to understand their needs and takes appropriate measures to address them. Since inception, the Company has inculcated the 3R (Reduce-Reuse- Recycle) principles, Japanese practices and Suzuki Motor Corporation's basic philosophy of 'fewer, smaller, lighter, neater and shorter' in all its operating practices. These not only make the operations efficient but also support in resource optimisation leading to conservation of natural resources. The Company offers relevant product and technology that the Indian customers need by leveraging the unique ability of Suzuki Motor Corporation to design feature-rich, safer, environment-friendly products with world class quality at an affordable price. The Company promotes a safe, healthy and happy workplace and always strives to be the employer of choice. The Company's initiatives towards improving its Environmental, Social and Governance (ESG) performance and its contribution towards Sustainable Development Goals is placed in the Integrated Report.

Management Structure and Shared Leadership

The Company has a multi-tier management structure with the Board of Directors at the top. The Company has five business verticals viz. Engineering, Quality Assurance, Production, Supply Chain and Marketing & Sales. Marketing & Sales is further segregated into domestic sales & marketing, international sales & marketing, parts & accessories, service and logistics. Besides the above, there are other functions viz. Human Resources, Finance, Information Technology, Safety, Legal, Corporate Secretarial, Corporate Planning and Realty Acquisition. All key verticals and support functions report directly to the Managing Director & CEO. The Managing Director & CEO is also supported by an executive board, which consists of senior most executives and support in setting strategic direction for the Company and guiding in development of talent pipeline for leadership positions. The leaders at the top level are designated as Executive Officers (EOs)/ Senior Executive Officers (Sr. EOs)/ Members Executive Board (MEBs). The board meetings of the Company mark the presence of all the Sr. EOs / EOs/ MEBs as they act as a channel between the Board above them and the employees. This structure not only allows easy and quick communication of field information to the Board members but also gives the top management the opportunity to give recommendations relevant to their business operations. The Sr. EOs/ EOs are supported by the divisional heads and the departmental heads.

Through this, it is ensured that:

- Strategic supervision is provided by the Board;
- Control and implementation of the Company's strategy is achieved effectively;
- Operational management remains focused on implementation;
- Information regarding the Company's operations and financial performance are made available adequately;
- Delegation of decision making with accountability is achieved;
- Financial and operating controls are maintained at an optimal level; and
- Risk is suitably evaluated and dealt with.

Board of Directors

Composition of the Board

As on 31st March, 2021, the Company's Board consists of twelve members. The Chairman of the Board is a Non-executive Director. The Company has an optimum combination of Executive and Non-executive Directors in accordance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Board has three Executive Directors and nine Non-executive Directors, of whom four are Independent Directors. The composition is given in **Table 1**. Except Mr. Osamu Suzuki and Mr. Toshihiro Suzuki who are related to each other, none of the other Directors is related to any other Director. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interests of stakeholders and the Company.

Table 1: Composition of the Board as on 31st March, 2021

S. No.	Name	Category	*No. of Directorship(s)		No. of committee(s)		Name of the listed entities	
			Public	Private	Member (including chairpersonship)	Chairperson-ship	In which he/she is a Director	Category of Directorship
1.	Mr. R. C. Bhargava	Chairman, Non-Executive	3	2	3	2	• Dabur India Limited • Maruti Suzuki India Limited	Independent Non-Executive
2.	Mr. Kenichi Ayukawa	Managing Director and CEO, Executive	4	2	2	-	• Maruti Suzuki India Limited • Subros Limited	Executive Non-Executive
3.	Mr. Takahiko Hashimoto	Executive	1	1	-	-	• Maruti Suzuki India Limited	Executive
4.	Mr. Kenichiro Toyofuku	Executive	1	-	-	-	• Maruti Suzuki India Limited	Executive
5.	Mr. Osamu Suzuki	Non-Executive	1	-	-	-	• Maruti Suzuki India Limited	Non-Executive
6.	Mr. Toshihiro Suzuki	Non-Executive	1	-	-	-	• Maruti Suzuki India Limited	Non-Executive
7.	Mr. Hisashi Takeuchi	Non-Executive	1	-	-	-	• Maruti Suzuki India Limited	Non-Executive
8.	Mr. Kinji Saito	Non-Executive	1	-	-	-	• Maruti Suzuki India Limited	Non-Executive
9.	Mr. Davinder Singh Brar	Independent	4	10	7	2	• Mphasis Limited • Maruti Suzuki India Limited • Wockhardt Limited • EPL Limited	Independent Independent Independent Independent
10.	Mr. R.P. Singh	Independent	3	1	5	2	• Maruti Suzuki India Limited • Nirlon Limited	Independent Independent
11.	Ms. Lira Goswami	Independent	1	1	1	-	• Maruti Suzuki India Limited	Independent
12.	Mr. Maheswar Sahu	Independent	8	4	4	2	• Maruti Suzuki India Limited • Adani Total Gas Limited	Independent Independent

*Doesn't include Directorship in foreign companies.

- In terms of Regulation 26(1) of Listing Regulations:
  - Foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 are excluded for the purpose of considering the limit of committees.
  - The committees considered for the purpose are audit committee and stakeholders' relationship committee.
  - None of the Directors was a member of more than 10 committees or chairperson of more than 5 committees across all listed companies in which he/she is a Director.
- In terms of Schedule V of Listing Regulations:
  - In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of management.
  - A certificate from a Company secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority forms part of this report as **Annexure - A**.
- None of the Directors holds equity shares in the Company except Mr. D.S. Brar who holds 1 equity share.

Board Meetings

The Board met five times during the year on 13th May, 2020, 29th July, 2020, 29th October, 2020, 28th January, 2021 and 25th March, 2021. The Board meets at least four times a year with a maximum gap of one hundred and twenty days between any two meetings. Additional meetings are held, whenever necessary. **Table 2** gives the attendance record of the Directors at the board meetings as well as the last annual general meeting (AGM).

Table 2: Board Meeting and AGM Attendance Record of the Directors in 2020-2021

S. No.	Name	Number of Board Meetings attended (Total meetings held: 5)	Whether attended last AGM (26th August, 2020)
1.	Mr. R. C. Bhargava	5	Yes
2.	Mr. Kenichi Ayukawa	5	Yes
3.	Mr. Takahiko Hashimoto	5	Yes
4.	Mr. Kenichiro Toyofuku	5	Yes
5.	Mr. Hisashi Takeuchi	5	Yes
6.	Mr. Osamu Suzuki	5	Yes
7.	Mr. Toshihiro Suzuki	5	Yes
8.	Mr. Kinji Saito	5	Yes
9.	Mr. Davinder Singh Brar	5	Yes
10.	Mr. R.P. Singh	5	Yes
11.	Ms. Lira Goswami	5	Yes
12.	*Mr. Maheswar Sahu	4	Yes

* Appointed as Independent Director w.e.f. 14th May, 2020.

Information Supplied to the Board

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

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

Committees of the Board

I. Audit Committee

Composition and Meetings

Table 3 shows the composition of the audit committee and the details of attendance. The audit committee met seven times during the year on 13th May, 2020, 29th July, 2020, 4th August, 2020, 29th October, 2020, 2nd December, 2020, 28th January, 2021 and 25th March 2021. All the members of the audit committee are financially literate and Mr. Davinder Singh Brar, the Chairman, has expertise in accounting and financial management. The Chairman attended the last annual general meeting to answer shareholders' queries.

Table 3: Composition as on 31st March, 2021 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in – 2020 - 2021 (Total meetings held: 7)
1.	Mr. Davinder Singh Brar	Independent	Chairman	7
2.	Mr. Kenichi Ayukawa	Executive	Member	7
3.	Mr. R. P. Singh	Independent	Member	7
4.	Ms. Lira Goswami	Independent	Member	7
5.	Mr. Maheswar Sahu*	Independent	Member	6

*Appointed as member of Audit Committee w.e.f. 14th May, 2020.

Mr. Sanjeev Grover, the Company Secretary acts as the secretary to the audit committee. Wherever required, other Directors and members of the management are also invited.

Role

The role/terms of reference of the audit committee include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of the auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditors' report before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Directors' responsibility statement to be included in the Board's Report in terms of clause (c) sub-section (3) of Section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by the management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
7. Review and monitor the auditors' independence and performance and effectiveness of the audit process.
8. Approval of transactions of the Company with related parties and any subsequent modification of such transactions.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk evaluation and mitigation systems.

12. Reviewing with the management the performance of statutory and internal auditors and adequacy of the internal control systems.

13. Reviewing the adequacy of the internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

14. Discussions with internal auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain and resolve any areas of concern.

17. Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

18. Review the functioning of the whistle blower mechanism.

19. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience, background, etc. of the candidate.

20. Reviewing the utilisation of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investment.

21. Carrying out any other function as is mentioned in the charter of the audit committee.

II. Nomination and Remuneration Committee (NRC)

Composition and Meetings

Table 4 shows the composition of NRC and the details of attendance.

Table 4: Composition as on 31st March, 2021 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in – 2020- 2021 (Total meetings held: 3)
1.	Mr. Davinder Singh Brar	Independent	Chairman	3
2.	Mr. R.C. Bhargava	Non-Executive	Member	3
3.	Mr. Toshihiro Suzuki	Non-Executive	Member	3
4.	Ms. Lira Goswami*	Independent	Member	3

*Appointed as member of Nomination and Remuneration Committee w.e.f. 1st April, 2020.

Mr. Sanjeev Grover, the Company Secretary acts as the secretary to NRC.

Terms of Reference

The role/terms of reference of NRC include the following:

1. Identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal.

2. Formulate criteria for evaluation of the performance of Board, its committees and individual Directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

3. Formulate the criteria for determining qualification, positive attributes and independence of a Director and devising a policy on Board diversity.

4. Recommend to the Board a remuneration policy applicable to Directors, key managerial personnel and other employees.

5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

7. Ensure that:

   a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

   b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

   c. Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

   d. Any other action as may be required under the Companies Act, 2013 and any amendment thereto, Listing Regulations and guidelines/circular issued by the Securities and Exchange Board of India from time to time.

Performance Evaluation Criteria for Independent Directors & Remuneration Policy

For performance evaluation criteria for independent Directors and details of remuneration policy, please refer to the Board's Report.

Remuneration of Directors

Table 5 gives details of the remuneration for the financial year ended 31st March, 2021. The Company did not advance any loans to any of its Directors in the year under review.

Table 5: Details of Remuneration for the Financial Year ended 31st March, 2021

S. No.	Name	Salary & Perquisites (in ₹)	Performance Linked Bonus* (in ₹)	Sitting Fees (in ₹)	Commission (in ₹)	Total (in ₹)
1.	Mr. R.C. Bhargava	-	-	900,000	13,000,000	13,900,000
2.	Mr. Kenichi Ayukawa	32,448,000	9,418,100	-	-	41,866,100
3.	Mr. Takahiko Hashimoto	21,516,000	7,931,667	-	-	29,447,667
4.	Mr. Kenichiro Toyofuku	21,516,000	9,893,160	-	-	31,409,160
5.	Mr. Hisashi Takeuchi	-	-	500,000	-	500,000
6.	Mr. Osamu Suzuki	-	-	500,000	-	500,000
7.	Mr. Toshihiro Suzuki	-	-	650,000	-	650,000
8.	Mr. Kinji Saito	-	-	500,000	-	500,000
9.	Mr. Davinder Singh Brar	-	-	1,400,000	5,600,000	7,000,000
10.	Mr. Rajinder Pal Singh	-	-	1,300,000	4,000,000	5,300,000
11.	Mr. Maheswar Sahu	-	-	1,000,000	6,200,000	7,200,000
12.	Ms. Lira Goswami	-	-	1,350,000	4,200,000	5,550,000

*The payment of performance linked bonus is subject to the approval of the Board of Directors.

Apart from the above, there were no pecuniary transactions between the Company and Directors.

The performance criteria for the purpose of payment of remuneration to the Directors are in accordance with the Nomination and Remuneration Policy. For details on performance evaluation, please refer to the Board's Report. There is no severance fee. The Company has not issued any stock options. No employee of the Company is related to any Director of the Company.

Remuneration of the Non-Executive Directors

Members of the Company had approved the payment of commission to non – executive Directors within the limit of one percent of the net profits of the Company and subject to the total payments not exceeding ₹ 50 million per annum. The criteria for the purpose of determination of the amounts of commission are in accordance with the Nomination and Remuneration Policy.

III. Corporate Social Responsibility Committee (CSR)

Composition and Meetings

Table 6 shows the composition of CSR Committee and the details of attendance.

Table 6: Composition as on 31st March, 2021 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in 2020-2021 (Total meetings held: 2)
1.	Mr. R.C. Bhargava	Non-Executive	Chairman	2
2.	Mr. Kenichi Ayukawa	Executive	Member	2
3.	Mr. R.P. Singh	Independent	Member	2

Mr. Sanjeev Grover, the Company Secretary acts as the secretary to the CSR Committee.

Terms of reference

1. To frame the CSR policy and its review from time-to-time.
2. To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
3. To ensure compliance with the law, rules and regulations governing the CSR and to periodically report to the Board of Directors.

IV. Risk Management Committee (RMC)

Table 7 shows the composition and meetings of the RMC.

Table 7: Composition as on 31st March, 2021 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in 2020-2021 (Total meetings held: 2)
1.	Mr. R.C. Bhargava	Non-Executive	Chairman	2
2.	Mr. Kenichi Ayukawa	Executive	Member	2
3.	Mr. Takahiko Hashimoto	Executive	Member	2
4.	Mr. Ajay Seth	Chief Financial Officer	Member	2
5.	Mr. Rajiv Gandhi	Sr. Executive Officer (Production)	Member	2

Mr. Sanjeev Grover, the Company Secretary acts as the secretary to RMC and Executive Vice President (Corporate Planning) coordinates its activities.

Roles and Responsibilities of the RMC

1. Preparation of a charter / policy on risk assessment and minimisation and mitigation process.
2. Preparation and review of a risk library.
3. Monitoring and reviewing risk management and mitigation plan.
4. Monitoring and reviewing cyber security.

The risk management department periodically organises reviews of the risk mitigation and implementation plans of risks with chairman/top management.

Stakeholders' Relationship Committee (SRC)

Composition

Table 8 shows the composition of SRC. Mr. R. C. Bhargava, the Chairman attended the last annual general meeting to address shareholders' queries.

Table 8: Composition as on 31st March, 2021 and Attendance

S. No.	Name	Category	Designation	No. of meetings attended in 2020-21 (Total meeting held:1)
1.	Mr. R.C. Bhargava	Non-Executive	Chairman	1
2.	Mr. Davinder Singh Brar	Independent	Member	1
3.	Mr. Kenichi Ayukawa	Executive	Member	1

Mr. Sanjeev Grover is the Company Secretary & Compliance Officer and acts as the secretary to SRC.

Objective

The scope of work of the SRC comprises of:

a. Resolving the grievances of the shareholders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

b. Review of measures taken for effective exercise of voting rights by shareholders;

c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent; and

d. Review of the various measures and initiatives taken by Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

Investor Grievance Redressal

During the year, 11 complaints were received and resolved. All requests received for transfer of shares in physical form were duly processed.

General Body Meetings

Table 9: Details of the last three AGMs of the Company

Financial Year	Location	Date	Time
2017-2018	Air Force Auditorium, Subroto Park, New Delhi	23rd August, 2018	10:00 a.m.
2018-2019	Air Force Auditorium, Subroto Park, New Delhi	27th August, 2019	10:00 a.m.
2019-2020	Video Conferencing/ OAVM	26th August, 2020	10:00 a.m.

In the AGM held on 27th August, 2019 two special resolutions were passed by the shareholders w.r.t. re-appointment of Mr. D.S. Brar and Mr. R.P. Singh as Independent Directors. The special resolutions were not required to be put through postal ballot. In the AGM held on 23rd August, 2018, three special resolutions were passed wr.t. amendment of the Articles of Association, appointment of Mr. R.C. Bhargava as non-executive Director and Mr. O Suzuki as non-executive Director. These special resolutions were not required to be put through postal ballot. During the year under review, one special resolution was passed through postal ballot with respect to amendment of the object clause of the Memorandum of Association of the Company. Mr. Manish Gupta, a Practising Company Secretary with membership number FCS 5123 was appointed as Scrutinizer for conducting the postal ballot process in a fair and transparent manner. KFin Technologies Private Limited was appointed as the agency to provide e-voting facilities to the members. The Company provided facility of remote e-voting to enable its members to cast their votes electronically. The voting rights of the Members were in proportion of their shareholding to the total paid up equity share capital of the Company as on the cut-off date i.e. Friday, the 5th February, 2021.

Following was the voting pattern:

Particulars	No. of Ballot	No. of Shares for which Vote Cast	% as to Total Votes	% as to Total valid votes
Electronic Voting				
Total Votes	1720	271,336,746	100%	---
Less: Invalid Votes	53	1,139,168	0.42%	--
Total Valid Votes (D)	1667	270,197,578	99.58%	100%
Valid Votes in favor of the resolution (E)	1650*	270,197,256	99.58%	99.99%
Valid Votes against the resolution (F)	20*	322	0.00%	0.00%

* 3 (Three) members voted in favour and against electronically on the single ballot.

Competencies of the Board

The following chart gives the competencies of the Board of Directors:

As on 31st March, 2021

Competencies	Mr. O. Suzuki	Mr. R.C. Bhargava	Mr. K. Ayukawa	Mr. T. Suzuki	Mr. T. Hashimoto	Mr. K. Toyofuku	Mr. K. Saito	Mr. H. Takeuchi	Mr. D.S. Brar	Mr. R.P. Singh	Mr. M. Sahu	Ms. Lira Goswami
Knowledge of all aspects of the car industry including its operations, technology, global experience and exports	✓	✓	✓	✓	✓	✓	✓	✓				
Business Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Legal/Corporate Governance		✓	✓		✓	✓			✓	✓	✓	✓
Government Rules/ Regulations		✓	✓		✓	✓			✓	✓	✓	✓
Knowledge of Political/ Social Environment		✓	✓		✓	✓			✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Disclosures Made by the Management to the Board

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

Related Party Transactions

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

Code of Conduct for the Board of Directors and Senior Management Personnel

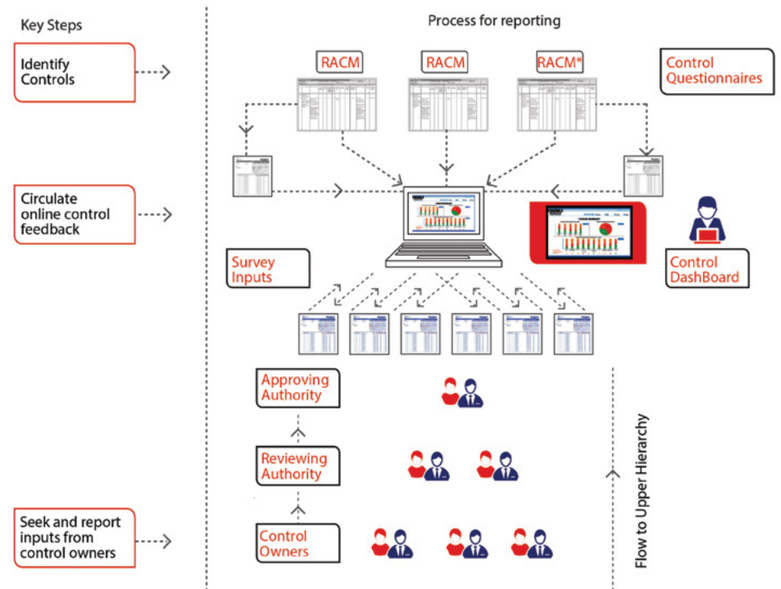
The Company has laid down a code of conduct for the members of the Board and identified senior management personnel of the Company.

The Company's code of conduct has been posted on its website www.marutisuzuki.com. The code of conduct was circulated to all the members of the Board and senior management personnel and they had affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2021. A declaration to this effect signed by the Managing Director & CEO of the Company forms part of this report as **Annexure - B**.

CEO/CFO Certification

The Company has institutionalised the framework for CEO/CFO certification by establishing a transparent "controls self assessment" mechanism, thereby laying the foundation for development of the best corporate governance practices which are vital for a successful business. It is the Company's endeavor to attain the highest level of governance to enhance the stakeholders' value. To enable certification by CEO/CFO for the financial year 2020- 2021, key controls over financial reporting were identified and subjected to self-assessment by control owners in the form of completion of self-assessment questionnaires through a web based online tool called "Controls Manager". The self-assessments submitted by control owners were further reviewed and approved by their superiors and the results of the self-assessment process were presented to the auditors and the audit committee. The whole exercise was carried out in an objective manner to assess the effectiveness of internal financial controls including controls over financial reporting during the financial year 2020- 2021.

Enabling controls self-assessments through the 'Controls Manager'



* RACM: Risk & Control Matrix

As required under Regulation 17 of the Listing Regulations, a certificate duly signed by the Managing Director & CEO and the Chief Financial Officer was placed before the Board of Directors at its meeting held on 27th April, 2021.

Legal Compliance Reporting

The Board periodically reviews reports of compliance with all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances. The Company has developed comprehensive legal compliance scheduling and management software by which specific compliance tasks are assigned to specified employees. The software enables planning and monitoring of all compliance activities across the Company.

Code for Prevention of Insider Trading Practices

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

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

Refer Board's Report for details.

Familiarization Programme/Policy on Related Party Transactions/Policy on Material Subsidiaries

The web links of familiarization programmes for the independent Directors, policy on related party transactions and policy on material subsidiaries are:

https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Familiarization_Programme.pdf

https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_on_Related_Party_Transactions.pdf

https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_on_Subsidiary_Companies.pdf

Whistle Blower Mechanism

The Company has in place an established and effective mechanism called the Whistle Blower Policy (Policy). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behaviour, actual or suspected fraud within the Company. The Chairman of the audit committee is the ombudsperson and direct access has been provided to the employees to contact him through e-mail, post and telephone for reporting any matter. No person has been denied access to the Ombudsperson/Audit Committee.

Details of Non-Compliance

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

Subsidiary Companies

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

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

Shareholders' Information

Means of Communication

Financial results	Quarterly, half-yearly and annual financial results are published in 'The Hindu-Business Line', 'Financial Express' and in Hindi editions of 'Jansatta' and 'Hindustan'.
Monthly sales/production	Monthly sales and production figures are sent to stock exchanges as well as displayed on the Company's website www.marutisuzuki.com.
News releases	All official news releases are sent to stock exchanges as well as displayed on the Company's website www.marutisuzuki.com.
Website	The Company's website www.marutisuzuki.com contains a dedicated segment called 'Investors' where all information needed by members is available including ECS mandate, nomination form and annual report. The website, inter-alia, also displays information regarding schedule of analyst or institutional investor meet and presentation made to media/ analysts/ institutional investors, financials, press releases, stock information, shareholding patterns, details of unclaimed dividend, etc.
Annual report	In our endeavor to protect the environment, the Company sent the annual report for the year 2019-2020 through e-mails to those members who had registered their e-mail ids with either depository participant (DP) or the Registrar & Transfer Agent (RTA) or the Company. This also helped the Company in saving a huge cost towards printing and dispatch.
BSE Listing Centre & NEAPS (NSE Electronic Application Processing System)	All disclosures and communications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through BSE Listing Centre and NEAPS.
SCORES (SEBI Complaints Redressal System)	The Company supports SCORES by using it as a platform for communication between SEBI and the Company.
Exclusive e-mail id's for investors	Following e-mail ids have been exclusively dedicated for the investors' queries: investor@maruti.co.in einward.ris@kfintech.com Queries relating to annual report may be sent to investor@maruti.co.in and queries relating to transfer of shares and splitting/ consolidation / remat of shares, payment of dividend, etc. may be sent to einward.ris@kfintech.com
Request to members	The members of the Company who are holding shares in demat form are requested to kindly update their e-mail ids with their depository participants and those who are holding shares in physical forms kindly get it registered with KFIN Technologies Pvt. Ltd., the Registrar and Share Transfer Agent of the Company.

Additional Information

Annual General Meeting

Date: 24th August, 2021
Day: Tuesday
Time: 10:00 a.m.
Venue: Air Force Auditorium, Subroto Park, New Delhi – 110 010 or via video conferencing (VC) or other audio-visual means (OAVM), as the case may be.

Financial Year

Financial Year: 1st April to 31st March

For the year ending 31st March 2022, results will be announced:

By the end of July 2021: First quarter results

By the end of October 2021: Second quarter results

By the end of January 2022: Third quarter results

By the end of April 2022: Fourth quarter and annual results

Book Closure

The period of book closure is from Saturday, the 7th August, 2021 to Tuesday, the 24th August, 2021 (both days inclusive).

Dividend Payment

Subject to the approval of the members in the annual general meeting, a dividend of ₹ 45/- per equity share (face value ₹ 5 per equity share) for the year 2020-21 will be paid on or after 2nd September, 2021 to those whose names appear in the register of members / beneficial owners at the close of business hours on 06th August, 2021. Reminders were sent to the members requesting them to claim unclaimed dividend for the year 2012-13. Some members claimed their unclaimed dividends. The payments were made directly to their bank accounts wherever the particulars were available, under intimation to those entitled. The balance amount remaining unclaimed was transferred to the Investor Education & Protection Fund (IEPF) within the stipulated time.

Audit Fees

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/entity of which statutory auditor is a part is ₹ 29 million for the financial year 2020-21.

Listing on Stock Exchanges

The equity shares of the Company are listed on BSE, Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 and NSE, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051. The annual listing fee for the year 2021-22 shall be paid to both the stock exchanges. **Table 10** lists the Company's stock exchange codes. The Company will pay the annual custodial fee for the year 2021-22 to both the depositories namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on receipt of the invoices.

Table 10: Stock Code

BSE Limited	532500
National Stock Exchange of India Limited	MARUTI
ISIN	INE585B01010

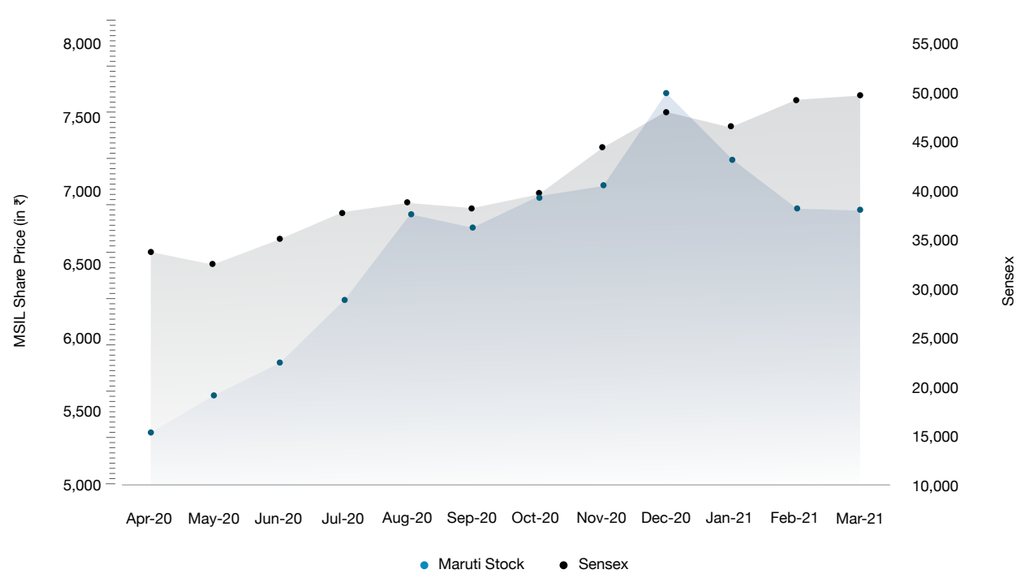
Stock Market Data

Table 11 gives the monthly high and low prices of the Company's equity shares on BSE and NSE for the year 2020-2021. **Chart A** plots the movement of the Company's share prices on BSE vis-a-vis BSE Sensex for the year 2020-2021.

Table 11: Monthly High & Low Quotation of the Company's Equity Share

Month	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 20	5,603	4,001	5,601	4,002
May 20	5,667	4,638	5,668	4,640
Jun 20	6,007	5,201	6,004	5,222
Jul 20	6,394	5,750	6,392	5,752
Aug 20	7,176	6,125	7,174	6,130
Sept 20	7,350	6,270	7,350	6,274
Oct 20	7,332	6,745	7,330	6,746
Nov 20	7,252	6,753	7,250	6,755
Dec 20	8,013	6,975	8,007	6,981
Jan 21	8,329	7,170	8,400	7,171
Feb 21	7,799	6,822	7,797	6,301
Mar 21	7,387	6,740	7,387	6,736

Chart A



Registrar and Transfer Agent

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District, Nanakramguda
Hyderabad – 500 032
Phone No.: 040- 67162222
Toll Free No. with: 1800-309-4001
Mail Id: einward.ris@kfintech.com
Website: www.kfintech.com

Share Transfer System

The Company's shares are transferred in dematerialised form and are traded on the stock exchanges compulsorily in the demat mode. Any request for rematerialisation is attended within the stipulated time. All requests received for transfer of shares in physical form were duly processed.

Shareholding Pattern

Table 12 lists the distribution schedule of equity shares of the Company as on 31st March, 2021.

Table 12: Distribution Schedule as on 31st March, 2021

S. No.	Category	No. of shareholders	%	No. of shares	%
1.	Upto 1 - 5000	476,289	99.58	11,012,119	3.65
2.	5001 - 10000	515	0.11	740,402	0.25
3.	10001 - 20000	288	0.06	821,794	0.27
4.	20001 - 30000	158	0.03	788,465	0.26
5.	30001 - 40000	106	0.02	736,392	0.24
6.	40001 - 50000	74	0.02	677,553	0.22
7.	50001 - 100000	233	0.05	3,362,696	1.11
8.	100001 & above	623	0.13	283,940,639	94.00
	Total	**478,286**	**100.00**	**302,080,060**	**100.00**

Dematerialisation of Shares and Liquidity

As on 31st March, 2021, 99.999% of the Company's total paid up equity capital representing 302,077,886 equity shares was held in dematerialised form. The balance 0.001% equity representing 2174 equity shares was held in physical form. Suzuki Motor Corporation, the promoter of the Company holds 170,283,762 shares in dematerialised form.

Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 2290 shares in respect of which dividend had not been paid or claimed for seven consecutive years or more were transferred in favour of IEPF Authority.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Please refer to **Annexure - C** and Management Discussion & Analysis for details.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

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

Details of Public Funding Obtained in the Last Three Years

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

Plant Location

The Company has five plants, two located in Palam Gurugram Road, Gurugram, Haryana and three located at Manesar Industrial Town, Gurugram, Haryana.

Adoption of Non-Mandatory Requirements

The Chairman's office with the required facilities is maintained by the Company at its expense, for use by its non-executive Chairman. The Company has appointed separate persons to the post of Chairperson and Managing Director.

Other Disclosures

The Company has complied with the Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

Address for correspondence
Investors may please contact for queries related to:

I. Shares held in dematerialised form
Their **Depository Participant(s)**

and/or

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District, Nanakramguda
Hyderabad – 500 032
Phone No.: 040-67162222
Toll Free No. with: 1800-309-4001
Mail Id: einward.ris@kfintech.com
Website: www.kfintech.com

II. Shares held in Physical form
KFin Technologies Private Limited
(at the address given above)
or
The Company at the following address:
Maruti Suzuki India Limited
1, Nelson Mandela Road, Vasant Kunj
New Delhi-110 070
Phone No.: (+91)-11-4678 1000
Email Id: investor@maruti.co.in
Website: www.marutisuzuki.com

Annexure - A

Certificate

(Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms and returns maintained / filed by **Maruti Suzuki India Limited (CIN L34103DL1981PLC011375)** having its Registered Office at **Plot No. 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070** ("hereinafter referred to as **the Company**") and notices and disclosures received from the Directors of the Company and produced before us by the Company, for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, as amended (hereinafter referred to as "Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal www.mca.gov.in) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the **financial year ended on March 31, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

S. No.	DIN	Name	Designation
1	00007620	Mr. Ravindra Chandra Bhargava	Chairperson
2	02262755	Mr. Kenichi Ayukawa	Managing Director & CEO
3	08506746	Mr. Takahiko Hashimoto	Director (Marketing & Sales)
4	08619076	Mr. Kenichiro Toyofuku	Director (Corporate Planning)
5	00680073	Mr. Osamu Suzuki	Director
6	06709846	Mr. Toshihiro Suzuki	Director
7	00049067	Mr. Kinji Saito	Director
8	07806180	Mr. Hisashi Takeuchi	Director
9	00068502	Mr. Davinder Singh Brar	Independent Director
10	02943155	Mr. Rajinder Pal Singh	Independent Director
11	00114636	Ms. Lira Goswami	Independent Director
12	00034051	Mr. Maheswar Sahu	Independent Director

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification made through online mode due to widespread of COVID-19 pandemic. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place: New Delhi
Date: 27th April, 2021
UDIN: F005123C000185809

Annexure - B

Declaration of the Managing Director & CEO

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

Further, certified that the members of the board of Directors and senior management personnel have affirmed the compliance with the code applicable to them during the year ended 31st March, 2021.

Kenichi Ayukawa
Managing Director & CEO

27th April, 2021
Gurugram, Haryana

Annexure – C

Commodity price risk or foreign exchange risk and hedging activities

a. Risk Management Policy: The Company has a commodities price risk management and hedge policy. The policy is attached herewith as **Annexure -1**.

b. Total exposure: ₹ 21,201 million.

c. Exposure to various commodities:

Commodity	Exposure in INR towards the particular commodity (Million)	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Copper (MT)	4,270	9,501	-	-	73%	-	73%
Aluminum (MT)	2,189	16,600	-	-	58%	-	58%
Lead (MT)	1,124	7,790	-	-	29%	-	29%
Palladium (Toz)	13,242	87,994	-	-	29%	-	29%
Platinum (Toz)	376	5,991	-	-	72%	-	72%

d. Price movement of commodities are quite volatile in nature and the Company hedges commodity prices (procured directly or indirectly) to mitigate the risk and protect budgetary level, thus ensuring stable financial performance.

Annexure - 1

Commodities Price Risk Management and Hedge Policy

1.0 Background

Maruti Suzuki India Limited (MSIL) for producing cars needs to purchase large volumes of basic commodities like steel, aluminium directly and indirectly and consume high quantities of copper and lead being used by its vendors for supplying components. Apart from these basic metals, significant quantities of Precious Group Metals like Platinum, Palladium and Rhodium as well as other commodities like plastics, High speed diesel (HSD) etc., are consumed.

Due to high volume usage of the above-mentioned commodities in manufacturing cars and very high price volatility, which is being witnessed in last couple of years, Company is exposed to severe commodity price risk directly as well as indirectly. These commodities are either being purchased from suppliers directly at mutually negotiated rates or the price is settled with suppliers, who manufacture these components for MSIL using these commodities, at monthly/quarterly settled prices based on prevalent market trends.

