

MARUTI  SUZUKI

Way of Life!



Game. On.

Annual Report | Sustainability Report
2015-16

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Two years ago, we had committed ourselves to Maruti Suzuki 2.0. The essence of Maruti Suzuki 2.0 is that having been in business – and in leadership – for three decades, it is time to review and renew. We would build on our positive values and practices, even as we recognise and shed habits that would no longer serve us in the future. In the spirit of kaizen, this would be our approach and mindset towards our next milestone of 2 million annual sales in 2020.

The early results of Maruti Suzuki 2.0 were visible in 2015-16. Through Nexa, we started to redefine the automotive retail paradigm in India. Our new models speak an aggressive language of transformation in terms of design, technology and features. Innovations around drive technology, like rolling out smart hybrid vehicles, packing in the latest infotainment features and embedding smart ideas like auto gear shift, helped us stay on top of the game. Almost across the range, we have made our products safer and cleaner.

The speed of change has gathered pace. There is a new energy in whatever we do. And with that drive, we are continuing to delight our existing customers, at the same time making attempts to reach out and enthuse new ones to experience the ownership of a new and bold Maruti Suzuki. All this – and our commitment to make ourselves better – have helped maintain our lead in sales, service, revenues and profitability.

This is but the first step to Mission 2020. We are ready for the future – confident, fit and on solid footing.

Game on, should we say?

Game. On.



What does it take to win?



Aim. High.

It all begins with this: first the ambition to scale a peak, and having achieved it, seeking out a higher one. This never comes easy. Aiming high has always meant overcoming exhaustion, pain, fear and the comfort of past achievements.

The first time Maruti Suzuki sold over 1 million vehicles in a year was in 2009-10. We have been moving up ever since. Now, we aim for 2 million vehicles in a year. Even as we do that, we are fully aware that this is not just about adding another million. We seek to enter a new realm, with a completely different context and fresh challenges of scale and complexity. We are game for it.

A photograph of a rugged, snow-covered mountain peak under a clear blue sky. A dashed white line starts from the bottom left and curves upwards towards the right, ending at a point marked with a small white diamond. A vertical dashed line drops from this point to the text '1 Million Sales'.

1 Million Sales



2 Million Sales

2020

Stay. Focused.

Chance plays little or no role in success.

To win, it is important to focus. To see the aim magnified 10x. To see more details and know everything about whatever matters. This explains our persistent efforts on customer research, going great lengths to understand, obtain customer insights and the finer nuances of the market, conducting in-depth product clinics to hear directly from those who want to own a car and equally from those who live and drive our cars.

Not surprisingly, Maruti Suzuki enjoys a market share of 46.8% in the buzzing Indian passenger vehicle market.







Think. Different.

Success comes from doing things that are different today but will be the norm tomorrow.

The bedrock of 'Think. Different.' is to meet customer aspirations with intelligence and "un"convention. Synthesise customers' insights and create concepts, products and technologies that meet those expectations. For example, the introduction of new premium sales channel - Nexa or AGS (Auto Gear Shift) or SHVS (mild hybrid) technology. These are India first initiatives, unheard of in the past, introduced to fill a gap or offer solution to customers' needs and wants.



Act. Fast.

Speed is non-negotiable.

Once the idea has been received positively, the important part is to spread it quick and wide. We bring all moving parts together, to create with care and speed. Nexa moved from zero to 150 outlets in 12 months, touching the lives of over 100,000 customers in ways never done before.



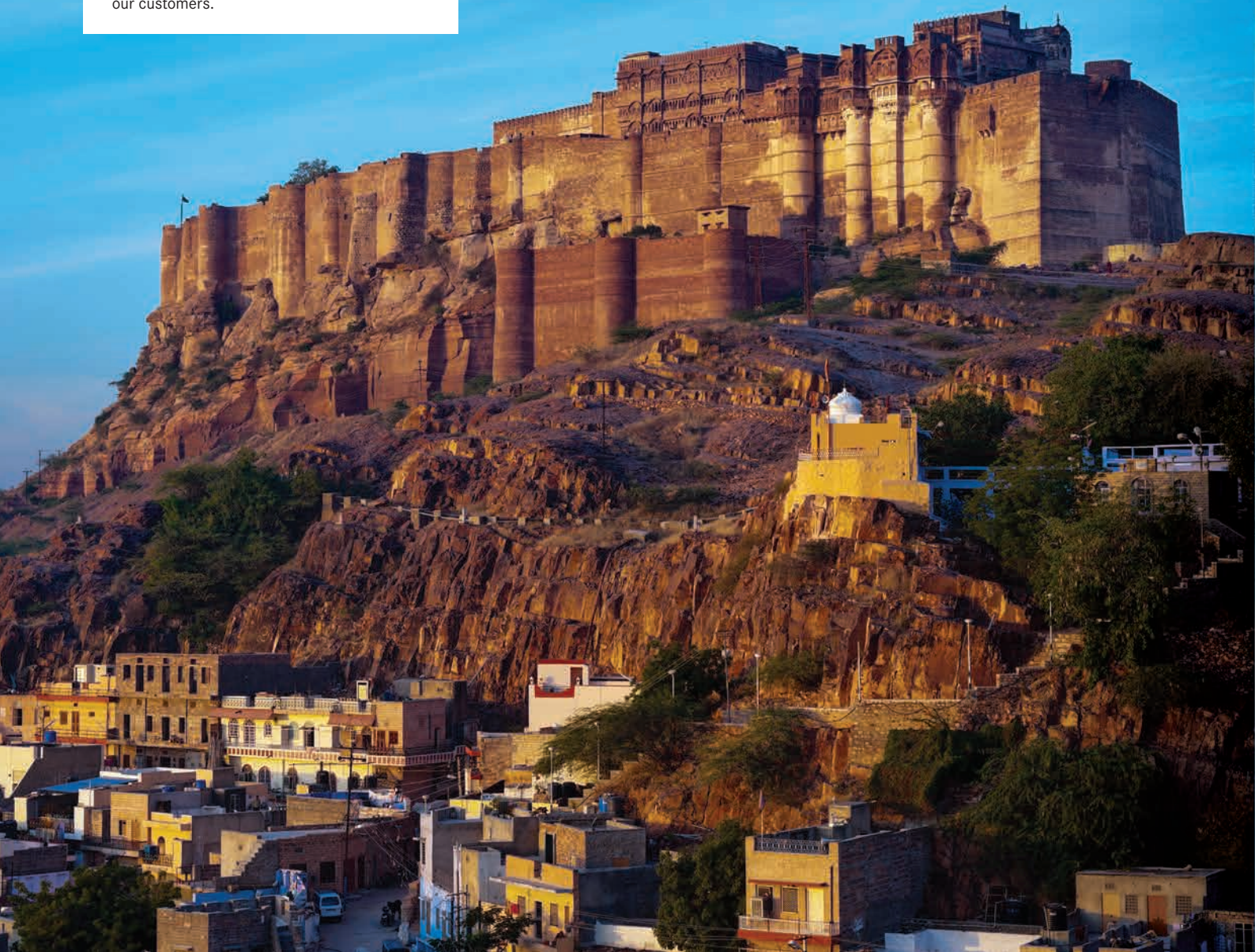
NEXA



Guard.

It takes time and hard work to build a position of leadership, fortified with competitive advantages. However, the position of strength could fritter away quickly. Which is why, leadership, like the investors' capital, needs to be guarded.

Take the sales and service network, for example - always a big strength of MSIL. Could escalating real estate prices stress this advantage? The way to safeguard is by investing in land for sales outlets and workshops across India. This ensures we do not let rising real estate prices get in the way of our dealers' profitability - or prevent us from being close to our customers.



Adapt.

In a race, the terrain or weather conditions may frequently change. A competent driver adapts quickly and changes his drive style to stay in the race.

We are nimble and agile. This allows us to adapt or respond to emerging situations quickly. When the Indian market started demanding a compact SUV, we moved quickly to fill this product gap. An Indian chief engineer, supported by Suzuki's core technology and product development processes, led a team of engineers into action — and delivered the sporty and glamorous Vitara Brezza!





Collaborate. Synergise.

Steep targets need more than just passion and determination. They need collaboration between partners.

Towards our goal of 2 million units, we have the support of Suzuki Motor Corporation (SMC), Japan. Suzuki Motor Gujarat, owned by SMC, will take the responsibility of supplying vehicles to MSIL, over our existing capacity of 1.5 million units, freeing-up crucial resources for us to focus on strategic, customer-facing areas such as Marketing & Sales, R&D and Product Development. MSIL's public shareholders understand the benefits of this unique arrangement for all stakeholders, and voted overwhelmingly in favour.

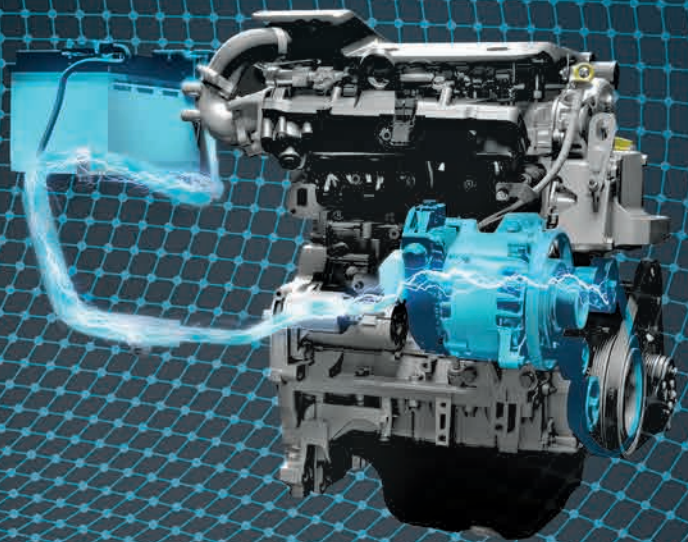


Learn. Innovate.

The day we stop learning, we stop discovering. That is the mantra at MSIL. Our quest for continuous improvement has created an ecosystem that promotes and facilitates learning, innovation and curiosity at all levels.

This has led to many industry-leading outcomes for MSIL. Our new-generation platform is stronger and more rigid, and yet lighter, than in the past. The soon-to-be introduced Boosterjet engine is compact and power packed, and punching much above its CC. The SHVS technology runs more kilometres with the same litre of fuel, which means lower emissions. All of these are results of our continuous improvement, learning and innovation.

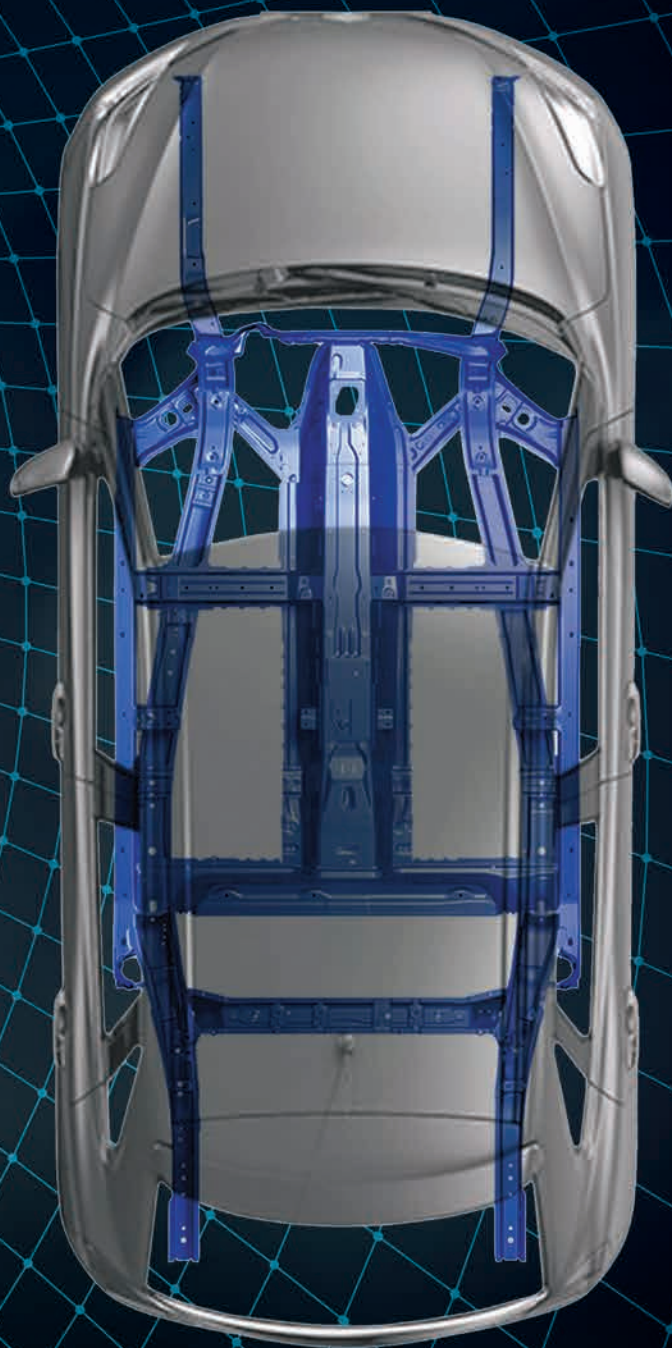
SHVS
(Smart Hybrid Vehicle by Suzuki)



Boosterjet Engine



New Generation Platform





Win. Repeat.

Consistency is key to being recognised as the champion.

It is only consistent delivery of success that will ensure we reach our goal. During 2015-16, Made in India Balenos were exported to Japan – perhaps the most quality conscious automobile market. It was certainly one of the defining events for the industry during the year. A car made in Manesar running on the streets of Tokyo – the whole Nation, including Prime Minister Shri Narendra Modi, is proud of the Baleno. It is an opportunity, and a responsibility, for us to make sure that when it comes to quality standards, we are spot on.







What Next?

Resting or being complacent is the route to decline and defeat.

We are conscious of this. That makes us go on and on, forever focused, ever determined to better ourselves.



Vision

The leader in the Indian Automobile industry,
Creating Customer Delight and Shareholders' Wealth;
A pride of India.

Core Values



Networking and Partnership

We look at opportunities to build, nurture and develop mutually beneficial relationships, keeping the Company's goal in mind. We listen, appreciate and respect others' point of view, identify and derive value from the views and thought process of others. We believe in knowledge sharing and learning from others.



Innovation and Creativity

Innovation and creativity is all about new perspectives, creating new solutions and dealing with changes in novel ways. Being innovative and creative is to understand and appreciate the need for change and generate innovative solutions to problems. We are focused on continuous improvements and put processes in place and emphasis continuous learning.



Customer Obsession

Customer obsession is about 'wowing' and delighting customers. It refers to our ability to understand the stated as well as the unstated needs of our customers.



Fast, Flexible and First Mover

We strive to break patterns, habits and not get conditioned by the environment. It requires us to take timely and critical decisions and to constantly explore opportunities to generate new ideas. We anticipate opportunities for growth and take appropriate risks to remain ahead. We put in sustained team effort to achieve the desired goal and in the process can also take failures with grace.



Openness and Learning

Openness and learning is the ability to learn from experiences of self and others. The degree of openness and learning is demonstrated by our ability to extract meaningful learning from the collective observations and past experiences and to understand and appreciate the need for change. It requires us to adapt to the changing requirements willingly.

Company Profile

Maruti Suzuki (formerly Maruti Udyog) was established in 1981 as a joint venture between the Government of India and Suzuki Motor Corporation (SMC), Japan. Today, it is the leading passenger car manufacturer in India and SMC's largest subsidiary in terms of volume of production and sales. The Company holds 46.8% market share in the Indian passenger vehicles market.

The Company is listed on the BSE and NSE of India. SMC owns 56.21% equity stake in the Company.

Scale of Organisation

The Company has manufacturing sites at Gurgaon and Manesar with an installed capacity of 1.5 million vehicles per year. The SMC's plant in Hansalpur, Gujarat, which will manufacture and supply cars to the Company under a contract manufacturing agreement, is expected to begin production in 2017 with an annual capacity of 250,000 vehicles in the first phase. Eventually, the project will have a capacity of 1.5 million vehicles, depending on market conditions.

There were no changes in the Company ownership during the year and there was no significant change in the size of the Company during the year.

Facilities in India

| Facility | Location |
|---------------------|--|
| Corporate office | New Delhi |
| Manufacturing sites | <ul style="list-style-type: none"> Gurgaon, Haryana Manesar, Haryana |
| R&D centre | Rohtak, Haryana |

Offices in India

| Office | Number |
|------------------|--------|
| Regional offices | 18 |
| Area offices | 16 |
| Zonal offices | 4 |

Sales and Service Outlets

| Outlet | No. of outlets | No. of cities |
|------------|----------------|---------------|
| Sales* | 1,820 | 1,471 |
| Service | 3,145 | 1,506 |
| True Value | 1,007 | 770 |

* 127 Nexa outlets, in addition to existing 1,820 sales outlets

Top 5 Countries for Exports

| Country | Units exported |
|-------------|----------------|
| Sri Lanka | 39,950 |
| Chile | 10,866 |
| Philippines | 6,427 |
| Peru | 5,197 |
| Bolivia | 4,635 |

Commitment to External Principles and Initiatives

Management Systems Implemented

| S. No. | Management System | Adoption year | Coverage |
|--------|-------------------|---------------|---|
| 1 | OHSAS 18001: 2007 | 2012 | Head Office, Gurgaon and Manesar facilities |
| 2 | ISO 14001: 2004 | 1999 | Gurgaon and Manesar facilities |
| 3 | ISO 9001: 2008 | 1995 | Gurgaon and Manesar facilities |
| 4 | ISO 27001: 2005 | 2006 | Head Office, Zonal Regional, Area Offices, Gurgaon and Manesar facilities |

Industry Body Memberships

| S. No. | CII Committee | Position |
|--------|--|---------------|
| 1 | CII, Haryana State Council | Vice Chairman |
| 2 | Regional Committee on CSR, CII Northern Region | Member |
| 3 | Committee on Affirmative Action, CII Northern Region | Member |

SIAM Council Groups

| S. No. | Council | Group | Chair | Co-Chair |
|--------|--|--|-------|----------|
| 1 | Council on International Business | International Relations & Trade Policy | | |
| 2 | Council on Market | Trade Fairs | | |
| | | Service Heads | | |
| 3 | Council on Economic Affairs | Taxation Procedural | | |
| | | Finance & Leasing and Insurance | | |
| | | Human Capital | | |
| 4 | Technical Council | Frontier Technology, EV & HEV | | |
| | | Styling & Design | | |
| 5 | National & International Regulation Council | Emission & Conservation | | |
| | | CMVR & Safety | | |

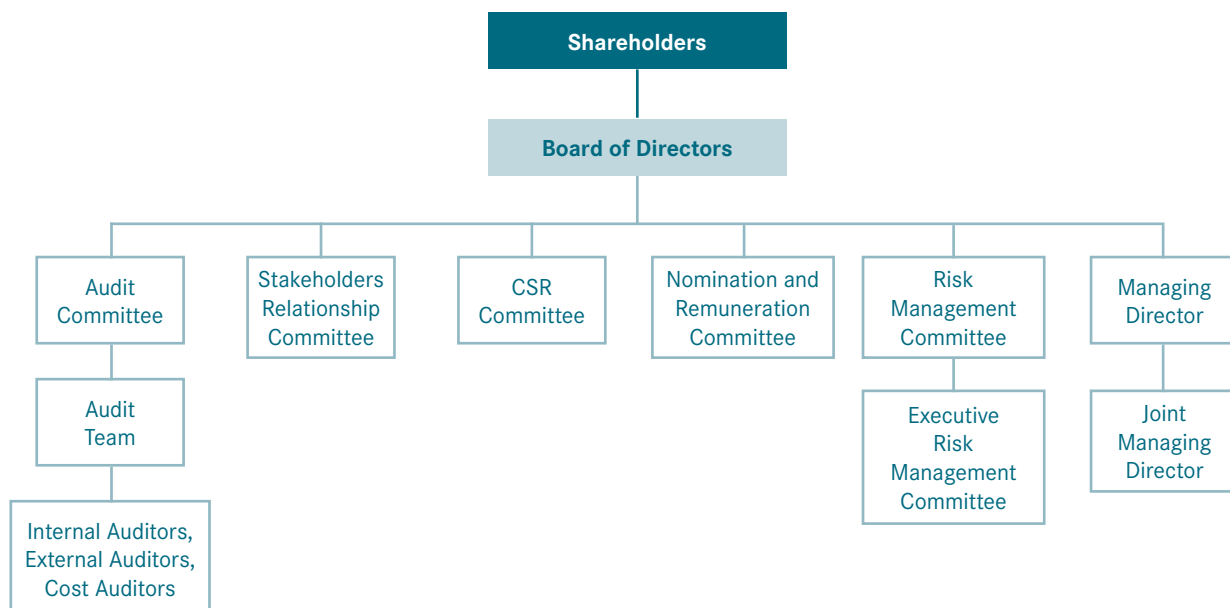
Services

Following services are offered to customers in association with the Company's business partners:

- Vehicle Servicing
- Maruti Finance
- True Value
- Maruti Genuine Parts
- Maruti Genuine Accessories
- Maruti Suzuki Auto Card
- Maruti Driving School

Corporate Governance Structure

Maruti Suzuki believes that good corporate governance is essential for building trust between stakeholders, the management and the Board of Directors. Robust governance practices have been implemented at all levels of the organisation. The details of governance structure are given under Corporate Governance Report section of this Annual Report.



Product Portfolio



N E X A



S-Cross

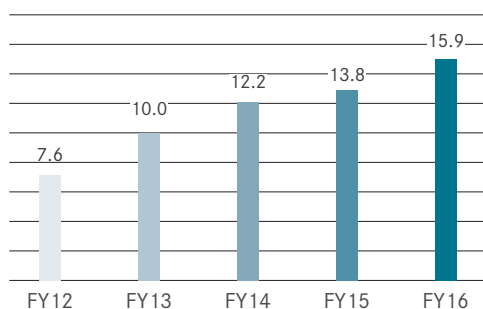


Baleno

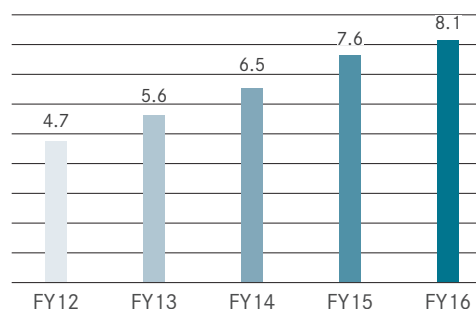
Key Figures

Key Ratios (%)

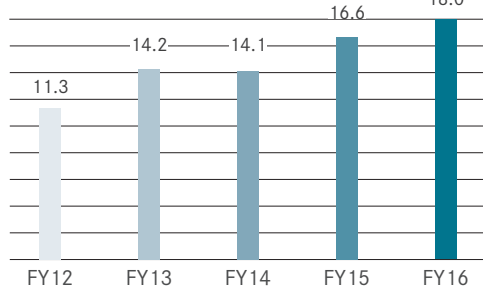
Operating EBITDA/Net Sales



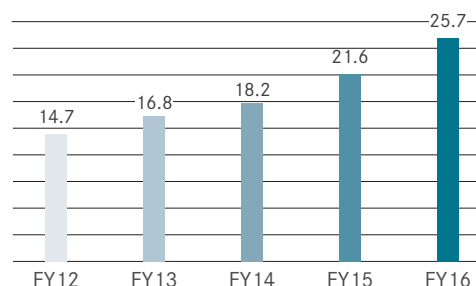
PAT Margin



ROE



ROCE



5-year Performance Summary (₹ Mn)

| | FY12 | FY13 | FY14 | FY15 | FY16 | FY16/15 (% Change) |
|---------------------|---------|---------|---------|---------|---------|-----------------------|
| Net Sales | 347,059 | 426,126 | 426,448 | 486,055 | 563,504 | 16 |
| EBITDA | 26,221 | 42,768 | 51,871 | 67,129 | 89,785 | 34 |
| PBT | 21,462 | 29,910 | 36,585 | 48,682 | 65,350 | 34 |
| PAT | 16,352 | 23,921 | 27,830 | 37,112 | 45,714 | 23 |
| EPS (₹) | 57 | 79 | 92 | 123 | 151 | 23 |
| Net Worth | 151,874 | 185,789 | 209,780 | 237,042 | 270,071 | 14 |
| Current Liabilities | 65,466 | 68,280 | 81,381 | 88,213 | 112,900 | 28 |
| Total Liabilities | 71,148 | 81,091 | 96,217 | 98,451 | 121,885 | 24 |
| Fixed Assets | 84,626 | 117,414 | 134,118 | 141,421 | 137,747 | -3 |
| Current Assets | 110,790 | 109,248 | 141,914 | 81,962 | 71,495 | -13 |
| Total Assets | 223,022 | 266,880 | 305,997 | 335,493 | 391,956 | 17 |
| Operating Cash Flow | 25,599 | 43,011 | 49,036 | 63,207 | 84,331 | 33 |
| Free Cash Flow | -4,031 | 5,693 | 14,109 | 31,720 | 58,519 | 84 |

Highlights 2015-16

Delivering across parameters

#1

in J.D. Power Customer Satisfaction
Index study for 16 years in a row

46.8%

Market Share
(Increase of 1.8% points)

15.9%

EBITDA Margin

96.4%

Energy from
Cleaner Sources

| |
|-------------|
| Natural Gas |
| LPG |
| Solar |

A Moment of Pride



Shri R. C. Bhargava has been conferred with Padma Bhushan
by the Honourable President of India, Shri Pranab Mukherjee.



Quarterly Highlights

Q1

April - June 2015

1

Global launch of Suzuki's
First diesel engine



Celerio DDiS 125
with fuel efficiency
of 27.62 kmpl

2

Maruti Suzuki rolls out its
15,000,000th
vehicle

The 15 millionth car, a **DZire VDi** rolled out from the Company's Manesar facility. It took the Company 31 years and 5 months to reach this milestone

3

CO₂ emission down by

11.6%

With focused efforts, Maruti Suzuki has been successful in bringing down the weighted average CO₂ emission by over 11.6% in last five years

4

10 years of Swift

Bestseller clocks over
1.3 million sales



Q2

July - September 2015

1

Maruti Suzuki launches **NEXA: A New Premium Automotive Experience**



2

India gets its first premium crossover
S-CROSS



3



Ciaz SHVS

India's first
Smart Hybrid
Diesel Car

28.09 kmpl

Tops fuel
efficiency
chart

4

Sales of the Auto Gear
Shift Technology crossed
50,000 units

5

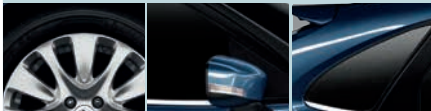
Maruti Suzuki DZire
enters the
'1 million club'

Among top 3
Industry bestsellers,
for 3 consecutive years

Q3

October - December 2015

1

Global launch of
Premium
Hatchback Baleno

2

Ertiga Facelift



Smart Hybrid, SmartPlay
Infotainment System and class
leading fuel efficiency

4

Shareholder Voting

90%

In favour of contract
manufacturing agreement
with SMG(Suzuki Motor Gujarat)

3

WagonR and Sting Ray now
offered with Auto Gear Shift,
dual airbags and ABS



Offered its bestsellers Swift, DZire and
Celerio with added safety features like
dual airbags along with ABS

5

₹ 20 million

to the Prime Minister's
National Relief Fund for
victims of the recent floods
in Tamil Nadu

Deputes 200 additional technicians
for quicker vehicle repairs

Q4

January - March 2016

1

AUTO EXPO
2016

Vitara Brezza and Concept
Ignis to shake up popular
segments

BOOSTERJET engine and New-
generation platform to showcase
Maruti Suzuki's technology edge

2

Maruti Suzuki Vitara Brezza
storms into the SUV space

Style and glamour, first-in-segment
features and class leading mileage

4

3
million

Maruti Suzuki
Alto touches
historic sales
milestone

3

Suzuki launches '**Made in
India**' Baleno in Japan



5

NEXA milestone

100th showroom
within 6 months of its launch



Message from the Chairman

Dear Shareholders,

It gives me great pleasure to reach you through this Annual Report.