Since these commodities and components are not purchased under a fixed price contract, the cost of the raw material input is variable.

2.0 Commodities Price Risk Management Objective and Strategies

The commodities price risk management objective of the Company is to hedge the risk of changes in the commodity prices procured directly or indirectly (i.e., procured by component supplier). Since the fluctuations in commodity prices have severe impact on financials of the Company, hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

The Company shall follow a consistent policy of mitigating the commodities price risk by undertaking following strategies:

I. Bundling of commodity sourcing
Under this strategy, the Company shall negotiate with suppliers bundling its in house requirement with its vendor requirement to get a better price for different commodities based on large consolidated volume.

II. Bundling of Suzuki Motor Corporation's (SMC) subsidiaries sourcing
This strategy allows the Company to bundle the commodity sourcing for the SMC subsidiaries present in India in order to get better pricing for all the SMC group companies in India.

III. Commodity Grade Standardisation & Substitution
The Company shall undertake grade standardisation across various categories of commodities to the extent possible like in the case of steel and plastic products so as to optimise the costs.

The Company shall also change raw material grades to cheaper grades without affecting product performance e.g. in the case of steel from IF to EDD grade.

IV. Yield Improvement
The Company shall continuously undertake yield improvement activities across various commodities like in the case of plastic products and electrical components, etc., done so far.

V. Commodity price risk hedging
MSIL shall follow a consistent policy of mitigating commodities price risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on commodity prices, the Company may keep the exposures un-hedged or hedge only a part of the total exposure.

The Company shall not enter into commodity hedging transactions for speculative purposes i.e. without any actual/anticipated underlying exposure.

The Company shall strictly observe the rules and regulations laid down by RBI for undertaking the commodities price risk hedging.

3.0 Commodities Permitted for Hedging

The Company may hedge commodities price risk on all the commodities being purchased directly or indirectly e.g. Aluminum, Copper, Lead, Platinum, Rhodium, Palladium, Steel, Plastic, etc., wherever possible and permissible under the applicable rules and regulations to enable fixing the sourcing costs.

Hedging for commodities allowed by Reserve Bank of India (RBI) from time to time (like Aluminum, Copper, Lead, Nickel and Zinc listed on a recognised stock exchange currently allowed) may be done through Authorised Dealer Category-1 banks specifically authorised by the RBI on a recognised stock exchange.

For hedging of (a) above commodities (i.e., the commodities allowed for hedging through a recognised stock exchange) through Over the Counter (OTC) Market or (b) the commodities, which are not permitted by RBI, specific approval of RBI shall be taken before undertaking any hedge for the same.

4.0 Permitted Financial Instruments

Exchange traded instruments:

- Futures

Over the Counter (OTC) instruments:

- Forward contracts
- Range forward Options

5.0 Hedging Ratio

A hedging ratio is defined as the total amount hedged divided by the sum of booked and budgeted/projected exposures. The hedge ratio for the Company shall normally be subject to following limits:

Exposure	Hedge Period	Maximum permissible hedge ratio
Budgeted exposures	0-12 months	75%
Projected/Estimated exposures	12-24 months	50%

However, depending on the commodity price outlook and views, the Company may exceed the above hedge ratio or the hedge period beyond 24 months.

Auditor's Certificate

To
The Members of
Maruti Suzuki India Limited

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter reference no. ND/JA/2020-21/079 dated September 25, 2020.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Maruti Suzuki India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2021.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN 21087104AAAADT2526)

Place: New Delhi
Date: 6th May, 2021

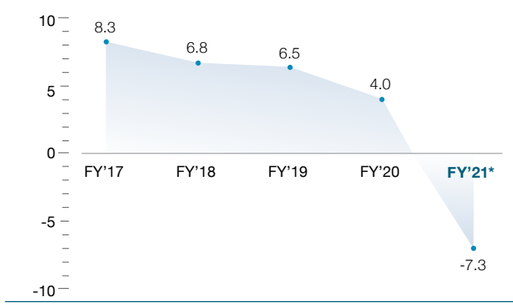
Management Discussion and Analysis

Overview

The year 2020-21 started amidst the nationwide lockdown to contain the spread of COVID-19 pandemic. This once-in-a-century public health emergency led to temporary closure of economic activities, leading to overall supply side shock creating an uncertainty, which dented consumer confidence inducing a steep fall in domestic demand. As a consequence, Indian economy plunged into deep contraction during Q1 FY 2020-21.

The government and the Reserve Bank of India (RBI) quickly stepped in to put the economy back on track in the quickest possible time and undertook multi-dimensional policy interventions to minimise the impact of the crisis. Along with moderation in the spread of the virus and scaling down of the lockdown restrictions, the Indian economy progressed on the path of recovery demonstrating remarkable resilience. A strong rural demand, robust government expenditure and pent-up demand supported this recovery process. To further strengthen overall domestic manufacturing sector and make India self-reliant, the government announced a mega stimulus package under its flagship programme, 'Atmanirbhar Bharat Mission'. The government has also relaxed the fiscal deficit target and accorded utmost priority to economic recovery. Towards the end of FY 2020-21, a second wave of COVID-19 in the country intensified. It appears to be emerging as a hurdle in maintaining the pace of economic recovery.

India's GDP Growth (%)



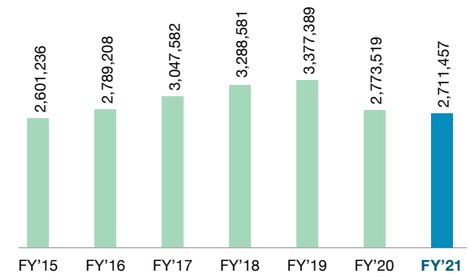
Provisional Estimate

The auto-sector was witnessing a structural slowdown even before the pandemic struck. During FY 2019-20, the Passenger Vehicle industry witnessed its sharpest demand contraction in the last two decades. During FY 2020-21, the pandemic further accentuated the contraction in sales volume in the Passenger Vehicle Industry.

During FY 2020-21, Passenger Vehicle market posted a decline despite the recovery in sales volume in the second half of FY 2020-21.

From the graph, it can be clearly seen that the Passenger Vehicle demand in FY 2020-21 has just recovered to FY 2015-16 levels.

PV Industry Volumes



Source: SIAM

During FY 2020-21, the Company's sales volume in the domestic passenger vehicle market declined by 8.5%. Including the sales of Light Commercial Vehicles (LCVs), the overall sales in the domestic market for the Company declined by 7.8%.

FY 2020-21 began with the national-wide lockdown enforced by the Government to keep the pandemic in check. As a result, the Company couldn't sell any vehicle in the domestic market in April'20. This resulted in severe cash flow challenges for the Company's suppliers and dealer partners. The Company immediately provided cash flow support to all the suppliers and dealer partners to ensure sustainability of their businesses. It was enough to meet their need till they become self-sufficient with increasing sales and sufficient working capital support from financiers. Such kind of support could have been very challenging if the Company did not have adequate cash surplus kept specially to deal with such unanticipated circumstances.

At the request of Government of India, the Company along with its supplier partners took a challenge of increasing the production of Masks, Protective gowns and ventilators in the shortest possible time. In such trying times, the Company alongside its suppliers and other stakeholders remained committed to serve the society and the nation at large. The Company also donated 280 ventilators to the government. During the initial phases of the lockdown, the Company supported local communities by providing dry food ration kits and provided ~5,400 cooked food parcels every day during the lockdown.

The Company faced the twin challenges of ensuring safety of health of all the people across its value chain and ensuring continuity of operations to put the business quickly back on track. It accorded utmost priority to ensure the safety of health of all the people across its value chain. The Company collaborated with its stakeholders and jointly prepared detailed Standard Operating Procedures (SOPs) catering to specific needs of every member of the value chain partners.

The Company implemented stringent engineering and administrative controls, over and above the government's stipulated guidelines to prevent the spread of the virus. SOPs were formulated to restart plants and machineries after a long shutdown to prevent any untoward safety incident. The Company extensively used Artificial Intelligence (AI) technology to proactively identify and prevent the entry of people suspected of any infection into the plant/office premises. Besides, continuous education of the workforce was done to observe high degree of self-discipline to minimise the risk.

To ensure the continuity of operations the Company introduced 'Work from Home' and increasingly adopted the use of digital technologies wherever possible. Hyper-local marketing, online smart financing programme, online service job card opening, online approval system for vehicle repairs, e-commerce website for accessories, virtual meetings and e-learning platforms for capability building were some of the initiatives undertaken by the Company to ensure business continuity and safety of its stakeholders.

The Company also faced business continuity challenges due to supply constraints caused by both local and global issues such as state-wise lockdown restrictions, global semi-conductor shortages, natural disasters such as US-Polar vortex and geo-political tensions, among others. With meticulous planning, the Company was able to manage the supply disruptions and could maintain the continuity of operations during the year.

With the gradual easing of lockdowns, improvement in supply conditions and ease in the availability of manpower, the Company slowly and steadily improved its production level. During the second half of FY 2020-21, the Company operated at nearly 100% capacity utilisation period.

Led by pent-up demand as well as increased preference towards personal mobility, along with favourable macro-economic factors such as low interest rates and ease of credit availability, demand improved for passenger vehicles during the later half of the year. The better demand condition helped lower sale promotion expenses during the year.

In export markets, the pandemic impacted the Company's sales. During FY 2020-21, export sales volume declined by 5.9%.

During the year under review, the Company also started supplying an additional product to another OEM. This arrangement of supplying vehicles to another OEM generated incremental volume for the Company.

The prices of Commodities such as Precious Metals, Steel and others increased suddenly and steeply throughout FY 2020-21. Given the fact that demand for passenger vehicles was just recovering in the domestic market and due to the uncertainty in the sustenance of the demand the Company undertook a cautious approach in raising the prices of cars.

In the second half of the FY 2020-21 despite

(a) favourable operating leverage driven by increased capacity utilisation
(b) lower sales promotion expenses
(c) reduced overhead expenses
(d) price hikes taken towards the end of year,

the quantum of high increase in commodity prices and adverse foreign exchange fluctuation still adversely impacted the operating margin.

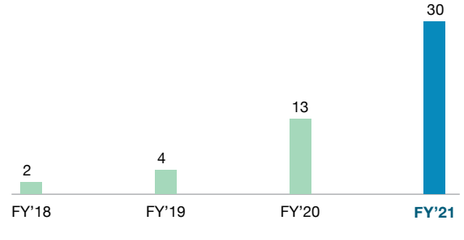
Domestic sales

Passenger vehicles

The FY 2020-21 began with no sales in the domestic market for April 2020. With the gradual easing of the lockdown restrictions, the Company improved its sales volume by according utmost priority to safety of health of all its stakeholders in the value chain.

The Company realised that the pandemic is here to stay for some time and has the potential to change the way the business is done. To ensure the safety of employees and customers, and to ensure business continuity, the Company reengineered the business processes at dealerships and the customer journey inside the showroom. Digitalisation was one of the focus areas. While the Company had been on the journey of digitalisation of sales process over the last 3 years, it stepped-up its efforts in the wake of the pandemic. The customers quickly adopted to digital ways of interaction. The following graph shows the increase in enquiries through the digital medium.

Share of digital enquires in total enquiries (%)



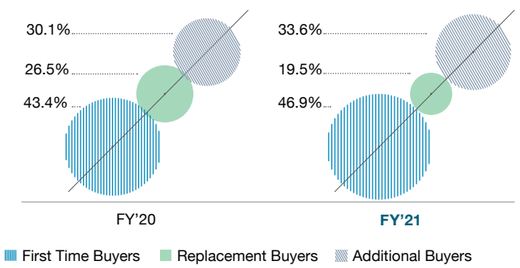
Once the lockdown restrictions were relaxed, the demand for cars started to recover quickly. While pent-up demand of the past year was one of the reasons, lack of public transportation and the risk of infection also added to the recovery. At a time when customers were unsure about their future economic condition, owning a car contrarily became a necessity for some. The Company understood customer concerns and partnered with financiers to come up with innovative financing schemes such as step-up EMI schemes, Balloon-EMI schemes and others. These innovative financing schemes were highly appreciated by customers and helped improve the sales.

To further digitise the car buying process, the Company recently launched the Maruti Suzuki Smart Finance service and became India's first OEM to offer an online, end-to-end, real-time car finance service facility. As on 31st March 2021, 13 financiers across 30 cities are offering Maruti Suzuki Smart Finance services to customers.

As lockdown restrictions eased, non-urban markets became bright spots of economic recovery because of relatively lower spread of infection, bumper harvest of Rabi crops, good monsoon and economic stimulus provided by the Government in those markets. The Company focused more on these markets leveraging favourable conditions. During FY 2020-21, retail sales in non-urban markets grew by about mid-single digit while the sales in urban markets declined, as a result the contribution of the non-urban markets in overall sales increased by ~2.5% to 40.9% in FY 2020-21.

During the year, consumer profile also underwent some changes. Driven by the increasing need for personal mobility, the participation of first-time buyers went up. Also, given the dip in economic activity and uncertainty about growth in incomes, customers continued to hold-on to their existing cars, leading to lower replacement demand during FY 2020-21.

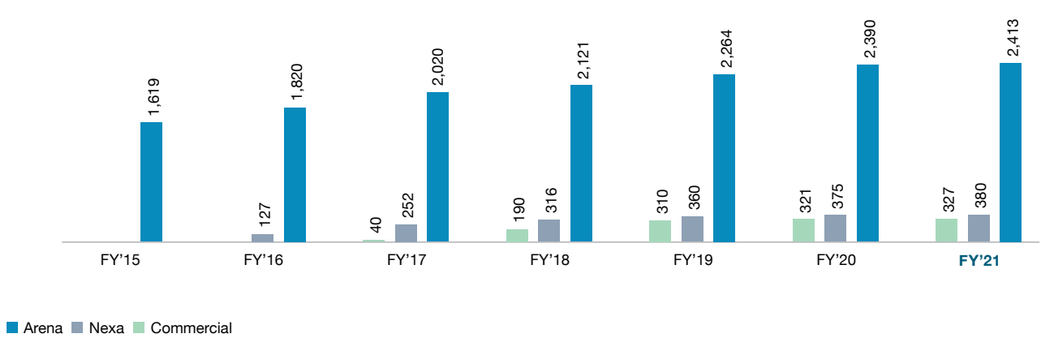
Participation of first-time buyers increased while replacement buyers reduced



During the year, the customer acceptance towards CNG vehicles increased. Despite a decline in overall sales in the domestic market of 7.8%, the sales of CNG vehicles grew by nearly 50% Consequently, the CNG vehicles share in overall domestic sales of the Company has increased to nearly 12%.

Good monsoon, bumper harvest of Kharif crops, easy availability of credit and controlled COVID-19 infection just before the festive period lifted consumer sentiments and provided impetus to demand recovery. With the improvement in supply of vehicles, the Company achieved highest-ever sales in the festive period and also registered highest-ever quarterly sales volume in Q3 FY2020-21. Fortunately, the demand continued to be good in Q4 and as a result the Company posted highest-ever half yearly sales in the period H2 FY2020-21. During FY 2020-21, seven out of the top ten best-selling models in India came from the Company.

MSIL sales network (Nos.)



With the pursuit of being closer to customers for better convenience and experience, the Company added 34 sales outlets primarily in non-urban markets during FY 2020-21, despite weak market conditions.

Although second half of FY2020-21 witnessed good demand recovery, domestic sales volume in FY 2020-21 declined by ~8%.

Light Commercial Vehicles (LCVs)

The Company sold 29,556 units of Super Carry during the year. With switchover to BS-VI, the Company launched India's first Gasoline powered mini-truck in the market which is largely dominated by diesel vehicles. The Company also offers CNG powered Super Carry vehicle. The Customers liked the high power, low acquisition and maintenance cost offering by the Company. As a result, the sales of Super Carry not only grew by 35.7% in FY 2020-21 but also the Company was able to increase the market share in Super Carry segment by nearly ~8% to 23% during the year.

Pre-owned car sales

During FY 2020-21, demand for pre-owned car saw an increase. However, supply of used cars remained insufficient due to low replacement demand. Consequently, the Company's True Value channel sales declined. The Company firmly believes in the future growth potential of used cars in India. During FY 2020-21, the Company added 26 independent True Value sales outlets, thus further bolstering its presence across the country and reaching near the customer.

Service

During the pandemic it is more important to be highly receptive to stakeholder concerns and address them with utmost priority. In one such initiative to address customers' need, the Company extended the warranty period of its vehicles wherever the period was getting lapsed during the lockdown. This helped customers not to lose warranty benefit due to the lockdown. While the lockdown restrictions were gradually eased, in the initial period there were several constraints in bringing the service business back to normalcy. The confidence of customers in getting their vehicles serviced was lower and service workshops faced multiple challenges due to reduced working hours and limited manpower. The Company addressed these challenges by maximising the use of digital technology, revising the business processes at workshops, focusing on multi-skilling of service personnel, and promoting the use of flagship 'Service-on-Wheels' programme to provide vehicle repair and maintenance at the customers doorstep.

In order to continue with the capability development of the workshop personnel, the Company adopted digital training mode and trained over 94,000 workshop personnel.

With these steps, the Company increased customer confidence and concurrently ensured sustainability of service workshops.

Despite tough market conditions, keeping customer convenience in mind, the Company added 180 service workshops across the country, taking the total number of workshops to 4,044 covering 2,014 cities and towns.

Aftermarket Parts and Accessories

The Company has maintained sharp focus on the ease of availability of genuine parts and accessories for its customers throughout the country to ensure safe, trouble-free driving experience, ensuring complete peace of mind to the customer.

The pandemic affected the usual ways of working. Based on regular feedbacks from all stakeholders, various steps were undertaken to support business partners. The Company created SOPs to ensure a safe work environment and engaged in proactive and meticulous planning for over 70,000 different aftermarket parts to reach across the country to avoid customer vehicles being stranded in workshops for want of aftermarket parts.

Accurate forecasting methods, along with an Artificial Intelligence based delivery route optimisation system helped ensure more than 98% customers had immediate access to Maruti Suzuki Genuine Parts.

In addition to the service workshops, 824 retail outlets of aftermarket parts distributors across the country assist in easy availability of genuine parts and accessories to customers located even in the farthest corners of the country.

During the year, the Company extended round-the-clock support to customer vehicles affected by Cyclone Amphan in West Bengal and floods in Hyderabad.

In the accessories business, 155 new accessories were launched under the Maruti Suzuki Genuine Accessories brand with special focus on new range of health and hygiene accessories. The Company leveraged the use of digital platforms such as its own e-commerce website for selling accessories.

Exports

During the year, the Company exported 96,139 vehicles registering a decline of 5.9% over FY 2019-20. COVID-19 pandemic posed a major challenge on the demand of passenger cars in the major export markets of the Company such as Africa, Middle East and Latin America.

The focus during the first half of FY2020-21 was to support distributors in improving the retail sales. With support from Suzuki Motor Corporation (SMC), the Company facilitated distributors in implementing Suzuki hygiene protocols and enhanced focus on digital media for sales promotion campaigns and CRM activities. These measures helped towards confidence-building and resulted in increase in digital enquires and improvement in sales. During the lockdown, the Company adopted the digital mode of training and trained the workforce of distributors to improve their sales and service capabilities.

In Janurary'2021, the start of export shipments of Jimny created positive consumer sentiments in many export markets.

Further, during FY 2020-21, the Company reached a milestone of 2 million units of sale in export markets since its inception.

Some key Latin American markets witnessed a demand recovery with some shift in demand to the entry-level segment, post the easing of lockdowns there. However, a second wave of COVID-19 and continued currency fluctuations are the key impediments in the recovery process.

In Africa, despite disruptions due to COVID-19, the Company posted growth in export sales in FY 2020-21 over FY 2019-20. South Africa emerged as the top export destination for the Company. During FY 2020-21, the Company's export to South Africa grew by 8.9% while the overall car industry in South Africa declined by 26.7%

Operations

The FY 2020-21 can be envisaged in three distinct phases: 1) Lockdown phase, 2) Ramp-up phase, and 3) Stabilisation phase. In each of these phases, there were numerous challenges and the magnitude of change management required was very high. This entailed meticulous planning and careful execution to ensure safety of the workforce and quality of products. This helped in quickly achieving the desired productivity levels. In many cases, these changes were such that the workforce had to unlearn some of the past working practices and adapt to the 'new normal'.

Due to the unanticipated lockdown, the manufacturing facilitates had to be shut down abruptly for a prolonged period. Hence, the Company thoroughly checked each and every manufacturing system and processes to avoid occurrence of any untoward safety incident once operations resumed post the lockdown. Additionally, the Company had to take measures to prevent any deterioration in the quality of raw materials and finished goods inventory. During this period, the Company also put in place sufficient safeguards in accordance with the guidelines notified by the government to ensure safety of its workforce. The Company also utilised the lockdown to train its workforce to adapt to the new working conditions.

In the ramp-up phase, availability of manpower was one of the biggest challenges for the Company. Through meticulous planning and by taking adequate contingency measures, the Company was able to minimise the uncertainty and maintain business continuity without any disruptions.

Given the seasonality in demand, rapidly changing consumer preferences and fluctuations in the economic cycle, the Company places utmost importance in ensuring its manufacturing systems are highly flexible and agile. During the year in addition to the expected shift towards petrol and CNG powered vehicles, the Company faced issues in component availability for some of its products, but was able to quickly realign its manufacturing plan to ensure continuity in operations.

Increasing features and multiple regulations lead to increase in complexity of manufacturing a vehicle. To achieve defect-free products, the Company has in place a robust process control system by leveraging new technological solutions to prevent wrong fitment of parts.

The inspection systems are increasingly being shifted to the source to prevent outflow of defects. This significantly reduces the time required for any corrective action leading to resource optimisation. The Company is progressively using Internet of Things (IoT) technology and machine vision systems for better product quality obviating human error.

To minimise the changes during the mass production of a vehicle, the accessibility of part fitment and workplace ergonomics is simulated using Virtual Reality (VR) techniques to incorporate suitable modifications during the design and development stage of the vehicle. The Company is establishing a state-of-the-art 3D scanning room to enable vehicle-level and part-level scanning for evaluation and control of critical body dimensions.

Conservation of Natural Resources and Environment Protection

The 3R (Reduce, Reuse and Recycle) principle, is a way of life for the Company. The Company's commitment to preserve resources is reflected in every step, right from product design to manufacturing process to product delivery to customers.

In a bid to conserve natural resources, the Company uses solar power in its overall energy mix. During the year, the Company started the installation of a 20 MW solar power plant at Manesar, Haryana. In phase-1, 4.1 MW capacity was installed. With this addition, the total solar power used in manufacturing of cars now stands over 10 MW(P). During FY 2020-21 this resulted in 6,500 tonnes of lower CO_2 emissions.

Towards environment protection, the Company not only conforms to laws and regulations, but also strives to stay ahead. The Company has adopted the globally acclaimed International Material Data Systems (IMDS) tool for controlling the use of Substance of Concern (SoC). With IMDS, it will be able to quantify the recoverable and recyclable materials in its vehicles. During the year, the Company took measures to extend IMDS to 8 more products taking the total count to 11 products. The Company aims to confirm compliance for all its products by FY 2021-22.

Besides commitment to environment protection, the Company promotes yield improvement activities to optimise the usage of resources such as steel, aluminium and other materials.

As a step towards circular economy, with an aim to promote recycling of steel and other commodities, the Company, together with the **Toyota Tsusho Group**, is setting up a vehicle dismantling and recycling joint venture. The facility is almost ready to be operationalised and will be announced soon.

The Company's Sustainability Report elaborates on the initiatives undertaken in this section.

Safety

The Company's vision on safety is 'Zero Incident – Zero Human Injury – Zero Fire'. In line with this, a three-tier committee under direct supervision of the MD & CEO is making constant progress towards the improvement of safety systems and compliance to achieve the Company's safety vision. The Company also promotes a culture of safety across its value chain. The Company carries out periodic risk assessment of fire safety, water logging and human injuries at its supplier and dealer facilities.

During the year, the Company's primary focus was to ensure the safety and well-being of its employees from the pandemic. During the lockdown, the Company updated its safety protocols based on government advisories and other best global practices. Diligent planning outlining even the minutest action was done with a focus on frequency, accountability and ownership. The implementation of these COVID-safety protocols was monitored by the top leadership. The MD & CEO constantly communicated with the workforce and kept emphasising on the importance of following COVID safety protocols and not to let the guards down. This also helped build confidence among the workforce and COVID safety protocols became a 'way of life'. Rigorous training was conducted to ensure adherence to SOPs. Regular monitoring and audits were conducted to keep checking for gaps and fixing them. The Company collaborated with various stakeholders and kept improving its COVID safety protocols. By ensuring widespread communication, the Company was able to successfully sensitise the workforce on the precautions that needed to be taken. These measures ensured overall safety of the workforce.

On ensuring road safety discipline and imbibe safe driving practices, the Company took up various initiatives to promote and create awareness among its workforce. These awareness measures will be continued with all stakeholders, including supplier and dealer partners to promote road safety. During FY 2020-21, the Company also migrated from OHSAS 18001 to ISO 45001 certification. The Company conducted various sessions to create awareness about this new safety management system.

Quality

The pandemic brought forth many challenges in terms of maintaining high-quality standards. The Company carried out various activities in different phases during the year to ensure defect-free products.

During the lockdown, the Company collaborated with supplier partners to evolve SOPs for ensuring proper parts storage and equipment upkeep. It prepared a part-category-wise check sheet and shared it with supplier partners, which helped them in restarting work post the lockdown. The Company also conducted dry runs to ensure that quality was not compromised. Additionally, multiple training sessions were conducted through digital platforms to support supplier partners to implement the new guidelines and also provided technical support.

Further to ensure quality stabilisation during the production ramp-up, extensive virtual engagement with all vendors, and plant visits were conducted. When operations resumed post lockdown, during the initial stages, the Company significantly stepped up its inspection of incoming components.

Amid managing the pandemic-related challenges, the Company continued its ongoing quality improvement programmes as mentioned below to ensure improved quality of products:

Reinforcement of zero-defect philosophy

During the year, a series of sensitisation workshops by the Company encouraged suppliers to enhance their knowledge and implement best practices to achieve zero-defect production lines. The Company has put in place an organisation that exclusively supports supplier partners to continuously improve their quality levels.

Among the many thrust areas to achieve world-class quality, the broad areas of quality management are highlighted below:

A) New Model Quality Improvement

The Company has implemented concepts such as front loading, Peak Production Verification Trial (PPVT) and initial flow management to ensure defect-free production of new models.

Front-loading concept helps in arresting the defects at design and development stage while PPVT and initial flow management concept help prevent defects during mass production of new model.

Besides, the Company uses its state-of-the-art testing facility in Rohtak, Haryana to rigorously evaluate the new models for quality performance.

B) Quality Management during Mass Production

To maintain high-level quality standards during mass production, the Company has in place various measures such as DOJO centres, '10 cycle check method' and regular maintenance of equipment and tools. In DOJO centres—(set-up at suppliers' facilities—) training is provided in simulated production conditions to equip workforce to do a high-quality job on the production lines.

The method of '10 cycle check' helps identify the reasons for human error. Besides, the Company constantly reinforces a culture of identification of root cause. Every quality feedback from market is carefully investigated. Once the right root cause is identified, prompt corrective actions are taken to prevent recurrence.

The Company is also implementing part traceability system to correctly identify the affected vehicles with a potential quality defect.

Human Resource

Our philosophy

The Company always strives to promote a safe, healthy and happy workplace. It creates and instils a culture of partnership among its employees.

The empowerment of the human resource to acquire knowledge and build capability, grow and prosper in a healthy work environment is the guiding philosophy of the Company's HR policies. With people centric policy interventions, a constant two-way communication led by the MD & CEO to promote participative decision-making and various welfare measures that are taken from time to time, the Company's motivated human resource has been making strong contribution to the best of its ability in responding to business challenges successfully.

Employee Well-Being

The Company puts paramount importance on employee health and well-being. During the year, it was even more important to ensure the well-being of employees. The Company also strengthened its medical teams to provide timely support and round-the-clock assistance to all the people. By leveraging the use of technology, the Company was successfully able to monitor health status of its workforce and undertake necessary interventions to ensure their well-being.

Along with challenges in ensuring physical well-being, this year posed new challenges towards mental and emotional well-being as well. In an endeavour to help employees maintain strong mental health, the Company organised a series of sessions on areas like emotional, spiritual, psychological and physical well-being, work-life balance and other such topics. A total of 25 wellness sessions and over 220 Yoga sessions were organised virtually covering close to 12,000 participants.

Training and Sensitisation on COVID-19 Safety Protocols

The Company focused on sensitising its workforce on proper COVID safety precautions. Continuous communication led by the top leadership, along with constant awareness drives were conducted throughout the year. Special video training modules were developed for ease of understanding of COVID safety protocols. Internal communication was beefed up significantly to keep reinforcing the importance of following the COVID safety protocols.

Digitalisation

Working from home was not a common concept in the manufacturing setup. However, in view of pandemic, the Company adapted to ensure well-being of employees while maintaining business continuity.

Industrial Relations Environment

The Company strives for stable and cordial industrial relations through effective communication, participation of employees across levels in important decisions and various employee welfare programmes. A regular two-way communication led by the MD & CEO with the employees across various levels keeps them informed on the overall business scenario, providing them with a strong platform for exchange of views.

Capability Development

Adapting to the requirements of the new normal, the Company resorted to online training, which includes e-Gurukul platform (which has 700+ hours of in-house content), virtual instructor-led training sessions, webinars and also online courses through Learning Experience Platforms (LXPs).

Post the lockdown, the Company is focusing on developing a hybrid learning model, which is based on the 80-20 principle wherein 80% are web-based training and 20% are classroom training.

The shift to digital platforms provided employees with a convenient option to upskill themselves and as a result, during the year, a total of 270,000 person-hours of training were imparted in FY 2020-21.

Apart from regular training programmes for capability building, employees are given opportunity for career growth through higher education programme. For this, the Company has tied up with renowned academic institutions and eligible employees completing the higher education programme are considered for promotion to take up higher responsibilities.

Courses	Courses taken by	Number of employees being benefited under higher education programme offered by the Company
Diploma programme	Workmen	175
B.Tech programme	Supervisors	155
Part-time MBA programme	Managers	64
Total		394

Employee Welfare

Along with industry leading benefits, making an employee own a house has been a major area of intervention by the Company, right from its first housing project in 1989. Continuing with this practice, this year also another set of flats was delivered to employees in a housing society in Dharuhera, Haryana. The Company has facilitated the entire process from selecting land, negotiating the price and appointing a real estate firm for ensuring quality and timely construction of houses. The Company also provided housing loan subsidies. Going forward, the Company plans to introduce similar housing options at more locations.

Handing over of flats to the Dharuheda housing society flats to employees

Apartments in Maruti Suzuki Enclave

The Company values its employees, who have devoted their lives for its progress. The Company contributes 1% of the Profit After Tax of the previous year to a fund that is exclusively earmarked for the welfare of the employees. The fund is used to provide social security measures such as post-retirement medical benefits and welfare measures like educational support for employees' children and developing common infrastructure facilities in housing projects.

Multi-layered Connect

For larger connect and welfare of the families of employees, the Company has a calendar of events, which includes expert career counselling for employees' children, a gala family day, and plant visits for family members. In engaging with families of the employee, communication through an in-house magazine and MD & CEO messages on special occasions play an important role. (Note: Some of the above mentioned initiatives which requires large public gathering such as Family day etc. have been temporarily put on hold because of pandemic.)

Gender Diversity and Inclusion

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

Grievance Redressal Mechanism

To address any grievance of its workmen, including temporary workforce, the Company has a well-structured grievance redressal mechanism. Periodic grievance redressal camps are organised to address these issues of the workmen.

Supporting Business Partners

The Company has put in place an exclusive organisation to improve the human resource and industrial relations practice at the supplier partners. Regular audits are conducted for suppliers to identify the areas to be improved and workshops are organised to share the best practices.

Customised training courses are also carried out for supplier partners.

Understanding the lack of skilled personnel in the country in the field of tool and die maintenance engineering, the Company undertook a multi-stakeholder initiative with State Board of Technical Education, Haryana and Government Polytechnic Educational Society (GPES), Manesar, to start a new academic course in Tool and Die Engineering at GPES, Manesar. The supplier partners will immensely benefit from this arrangement. The first batch comprising 60 students started in November 2020.

The Company also believes in ensuring road safety for employees and the workforce of its supplier partners such as truck drivers. The Company imparts training to all its incoming truck drivers from its supplier partners on road safety. This year, more than 6,400 truck drivers were trained.

For its dealer partners' workforce, the Company has put an organisation in place to impart relevant skills training. Besides, this year the Company has collaborated with Sri Vishwakarma Skill University (SVSU) to start a unique undergraduate degree programme (BBA) in Retail Management. The programme has been designed on 'Earn while Learn' models. The initiative aims to make youth job ready for automotive retail industry. In November 2020, the degree programme was started for a pilot batch of 29 students with SVSU University and Delhi-NCR dealers. The Company plans to expand this programme across different parts of the country in FY 2021-22.

During FY 2020-21, the Company imparted over 436,164 person-hours of training for its employees and for the workforce of its business partners.

Engineering

The pandemic impacted the new model development plans of the Company. To maintain the continuity in designing, the Company adopted to 'work from home' by using digital platforms like virtual simulation, Augmented and Virtual Reality technologies. As the testing facilities remained closed during the lockdown some of the development activities got delayed.

During FY 2020-21, the Company with the technological support from SMC launched new S-Cross with bigger engine capacity, along with Suzuki's flagship Smart Hybrid powertrain technology. The Company also launched a facelift of New Swift during the year with advance powertrain and safety features such as Electronic Stability Program (ESP) with Hill Hold assist function in the AGS variants.

The increase in customer preference towards CNG fuel technology made the Company extend its product offering with CNG technology.

Key highlights of Research and Development (R&D) efforts during FY 2020-21 are discussed in detail in Annexure D of the Board Report.

R&D Strategy

A car is a highly complex machine and requires significant resources in terms of capital, people, time, decades of expertise and technological prowess to design and develop. The R&D has been getting more demanding with the advent of new-age technologies (electrification of powertrain, telematics and others), increasing pace of implementation of product regulations and increasing customer demand for feature-rich cars in low-price segment.

The development time and cost to achieve these requirements are so large and it is difficult for the Company to invest in all of them simultaneously on its own. Therefore, the Company is adopting the following multiple paths to effectively and efficiently meet the increasing R&D intensity.

a) Technology support from SMC

b) Improving indigenous design and development capability with the support of SMC

c) Making use of SMC's alliance with Toyota Motor Corporation in sourcing relevant technology

Powertrain Strategy of the Company:

The Company always chooses the strategy that is best placed to serve the needs of its customers as well as to meet the national priorities of reducing vehicular emissions and enhance energy security. Besides the Company chooses the technology option which is quickly scalable to large population of cars. To this end, the Company will pursue wide range of powertrain options, including

- Fuel-efficient internal combustion engines
- **Promotion of Green Fuel:** CNG and Biofuel technology
- Electrification of powertrain including smart hybrids, strong hybrids and electric vehicles.

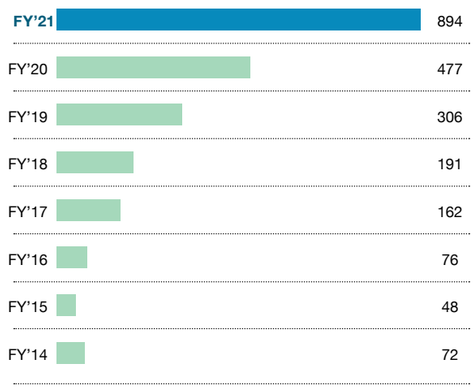
A) **Fuel- efficient Internal Combustion Engines:**
The Company, with the support of its parent - Suzuki Motor Corporation (SMC), has been able to progressively improve the fuel efficiency of the Internal Combustion engines. The new generation K-series powertrain is more fuel efficient, thanks to superior technology support from SMC

Fuel efficiency improvement in New Swift (Km/lt)

B) Promoting environment-friendly CNG powertrain technology

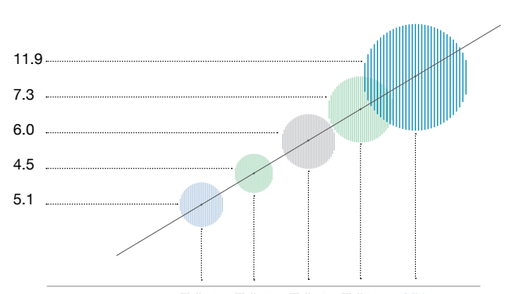
CNG vehicles are environment friendly vehicles with higher fuel efficiency and lower running cost, are best placed in not only meeting the consumers' interest but also helps achieve substantial savings in oil import bill of the country. With the increased focus of the government towards expanding the CNG distribution infrastructure across the country the demand for CNG vehicles is growing.

CNG stations added per year



During the year, while overall sales of the Company in domestic market declined by ~8%, the sales of CNG vehicles grew by ~50%. Consequently, the contribution of CNG vehicles in overall sales of the Company's domestic passenger vehicle sales has increased to nearly 12%. This clearly indicates the growing interest of customers in CNG vehicles

The contribution of CNG vehicles in overall sales of the Company has increased sharply in FY 2020-21 (%)



Contribution of CNG in top 5 models where CNG is offered in FY 2020-21

WAGON-R

37.6%

CELERIO

30.0%

ERTIGA

35.9%

TOUR-S

65.9%

Super Carry

33.0%

C) Electrification of Powertrain

The Company has a well laid out plan in electrification of its powertrain ranging from smart hybrids to strong hybrids to electric vehicles. Suzuki Motor Corporation is making all possible efforts in providing these technologies to the Company including leveraging its partnership with Toyota Motor Corporation.

Besides, Suzuki Motor Corporation is also developing the battery manufacturing ecosystem in India. Some measures include, investing in India's first cell-level lithium battery manufacturing, skilling people on battery manufacturing, recycling of lithium-ion batteries and others.

The Company is offering Smart Hybrid versions in XL6, Ciaz, Brezza, Ertiga and Baleno models. During FY 2020-21 while the overall sales in the domestic passenger vehicle market declined by ~8.% for the Company, the sales of Smart Hybrid vehicles grew by 18%.

Rigorous testing of over 50 EV prototype across the length and breadth of the country in various terrains and in different climatic conditions is helping the Company gather critical inputs based on actual consumer use and will help it to develop a reliable and suitable electric vehicle for the Indian market.

Supply Chain Management

The pandemic brought an enormous challenge in maintaining a continuous supply of components.

The first challenge which the Company faced after the lockdown was to prepare its supplier partners to restart with full safety precautions. The Company collaborated with its supplier partners and jointly created a detailed manual on restart guidelines. The Company then monitored the implementation of these guidelines at all the supplier plants through rigorous virtual audits.

Another challenge the Company's supply chain partners faced was the availability of manpower during the restart. The Company handheld its supply partners in managing the manpower availability issue. Regular joint meetings with all the suppliers helped them learn from each others experiences.

Due to the ever-changing nature of lockdown restrictions, the Company undertook various initiatives such as increasing stock of raw materials and components, hiring buffer manpower to increase production, shifting production to alternate plant of same supplier in a different state and 2nd source development to ensure production continuity.

During the later part of the year, global events such as the shortage of semiconductors, the US polar vortex and other such uncertainties posed significant challenges. Despite the dynamic and evolving nature of these disruptions, the Company was able to maintain an un-interrupted flow of raw material and parts to ensure production continuity.

The Company managed its international supply chain through meticulous advance planning, constant communication with top management of suppliers and by developing alternate source for parts and raw materials.

Cost Optimisation

FY 2020-21 was a challenging year on the cost front. On the commodity front, the prices of the commodities such as Precious Metals and Steel have risen sharply this year due to demand supply imbalance. During FY 2020-21, the steep increase in commodity prices severely impacted the operating margins.

In order to partially offset this impact, several cost reduction programmes continued throughout the year. These include localisation of direct and indirect imports, value engineering and value analysis, yield improvement, logistics cost optimisation and others.

The Company has low import content but is still working on an ambitious plan to reduce it significantly to insulate the financial performance from forex fluctuations and also to maintain business continuity.

Every year, the contribution of all employees in cost reduction drives and suggestion schemes result in significant cost savings. During the year, the Company achieved cost savings to the tune of ₹ 1,686 million on account of such efforts.

Besides, as an austerity measure, operating overheads were reduced to a greater extent by reviewing discretionary activities, optimising marketing expenditure and having stricter cost control.

Financial Performance

The Company registered Net Sales of ₹ 665,621 million and Profit after Tax of ₹ 42,297 million, a de-growth of 25.1% over the previous year.

Abridged profit and loss account for 2020-21

(₹ in million)

	Parameters	2020-21	2019-20	Change
1	Volumes (Nos.)			
	Domestic	1,361,722	1,461,126	
	Export	96,139	102,171	
	Total	1,457,861	1,563,297	(6.7%)
2	Vehicles	590,059	632,266	
3	Spare parts/ dies & moulds/ components	75,562	84,638	
4	Net sales (2+3)	665,621	716,904	
5	Other operating revenue	37,704	39,202	
6	Other income	29,464	34,208	
7	Total revenue (4+5+6)	732,789	790,314	(7.3%)
8	Consumption of raw materials, components & traded goods	507,444	530,349	
9	Employee benefit expenses	34,029	33,839	
10	Finance Costs	1,008	1,329	
11	Depreciation and amortisation	30,315	35,257	
12	Other expenses	108,399	118,892	
13	Total expenses	681,195	719,666	(5.3%)
14	Profit before tax (7-13)	51,594	70,648	(27.0%)
15	Current tax	11,556	13,748	
16	Deferred tax	(2,259)	394	
17	Profit after tax (14-15-16)	42,297	56,506	(25.1%)

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

(%)

Parameters	2020-21	2019-20	Change
Material cost	76.2%	74.0%	2.2
Employee benefit expenses	5.1%	4.7%	0.4
Depreciation and amortisation	4.6%	4.9%	(0.3)
Other expenses	16.3%	16.6%	(0.3)
Profit before tax	7.8%	9.9%	(2.1)
Profit after tax	6.4%	7.9%	(1.5)

Particulars	FY21	FY20	Change	Remarks where change more than 25%
(i) Debtors Turnover (No of Times)	44	39	13%	
(ii) Inventory Turnover (No of Times)	16	16	0%	
(iii) Interest Coverage Ratio	209	214	(2%)	
(iv) Current Ratio	1.2	0.7	71%	Current ratio is higher this year because of higher investment in short term securities
(v) Debt Equity Ratio	0.009	0.002	350%	Higher loans repayable on demand from banks - cash credit and overdraft
(vi) Operating Profit Margin (%)	3.5%	5.3%	(34%)	Operating Profit Margin is lower as compared to previous year, mainly on account of lower sales volumes due to COVID-19 pandemic, higher commodity prices partially offset by lower operating expenses and cost reduction efforts.
(vii) Net Profit Margin (%)	6.4%	7.9%	(19%)	
Return on Net Worth	8.5%	11.9%	(29%)	Return on Net worth is lower this year due to lower Net profit as compared to last year.

Treasury Operations

The Company has efficiently managed its surplus funds through prudent and cautious treasury operations. The guiding principle of the Company's treasury investments is to keep safety and liquidity of investment over and above returns. In view of this, the Company invested its surplus funds in debt schemes of mutual funds and fixed deposits with banks. This has enabled the Company to earn reasonable and stable returns.

Table 3 lists the investment of surplus funds while Table 4 lists the return on these surplus funds.

Table 3: Investment of surplus funds

(₹ in million)

	31-03-21	31-03-20
Debt Mutual Fund	405,705	358,089
Fixed Deposits	30,000	-
Total	**435,705**	**358,089**

Table 4: Income from investment of surplus fund

(₹ in million)

	2020-21	2019-20
Interest on fixed deposits	94	1
Net Gain on sale of investment in debt mutual funds	411	1,503
Fair Value gain on investment in debt mutual funds	27,713	29,413
Total	**28,218**	**30,917**

Foreign exchange risk management

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

Internal controls and adequacy

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

Logistics

The FY 2020-21 posed several challenges in ensuring continuity of business and safety of the stakeholders. With sudden announcement of lockdown in March 2020, several trailers and trucks carrying vehicles and aftermarket parts were held up due to the closing of state borders. Through enhanced and close communication and by collaborating with various stakeholders such as logistics service providers, central and state governments, the Company was able to take care of its driver partners and deliver all consignments safely.

In the latter part of FY 2020-21, due to sudden spurt in global demand there was a severe shortage of containers which led to an unexpected and unforeseen delay in the arrival of sea vessels. Despite these challenges the Company was able to successfully manage its business continuity. The Company ensured complete digitalisation of container tracking from country of origin till the Company's manufacturing facilities. This provided real-time visibility of shipment status, which helped in better production planning.

During the year, the vehicle dispatches through rail mode grew by 6%, despite the decline in overall dispatches. As a result, the contribution of vehicle dispatches through rail-mode increased to 13.2% during FY 2020-21. The increasing use of rail transport over road transport has helped avoid over 3,800 MT of CO_2 emissions in the past seven years as it saved over 120,000 truck trips and over 137 million litres of fuel.

To further maximise the dispatches through the Railways, the Company has formed joint ventures with the governments of Gujarat and Haryana, for setting up in-plant railway sidings at Manesar and the Gujarat manufacturing plants. These sidings will facilitate car loading directly from the plants, enhancing operational efficiency and are expected to be ready by FY 2022-23.

The Company accords high priority to the well-being of its driver partners. Regular training on driving simulators to enhance driver skills in various conditions, behavioural training to inculcate safe driving habits and periodical medical check-up camps are year-round activities conducted by the Company. Several training programmes covering over 65,873 people were conducted during the year.

Risk Management

While few risks are discussed hereunder, risk management is covered in greater detail in the Integrated Report section of the report.

Management of COVID-19-related risks to ensure human health and safety

The Company places utmost importance to the health and safety of all people across its value chain. It collaborated with various stakeholders and worked together to implement measures across its value chain to keep the spread of COVID-19 in check. For more information on the measures taken by the Company to overcome the threat posed by pandemic, kindly refer to the earlier sections in this MD&A report.

Cyber security

Over the past several years the Company has made conscious and concerted efforts to counter the threat of cyber security to its business. During the year, the Company further strengthened its measures towards cyber security in view of implementing 'work from home' and increasingly digitalising its business processes across the value chain.

Ensuring continuity in component supplies

Throughout the year, the Company faced component availability issue for one or the other reasons. As explained in an earlier section, the Company was able to manage this risk very effectively and ensured continuity of operations. Besides, the Company is also working on an ongoing programme called Vendor Comprehensive Excellence Programme to improve the capability of suppliers in various business functions, including risk management. A few areas covered under comprehensive supplier assessment are ensuring fire safety, industrial relations management, quality improvement, financial prudence, water logging, succession planning, and minimising single location supply dependence. Besides, the Company's strong focus on localisation of components is also a part of the risk mitigation strategy.

Succession planning

To tap the growth opportunity going ahead, it is imperative for the Company to groom its employees and create a talent pool. Accordingly, the Company has put in place a systematic succession planning process to create and strengthen a talent pipeline.

Outlook

During FY 2020-21, the passenger vehicle industry saw a good recovery with easing of lockdown restrictions and the demand momentum continued throughout the year. If this trend continues, the passenger vehicle industry in FY 2021-22 may witness a good recovery from the lows of FY 2020-21. However, it remains to be seen if the domestic passenger vehicle industry could reach the peak sales of FY 2018-19. Some near term risks on supply and demand side may dampen the recovery. Resurgence of another wave of COVID across the country may slowdown the pace of economic recovery and in-turn affect automobile demand environment. Also, the passenger vehicle manufacturing has a long value chain, starting from Tier3, Tier2 and Tier1 suppliers which completes at sales and service outlets of the dealers which are spread all over the country and any local lockdown to control the spread of the pandemic would lead to discontinuity in the whole business. The other factor is global shortage of semi-conductors which may create supply side issues.

The current recovery in sales cannot be extrapolated to arrive at a long-term demand prospect, especially when the industry witnessed a structural slowdown with growth rate falling to a CAGR of 3.6% during 2010-2020 as compared to 10.3% CAGR during 2000-2010.

One of the major reasons for this underperformance is the increased cost of acquisition of vehicle on account of numerous factors like stringent product regulations, multi-year mandatory insurance policy, and increase in-road and registration taxes by various state governments.

The industry needs not only of one year but several years of double-digit growth to recoup the lost ground during the last decade. Looking at decadal underperformance of the industry, achieving a consistent, sustained double-digit growth for several years looks difficult unless the government takes certain policy initiatives like introduction of new product regulation keeping affordability of Indian consumer in mind, reduction of GST rate and road taxes, among others.

Recently, in the Union Budget, the government has expressed it's intent that manufacturing sector should grow in double digits. Automobile industry is very large part of the manufacturing sector. Manufacturing sector cannot grow in double digits unless the growth of the automobile industry steps up to double digit. The government will have to think of policies which enhance competitiveness of industry and affordability of customers if the automobile industry has to grow on double-digit on a sustained basis.

Disclaimer

Statements in this Management Discussions and Analysis describing the Company's objectives, projections, estimates and expectations are categorised as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include trends in the domestic auto industry, competition, rise in input costs, exchange rate fluctuations, and significant changes in the political and economic environment in India, environmental standards, tax laws, litigation and labour relations.

Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identification Number (CIN) of the Company	L34103DL1981PLC011375			
2.	Name of the Company	Maruti Suzuki India Limited			
3.	Registered address	1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070			
4.	Website	www.marutisuzuki.com			
5.	E-mail Id	investor@maruti.co.in			
6.	Financial year reported	2020-21			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Description	Industrial activity code		
			Group	Class	Sub-class
		Manufacture of motor vehicles	291	2910	29101
		Sale of motor vehicle parts and accessories	453	4530	45300
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	1. Passenger Vehicles (PV) 2. Multi-Utility Vehicles (MUV) 3. Multi-Purpose Vehicles (MPV)			
9.	Total number of locations where business activity is undertaken by the Company				
	Number of international locations	Nil			
	Number of national locations	• Head Office in New Delhi • 2 Manufacturing facilities at Gurugram and Manesar (Haryana) • 2 Research and Development facilities at Gurugram and Rohtak (Haryana) • 3 Sales and Distribution facilities at Gurugram and Manesar (Haryana) and Hansalpur (Gujarat) • 3 Stockyards at Siliguri (West Bengal), Bengaluru (Karnataka) and Nagpur (Maharashtra) • Regional offices, area offices and zonal offices across India • 1 Service facility at Naraina, New Delhi			
10.	Markets served by the Company – Local / State / National / International	Domestic: Across India International: Africa, Asia, Oceania and Latin America			

Section B: Financial Details of the Company

1.	Paid up capital (₹ million)	1,510
2.	Total turnover (₹ million)	703,325
3.	Total profit after taxes (₹ million)	42,297
4.	Total Corporate Social Responsibility (CSR) spend (₹ million)	1,409
5.	Total spending on CSR as percentage of profit after tax (%)	3.33
6.	Total spending on CSR as percentage of average net profit of the previous three years as per Companies Act 2013 (%)	2.00
7.	List of activities in which expenditure in 4 above has been incurred	Community development, skill development and road safety

Section C: Other Details

1.	Does the Company have any subsidiary Company / Companies?	Yes
2.	Do the subsidiary Company / companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No
3.	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	The Company collaborates with suppliers, joint ventures, and dealerships for carrying out business activities in a responsible manner. Further details are available in Sustainable Supply Chain (Page 90) and Operational Eco-Efficiency (Page 104)

Section D: Business Responsibility (BR) Information

1. Details of Director / Directors responsible for BR

(i) Details of the Director / Directors responsible for implementation of the BR policy / policies

S. No.	Particulars	Details
1.	DIN Number (if applicable)	02262755
2.	Name	Mr. Kenichi Ayukawa
3.	Designation	Managing Director and CEO

(ii) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. G P Chadha
3.	Designation	Assistant Vice President - Sustainability
4.	Telephone number	011-46781000
5.	E-mail id	gp.chadha@maruti.co.in

2. Principle-wise (as per NVGs) BR policy / policies

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

(i) Details of compliance

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

±The policies conform to standards such as ISO 9000, ISO 14000, ISO 45000, UNGC guidelines, ILO principles and National Guidelines for Responsible Business Conduct, among others

* Policies are available on Company website www.marutisuzuki.com and / or internal portal

(ii) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	*	-	-

*The Company does not have a standalone advocacy policy. For advocacy on policies related to the automobile industry, the Company engages with industry associations and expert agencies.

3. Governance related to BR

(i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.

The Company's top management along with the Managing Director reviews its financial and non-financial performance on a monthly basis through Business Review Meetings (BRM).

(ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Company publishes an Annual Integrated Report, which is prepared in alignment with the <IR> Framework and Global Reporting Initiative (GRI) standards. This report contains description of the sustainability performance of the Company.

Section E: Principle-wise Performance

National Voluntary Guidelines Principles	Response / Section mapping	Page No.
Principle 1:		
1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the group / joint ventures / suppliers / contractors / NGOs / others?	Code of business conduct and conflicts of interest	73
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	Prevention of sexual harassment; Whistle blower mechanism	73
Principle 2:		
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	Product stewardship and innovation	76
2. For each such product, provide the following details in respect of resource use per unit of product: (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain (b) Reduction during usage by consumers achieved since the previous year	Control of hazardous substances in products; Green initiatives in supply chain; Operational eco-efficiency	82; 92; 104
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs were sourced sustainably?	Sustainable supply chain	90
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Sustainable supply chain	90
5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste.	End-of-life vehicle management; Waste management	83; 107
Principle 3:		
1. Please indicate the total number of employees.	Diversity of workforce	96
2. Please indicate the total number of employees hired on temporary / contractual / casual basis.	Diversity of workforce	96
3. Please indicate the number of permanent women employees.	Diversity of workforce	96
4. Please indicate the number of permanent employees with disabilities.	Diversity of workforce	96
5. Do you have an employee association that is recognised by management?	Industrial relations	100
6. What percentage of your permanent employees are member of this recognised employee association?	Industrial relations	100
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Prevention of sexual harassment	73
8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? (a) Permanent employees (b) Permanent women employees (c) Casual / temporary / contractual employees (d) Employees with disabilities	Safety communication and training; Learning and development	95; 102
Principle 4:		
1. Has the Company mapped its internal and external stakeholders?	Stakeholder engagement	52
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	Corporate social responsibility	110
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	Corporate social responsibility	110

National Voluntary Guidelines Principles	Response / Section mapping	Page No.
Principle 5:		
1. Does the policy of the Company on human rights cover only the Company or extend to the group / joint ventures / suppliers / contractors / NGOs / others?	Code of business conduct and conflicts of interest; Respecting human rights	73
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Prevention of sexual harassment	73
Principle 6:		
1. Does the policy related to Principle 6 cover only the Company or extend to the group / joint ventures / suppliers / contractors / NGOs / others?	Green initiatives in supply chain; Operational eco-efficiency	92; 104
2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?	Product stewardship and innovation; Operational eco-efficiency	76; 104
3. Does the Company identify and assess potential environmental risks?	Operational eco-efficiency	104
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Two Clean Development Mechanism projects are registered with the UNFCCC: 1. Shifting a part of vehicle transportation from roadways to railways with specially designed railway wagons 2. Waste heat recovery from gas turbines by installing steam turbine generator in Gurugram facility	
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc?	Product stewardship and innovation; Green initiatives in supply chain; Operational eco-efficiency	76; 92; 104
6. Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Status of compliances during FY 2020-21	74
7. Number of show cause / legal notices received from CPCB / SPCB which are pending as on end of financial year.	Status of compliances during FY 2020-21	74
Principle 7:		
1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	Policy advocacy practices	74
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.	Policy advocacy practices	74
Principle 8:		
1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, please provide the details thereof.	Corporate social responsibility	110
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	Corporate social responsibility	110
3. Have you done any impact assessment of your initiative?	Board's report	142
4. What is your Company's direct contribution to community development projects?	Board's report	134
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Corporate social responsibility	110

National Voluntary Guidelines Principles	Response / Section mapping	Page No.
Principe 9:		
1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?	Status of compliances during FY 2020-21	74
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?	An Owner's Manual and Service Booklet is provided to every customer on purchase of a vehicle. The booklet contains information related to safety, operation and maintenance of the vehicle. Critical information on product usage (e.g., AC gas, tyre pressure, brake fluid) is displayed as labels.	
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?	Status of compliances during FY 2020-21	74
4. Did your Company carry out any consumer survey / consumer satisfaction trends?	Customer satisfaction	89

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Independent Auditor's Report

To The Members of Maruti Suzuki India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Maruti Suzuki India Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Evaluation of uncertain tax positions relating to Income taxes and Excise duty** The Company has material uncertain tax positions including matters under disputes relating to Income taxes. Further, the Company has matters under litigation relating to Excise duty. These matters involve significant management judgement to determine the possible outcome of disputes. Refer note 2.4 and 37 (i) and (iii) of the financial statements.	**Principal audit procedures performed:** a) We evaluated the design and implementation of internal controls and tested the operating effectiveness of controls for estimation of the amount of financial impact and outcome of Income Tax and Excise duty litigations and claims and consequent recording /disclosure in the financial statements. b) We obtained details of Income tax and Excise duty assessment orders and management's evaluation of those assessment orders and performed the following procedures : - We verified the arithmetical accuracy of the computation prepared by management based on Income Tax and Excise Orders received to determine the financial impact of the matters under dispute and consequent recording/disclosure in the financial statements. - We involved our tax specialists to challenge the management's underlying assumptions in estimating the financial impact and the possible outcome of the litigations and disputes after considering the legal precedence and other rulings. c) We assessed the accounting principles applied by the Company to measure and disclose the financial impact of these litigations in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer to note 37 to standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer to Note 16 to the standalone financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
(Partner)
(Membership No. 87104)
(UDIN: 21087104AAAACO8007)

Place: New Delhi
Date: 27 April 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Maruti Suzuki India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
(Partner)
(Membership No. 87104)
(UDIN: 21087104AAAACO8007)

Place: New Delhi
Date: 27 April 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment except furniture and fixtures, office appliances and certain other property, plant and equipment having a carrying value of ₹ 4,136 million, were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds / conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings shown as Property, plant and equipment are held in the name of the Company as at the balance sheet date, except the following:

Particulars of buildings	Amount as on 31-03-2021 (₹ in million)	Remarks
4 residential flats located in Mundra Port	9.80	Title deeds are yet to be executed pending finalisation of disputes regarding title of property.
3 residential flats in Ranchi	10.53	Title deeds are yet to be executed pending finalisation of disputes regarding title of property.
109.77 acres Land at Gujarat	281.00	Land parcels under possession by the Company under litigation / title disputes

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals other than for stock lying with third parties, loose tools and machinery spares and goods in transit. Confirmations were obtained by management for stock lying with third parties. The discrepancies noted on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) Other than for "Manufacturing of Engines" and "Generation of Power", the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at 31 March, 2021 for a period of more than six months from the date they became payable.

Details of dues of Income-tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as on 31 March, 2021 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (Financial year)	Amount (₹ in million)*	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income Tax	High Court	1991-92, 1994-95 to 1995-96, 1997-98, 2003-04 to 2004-05, 2007-08	903	-
		Income Tax Appellate Tribunal (ITAT)	2002-03, 2008-09 to 2014-15	70,955	64,876
		Up to Commissioner (Appeals)	2006-07	32	32
Wealth tax Act, 1957	Wealth tax	High Court	1996-97-1997-98	1	-
The Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2002-03 to 2017-18	15,834	13,659
		Commissioner (Appeals)	1987-90, 2006-07, 2010-11, 2013-14 to 2017-18	62	61
The Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2016-17	4,321	4,230
		Commissioner (Appeals)	2017-18	32	32
Customs Act, 1962	Customs Duty	Commissioner (Appeals)	2012-13 to 2020-21	162	162
Sales Tax Laws	Haryana General Sales Tax Act	Assessing Authority, Gurugram by Sales Tax Tribunal.	1983-84 to 1984-85, 1987-88, 2016-17	24	23
	Central sales tax(Gujarat)	Appeal pending with Dy Commissioner (appeal)	2012-13 to 2013-14	6	6
Goods and service tax	Goods and service tax	Appellate Authority	2019-20	10	10

*amount as per demand orders including interest and penalty wherever quantified in the Order.

The following matters have been decided in favour of the Company, but department has preferred appeals before higher authorities.

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (Financial year)	Amount (₹ in million)#	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income Tax	Supreme Court	1992-93 to 2000-01, 2003-04 to 2005-06	5,904	5,904
		High Court	1996-97 to 1999-00, 2003-04 to 2004-05, 2006-07 to 2008-09	7,725	7,725
		Income Tax Appellate Tribunal (ITAT)	2002-03, 2010-11	5,641	5,641
The Central Excise Act, 1944	Excise Duty	Supreme Court	2006-07 to 2008-09	395	395
		High court	1990-91, 1993-94	517	517
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2015-16	222	222
The Finance Act, 1994	Service Tax	Supreme Court	2003-04 to 2012-13	256	256
		CESTAT	2004-05 to 2010-11	17	17

amount as per demand orders including interest and penalty wherever quantified in the Order.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from financial institutions or Government nor issued any debentures during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
(Partner)
(Membership No. 87104)
(UDIN: 21087104AAAACO8007)

Place: New Delhi
Date: 27 April 2021

Balance Sheet

As at March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	As at 31.03.2021	As at 31.03.2020
ASSETS				
Non-current assets				
Property, plant and equipment	4	221-222	141,511	147,618
Capital work-in-progress	4	221-222	11,923	13,374
Intangible assets	5	222	2,242	3,358
Intangible assets under development	5	222	2,975	709
Right-of-use Assets	35	258-259	5,817	6,127
Financial assets				
Investments	6	223-225	333,710	352,488
Loans	7	226	2	2
Other financial assets	9	227	363	358
Other non-current assets	12	228	16,864	17,213
Total non-current assets			**515,407**	**541,247**
Current assets				
Inventories	10	227	30,500	32,149
Financial assets				
Investments	6	223-225	84,157	12,188
Trade receivables	8	226	12,766	19,749
Cash and cash equivalents	11.1	228	323	182
Other bank balances	11.2	228	30,041	29
Loans	7	226	230	169
Other financial assets	9	227	6,410	6,596
Current tax assets (net)	21	235	5,396	5,269
Other current assets	12	228	15,444	7,943
Total current assets			**185,267**	**84,274**
Total assets			**700,674**	**625,521**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	229	1,510	1,510
Other equity	14	230-232	512,158	482,860
Total equity			**513,668**	**484,370**
Liabilities				
Non-current liabilities				
Financial liabilities				
Lease liabilities	35	258-259	353	550
Provisions	17	233-234	447	516
Deferred tax liabilities (net)	18	234	3,847	5,984
Other non-current liabilities	19	235	21,292	21,153
Total non-current liabilities			**25,939**	**28,203**
Current liabilities				
Financial liabilities				
Borrowings	15	232	4,888	1,063
Trade payables				
Total outstanding dues of micro and small enterprises	20	235	691	478
Total outstanding dues of creditors other than micro and small enterprises	20	235	100,926	74,463
Lease liabilities	35	258-259	65	94
Other financial liabilities	16	232	12,693	9,017
Provisions	17	233-234	7,416	6,796
Current tax liabilities (Net)	21	235	8,539	6,962
Other current liabilities	19	235	25,849	14,075
Total current liabilities			**161,067**	**112,948**
Total liabilities			**187,006**	**141,151**
Total equity and liabilities			**700,674**	**625,521**

The accompanying notes are forming part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN: 02262755

KENICHIRO TOYOFUKU
Director
DIN: 08619076

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No: F3788

Place: New Delhi
Date: April 27, 2021

Place: Gurugram
Date: April 27, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

	Particulars	Notes No.	Page No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
I	Revenue from operations	22	236	703,325	756,106
II	Other income	23	236	29,464	34,208
III	**Total Income (I+II)**			**732,789**	**790,314**
IV	**Expenses**				
	Cost of materials consumed	24.1	237	332,969	346,366
	Purchases of stock-in-trade			172,472	187,581
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.2	237	2,731	(2,381)
	Employee benefits expenses	25	237	34,029	33,839
	Finance costs	26	238	1,008	1,329
	Depreciation and amortisation expense	27	238	30,315	35,257
	Other expenses	28	238-239	108,399	118,892
	Vehicles / dies for own use			(728)	(1,217)
	Total expenses (IV)			**681,195**	**719,666**
V	**Profit before tax (III - IV)**			**51,594**	**70,648**
VI	**Tax expense**				
	Current tax	29	239-240	11,556	13,748
	Deferred tax	29	239-240	(2,259)	394
				9,297	**14,142**
VII	**Profit for the year (V - VI)**			**42,297**	**56,506**
VIII	**Other Comprehensive Income/(loss)**				
	(i) Items that will not be reclassified to profit or loss				
	(a) gain / (loss) of defined benefit obligation	14.4	231	545	(718)
	(b) gain / (loss) on change in fair value of equity instruments	14.5	231	4,704	(3,902)
				5,249	(4,620)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	29	239-240	(123)	203
	Total Other Comprehensive Income/(loss) (i+ii)			**5,126**	**(4,417)**
IX	**Total Comprehensive Income for the year (VII + VIII)**			**47,423**	**52,089**
	Earnings per equity share (₹)	31	241		
	Basic			140.02	187.06
	Diluted			140.02	187.06

The accompanying notes are forming part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

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Managing Director & CEO
DIN: 02262755

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Partner

AJAY SETH
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SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No: F3788

Place: New Delhi
Date: April 27, 2021

Place: Gurugram
Date: April 27, 2021

Statement of Changes in Equity

for the year ended March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

a. Equity share capital

	Amount
Balance at April 01, 2019	1,510
Changes in equity share capital during the year	-
Balance at March 31, 2020	**1,510**
Changes in equity share capital during the year	-
Balance at March 31, 2021	**1,510**

b. Other equity

	Reserves and Surplus						Items of other comprehensive income	Total
	Reserves created on amalgamation	Securities premium	General reserve	Retained earnings	Employee Welfare Fund	Scientific Research Fund	Equity instrument through other comprehensive income	
Balance at April 01, 2019	**9,153**	**4,241**	**29,309**	**407,016**	**808**	**772**	**8,606**	**459,905**
Profit for the year	-	-	-	56,506	-	-	-	56,506
Other comprehensive income for the year, net of income tax	-	-	-	(518)	-	-	(3,899)	(4,417)
Total comprehensive income for the year	**-**	**-**	**-**	**55,988**	**-**	**-**	**(3,899)**	**52,089**
Payment of dividend	-	-	-	(24,166)	-	-	-	(24,166)
Tax on dividend	-	-	-	(4,968)	-	-	-	(4,968)
Employee welfare fund	-	-	-	(750)	750		-	-
Scientific research fund	-	-	-	(750)	-	750	-	-
Income from Employee welfare fund	-	-	-	(117)	117	-	-	-
Expense on Employee welfare fund				132	(132)			
Balance at March 31, 2020	**9,153**	**4,241**	**29,309**	**432,385**	**1,543**	**1,522**	**4,707**	**482,860**
Profit for the year	-	-	-	42,297	-	-	-	42,297
Other comprehensive income for the year, net of income tax	-	-	-	408	-	-	4,718	5,126
Total comprehensive income for the year	**-**	**-**	**-**	**42,705**	**-**	**-**	**4,718**	**47,423**
Payment of dividend	-	-	-	(18,125)	-	-	-	(18,125)
Employee welfare fund	-	-	-	(565)	565		-	-
Scientific research fund	-	-	-	(565)	-	565	-	-
Income from Employee welfare fund	-	-	-	(108)	108	-	-	-
Expense on Employee welfare fund	-	-	-	14	(14)	-	-	-
Balance at March 31, 2021	**9,153**	**4,241**	**29,309**	**455,741**	**2,202**	**2,087**	**9,425**	**512,158**

The accompanying notes are forming part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN: 02262755

KENICHIRO TOYOFUKU
Director
DIN: 08619076

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No: F3788

Place: New Delhi
Date: April 27, 2021

Place: Gurugram
Date: April 27, 2021

Cash Flow Statement

for the year ended March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
A. Cash flow from Operating Activities:				
Profit before tax			51,594	70,648
Adjustments for:				
Depreciation and amortisation expense	27	238	30,315	35,257
Finance costs	26	238	1,008	1,329
Interest income	23	236	(725)	(966)
Dividend income	23	236	(136)	(904)
Net loss on sale / discarding of property, plant and equipment	28	238-239	590	424
Net gain on sale of investments in debt mutual funds	23	236	(411)	(1,503)
Fair valuation gain on investment in debt mutual funds	23	236	(27,713)	(29,413)
Liabilities no longer required written back	22	236	-	(37)
Unrealised foreign exchange (gain)/ loss			621	(768)
Operating Profit before Working Capital changes			**55,143**	**74,067**
Adjustments for changes in Working Capital :				
- (Increase)/decrease in other financial assets (non-current)	9	227	(5)	(18)
- (Increase)/decrease in other non-current assets	12	228	(131)	(1,549)
- (Increase)/decrease in inventories	10	227	1,649	1,108
- (Increase)/decrease in trade receivables	8	226	6,970	3,409
- (Increase)/decrease in loans (current)	7	226	(61)	(9)
- (Increase)/decrease in other financial assets (current)	9	227	74	(713)
- (Increase)/decrease in other current assets	12	228	(7,501)	(2,416)
- Increase/(decrease) in non-current provisions	17	233-234	(69)	121
- Increase/(decrease) in other non-current liabilities	19	235	139	788
- Increase/(decrease) in trade payables	20	235	26,783	(21,551)
- Increase/(decrease) in other financial liabilities (current)	16	232	3,110	(2,576)
- Increase/(decrease) in current provisions	17	233-234	620	(166)
- Increase/(decrease) in other current liabilities	19	235	11,774	(2,087)
Cash generated from Operating Activities			**98,495**	**48,408**
- Income taxes paid (net)			(10,107)	(14,357)
Net Cash from / (used in) Operating Activities			**88,388**	**34,051**
B. Cash flow from Investing Activities:				
Payments for purchase of property, plant and equipment and capital work in progress	4	221-222	(21,316)	(31,936)
Payments for purchase of intangible assets & intangible assets under development	5	222	(2,383)	(2,423)
Proceeds from sale of property, plant and equipment	4	221-222	420	369
Payments for purchase of investment in associate/joint venture/subsidiary company	6	223-225	(871)	(150)
Proceeds from sale of debt mutual funds	6	223-225	429,195	469,687
Payments for purchase of debt mutual funds	6	223-225	(448,687)	(442,050)
Investment in fixed deposits with bank	11.2	228	(30,000)	-
Interest received	23	236	667	960
Dividend received	23	236	136	904
Net Cash from / (used in) Investing Activities			**(72,839)**	**(4,639)**

Cash Flow Statement

for the year ended March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
C. Cash flow from Financing Activities:				
Movement in short term borrowings (net)	15	232	3,825	(433)
Principal elements of lease payments	35	258-259	(102)	(91)
Finance cost paid	26	238	(1,006)	(1,342)
Payment of dividend on equity shares	14.4	231	(18,125)	(24,166)
Related income tax	14.4	231	-	(4,968)
Net Cash from / (used in) Financing Activities			**(15,408)**	**(31,000)**
Net Increase/(Decrease) in cash & cash equivalents			**141**	**(1,588)**
Cash and cash equivalents at the beginning of the year			**182**	**1,770**
Cash and cash equivalents at the end of the year			**323**	**182**
Cash and cash equivalents comprises :				
Cash and cheques in hand	11.1	228	4	1
Balance with Banks	11.1	228	319	181
			323	182
Other bank balances:				
Deposits*	11.2	228	30,000	-
Unclaimed dividend accounts	11.2	228	41	29
			30,041	**29**

*Original maturity period is more than twelve months but less than 12 months from balance sheet date.