During the last year, the economy further improved and the GDP growth was 7.6%. The Government has continued its emphasis on promoting manufacturing in India, and has made several policy decisions that are designed to increase the flow of foreign investments and technology, and remove the difficulties in doing business in India. This process is continuing and will undoubtedly create conditions for manufacturing in India to become more competitive, and thus grow at a faster rate. The entire nation will benefit. There has been fiscal stability, inflation has been under control and the foreign exchange situation has remained satisfactory. One of the disappointments for Industry was the fact that the GST bill was not passed due to problems in the Rajya Sabha. Industry has been repeatedly urging political parties to support all measures that will promote competitive manufacturing, leading to faster growth and more investments, and thereby creating more jobs for our young unemployed. There is also a need for a wider understanding of the fact that the private sector has to play the predominant role in growing manufacturing, and that the Government has to be proactive in improving the business environment for industry to grow faster. Criticism of the Government for taking measures required to make this happen is not only misplaced but will ultimately hurt all of us.

The last year has, overall, been good for your Company, though the industry as a whole has not done too well. We achieved our target of double digit growth, increased our market share and profits after tax went up by 23%. In line with our dividend policy, your Board has recommended an increase of dividend from ₹ 25 per share to ₹ 35 per share. This performance has been possible because of the quality and capabilities of all our colleagues in MSIL. They keep making improvements in all aspects of the Company, and overcoming any difficulties or hurdles that arise.

Two new products introduced during the year, namely the Baleno and the Brezza, have exceeded our expectations of demand, and both have a waiting period of 6-7 months. Your Company recognises that this is not a happy situation, and causes considerable customer unhappiness. While apologising to them, I can assure them that both our vendors, and we, are making all efforts to remedy this situation as early as possible.

When Ayukawa San, our Managing Director, had taken over as the Managing Director of the Company over 3 years ago, I had posed a challenge to him - reach 2 million production by 2020. I had also mentioned this ambition in my talk to you two years ago. I am happy to tell you today that the many initiatives taken by your Company suggest that this target should be achievable. Expansion of production capacity is obviously a necessary condition. The Gujarat project is on track and we expect to sell cars made there during the current financial year. Suzuki Japan is fully supporting us, and this has become possible because you all voted overwhelmingly in favour of their implementing the project, and entering into a contract manufacturing agreement with us.

The sales and service network is being expanded in a manner that will provide stability and comfort to both our dealers and to us. A group of specialists have been employed by the Company and they have started acquiring land at sites for future expansion of sales, service and spare parts facilities. I am happy to inform you that our network will remain unmatched in India. The NEXA channel, in particular, has been greatly appreciated by customers and will play an important role in our journey first to 2 million cars, and then beyond.

We continue to strengthen our R&D capabilities, and again Suzuki Japan is extending unstinted cooperation in this task. The Brezza, developed substantially in India, has established our position in the SUV segment, where we were missing till now. We will continue to strengthen our position in this growing market. In the premium segment, the Ciaz has also met with great success and we can say that going forward MSIL will be a key player in this area. Our design engineers, along with SMC engineers, deserve a great deal of credit for these successes.

The Baleno has not only been a huge success in India, but has greatly increased our ability to sell cars in Europe and Japan. Exports have recently started and while it is too early to speak about the degree of acceptance of the car in these markets, I expect exports to play an important role in our growth.

Suzuki San, while addressing an ACMA annual conference two years ago had said that Make in India should be Make in India with Quality. We have been emphasising this message to all our suppliers and associates, because Quality has to be the key in everything we do. In particular, we have launched several initiatives to help all our suppliers attain and maintain total consistency in the quality of their supplies to MSIL.

During the year, the industry has faced one major challenge. Environmentalists, the media, and the judiciary, are very rightly concerned with improving the air quality in the NCR area, and in other parts of India. I can assure them, and all of you, that we are equally concerned about the dangers posed by our polluted air. However, finding the correct solution to any problem requires that the root cause of the problem is correctly diagnosed. This fundamental truth is often forgotten. We know that in the NCR, the major cause of pollution is dust, and PM 2.5 is the most dangerous. In the west dust has never been a pollutant of significance, but NOX is the main concern. However, we seem to be applying the western remedies for pollution to our problem, though the cause is entirely different. The IIT Kanpur has recently done a study of the sources of pollution in the NCR and found that cars are not a significant contributor to PM 2.5 in the NCR. Yet, going by what has been happening, cars and especially diesel cars, are being treated as the main villain for our polluted air. Not only are the measures being enforced unlikely to make any significant difference to the air quality, but the growth of the industry, and creation of jobs are likely to be adversely impacted. Investors are losing confidence, and customers are unsure of what to do.

The positive factor is that the Government recognises the dangers of the situation, and is taking a firm stand in favour of growth, while dealing with the real pollution problem. I do believe that overtime we will do what is really required, and the industry, as well as MSIL, will lead manufacturing growth in India.

In concluding may I again thank all of you for your steadfast support to the management of your Company.

Thank you and Jai Hind.



R. C. Bhargava
Chairman



Message from the Managing Director & CEO

Dear Shareholders,

I always appreciate your support and understanding for the growth of Maruti Suzuki.

In 2015-16, we sold 1,429,248 vehicles, growing faster than industry increasing our market share for the fourth consecutive year to 46.8%. Our profit went up 23% and we could take several steps for the long term.

You might recall, in our Annual Report of 2013-14, we had articulated a vision of 2 million sales by 2020. The theme of the report 'Maruti Suzuki 2.0' was not just about 2 million sales; it was about the new phase, the new incarnation of Maruti Suzuki. The path to 2 million could be quite different from the path to 1 million. We need a fresh thinking and fresh approach for this new trajectory.

The Honourable Prime Minister has articulated a grand and extremely relevant vision of 'Make in India'. It is our task to take it to the industry level and enterprise level including in our supply chain and realise its full potential. The world will accept products made in India, if we can give them Quality. Mr. O. Suzuki had incorporated this in the slogan calling it – 'Make in India with Quality'. Product Quality is very important but now we have to challenge our own frontiers and take them to the next orbit. We have to observe Quality in not just our products but every aspect of our business. I call it 'Quality of Business'. And in enhancing the Quality of Business, we will not be satisfied with improvements; we need innovation.

In the past two years, we have taken fundamental and substantive steps to enhance our Quality of Business. We saw the highest number of new product launches in a year. Within these new products, the delight factors are also getting redefined. Traditionally, we used to provide engine performance, fuel efficiency, space, ride comfort and similar factors in the car. While they continue to be very important, now we are adding delight through styling, infotainment, navigation, hybrid technology, additional safety and other luxury features. These products have been accepted well by the customer.

We entered into the SUV and crossover segments. Market response has been very good and we hope to attain a healthy market share of the UV/SUV segment. Similarly, we are encouraged by the market response to the Ciaz in the premium car segment.

Make in India also means make for the world. The Baleno became the first Indian car to be sold in Japan. It is also exported to Europe and many other markets of the world. We are making a lot of market development efforts in exports so that in the next few years we are on a strong footing to provide cars to many countries of the world from India.

We have promised the Indian consumer about 15 new models till 2020. New Product Development with contemporary technologies needs R&D capability. This R&D capability has to have both quantity (capacity) and quality (excellence). Our Rohtak R&D Centre is coming up well. The first few facilities have been commissioned and the coming three years will witness more expansion. If we can design and develop in India, we will get global competitiveness in technology, cost and quality much faster. That will be our next leap – Create in India. The Vitara Brezza, developed by Indian engineers using Suzuki global development process and platform is our first step towards Create in India.

Quality of Business demands that we delight our customer in the quality of interaction they have with us. With this thought we had launched the NEXA channel and now we have 150 Nexa showrooms in 94 cities. We will keep enhancing the number of showrooms and innovating on the experience we can give to our customers. Our existing network of sales and service will also be expanded to have more touch points with the customer. Similarly for our LCV, we will have a dedicated commercial channel which is just right for LCV customers. We have put in place a dedicated organisation to help us identify and acquire sites for our own retail space from a long-term derisking point of view.

We are also aligning all our processes and operations including our supply chain to keep enhancing the quality of manufacturing. It is a continuous journey. Focus on all these areas to get closer to the customer would require considerable management bandwidth. Our contract manufacturing arrangement with the Gujarat plant will enable us to devote time to customer-centric functions. The contract manufacturing arrangement was approved by minority shareholders in the year through a voting process. Since we have a capacity constraint, the Gujarat plant commissioning is being expedited and may start operations by early 2017.

As a market leader and a responsible corporate citizen, we are fully sensitive to our duty towards the environment. We were the first ones to launch mild hybrid products with reasonably good volumes. This process of hybridisation will be expanded further in the next few years. We are providing factory-fitted CNG cars and are making efforts to expand their penetration. We are also committed to invest in the appropriate technologies and changes required to meet advanced emission regulation in the country.

In the area of vehicular safety, India is adopting the European crash test regulations in the next few years and we are on course to meet the timelines. As of now most of our models are equipped with enhanced safety features like airbags, either as standard or as an option in all variants.

We were able to scale-up our social initiatives and projects with a 110% increase in CSR spend over the previous year. We integrated with society more closely with interventions in skill development, safe driving and local community development. In particular I am happy to share, under the Clean India Mission, we are aiming for 100% coverage of toilets and sewer systems in our neighbouring villages in Haryana and Gujarat.

In the entire life cycle of a car, the element of Recycling & Scrappage was missing in India. The entire industry is very positive that for the first time the Government is addressing this and has announced a draft policy to enable creation of Recycling & Shredding Centres. This infrastructure creation will truly make the Indian automobile ecosystem more comprehensive, more sustainable and also create jobs in the process. We are in a quick position to support this as all our models are already ELV (End of Life of Vehicles) compliant well ahead of this regulation coming to India.

The Indian market is very promising and we dedicate ourselves to realise our vision in our *Karmabhoomi*, our land of action and duty.



Kenichi Ayukawa
Managing Director & CEO

Board of Directors



Mr. R. C. Bhargava
Chairman



Mr. O. Suzuki
Director



Mr. T. Suzuki
Director



Mr. K. Ayukawa
Managing Director & CEO



Mr. T. Hasuiki
Joint Managing Director



Mr. S. Torii
Director (Production)

Board Committees

Audit

Mr. A. Ganguli
Mr. K. Ayukawa
Mr. D. S. Brar
Ms. P. Shroff

Stakeholders Relationship

Mr. R. C. Bhargava
Mr. K. Ayukawa
Mr. D. S. Brar

CSR

Mr. R. C. Bhargava
Mr. K. Ayukawa
Mr. R. P. Singh

Nomination & Remuneration

Mr. A. Ganguli
Mr. R. C. Bhargava
Mr. D. S. Brar
Mr. T. Suzuki



Mr. A. Ganguli
Independent Director



Mr. R. P. Singh
Independent Director



Mr. K. Saito
Director



Mr. D. S. Brar
Independent Director



Ms. P. Shroff
Independent Director



Mr. K. Ayabe
Director

Risk Management

Mr. R. C. Bhargava
Mr. K. Ayukawa
Mr. T. Hasuike
Mr. A. Seth
Mr. R. S. Kalsi

Executive Officer (Legal) & Company Secretary

Mr. S. Ravi Aiyar

Auditors

Price Waterhouse

Executive Management Team



1. **Mr. K. Ayukawa**, MD & CEO
2. **Mr. T. Hasuike**, JMD
3. **Mr. S. Torii**, Director (Production)
4. **Mr. A. K. Tomer**, Executive Officer (QA)
5. **Mr. S. Y. Siddiqui**, Chief Mentor
6. **Mr. R. Gandhi**, Executive Officer (Production)

7. **Mr. A. Seth**, Executive Officer (Finance)
8. **Mr. M. Nishio**, Executive Officer (Finance)
9. **Mr. M. Suzuki**, Executive Officer (Engineering)
10. **Mr. Y. Suzuki**, Executive Officer (QA)
11. **Mr. C. V. Raman**, Executive Officer (Engineering)



- 12. Mr. T. Hashimoto, Executive Officer (Marketing & Sales)
- 13. Mr. R. S. Kalsi, Executive Officer (Marketing & Sales)
- 14. Mr. S. Ravi Aiyar, Executive Officer (Legal)
- 15. Mr. C. S. Raju, Executive Officer (HR)
- 16. Mr. P. Narula, Executive Officer (Service)
- 17. Mr. S. Srivastava, Executive Officer (International Marketing)

- 18. Mr. Y. Ozawa, Executive Officer (HR)
- 19. Mr. Y. Kojima, Executive Officer (Gujarat Project)
- 20. Mr. D. K. Sethi, Executive Officer (Supply Chain)
- 21. Mr. R. Uppal, Executive Officer (IT)
- 22. Mr. K. Suzuki, Executive Officer (International Marketing)



Statutory Reports



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Board's Report

Your Directors have pleasure in presenting the 35th annual report together with the audited financial statements for the year ended 31st March 2016.