The accompanying notes are forming part of these financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN: 02262755

KENICHIRO TOYOFUKU
Director
DIN: 08619076

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No: F3788

Place: New Delhi
Date: April 27, 2021

Place: Gurugram
Date: April 27, 2021

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

1 GENERAL INFORMATION

Maruti Suzuki India Limited ("The Company") is a public limited company incorporated and domiciled in India, listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is #1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070. The Company is a subsidiary of Suzuki Motor Corporation, Japan. The principal activities of the Company are manufacturing, purchase and sale of motor vehicles, components and spare parts. The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

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

The principal accounting policies are set out below.

2.3 Going concern

The board of directors have considered the financial position of the Company as at March 31, 2021 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 32 : Provision for employee benefits

Provision for employee benefits requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Company's retirement benefit obligations.

Note 17 & 37 : Provision for litigations

Income Tax: The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Other litigations: Litigations often involve complex legal/regulatory issues and are connected with a high degree of uncertainty. Accordingly, the assessment of whether an obligation exists on the balance sheet date as a result of an event in the past, and whether a future cash outflow is likely and the obligation can be reliably estimated, largely depends on estimations by the management.

Note 17 : Provision for warranty and product recall

The Company creates provision based on historical warranty claim experience. In addition, assumptions on the amounts of potential costs are also included while creating the provisions. The provisions are regularly adjusted to reflect new information.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Note 4 : Property, Plant and Equipment - Useful economic life

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Note 35 : Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The Company has considered possible effects that may result from pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, discounts, sales incentives, goods & service tax and value added taxes.

The Company recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

2.5.1 Sale of goods

Revenue is recognised for domestic and export sales of vehicles, spare parts, and accessories when the Company transfers control over such products to the customer on dispatch from the factory and the port respectively.

2.5.2 Income from services

Revenue from engineering services are recognised as the related services are performed. Revenue from extended warranty is recognised on time proportion basis. Income from other services are accounted over the period of rendering of services.

Invoicing in excess of revenues are classified as contract liabilities. Contract liabilities pertains to advance consideration received towards sale of extended warranty and other services by the Company.

2.5.3 Income from royalty

Revenue from royalty is recognised on an accrual basis in accordance with the substance of the relevant arrangements.

2.6 Other Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.7 Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability.

2.7.1 The Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Company did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

2.7.2 The Company as lessee

The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Company recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lesse's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the statement of profit and loss in the period in which the condition that triggers those payments that occur.

2.8 Foreign currencies

2.8.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

2.8.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of surplus funds out of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of profit or loss in the period in which they are incurred.

2.10 Employee benefits

2.10.1 Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

2.10.2 Other long-term employee benefit obligations

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.10.3 Post-employment obligations

Defined benefit plans

The Company has defined benefit plans namely gratuity, provident fund and retirement allowance for employees. The gratuity fund and provident fund are recognised by the income tax authorities and are administered through trusts set up by the Company. Any shortfall in the size of the fund maintained by the trust is additionally provided for in profit or loss.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company has defined contribution plans for post-employment benefit namely the superannuation fund which is recognised by the income tax authorities. This fund is administered through a trust set up by the Company and the Company's contribution thereto is charged to profit or loss every year. The Company has no further payment obligations once the contributions have been paid.

The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a defined contribution plan. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the statement of profit and loss every year.

Termination benefits

A liability for the termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

2.12 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Building	3-60 years
Plant and machinery other than Dies and Jigs	8 years
Dies and jigs	5 years
Electronic data processing equipment	3 years
Furniture and fixtures	10 years
Office appliances	5 years
Vehicles	8 years

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

Freehold land and Leasehold land in the nature of perpetual lease is not amortised.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.13 Intangible assets

2.13.1 Intangible assets acquired separately

Lump sum royalty and engineering support fee is carried at cost which is incurred and stated in the relevant licence agreement with the technical knowhow / engineering support provider less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.13.2 Amortisation methods and useful lives

Lump sum royalty and engineering support fee is amortised on a straight line basis over its estimated useful life i.e. 5 years from the start of production of the related model. An intangible asset is derecognised when no future economic benefits are expected from use.

2.14 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.15 Inventories

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

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2.16 Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

2.18 Financial assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.18.1 Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

2.18.2 Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has equity investments in certain entities which are not held for trading. The Company has elected the fair value through other comprehensive income irrevocable option for all such investments. Dividend on these investments are recognised in profit or loss.

2.18.3 Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.18.4 Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit or loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

2.18.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.18.6 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

2.18.7 Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

2.18.8 Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

2.18.9 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

2.19 Financial liabilities and equity instruments

2.19.1 Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.19.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

2.19.3.1 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

2.19.3.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.19.3.3 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.19.3.4 Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

2.19.3.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.20 Derivative financial instruments

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Further details of derivative financial instruments are disclosed in note 33.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

2.20.1 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

2.21 Hedge accounting

The Company designates certain hedging instruments, in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the ineffective portion is recognised immediately in the profit or loss. Amount accumulated in equity are reclassified to the profit or loss in the periods in which the forecasted transaction occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in other equity is retained there until the forecast transaction occurs.

Note 33 sets out details of the fair values of the derivative instruments used for hedging purposes.

2.22 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.23 Government Grant

Government grants are recognised where there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expense the related cost for which the grants are intended to compensate.

2.24 Earning Per Share

Basic earning per share has been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earning per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

2.25 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

2.26 Royalty

The Company pays / accrues for royalty in accordance with the relevant licence agreements.

2.27 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

2.28 Rounding of amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

3 APPLICABILITY OF NEW AND REVISED IND AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

4 Property, Plant and Equipment and Capital Work-In-Progress

	As at 31.03.2021	As at 31.03.2020
Carrying amount of		
Freehold Land	40,033	39,974
Buildings	19,651	19,927
Plant & Machinery	77,850	83,654
Electronic Data Processing (EDP) Equipment	873	615
Furniture, Fixtures and Office Appliances	1,980	1,908
Vehicles	1,124	1,540
	141,511	**147,618**
Capital work-in-progress	11,923	13,374
	153,434	**160,992**

	Freehold Land^	Leasehold Land**	Buildings	Plant & Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
Gross Carrying amount								
Balance at March 31, 2019	38,419	525	23,255	185,436	2,073	2,687	1,828	**254,223**
Addition	1,555	-	3,037	26,233	577	792	783	**32,977**
Disposal / adjustments*	-	(525)	(55)	(3,987)	(281)	(21)	(564)	**(5,433)**
Balance at March 31, 2020	**39,974**	**-**	**26,237**	**207,682**	**2,369**	**3,458**	**2,047**	**281,767**
Addition	73	-	1,797	20,157	808	583	190	**23,608**
Disposal / adjustments*	(14)	-	(226)	(5,285)	(260)	(23)	(505)	**(6,313)**
Balance at March 31, 2021	**40,033**	**-**	**27,808**	**222,554**	**2,917**	**4,018**	**1,732**	**299,062**
Accumulated depreciation and impairment								
Balance at March 31, 2019	-	-	4,429	97,140	1,554	1,092	441	**104,656**
Depreciation expenses	-	-	1,901	30,506	481	469	251	**33,608**
Disposal / adjustments*	-	-	(20)	(3,618)	(281)	(11)	(185)	**(4,115)**
Balance at March 31, 2020	**-**	**-**	**6,310**	**124,028**	**1,754**	**1,550**	**507**	**134,149**
Depreciation expenses	-	-	1,962	25,450	548	510	235	**28,705**
Disposal / adjustments*	-	-	(115)	(4,774)	(258)	(22)	(134)	**(5,303)**
Balance at March 31, 2021	**-**	**-**	**8,157**	**144,704**	**2,044**	**2,038**	**608**	**157,551**
Carrying amount								
Balance at March 31, 2019	38,419	525	18,826	88,296	519	1,595	1,387	**149,567**
Addition	1,555	-	3,037	26,233	577	792	783	**32,977**
Disposal / adjustments*	-	(525)	(35)	(369)	-	(10)	(379)	**(1,318)**
Depreciation expenses	-	-	(1,901)	(30,506)	(481)	(469)	(251)	**(33,608)**
Balance at March 31, 2020	**39,974**	**-**	**19,927**	**83,654**	**615**	**1,908**	**1,540**	**147,618**
Addition	73	-	1,797	20,157	808	583	190	**23,608**
Disposal / adjustments*	(14)	-	(111)	(511)	(2)	(1)	(371)	**(1,010)**
Depreciation expenses	-	-	(1,962)	(25,450)	(548)	(510)	(235)	**(28,705)**
Balance at March 31, 2021	**40,033**	**-**	**19,651**	**77,850**	**873**	**1,980**	**1,124**	**141,511**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

4.1 Notes on Property, Plant And Equipment

1 Immovable properties having carrying value of ₹ 21 million (as at 31.03.20 ₹ 21 million) are not yet registered in the name of the Company.

2 Plant and Machinery includes a Gas Turbine jointly owned by the Company with its group companies and other companies having carrying amount as at 31.03.2021 is Nil (as at 31.03.20 is Nil).

3 A part of freehold land of the Company situated at Gurugram, Manesar and Gujarat has been made available to its group companies / fellow subsidiary for their business purpose.

^Above includes 109.77 acres of vacant land parcels in the state of Gujarat with capitalized value of ₹ 281 million acquired by the Company for expansion activities, which are under litigation / title disputes

* Adjustment includes the intra-head re-grouping of amounts.

** In accordance with Ind AS 116 adopted by the Company on April 1, 2019, Leasehold Land have been transferred to right-of-use assets, for details refer Note 35.

5 Intangible Assets & Intangible Assets Under development

	As at 31.03.2021	As at 31.03.2020
Carrying amount of		
Lumpsum royalty and engineering support fee	2,242	3,358
Intangible assets under development	2,975	709
	5,217	**4,067**

	Lumpsum royalty and engineering support fee
Gross Carrying amount	
Balance at April 01, 2019	9,070
Addition	296
Balance at March 31, 2020	**9,366**
Addition	308
Balance at March 31, 2021	**9,674**
Accumulated amortisation and impairment	
Balance at April 01, 2019	4,559
Amortisation expenses	1,449
Balance at March 31, 2020	**6,008**
Amortisation expenses	1,424
Balance at March 31, 2021	**7,432**
Carrying amount	
Balance at April 01, 2019	4,511
Addition	296
Amortisation expenses	(1,449)
Balance at March 31, 2020	**3,358**
Addition	308
Amortisation expenses	(1,424)
Balance at March 31, 2021	**2,242**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

6 Investments

	As at 31.03.2021	As at 31.03.2020
Non-current		
Investments in equity instruments		
- Subsidiary companies	295	77
- Associate companies	1,667	1,085
- Joint venture companies	373	302
- Others	9,827	5,123
Investments in preference shares	-	-
Investments in debt mutual funds	321,548	345,901
	333,710	**352,488**
Current		
Investments in debt mutual funds	84,157	12,188
	84,157	**12,188**
Aggregate value of unquoted investments	408,381	359,945
Aggregate value of quoted investments	9,536	4,781
Market value of quoted investments	11,323	5,598
Aggregate provision for diminution in value of investments	50	50

6.1 Investments in subsidiaries

Break-up of investment in subsidiaries (carrying amount at cost)

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
J.J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited) (Face value of ₹ 10 each)	8,800,000	294	4,476,250	76
True Value Solutions Limited (Face value of ₹ 10 each)	50,000	1	50,000	1
Total aggregate unquoted investments		**295**		**77**

6.2 Investments in associates

Break-up of investment in associates (carrying amount at cost)

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Quoted investments (fully paid up)				
Bharat Seats Limited (Face value of ₹ 2 each)	4,650,000	5	4,650,000	5
Jay Bharat Maruti Limited (Face value of ₹ 5 each)	6,340,000	16	6,340,000	16
Machino Plastics Limited (Face value of ₹ 10 each)	941,700	5	941,700	5
Total aggregate quoted investments (A)		**26**		**26**
Aggregate market value of quoted investments		**1,813**		**843**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Caparo Maruti Limited (Face value of ₹ 10 each)	2,500,000	25	2,500,000	25
Hanon Climate Systems India Private Limited (Face value of ₹ 100 each)	518,700	52	518,700	52
Krishna Maruti Limited (Face value of ₹ 10 each)	670,000	7	670,000	7
SKH Metals Limited (Face value of ₹ 10 each)	2,645,000	49	2,645,000	49
Nippon Thermostat (India) Limited (Face value of ₹ 10 each)	125,000	1	125,000	1
Mark Exhaust Systems Limited (Face value of ₹ 10 each)	4,437,465	57	4,437,465	57
Bellsonica Auto Components India Private Limited (Face value of ₹ 100 each)	3,540,000	354	3,540,000	354
FMI Automotive Components Private Limited (Face value of ₹ 10 each)	44,100,000	441	44,100,000	441
Manesar Steel Processing India Private Limited (Face value of ₹ 10 each)	6,840,000	68	6,840,000	68
Maruti Insurance Broking Private Limited (Face value of ₹ 10 each)	751,643	2	751,643	2
Bahucharaji Rail Corporation Limited (Face value of ₹ 10 each)	58,500,000	585	330,000	3
Total aggregate unquoted investments (B)		**1,641**		**1,059**
Total investments carrying value (A) + (B)		**1,667**		**1,085**

Note - During the year, the Company has invested in 15,000 equity shares @ INR 10 each of Haryana Orbital Rail Corporation Limited.

6.3 Investments in joint ventures

Break-up of investment in joint ventures (carrying amount at cost)

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Plastic Omnium Auto Inergy Manufacturing India Private Limited (Face value of ₹ 10 each)	6,656,000	67	6,656,000	67
Magneti Marelli Powertrain India Limited (Face value of ₹ 10 each)	8,550,000	85	8,550,000	85
Maruti Suzuki Toyotsu India Private Limited (Face value of ₹ 10 each)	22,050,000	221	15,000,000	150
Total aggregate unquoted investments		**373**		**302**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

6.4 Other equity instruments

Investments in equity instruments at fair value through other comprehensive income

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Quoted investments (fully paid up)				
Asahi India Glass Limited (Face value of ₹ 1 each)	26,995,200	8,348	26,995,200	4,201
JTEKT India Limited (Formerly known as Sona Koyo Steering Systems Limited) (Face value of ₹ 1 each)	13,800,000	1,162	13,800,000	554
Total aggregate quoted investments (i)		**9,510**		**4,755**

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Denso India Private Limited (Face value of ₹ 10 each)	2,862,758	316	2,862,758	367
Total aggregate unquoted investments (ii)		**316**		**367**
Investment in equity shares of Section 8 Company				
International Automobile Centre of Excellence (Face value of ₹ 10 each)	100,000	1	100,000	1
Investment in equity shares of Section 8 Company (iii)		**1**		**1**
Investments in other equity instruments [i+ii+iii]		**9,827**		**5,123**

6.5 Investment in unquoted preference shares

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Western Paques (India) Limited (Face value of ₹ 100 each)	500,000	50	500,000	50
Less: Provision for diminution in value		(50)		(50)
Total investment in unquoted preference shares		**-**		**-**

6.6 Investments in unquoted debt mutual funds*

	As at 31.03.2021		As at 31.03.2020	
	Current	Non Current	Current	Non Current
Fixed term debt maturity plans	20,909	15,723	-	34,116
Open ended debt schemes	63,248	305,825	12,188	311,785
Total investments in unquoted debt mutual funds	**84,157**	**321,548**	**12,188**	**345,901**

* Includes debt mutual funds for Employee Welfare Fund as at 31.03.2021 : ₹ 2,202 million (as at 31.03.2020 : ₹ 1,543 million)

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

7 Loans (unsecured and considered good, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Non Current		
Employee related loans and advances	1	1
Inter corporate deposits- unsecured considered doubtful	125	125
Provision for doubtful Intercorporate deposits	(125)	(125)
Others	1	1
	2	**2**
Current		
Employee related loans and advances	230	169
	230	**169**

8 Trade Receivables

	As at 31.03.2021	As at 31.03.2020
Unsecured - considered good	12,766	19,749
- considered doubtful	27	27
Provision for doubtful debts	(27)	(27)
	12,766	**19,749**

8.1 The credit risk to the Company is limited since most of the sales are made against advances or letter of credit/bank guarantees from banks of national standing. The credit period generally allowed on domestic sales varies from 30 to 45 days (excluding transit period). The credit period on export sales varies on case to case basis, based on market conditions.

	As at 31.03.2021	As at 31.03.2020
Age of receivables		
Within the credit period	12,398	18,728
1-90 days past due	308	983
91-180 days past due	3	-
More than 180 days past due	57	38
	12,766	**19,749**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

9 Other Financial Assets (unsecured and considered good, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Non-current		
Financial assets carried at amortised cost		
Security deposits	236	230
Others	127	128
	363	**358**
Current		
Financial assets carried at amortised cost		
Interest accrued - secured	-	1
- unsecured	86	27
Recoverable from related parties (Refer to note 34)	5,724	5,503
Others - considered good	302	15
- considered doubtful	28	28
Less: provision for doubtful assets	(28)	(28)
Financial assets carried at fair value		
Foreign currency and commodity forward contract not qualifying or not designated in hedge accounting relationships	298	1,050
	6,410	**6,596**

10 Inventories

	As at 31.03.2021	As at 31.03.2020
Inventories (lower of cost and net realisable value)		
Raw materials	14,747	13,810
Work-in-progress	1,483	1,218
Finished goods		
Vehicle	5,376	9,236
Vehicle spares and components	364	376
Traded goods		
Vehicle	1,439	852
Vehicle spares and components	3,549	3,260
Stores and spares	2,706	2,489
Loose Tools	836	908
	30,500	**32,149**
Inventory includes in transit inventory of:		
Raw materials	5,191	3,740
Stock in trade	113	42

10.1 The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 561,714 million (previous year ₹ 602,012 million).

The cost of inventories recognised as an expense includes ₹ 59 million (previous year ₹ 129 million) in respect of write-downs of inventory to net realisable value.

The mode of valuation of inventories has been stated in note 2.15.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

11 CASH AND BANK BALANCES

11.1 Cash and cash equivalents:

	As at 31.03.2021	As at 31.03.2020
Balances with Banks	319	181
Cheques, drafts in hand	4	-
Cash in hand	-	1
	323	**182**

11.2 Other bank balances:

	As at 31.03.2021	As at 31.03.2020
Deposits*	30,000	-
Unclaimed dividend accounts	41	29
	30,041	**29**

*Original maturity period is more than twelve months but less than 12 months from balance sheet date.

12 OTHER ASSETS (unsecured and considered good, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Non-current		
Capital advances - considered good	3,874	4,354
Prepaid expenses	3,156	3,005
Amount paid under protest / dispute	9,774	9,771
Claims - unsecured considered good	34	57
- unsecured considered doubtful	7	27
Less : provision for doubtful claims	(7)	(27)
Others	26	26
	16,864	**17,213**
Current		
Balance with customs, port trust and other Government authorities	4,101	2,802
Claims	1,277	564
Prepaid expenses	1,213	1,000
Balance with related parties (Refer to note 34)	6,979	1,983
Others - considered good	1,874	1,594
- considered doubtful	281	283
Less: provisions for doubtful balances	(281)	(283)
	15,444	**7,943**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

13 Equity Share Capital

	As at 31.03.2021	As at 31.03.2020
Authorised share capital:		
3,751,000,000 equity shares of ₹ 5 each (as at 31.03.20: 3,751,000,000 equity shares of ₹ 5 each)	18,755	18,755
Issued, subscribed and fully paid up share capital comprises:		
302,080,060 equity shares of ₹ 5 each (as at 31.03.20: 302,080,060 equity shares of ₹ 5 each)	1,510	1,510
	1,510	**1,510**

13.1 Rights, preference and restriction attached to shares

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

13.2 Reconciliation of number of shares

	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of year	302,080,060	1,510	302,080,060	1,510
Balance as at the end of year	302,080,060	1,510	302,080,060	1,510

13.3 Details of shares held by the holding company

	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Amount	Number of shares	Amount
Suzuki Motor Corporation, Japan	170,283,762	851	169,999,440	850
	170,283,762	**851**	**169,999,440**	**850**

13.4 Details of shares held by each shareholder holding more than 5% shares

	As at 31.03.2021		As at 31.03.2020	
	Number of shares	% holding	Number of shares	% holding
Suzuki Motor Corporation (the holding company)	170,283,762	56.37	169,999,440	56.28
Life Insurance Corporation of India	14,944,012	4.95	19,313,328	6.39

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14 Other Equity

	As at 31.03.2021	As at 31.03.2020
General reserve	29,309	29,309
Securities premium	4,241	4,241
Reserve created on amalgamation	9,153	9,153
Retained earnings	455,741	432,385
Employee welfare fund	2,202	1,543
Scientific research fund	2,087	1,522
Reserve for equity instruments through other comprehensive income	9,425	4,707
	512,158	**482,860**

14.1 General reserve

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	29,309	29,309
Balance at the end of year	**29,309**	**29,309**

The general reserve is free reserve which is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

14.2 Securities premium

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	4,241	4,241
Balance at the end of year	**4,241**	**4,241**

Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 ("the Act") for specified purposes.

14.3 Reserve created on amalgamation

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	9,153	9,153
Balance at the end of year	**9,153**	**9,153**

This reserve was created on the basis of the scheme of amalgamation of erstwhile Suzuki Powertrain India Limited (SPIL) with the Company as approved by the High Court of Delhi in the year ended 31st March, 2013.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14.4 Retained earnings

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	432,385	407,016
Profit for the year	42,297	56,506
Other comprehensive income arising from remeasurement of defined benefit obligation*	408	(518)
Amount transferred to Employee welfare fund	(565)	(750)
Income on funds	(108)	(117)
Expenses on funds	14	132
Amount transferred to Scientific research fund	(565)	(750)
Payment of dividend on equity shares	(18,125)	(24,166)
Tax on dividend	-	(4,968)
Balance at the end of year	**455,741**	**432,385**

During the year, a dividend of ₹ 60 per share, total dividend ₹ 18,125 million (previous year : ₹ 80 per share, total dividend ₹ 24,166 million) was paid to equity shareholders.

The Board of Directors recommended a final dividend of ₹ 45 per share (nominal value of ₹ 5 per share) for the financial year 2020-21. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total expected amount of cash outflow is ₹ 13,594 million.

* net of deferred tax liabilities of ₹ 137 million (previous year deferred tax assets ₹ 200 million)

14.5 Reserve for equity instruments through other comprehensive income

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	4,707	8,606
Net fair value gain/(loss) on investment in equity instruments at FVTOCI	4,704	(3,902)
Income tax on net fair value gain/(loss) on investments in equity instruments at FVTOCI	14	3
Balance at the end of year	**9,425**	**4,707**

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

14.6 Employee Welfare Fund

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	1,543	808
Addition during the year	565	750
Income on funds during the year	108	117
Expenses on funds during the year	(14)	(132)
Balance at the end of year	**2,202**	**1,543**

This reserve is created by appropriating 1% of profit after tax of the previous year and will be utilised for undertaking welfare activities such as housing, education and health for the employees of the Company.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14.7 Scientific Research Fund

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	1,522	772
Addition during the year	565	750
Balance at the end of year	**2,087**	**1,522**

This reserve is created by appropriating 1% of profit after tax of the previous year and will be utilised for promotion of scientific research and technology in India. No expenditure has been done from this fund during the current year.

15 Borrowings

	As at 31.03.2021	As at 31.03.2020
Current		
Unsecured		
Term loan from bank	-	570
Loans repayable on demand from banks		
- cash credit and overdraft	4,888	493
	4,888	**1,063**

15.1 Summary of borrowing arrangements

Loan repayable on demand from banks (cash credit and overdraft) at an interest rate of 5.25% to 5.95%, repayable within 0-10 days (as at 31.03.20: interest rate of 7.10% to 8.15%, repayable within 0-10 days w.r.t cash credit, overdraft and term loan)

15.2 Breach of loan agreement

There has been no breach of covenants mentioned in the loan agreements during the reporting periods.

16 Other Financial Liabilities

	As at 31.03.2021	As at 31.03.2020
Current		
Financial liabilities carried at amortised cost		
Payables to capital creditors	4,160	3,608
Deposits from dealers, contractors and others	8,319	4,256
Interest accrued on security deposits	35	33
Unpaid dividend *	41	29
Book overdraft	136	267
Others	2	824
	12,693	**9,017**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

17 Provisions

	As at 31.03.2021	As at 31.03.2020
Non-current		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit plan	182	209
Other provisions		
Provision for warranty & product recall	265	307
	447	**516**
Current		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit plan	11	12
Provision for compensated absences	4,536	4,096
Other provisions		
Provision for litigation / disputes	1,997	1,981
Provision for warranty & product recall	872	707
	7,416	**6,796**

Details of other provisions

	Litigation / Dispute		Warranty / Product recall	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Balance as at the beginning of year	1,981	2,151	1,014	901
Addition during the year	19	20	1,427	1,229
Utilised during the year	-	-	1,304	1,116
Reversed during the year	3	190	-	-
Balance as at the end of year	**1,997**	**1,981**	**1,137**	**1,014**

	Litigation / Dispute		Warranty / Product recall	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Classified as long term	-	-	265	307
Classified as short term	1,997	1,981	872	707
Total	**1,997**	**1,981**	**1,137**	**1,014**

Provisions for employee benefits

The provision for employee benefits include compensated absences and retirement allowance.

Provision for warranty and product recall

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as and when warranty claims will arise. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Provision for litigation / disputes

In the ordinary course of business, the Company faces claims by various parties. The Company assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claim where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable (also refer to note 37).

18 Deferred Tax Balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

	As at 31.03.2021	As at 31.03.2020
Deferred tax assets	4,884	2,903
Deferred tax liabilities	8,731	8,887
Net deferred tax liabilities	**3,847**	**5,984**

	Opening Balance	Recognised in profit or loss	Recognised in OCI	Adjustments*	Closing Balance
2019-20					
Deferred tax assets					
Deferred revenue	297	(297)	-	-	-
Expenses deductible in future years	1,660	(241)	-	(96)	1,323
Provision for litigation / dispute	362	(120)	-	-	242
Provision for doubtful debts / advances	145	(28)	-	7	124
Property, plant and equipment and Intangible assets	-	1,206	-	-	1,206
Leases	-	8	-	-	8
Others	61	(249)	180	8	-
	2,525	**279**	**180**	**(81)**	**2,903**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	2,609	(2,551)	-	(58)	-
Investment in debt mutual funds	4,276	3,457	-	-	7,733
Investment in equity instruments	56	-	(23)	-	33
Other current & non-current assets	1,224	(372)	-	130	982
Others	-	139	-	-	139
	8,165	**673**	**(23)**	**72**	**8,887**
Net deferred tax liabilities	**5,640**	**394**	**(203)**	**153**	**5,984**
2020-21					
Deferred tax assets					
Expenses deductible in future years	1,323	115	-	-	1,438
Provision for litigation / dispute	242	5	-	-	247
Provision for doubtful debts / advances	124	-	-	-	124
Property, plant and equipment and Intangible assets	1,206	1,860	-	-	3,066
Leases	8	1	-	-	9
Others	-	137	(137)	-	-
	2,903	**2,118**	**(137)**	**-**	**4,884**
Deferred tax liabilities					
Investment in debt mutual funds	7,733	(43)	-	-	7,690
Investment in equity instruments	33	-	(14)	-	19
Other current & non-current assets	982	58	-	-	1,040
Others	139	(156)	-	(1)	(18)
	8,887	**(141)**	**(14)**	**(1)**	**8,731**
Net deferred tax liabilities	**5,984**	**(2,259)**	**123**	**(1)**	**3,847**

* On account of reclassification to/from "Deferred Tax balances" from/to "Provision for Taxation" and intra movement within Deferred tax assets/ Deferred tax liabilities

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

19 Other Liabilities

	As at 31.03.2021	As at 31.03.2020
Non-current		
Contract liabilities (Deferred revenue)	21,292	21,153
	21,292	**21,153**
Current		
Advance from customers	10,181	4,668
Contract liabilities (Deferred revenue)	7,716	7,838
Statutory dues	7,952	1,569
	25,849	**14,075**

Note: During the year, the Company has recognised revenue of ₹ 7,838 million which was included in the Contract liability balance as on April 1, 2020 (for the year ended March 31, 2020 ₹ 6,457 million which was included in the Contract liability balance as on April 1, 2019).

20 Trade Payables

	As at 31.03.2021	As at 31.03.2020
Total outstanding dues of micro and small enterprises	691	478
Total outstanding dues of creditors other than micro and small enterprises	100,926	74,463
	101,617	**74,941**

20.1 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at 31.03.2021	As at 31.03.2020
a. Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	691	478
- Interest due thereon	1	2
b. Payments made to suppliers beyond the appointed day during the year		
- Principal	717	2,428
- Interest paid thereon	1	1
c. Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	7	16
d. Amount of interest accrued and remaining unpaid as at year end	8	18

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

21 Current Tax

	As at 31.03.2021	As at 31.03.2020
Current tax assets		
Taxes paid (Net)	5,396	5,269
Current tax liabilities		
Income tax payable (Net)	8,539	6,962

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

22 Revenue from Operations

	Year ended 31.03.2021	Year ended 31.03.2020
Sale of products		
Vehicles	590,059	632,266
Spare parts / dies and moulds / components	75,562	84,638
	665,621	**716,904**
Other operating revenues		
Income from services	11,886	11,833
Sale of scrap	4,202	4,103
Recovery of freight & service charges	19,096	20,642
Liabilities no longer required written back	-	37
Rental income	402	395
Others	2,118	2,192
	37,704	**39,202**
	703,325	**756,106**

Refer to note 8.1 for payment terms with customers.

Revenue from contract with customers is disaggregated by geographical region and presented in Note 30.

Reconciliation of revenue recognised with contract price:

	Year ended 31.03.2021	Year ended 31.03.2020
Contract price (Gross)	738,252	801,789
Adjustments for:		
Discount & Incentives as per contract/scheme bulletins	(34,927)	(45,683)
Revenue From Operations	**703,325**	**756,106**

23 Other Income

	Year ended 31.03.2021	Year ended 31.03.2020
Interest income on		
Bank deposits	94	1
Income tax refund	-	276
Receivables from dealers	628	671
Advance to vendors	-	1
Others	3	17
	725	**966**
Dividend income		
Dividend from equity investments	136	904
	136	**904**
Others		
Net gain on sale of investments in debt mutual funds	411	1,503
Fair valuation gain on investment in debt mutual funds	27,713	29,413
Exchange variations on transactions and translation (net)	479	1,422
	28,603	**32,338**
	29,464	**34,208**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

24 Material Consumed

24.1 Cost of materials consumed

	Year ended 31.03.2021	Year ended 31.03.2020
Raw material inventory at the beginning of year	13,810	17,658
Add: Purchases during the year	333,906	342,518
Less: Raw material inventory at the end of year	14,747	13,810
	332,969	**346,366**

24.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31.03.2021	Year ended 31.03.2020
Opening balances		
Work in progress	1,218	2,995
Finished goods manufactured		
Vehicle	9,236	5,683
Vehicle spares and components	376	454
Traded goods		
Vehicle	852	85
Vehicle spares and components	3,260	3,344
	14,942	**12,561**
Closing balances		
Work in progress	1,483	1,218
Finished goods manufactured		
Vehicle	5,376	9,236
Vehicle spares and components	364	376
Traded goods		
Vehicle	1,439	852
Vehicle spares and components	3,549	3,260
	12,211	**14,942**
	2,731	**(2,381)**

25 Employee Benefits Expenses

	Year ended 31.03.2021	Year ended 31.03.2020
Salaries and wages	30,170	29,886
Contribution to provident and other funds	1,715	1,687
Staff welfare expenses	2,144	2,266
	34,029	**33,839**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

26 Finance Costs

	Year ended 31.03.2021	Year ended 31.03.2020
Interest costs:		
Cash credit and overdrafts	248	332
Deposits from dealers, contractors and others	587	480
Others	173	517
	1,008	**1,329**

27 Depreciation and Amortisation Expenses

	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation of property, plant and equipment	28,705	33,608
Amortisation of intangible assets	1,424	1,449
Depreciation of right-of-use assets (Refer to note 35)	186	200
	30,315	**35,257**

28 Other Expenses

	Year ended 31.03.2021	Year ended 31.03.2020
Consumption of stores (Refer to note 42)	1,674	1,708
Power and fuel [net of amount recovered ₹ 321 million (previous year ₹ 444 million)]	4,752	6,978
Rent	12,982	10,064
Repair and maintenance: plant and machinery	2,107	2,255
Repair and maintenance: building	245	404
Repair and maintenance: others	689	624
Insurance	452	259
Rates, taxes and fees	88	131
Royalty	32,218	38,173
Tools / machinery spares charged off	2,840	2,584
Advertisement	5,610	6,703
Sales promotion	2,681	5,310
Warranty and product recall	1,427	1,229
Transportation and distribution expenses	23,742	22,648
Net loss on sale / discarding of property, plant and equipment	590	424
Corporate social responsibility expenses	1,409	1,682
Other miscellaneous expenses*	14,893	17,716
	108,399	**118,892**

* Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Note on Corporate Social Responsibility

Gross amount required to be spent by the Company during the year was ₹ 1,409 million (previous year ₹ 1,666 million) as per Section 135 of the Companies Act, 2013.

Amount spent during the year on:

	Year ended 31.03.2021	Year ended 31.03.2020
(i) Construction / acquisition of any asset		
- in cash	-	-
- yet to be paid in cash	-	-
	-	**-**
(ii) On purpose other than above		
- in cash	1,409	1,682
	1,409	**1,682**
(i) + (ii)	**1,409**	**1,682**

29 Income Taxes

29.1 Income tax recognised in profit or loss

	Year ended 31.03.2021	Year ended 31.03.2020
Current tax		
In respect of the current year	11,665	14,296
In respect of prior years	(109)	(548)
	11,556	**13,748**
Deferred tax		
In respect of the current year	(2,373)	394
In respect of prior years	114	-
	(2,259)	**394**
Total income tax expense recognised in the current year	**9,297**	**14,142**

The income tax expense for the year can be reconciled to the accounting profit as follows

	Year ended 31.03.2021	Year ended 31.03.2020
Profit before tax	**51,594**	**70,648**
Tax at the Indian Tax Rate of 25.168% (previous year 25.168%)	12,985	17,781
Differential tax rate on fair value gain on investments	(2,389)	(2,037)
Differential tax rate on capital gain on sale of investments	(1,767)	(840)
Effect of expenses that are not deductible in determining taxable profit	355	239
Impact of reversal of opening deferred tax due to change in corporate tax rate is NIL (previous year from 34.944% to 25.168%)	-	(365)
Others	108	(88)
	9,292	**14,690**
Adjustments recognised in the current year in relation to the current tax of prior years	5	(548)
Income tax expenses recognised in profit or loss	**9,297**	**14,142**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

29.2 Income tax recognised in other comprehensive income

	Year ended 31.03.2021	Year ended 31.03.2020
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	14	3
Remeasurement of defined benefit obligation	(137)	200
Total income tax recognised in other comprehensive income	**(123)**	**203**
Bifurcation of the income tax recognised in other comprehensive income into : -		
Items that will not be reclassified to profit or loss	(123)	203
	(123)	**203**

30 Segment Information

The Company is primarily in the business of manufacturing, purchase and sale of motor vehicles, components and spare parts ("automobiles"). The other activities of the Company comprise facilitation of pre-owned car sales, fleet management, and car financing. The income from these activities is not material in financial terms but such activities contribute significantly in generating demand for the products of the Company.

The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company.

30.1 Entity wide disclosure

	Domestic	Overseas	Total
Revenue from operations			
2020-21	654,900	48,425	**703,325**
2019-20	703,658	52,448	**756,106**
Non current segment assets			
As at 31.03.2021	168,342	-	**168,342**
As at 31.03.2020	175,540	-	**175,540**

a) Domestic information includes sales and services to customers located in India.

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

c) Non-current segment assets includes property, plant and equipment, capital work in progress, intangible assets, intangible assets under develpoment, capital advances and right to use of assets.

d) No customer individually accounted for more than 10% of the Company's revenue.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

31 Earnings Per Share

	Year ended 31.03.2021	Year ended 31.03.2020
Basic earnings per share (₹)	140.02	187.06
Diluted earnings per share (₹)	140.02	187.06
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	42,297	56,506
Weighted average number of equity shares for the purpose of basic earning per share and diluted earning per share (numbers)	302,080,060	302,080,060

32 Employee Benefit Plans

The various benefits provided to employees by the Company are as under:

A. Defined contribution plans

a) Superannuation fund

b) Post employment medical assistance scheme

c) Employers contribution to Employee State Insurance Act 1948

d) Employers contribution to Employee's Pension Scheme 1995

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

	Year ended 31.03.2021	Year ended 31.03.2020
Employers contribution to Superannuation Fund *	127	129
Employers contribution on Post Employment Medical Assistance Scheme *	5	18
Employers contribution to Employee State Insurance *	-	23
Employers contribution on Employee's Pension Scheme 1995 *	267	264

* Included in 'Contribution to provident and other funds'

B. Defined benefit plans and other long term benefits

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

b) Leave encashment / compensated absence

c) Retirement allowance

d) Provident fund

e) Post Retirement Medical Benefit Plan

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The probability or likelihood of lower returns as compared to the expected return on any particular investment.

Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Provident Fund*	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.21					
Discount rate(s)	NA	6.85%	6.85%	6.85%	6.85%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	24	24	24	24	0
As at 31.03.20					
Discount rate(s)	NA	6.85%	6.85%	6.85%	6.85%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	24	24	24	24	1

* In respect of Provident Fund, Interest rate guarantee (per annum) is 8.50% (Previous year 8.50%)

Components of expenses recognised in the statement of profit or loss in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.21					
Current service cost	861	507	389	13	1
Past service cost	-	-	-	-	-
Actuarial Loss / (gain)	-	324	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	271	56	6	9
Expenses recognised in profit or loss	**861**	**1,102**	**445**	**19**	**10**
Year ended 31.03.20					
Current service cost	805	391	316	15	4
Past service cost	-	-	-	-	128
Actuarial Loss / (gain)	-	622	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	262	-	6	-
Expenses recognised in profit or loss	**805**	**1,275**	**316**	**21**	**132**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Components of expenses recognised in the other comprehensive income in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.21					
Actuarial (gains) / losses					
- changes in demographic assumptions	-	-	-	-	(19)
- changes in financial assumptions	-	-	-	-	-
- experience variance	-	-	(59)	(15)	(23)
Return on plan assets, excluding amount recognised in net interest expense	-	-	(429)	-	-
Component of defined benefit costs recognised in other comprehensive income	**-**	**-**	**(488)**	**(15)**	**(42)**
Year ended 31.03.20					
Actuarial (gains) / losses					
- changes in demographic assumptions	-	-	(15)	-	-
- changes in financial assumptions	-	-	522	12	-
- experience variance	-	-	80	(19)	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	138	-	-
Component of defined benefit costs recognised in other comprehensive income	**-**	**-**	**725**	**(7)**	**-**

The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.21					
Present value of obligation	26,887	4,536	5,141	93	100
Fair value of plan assets	28,954	-	5,369	-	-
Surplus / (deficit)	**2,067**	**(4,536)**	**228**	**(93)**	**(100)**
Effects of asset ceiling, if any *	2,067	-	228	-	-
Net asset / (liability)	**-**	**(4,536)**	**-**	**(93)**	**(100)**
As at 31.03.20					
Present value of obligation	23,048	4,096	4,676	89	132
Fair value of plan assets	24,280	-	3,853	-	-
Surplus / (deficit)	**1,232**	**(4,096)**	**(823)**	**(89)**	**(132)**
Effects of asset ceiling, if any *	1,232	-	-	-	-
Net asset / (liability)	**-**	**(4,096)**	**(823)**	**(89)**	**(132)**

* The Company has an obligation to make good the shortfall, if any.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Classification into long term and short term:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.21					
Classified as long term	-	-	-	90	92
Classified as short term	-	4,536	-	3	8
Total	**-**	**4,536**	**-**	**93**	**100**
As at 31.03.20					
Classified as long term	-	-	-	86	123
Classified as short term	-	4,096	-	3	9
Classified as other financial liabilities (current)	-	-	823	-	-
Total	**-**	**4,096**	**823**	**89**	**132**

Movement in the present value of the defined benefit obligation are as follows:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.21					
Present value of obligation as at the beginning	**23,048**	**4,096**	**4,676**	**89**	**132**
Current service cost	861	507	389	13	1
Interest expense or cost	2,047	271	320	6	9
Employees' contribution	2,394	-	-	-	-
Transfer in	921	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:					
- change in demographic assumptions	-	-	-	-	(19)
- change in financial assumptions	-	-	-	-	-
- experience variance	-	324	(59)	(15)	(23)
- others	-	-	-	-	-
Past service cost	-	-	-	-	-
Benefits paid	(2,384)	(662)	(185)	-	-
Present value of obligation as at the end	**26,887**	**4,536**	**5,141**	**93**	**100**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.20					
Present value of obligation as at the beginning	**19,439**	**3,512**	**3,705**	**75**	**-**
Current service cost	805	391	316	15	4
Interest expense or cost	1,938	262	286	6	-
Employees' contribution	2,172	-	-	-	-
Transfer in	16	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:					
- change in demographic assumptions	-	1	(15)	-	-
- change in financial assumptions	-	220	522	12	-
- experience variance	-	401	80	(19)	-
- others	-	-	-	-	-
Past service cost	-	-	-	-	128
Benefits paid	(1,322)	(691)	(218)	-	-
Present value of obligation as at the end	**23,048**	**4,096**	**4,676**	**89**	**132**

Movement in the fair value of the plan assets are as follows:

	Provident Fund	Employees Gratuity Fund
Year ended 31.03.21		
Fair value of plan assets at the beginning	**24,280**	**3,853**
Interest income	2,064	264
Employer's contribution	861	1,008
Employee's contribution	2,394	-
Transfer in	921	-
Benefits paid	(2,384)	(185)
Actuarial Gain/(Loss) on Plan Assets	818	429
Fair value of plan assets as at the end	**28,954**	**5,369**
Year ended 31.03.20		
Fair value of plan assets at the beginning	**20,079**	**3,705**
Interest income	1,737	286
Employer's contribution	805	218
Employee's contribution	2,172	-
Transfer in	809	-
Benefits paid	(1,322)	(218)
Actuarial Gain/(Loss) on Plan Assets	-	(138)
Fair value of plan assets as at the end	**24,280**	**3,853**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Major categories of plan assets (as percentage of total plan assets)

	Provident Fund	Employees Gratuity Fund
As at 31.03.21		
Government Securities (Central & State)	46%	0%
Corporate bonds	46%	0%
Equity Mutual Funds	7%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	1%	0%
Cash & cash equivalents	0%	0%
Total	**100%**	**100%**
As at 31.03.20		
Government Securities (Central & State)	42%	0%
Corporate bonds	47%	0%
Equity Mutual Funds	6%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	1%	0%
Cash & cash equivalents	4%	0%
Total	**100%**	**100%**

The fair value of the above ULIP schemes are determined based on the Net Asset Value (NAV). Moreover, for other investments the fair value is taken as per the account statements of the insurance companies.

The average duration of the defined benefit obligation of gratuity fund at 31.03.21 is 15 years (as at 31.03.20: 15 years).

The Company expects to make a contribution of ₹ 200 million (as at 31.03.20: ₹ 1,170 million) to the defined benefit plans during the next financial year.

Sensitivity analysis

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by ₹ 976 million (increase by ₹ 1,165 million) (As at 31.03.20: decrease by ₹ 875 million (increase by ₹ 1,048 million)).

If the expected salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 1,079 million (decrease by ₹ 928 million) (As at 31.03.20: increase by ₹ 974 million (decrease by ₹ 837 million)).

The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified.The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

33 Financial Instruments and Risk Management

33.1 Financial instruments by category

	As at 31.03.2021				As at 31.03.2020			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
Financial assets								
Investments *								
- in equity instruments	-	9,827	-	9,827	-	5,123	-	5,123
- in debt mutual funds	405,705	-	-	405,705	358,089	-	-	358,089
Trade Receivable	-	-	12,766	12,766	-	-	19,749	19,749
Cash and cash equivalents	-	-	323	323	-	-	182	182
Other bank balances	-	-	30,041	30,041	-	-	29	29
Loans	-	-	232	232	-	-	171	171
Security deposits	-	-	236	236	-	-	230	230
Foreign currency / commodity forward contracts	298	-	-	298	1,050	-	-	1,050
Interest accrued	-	-	86	86	-	-	28	28
Recoverable from related parties	-	-	5,724	5,724	-	-	5,503	5,503
Others	-	-	429	429	-	-	143	143
Total financial assets	**406,003**	**9,827**	**49,837**	**465,667**	**359,139**	**5,123**	**26,035**	**390,297**
Financial liabilities								
Borrowings	-	-	4,888	4,888	-	-	1,063	1,063
Trade payables	-	-	101,617	101,617	-	-	74,941	74,941
Deposits from dealers, contractors and others	-	-	8,319	8,319	-	-	4,256	4,256
Payable to capital creditors	-	-	4,160	4,160	-	-	3,608	3,608
Interest accrued	-	-	35	35	-	-	33	33
Unpaid dividend	-	-	41	41	-	-	29	29
Book overdraft	-	-	136	136	-	-	267	267
Lease Laiblities			418	418	-	-	644	644
Others	-	-	2	2	-	-	824	824
Total financial liabilities	**-**	**-**	**119,616**	**119,616**	**-**	**-**	**85,665**	**85,665**

* Investment value excludes investment in subsidiaries of ₹ 295 million (as at 31.03.2020 : ₹ 77 million); investment in joint ventures of ₹ 373 million (as at 31.03.2020 : ₹ 302 million) and investment in associates of ₹ 1,667 million (as at 31.03.2020 : ₹ 1,085 million) which are shown at cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31.03.2021	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	369,073	36,632	-	405,705
Foreign currency / commodity forward contracts	9	-	298	-	298
Financial instruments at FVTOCI					
Quoted equity instruments	6	9,510	-	-	9,510
Unquoted equity instruments	6	-	-	317	317
Total financial assets		**378,583**	**36,930**	**317**	**415,830**

As at 31.03.2020	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	323,973	34,116	-	358,089
Foreign currency / commodity forward contracts	9	-	1,050	-	1,050
Financial instruments at FVTOCI					
Quoted equity instruments	6	4,755	-	-	4,755
Unquoted equity instruments	6	-	-	368	368
Total financial assets		**328,728**	**35,166**	**368**	**364,262**

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Derivative contracts: The Company has entered into variety of foreign currency and commodity forward contracts and swaps to manage its exposure to fluctuations in foreign exchange rates and commodity price risk. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurement

	Unlisted equity instruments
As at 01.04.2019	**449**
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	(81)
As at 31.03.2020	**368**
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	(51)
As at 31.03.2021	**317**

33.2 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Business commitment and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

The financial risk management of the Company is carried out under the policies approved by the Board of Directors. Within these policies, the Board provides written principles for overall risk management including policies covering specific areas, such as foreign exchange risk management, commodity risk management and investment of funds.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

(A) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables, loans and advances and derivative instruments. None of the financial instruments of the Company results in material concentration of credit risks.

Financial assets for which loss allowance is measured:

	Notes No	As at 31.03.2021	As at 31.03.2020
Loans - non current	7	125	125
Trade receivables	8	27	27
Other financial assets - current	9	28	28

Other than financial assets mentioned above, none of the finanacial assets were impaired and there were no indications that defaults in payment obligations would occur.

(B) Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

The Company operates with a low Debt Equity ratio. The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Company has access to the borrowing facilities of ₹ 43,450 million as at 31.03.2021 (₹ 30,000 million as at 31.03.2020) to honour any liquidity requirements arising for business needs. The Company has large investments in debt mutual funds which can be redeemed on a very short notice and hence carries negligible liquidity risk.

(i) Financing arrangements

The Company had access to the following borrowing facilities at the end of the reporting period:

	As at 31.03.2021	As at 31.03.2020
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	43,450	30,000
- Expiring beyond one year (bank loans)	-	-
	43,450	**30,000**

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Contractual maturities of financial liabilities

	Less than 1 year	More than 1 year	Total
As at March 31, 2021			
Borrowings	4,888	-	4,888
Trade payables	101,617	-	101,617
Lease Liabilities	65	353	418
Other financial liabilities	12,693	-	12,693
	119,263	**353**	**119,616**
As at March 31, 2020			
Borrowings	1,063	-	1,063
Trade payables	74,941	-	74,941
Lease Liabilities	94	550	644
Other financial liabilities	9,017	-	9,017
	85,115	**550**	**85,665**

(C) Market risk

(i) Foreign currency risk

The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Company enters into derivative financial instruments to mitigate the foreign currency risk and interest rate risk including,

a) forward foreign exchange and options contracts for foreign currency risk mitigation

b) foreign currency interest rate swaps to mitigate foreign currency & interest rate risk on foreign currency loan.

Foreign currency risk exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of year expressed in ₹, are as follows:

(In Millions)

As at March 31, 2021	JPY	USD	EURO	GBP	SGD
Financial assets					
Trade receivables	2,868	1,488	91	-	-
Foreign exchange derivative contracts	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**2,868**	**1,488**	**91**	**-**	**-**
Financial liabilities					
Trade payables and other financial liabilites	12,390	2,875	1,535	11	1
Foreign exchange derivative contracts	(3,797)	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**8,593**	**2,875**	**1,535**	**11**	**1**

(In Millions)

As at March 31, 2020	JPY	USD	EURO	GBP	SGD
Financial assets					
Trade receivables	2,918	1,001	75	-	-
Foreign exchange derivative contracts	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**2,918**	**1,001**	**75**	**-**	**-**
Financial liabilities					
Trade payables and other financial liabilites	13,728	1,773	1,022	10	-
Foreign exchange derivative contracts	(13,237)	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**491**	**1,773**	**1,022**	**10**	**-**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Foreign currency sensitivity analysis
The Company is mainly exposed to JPY, USD and EURO.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

	Year ended 31.03.2021		Year ended 31.03.2020	
	₹ strengthens by 10%	₹ weakening by 10%	₹ strengthens by 10%	₹ weakening by 10%
Impact on profit or loss for the year				
JPY impact	952	(952)	1,081	(1,081)
USD Impact	139	(139)	77	(77)
EURO Impact	144	(144)	95	(95)

(ii) Security price risk
Exposure in equity
The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis
The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended March 31, 2021 would increase / decrease by ₹ 491 million (for the year ended March 31, 2020: increase / decrease by ₹ 256 million) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds
The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) decleared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

Mutual fund price sensitivity analysis
The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period.

If NAV has been 1% higher / lower:

Profit for year ended March 31, 2021 would increase / decrease by ₹ 4,057 million (for the year ended March 31, 2020 by ₹ 3,581 million) as a result of the changes in fair value of mutual fund investments.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

33.3 Capital management
The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company has large investments in debt mutual fund schemes wherein underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings. The credit quality of the entire portfolio investments is monitored on a quarterly basis. The Company's overall strategy remains unchanged from previous year.

The following table provides detail of the debt and equity at the end of the reporting period :

	As at 31.03.2021	As at 31.03.2020
Borrowings	4,888	1,063
Cash and cash equivalents	(323)	(182)
Net debt	**4,565**	**881**
Total equity	513,668	484,370
Net debt to equity ratio	0.009	0.002

The Company is not subject to any externally imposed capital requirements.

33.4 Foreign exchange derivative contracts
The Company follows a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Company may keep the exposures unhedged or hedged only as a part of the total exposure.

The Company does not enter into a foreign exchange derivative transactions for speculative purposes.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

34 Related Party Transactions for the year ended 31st March, 2021

34.1 Description of related parties

Holding Company	**Associates**
Suzuki Motor Corporation, Japan (SMC)	Bharat Seats Limited
	Caparo Maruti Limited
Subsidiaries	Jay Bharat Maruti Limited
J.J. Impex (Delhi) Limited (Formerly J.J. Impex (Delhi) Private Limited)	Krishna Maruti Limited
True Value Solutions Limited	Machino Plastics Limited
	SKH Metals Limited
Joint Ventures	Nippon Thermostat (India) Limited
Marelli Powertrain India Private Limited (Formerly known as Magneti Marelli Powertrain India Private Limited)	Bellsonica Auto Component India Private Limited
	Mark Exhaust Systems Limited
Plastic Omnium Auto Inergy Manufacturing India Private Limited	FMI Automotive Components Private Limited
Maruti Suzuki Toyotsu India Private Limited	Maruti Insurance Broking Private Limited
	Manesar Steel Processing India Private Limited
	Hanon Climate Systems India Private Limited
Contribution to Post Retirement Benefit Plans	Bahucharaji Rail Corporation Limited
Maruti Suzuki India Limited - Employees Group Gratuity Fund	
Maruti Suzuki India Limited - Employees Provident Fund Trust	
Maruti Suzuki India Limited - Employees Superannuation Fund	

Fellow Subsidiaries (only with whom the Company had transactions during the current year)	
Magyar Suzuki Corporation Ltd.	Taiwan Suzuki Automobile Corporation
Suzuki Motor Gujarat Private Limited	Suzuki Motor (Thailand) Co., Ltd.
Cambodia Suzuki Motor Co. Ltd.	Suzuki Thilawa Motor Co. Ltd
Suzuki Motor de Mexico, S.A. de C.V.	Suzuki Motorcycle India Private Ltd.
Vietnam Suzuki Corporation	Thai Suzuki Motor Co., Ltd.
Suzuki International Europe G.m.b.H.	Suzuki (Myanmar) Motor Co., Ltd.
Suzuki Australia Pty. Ltd.	Suzuki New Zealand Ltd.
Suzuki GB PLC	PT. Suzuki Indomobil Motor
Suzuki Auto South Africa (Pty) Ltd	TDS Lithium-Ion Battery Gujarat Private Limited (Formerly known as Automotive Electronics Power Private Limited)
Suzuki Philippines Inc.	
Suzuki Auto Sales Hamamatsu Co Ltd	

Key Management Personnel (KMP)	
Mr. R. C. Bhargava	Chairman
Mr. Kenichi Ayukawa	Managing Director & CEO
Mr. O. Suzuki	Director
Mr. T. Suzuki	Director
Mr. Kazunari Yamaguchi	Director (till July 26, 2019)
Mr. Toshiaki Hasuike	Director (till July 26, 2019)
Mr. K. Ayabe	Director (till July 26, 2019)
Mr. Takahiko Hashimoto	Director (w.e.f July 27, 2019)
Mr. Hisashi Takeuchi	Director (w.e.f July 27, 2019)
Mr. Hiroshi Sakamoto	Director (w.e.f July 27, 2019 till October 25, 2019)

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Mr. Seiji Kobayashi	Director (w.e.f October 25, 2019 till December 5, 2019)
Mr. Kenichiro Toyofuku	Director (w.e.f December 5, 2019)
Mr. K. Saito	Director
Mr. Davinder Singh Brar	Independent Director
Mr. Rajinder Pal Singh	Independent Director
Ms. Pallavi Shroff	Independent Director (till August 27, 2019)
Ms. Lira Goswami	Independent Director (w.e.f August 28, 2019)
Ms. Renu Sud Karnad	Independent Director (till March 31, 2020)
Mr. Maheswar Sahu	Independent Director (w.e.f May 14, 2020)
Mr. Ajay Seth	Chief Financial Officer
Mr. Sanjeev Grover	Company Secretary

34.2 Transaction with related parties

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Sale of goods to:		
- Holding Company, Suzuki Motor Corporation	17,767	19,475
- Subsidiaries	237	301
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Ltd.	8,863	10,614
- Others	3,855	3,821
- Others	-	11
	30,722	**34,222**
Sale of property, plant & equipment to:		
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	62	139
- Suzuki Motorcycle India Private Ltd.	299	389
- PT. Suzuki Indomobil Motor	-	61
	361	**589**
Purchase of goods from:		
- Holding Company, Suzuki Motor Corporation	13,214	10,987
- Associates	63,020	54,823
- Joint Ventures	3,238	5,062
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	139,738	142,935
- Others	287	905
- Others	-	51
	219,497	**214,763**
Purchase of property, plant & equipment and intangible assets & intangible assets under developement from:		
- Holding Company, Suzuki Motor Corporation	5,034	1,280
- Associates	1,366	1,140
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	88	7
- Joint Ventures, Marelli Powertrain India Private Limited	43	248
	6,531	**2,675**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Finance income / commission / dividend from:		
- Associates		
- Hanon Climate Systems India Private Limited	81	110
- Others	11	22
- Joint Ventures		
- Marelli Powertrain India Private Limited	-	730
- Plastic Omnium Auto Inergy Manufacturing India Private Limited	12	5
	104	**867**
Other operating revenue / other income from:		
- Holding Company, Suzuki Motor Corporation	3,121	3,528
- Associates	62	60
- Joint Ventures	10	10
- Fellow Subsidiaries	209	345
	3,402	**3,943**
Recovery of expenses from:		
- Holding Company, Suzuki Motor Corporation	3,253	-
- Subsidiaries	2	-
- Associates	203	414
- Joint Ventures	34	85
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	9,746	11,875
- Others	31	51
	13,269	**12,425**
Services received from:		
- Holding Company, Suzuki Motor Corporation	2,046	2,123
- Associates	4	24
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	5	-
	2,055	**2,147**
Dividend paid to:		
- Holding Company, Suzuki Motor Corporation	10,200	13,583
	10,200	**13,583**
Royalty expenses:		
- Holding Company, Suzuki Motor Corporation	32,218	38,173
	32,218	**38,173**
Other expenses:		
- Holding Company, Suzuki Motor Corporation	426	314
- Subsidiaries	156	191
- Associates	24	49
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	12,726	9,787
- Others	35	37
	13,367	**10,378**

	As at 31.03.2021	As at 31.03.2020
Trade Receivables:		
- Holding Company, Suzuki Motor Corporation	1,311	1,649
- Subsidiaries	2	4
- Associates	58	41

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Ltd.	1,489	906
- Suzuki Motor Gujarat Private Limited	346	222
- Others	197	293
	3,403	**3,115**
Other current assets:		
- Holding Company, Suzuki Motor Corporation	696	290
- Associates	13	6
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	6,270	1,687
	6,979	**1,983**
Other financial assets:		
- Holding Company, Suzuki Motor Corporation	1,993	1,521
- Associates	176	212
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	3,508	3,746
- Others	47	24
	5,724	**5,503**
Other non current assets:		
- Holding Company, Suzuki Motor Corporation	-	1,211
- Associates		
- Bellsonica Auto Component India Private Limited	344	233
- Jay Bharat Maruti Limited	250	72
- Others	205	138
- Joint Ventures	-	32
	799	**1,686**
Goods in transit:		
- Holding Company, Suzuki Motor Corporation	2,367	1,538
- Associates	2	-
- Fellow Subsidiaries	23	11
- Others	-	6
	2,392	**1,555**
Trade payable:		
- Holding Company, Suzuki Motor Corporation	18,855	19,083
- Subsidiaries	8	51
- Associates	10,443	4,655
- Joint Ventures	303	-
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	8,156	2,629
- Others	40	12
- Others	-	6
	37,805	**26,436**
Other financial liabilities		
- Holding Company, Suzuki Motor Corporation	197	34
- Associates	64	139
- Joint Ventures, Marelli Powertrain India Private Limited	1	125
- Fellow Subsidiaries, Suzuki Motorcycle India Private Ltd.	21	114
	283	**412**

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

34.3 Key management personnel compensation

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Short-term benefits	171	178
Post-employment benefits	-	1
Other long-term benefits	-	-
Total Compensation	**171**	**179**
Mr. Kenichi Ayukawa	42	47
Mr. Ajay Seth	28	46
Mr. Sanjeev Grover	8	8
Mr. Takahiko Hashimoto	29	23
Mr. Kenichiro Toyofuku	31	11
Others	33	44
Total Compensation	**171**	**179**

Contribution to Post Retirement Benefit Plans

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Maruti Suzuki India Limited - Employees Group Gratuity Fund	445	316
Maruti Suzuki India Limited - Employees Provident Fund Trust	861	811
Maruti Suzuki India Limited - Employees Superannuation Fund	127	129
	1,433	**1,256**

35 Leases

The Company as a Lessee

The Company's leases primarily consists of leases for land and buildings. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term. In a case where the Company has purchase option, the option is exercisable at nominal value and the Company's obligations are secured by the lessor's title to the leased assets for such leases.

(i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:

	As at 31.03.2021	As at 31.03.2020
Right-of-use assets		
Land	5,458	5,545
Buildings	359	582
Total	**5,817**	**6,127**

There were additions of ₹ 48 million and deletions of ₹ 167 million to the Right-of-use asset during the year.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Lease liabilities		
Current	65	94
Non-Current	353	550
Total	**418**	**644**

Maturity analysis of lease liabilities

	As at 31.03.2021	As at 31.03.2020
Within one year	65	94
Later than one year but less than five years	211	250
Later than five years	142	300
Total	**418**	**644**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

	Notes No	As at 31.03.2021	As at 31.03.2020
Depreciation charge of right-of use assets			
Land	27	96	102
Buildings	27	90	98
Total		**186**	**200**

	Notes No	As at 31.03.2021	As at 31.03.2020
Interest expense on lease liabilities (included in finance cost)	26	34	61
Expense relating to short term and low value leases (included in other expense)	28	249	271
Income from subleasing right-of-use assets (included in other operating revenue)	22	38	71

The total cash outflow for leases for the year ended March 31, 2021 were ₹ 136 million (Previous Year ₹ 152 million).

(iii) Extension and termination option

Extension and termination options are included in various property and equipment leases executed by the Company. These are used to maximise operational flexibility in terms of managing the assets used in company's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.

The Company as a Lessor

Leasing arrangements

The Company has entered into operating lease arrangements for various land and premises. These arrangements are cancellable in nature and range between three to fifteen years. Lease rental income earned by the Company is set out in Note 22 as 'Rental income'.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

36 Capital & Other Commitments

	As at 31.03.2021	As at 31.03.2020
Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for	32,132	19,784
Outstanding commitments under Letters of Credit established by the Company	1,700	1,514

37 Contingent Liabilities

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

	As at 31.03.2021	As at 31.03.2020
(i) Excise Duty		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,644	1,628
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	14,951	14,414
Total	**16,595**	**16,042**
Amount deposited under protest	1,696	1,696
(ii) Service Tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,201	1,383
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	3,631	3,450
Total	**4,832**	**4,833**
Amount deposited under protest	92	92
(iii) Income Tax		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals	12,319	12,319
(b) Cases pertaining to issues decided in favour of the Company for an earlier year but the Income Tax Department have raised a demand for a similar issue for subsequent years and are pending before Appellate authorities / Dispute Resolution Panel pursuant to appeals filed by the Company	44,801	39,973
(c) Other cases pending before Appellate authorities / Dispute Resolution Panel in appeals filed by the Company	41,414	31,265
Total	**98,534**	**83,557**
Amount deposited under protest	7,279	7,279
(iv) Custom Duty		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals	1,265	81
(b) Others	81	76
Total	**1,346**	**157**
Amount deposited under protest	-	-
(v) Sales Tax		
Cases pending before Appellate authorities in respect of which the Company has filed appeals	31	11
Amount deposited under protest	1	1
(vi) Claims		
Claims against the Company lodged by various parties	1,289	1,176
Others	2,878	2,323

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

(vii) In respect of disputed Local Area Development Tax (LADT) (upto April 15, 2008) / Entry Tax, the amounts under dispute are ₹ 21 million (as at 31.03.2020: ₹ 21 million) for LADT and ₹ 20 million (as at 31.03.2020: ₹ 21 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from April 16, 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date. After implementation of Goods & Services Act in 2017, Entry Tax Act in Haryana was repealed.

(viii) (a) The Competition Commission of India ("CCI") had passed an order dated August 25, 2014 stating that the Company has violated certain sections of the Competition Act, 2002 for not making diagnostic tools and genuine spare parts freely available in the open market and has imposed a penalty of ₹ 4,712 million. The Delhi High Court, on May 16, 2019, disposed the Company's petition stating that the Company had alternative remedies available. Thereafter, Company filed a Special Leave Petition before the Supreme Court of India, wherein an interim stay on the CCI's order was granted on July 1, 2019 and the stay is continuing.

(b) The Competition Commission of India ("CCI") had initiated suo-moto proceedings in the month of February 2019 alleging that the Company has violated certain sections of the Competition Act, 2002 relating to resale price maintenance. The Company filed its response to the Director General's investigation report against the Company before the CCI on April 9, 2021 and placed its final arguments during the virtual hearing on April 15, 2021. The final order of CCI is awaited. The Company has been legally advised that the Company has reasonable grounds to contest the case."

(ix) The Hon'ble Supreme Court in a ruling during the previous year, had passed a judgment on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952.

Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company for the previous periods, if any, cannot be ascertained. Currently, the Company has started providing for the revised liability w.e.f from April 1, 2019.

B) The amounts shown in the item (A) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

38 The Company entered into a 'Contract Manufacturing Agreement' (CMA) with Suzuki Motor Gujarat Private Limited (SMG), a fellow subsidiary of Suzuki Motor Corporation (SMC) on December 17, 2015. In accordance with the contractual terms, SMG during the term of this agreement, shall manufacture and supply vehicles on an exclusive basis to MSIL. The consideration for the arrangement would be cost incurred by SMG to manufacture the cars which will be charged to the Company on no-profit-no-loss basis.

The Company evaluated the CMA arrangement in accordance with guidance provided in Ind AS 116 and concluded that the specified assets and right to use the same are implied in the agreement. The Company also evaluated the contractual rights and obligations including relating to pricing, termination and renewal and concluded that a reasonable certainty, as defined by Ind AS 116, does not exists across the lease period. Accordingly no right-of-use assets or lease liability has been recognised on account of the given arrangement.

The payments made towards cost of purchase of vehicles recorded during the year includes ₹ 12,718 million (previous year ₹ 9,780 million) towards a component of lease payment for specified assets (Written Down value of specified assets as on March 31,2021 is ₹ 73,203 million (Previous year ₹ 68,857 million)) , as per the information provided by SMG.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

39 Auditors' Remuneration*

	Year ended 31.03.2021	Year ended 31.03.2020
Statutory audit	18	18
Taxation matters	8	13
Other audit services / certification	2	2
Reimbursement of expenses	-	1

* excluding GST.

40 Details of Research and Development Expenses

	Year ended 31.03.2021	Year ended 31.03.2020
Revenue expenditure		
Employees remuneration and benefits	3,629	3,762
Other expenses of manufacturing and administration	3,013	3,287
Capital expenditure	2,701	4,047
Less: Contract research income	(3,084)	(3,457)
	6,259	**7,639**

41 CIF Value of Imports

	Year ended 31.03.2021	Year ended 31.03.2020
Raw materials and components	28,750	24,876
Capital goods	6,721	9,173
Stores and spares	913	741
Dies and moulds	132	115
Others	343	525

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

42 Value of Imported and Indigenous Material Consumed

	Year ended 31.03.2021	Year ended 31.03.2020
i) Raw material and components		
Imported	20,960	20,193
Indigenous	312,009	326,173
	332,969	**346,366**
Percentage of total consumption		
Imported	6%	6%
Indigenous	94%	94%
ii) Machinery spares		
Imported	525	505
Indigenous	2,035	1,058
	2,560	**1,563**
Percentage of total consumption		
Imported	21%	32%
Indigenous	79%	68%
iii) Consumption of stores		
Imported	167	102
Indigenous	1,507	1,606
	1,674	**1,708**
Percentage of total consumption		
Imported	10%	6%
Indigenous	90%	94%

43 Licensed Capacity, Installed Capacity and Actual Production

Product	Units	Licensed Capacity	Installed Capacity **	Actual Production
Passenger Car and Light Duty Utility Vehicles	Nos	- *	1,308,000	1,075,530
		(-)*	(1,308,000)	(1,171,800)

Notes

* Licensed capacity is not applicable from 1993-94.