Financial Results

The Company's financial performance during the year 2015-16 as compared to the previous year 2014-15 is summarised below:

| | (₹ in million) | |
|--|----------------|---------|
| | 2015-16 | 2014-15 |
| Total revenue | 582,082 | 508,022 |
| Profit before tax | 65,350 | 48,682 |
| Tax expense | 19,636 | 11,570 |
| Profit after tax | 45,714 | 37,112 |
| Balance brought forward | 197,368 | 173,849 |
| Impact of revision of useful lives of certain fixed assets | 0 | (792) |
| Profit available for appropriation | 243,082 | 210,169 |
| Appropriations: | | |
| General reserve | 4,571 | 3,711 |
| Proposed dividend | 10,573 | 7,552 |
| Corporate dividend tax | 2,152 | 1,538 |
| Balance carried forward to balance sheet | 225,786 | 197,368 |

Financial Highlights

The total revenue (net of excise) was ₹ 582,082 million as against ₹ 508,022 million in the previous year showing an increase of 15 per cent. Sale of vehicles in the domestic market was 1,305,351 units as compared to 1,170,702 units in the previous year showing an increase of 12 per cent. Total number of vehicles exported was 123,897 units as compared to 121,713 units in the previous year showing an increase of 2 per cent.

Profit before tax (PBT) was ₹ 65,350 million against ₹ 48,682 million showing an increase of 34 per cent and profit after tax (PAT) stood at ₹ 45,714 million against ₹ 37,112 million in the previous year showing an increase of 23 per cent. Price earning ratio (based on last quoted price on NSE) as on 31st March 2016 and 31st March 2015 was 24.56 and 30.10 respectively.

The 'Offer for Sale' by the Government of India in 2003 was at a price of ₹ 125/- per share. The market capitalisation was ₹ 1,116,790 million and ₹ 1,122,530 million based on the market price of the Company's shares (NSE closing) of ₹ 3,697 and ₹ 3,716 as at 31st March 2015 and 31st March 2016 respectively, with an increase of 2873 per cent as on 31st March 2016 compared to the offer price.

Dividend

The board recommends a dividend of ₹ 35 per equity share of ₹ 5 each for the year ended 31st March 2016 amounting to ₹ 10,573 million.

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

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as required by the Companies Act, 2013 is provided as an annexure to the consolidated financial statements and hence are not repeated here for the purpose of brevity. No company has become or ceased to become a subsidiary, joint venture or associate company during 2015-16.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is attached as **Annexure A**.

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 the website of the Company at <http://www.marutisuzuki.com/policy-on-subsidiary-companies.aspx>.

Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 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, seven 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 Companies Act, 2013 from all the Independent Directors.

The details of the familiarization programmes for the Independent Directors are available on the website of the Company at <http://www.marutisuzuki.com/familiarization-programmes.aspx>.

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 Companies Act, 2013, 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 Companies Act, 2013 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. Kazuhiko Ayabe ceased to be a Whole-time Director with effect from close of business hours of 28th January 2016. He continues as a Non-Executive Director. Mr. Kenichi Ayukawa was re-appointed as Managing Director & CEO for a period of three

years with effect from 1st April 2016 and Mr. Toshiaki Hasuike as Joint Managing Director for a period of three years with effect from 27th April 2016.

Risk Management

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

Internal Financial Controls

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

Vigil Mechanism

The Company has in place an established and effective mechanism called the Whistle Blower Policy (Policy). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise 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.

Related Party Transactions

The Company has a policy on related party transactions which is available on the Company's website at <http://www.marutisuzuki.com/policy-on-related-party-transactions.aspx>. In terms of Section 134(3) (h) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of board and its powers) Rules, 2014, the related party transactions for 2015-16 are given in Form AOC 2 as **Annexure B**.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its committees. The evaluation criteria, inter-alia, covered various aspects of the board's functioning including its composition, attendance of Directors, participation levels, bringing specialised knowledge for decision making, smooth functioning of the board and effective decision making. The board and its committees had been highly effective in achieving their respective charters and their meetings were well run and the members acted with sufficient diligence and care.

The performance of individual Directors was evaluated on parameters such as level of engagement and contribution to the affairs of the Company including by way of attendance in board/committee meetings, level of independence of judgement, care undertaken in safeguarding the interest of the Company and its minority shareholders. All the Directors were diligent, meticulous and faithful in the performance of their duties and the Directors

expressed their satisfaction with the evaluation process. The criteria laid down by the Nomination and Remuneration Committee for evaluation of performance of Independent Directors included, inter-alia, the extent of engagement including attendance at the board/ committee meetings, ability to discharge their duties and provide effective leadership, exercise independence of judgement and safeguarding the interest of all the stakeholders including the minority shareholders.

Nomination and Remuneration Policy

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

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 D**.

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. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the period under review, one complaint was received by the ICC and the same was suitably closed after following the due process.

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

Information in accordance with Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached as **Annexure E**.

Corporate Governance

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

Secretarial Audit Report

In accordance with the provisions of Section 204 of the Companies Act, 2013 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 2015-16. The report on secretarial audit is attached as **Annexure F**. The report does not contain any qualification.

Personnel

As required by the provisions of Section 197 of the Companies Act, 2013 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 G**. However, as per the provisions of Section 136 of the Companies Act, 2013, 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

In accordance with the provision of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, M/s R.J.Goel & Co., Cost Accountants, New Delhi (Registration No. 000026) were appointed as the Cost Auditors of the Company to carry out the cost audit for 2016-17.

Auditors

The auditors, M/s Price Waterhouse, Chartered Accountants, hold office until the conclusion of the ensuing annual general meeting. A certificate has been obtained from M/s Price Waterhouse to the effect that the Company is in compliance with the conditions of Foreign Direct Investment for the downstream investment made by the Company in subsidiary companies. The auditors' report to the members for the year under review does not contain any qualification. As per the provisions of Section 139 of the Companies Act, 2013, the board has recommended the appointment of M/s Deloitte Haskins & Sells LLP as auditors of the Company from the conclusion of the 35th Annual General Meeting (AGM) till the conclusion of 40th 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 was awarded ISO/IEC 27001:2005 certification by STQC Directorate (Standardization, Testing and Quality Certificate), Ministry of Communications and Information Technology, Government of India after re-assessment. In 2015 the certification has been upgraded to 27001:2013.

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

The quality management system of the Company is certified against ISO 9001:2008 standard. Re-assessment of the quality systems is done at regular intervals and re-certification assessments are done at every 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

Mr. R.C. Bhargava, Chairman was conferred the 'Padma Bhushan', the third highest civilian award for his contribution in the field of Public Affairs and 'Lifetime Achievement Award' at the prestigious Forbes India Leadership Awards 2015.

The Company received the following awards/recognitions/rankings during the year:

- J.D. Power CSI Study ranked the Company highest for the 16th consecutive year.
- 'Manufacturer of the year' by CNBC TV18 Overdrive, NDTV Car & Bike and Auto Car.
- 'Premium Hatchback of the Year' by NDTV Car & Bike and Auto Car, 'Premium Car of the Year' by CNBC TV18 Overdrive, 'Hatchback of the Year' by 8th BBC Top Gear India, and 'Value for Money Car' by Auto Car to Baleno.
- 'Auto Tech Review Engine of the Year' at Indian Automotive Technology and Innovation Awards (IATIA), 'Hatchback of the Year' at NDTV Car & Bike, 'Mid-size Hatchback of the Year' by Zeegniton Auto, 'Best Compact Car of the Year' by Motor Vikatan and 'Best Innovation' at 2015 World Auto Forum to Celerio.
- 'Compact Sedan of the Year' by NDTV Car & Bike, 'Sedan of the Year' by Auto Bild Golden Steering Wheel and 'Car of the Year' by Motoring World to Ciaz.
- 'Crossover of the Year Award' by EVO India off Road to S-Cross.
- 'Idea of the Year' by BBC Top Gear to Alto K10.
- 'Readers Choice Technology of the Year' and 'Auto Tech Review Environment Technology of the Year' at IATIA to Smart Hybrid Vehicle by Suzuki (SHVS).
- 'Golden Peacock' in automobile sector, 'Excellent Sanitation and Toilet Project', 'Driving Safety' and 'Greentech Award' in Corporate Social Responsibility.

Acknowledgment

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

For and on behalf of the Board of Directors

R.C. BHARGAVA
Chairman

KENICHI AYUKAWA
Managing Director & CEO

New Delhi
26th April 2016

Annexure - A

FORM NO. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March 2016 [Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

| | |
|--|--|
| i. CIN | L34103DL1981PLC011375 |
| ii. Registration Date | 24/02/1981 |
| iii. Name of the Company | Maruti Suzuki India Limited |
| iv. Category/sub-category of the Company | Company limited by shares |
| v. Address of the registered office and contact details | Plot No. 1, Nelson Mandela Road Vasant Kunj, New Delhi - 110 070 Ph no.: 011-46781134 |
| vi. Whether listed company | Yes |
| vii. Name, address and contact details of registrar and transfer agent, if any | Karvy Computershare Private Limited Karvy Selenium Tower- B, Plot 31-32 Gachibowli, Financial District Nanakramguda, Hyderabad - 500 032 Ph. no.: 040-67162222 Fax no.: 040-23001153 Tollfree No.: 1800-345-4001 |

II. Principal Business Activities of the Company:

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

| Sl. No. | Name and description of the main products/ services | NIC code of the product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1. | Manufacture of passenger cars | 29101 | 89% |

III. Particulars of Holding, Subsidiary and Associate Companies:

| Sl. No. | Name and address of the company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable section |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1. | Suzuki Motor Corporation | N.A. | Holding | 56.21% | 2(46) |
| 2. | Maruti Insurance Agency Services Limited | U74999DL2006PLC151108 | Subsidiary | 100.00% | 2(87) |
| 3. | Maruti Insurance Agency Logistics Limited | U66000DL2007PLC169581 | Subsidiary | 100.00% | 2(87) |
| 4. | Maruti Insurance Distribution Services Limited | U74999DL2002PLC113812 | Subsidiary | 100.00% | 2(87) |
| 5. | Maruti Insurance Agency Network Limited | U67200DL2004PLC126710 | Subsidiary | 100.00% | 2(87) |
| 6. | Maruti Insurance Agency Solutions Limited | U67200DL2004PLC126711 | Subsidiary | 100.00% | 2(87) |
| 7. | Maruti Insurance Business Agency Limited | U74999DL2002PLC113813 | Subsidiary | 100.00% | 2(87) |
| 8. | Maruti Insurance Broker Limited | U74140DL2010PLC201708 | Subsidiary | 100.00% | 2(87) |
| 9. | True Value Solutions Limited | U74999DL2002PLC113814 | Subsidiary | 100.00% | 2(87) |
| 10. | J.J. Impex (Delhi) Private Limited | U74140DL1976PTC008245 | Subsidiary | 50.87% | 2(87) |
| 11. | Asahi India Glass Limited | L26102DL1984PLC019542 | Associate | 11.11% | 2(6) |
| 12. | Bharat Seats Limited | L34300DL1986PLC023540 | Associate | 14.81% | 2(6) |
| 13. | Caparo Maruti Limited | U74899DL1994PLC058269 | Associate | 25.00% | 2(6) |

| Sl. No. | Name and address of the company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 14. | Hanon Climate Systems India Private Limited (Formerly Halla Visteon Climate Systems India Limited) | U34300DL1991PTC046656 | Associate | 39.00% | 2(6) |
| 15. | Denso India Limited | U52110DL1984PLC019375 | Associate | 9.53% | 2(6) |
| 16. | Jay Bharat Maruti Limited | L29130DL1987PLC027342 | Associate | 29.28% | 2(6) |
| 17. | Krishna Maruti Limited | U34300HR1991PLC032012 | Associate | 15.80% | 2(6) |
| 18. | Machino Plastics Limited | L25209HR2003PLC035034 | Associate | 15.35% | 2(6) |
| 19. | SKH Metals Limited | U74130HR1986PLC023655 | Associate | 38.90% | 2(6) |
| 20. | Nippon Thermostat (India) Limited | U29309TN1994PLC027555 | Associate | 10.00% | 2(6) |
| 21. | Sona Koyo Steering Systems Limited | L29113DL1984PLC018415 | Associate | 6.94% | 2(6) |
| 22. | Magneti Marelli Powertrain India Private Limited | U40300HR2007PTC046166 | Associate | 19.00% | 2(6) |
| 23. | Bellsonica Auto Component India Private Limited | U35923HR2006FTC036301 | Joint Venture | 30.00% | 2(6) |
| 24. | Mark Exhaust Systems Limited | U32204DL1993PLC055905 | Joint Venture | 44.37% | 2(6) |
| 25. | FMI Automotive Components Private Limited | U34201DL2007PTC170043 | Joint Venture | 49.00% | 2(6) |
| 26. | Krishna Ishizaki Auto Limited | U35999DL1996PLC075180 | Joint Venture | 15.00% | 2(6) |
| 27. | Plastic Omnium Auto Inergy Manufacturing India Private Limited (Formerly Inergy Automotive Systems Manufacturing India Private Limited) | U35914HR2010PTC040501 | Joint Venture | 26.00% | 2(6) |
| 28. | Maruti Insurance Broking Private Limited | U74999DL2010PTC210739 | Joint Venture | 46.26% | 2(6) |
| 29. | Manesar Steel Processing India Private Limited | U27205HR2010PTC041264 | Joint Venture | 11.83% | 2(6) |