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

Previous year figures are in bracket.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

44 Sales, Opening Stock and Closing Stock

Product	Sales		Opening Stock		Closing Stock	
	Qty (Nos)	Value	Qty (Nos)	Value	Qty (Nos)	Value
Passenger Vehicles	1,457,861	590,059	29,710	10,088	15,423	6,815
	(1,563,297)	(632,266)	(18,122)	(5,768)	(29,710)	(10,088)
Spare Parts and Components	*	75,277	*	3,636	*	3,913
	*	(84,088)	*	(3,798)	*	(3,636)
Dies, Moulds and Others	*	285	*	-	*	-
	*	(550)	*	-	*	-
Work in Progress	*	NA	*	1,218	*	1,483
	*	(NA)	*	(2,995)	*	(1,218)

Notes:

1 Traded goods comprise vehicle, spares, components, dies and moulds. During the year 368,526 vehicle (previous year 404,549 vehicle) was purchased.

2 Closing stock of vehicles is after adjustment of 42 vehicles (previous year 133 vehicles) totally damaged.

3 Sales quantity excludes own use vehicles 425 Nos. (previous year 1,293 Nos.)

4 Sales quantity excludes sample vehicles 15 Nos. (previous year 38 Nos.)

5 Previous year figures are in bracket.

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

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

45 Statement of Raw Material and Components Consumed

Group of material	Unit	2020-21		2019-20	
		Qty	Amount	Qty	Amount
Steel coils	MT	182,112	10,392	210,764	11,128
Ferrous castings	MT	17,858	2,368	26,330	3,707
Non-ferrous castings	MT	33,052	4,917	38,888	6,131
Other components		*	312,532	*	322,349
Paints	K.LTR	9,036		10,070	
	MT	8,208	2,760	9,713	3,051
			332,969		**346,366**

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

46 The figures of previous year have been re-grouped, wherever necessary, to conform to the current year classification.

47 The financial statements were approved by the the Board of Directors and authorised for issue on April 27, 2021.

For and on behalf of the Board of Directors

KENICHI AYUKAWA
Managing Director & CEO
DIN: 02262755

KENICHIRO TOYOFUKU
Director
DIN: 08619076

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President & Company Secretary
ICSI Membership No: F3788

Place: Gurugram
Date: April 27, 2021

Independent Auditor's Report

To The Members of Maruti Suzuki India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Maruti Suzuki India Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1	**Evaluation of uncertain tax positions relating to Income tax and Excise duty** The Group has material uncertain tax positions including matters under disputes relating to Income taxes. Further, the Group has matters under litigation relating to Excise duty. These matters involve significant management judgement to determine the possible outcome of disputes. Refer note 2.4 and 37 (i) and (iii) of the financial statements.	**Principal audit procedures performed:** a) We evaluated the design and implementation of internal controls and tested the operating effectiveness of controls for estimation of the amount of financial impact and outcome of Income Tax and Excise duty litigations and claims and consequent recording /disclosure in the financial statements. b) We obtained details of Income tax and Excise duty assessment orders and management's evaluation of those assessment orders and performed the following procedures : - We verified the arithmetical accuracy of the computation prepared by management based on Income Tax and Excise Orders received to determine the financial impact of the matters under dispute and consequent recording/disclosure in the financial statements. - We involved our tax specialists to challenge the management's underlying assumptions in estimating the financial impact and the possible outcome of the litigations and disputes after considering the legal precedence and other rulings. c) We assessed the accounting principles applied by the Group to measure and disclose the financial impact of these litigations in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by the branch auditors and other auditors.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other branches or entities or business activities included in the consolidated financial statements, which have been audited by the branch auditors or other auditors, such branch auditors and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of 2 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 625 million as at 31st March, 2021, total revenues of ₹ 787 millions and net cash inflows/ (outflows) amounting to ₹ 60 millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 1,052 millions and other comprehensive income amounting to ₹ 1,059 millions for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of 1 associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit of ₹ 638 million other comprehensive income amounting to ₹ 641 millions for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of 13 associates and 3 joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors and other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures- Refer to note 39 to consolidated financial statements;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; or

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India- Refer to note 17 to consolidated financial statements.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
(Partner)
(Membership No. 87104)
(UDIN: 21087104AAAACP1231)

Place: New Delhi
Date: 27 April 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Maruti Suzuki India Limited (hereinafter referred to as ("Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies and 1 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
(Partner)
(Membership No. 87104)
(UDIN: 21087104AAAACP1231)

Place: New Delhi
Date: 27 April 2021

Consolidated Balance Sheet

As at March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	As at 31.03.2021	As at 31.03.2020
ASSETS				
Non-current assets				
Property, plant and equipment	4	288-289	141,785	147,905
Capital work-in-progress	4	288-289	11,993	13,443
Intangible assets	5	289	2,242	3,358
Intangible assets under development	5	289	2,975	709
Right-of-use assets	37	329-330	5,860	6,181
Financial assets				
Investments	6	290-293	345,291	362,692
Loans	7	293	2	2
Other financial assets	9	294	369	365
Other non-current assets	12	296	16,867	17,216
Total non-current assets			**527,384**	**551,871**
Current assets				
Inventories	10	295	30,490	32,139
Financial assets				
Investments	6	290-293	84,157	12,188
Trade receivables	8	294	12,799	19,777
Cash and cash equivalents	11.1	295	408	208
Other bank balances	11.2	295	30,063	82
Loans	7	293	230	170
Other financial assets	9	294	6,427	6,596
Current tax assets (net)	22	304	5,407	5,272
Other current assets	12	296	15,462	7,974
Total current assets			**185,443**	**84,406**
Total Assets			**712,827**	**636,277**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	296-297	1,510	1,510
Other equity	14	297-299	523,496	492,620
Equity attributable to owners of the Company			**525,006**	**494,130**
Non controlling interest	15	299-300	-	192
Total equity			**525,006**	**494,322**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	301	28	54
Lease liabilities	37	329-330	392	598
Provisions	18	302	447	516
Deferred tax liabilities (net)	19	303	4,454	6,575
Other non-current liabilities	20	304	21,295	21,158
Total non-current liabilities			**26,616**	**28,901**
Current liabilities				
Financial liabilities				
Borrowings	16	301	4,888	1,063
Trade payables				
Total outstanding dues of micro and small enterprises	21	304	698	481
Total outstanding dues of creditors other than micro and small enterprises	21	304	100,983	74,507
Lease liabilities	37	329-330	74	103
Other financial liabilities	17	301	12,720	9,040
Provisions	18	302	7,428	6,807
Current tax liabilities (net)	22	304	8,547	6,962
Other current liabilities	20	304	25,867	14,091
Total current liabilities			**161,205**	**113,054**
Total liabilities			**187,821**	**141,955**
Total Equity and Liabilities			**712,827**	**636,277**

The accompanying notes are forming part of these consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN: 02262755

KENICHIRO TOYOFUKU
Director
DIN: 08619076

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No: F3788

Place: New Delhi
Date: April 27, 2021

Place: Gurugram
Date: April 27, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

	Particulars	Notes No.	Page No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
I	Revenue from operations	23	305	703,720	756,600
II	Other income	24	305	29,363	33,344
III	**Total Income (I+II)**			**733,083**	**789,944**
IV	**Expenses**				
	Cost of materials consumed	25.1	306	332,964	346,348
	Purchases of stock-in-trade			172,541	187,672
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25.2	306	2,736	(2,387)
	Employee benefits expenses	26	306	34,316	34,162
	Finance costs	27	307	1,018	1,342
	Depreciation and amortisation expense	28	307	30,341	35,284
	Other expenses	29	307-308	108,375	118,896
	Vehicles / dies for own use			(728)	(1,217)
	Total expenses (IV)			**681,563**	**720,100**
V	**Share of profit of associates**			1,588	1,175
VI	**Share of profit of joint ventures**			102	9
VII	**Profit before tax (III - IV + V + VI)**			**53,210**	**71,028**
VIII	**Tax expense**				
	Current tax	30	308-309	11,562	13,765
	Deferred tax	30	308-309	(2,243)	487
				9,319	**14,252**
IX	**Profit for the year (VII - VIII)**			43,891	56,776
X	**Other Comprehensive Income/(loss)**				
	(i) Items that will not be reclassified to profit or loss				
	(a) gain / (loss) of defined benefit obligation	14.5	298	545	(718)
	(b) gain / (loss) on change in fair value of equity instruments	14.6	299	4,704	(3,902)
	(c) gain / (loss) on share of other comprehensive income in associates and joint ventures			10	-
				5,259	**(4,620)**
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30	308-309	(123)	203
	Total Other Comprehensive Income/(loss) (i+ii)			**5,136**	**(4,417)**
XI	**Total Comprehensive Income for the year (IX + X)**			**49,027**	**52,359**
	Profit for the year attributed to:				
	Owners of the Company			43,891	56,760
	Non controlling interest			-	16
				43,891	**56,776**
	Other comprehensive income/(loss) for the year attributable to:				
	Owners of the Company			5,136	(4,417)
	Non controlling interest			-	-
				5,136	**(4,417)**
	Total comprehensive income for the year attributable to:				
	Owners of the Company			49,027	52,343
	Non controlling interest			-	16
				49,027	**52,359**
	Earnings per equity share (₹)	32	310		
	Basic			145.30	187.95
	Diluted			145.30	187.95

The accompanying notes are forming part of these consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN: 02262755

KENICHIRO TOYOFUKU
Director
DIN: 08619076

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No: F3788

Place: New Delhi
Date: April 27, 2021

Place: Gurugram
Date: April 27, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

a. Equity share capital

	Amount
Balance at April 01, 2019	1,510
Changes in equity share capital during the year	-
Balance at March 31, 2020	**1,510**
Changes in equity share capital during the year	-
Balance at March 31, 2021	**1,510**

b. Other equity

	Reserves and Surplus							Items of other comprehensive income	Attributable to owners of the Company	Non controlling interest	Total
	Reserves created on amalgamation	Securities premium	Capital reserves	General reserve	Retained earnings	Employee Welfare Fund	Scientific Research Fund	Equity instrument through other comprehensive income			
Balance at April 01, 2019	**9,153**	**4,241**	**2**	**29,309**	**416,520**	**808**	**772**	**8,606**	**469,411**	**176**	**469,587**
Profit for the year	-	-	-	-	56,760	-	-	-	56,760	16	56,776
Other comprehensive income for the year, net of income tax	-	-	-	-	(518)	-	-	(3,899)	(4,417)	-	(4,417)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**56,242**	**-**	**-**	**(3,899)**	**52,343**	**16**	**52,359**
Payment of dividend	-	-	-	-	(24,166)	-	-	-	(24,166)	-	(24,166)
Tax on dividend	-	-	-	-	(4,968)	-	-	-	(4,968)	-	(4,968)
Employee welfare fund	-	-	-	-	(750)	750		-	-	-	-
Scientific research fund	-	-	-	-	(750)	-	750	-	-	-	-
Income on funds for employee welfare fund	-	-	-	-	(117)	117	-	-	-	-	-
Expense on funds for employee welfare fund	-	-	-	-	132	(132)	-	-	-	-	-
Balance at March 31, 2020	**9,153**	**4,241**	**2**	**29,309**	**442,143**	**1,543**	**1,522**	**4,707**	**492,620**	**192**	**492,812**
Profit for the year	-	-	-	-	43,891	-	-	-	43,891	-	43,891
Other comprehensive income for the year, net of income tax	-	-	-	-	408	-	-	4,718	5,126	-	5,126
Share of other comprehensive income in associates and joint ventures	-	-	-	-	10	-	-	-	10	-	10
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**44,309**	**-**	**-**	**4,718**	**49,027**	**-**	**49,027**
Payment of dividend	-	-	-	-	(18,125)	-	-	-	(18,125)	-	(18,125)
Purchase of Non-Controlling Interest (Note 15)	-	-	-	-	(26)			-	(26)	(192)	(218)
Employee welfare fund	-	-	-	-	(565)	565		-	-	-	-
Scientific research fund	-	-	-	-	(565)	-	565	-	-	-	-
Income on funds for employee welfare fund	-	-	-	-	(108)	108	-	-	-	-	-
Expense on funds for employee welfare fund	-	-	-	-	14	(14)	-	-	-	-	-
Balance at March 31, 2021	**9,153**	**4,241**	**2**	**29,309**	**467,077**	**2,202**	**2,087**	**9,425**	**523,496**	**-**	**523,496**

The accompanying notes are forming part of these consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

JITENDRA AGARWAL
Partner

Place: New Delhi
Date: April 27, 2021

KENICHI AYUKAWA
Managing Director & CEO
DIN: 02262755

AJAY SETH
Chief Financial Officer

Place: Gurugram
Date: April 27, 2021

KENICHIRO TOYOFUKU
Director
DIN: 08619076

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No: F3788

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
A. Cash flow from Operating Activities:				
Profit before tax			53,210	71,028
Adjustments for:				
Share of profit of associates			(1,588)	(1,175)
Share of profit of joint ventures			(102)	(9)
Share of dividend from Joint ventures and associates			104	867
Depreciation and amortisation expense	28	307	30,341	35,284
Finance costs	27	307	1,018	1,342
Interest income	24	305	(728)	(969)
Dividend income	24	305	(32)	(37)
Net loss on sale / discarding of property, plant and equipment	29	307-308	590	424
Net gain on sale of investments in debt mutual funds	24	305	(411)	(1,503)
Fair valuation gain on investments in debt mutual funds	24	305	(27,713)	(29,413)
Liabilities no longer required written back	23	305	-	(37)
Unrealised foreign exchange (gain)/ loss			621	(768)
Operating Profit before Working Capital changes			**55,310**	**75,034**
Adjustments for changes in Working Capital :				
- (Increase)/decrease in other financial assets (non-current)	9	294	(4)	(21)
- (Increase)/decrease in other non-current assets	12	296	(130)	(1,547)
- (Increase)/decrease in inventories	10	295	1,649	1,087
- (Increase)/decrease in trade receivables	8	294	6,965	3,405
- (Increase)/decrease in loans (current)	7	293	(60)	(9)
- (Increase)/decrease in other financial assets (current)	9	294	57	(713)
- (Increase)/decrease in other current assets	12	296	(7,488)	(2,422)
- Increase/(decrease) in non-current provisions	18	302	(69)	121
- Increase/(decrease) in other non-current liabilities	20	304	137	787
- Increase/(decrease) in trade payables	21	304	26,801	(21,551)
- Increase/(decrease) in other financial liabilities (current)	17	301	3,110	(2,577)
- Increase/(decrease) in current provisions	18	302	621	(165)
- Increase/(decrease) in other current liabilities	20	304	11,776	(2,096)
Cash generated from Operating Activities			**98,675**	**49,333**
- Income taxes paid (net)			(10,113)	(14,375)
Net Cash from / (used in) Operating Activities			**88,562**	**34,958**
B. Cash flow from Investing Activities:				
Payments for purchase of property, plant and equipment and capital work in progress	4	288-289	(21,320)	(31,947)
Payments for purchase of intangible assets and intangible assets under development	5	289	(2,383)	(2,423)
Proceeds from sale of property, plant and equipment	4	288-289	420	370
Payment for purchase of investment in joint venture/associate company	6	290-293	(653)	(150)
Payment for purchase of Non-controlling interest	15	299-300	(218)	-
Proceeds from sale of debt mutual funds	6	290-293	429,195	469,687
Payments for purchase of debt mutual funds	6	290-293	(448,687)	(442,050)

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Investment in fixed deposits with bank	11	295	(29,969)	(53)
Interest received	24	305	670	963
Dividend received	24	305	32	37
Net Cash from / (used in) Investing Activities			**(72,913)**	**(5,566)**
C. Cash flow from Financing Activities:				
Movement in long term / short term borrowings (Net)	16	301	3,803	(456)
Principal elements of lease payments	37	329-330	(111)	(98)
Finance cost paid	27	307	(1,016)	(1,355)
Payment of dividend on equity shares	14.5	298	(18,125)	(24,166)
Related income tax	14.5	298	-	(4,968)
Net Cash from / (used in) Financing Activities			**(15,449)**	**(31,043)**
Net Increase/(Decrease) in cash & cash equivalents			**200**	**(1,651)**
Cash and cash equivalents at the beginning of the year			**208**	**1,859**
Cash and cash equivalents at the end of the year			**408**	**208**
Cash and cash equivalents comprises:				
Cash and cheques in hand	11.1	295	6	4
Balance with Banks	11.1	295	402	204
			408	**208**
Other bank balances:				
Deposits*	11.2	295	30,022	53
Unclaimed dividend accounts	11.2	295	41	29
			30,063	**82**

*Original maturity period is more than twelve months but less than 12 months from balance sheet date.

The accompanying notes are forming part of these consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

KENICHI AYUKAWA
Managing Director & CEO
DIN: 02262755

KENICHIRO TOYOFUKU
Director
DIN: 08619076

JITENDRA AGARWAL
Partner

AJAY SETH
Chief Financial Officer

SANJEEV GROVER
Vice President
& Company Secretary
ICSI Membership No: F3788

Place: New Delhi
Date: April 27, 2021

Place: Gurugram
Date: April 27, 2021

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

1 GENERAL INFORMATION

Maruti Suzuki India Limited ("The Company") is a public limited company incorporated and domiciled in India, listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is #1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070. The Company is a subsidiary of Suzuki Motor Corporation, Japan. The principal activities of the Company and its subsidiaries are manufacturing, purchase and sale of motor vehicles, components and spare parts. The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing. The Company together with its subsidiaries is herein referred to as "the Group".

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The principal accounting policies are set out below.

2.3 Basis of Consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of change in equity and balance sheet respectively.

(ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iv) below), after initially being recognised at cost.

(iii) Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method of accounting (see note(iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests which does not result in loss of control as transaction with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.4 Going concern

The board of directors have considered the financial position of the Group as at March 31, 2021 and the projected cash flows and financial performance of the Group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Group's operations.

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 33 : Provision for employee benefits

Provision for employee benefits requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Group's retirement benefit obligations.

Note 18 & 39 : Provision for litigations

Income Tax: The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Other litigations: Litigations often involve complex legal/regulatory issues and are connected with a high degree of uncertainty. Accordingly, the assessment of whether an obligation exists on the balance sheet date as a result of an event in the past, and whether a future cash outflow is likely and the obligation can be reliably estimated, largely depends on estimations by the management.

Note 18 : Provision for warranty and product recall

The Group creates provision based on historical warranty claim experience. In addition, assumptions on the amounts of potential costs are also included while creating the provisions. The provisions are regularly adjusted to reflect new information.

Note 4 : Property, Plant and Equipment - Useful economic life

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Note 37 : Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Group considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements

2.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, discounts, sales incentives, goods & service tax and value added taxes.

The Group recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

2.6.1 Sale of goods

Revenue is recognised for domestic and export sales of vehicles, spare parts, and accessories when the Group transfers control over such products to the customer on dispatch from the factory and the port respectively.

2.6.2 Income from services

Revenue from engineering services are recognised as the related services are performed. Revenue from extended warranty is recognised on time proportion basis. Income from other services are accounted over the period of rendering of services.

Invoicing in excess of revenues are classified as contract liabilities. Contract liabilities pertains to advance consideration received towards sale of extended warranty and other services by the Group.

2.6.3 Income from royalty

Revenue from royalty is recognised on an accrual basis in accordance with the substance of the relevant arrangements.

2.7 Other Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

2.8 Leases

Effective April 1, 2019, the Group has adopted Ind AS 116 Leases" and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise Right of use assets (RoU) at an amount equal to the lease liability.

2.8.1 The Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Group did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

2.8.2 The Group as lessee

The Group assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Group recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the Statement of profit and loss in the period in which the condition that triggers those payments that occur.

2.9 Foreign currencies

2.9.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency.

2.9.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of surplus funds out of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of profit or loss in the period in which they are incurred.

2.11 Employee benefits

2.11.1 Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

2.11.2 Other long-term employee benefit obligations

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.11.3 Post-employment obligations

Defined benefit plans

The Group has defined benefit plans namely gratuity, provident fund and retirement allowance for employees. The gratuity fund and provident fund are recognised by the income tax authorities and are administered through trusts set up by the Group. Any shortfall in the size of the fund maintained by the trust is additionally provided for in profit or loss.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group has defined contribution plans for post-employment benefit namely the superannuation fund which is recognised by the income tax authorities. This fund is administered through a trust set up by the Group and the Group's contribution thereto is charged to profit or loss every year. The Group has no further payment obligations once the contributions have been paid. The Group also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a defined contribution plan. The Group's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the statement of profit and loss every year.

Termination benefits

A liability for the termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.12.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.12.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

2.13 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Building	3-60 years
Plant and machinery other than Dies and Jigs	8 years
Dies and jigs	5 years
Electronic data processing equipment	3 years
Furniture and fixtures	10 years
Office appliances	5 years
Vehicles	8 years

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

Freehold land and Leasehold land in the nature of perpetual lease is not amortised.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.14 Intangible assets

2.14.1 Intangible assets acquired separately

Lump sum royalty and engineering support fee is carried at cost which is incurred and stated in the relevant licence agreement with the technical knowhow / engineering support provider less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.14.2 Amortisation methods and useful lives

Lump sum royalty and engineering support fee is amortised on a straight line basis over its estimated useful life i.e. 5 years from the start of production of the related model. An intangible asset is derecognised when no future economic benefits are expected from use.

2.15 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.16 Inventories

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

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2.17 Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

2.19 Financial assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.19.1 Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Group's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

2.19.2 Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Group has equity investments in certain entities which are not held for trading. The Group has elected the fair value through other comprehensive income irrevocable option for all such investments. Dividend on these investments are recognised in profit or loss.

2.19.3 Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit or loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

2.19.4 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

2.19.5 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

2.19.6 Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

2.19.7 Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

2.19.8 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

2.20 Financial liabilities and equity instruments

2.20.1 Classification of debt or equity

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.20.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

2.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

2.20.3.1 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid.

2.20.3.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.20.3.3 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2.20.3.4 Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

2.20.3.5 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

2.21 Derivative financial instruments

The Group enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Further details of derivative financial instruments are disclosed in note 34.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

2.21.1 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

2.22 Hedge accounting

The Group designates certain hedging instruments, in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the ineffective portion is recognised immediately in the profit or loss. Amount accumulated in equity are reclassified to the profit or loss in the periods in which the forecasted transaction occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in other equity is retained there until the forecast transaction occurs.

Note 34 sets out details of the fair values of the derivative instruments used for hedging purposes.

2.23 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.24 Government Grant

Government grants are recognised where there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Group recognises as expense the related cost for which the grants are intended to compensate.

2.25 Earning Per Share

Basic earning per share has been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earning per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

2.26 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Group.

2.27 Royalty

The Group pays / accrues for royalty in accordance with the relevant licence agreements.

2.28 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

2.29 Rounding of amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

3 APPLICABILITY OF NEW AND REVISED IND AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

4 Property, Plant and Equipment and Capital Work-In-Progress

	As at 31.03.2021	As at 31.03.2020
Carrying amount of		
Freehold Land	40,205	40,146
Buildings	19,713	19,997
Plant & Machinery	77,881	83,688
Electronic Data Processing (EDP) Equipment	874	617
Furniture, Fixtures and Office Appliances	1,985	1,913
Vehicles	1,127	1,544
	141,785	**147,905**
Capital work-in-progress	11,993	13,443
	153,778	**161,348**

	Freehold Land^	Leasehold Land**	Buildings	Plant & Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
Gross carrying amount								
Balance at April 01, 2019	38,591	551	23,326	185,499	2,079	2,699	1,836	**254,581**
Addition	1,555	-	3,038	26,239	577	793	784	**32,986**
Disposal / adjustments*	-	(551)	(29)	(3,988)	(281)	(21)	(564)	**(5,434)**
Balance at March 31, 2020	**40,146**	**-**	**26,335**	**207,750**	**2,375**	**3,471**	**2,056**	**282,133**
Addition	73	-	1,797	20,158	809	583	190	**23,610**
Disposal / adjustments*	(14)	-	(226)	(5,285)	(260)	(23)	(505)	**(6,313)**
Balance at March 31, 2021	**40,205**	**-**	**27,906**	**222,623**	**2,924**	**4,031**	**1,741**	**299,430**
Accumulated depreciation and impairment								
Balance at April 01, 2019	-	5	4,445	97,169	1,557	1,098	445	**104,719**
Depreciation expenses	-	-	1,908	30,511	482	471	252	**33,624**
Disposal / adjustments*	-	(5)	(15)	(3,618)	(281)	(11)	(185)	**(4,115)**
Balance at March 31, 2020	**-**	**-**	**6,338**	**124,062**	**1,758**	**1,558**	**512**	**134,228**
Depreciation expenses	-	-	1,970	25,454	550	510	236	**28,720**
Disposal / adjustments*	-	-	(115)	(4,774)	(258)	(22)	(134)	**(5,303)**
Balance at March 31, 2021	**-**	**-**	**8,193**	**144,742**	**2,050**	**2,046**	**614**	**157,645**
Carrying amount								
Balance at April 01, 2019	38,591	546	18,881	88,330	522	1,601	1,391	**149,862**
Addition	1,555	-	3,038	26,239	577	793	784	**32,986**
Disposal / adjustments*	-	(546)	(14)	(370)	-	(10)	(379)	**(1,319)**
Depreciation expenses	-	-	(1,908)	(30,511)	(482)	(471)	(252)	**(33,624)**
Balance at March 31, 2020	**40,146**	**-**	**19,997**	**83,688**	**617**	**1,913**	**1,544**	**147,905**
Addition	73	-	1,797	20,158	809	583	190	**23,610**
Disposal / adjustments*	(14)	-	(111)	(511)	(2)	(1)	(371)	**(1,010)**
Depreciation expenses	-	-	(1,970)	(25,454)	(550)	(510)	(236)	**(28,720)**
Balance at March 31, 2021	**40,205**	**-**	**19,713**	**77,881**	**874**	**1,985**	**1,127**	**141,785**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

4.1 Notes on Property, Plant And Equipment

1 Immovable properties having carrying value of ₹ 21 million (as at 31.03.20 ₹ 21 million) are not yet registered in the name of the Company.

2 Plant and Machinery includes a Gas Turbine jointly owned by the Company with its group companies and other companies having carrying amount as at 31.03.2021 is Nil (as at 31.03.20 is Nil).

3 A part of freehold land of the Group situated at Gurugram, Manesar and Gujarat has been made available to its group companies / fellow subsidiary for their business purpose.

^Above includes 109.77 acres of vacant land parcels in the state of Gujarat with capitalized value of ₹ 281 million acquired by the Company for expansion activities, which are under litigation / title disputes

* Adjustment includes the intra-head re-grouping of amounts.

** In accordance with Ind AS 116 adopted by the Group on April 1, 2019, Leasehold land have been transferred to right-of-use assets. (Refer to note 37)

5 Intangible Assets & Intangible Assets Under development

	As at 31.03.2021	As at 31.03.2020
Carrying amount of		
Lumpsum royalty and engineering support fee	2,242	3,358
Intangible assets under development	2,975	709
	5,217	**4,067**

	Lumpsum royalty and engineering support fee
Gross Carrying amount	
Balance at April 01, 2019	9,070
Addition	296
Balance at March 31, 2020	**9,366**
Addition	308
Balance at March 31, 2021	**9,674**
Accumulated amortisation and impairment	
Balance at April 01, 2019	4,559
Amortisation expenses	1,449
Balance at March 31, 2020	**6,008**
Amortisation expenses	1,424
Balance at March 31, 2021	**7,432**
Carrying amount	
Balance at April 01, 2019	4,511
Addition	296
Amortisation expenses	(1,449)
Balance at March 31, 2020	**3,358**
Addition	308
Amortisation expenses	(1,424)
Balance at March 31, 2021	**2,242**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

6 Investments

	As at 31.03.2021	As at 31.03.2020
Non-current		
Investments in equity instruments		
- Associate companies	12,585	10,496
- Joint venture companies	1,331	1,172
- Others	9,827	5,123
Investments in preference shares	-	-
Investments in debt mutual funds	321,548	345,901
	345,291	**362,692**
Current		
Investments in debt mutual funds	84,157	12,188
	84,157	**12,188**
Aggregate value of unquoted investments	418,423	368,688
Aggregate value of quoted investments	11,075	6,242
Market value of quoted investments	11,323	5,598
Aggregate provision for diminution in value of investments	50	50

6.1 Investments in associates

Break-up of Investments in associates (carrying amount determined using the equity method of accounting)

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Quoted investments (fully paid up)				
Bharat Seats Limited (Face value of ₹ 2 each)	4,650,000	172	4,650,000	168
Jay Bharat Maruti Limited (Face value of ₹ 5 each)	6,340,000	1,313	6,340,000	1,233
Machino Plastics Limited (Face value of ₹ 10 each)	941,700	80	941,700	86
Total aggregate quoted investments (A)		**1,565**		**1,487**
Aggregate market value of quoted investments		**1,813**		**843**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Caparo Maruti Limited (Face value of ₹ 10 each)	2,500,000	263	2,500,000	310
Hanon Climate Systems India Private Limited (Face value of ₹ 100 each)	518,700	938	518,700	899
Krishna Maruti Limited (Face value of ₹ 10 each)	670,000	1,263	670,000	1,047
SKH Metals Limited (Face value of ₹ 10 each)	2,645,000	524	2,645,000	523
Nippon Thermostat (India) Limited (Face value of ₹ 10 each)	125,000	(1)	125,000	1
Mark Exhaust Systems Limited (Face value of ₹ 10 each)	4,437,465	370	4,437,465	337
Bellsonica Auto Components India Private Limited (Face value of ₹ 100 each)	3,540,000	160	3,540,000	181
FMI Automotive Components Private Limited (Face value of ₹ 10 each)	44,100,000	822	44,100,000	671
Manesar Steel Processing India Private Limited (Face value of ₹ 10 each)	6,840,000	56	6,840,000	56
Maruti Insurance Broking Private Limited (Face value of ₹ 10 each)	751,643	6,052	751,643	4,993
Bahucharaji Rail Corporation Limited (Face value of ₹ 10 each)	58,500,000	573	330,000	(9)
Total aggregate unquoted investments (B)		**11,020**		**9,009**
Total investments carrying value (A) + (B)		**12,585**		**10,496**

Note - During the year, the Company has invested in 15,000 equity shares @ INR 10 each of Haryana Orbital Rail Corporation Limited.

Investments in associates are accounted for using the equity method in these consolidated financial statements.

Each of the fourteen associates is not individually material to the Group considering the contribution of these associates to the consolidated net asset of the Group.

Financial information of associates that are not individually material

	Year ended 31.03.2021	Year ended 31.03.2020
The Group's share of profit or loss	1,588	1,175
The Group's share of other comprehensive income	12	-
The Group's share of total comprehensive income	**1,600**	**1,175**

	As at 31.03.2021	As at 31.03.2020
Aggregate carrying amount of the Group's interest in these associates	12,585	10,496

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

6.2 Investments in joint ventures

Break-up of Investments in joint ventures (carrying amount determined using the equity method of accounting)

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Unquoted Investments (fully paid up)				
Plastic Omnium Auto Inergy Manufacturing India Private Limited (Face value of ₹ 10 each)	6,656,000	254	6,656,000	246
Marelli Powertrain India Private Limited (formerly Magneti Marelli Powertrain India Private Limited) (Face value of ₹ 10 each)	8,550,000	866	8,550,000	778
Maruti Suzuki Toyotsu India Private Limited (Face value of ₹ 10 each)	22,050,000	211	15,000,000	148
Total aggregate unquoted investment		**1,331**		**1,172**

Investments in joint ventures are accounted for using the equity method in these consolidated financial statements.

Each of three joint ventures is not individually material to the Group considering the contribution of these joint ventures to the consolidated net asset of the Group.

Financial information in respect of joint ventures that are not individually material

	Year ended 31.03.2021	Year ended 31.03.2020
The Group's share of profit or loss	102	9
The Group's share of other comprehensive income	(2)	-
The Group's share of total comprehensive income	**100**	**9**

	As at 31.03.2021	As at 31.03.2020
Aggregate carrying amount of the Group's interest in these joint ventures	1,331	1,172

6.3 Other equity instruments

Investments in equity instruments at fair value through other comprehensive income

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Quoted investments (fully paid up)				
Asahi India Glass Limited (Face value of ₹ 1 each)	26,995,200	8,348	26,995,200	4,201
JTEKT India Limited (Formerly known as Sona Koyo Steering Systems Limited) (Face value of ₹ 1 each)	13,800,000	1,162	13,800,000	554
Total aggregate quoted investments (i)		**9,510**		**4,755**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Unquoted investments (fully paid up)				
Denso India Private Limited (Face value of ₹ 10 each)	2,862,758	316	2,862,758	367
Total aggregate unquoted investments (ii)		**316**		**367**
Investment in equity shares of Section 8 Company				
International Automobile Centre of Excellence (Face value of ₹ 10 each)	100,000	1	100,000	1
Investment in equity shares of Section 8 Company (iii)		**1**		**1**
Investments in other equity instruments [i+ii+iii]		**9,827**		**5,123**

6.4 Investment in unquoted preference shares

	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Western Paques (India) Limited (Face value of ₹ 100 each)	500,000	50	500,000	50
Less: Provision for diminution in value		(50)		(50)
Total investment in unquoted preference shares		**-**		**-**

6.5 Investments in unquoted debt mutual funds*

	As at 31.03.2021		As at 31.03.2020	
	Current	Non Current	Current	Non Current
Fixed term debt maturity plans	20,909	15,723	-	34,116
Open ended debt schemes	63,248	305,825	12,188	311,785
Total investments in unquoted debt mutual funds	**84,157**	**321,548**	**12,188**	**345,901**

* Includes debt mutual funds for employee welfare fund as at 31.03.2021 amounting to ₹ 2,202 million (as at 31.03.2020 : ₹ 1,543 million)

7 Loans (unsecured and considered good, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Non Current		
Employee related loans and advances	1	1
Inter corporate deposits- unsecured considered doubtful	125	125
Provision for doubtful Intercorporate deposits	(125)	(125)
Others	1	1
	2	**2**
Current		
Employee related loans and advances	230	170
	230	**170**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

8 Trade Receivables

	As at 31.03.2021	As at 31.03.2020
Unsecured - considered good	12,799	19,777
- considered doubtful	29	29
Provision for doubtful debts	(29)	(29)
	12,799	**19,777**

8.1 The credit risk to the Company is limited since most of the sales are made against advances or letter of credit/bank guarantees from banks of national standing. The credit period generally allowed on domestic sales varies from 30 to 45 days (excluding transit period). The credit period on export sales varies on case to case basis, based on market conditions.

	As at 31.03.2021	As at 31.03.2020
Age of receivables		
Within the credit period	12,421	18,746
1-90 days past due	308	983
91-180 days past due	9	3
More than 180 days past due	61	45
	12,799	**19,777**

9 Other Financial Assets (unsecured and considered good, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Non-current		
Financial assets carried at amortised cost		
Security deposits	241	235
Others	128	130
	369	**365**
Current		
Financial assets carried at amortised cost		
Interest accrued - secured	-	1
- unsecured	86	27
Recoverable from related parties (Refer to note 36)	5,724	5,503
Others - considered good	319	15
- considered doubtful	28	28
Less: provision for doubtful assets	(28)	(28)
Financial assets carried at fair value		
Foreign currency and commodity forward contract not qualifying or not designated in hedge accounting relationships	298	1,050
	6,427	**6,596**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

10 Inventories

	As at 31.03.2021	As at 31.03.2020
Inventories (lower of cost and net realisable value)		
Raw materials	14,703	13,761
Work-in-progress	1,483	1,218
Finished goods		
Vehicle	5,376	9,236
Vehicle spares and components	364	376
Traded goods		
Vehicle	1,439	852
Vehicle spares and components	3,579	3,295
Stores and spares	2,706	2,489
Loose Tools	840	912
	30,490	**32,139**
Inventory includes in transit inventory of:		
Raw materials	5,191	3,740
Stock in trade	113	42

10.1 The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 561,783 million (previous year ₹ 602,079 million).

The cost of inventories recognised as an expense includes ₹ 60 million (previous year ₹ 129 million) in respect of write-downs of inventory to net realisable value.

The mode of valuation of inventories has been stated in note 2.16.

11 CASH AND BANK BALANCES

11.1 Cash and cash equivalents:

	As at 31.03.2021	As at 31.03.2020
Balances with Banks	402	199
Cheques, drafts in hand	5	1
Deposits (less than 3 months original maturity period)	-	5
Cash in hand	1	3
	408	**208**

11.2 Other bank balances:

	As at 31.03.2021	As at 31.03.2020
Deposits*	30,022	53
Unclaimed dividend accounts	41	29
	30,063	**82**

*Original maturity period is more than twelve months but less than 12 months from balance sheet date.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

12 OTHER ASSETS (unsecured and considered good, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Non-current		
Capital advances - considered good	3,875	4,354
Prepaid expenses	3,156	3,006
Amount paid under protest / dispute	9,776	9,773
Claims - unsecured considered good	34	57
- unsecured considered doubtful	7	27
Less : provision for doubtful claims	(7)	(27)
Others	26	26
	16,867	**17,216**
Current		
Balance with customs, port trust and other Government authorities	4,101	2,802
Claims	1,277	564
Prepaid expenses	1,216	1,002
Balance with related parties (Refer to note 36)	6,979	1,983
Others - considered good	1,889	1,623
- considered doubtful	281	283
Less: provisions for doubtful balances	(281)	(283)
	15,462	**7,974**

13 Equity Share Capital

	As at 31.03.2021	As at 31.03.2020
Authorised share capital:		
3,751,000,000 equity shares of ₹ 5 each (as at 31.03.20: 3,751,000,000 equity shares of ₹ 5 each)	18,755	18,755
Issued, subscribed and fully paid up share capital comprises:		
302,080,060 equity shares of ₹ 5 each (as at 31.03.20: 302,080,060 equity shares of ₹ 5 each)	1,510	1,510
	1,510	**1,510**

13.1 Rights, preference and restriction attached to shares

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

13.2 Reconciliation of number of shares

	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of year	302,080,060	1,510	302,080,060	1,510
Balance as at the end of year	302,080,060	1,510	302,080,060	1,510

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

13.3 Details of shares held by the holding company

	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Amount	Number of shares	Amount
Suzuki Motor Corporation, Japan	170,283,762	851	169,999,440	850
	170,283,762	**851**	**169,999,440**	**850**

13.4 Details of shares held by each shareholder holding more than 5% shares

	As at 31.03.2021		As at 31.03.2020	
	Number of shares	% holding	Number of shares	% holding
Suzuki Motor Corporation (the holding company)	170,283,762	56.37	169,999,440	56.28
Life Insurance Corporation of India	14,944,012	4.95	19,313,328	6.39

14 Other Equity

	As at 31.03.2021	As at 31.03.2020
Capital reserve	2	2
General reserve	29,309	29,309
Securities premium	4,241	4,241
Reserve created on amalgamation	9,153	9,153
Retained earnings	467,077	442,143
Employee welfare fund	2,202	1,543
Scientific research fund	2,087	1,522
Reserve for equity instruments through other comprehensive income	9,425	4,707
	523,496	**492,620**

14.1 Capital reserves

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	2	2
Balance at the end of year	**2**	**2**

14.2 General reserve

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	29,309	29,309
Balance at the end of year	**29,309**	**29,309**

The general reserve is free reserve which is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14.3 Securities premium

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	4,241	4,241
Balance at the end of year	**4,241**	**4,241**

Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 ("the Act") for specified purposes.

14.4 Reserve created on amalgamation

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	9,153	9,153
Balance at the end of year	**9,153**	**9,153**

This reserve is created on the basis of the scheme of amalgamation of erstwhile Suzuki Powertrain India Limited (SPIL) with the Company as approved by the High Court of Delhi in the year ended March 31, 2013.

14.5 Retained earnings

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	442,143	416,520
Profit attributable to owners of the Company	43,891	56,760
Share of other comprehensive income in associates and joint ventures	10	-
"Other comprehensive income arising from remeasurement of defined benefit obligation attributable to owners of the Company *	408	(518)
Excess Amount Paid for Purchase of Non-Controlling Interest (Refer Note 15)	(26)	-
Amount transferred to Employee welfare fund	(565)	(750)
Income on funds for Employee welfare fund	(108)	(117)
Expenses on funds for Employee welfare fund	14	132
Amount transferred to Scientific research fund	(565)	(750)
Payment of dividend on equity shares	(18,125)	(24,166)
Tax on dividend	-	(4,968)
Balance at the end of year	**467,077**	**442,143**

During the year, a dividend of ₹ 60 per share, total dividend ₹ 18,125 million (previous year : ₹ 80 per share, total dividend ₹ 24,166 million) was paid to equity shareholders.

The Board of Directors recommended a final dividend of ₹ 45 per share (nominal value of ₹ 5 per share) for the financial year 2020-21. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total expected amount of cash outflow is ₹ 13,594 million.

* net of deferred tax liabilities of ₹ 137 million (previous year deferred tax assets of ₹ 200 million)

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14.6 Reserve for equity instruments through other comprehensive income

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	4,707	8,606
Net fair value gain/(loss) on investment in equity instruments at FVTOCI	4,704	(3,902)
Income tax on net fair value gain/(loss) on investments in equity instruments at FVTOCI	14	3
Balance at the end of year	**9,425**	**4,707**

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

14.7 Employee Welfare Fund

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	1,543	808
Addition during the year	565	750
Income on funds during the year	108	117
Expenses on funds during the year	(14)	(132)
Balance at the end of year	**2,202**	**1,543**

This reserve is created by appropriating 1% of profit after tax of the previous year and will be utilised for undertaking welfare activities such as housing, education and health for the employees of the Company.

14.8 Scientific Research Fund

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at the beginning of year	1,522	772
Addition during the year	565	750
Balance at the end of year	**2,087**	**1,522**

This reserve is created by appropriating 1% of profit after tax of the previous year and will be utilised for promotion of scientific research and technology in India. No expenditure has been done from this fund during the current year.

15 Non-Controlling Interest

	Year ended 31.03.2021	Year ended 31.03.2020
Balance at beginning of year	192	176
Share of total comprehensive income of the year	-	16
Purchase of Non-Controlling Interest:*	(192)	-
Cost of Acquisition (₹ 218 Million)		
Less: Excess amount paid for purchase of Non-Controlling Interest (₹ 26 Million)		
Balance at the end of the year	**-**	**192**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

*During the year, the Company has acquired remaining 49.13% shares from the shareholders of its subsidiary Company JJ Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited) for the purpose of expanding its operations. Accordingly, JJ Impex (Delhi) Limited has become wholly owned subsidiary of the Company w.e.f. August 7, 2020.

Details of wholly owned subsidiary (Previous year: non-wholly owned subsidiary)

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit (loss) allocated to non-controlling interest		Accumulated non-controlling interest	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
J J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited)	India	0.00%	49.13%	-	16	-	192

Summarised financial information of J J Impex (Delhi) Limited (before intragroup eliminations)

	As at 31.03.2021	As at 31.03.2020
Non current assets	401	421
Current assets	222	200
Non current liabilities	(70)	(108)
Current liabilities	(144)	(122)
Equity attributable to owners of the Company	409	199
Non controlling interest	-	192

	Year ended 31.03.2021	Year ended 31.03.2020
Revenue	787	973
Expenses	769	940
Profit / (loss) for the year	18	33
Other comprehensive income	-	-
Total comprehensive income	**18**	**33**
Profit / (loss) for the year attributable to owners of the Company	18	17
Profit / (loss) for the year attributable to non controlling interest	-	16
Profit (loss) for the year	**18**	**33**
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income attributable to non controlling interest	-	-
Other comprehensive income for the year	**-**	**-**
Total comprehensive income attributable to owners of the Company	18	17
Total comprehensive income attributable to non controlling interest	-	16
Total comprehensive income for the year	**18**	**33**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

16 Borrowings

	As at 31.03.2021	As at 31.03.2020
Non-Current		
Unsecured		
Term loan from bank	28	54
	28	**54**
Current		
Unsecured		
Term loan from bank	-	570
Loans repayable on demand from banks		
- cash credit and overdraft	4,888	493
	4,888	**1,063**

16.1 Summary of borrowing arrangements

1. Loans from banks include:

Loan amounting to ₹ 28 million (as at 31.03.20: ₹ 54 million) is taken from Mizhuho Bank Ltd. at an interest rate of 6.50% (Previous year 7.75%), repayable in 8 quarterly instalments. The above loan is secured by first pari passu charge on Group's plant & machinery excluding existing Chennai workshop and first pari passu charge on current assets of the Group

2. Loan repayable on demand from banks (cash credit and overdraft) at an interest rate of 5.25% to 5.95%, repayable within 0-10 days (as at 31.03.20: interest rate of 7.10% to 8.15%, repayable within 0-10 days w.r.t cash credit, overdraft and term loan)

16.2 Breach of loan agreement

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

17 Other Financial Liabilities

	As at 31.03.2021	As at 31.03.2020
Current		
Financial liabilities carried at amortised cost		
Current maturities of long term debts (Refer to note 16)	27	23
Payables to capital creditors	4,160	3,608
Deposits from dealers, contractors and others	8,319	4,256
Interest accrued	35	33
Unpaid dividend *	41	29
Book overdraft	136	267
Others	2	824
	12,720	**9,040**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act 2013.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

18 Provisions

	As at 31.03.2021	As at 31.03.2020
Non-current		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit plan	182	209
Other provisions		
Provision for warranty & product recall	265	307
	447	**516**
Current		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit plan	11	12
Provision for compensated absences	4,548	4,107
Other provisions		
Provision for litigation / disputes	1,997	1,981
Provision for warranty & product recall	872	707
	7,428	**6,807**

Details of other provisions

	Litigation / Dispute		Warranty / Product recall	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Balance as at the beginning of year	1,981	2,151	1,014	901
Addition during the year	19	20	1,427	1,229
Utilised during the year	-	-	1,304	1,116
Reversed during the year	3	190	-	-
Balance as at the end of year	**1,997**	**1,981**	**1,137**	**1,014**

	Litigation / Dispute		Warranty / Product recall	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Classified as long term	-	-	265	307
Classified as short term	1,997	1,981	872	707
Total	**1,997**	**1,981**	**1,137**	**1,014**

Provisions for employee benefits

The provision for employee benefits include compensated absences and retirement allowance.

Provision for warranty and product recall

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as and when warranty claims will arise. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Provision for litigation / disputes

In the ordinary course of business, the Group faces claims by various parties. The Group assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claim where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. (Refer to note 39)

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

19 Deferred Tax Balances

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

	As at 31.03.2021	As at 31.03.2020
Deferred tax assets	4,891	2,911
Deferred tax liabilities	9,345	9,486
Net deferred tax liabilities	**4,454**	**6,575**

	Opening Balance	Recognised in profit or loss	Recognised in OCI	Adjustments*	Closing Balance
2019-2020					
Deferred tax assets					
Deferred revenue	297	(297)	-	-	-
Expenses deductible in future years	1,659	(238)	-	(96)	1,325
Provision for litigation / dispute	362	(120)	-	-	242
Provision for doubtful debts / advances	145	(27)	-	7	125
Property, plant and equipment and Intangible assets	-	1,206	-	-	1,206
Leases	-	9	-	-	9
Others	65	(249)	180	8	4
	2,528	**284**	**180**	**(81)**	**2,911**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	2,615	(2,551)	-	(59)	5
Investment in debt mutual funds	4,277	3,457	-	-	7,734
Investment in equity instruments	56	-	(23)	-	33
Other current & non-current assets	1,224	(372)	-	130	982
Undistributed profit of joint ventures and associates	495	98	-	-	593
Others	-	139	-	-	139
	8,667	**771**	**(23)**	**71**	**9,486**
Net deferred tax liabilities	**6,139**	**487**	**(203)**	**152**	**6,575**
2020-21					
Deferred tax assets					
Expenses deductible in future years	1,325	112	-	-	1,437
Provision for litigation / dispute	242	5	-	-	247
Provision for doubtful debts / advances	125	-	-	-	125
Property, plant and equipment and Intangible assets	1,206	1,860	-	-	3,066
Leases	9	2	-	-	11
Others	4	138	(137)	-	5
	2,911	**2,117**	**(137)**	**-**	**4,891**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	5	(1)	-	-	4
Investment in debt mutual funds	7,734	(43)	-	-	7,691
Investment in equity instruments	33	-	(14)	-	19
Other current & non-current asset	982	58	-	-	1,040
Undistributed profit of joint ventures and associates	593	16	-	-	609
Others	139	(156)	-	(1)	(18)
	9,486	**(126)**	**(14)**	**(1)**	**9,345**
Net deferred tax liabilities	**6,575**	**(2,243)**	**123**	**(1)**	**4,454**

* On account of reclassification to/from "Deferred Tax" from/to "Provision for Taxation" and intra movement within deferred tax assets/deferred tax liabilities

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

20 Other Liabilities

	As at 31.03.2021	As at 31.03.2020
Non-current		
Contract liabilities (Deferred revenue)	21,295	21,158
	21,295	**21,158**
Current		
Advance from customers	10,189	4,680
Contract liabilities (Deferred revenue)	7,716	7,838
Statutory dues	7,962	1,573
	25,867	**14,091**

Note: During the year the Group has recognised revenue of ₹ 7,838 million which was included in the contract liability balance as on April 1, 2020 (for the year ended March 31, 2020 ₹ 6,457 million which was included in the contract liability balance as on April 1, 2019)

21 Trade Payables

	As at 31.03.2021	As at 31.03.2020
Total outstanding dues of micro and small enterprises	698	481
Total outstanding dues of creditors other than micro and small enterprises	100,983	74,507
	101,681	**74,988**

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at 31.03.2021	As at 31.03.2020
a. Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	698	481
- Interest due thereon	1	2
b. Payments made to suppliers beyond the appointed day during the year		
- Principal	717	2,428
- Interest paid	1	1
c. Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	7	16
d. Amount of interest accrued and remaining unpaid as at year end	8	18

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

22 Current Tax

	As at 31.03.2021	As at 31.03.2020
Current tax assets		
Taxes paid (Net)	5,407	5,272
Current tax liabilities		
Income tax payable (Net)	8,547	6,962

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

23 Revenue from Operations

	Year ended 31.03.2021	Year ended 31.03.2020
Sale of products		
Vehicles	590,059	632,266
Spare parts / dies and moulds / components	75,659	84,782
	665,718	**717,048**
Other operating revenues		
Income from services	12,171	12,159
Sale of scrap	4,208	4,109
Recovery of freight & service charges	19,096	20,642
Liabilities no longer required written back	-	37
Rental income	405	407
Others	2,122	2,198
	38,002	**39,552**
	703,720	**756,600**

Refer to note 8.1 for payment terms with customers.

Revenue from contract with customers is disaggregated by geographical region and presented. (Refer to note 31)

Reconciliation of revenue recognised with contract price:

	Year ended 31.03.2021	Year ended 31.03.2020
Contract price (Gross)	738,647	802,283
Adjustments for:		
Discount & Incentives as per contract/scheme bulletins	(34,927)	(45,683)
Revenue From Operations	**703,720**	**756,600**

24 Other Income

	Year ended 31.03.2021	Year ended 31.03.2020
Interest income on		
Bank deposits	96	4
Income tax refund	-	276
Receivables from dealers	628	671
Advance to vendors	-	1
Others	4	17
	728	**969**
Dividend income		
Dividend from equity investments	32	37
	32	**37**
Others		
Net gain on sale of investments in debt mutual funds	411	1,503
Fair valuation gain on investment in debt mutual funds	27,713	29,413
Exchange variations on transactions and translation (net)	479	1,422
	28,603	**32,338**
	29,363	**33,344**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

25 Material Consumed

25.1 Cost of materials consumed

	Year ended 31.03.2021	Year ended 31.03.2020
Raw material inventory at the beginning of year	13,761	17,591
Add: Purchases during the year	333,906	342,518
Less: Raw material inventory at the end of year	14,703	13,761
	332,964	**346,348**

25.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31.03.2021	Year ended 31.03.2020
Opening balances		
Work in progress	1,218	2,995
Finished goods manufactured		
Vehicle	9,236	5,683
Vehicle spares and components	376	454
Traded goods		
Vehicle	852	85
Vehicle spares and components	3,295	3,373
	14,977	**12,590**
Closing balances		
Work in progress	1,483	1,218
Finished goods manufactured		
Vehicle	5,376	9,236
Vehicle spares and components	364	376
Traded goods		
Vehicle	1,439	852
Vehicle spares and components	3,579	3,295
	12,241	**14,977**
	2,736	**(2,387)**

26 Employee Benefits Expenses

	Year ended 31.03.2021	Year ended 31.03.2020
Salaries and wages	30,424	30,163
Contribution to provident and other funds	1,741	1,716
Staff welfare expenses	2,151	2,283
	34,316	**34,162**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

27 Finance Costs

	Year ended 31.03.2021	Year ended 31.03.2020
Interest costs:		
Cash credit and overdrafts	253	339
Deposits from dealers, contractors and others	587	480
Others	178	523
	1,018	**1,342**

28 Depreciation and Amortisation Expenses

	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation of property, plant and equipment	28,720	33,624
Amortisation of intangible assets	1,424	1,449
Depreciation of right-of-use assets (Refer to note 37)	197	211
	30,341	**35,284**

29 Other Expenses

	Year ended 31.03.2021	Year ended 31.03.2020
Consumption of stores	1,674	1,708
Power and fuel [net of amount recovered ₹ 321 million] (previous year ₹ 444 million)]	4,766	6,995
Rent (Refer to note 40)	12,982	10,064
Repair and maintenance: plant and machinery	2,111	2,261
Repair and maintenance: building	246	405
Repair and maintenance: others	689	624
Insurance	453	260
Rates, taxes and fees	90	134
Royalty	32,218	38,173
Tools / machinery spares charged off	2,841	2,585
Advertisement	5,610	6,703
Sales promotion	2,689	5,318
Warranty and product recall	1,427	1,229
Transportation and distribution expenses	23,742	22,648
Net loss on sale / discarding of property, plant and equipment	590	424
Corporate social responsibility expenses	1,409	1,682
Other miscellaneous expenses *	14,838	17,683
	108,375	**118,896**

* Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

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(All amounts in ₹ million, unless otherwise stated)

Note on Corporate Social Responsibility
Gross amount required to be spent by the Company during the year was ₹ 1,409 million (previous year ₹ 1,666 million). as per Section 135 of the Companies Act, 2013.

Amount spent during the year on:

	Year ended 31.03.2021	Year ended 31.03.2020
(i) Construction / acquisition of any asset		
- in cash	-	-
- yet to be paid in cash	-	-
	-	-
(ii) On purpose other than above		
- in cash	1,409	1,682
	1,409	**1,682**
Total ((i) + (ii))	**1,409**	**1,682**

30 Income Taxes

30.1 Income tax recognised in profit or loss

	Year ended 31.03.2021	Year ended 31.03.2020
Current tax		
In respect of the current year	11,673	14,313
In respect of prior years	(111)	(548)
	11,562	**13,765**
Deferred tax		
In respect of the current year	(2,357)	487
In respect of prior years	114	-
	(2,243)	**487**
Total income tax expense recognised in the current year	**9,319**	**14,252**

The income tax expense for the year can be reconciled to the accounting profit as follows

	Year ended 31.03.2021	Year ended 31.03.2020
Profit before tax	**53,210**	**71,028**
Tax at the Indian Tax Rate of 25.168% (previous year 25.168%)	13,392	17,876
Differential tax rate on fair value gain on investment	(2,389)	(2,037)
Differential tax rate on capital gain on sale of investments	(1,767)	(840)
Effect of expenses that are not deductible in determining taxable profit	355	239
Impact of reversal of opening deferred tax due to change in corporate tax rate is Nil (previous year from 34.944% to 25.168%)	-	(365)
Share of profit in associates and joint ventures after adjustment of dividend received from them	(399)	(80)
Deferred tax on undistributed profit	15	98
Others	109	(91)
	9,316	**14,800**
Adjustments recognised in the current year in relation to the current tax of prior years	3	(548)
Income tax expenses recognised in profit or loss	**9,319**	**14,252**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

30.2 Income tax recognised in other comprehensive income

	Year ended 31.03.2021	Year ended 31.03.2020
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	14	3
Remeasurement of defined benefit obligation	(137)	200
Total income tax recognised in other comprehensive income	**(123)**	**203**
Bifurcation of the income tax recognised in other comprehensive income into : -		
Items that will not be reclassified to profit or loss	(123)	203
	(123)	**203**

31 Segment Information

The Group is primarily in the business of manufacturing, purchase and sale of motor vehicles, components and spare parts ("automobiles"). The other activities of the Group comprise facilitation of pre-owned car sales, fleet management, car financing and servicing of the car manufactured by the Group. The income from these activities is not material in financial terms but such activities contribute significantly in generating demand for the products of the Group.

The Board of Directors, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore there is no reportable segment for the Group.

31.1 Group wide disclosure

	Domestic	Overseas	Total
Revenue from operations			
2020-21	655,295	48,425	**703,720**
2019-20	704,152	52,448	**756,600**
Non current segment assets			
As at 31.03.2021	168,730	-	**168,730**
As at 31.03.2020	175,950	-	**175,950**

a) Domestic information includes sales and services rendered to customers located in India.

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

c) Non-current segment assets includes property, plant and equipment, capital work in progress, intangible assets, intangible assets under development, capital advances and Right-of-use assets.

d) No customer individually accounted for more than 10% of the Company's revenue

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

32 Earnings Per Share

	Year ended 31.03.2021	Year ended 31.03.2020
Basic earnings per share (₹)	145.30	187.95
Diluted earnings per share (₹)	145.30	187.95
Profit attributable to the equity holders of the Group used in calculating basic earnings per share and diluted earnings per share	43,891	56,776
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (numbers)	302,080,060	302,080,060

33 Employee Benefit Plans

The various benefits provided to employees by the Group are as under:

A. Defined contribution plans

a) Superannuation fund

b) Post employment medical assistance scheme

c) Employers contribution to Employee State Insurance Act 1948

d) Employers contribution to Employee's Pension Scheme 1995

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

	Year ended 31.03.2021	Year ended 31.03.2020
Employers contribution to Superannuation Fund *	127	129
Employers contribution on Post Employment Medical Assistance Scheme *	5	18
Employers contribution to Employee State Insurance *	3	26
Employers contribution on Employee's Pension Scheme 1995 *	267	264
Employers contribution to Government Provident Fund *	19	21

* Included in 'Contribution to provident and other funds'

B. Defined benefit plans and other long term benefits

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

b) Leave encashment / compensated absence

c) Retirement allowance

d) Provident fund

e) Post retirement medical benefit plan

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The probability or likelihood of lower returns as compared to the expected return on any particular investment.

Interest risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Provident Fund*	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.21					
Discount rate(s)	NA	6.85%	6.85%	6.85%	6.85%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	24	24	24	24	-
As at 31.03.20					
Discount rate(s)	NA	6.85%	6.85%	6.85%	6.85%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	24	24	24	24	1

* In respect of Provident Fund, Interest rate guarantee (per annum) is 8.50% (Previous year 8.50%)

Components of expenses recognised in the statement of profit or loss in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.21					
Current service cost	861	509	394	13	1
Past service cost	-	-	-	-	-
Actuarial Loss / (gain)	-	327	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	272	55	6	9
Expenses recognised in profit or loss	**861**	**1,108**	**449**	**19**	**10**
Year ended 31.03.20					
Current service cost	805	391	321	15	4
Past service cost	-	-	-	-	128
Actuarial Loss / (gain)	-	622	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	262	(1)	6	-
Expenses recognised in profit or loss	**805**	**1,275**	**320**	**21**	**132**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Components of expenses recognised in the other comprehensive income in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.21					
Actuarial (gains) / losses					
- changes in demographic assumptions	-	-	-	-	(19)
- changes in financial assumptions	-	-	-	-	-
- experience variance	-	-	(59)	(15)	(23)
- others	-	-	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	(429)	-	-
Remeasurement (or actuarial) (gain) / loss arising because of change in effect of asset ceiling	-	-	-	-	-
Component of defined benefit costs recognised in other comprehensive income	**-**	**-**	**(488)**	**(15)**	**(42)**
Year ended 31.03.20					
Actuarial (gains) / losses					
- changes in demographic assumptions	-	-	(15)	-	-
- changes in financial assumptions	-	-	522	12	-
- experience variance	-	-	80	(19)	-
- others	-	-	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-	138	-	-
Remeasurement (or actuarial) (gain) / loss arising because of change in effect of asset ceiling	-	-	-	-	-
Component of defined benefit costs recognised in other comprehensive income	**-**	**-**	**725**	**(7)**	**-**

The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.21					
Present value of obligation	26,887	4,548	5,189	93	100
Fair value of plan assets	28,954	-	5,434	-	-
Surplus / (deficit)	**2,067**	**(4,548)**	**245**	**(93)**	**(100)**
Effects of asset ceiling, if any *	2,067	-	245	-	-
Net asset / (liability)	**-**	**(4,548)**	**(0)**	**(93)**	**(100)**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.20					
Present value of obligation	23,048	4,107	4,719	89	132
Fair value of plan assets	24,280	-	3,896	-	-
Surplus / (deficit)	**1,232**	**(4,107)**	**(823)**	**(89)**	**(132)**
Effects of asset ceiling, if any *	1,232	-	-	-	-
Net asset / (liability)	**-**	**(4,107)**	**(823)**	**(89)**	**(132)**

* The Group has an obligation to make good the shortfall, if any.

Classification into long term and short term:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
As at 31.03.21					
Classified as long term	-	-	-	90	92
Classified as short term	-	4,548	-	3	8
Classified as other financial liabilities (current)	-	-	-	-	-
Total	**-**	**4,548**	**-**	**93**	**100**
As at 31.03.20					
Classified as long term	-	-	-	86	123
Classified as short term	-	4,107	-	3	9
Classified as other financial liabilities (current)	-	-	823	-	-
Total	**-**	**4,107**	**823**	**89**	**132**

Movement in the present value of the defined benefit obligation are as follows:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.21					
Present value of obligation as at the beginning	**23,048**	**4,107**	**4,719**	**89**	**132**
Current service cost	861	509	394	13	1
Interest expense or cost	2,047	272	323	6	9
Employees' contribution	2,394	-	-	-	-
Transfer in	921	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:	-	-	-	-	-
- change in demographic assumptions	-	-	-	-	(19)
- change in financial assumptions	-	3	(1)	-	-
- experience variance	-	324	(59)	(15)	(23)
- others	-	-	-	-	-
Past service cost	-	-	-	-	-
Benefits paid	(2,384)	(667)	(188)	-	-
Present value of obligation as at the end	**26,887**	**4,548**	**5,189**	**93**	**100**

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
Year ended 31.03.20					
Present value of obligation as at the beginning	**19,439**	**3,522**	**3,743**	**75**	**-**
Current service cost	805	393	321	15	4
Interest expense or cost	1,938	263	289	6	-
Employees' contribution	2,172	-	-	-	-
Transfer in	16	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:	-	-	-	-	-
- change in demographic assumptions	-	1	(15)	-	-
- change in financial assumptions	-	221	522	12	-
- experience variance	-	401	80	(19)	-
- others	-	-	-	-	-
Past service cost	-	-	-	-	128
Benefits paid	(1,322)	(694)	(221)	-	-
Present value of obligation as at the end	**23,048**	**4,107**	**4,719**	**89**	**132**

Movement in the fair value of the plan assets are as follows:

	Provident Fund	Employees Gratuity Fund
Year ended 31.03.21		
Fair value of plan assets at the beginning	**24,280**	**3,911**
Interest income	2,064	268
Employer's contribution	861	1,014
Employee's contribution	2,394	-
Transfer in	921	-
Benefits paid	(2,384)	(188)
Actuarial Gain/(Loss) on Plan Assets	818	429
Fair value of plan assets as at the end	**28,954**	**5,434**
Year ended 31.03.20		
Fair value of plan assets at the beginning	**20,079**	**3,752**
Interest income	1,737	290
Employer's contribution	805	228
Employee's contribution	2,172	-
Transfer in	809	-
Benefits paid	(1,322)	(221)
Actuarial Gain/(Loss) on Plan Assets	-	(138)
Fair value of plan assets as at the end	**24,280**	**3,911**

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(All amounts in ₹ million, unless otherwise stated)

Major categories of plan assets (as percentage of total plan assets)

	Provident Fund	Employees Gratuity Fund
As at 31.03.21		
Government Securities (Central & State)	46%	0%
Corporate bonds	46%	0%
Equity Mutual Funds	7%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	1%	0%
Cash & cash equivalents	0%	0%
Total	**100%**	**100%**
As at 31.03.20		
Government Securities (Central & State)	42%	0%
Corporate bonds	47%	0%
Equity Mutual Funds	6%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	1%	0%
Cash & cash equivalents	4%	0%
Total	**100%**	**100%**

The fair value of the above ULIP schemes are determined based on the Net Asset Value (NAV). Moreover, for other investments the fair value is taken as per the account statements of the insurance companies.

The average duration of the defined benefit obligation of gratuity fund at 31.03.21 is 15 years (as at 31.03.20: 15 years).

The Group expects to make a contribution of ₹ 205 million (as at 31.03.20: ₹ 1,170 million) to the defined benefit plans during the next financial year.

Sensitivity analysis

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by ₹ 976 million (increase by ₹ 1,165 million) (As at 31.03.20: decrease by ₹ 875 million (increase by ₹ 1,048 million)).

If the expected salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 1,079 million (decrease by ₹ 928 million) (As at 31.03.20: increase by ₹ 974 million (decrease by ₹ 837 million)).

The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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34 Financial Instruments and Risk Management

34.1 Financial instruments by category

	As at 31.03.2021				As at 31.03.2020			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
Financial assets								
Investments*								
- in equity instruments	-	9,827	-	9,827	-	5,123	-	5,123
- in debt mutual funds	405,705	-	-	405,705	358,089	-	-	358,089
Trade Receivable	-	-	12,799	12,799	-	-	19,777	19,777
Cash and cash equivalents	-	-	408	408	-	-	208	208
Other bank balances	-	-	30,063	30,063	-	-	82	82
Loans	-	-	232	232	-	-	172	172
Security deposits	-	-	241	241	-	-	235	235
Foreign currency / commodity forward contracts	298	-	-	298	1,050	-	-	1,050
Interest accrued	-	-	86	86	-	-	28	28
Recoverable from related parties	-	-	5,724	5,724	-	-	5,503	5,503
Others	-	-	447	447	-	-	145	145
Total financial assets	**406,003**	**9,827**	**50,000**	**465,830**	**359,139**	**5,123**	**26,150**	**390,412**
Financial liabilities								
Borrowings	-	-	4,916	4,916	-	-	1,117	1,117
Current maturities of long term debts	-	-	27	27	-	-	23	23
Trade payables	-	-	101,681	101,681	-	-	74,988	74,988
Deposits from dealers, contractors and others	-	-	8,319	8,319	-	-	4,256	4,256
Payable to capital creditors	-	-	4,160	4,160	-	-	3,608	3,608
Interest accrued	-	-	35	35	-	-	33	33
Unpaid dividend	-	-	41	41	-	-	29	29
Book overdraft	-	-	136	136	-	-	267	267
Lease liabilities			466	466			701	701
Others	-	-	2	2	-	-	824	824
Total financial liabilities	**-**	**-**	**119,783**	**119,783**	**-**	**-**	**85,846**	**85,846**

* Investment value excludes carrying value of equity accounted investment in joint ventures and investment in associates of ₹ 13,916 million (as at 31.03.2020 : ₹ 11,668 million).

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(All amounts in ₹ million, unless otherwise stated)

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31.03.2021	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	369,073	36,632	-	405,705
Foreign currency / commodity forward contracts	9	-	298	-	298
Financial instruments at FVTOCI					
Quoted equity instruments	6	9,510	-	-	9,510
Unquoted equity instruments	6	-	-	317	317
Total financial assets		**378,583**	**36,930**	**317**	**415,830**

As at 31.03.2020	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	323,973	34,116	-	358,089
Foreign currency / commodity forward contracts	9	-	1,050	-	1,050
Financial instruments at FVTOCI					
Quoted equity instruments	6	4,755	-	-	4,755
Unquoted equity instruments	6	-	-	368	368
Total financial assets		**328,728**	**35,166**	**368**	**364,262**

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e.. Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Derivative contracts: The Group has entered into variety of foreign currency and commodity forward contracts and swaps to manage its exposure to fluctuations in foreign exchange rates and commodity price risk. These financial exposures are managed in accordance with the Group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

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(All amounts in ₹ million, unless otherwise stated)

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurement

	Unlisted equity instruments
As at 01.04.2019	**449**
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	(81)
As at 31.03.2020	**368**
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	(51)
As at 31.03.2021	**317**

34.2 Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Business commitment and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	"Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)"	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

The financial risk management of the Group is carried out under the policies approved by the Board of Directors. Within these policies, the Board provides written principles for overall risk management including policies covering specific areas, such as foreign exchange risk management, commodity risk management and investment of funds.