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

i) Category-wise shareholding

| Category of shareholders | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % change during the year |
|--|---|----------|-------------|------------------|---|----------|-------------|------------------|--------------------------|
| | Demat | Physical | Total | % of total share | Demat | Physical | Total | % of total share | |
| A. Promoters | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| a) Individual/HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any Other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total (A) (1) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| 2. Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 169,788,440 | 0 | 169,788,440 | 56.21 | 169,788,440 | 0 | 169,788,440 | 56.21 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any Other.... (Qualified Foreign Investor) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub Total (A) (2) | 169,788,440 | 0 | 169,788,440 | 56.21 | 169,788,440 | 0 | 169,788,440 | 56.21 | 0.00 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 169,788,440 | 0 | 169,788,440 | 56.21 | 169,788,440 | 0 | 169,788,440 | 56.21 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds/UTI | 22,337,623 | 0 | 22,337,623 | 7.39 | 18,324,245 | 0 | 18,324,245 | 6.07 | (1.32) |
| b) Banks/ FI | 22,047,450 | 0 | 22,047,450 | 7.30 | 21,363,220 | 0 | 21,363,220 | 7.07 | (0.23) |
| c) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIs | 65,830,983 | 0 | 65,830,983 | 21.79 | 72,354,849 | 0 | 72,354,849 | 23.95 | 2.16 |

| Category of shareholders | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % change during the year |
|---|---|--------------|--------------------|------------------|---|--------------|--------------------|------------------|--------------------------|
| | Demat | Physical | Total | % of total share | Demat | Physical | Total | % of total share | |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (Qualified Foreign Investor) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1) | 110,216,056 | 0 | 110,216,056 | 36.48 | 112,042,314 | 0 | 112,042,314 | 37.09 | 0.6 |
| 2) Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | 14,795,549 | 0 | 14,795,549 | 4.90 | 11,023,071 | 0 | 11,023,071 | 3.65 | (1.25) |
| b) Individual | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 5,927,758 | 4,485 | 5,932,243 | 1.96 | 7,032,061 | 4,615 | 7,036,676 | 2.33 | 0.37 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 312,000 | 0 | 312,000 | 0.10 | 284,033 | 0 | 284,033 | 0.09 | (0.01) |
| c) Others | | | | | | | | | |
| i) Foreign Nationals | 150 | 0 | 150 | 0.00 | 200 | 0 | 200 | 0.00 | 0.00 |
| ii) Non Resident Indian | 318,797 | 0 | 318,797 | 0.11 | 392,213 | 0 | 392,213 | 0.13 | 0.02 |
| ii) Clearing Member | 184,182 | 0 | 184,182 | 0.06 | 505,935 | 0 | 505,935 | 0.17 | 0.11 |
| iv) Trusts | 532,643 | 0 | 532,643 | 0.18 | 1,007,178 | 0 | 1,007,178 | 0.33 | 0.15 |
| v) Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B)(2) | 22,071,079 | 4,485 | 22,075,564 | 7.31 | 20,244,691 | 4,615 | 20,249,306 | 6.70 | (0.6) |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 132,287,135 | 4,485 | 132,291,620 | 43.79 | 132,287,005 | 4,615 | 132,291,620 | 43.79 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 302,075,575 | 4,485 | 302,080,060 | 100.00 | 302,075,445 | 4,615 | 302,080,060 | 100.00 | 0 |

ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|--------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | |
| 1. | Suzuki Motor Corporation | 169,788,440 | 56.21% | - | 169,788,440 | 56.21% | - | - |
| | Total | 169,788,440 | 56.21% | - | 169,788,440 | 56.21% | - | - |

iii) Change in Promoter's shareholding : There is no change

| | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|--|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | N.A. | N.A. | N.A. | N.A. |
| Date wise increase/ decrease in promoter's shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc): | N.A. | N.A. | N.A. | N.A. |
| At the end of the year | N.A. | N.A. | N.A. | N.A. |

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

| Sl. No. | Name of the Shareholder | Shareholding | | | | Cumulative shareholding during the year | | |
|---------|--|-------------------------------------|----------------------------------|------------|------------------------------------|---|---------------|----------------------------------|
| | | No. of Shares held as on 31/03/2015 | % of total Shares of the Company | Date | Increase/ Decrease in shareholding | Reason for change | No. of Shares | % of total shares of the Company |
| 1 | Life Insurance Corporation of India | 17932030 | 5.94 | 31/03/2015 | | | 17932030 | 5.94 |
| | | | | 10/04/2015 | -88459 | Transfer | 17843571 | 5.91 |
| | | | | 08/05/2015 | -119494 | Transfer | 17724077 | 5.87 |
| | | | | 22/05/2015 | -116232 | Transfer | 17607845 | 5.83 |
| | | | | 29/05/2015 | -253520 | Transfer | 17354325 | 5.74 |
| | | | | 05/06/2015 | -144818 | Transfer | 17209507 | 5.70 |
| | | | | 24/07/2015 | -205422 | Transfer | 17004085 | 5.63 |
| | | | | 31/07/2015 | -339428 | Transfer | 16664657 | 5.52 |
| | | | | 07/08/2015 | -299082 | Transfer | 16365575 | 5.42 |
| | | | | 14/08/2015 | -156068 | Transfer | 16209507 | 5.37 |
| | | | | 12/02/2016 | 194564 | Transfer | 16404071 | 5.43 |
| | | | | 19/02/2016 | 315310 | Transfer | 16719381 | 5.53 |
| | | | | 26/02/2016 | 300668 | Transfer | 17020049 | 5.63 |
| | | | | 04/03/2016 | 306800 | Transfer | 17326849 | 5.74 |
| | | | | 11/03/2016 | 55167 | Transfer | 17382016 | 5.75 |
| | | | | 31/03/2016 | 0 | | 17382016 | 5.75 |
| 2 | ICICI Prudential Life Insurance Company Ltd. | 3696842 | 1.22 | 31/03/2015 | | | 3696842 | 1.22 |
| | | | | 10/04/2015 | 35047 | Transfer | 3731889 | 1.24 |
| | | | | 17/04/2015 | 9523 | Transfer | 3741412 | 1.24 |
| | | | | 24/04/2015 | 7743 | Transfer | 3749155 | 1.24 |
| | | | | 01/05/2015 | 28362 | Transfer | 3777517 | 1.25 |
| | | | | 08/05/2015 | 17864 | Transfer | 3795381 | 1.26 |
| | | | | 15/05/2015 | 7261 | Transfer | 3802642 | 1.26 |
| | | | | 22/05/2015 | 12040 | Transfer | 3814682 | 1.26 |
| | | | | 29/05/2015 | -15463 | Transfer | 3799219 | 1.26 |
| | | | | 05/06/2015 | -107229 | Transfer | 3691990 | 1.22 |
| | | | | 12/06/2015 | -7869 | Transfer | 3684121 | 1.22 |
| | | | | 19/06/2015 | -533 | Transfer | 3683588 | 1.22 |
| | | | | 26/06/2015 | -75900 | Transfer | 3607688 | 1.19 |
| | | | | 30/06/2015 | -19043 | Transfer | 3588645 | 1.19 |
| | | | | 03/07/2015 | -50188 | Transfer | 3538457 | 1.17 |
| | | | | 10/07/2015 | 615 | Transfer | 3539072 | 1.17 |
| | | | | 17/07/2015 | -372 | Transfer | 3538700 | 1.17 |
| | | | | 24/07/2015 | 2777 | Transfer | 3541477 | 1.17 |
| | | | | 31/07/2015 | -36440 | Transfer | 3505037 | 1.16 |
| | | | | 07/08/2015 | -51050 | Transfer | 3453987 | 1.14 |
| | | | | 14/08/2015 | 24135 | Transfer | 3478122 | 1.15 |
| | | | | 21/08/2015 | 11507 | Transfer | 3489629 | 1.16 |
| | | | | 28/08/2015 | 39088 | Transfer | 3528717 | 1.17 |
| | | | | 04/09/2015 | -101137 | Transfer | 3427580 | 1.13 |
| | | | | 11/09/2015 | -42307 | Transfer | 3385273 | 1.12 |
| | | | | 18/09/2015 | -105816 | Transfer | 3279457 | 1.09 |
| | | | | 25/09/2015 | -89721 | Transfer | 3189736 | 1.06 |
| | | | | 30/09/2015 | -88013 | Transfer | 3101723 | 1.03 |
| | | | | 02/10/2015 | -37467 | Transfer | 3064256 | 1.01 |
| | | | | 09/10/2015 | 21282 | Transfer | 3085538 | 1.02 |
| | | | | 16/10/2015 | 1919 | Transfer | 3087457 | 1.02 |
| | | | | 23/10/2015 | -1438 | Transfer | 3086019 | 1.02 |
| | | | | 30/10/2015 | 5925 | Transfer | 3091944 | 1.02 |
| | | | | 06/11/2015 | -856 | Transfer | 3091088 | 1.02 |
| | | | | 13/11/2015 | -87736 | Transfer | 3003352 | 0.99 |
| | | | | 20/11/2015 | -205572 | Transfer | 2797780 | 0.93 |
| | | | | 27/11/2015 | -100000 | Transfer | 2697780 | 0.89 |

| Sl. No. | Name of the Shareholder | Shareholding | | | Cumulative shareholding during the year | | |
|---------|---|-------------------------------------|----------------------------------|------------|---|-------------------|--|
| | | No. of Shares held as on 31/03/2015 | % of total Shares of the Company | Date | Increase/ Decrease in shareholding | Reason for change | No. of Shares % of total shares of the Company |
| | | | | 04/12/2015 | -519109 | Transfer | 2178671 0.72 |
| | | | | 11/12/2015 | -14749 | Transfer | 2163922 0.72 |
| | | | | 18/12/2015 | -37837 | Transfer | 2126085 0.70 |
| | | | | 25/12/2015 | -10047 | Transfer | 2116038 0.70 |
| | | | | 31/12/2015 | 4844 | Transfer | 2120882 0.70 |
| | | | | 08/01/2016 | 58012 | Transfer | 2178894 0.72 |
| | | | | 15/01/2016 | -250 | Transfer | 2178644 0.72 |
| | | | | 22/01/2016 | -27898 | Transfer | 2150746 0.71 |
| | | | | 29/01/2016 | -55684 | Transfer | 2095062 0.69 |
| | | | | 05/02/2016 | 1690 | Transfer | 2096752 0.69 |
| | | | | 12/02/2016 | -82487 | Transfer | 2014265 0.67 |
| | | | | 19/02/2016 | 8425 | Transfer | 2022690 0.67 |
| | | | | 26/02/2016 | 4446 | Transfer | 2027136 0.67 |
| | | | | 04/03/2016 | 39501 | Transfer | 2066637 0.68 |
| | | | | 11/03/2016 | 10093 | Transfer | 2076730 0.69 |
| | | | | 18/03/2016 | 18 | Transfer | 2076748 0.69 |
| | | | | 25/03/2016 | 8425 | Transfer | 2085173 0.69 |
| | | | | 31/03/2016 | 4732 | Transfer | 2089905 0.69 |
| | | | | 31/03/2016 | 0 | | 2089905 0.69 |
| 3 | HDFC Trustee Company Limited-HDFC Equity Fund | 2456253 | 0.81 | 31/03/2015 | | | 2456253 0.81 |
| | | | | 03/07/2015 | -39275 | Transfer | 2416978 0.80 |
| | | | | 31/07/2015 | -10000 | Transfer | 2406978 0.80 |
| | | | | 23/10/2015 | -25000 | Transfer | 2381978 0.79 |
| | | | | 30/10/2015 | -31300 | Transfer | 2350678 0.78 |
| | | | | 15/01/2016 | -129000 | Transfer | 2221678 0.74 |
| | | | | 05/02/2016 | -100000 | Transfer | 2121678 0.70 |
| | | | | 12/02/2016 | -113000 | Transfer | 2008678 0.66 |
| | | | | 26/02/2016 | -40000 | Transfer | 1968678 0.65 |
| | | | | 18/03/2016 | -150000 | Transfer | 1818678 0.60 |
| | | | | 31/03/2016 | | | 1818678 0.60 |
| 4 | Government Pension Fund Global | 2356052 | 0.78 | 31/03/2015 | | | 2356052 0.78 |
| | | | | 17/04/2015 | -2616 | Transfer | 2353436 0.78 |
| | | | | 01/05/2015 | -3217 | Transfer | 2350219 0.78 |
| | | | | 08/05/2015 | -4908 | Transfer | 2345311 0.78 |
| | | | | 29/05/2015 | -222747 | Transfer | 2122564 0.70 |
| | | | | 05/06/2015 | -218276 | Transfer | 1904288 0.63 |
| | | | | 12/06/2015 | -86305 | Transfer | 1817983 0.60 |
| | | | | 03/07/2015 | -82645 | Transfer | 1735338 0.57 |
| | | | | 10/07/2015 | -52615 | Transfer | 1682723 0.56 |
| | | | | 14/08/2015 | -37761 | Transfer | 1644962 0.54 |
| | | | | 21/08/2015 | -7908 | Transfer | 1637054 0.54 |
| | | | | 04/09/2015 | -20567 | Transfer | 1616487 0.54 |
| | | | | 11/09/2015 | -31606 | Transfer | 1584881 0.52 |
| | | | | 25/09/2015 | 27903 | Transfer | 1612784 0.53 |
| | | | | 09/10/2015 | -87500 | Transfer | 1525284 0.50 |
| | | | | 27/11/2015 | -70164 | Transfer | 1455120 0.48 |
| | | | | 04/12/2015 | -30035 | Transfer | 1425085 0.47 |
| | | | | 11/12/2015 | -60495 | Transfer | 1364590 0.45 |
| | | | | 08/01/2016 | -69513 | Transfer | 1295077 0.43 |
| | | | | 22/01/2016 | -29976 | Transfer | 1265101 0.42 |
| | | | | 29/01/2016 | -86731 | Transfer | 1178370 0.39 |
| | | | | 04/03/2016 | 94195 | Transfer | 1272565 0.42 |
| | | | | 11/03/2016 | 47337 | Transfer | 1319902 0.44 |
| | | | | 18/03/2016 | -37695 | Transfer | 1282207 0.42 |

| Sl. No. | Name of the Shareholder | No. of Shares held as on 31/03/2015 | % of total Shares of the Company | Shareholding | | | Cumulative shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|--------------|-----------------------------------|-------------------|---|----------------------------------|
| | | | | Date | Increase/Decrease in shareholding | Reason for change | No. of Shares | % of total shares of the Company |
| | | | | 31/03/2016 | 55129 | Transfer | 1337336 | 0.44 |
| | | | | 31/03/2016 | | | 1337336 | 0.44 |
| 5 | New World Fund Inc | 2198000 | 0.73 | 31/03/2015 | | | 2198000 | 0.73 |
| | | | | 08/01/2016 | -346700 | Transfer | 1851300 | 0.61 |
| | | | | 15/01/2016 | -350000 | Transfer | 1501300 | 0.50 |
| | | | | 22/01/2016 | -292000 | Transfer | 1209300 | 0.40 |
| | | | | 12/02/2016 | -12549 | Transfer | 1196751 | 0.40 |
| | | | | 19/02/2016 | -944751 | Transfer | 252000 | 0.08 |
| | | | | 26/02/2016 | -21135 | Transfer | 230865 | 0.08 |
| | | | | 04/03/2016 | -93557 | Transfer | 137308 | 0.05 |
| | | | | 11/03/2016 | -57294 | Transfer | 80014 | 0.03 |
| | | | | 18/03/2016 | -80014 | Transfer | 0 | 0.00 |
| | | | | 31/03/2016 | | | 0 | 0.00 |
| 6 | HSBC Global Investment Funds A/C HSBC GIF Mauritius | 1924014 | 0.64 | 31/03/2015 | | | 1924014 | 0.64 |
| | | | | 10/04/2015 | -45 | Transfer | 1923969 | 0.64 |
| | | | | 01/05/2015 | -190571 | Transfer | 1733398 | 0.57 |
| | | | | 29/05/2015 | -17378 | Transfer | 1716020 | 0.57 |
| | | | | 05/06/2015 | -39206 | Transfer | 1676814 | 0.56 |
| | | | | 26/06/2015 | -61820 | Transfer | 1614994 | 0.53 |
| | | | | 24/07/2015 | -30000 | Transfer | 1584994 | 0.52 |
| | | | | 04/09/2015 | -2000 | Transfer | 1582994 | 0.52 |
| | | | | 11/09/2015 | -17575 | Transfer | 1565419 | 0.52 |
| | | | | 18/09/2015 | -10530 | Transfer | 1554889 | 0.51 |
| | | | | 30/09/2015 | -35000 | Transfer | 1519889 | 0.50 |
| | | | | 27/11/2015 | -26183 | Transfer | 1493706 | 0.49 |
| | | | | 04/12/2015 | -97007 | Transfer | 1396699 | 0.46 |
| | | | | 18/12/2015 | -30000 | Transfer | 1366699 | 0.45 |
| | | | | 31/03/2016 | | | 1366699 | 0.45 |
| 7 | Government of Singapore | 0 | 0.00 | 31/03/2015 | | | 0 | 0.00 |
| | | | | 30/10/2015 | 1457 | Transfer | 1457 | 0.00 |
| | | | | 06/11/2015 | 49872 | Transfer | 51329 | 0.02 |
| | | | | 13/11/2015 | 126481 | Transfer | 177810 | 0.06 |
| | | | | 20/11/2015 | 304494 | Transfer | 482304 | 0.16 |
| | | | | 27/11/2015 | 202709 | Transfer | 685013 | 0.23 |
| | | | | 04/12/2015 | 948669 | Transfer | 1633682 | 0.54 |
| | | | | 18/12/2015 | 4622 | Transfer | 1638304 | 0.54 |
| | | | | 31/12/2015 | -8420 | Transfer | 1629884 | 0.54 |
| | | | | 08/01/2016 | 26625 | Transfer | 1656509 | 0.55 |
| | | | | 15/01/2016 | -332 | Transfer | 1656177 | 0.55 |
| | | | | 22/01/2016 | -778 | Transfer | 1655399 | 0.55 |
| | | | | 29/01/2016 | 52779 | Transfer | 1708178 | 0.57 |
| | | | | 05/02/2016 | 112445 | Transfer | 1820623 | 0.60 |
| | | | | 12/02/2016 | 37682 | Transfer | 1858305 | 0.62 |
| | | | | 26/02/2016 | -772 | Transfer | 1857533 | 0.61 |
| | | | | 04/03/2016 | -4913 | Transfer | 1852620 | 0.61 |
| | | | | 11/03/2016 | -1816 | Transfer | 1850804 | 0.61 |
| | | | | 31/03/2016 | 8483 | Transfer | 1859287 | 0.62 |
| | | | | 31/03/2016 | | | 1859287 | 0.62 |

| Sl. No. | Name of the Shareholder | Shareholding | | | Cumulative shareholding during the year | | |
|---------|---|-------------------------------------|----------------------------------|------------|---|-------------------|--|
| | | No. of Shares held as on 31/03/2015 | % of total Shares of the Company | Date | Increase/ Decrease in shareholding | Reason for change | No. of Shares % of total shares of the Company |
| 8 | HDFC Trustee Company Limited - HDFC Top 200 Fund | 1788581 | 0.59 | 31/03/2015 | | | 1788581 0.59 |
| | | | | 10/04/2015 | -185200 | Transfer | 1603381 0.53 |
| | | | | 17/04/2015 | -32000 | Transfer | 1571381 0.52 |
| | | | | 05/06/2015 | -23000 | Transfer | 1548381 0.51 |
| | | | | 12/06/2015 | -169300 | Transfer | 1379081 0.46 |
| | | | | 10/07/2015 | -30000 | Transfer | 1349081 0.45 |
| | | | | 31/07/2015 | -50000 | Transfer | 1299081 0.43 |
| | | | | 23/10/2015 | -5000 | Transfer | 1294081 0.43 |
| | | | | 30/10/2015 | -131300 | Transfer | 1162781 0.38 |
| | | | | 31/03/2016 | | | 1162781 0.38 |
| 9 | Europacific Growth Fund | 1680000 | 0.56 | 31/03/2015 | | | 1680000 0.56 |
| | | | | 25/09/2015 | 700000 | Transfer | 2380000 0.79 |
| | | | | 30/09/2015 | 1033367 | Transfer | 3413367 1.13 |
| | | | | 02/10/2015 | 229421 | Transfer | 3642788 1.21 |
| | | | | 09/10/2015 | 597212 | Transfer | 4240000 1.40 |
| | | | | 16/10/2015 | 187447 | Transfer | 4427447 1.47 |
| | | | | 23/10/2015 | 312553 | Transfer | 4740000 1.57 |
| | | | | 26/02/2016 | -119953 | Transfer | 4620047 1.53 |
| | | | | 04/03/2016 | -453895 | Transfer | 4166152 1.38 |
| | | | | 11/03/2016 | -277965 | Transfer | 3888187 1.29 |
| | | | | 18/03/2016 | -388187 | Transfer | 3500000 1.16 |
| | | | | 31/03/2016 | | | 3500000 1.16 |
| 10 | HDFC Standard Life Insurance Company Limited | 1655719 | 0.55 | 31/03/2015 | | | 1655719 0.55 |
| | | | | 10/04/2015 | 17104 | Transfer | 1672823 0.55 |
| | | | | 17/04/2015 | 6026 | Transfer | 1678849 0.56 |
| | | | | 24/04/2015 | 30800 | Transfer | 1709649 0.57 |
| | | | | 01/05/2015 | 24038 | Transfer | 1733687 0.57 |
| | | | | 08/05/2015 | 20841 | Transfer | 1754528 0.58 |
| | | | | 15/05/2015 | 52600 | Transfer | 1807128 0.60 |
| | | | | 22/05/2015 | 55000 | Transfer | 1862128 0.62 |
| | | | | 29/05/2015 | 20000 | Transfer | 1882128 0.62 |
| | | | | 05/06/2015 | 49177 | Transfer | 1931305 0.64 |
| | | | | 12/06/2015 | 1610 | Transfer | 1932915 0.64 |
| | | | | 19/06/2015 | -7341 | Transfer | 1925574 0.64 |
| | | | | 26/06/2015 | 18348 | Transfer | 1943922 0.64 |
| | | | | 30/06/2015 | -10000 | Transfer | 1933922 0.64 |
| | | | | 03/07/2015 | -11841 | Transfer | 1922081 0.64 |
| | | | | 10/07/2015 | -5277 | Transfer | 1916804 0.63 |
| | | | | 24/07/2015 | -5333 | Transfer | 1911471 0.63 |
| | | | | 31/07/2015 | -1449 | Transfer | 1910022 0.63 |
| | | | | 07/08/2015 | 18 | Transfer | 1910040 0.63 |
| | | | | 14/08/2015 | -1250 | Transfer | 1908790 0.63 |
| | | | | 28/08/2015 | 575 | Transfer | 1909365 0.63 |
| | | | | 04/09/2015 | -3270 | Transfer | 1906095 0.63 |
| | | | | 11/09/2015 | 40039 | Transfer | 1946134 0.64 |
| | | | | 18/09/2015 | -193 | Transfer | 1945941 0.64 |
| | | | | 30/09/2015 | -24984 | Transfer | 1920957 0.64 |
| | | | | 02/10/2015 | -10500 | Transfer | 1910457 0.63 |
| | | | | 09/10/2015 | 10364 | Transfer | 1920821 0.64 |
| | | | | 16/10/2015 | -49990 | Transfer | 1870831 0.62 |
| | | | | 23/10/2015 | 5155 | Transfer | 1875986 0.62 |
| | | | | 30/10/2015 | -8624 | Transfer | 1867362 0.62 |
| | | | | 06/11/2015 | -8941 | Transfer | 1858421 0.62 |

| Sl. No. | Name of the Shareholder | Shareholding | | | | Cumulative shareholding during the year | | |
|---------|---|-------------------------------------|----------------------------------|------------|------------------------------------|---|---------------|----------------------------------|
| | | No. of Shares held as on 31/03/2015 | % of total Shares of the Company | Date | Increase/ Decrease in shareholding | Reason for change | No. of Shares | % of total shares of the Company |
| | | | | 13/11/2015 | -26960 | Transfer | 1831461 | 0.61 |
| | | | | 27/11/2015 | -116969 | Transfer | 1714492 | 0.57 |
| | | | | 04/12/2015 | -432470 | Transfer | 1282022 | 0.42 |
| | | | | 11/12/2015 | -23289 | Transfer | 1258733 | 0.42 |
| | | | | 18/12/2015 | -7632 | Transfer | 1251101 | 0.41 |
| | | | | 31/12/2015 | -25000 | Transfer | 1226101 | 0.41 |
| | | | | 01/01/2016 | -50000 | Transfer | 1176101 | 0.39 |
| | | | | 08/01/2016 | 17388 | Transfer | 1193489 | 0.40 |
| | | | | 15/01/2016 | 42272 | Transfer | 1235761 | 0.41 |
| | | | | 22/01/2016 | 28026 | Transfer | 1263787 | 0.42 |
| | | | | 29/01/2016 | -13000 | Transfer | 1250787 | 0.41 |
| | | | | 05/02/2016 | -49041 | Transfer | 1201746 | 0.40 |
| | | | | 12/02/2016 | 5295 | Transfer | 1207041 | 0.40 |
| | | | | 19/02/2016 | 56822 | Transfer | 1263863 | 0.42 |
| | | | | 26/02/2016 | 76 | Transfer | 1263939 | 0.42 |
| | | | | 04/03/2016 | -2572 | Transfer | 1261367 | 0.42 |
| | | | | 11/03/2016 | 73 | Transfer | 1261440 | 0.42 |
| | | | | 18/03/2016 | 16693 | Transfer | 1278133 | 0.42 |
| | | | | 25/03/2016 | 172 | Transfer | 1278305 | 0.42 |
| | | | | 31/03/2016 | 7000 | Transfer | 1285305 | 0.43 |
| | | | | 31/03/2016 | | | 1285305 | 0.43 |
| 11 | Fidelity Contrafund Fidelity Contrafund | 1468248 | 0.49 | 31/03/2015 | | | 1468248 | 0.49 |
| | | | | 24/07/2015 | 171121 | Transfer | 1639369 | 0.54 |
| | | | | 09/10/2015 | 148453 | Transfer | 1787822 | 0.59 |
| | | | | 22/01/2016 | 157370 | Transfer | 1945192 | 0.64 |
| | | | | 31/03/2016 | | | 1945192 | 0.64 |
| 12 | Copthall Mauritius Investment Limited | 507937 | 0.17 | 31/03/2015 | | | 507937 | 0.17 |
| | | | | 10/04/2015 | -7199 | Transfer | 500738 | 0.17 |
| | | | | 17/04/2015 | -2136 | Transfer | 498602 | 0.17 |
| | | | | 24/04/2015 | -2949 | Transfer | 495653 | 0.16 |
| | | | | 01/05/2015 | -2238 | Transfer | 493415 | 0.16 |
| | | | | 08/05/2015 | -1332 | Transfer | 492083 | 0.16 |
| | | | | 15/05/2015 | -4311 | Transfer | 487772 | 0.16 |
| | | | | 22/05/2015 | -130 | Transfer | 487642 | 0.16 |
| | | | | 29/05/2015 | -24000 | Transfer | 463642 | 0.15 |
| | | | | 05/06/2015 | -47281 | Transfer | 416361 | 0.14 |
| | | | | 12/06/2015 | -10750 | Transfer | 405611 | 0.13 |
| | | | | 19/06/2015 | -1366 | Transfer | 404245 | 0.13 |
| | | | | 26/06/2015 | 1575 | Transfer | 405820 | 0.13 |
| | | | | 10/07/2015 | 16700 | Transfer | 422520 | 0.14 |
| | | | | 17/07/2015 | -46100 | Transfer | 376420 | 0.12 |
| | | | | 24/07/2015 | 5000 | Transfer | 381420 | 0.13 |
| | | | | 14/08/2015 | -29308 | Transfer | 352112 | 0.12 |
| | | | | 28/08/2015 | 19150 | Transfer | 371262 | 0.12 |
| | | | | 11/09/2015 | -39450 | Transfer | 331812 | 0.11 |
| | | | | 25/09/2015 | -70831 | Transfer | 260981 | 0.09 |
| | | | | 30/09/2015 | -19485 | Transfer | 241496 | 0.08 |
| | | | | 09/10/2015 | 46118 | Transfer | 287614 | 0.10 |
| | | | | 16/10/2015 | 59205 | Transfer | 346819 | 0.11 |
| | | | | 23/10/2015 | -35453 | Transfer | 311366 | 0.10 |
| | | | | 30/10/2015 | -9133 | Transfer | 302233 | 0.10 |
| | | | | 06/11/2015 | 52324 | Transfer | 354557 | 0.12 |
| | | | | 13/11/2015 | 12018 | Transfer | 366575 | 0.12 |