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(All amounts in ₹ million, unless otherwise stated)

(A) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables, loans and advances and derivative instruments. None of the financial instruments of the Group results in material concentration of credit risks.

Financial assets for which loss allowance is measured:

	Notes No	As at 31.03.2021	As at 31.03.2020
Loans - non current	7	125	125
Trade receivables	8	29	29
Other financial assets - current	9	28	28

Other than financial assets mentioned above, none of the financial assets were impaired and there were no indications that defaults in payment obligations would occur.

(B) Liquidity risk

Liquidity risk refers to the risk that the Group can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

The Group operates with a low Debt Equity ratio. The Group raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Group has access to the borrowing facilities of ₹ 43,690 million As at 31.03.2021 (₹ 30,240 million as at 31.03.2020) to honour any liquidity requirements arising for business needs. The Group has large investments in debt mutual funds which can be redeemed on a very short notice and hence carries negligible liquidity risk.

(i) Financing arrangements

The Group had access to the following borrowing facilities at the end of the reporting period:

	As at 31.03.2021	As at 31.03.2020
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	43,590	30,140
- Expiring beyond one year (bank loans)	100	100
	43,690	**30,240**

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Contractual maturities of financial liabilities

	Less than 1 year	More than 1 year	Total
As at March 31, 2021			
Borrowings	4,915	28	4,943
Trade payables	101,681	-	101,681
Lease Liabilities	74	392	466
Other financial liabilities	12,693	-	12,693
	119,363	**420**	**119,783**
As at March 31, 2020			
Borrowings	1,086	54	1,140
Trade payables	74,988	-	74,988
Lease Liabilities	103	598	701
Other financial liabilities	9,017	-	9,017
	85,194	**652**	**85,846**

(C) Market risk

(i) Foreign currency risk

The Group has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the foreign currency risk management policy approved by the board of directors. The Group enters into derivative financial instruments to mitigate the foreign currency risk and interest rate risk including,

a) forward foreign exchange and options contracts for foreign currency risk mitigation

b) foreign currency interest rate swaps to mitigate foreign currency & interest rate risk on foreign currency loan.

Foreign currency risk exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year expressed in ₹, are as follows:

(In Millions)

As at 31st March, 2021	JPY	USD	EURO	GBP	SGD
Financial assets					
Trade receivables	2,868	1,488	91	-	-
Foreign exchange derivative contracts	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**2,868**	**1,488**	**91**	**-**	**-**
Financial liabilities					
Trade payables and other financial liabilites	12,390	2,875	1,535	11	1
Foreign exchange derivative contracts	(3,797)	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**8,593**	**2,875**	**1,535**	**11**	**1**

(In Millions)

As at 31st March, 2020	JPY	USD	EURO	GBP	SGD
Financial assets					
Trade receivables	2,918	1,001	75	-	-
Foreign exchange derivative contracts	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**2,918**	**1,001**	**75**	**-**	**-**
Financial liabilities					
Trade payables and other financial liabilites	13,728	1,773	1,022	10	-
Foreign exchange derivative contracts	(13,237)	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**491**	**1,773**	**1,022**	**10**	**-**

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(All amounts in ₹ million, unless otherwise stated)

Foreign currency sensitivity analysis

The Group is mainly exposed to JPY, USD and EURO.

The following table details the Group's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

	Year ended 31.03.2021		Year ended 31.03.2020	
	₹ strengthens by 10%	₹ weakening by 10%	₹ strengthens by 10%	₹ weakening by 10%
Impact on profit or loss for the year				
JPY impact	952	(952)	1,081	(1,081)
USD Impact	139	(139)	77	(77)
EURO Impact	144	(144)	95	(95)

(ii) Security price risk

Exposure in equity

The Group is exposed to equity price risks arising from equity investments held by the Group and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended 31st March 2021 would increase / decrease by ₹ 491 million (for the year ended 31st March 2020: increase / decrease by ₹ 256 million) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds

The Group manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such Investments.

Mutual fund price sensitivity analysis

The sensitivity analyses below have been determined based on Mutual Fund Investment at the end of the reporting period.

If NAV has been 1% higher / lower:

Profit for year ended 31.03.2021 would increase / decrease by ₹ 4,057 million (for the year ended 31.03.2020 by ₹ 3,581 million) as a result of the changes in fair value of mutual fund investments.

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34.3 Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group has large investments in debt mutual fund schemes where in underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings. The credit quality of the entire portfolio investments is monitored on a quarterly basis. The Group's overall strategy remains unchanged from previous year.

The following table provides detail of the debt and equity at the end of the reporting period :

	As at 31.03.2021	As at 31.03.2020
Borrowings	4,943	1,140
Cash and cash equivalents	(408)	(208)
Net debt	**4,535**	**932**
Total equity	525,006	494,130
Net debt to equity ratio	0.009	0.002

The Group is not subject to any externally imposed capital requirements.

33.4 Foreign exchange derivative contracts

The Group follows a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Group may keep the exposures unhedged or hedged only as a part of the total exposure.

The Company does not enter into a foreign exchange derivative transactions for speculative purposes.

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35 Details of Subsidiaries, Joint Ventures & Associates

35.1 Maruti Suzuki India Limited has two subsidiaries, three joint venture companies and fourteen associate companies, as given in the following table:

Sl No	Name of Company	Relationship	Country of Incorporation	Percentage of ownership interest	
				As on March 31, 2021	As on March 31, 2020
1	True Value Solutions Limited	Subsidiary	India	100.00	100.00
2	J.J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited)	Subsidiary	India	100.00	50.87
3	Plastic Omnium Auto Inergy Manufacturing India Private Limited	Joint Venture	India	26.00	26.00
4	Marelli Powertrain India Private Limited (formerly Magneti Marelli Powertrain India Private Limited)	Joint Venture	India	19.00	19.00
5	Maruti Suzuki Toyotsu India Private Limited	Joint Venture	India	50.00	50.00
6	Bharat Seats Limited	Associates	India	14.81	14.81
7	Jay Bharat Maruti Limited	Associates	India	29.28	29.28
8	Machino Plastics Limited	Associates	India	15.35	15.35
9	Caparo Maruti Limited	Associates	India	25.00	25.00
10	Hanon Climate Systems India Private Limited	Associates	India	39.00	39.00
11	Krishna Maruti Limited	Associates	India	15.80	15.80
12	SKH Metals Limited	Associates	India	37.03	37.03
13	Nippon Thermostat (India) Limited	Associates	India	10.00	10.00
14	Mark Exhaust Systems Limited	Associates	India	44.37	44.37
15	Bellsonica Auto Component India Private Limited	Associates	India	30.00	30.00
16	FMI Automotive Components Private Limited	Associates	India	49.00	49.00
17	Manesar Steel Processing India Private Limited	Associates	India	11.83	11.83
18	Maruti Insurance Broking Private Limited	Associates	India	46.26	46.26
19	Bahucharaji Rail Corporation Limited	Associates	India	30.41	33.00

35.2 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/Associates/Joint Ventures

Name of Company	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at March 31, 2021		As at March 31, 2020		FY 20-21		FY 19-20	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
1 Maruti Suzuki India Limited	97.84%	513,668	97.99%	484,370	96.72%	47,423	99.48%	52,089
Subsidiaries								
1 True Value Solutions Limited	0.00%	2	0.00%	2	0.00%	-	0.00%	-
2 J.J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited)	0.08%	409	0.08%	391	0.04%	18	0.06%	33
Adjustments arising out of consolidation	-0.06%	(297)	-0.07%	(273)	0.00%	2	-0.03%	(15)
Total of Subsidiaries	**0.02%**	**114**	**0.01%**	**120**	**0.04%**	**20**	**0.03%**	**18**

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(All amounts in ₹ million, unless otherwise stated)

Name of Company	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at March 31, 2021		As at March 31, 2020		FY 20-21		FY 19-20	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Minority Interests in all subsidiaries	**0.00%**	**-**	**0.04%**	**192**	**0.00%**	**-**	**0.03%**	**16**
Joint Ventures								
1 Plastic Omnium Auto Inergy Manufacturing India Private Limited	0.05%	254	0.05%	246	0.02%	8	0.05%	25
2 Marelli Powertrain India Private Limited (formerly Magneti Marelli Powertrain India Private Limited)	0.16%	866	0.16%	778	0.18%	88	-1.43%	(749)
3 Maruti Suzuki Toyotsu India Private Limited	0.04%	211	0.03%	148	0.13%	63	0.28%	148
Total of Joint Ventures	**0.25%**	**1,331**	**0.24%**	**1,172**	**0.32%**	**159**	**-1.10%**	**(576)**
Adjustments arising out of consolidation	0.00%	-	0.00%	-	0.00%	-	0.00%	1
Less: Investment in Joint Ventures	-0.07%	(373)	-0.06%	(302)	-0.14%	(71)	-0.29%	(150)
Associates								
1 Bharat Seats Limited	0.03%	172	0.03%	168	0.01%	4	0.02%	13
2 Jay Bharat Maruti Limited	0.25%	1,313	0.25%	1,233	0.16%	80	0.10%	50
3 Machino Plastics Limited	0.02%	80	0.02%	86	-0.01%	(6)	-0.01%	(7)
4 Caparo Maruti Limited	0.05%	263	0.06%	310	-0.10%	(47)	-0.10%	(51)
5 Hanon Climate Systems India Private Limited	0.18%	938	0.18%	899	0.08%	39	0.00%	-
6 Krishna Maruti Limited	0.24%	1,263	0.21%	1,047	0.44%	216	0.45%	233
7 SKH Metals Limited	0.10%	524	0.11%	523	0.00%	1	0.01%	4
8 Nippon Thermostat (India) Limited	0.00%	(1)	0.00%	1	0.00%	(2)	0.00%	(2)
9 Mark Exhaust Systems Limited	0.07%	370	0.07%	337	0.07%	33	0.04%	23
10 Bellsonica Auto Component India Private Limited	0.03%	160	0.04%	181	-0.04%	(21)	-0.19%	(102)
11 FMI Automotive Components Private Limited	0.16%	822	0.14%	671	0.31%	151	0.04%	21
12 Manesar Steel Processing India Private Limited	0.01%	56	0.01%	56	0.00%	-	0.01%	6
13 Maruti Insurance Broking Private Limited	1.15%	6,052	1.01%	4,993	2.16%	1,059	1.66%	868
14 Bahucharaji Rail Corporation Limited	0.11%	573	0.00%	(9)	1.19%	582	-0.02%	(12)
Total of Associates	**2.40%**	**12,585**	**2.13%**	**10,496**	**4.27%**	**2,089**	**2.01%**	**1,044**
Adjustments arising out of consolidation	-0.01%	(43)	-0.01%	(48)	0.01%	5	0.03%	15
Less: Investment in Associates	-0.32%	(1,667)	-0.22%	(1,085)	-1.19%	(582)	0.00%	-
Deferred Tax Liabilities on Undistributed Profits of associates and joint ventures	-0.12%	(609)	-0.12%	(593)	-0.03%	(16)	-0.19%	(98)
Total	**100.00%**	**525,006**	**100.00%**	**494,322**	**100.00%**	**49,027**	**100.00%**	**52,359**

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36 Related Party Transactions for the year ended 31st March, 2021

36.1 Description of related parties

Holding Company	Associates
Suzuki Motor Corporation, Japan (SMC)	Bharat Seats Limited
	Caparo Maruti Limited
Joint Ventures	Jay Bharat Maruti Limited
Marelli Powertrain India Private Limited (Formerly known as Magneti Marelli Powertrain India Private Limited)	Krishna Maruti Limited
	Machino Plastics Limited
Plastic Omnium Auto Inergy Manufacturing India Private Limited	SKH Metals Limited
Maruti Suzuki Toyotsu India Private Limited	Nippon Thermostat (India) Limited
	Bellsonica Auto Component India Private Limited
Contribution to Post Retirement Benefit Plans	Mark Exhaust Systems Limited
Maruti Suzuki India Limited - Employees Group Gratuity Fund	FMI Automotive Components Private Limited
Maruti Suzuki India Limited - Employees Provident Fund Trust	Maruti Insurance Broking Private Limited
Maruti Suzuki India Limited - Employees Superannuation Fund	Manesar Steel Processing India Private Limited
	Hanon Climate Systems India Private Limited
	Bahucharaji Rail Corporation Limited

Fellow Subsidiaries (only with whom the Company had transactions during the current year)	
Magyar Suzuki Corporation Ltd.	Taiwan Suzuki Automobile Corporation
Suzuki Motor Gujarat Private Limited	Suzuki Motor (Thailand) Co., Ltd.
Cambodia Suzuki Motor Co. Ltd.	Suzuki Thilawa Motor Co. Ltd
Suzuki Motor de Mexico, S.A. de C.V.	Suzuki Motorcycle India Private Ltd.
Vietnam Suzuki Corporation	Thai Suzuki Motor Co., Ltd.
Suzuki International Europe G.m.b.H.	Suzuki (Myanmar) Motor Co., Ltd.
Suzuki Australia Pty. Ltd.	Suzuki New Zealand Ltd.
Suzuki GB PLC	PT. Suzuki Indomobil Motor
Suzuki Auto South Africa (Pty) Ltd	TDS Lithium-Ion Battery Gujarat Private Limited (Formerly known as Automotive Electronics Power Private Limited)
Suzuki Philippines Inc.	
Suzuki Auto Sales Hamamatsu Co Ltd	

Key Management Personnel (KMP)	
Mr. R. C. Bhargava	Chairman
Mr. Kenichi Ayukawa	Managing Director & CEO
Mr. O. Suzuki	Director
Mr. T. Suzuki	Director
Mr. Kazunari Yamaguchi	Director (till July 26, 2019)
Mr. Toshiaki Hasuike	Director (till July 26, 2019)
Mr. K. Ayabe	Director (till July 26, 2019)
Mr. Takahiko Hashimoto	Director (w.e.f July 27, 2019)
Mr. Hisashi Takeuchi	Director (w.e.f July 27, 2019)
Mr. Hiroshi Sakamoto	Director (w.e.f July 27, 2019 till October 25, 2019)
Mr. Seiji Kobayashi	Director (w.e.f October 25, 2019 till December 5, 2019)
Mr. Kenichiro Toyofuku	Director (w.e.f December 5, 2019)
Mr. K. Saito	Director
Mr. Davinder Singh Brar	Independent Director

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Mr. Rajinder Pal Singh	Independent Director
Ms. Pallavi Shroff	Independent Director (till August 27, 2019)
Ms. Lira Goswami	Independent Director (w.e.f August 28, 2019)
Ms. Renu Sud Karnad	Independent Director (till March 31, 2020)
Mr. Maheswar Sahu	Independent Director (w.e.f May 14, 2020)
Mr. Ajay Seth	Chief Financial Officer
Mr. Sanjeev Grover	Company Secretary

36.2 Transaction with related parties

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Sale of goods to:		
- Holding Company, Suzuki Motor Corporation	17,767	19,475
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Ltd.	8,863	10,614
- Others	3,855	3,821
- Others	-	11
	30,485	**33,921**
Sale of property, plant & equipment to:		
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	62	139
- Suzuki Motorcycle India Private Ltd.	299	389
- PT. Suzuki Indomobil Motor	-	61
	361	**589**
Purchase of goods from:		
- Holding Company, Suzuki Motor Corporation	13,214	10,987
- Associates	63,020	54,823
- Joint Ventures	3,238	5,062
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	139,738	142,935
- Others	287	905
- Others	-	51
	219,497	**214,763**
Purchase of property, plant & equipment and intangible assets & intangible assets under developement from:		
- Holding Company, Suzuki Motor Corporation	5,034	1,280
- Associates	1,366	1,140
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	88	7
- Joint Ventures, Marelli Powertrain India Private Limited	43	248
	6,531	**2,675**
Finance income / commission / dividend from:		
- Associates		
- Hanon Climate Systems India Private Limited	81	110
- Others	11	22
- Joint Ventures		
- Marelli Powertrain India Private Limited	-	730
- Plastic Omnium Auto Inergy Manufacturing India Private Limited	12	5
	104	**867**

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(All amounts in ₹ million, unless otherwise stated)

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Other operating revenue / other income from:		
- Holding Company, Suzuki Motor Corporation	3,121	3,528
- Associates	62	60
- Joint Ventures	10	10
- Fellow Subsidiaries	209	345
	3,402	**3,943**
Recovery of expenses from:		
- Holding Company, Suzuki Motor Corporation	3,253	-
- Associates	203	414
- Joint Ventures	34	85
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	9,746	11,875
- Others	31	51
	13,267	**12,425**
Services received from:		
- Holding Company, Suzuki Motor Corporation	2,046	2,123
- Associates	4	24
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	5	-
	2,055	**2,147**
Dividend paid to:		
- Holding Company, Suzuki Motor Corporation	10,200	13,583
	10,200	**13,583**
Royalty expenses:		
- Holding Company, Suzuki Motor Corporation	32,218	38,173
	32,218	**38,173**
Other expenses:		
- Holding Company, Suzuki Motor Corporation	426	314
- Associates	24	49
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	12,726	9,787
- Others	35	37
	13,211	**10,187**

	As at 31.03.2021	As at 31.03.2020
Trade Receivables:		
- Holding Company, Suzuki Motor Corporation	1,311	1,649
- Associates	58	41
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Ltd.	1,489	906
- Suzuki Motor Gujarat Private Limited	346	222
- Others	197	293
	3,401	**3,111**
Other current assets:		
- Holding Company, Suzuki Motor Corporation	696	290
- Associates	13	6
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	6,270	1,687
	6,979	**1,983**

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	As at 31.03.2021	As at 31.03.2020
Other financial assets:		
- Holding Company, Suzuki Motor Corporation	1,993	1,521
- Associates	176	212
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	3,508	3,746
- Others	47	24
	5,724	**5,503**
Other non current assets:		
- Holding Company, Suzuki Motor Corporation	-	1,211
- Associates		
- Bellsonica Auto Component India Private Limited	344	233
- Jay Bharat Maruti Limited	250	72
- Others	205	138
- Joint Ventures	-	32
	799	**1,686**
Goods in transit:		
- Holding Company, Suzuki Motor Corporation	2,367	1,538
- Associates	2	-
- Fellow Subsidiaries	23	11
- Others	-	6
	2,392	**1,555**
Trade payable:		
- Holding Company, Suzuki Motor Corporation	18,855	19,083
- Associates	10,443	4,655
- Joint Ventures	303	-
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	8,156	2,629
- Others	40	12
- Others	-	6
	37,797	**26,385**
Other financial liabilities		
- Holding Company, Suzuki Motor Corporation	197	34
- Associates	64	139
- Joint Ventures, Marelli Powertrain India Private Limited	1	125
- Fellow Subsidiaries, Suzuki Motorcycle India Private Ltd.	21	114
	283	**412**

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(All amounts in ₹ million, unless otherwise stated)

36.3 Key management personnel compensation

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Short-term benefits	171	178
Post-employment benefits	-	1
Other long-term benefits	-	-
Total Compensation	**171**	**179**
Mr. Kenichi Ayukawa	42	47
Mr. Ajay Seth	28	46
Mr. Sanjeev Grover	8	8
Mr. Takahiko Hashimoto	29	23
Mr. Kenichiro Toyofuku	31	11
Others	33	44
Total Compensation	**171**	**179**

Contribution to Post Retirement Benefit Plans

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Maruti Suzuki India Limited - Employees Group Gratuity Fund	445	316
Maruti Suzuki India Limited - Employees Provident Fund Trust	861	811
Maruti Suzuki India Limited - Employees Superannuation Fund	127	129
	1,433	**1,256**

37 Leases

The Group as a Lessee

The Group's leases primarily consists of leases for land and buildings. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term. In a case where the Group has purchase option, the option is exercisable at nominal value and the Group's obligations are secured by the lessor's title to the leased assets for such leases.

(i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:

	As at 31.03.2021	As at 31.03.2020
Right-of-use assets		
Land	5,458	5,545
Buildings	402	636
Total	**5,860**	**6,181**

There were additions of ₹ 48 million and deletions of ₹ 167 million to the Right-of-use asset during the year.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020*
Lease liabilities		
Current	74	103
Non-Current	392	598
Total	**466**	**701**

Maturity analysis of lease liabilities

	As at 31.03.2021	As at 31.03.2020
Within one year	74	103
Later than one year but less than five years	250	296
Later than five years	142	302
Total	**466**	**701**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

	Notes No	As at 31.03.2021	As at 31.03.2020
Depreciation charge of right-of use assets			
Land	28	96	102
Buildings	28	101	109
Total		**197**	**211**

	Notes No	As at 31.03.2021	As at 31.03.2020
Interest expense on lease liabilities (included in finance cost)	27	39	67
Expense relating to short term and low value leases (included in other expense)	29	249	271
Income from subleasing right-of-use assets (included in other operating revenue)	23	38	71

The total cash outflow for leases for the year ended 31 March, 2021 were ₹ 150 million (previous year ₹ 165 million)

(iii) Extension and termination option

Extension and termination options are included in various property and equipment leases executed by the Group. These are used to maximise operational flexibility in terms of managing the assets used in Group's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.

The Group as a Lessor

Leasing arrangements

The Group has entered into operating lease arrangements for various land and premises. These arrangements are cancellable in nature and range between three to fifteen years. Lease rental income earned by the Group is set out in Note 23 as 'Rental income'.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

38 Capital & Other Commitments

	As at 31.03.2021	As at 31.03.2020
Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for	32,132	19,784
Outstanding commitments under Letters of Credit established by the Group	1,700	1,514

39 Contingent Liabilities

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

	As at 31.03.2021	As at 31.03.2020
(i) Excise Duty		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,644	1,628
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	14,951	14,414
Total	**16,595**	**16,042**
Amount deposited under protest	1,696	1,696
(ii) Service Tax		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,201	1,383
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	3,631	3,450
Total	**4,832**	**4,833**
Amount deposited under protest	92	92
(iii) Income Tax		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals	12,319	12,319
(b) Cases pertaining to issues decided in favour of the Group for an earlier year but the Income Tax Department have raised a demand for a similar issue for subsequent years and are pending before Appellate authorities / Dispute Resolution Panel pursuant to appeals filed by the Group	44,801	39,973
(c) Other cases pending before Appellate authorities / Dispute Resolution Panel in appeals filed by the Group	41,414	31,265
Total	**98,534**	**83,557**
Amount deposited under protest	7,279	7,279
(iv) Custom Duty		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals	1,265	81
(b) Others	81	76
Total	**1,346**	**157**
Amount deposited under protest	-	-
(v) Sales Tax		
Cases pending before Appellate authorities in respect of which the Group has filed appeals	55	35
Amount deposited under protest	3	3
(vi) Claims		
Claims against the Group lodged by various parties	1,292	1,179
Others	2,878	2,323

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
(vii) Group's share in Associate's and Joint Venture's Contingent Liabilities		
Contingent liabilities incurred by the Group arising from its interest in joint venture (a)	82	82
Contingent liabilities incurred by the Group arising from its interest in associates (a)	1,423	1,097
Group's share of joint ventures' contingent liabilities (b)	21	21
Group's share of associates' contingent liabilities (b)	490	366

(a) A number of contingent liabilities have arisen as a result of the Group's interest in its joint venture and associates. The amount disclosed represents the aggregate amount of such contingent liabilities for which the Group as an investor is liable. The extent to which an outflow of funds will be required is dependent on the future operations of the joint venture. The Group is not contingently liable for the liabilities of other ventures in the joint ventures.

(b) The amount disclosed represents the Group's share of contingent liabilities of joint ventures and associates. The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.

(viii) In respect of disputed Local Area Development Tax (LADT) (upto April 15, 2008) / Entry Tax, the amounts under dispute are ₹ 21 million (as at 31.03.2020: ₹ 21 million) for LADT and ₹ 20 million (as at 31.03.2020: ₹ 21 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from April 16, 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date. After implementation of Goods & Services Act in 2017, Entry Tax Act in Haryana was repealed.

(ix) (a) The Competition Commission of India ("CCI") had passed an order dated August 25, 2014 stating that the Company has violated certain sections of the Competition Act, 2002 for not making diagnostic tools and genuine spare parts freely available in the open market and has imposed a penalty of ₹ 4,712 million. The Delhi High Court, on 16th May 2019, disposed the Company's petition stating that the Company had alternative remedies available. Thereafter, Company filed a Special Leave Petition before the Supreme Court of India, wherein an interim stay on the CCI's order was granted on July 1, 2019 and the stay is continuing.

(b) The Competition Commission of India ("CCI") had initiated suo-moto proceedings in the month of February 2019 alleging that the Company has violated certain sections of the Competition Act, 2002 relating to resale price maintenance. The Company filed its response to the Director General's investigation report against the Company before the CCI on 9th April 2021 and placed its final arguments during the virtual hearing on 15th April 2021. The final order of CCI is awaited". The Company has been legally advised that the Company has reasonable grounds to contest the case.

(x) The Hon'ble Supreme Court in a ruling during the previous year, had passed a judgment on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952.

Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company for the previous periods, if any, cannot be ascertained. Currently, the Company has started providing for the revised liability w.e.f from 1 April, 2019

B) The amounts shown in the item (A) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

40 The Company entered into a 'Contract Manufacturing Agreement' (CMA) with Suzuki Motor Gujarat Private Limited (SMG), a fellow subsidiary of Suzuki Motor Corporation (SMC) on December 17, 2015. In accordance with the contractual terms, SMG during the term of this agreement, shall manufacture and supply vehicles on an exclusive basis to MSIL. The consideration for the arrangement would be cost incurred by SMG to manufacture the cars which will be charged to the Company on no-profit-no-loss basis.

The Company evaluated the CMA arrangement in accordance with guidance provided in Ind AS 116 and concluded that the specified assets and right to use the same are implied in the agreement. The Company also evaluated the contractual rights and obligations including relating to pricing, termination and renewal and concluded that a reasonable certainty, as defined by Ind AS 116, does not exists across the lease period. Accordingly no right-of-use asset or lease liability has been recognised on account of the given arrangement.

The payments made towards cost of purchase of vehicles recorded during the year includes ₹ 12,718 million (previous year ₹ 9,780 million) towards a component of lease payment for specified assets (Written Down value of specified assets as on March 31, 2021 is ₹ 73,203 millions (Previous year ₹ 68,857 millions)), as per the information provided by SMG.

41 Auditors' Remuneration*

	Year ended 31.03.2021	Year ended 31.03.2020
Statutory audit	19	18
Taxation matters	8	13
Other audit services / certification	2	2
Reimbursement of expenses	0	1

* excluding GST.

42 The figures of previous year have been re-grouped, wherever necessary, to conform to the current year classification

43 The Consolidated financial statements were approved by the Board of Directors and authorised for issue on April 27, 2021.

For and on behalf of the Board of Directors

KENICHI AYUKAWA	**KENICHIRO TOYOFUKU**	**AJAY SETH**	**SANJEEV GROVER**
Managing Director & CEO	Director	Chief Financial Officer	Vice President & Company Secretary
DIN: 02262755	DIN: 08619076		ICSI Membership No: F3788

Place: Gurugram
Date: April 27, 2021

AOC-1

PART "A" - Subsidiaries

1	Sl. No.	1	2
2	Name of the Subsidiary	J J Impex (Delhi Limited (formerly JJ Impex (Delhi) Private Limited)	True Value Solutions Limited
3	The date since when Subsidiary was acquired	20-Apr-12	14-Jan-02
4	Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period	NA	NA
5	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidairies	NA	NA
6	Share Capital (in Millions)	88	1
7	Reserves & Surplus (in Millions)	321	1
8	Total Assets (in Millions)	623	2
9	Total Liabilities (in Millions)	214	-
10	Investments (in Millions)	-	-
11	Turnover (in Millions)	787	-
12	Profit before taxation (in Millions)	24	(0)
13	Provision for taxation (in Millions)	6	-
14	Profit after taxation (in Millions)	18	(0)
15	Proposed Dividend	-	-
16	% of shareholding	100%	100%

Note:
1 No subsidiaries are yet to commence operations.

2 During the year, the Company has acquired remaining 49.13% shares from the shareholders of its subsidiary Company JJ Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited) for the purpose of expanding its operations. Accordingly, JJ Impex (Delhi) Limited has become wholly owned subsidiary of the Company w.e.f. August 7, 2020.

PART "B" - Associates and Joint Ventures

I. Associates

Sl. No.	Name of Associates/ Joint Ventures	Hanon Climate Systems India Private Limited	SKH Metals Limited	Jay Bharat Maruti Limited	Caparo Maruti Limited	Machino Plastics Limited	Bharat Seats Limited	Krishna Maruti Limited	Nippon Thermostat (India) Limited	Mark Exhaust Systems Limited	Bellsonica Auto Component India Private Limited	FMI Automotive Components Private Limited	Manesar Steel Processing India Private Limited	Maruti Insurance Broking Private Limited	Bahucharaji Rail Corporation Limited
1	Latest Audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-21	31-Mar-20
2	Date on which the Associate / Joint Venture was associated or acquired	21-Oct-92	07-Nov-86	30-Nov-88	01-Mar-95	15-Mar-89	17-Oct-88	30-Jul-93	20-Jun-95	09-Feb-01	21-Aug-06	01-Nov-07	23-Sep-10	24-Nov-10	13-Dec-18
3	Shares of Associate/Joint Ventures held by the Company on the year end														
	No.	518,700	2,645,000	6,340,000	2,500,000	941,700	4,650,000	670,000	125,000	4,437,465	3,540,000	44,100,000	6,840,000	751,643	58,500,000
	Amount of Investment in Associates/Joint Venture (in Millions)	52	49	16	25	5	5	7	1	57	354	441	68	2	585
	Extent of Holding %	39.00%	37.03%	29.28%	25.00%	15.35%	14.81%	15.80%	10.00%	44.37%	30.00%	49.00%	11.83%	46.26%	30.41%

AOC-1

Sl. No.	Name of Associates/ Joint Ventures	Hanon Climate Systems India Private Limited	SKH Metals Limited	Jay Bharat Maruti Limited	Caparo Maruti Limited	Machino Plastics Limited	Bharat Seats Limited	Krishna Maruti Limited	Nippon Thermostat (India) Limited	Mark Exhaust Systems Limited	Bellsonica Auto Component India Private Limited	FMI Automotive Components Private Limited	Manesar Steel Processing India Private Limited	Maruti Insurance Broking Private Limited	Bahucharaji Rail Corporation Limited
4	Description of how there is significant influence	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Networth attributable to shareholding as per latest audited Balance sheet (in Millions)	938	524	1,313	263	80	172	1,263	(1)	370	160	822	56	6,052	573
7	Profit/Loss for the year														
	i. Considered in Consolidation (in Millions)	39	1	80	(47)	(6)	4	216	(2)	33	(21)	151	-	1,059	-
	ii. Not Considered in Consolidation	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

II. Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Plastic Omnium Auto Inergy Manufacturing India Private Limited	Marelli Powertrain India Private Limited (formerly Magneti Marelli Powertrain India Private Limited)	Maruti Suzuki Toyotsu India Private Limited
1	Latest Audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20
2	Date on which the Associate /Joint Venture was associated or acquired	07-May-10	09-Feb-01	22-Oct-19
3	Shares of Associate/Joint Ventures held by the Company on the year end			
	No.	6,656,000	8,550,000	22,050,000
	Amount of Investment in Associates/Joint Venture (in Millions)	67	85	221
	Extent of Holding %	26.00%	19.00%	50.00%
4	Description of how there is significant influence	Power to participate in the financial and/ or operating policy decisions	Power to participate in the financial and/ or operating policy decisions	Power to participate in the financial and/ or operating policy decisions
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA
6	Networth attributable to shareholding as per latest audited Balance sheet (in Millions)			
	a) Share Capital (in Millions)	67	85	221
	b) Reserves & Surplus (in Millions)	187	781	(10)
7	Profit/Loss for the year			
	i. Considered in Consolidation (in Millions)	8	88	(8)
	ii. Not Considered in Consolidation	NA	NA	NA

Note:
1 No associates or joint ventures are yet to commence operations except Maruti Suzuki Toyotsu India Private Limited.
2 The Profit after tax of all JV/Associates except Maruti Insurance Broking Private Limited have been taken on the basis of unaudited financial statements for financial year ended 31st March 2021.

Annexure - A

Report on the performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during the period under report

Maruti Suzuki India Limited has 2 subsidiaries, 3 joint ventures and 14 associates. These 19 companies collectively contribute 3.28 % of the total comprehensive income of the Group for the year ended 31st March 2021 and 2.16 % of the total net assets of the Group as at 31st March 2021.

Subsidiaries

The subsidiaries contribute 0.04% of the total comprehensive income for the year ended 31st March 2021 and 0.02% of the total net assets of the Group as at 31st March 2021. Brief overviews of the Companies are given below:

J.J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited) (Subsidiary):
The Company became a subsidiary of Maruti Suzuki India Limited from year ended 31st March 2013. The Company is engaged exclusively in the business of sale of spares and servicing of cars manufactured by Maruti Suzuki India Limited.

During the year, the Company has acquired remaining 49.13% shares from the shareholders of its subsidiary Company JJ Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited) for the purpose of expanding its operations. Accordingly, JJ Impex (Delhi) Limited has become wholly owned subsidiary of the Company w.e.f. August 7, 2020.

True Value Solutions Limited
The Company was incorporated on 14th January 2002. The Company is a 100% subsidiary of Maruti Suzuki India Limited. The Company was formed to act as advisors and consultants to provide value added services of all description to owners and users of motor vehicles. No business activity has been carried out by the Company during the year.

Joint Ventures and Associates

Joint Ventures and associates contribute 3.24 % of the total comprehensive income for the year ended 31st March 2021 and 2.14 % of the total net assets of the Group as at 31st March 2021.

Maruti Insurance Broking Private Limited (Associate):
The Company was incorporated in India on 24th November 2010. The Company is engaged in the business of insurance broking with license from the Insurance Regulatory Development Authority to carry on General Insurance Direct Broking Business.

During the year ended 31st March 2021, the Company has contributed 2.16 % (previous year 1.66 %) of the total comprehensive income of the Group.

Other Companies

The other joint ventures and associates of the Company contribute 1.08 % of the total comprehensive income for the year ended 31st March 2021. They are engaged in the business of manufacturing automotive components. Below is the list of joint ventures and associates:

1. Plastic Omnium Auto Inergy Manufacturing India Private Limited
2. Marelli Powertrain India Private Limited (formerly Magneti Marelli Powertrain India Private Limited)
3. Maruti Suzuki Toyotsu India Private Limited
4. Bellsonica Auto Component India Private Limited
5. Machino Plastics Limited
6. Mark Exhaust Systems Limited
7. Manesar Steel Processing India Private Limited
8. Bharat Seats Limited
9. Jay Bharat Maruti Limited
10. FMI Automotive Components Private Limited
11. Hanon Climate Systems India Private Limited
12. Caparo Maruti Limited
13. SKH Metals Limited
14. Krishna Maruti Limited
15. Nippon Thermostat (India) Limited
16. Bahucharaji Rail Corporation Limited

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