| Sl. No. | Name of the Shareholder | Shareholding | | | Cumulative shareholding during the year | | |
|---------|-------------------------|-------------------------------------|----------------------------------|------------|---|-------------------|---------------|
| | | No. of Shares held as on 31/03/2015 | % of total Shares of the Company | Date | Increase/ Decrease in shareholding | Reason for change | No. of Shares |
| | | | | 20/11/2015 | 41183 | Transfer | 407758 |
| | | | | 27/11/2015 | 35782 | Transfer | 443540 |
| | | | | 04/12/2015 | 222700 | Transfer | 666240 |
| | | | | 11/12/2015 | 12083 | Transfer | 678323 |
| | | | | 18/12/2015 | -60 | Transfer | 678263 |
| | | | | 25/12/2015 | -28759 | Transfer | 649504 |
| | | | | 31/12/2015 | -4570 | Transfer | 644934 |
| | | | | 08/01/2016 | -10375 | Transfer | 634559 |
| | | | | 22/01/2016 | 12357 | Transfer | 646916 |
| | | | | 29/01/2016 | -87460 | Transfer | 559456 |
| | | | | 05/02/2016 | 282367 | Transfer | 841823 |
| | | | | 12/02/2016 | 53600 | Transfer | 895423 |
| | | | | 19/02/2016 | -18735 | Transfer | 876688 |
| | | | | 26/02/2016 | 63528 | Transfer | 940216 |
| | | | | 04/03/2016 | 48639 | Transfer | 988855 |
| | | | | 11/03/2016 | 16528 | Transfer | 1005383 |
| | | | | 18/03/2016 | 306176 | Transfer | 1311559 |
| | | | | 25/03/2016 | 93162 | Transfer | 1404721 |
| | | | | 31/03/2016 | 4037 | Transfer | 1408758 |
| | | | | 31/03/2016 | 0 | | 1408758 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | | | | |
| 1. | Mr. S. Ravi Aiyar, Executive Director (Legal) & Company Secretary | 1(one) | - | 1(one) | - |
| 2. | Mr. Ajay Seth, Chief Financial Officer | - | - | - | - |
| 3. | Directors | - | - | - | - |
| | Date wise increase/ decrease in share holding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.): | - | - | - | - |
| | At the end of the year | | | | |
| 1. | Mr. S. Ravi Aiyar, Executive Director (Legal) & Company Secretary | 1(one) | - | 1(one) | - |
| 2. | Mr. Ajay Seth, Chief Financial Officer | - | - | - | - |
| 3. | Directors | | | | |
| | Mr. R. P. Singh | 50(fifty) | negligible | 50(fifty) | negligible |

V. Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(In ₹)

| | Secured Loans excluding deposits | Unsecured Loans | Deposit | Total Indebtedness |
|---|-------------------------------------|----------------------|------------|----------------------|
| Indebtedness at the beginning of the financial year (31st March 2015) | | | | |
| (i) *Principal Amount | NIL | 5,156,055,334 | NIL | 5,156,055,334 |
| (ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| (iii) Interest accrued but not due | NIL | 254,220,566 | NIL | 254,220,566 |
| Total (i+ii+iii) | NIL | 5,410,275,901 | NIL | 5,410,275,901 |
| Change in *Indebtedness during the financial year | | | | |
| • Addition | NIL | 774,231,460 | NIL | 774,231,460 |
| • Reduction | NIL | (3,875,031,701) | NIL | (3,875,031,701) |
| Net Change | NIL | (3,100,800,241) | NIL | (3,100,800,241) |
| Indebtedness at the end of the financial year (31st March 2016) | | | | |
| (i) *Principal Amount | NIL | 2,308,984,273 | NIL | 2,308,984,273 |
| (ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| (iii) Interest accrued but not due | NIL | 491,387 | NIL | 491,387 |
| Total (i+ii+iii) | NIL | 2,309,475,660 | NIL | 2,309,475,660 |

*Includes revaluation effect on foreign currency borrowings

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director and Whole-time Directors

(In ₹)

| Sl. No. | Particulars of Remuneration | Mr. Kenichi Ayukawa | Mr. T. Hasuike | Mr. Shigetoshi Torii | Mr. Kazuhiko Ayabe | Total Amount |
|---------|---|---------------------|-------------------|----------------------|--------------------|--------------------|
| 1. | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 20,299,572 | 17,456,072 | 14,149,899 | 11,742,020 | 63,647,563 |
| | (b) Value of perquisites under section 17(2) of Income-tax Act, 1961 | 6,500,001 | 5,800,000 | 5,278,585 | 4,252,671 | 21,831,257 |
| | (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961 | - | - | - | - | - |
| | (d) Fee for attending board/ committee meetings | - | - | - | 100,000 | 100,000 |
| 2. | Stock Option | - | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - | - |
| 4. | Commission | | | | | |
| | - as % of profit | - | - | - | - | - |
| | - others, specify... | - | - | - | - | - |
| 5. | Other – Performance Linked Bonus | 12,745,000 | 10,875,000 | 9,090,000 | 7,575,000 | 40,285,000 |
| | Total (A) | 39,544,573 | 34,131,072 | 28,518,484 | 23,669,691 | 125,863,820 |
| | Ceiling as per the Act (₹ in million) | | | 6153 | | |

B. Remuneration to other Directors

(In ₹)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | |
|---------|---|-------------------|-------------------------|----------------------|------------------------|-------------------|
| 1. | Independent Director | Mr. Amal Ganguli | Mr. Davinder Singh Brar | Ms. Pallavi Shroff | Mr. Rajinder Pal Singh | Total Amount |
| | • Fee for attending board/committee meetings | 1,550,000 | 1,600,000 | 900,000 | 800,000 | 4,850,000 |
| | • Commission | 5,500,000 | 3,375,000 | 2,250,000 | 2,250,000 | 13,375,000 |
| | • Others, please specify | - | - | - | - | - |
| | Total (1) | 7,050,000 | 4,975,000 | 3,150,000 | 3,050,000 | 18,225,000 |
| 2. | Other Non-Executive Directors | Mr. R.C. Bhargava | Mr. Kinji Saito | Mr. Toshihiro Suzuki | Mr. Osamu Suzuki | Total Amount |
| | • Fee for attending board/committee meetings | 1,000,000 | 500,000 | 400,000 | 400,000 | 2,300,000 |
| | • Commission | 7,750,000 | - | - | - | 7,750,000 |
| | • Others, please specify | - | - | - | - | - |
| | Total (2) | 8,750,000 | 500,000 | 400,000 | 400,000 | 10,050,000 |
| | Total (B)=(1+2) | 15,800,000 | 5,475,000 | 3,550,000 | 3,450,000 | 28,275,000 |
| | Total Managerial Remuneration | | | | | 28,275,000 |
| | Overall ceiling as per the Act (₹ in million) | | | 615 | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total |
|---------|---|--------------------------|-------------------|-------------------|
| | | Mr. S. Ravi Aiyar | Mr. Ajay Seth | |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 16,124,842 | 18,055,402 | 34,180,244 |
| | (b) Value of perquisites under section 17(2) of Income-tax Act, 1961 | 287,763 | 342,513 | 630,276 |
| | (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | | | |
| | - as % of profit | - | - | - |
| | - others, specify... | - | - | - |
| 5. | Others, please specify | 452,399 | 467,089 | 919,488 |
| | Total | 16,865,004 | 18,865,004 | 35,730,008 |

VII. Penalties/ Punishment/ Compounding of Offences:

| Type | Section of the Companies Act | Brief description | Details of penalty/ punishment/ compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. Other Officers in Default | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the board of directors

R.C. BHARGAVA
Chairman

KENICHI AYUKAWA
Managing Director & CEO

New Delhi
26th April 2016

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not on arm's length basis

| Name of contract or arrangement | Name of related party | Nature of relationship | Duration of contract or arrangement | Salient terms of the contract or arrangement including the value, if any | Date(s) of approval by the board | Amount paid as advance, if any | Date on which special resolution was passed in general meeting as required under first proviso to Section 188 |
|--|--|--|--|--|--|--------------------------------|---|
| Contract Manufacturing Agreement (CMA) | Suzuki Motor Gujarat Private Limited (SMG) | Common Parent Entity- Suzuki Motor Corporation (SMC) | Initial period of 15 years which will be automatically extended for another 15 years unless terminated in accordance with the terms of CMA | 1. The CMA was entered into between Maruti Suzuki India Limited (MSIL) and SMG, for the purposes of setting up a manufacturing facility by SMG in the designated land. 2. SMG would manufacture and supply the vehicles and parts exclusively for MSIL. The entire arrangement would be on the basis that SMG does not have any profits or losses at the end of any financial year as set out in the CMA. 3. Any arrangements in relation to the procurement of capital assets by SMG from SMC and/or other related parties of SMG would require the prior approval of MSIL. 4. The capital expenditure to be incurred by SMG would be funded by way of funds raised from the issuance of equity share capital by SMG to SMC and depreciation. Additionally, the cost of the vehicles would be reduced to the extent of fiscal incentive received from the Government of Gujarat in relation to setting up of the project. 5. Upon termination of the arrangement, MSIL would have the option of purchasing SMC's shares in SMG at book value in the manner as prescribed under the CMA. | 1st October 2015 and 27th October 2015 | N.A. | 17th December 2015 |
| Lease Deed (LD) | Suzuki Motor Gujarat Private Limited (SMG) | Common Parent Entity- Suzuki Motor Corporation (SMC) | It will be co-terminus with the CMA and will be for an initial period of 15 years and will be automatically extended for another 15 years | The LD was entered into between MSIL and SMG for the purposes of effectuating the arrangements as set out in the CMA wherein MSIL would provide the land measuring 5,15,804 sq. mtr. at Hansapur at ₹ 46,731,842 per annum and 26,204 sq. mtr. at Sitapur at ₹ 31,86,406 per annum in the state of Gujarat, to SMG on lease. Under this LD, SMG would set up the manufacturing unit along with all ancillary facilities for manufacturing the vehicles and parts. The lease rental has been determined based on the opportunity cost of funds to MSIL which is at present 10% per annum. | 1st October 2015 and 27th October 2015 | N.A. | 17th December 2015 |

Annexure – C

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 Clause 49 of the Listing Agreement executed with the Stock Exchanges.

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

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

2. Objective

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

1.2. The Policy aims to provide:

- (i) Criteria of appointment and removal of Directors, KMPs and Senior Management;
- (ii) Criteria for determining qualifications, positive attributes and independence of a Director;
- (iii) Remuneration of Directors, KMPs and Senior Management;
- (iv) Principles for retaining, motivating and promoting talent and ensuring long term retention of talent and creating competitive advantage.

3. Board Diversity

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

Subject to the provisions of the Act and the Listing Agreement including rules and regulations made thereunder, 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 Agreement.

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 Agreement 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 Clause 49 of the Listing Agreement.

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 Agreement 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 Agreement 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 Chairman of various committees/the Board, their contribution to the conduct of the Company's business, etc.;

- (ii) Sitting fee for attending meetings of the Board and committees constituted by the Board;
- (iii) Reimbursement of expenses for participation in the meetings of the Board and other meetings.

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

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

- (i) Salary and allowances - fixed and variable besides other Benefits as per Rules contained in the HR Policy applicable to Senior Management Personnel;
- (ii) Retirement benefits including provident fund / gratuity / superannuation / leave encashment;
- (iii) Performance linked bonus.

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

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

9. Increments

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

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

10. Review/Amendment

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

Annexure Evaluation Criteria

The Act and the Listing Agreement requires the evaluation of performance of the Directors of the Company to be undertaken as under:

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

Annexure – D

Annual Report on CSR Activities

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

The Company's CSR activities are primarily in the areas of community development, road safety and skill development. To create a visible and lasting impact, the Company's approach is to focus on identified CSR programmes rather than spread resources thin over several projects.

The Company has designed and implemented social projects, in consultation with local communities, to have a meaningful impact on their lives.

To promote road safety, the Company has been setting up driving schools in collaboration with its dealers. However, their number is far from adequate considering the poor

facilities existing in India to train and test drivers before they are given licenses. The Company's efforts are to scale up the number of driving training schools, and undertake initiatives in collaboration with state governments to expand quality driving training in the country. The Company also promotes road safety through awareness campaigns, with a focus on youth and women drivers.

The Company is also committed to enhancing employability of underprivileged youth by improving the quality of skill training in Industrial Training Institutes (ITIs).

The Company's CSR projects are implemented in a structured manner, with clear objectives, plans, targets and with robust monitoring and evaluation parameters. Stakeholder engagement and shared value creation are the cornerstones of the CSR programmes of the Company.

Web link: <http://www.marutisuzuki.com/our-policies.aspx>

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

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

3. Average Net Profit of the Company for last three financial years.

Average net profit of the Company for last three financial years (2012-13, 2013-14 and 2014-15) calculated in accordance with the provisions of the Section 198 is ₹ 3269.10 crore.

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

Two percent of the average net profit for last three financial years is ₹ 65.40 crore.

5. Details of CSR spent during the financial year:

A. Total amount to be spent for the financial year: The Company was required to spend ₹ 65.40 crore in 2015-16 on CSR activities. As per the CSR Policy of the Company, an unspent amount of ₹12.86 crore from the CSR spend requirement of 2014-15 was carried forward to the CSR budget of 2015-16 and spent fully on CSR activities in 2015-16.

The Company had spent ₹ 37.25 crore in 2014-15. In 2015-16, the Company was able to scale up CSR spent to ₹78.46 crore i.e. 2.4% of the average net profit for last three financial years.

B. Amount unspent: Nil

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

(in ₹ Crore)

| Sl. No. | CSR project / activity identified | Sector in which the Project is covered | Projects / Programmes 1.Local area/others- 2.Specify the state and district where projects or programs were undertaken | Amount outlay (budget) project/ programs wise | Amount spent on the project /programs Subheads: 1.Direct expenditure on project, 2.Overheads | Cumulative spend up to the reporting period | Amount spent: Direct /through implementing agency | |
|-----------------------|---|--|--|---|--|---|---|--------|
| | | | | | Direct | Overhead* | | |
| Community Development | | | | | | | | |
| 1. | Water & Sanitation projects: Including Sewer Lines, Bore wells, water tanks ,potable drinking water ATMs, Village Waste Collection & Disposal, Construction of Household toilets | Sanitation and Safe Drinking Water | 1. Local 2. Gurgaon and Rohtak districts (Haryana), Ahmedabad district (Gujarat) | 13.9 | 14.06 | 0.05 | 14.11 | Direct |
| 2. | Rural Development Projects: community halls , cremation grounds, parks, village streets and roads, playgrounds, etc. | Rural Development Projects | 1. Local 2. Gurgaon and Rohtak districts (Haryana) | 10 | 6.64 | 2.19 | 8.83 | Direct |
| 3. | Education projects : Upgradation of government school infrastructure and improve learning level of students and all round development of students and youth in the community. Scholarship to students from local community etc. | Promoting Education | 1. Local 2. Gurgaon and Rohtak districts (Haryana), Ahmedabad district (Gujarat) | 9.25 | 9.17 | 0.07 | 9.24 | Direct |
| Skill Development | | | | | | | | |
| 1. | Upgradation of Government Vocational and Technical Training Institutes: Training and Capacity Building of teachers, Add –on courses, industry exposure for students, repair and maintenance of workshops, providing teaching aids etc. | Employment Enhancing Vocational Skills | 1. Pan India | 4.76 | 3.47 | 0.18 | 3.65 | Direct |
| 2. | Skill enhancement in Automobile Trade at Industrial Training Institutes (ITI) Support upgradation of automobile trade at ITI's. Upgradation of training facilities, train the trainers, provision of study material and practical training | Employment Enhancing Vocational Skills | 1. Pan India | 5.0 | 6.23 | 0 | 6.23 | Direct |
| Road Safety | | | | | | | | |
| 1. | Skill Development in Driving training: Create facilities for training professional drivers, train the trainer, Development of content, new methods of training, and sponsor driving training of novice and existing drivers. | Promoting Education, Vocational Skills | 1. Pan India | 18.2 | 13.25 | 0.14 | 13.39 | Direct |

(in ₹ Crore)

| Sl. No. | CSR project / activity identified | Sector in which the Project is covered | Projects / Programmes 1. Local area/others- 2. Specify the state and district where projects or programs were undertaken | Amount outlay (budget) project/ programs wise | Amount spent on the project /programs Subheads: 1.Direct expenditure on project, 2.Overheads | | Cumulative spend up to the reporting period | Amount spent: Direct /through implementing agency |
|---|--|--|--|---|---|-----------|---|---|
| | | | | | Direct | Overhead* | | |
| 2. | Road Safety Awareness: Campaigns at college, schools, and during road safety week/month. Road safety awareness campaigns on TV, radio, and print media. | Promoting Education | 1. Pan India | 9.25 | 12.52 | 0 | 12.52 | Direct |
| 3. | Developing driving training Infrastructure | Vocational Skills | 1. Pan India | 3.34 | 4.30 | 0 | 4.30 | Direct |
| 4. | City Specific Road Safety: Road safety awareness among citizens for road accidents reductions, analysis of accidents to make the city model in terms of road safety. | Promoting Education | 1. Local 2. Gurgaon district (Haryana) | 2.5 | 0.53 | 0.04 | 0.57 | Direct |
| Total (A) | | | | | | | 72.84 | |
| Others | | | | | | | | |
| Contribution to Prime Minister's National Relief Fund | | | | | | | 3.02 | |
| Total (B) | | | | | | | 75.86 | |
| CSR Administrative Overheads** | | | | | | | | |
| Common Administrative Overheads (Salary of CSR staff and expenditure on training and capacity building) (C) | | | | | | | 2.60 | |
| Grand Total (B+C) | | | | | | | 78.46 | |

* Overheads means costs related to travel for project implementation, project documentation cost etc.

** Administrative Overheads means costs related to training & capacity building; salary of on roll and outsourced CSR staff

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

Not applicable (The Company spent over 2% of the Average Net Profit of the last 3 financial years in 2015-16).

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

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

For and on behalf of the board of directors

R.C. BHARGAVA
Chairman

KENICHI AYUKAWA
Managing Director & CEO

New Delhi
26th April 2016

Annexure - E

Information in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the board's report for the year ended 31st March 2016.

A. Energy Conservation

The Company continued its energy conservation drive with main focus on reducing energy cost and improving efficiency through adoption of new technology and optimisation of operation. The Company spent ₹ 31.46 million as capital investment towards energy conservation equipments. Energy saving initiatives throughout the plant helped the Company in reducing energy cost. Some of the activities carried out during the year towards environment, energy and water conservation are mentioned as under:

1. Energy Cost Reduction

- a) Increased loading of steam turbine generator in Manesar by efficient running of waste heat recovery boiler.
- b) Optimisation of power resources by use of low pressure steam turbine generator and auxiliary boiler on Sundays and other holidays.
- c) Enhanced use of power procured from government in furnaces, cooling towers and boiler feed pump.
- d) Alternate sourcing of electricity through open access.

2. Energy Conservation

- a) Increasing efficiency of compressed air plant by reduction of generating air pressure in Manesar casting plant.
- b) Provision of energy efficient drives like cyclo's, twin lobe blowers, submersible mixer in water treatment plant and energy efficient motors in blowers and cooling fans.
- c) Optimisation of process steam pressure by installation of pressure reducing and de-superheating station (PRDS).

3. Reliability / Process Improvement

- a) Design improvement of cooling air system to enhance air flow in casting plant.
- b) Replacement of single core high tension (HT) cable with three core cable to enhance reliability of power distribution system.
- c) Upgradation of turbocharger system in gas generator for instantaneous loads.

4. Safety Improvement

- a) Replacement of mild steel rubber lined tank by spiral polypropylene tank, for hydrochloric acid (HCL) storage to enhance safety.
- b) Installation of flow based odourisation system for quick alarm in case of natural gas leakage.

5. Conservation of water

- a) Installation of condensate recovery from steam distribution system.
- b) Increased water recycling by installation of additional stage reverse osmosis in effluent treatment plant.

B. Research & Development (R&D)

The Company continues its effort on developing new products and technologies to meet growing customer expectations. The Company has consistently focused to design and develop global products using in-house capability and capacity.

The Company's R&D center with 1300 engineers and equipped with world class test and evaluation facilities, developed various new models across the segments. Three new models, premium cross over S-Cross, a premium hatchback Baleno and compact sport utility vehicle (SUV) Vitara Brezza were launched in 2015-16. The R&D center is developing many new models for future.

Vitara Brezza is a major milestone for the Company, as it is the first vehicle by the Company to be conceptualised, designed and developed in India using Suzuki Motor Corporation (SMC's) core technology, platform and engine.

The Company's approach was to focus on the key areas like engineer skill up-gradation, design capability, capacity enhancement and efficiency improvement. The Company continues to invest in its world class R&D facilities at the Rohtak R&D center. Many new regulations are being introduced covering safety and environmental aspects. The Rohtak's R&D center facilities will help in testing and validating products to meet these future regulations. The Company will be able to offer vehicles which are safer, environment friendly, provide enhanced comfort and convenience to the customers. A number of facilities like endurance test tracks, passive safety lab, vehicle dynamic lab, noise, vibration and harshness (NVH), ride handling, braking and structural durability lab were made operational and used in the development of various models. The new facilities will help in:

- Improving testing and judgment capability.
- Improving co-relation between physical and virtual evaluation to reduce the number of physical prototypes in the development cycle.
- Benchmarking performance of vehicles and incorporate the learning in future models.

To further build on engineering capability, the Company continues to work on various advance engineering projects that will be in production in near future. The Company is also working along with Government of India for faster adoption and manufacturing of hybrid and electric vehicles in India.

Specific areas in which R & D has been carried out

During designing and engineering of new vehicles and enhancement of existing models, the Company seeks to regularly develop new technologies. During the year, based on original work done by the Company engineers, sixty patent applications were filed and forty four technical papers were presented at various national and international conferences. This continuous development of new engineering designs and technology has

helped us in delivering better value to the customers in following areas:

Comfort and convenience

- Features like auto on/off headlamp, rain sensing wiper, smart play infotainment system with Apple car play, sunvisor with inbuilt lamp light, keep cool upper glove box, etc. were introduced for enhanced passenger comfort and convenience.
- Development of transmission unit with new shift tower concept to improve the overall gear shift feeling.
- Compact powertrain packaging to give customer more cabin space.
- Unique flip folded seats to ensure that the customer enjoys flexible boot space along with flat bed.

Improved aesthetics

- Introduction of new decoration process like hot stamping for improved interior finish.
- Roof lining made of knitted fabric was introduced to improve aesthetic appeal.
- Rendertech technology was used for the first time for geometric grain pattern on dash board for improved appearance and finish.
- Introduced dual tone exterior body color with a floating roof design concept.
- New composite material polyurethane (PU) and glass fibre sandwich of luggage board which is lighter and stronger.

NVH and safety

- Effective use of acoustic insulation and absorption materials around the cabin and engine compartment to ensure a silent cabin.
- New NVH facility at Rohtak was used for noise sensitivity analysis to identify the critical noise path and take suitable countermeasure to meet design performance.
- Considering the safety awareness in-house crash development for the Company's models was done using the Rohtak crash facility.

Weight reduction and fuel efficiency improvement

- Extensive usage of high strength and ultra high strength steel to make light weight yet rigid body in white (BIW) structure with enhanced crash performance.
- High tensile seat frame and mechanism for weight reduction.
- New light weight, efficient heating, ventilation and air conditioning (HVAC) platform in Baleno.
- Usage of alternate materials in exterior trims and body equipment for weight reduction.
- Use of computer aided engineering (CAE) for improvement of powertrain thermal and combustion efficiencies.
- Advances in engine calibration, high compression ratio designs, low friction engine oils, precision throttle control technology are some of the R&D focus areas to improve fuel efficiency.
- Reduction of transmission unit weight and transmission oil quantity by optimising the shape of transmission case in Alto.

- Other methods adopted were light-weighting of engine unit and auxiliaries and chassis aggregates. Use of computational fluid dynamics (CFD) analysis to reduce coefficient-of-drag (Cd), use of low drag brake calipers and low rolling resistance tires, etc. thereby improving fuel efficiency.
- Strengthened benchmarking capability to enhance in-house R&D capability progressively looking for opportunities for fuel efficiency improvement, light weighting, performance improvement, etc.

Benefits derived as a result of above efforts

- Launched Celerio diesel powered by DDiS 125 diesel engine which is a completely aluminum diesel engine designed by SMC for India and made in India.
- Launched Baleno the Company's first model exported to Japan and will also be exported to Europe.
- Launched Smart Hybrid Vehicle by Suzuki (SHVS) in Ciaz and Ertiga.
- Dzire is the first diesel vehicle in the Company's portfolio with Auto Gear Shift (AGS). AGS also launched in Wagon-R.
- Apple car play (smart play infotainment system) introduced in Baleno, Ciaz, Ertiga, S-Cross and Vitara Brezza.
- Alto 800 and Alto K10 base variant are now offered with option of driver side airbag and left-outside rear view mirror (ORVM) for increased safety.
- During the year, the Company has created a new segment of premium X-over by launching S-Cross. S-Cross was launched with DDiS200 and DDiS320 engines and is being sold through NEXA channel.
- Vitara Brezza, first compact SUV from the Company with DDiS200 engine.
- The Company saved ₹ 420 million by localisation and ₹ 2185 million from implementation of Value Analysis/Value Engineering (VA/VE) proposals.

Future plan of action

Customer aspirations and demands are evolving. There is demand of attractive design, higher fuel efficiency, improved comfort and convenience and enhanced safety. To ensure that customer and regulatory requirements are addressed effectively, R&D team is working proactively in the following areas:

- Introduction of new models, full model changes and minor changes.
- Development of technologies for upcoming safety regulations in the existing as well as the upcoming new models.
- Preparation for implementation of new emission regulations which are being announced by the Government of India.
- Review of engine line up to provide multiple engine options.
- Introduction of new technology to meet corporate average fuel efficiency (CAFÉ) targets in future.
- New generation platforms, use of ultra-high tensile steel for stronger, safer, lighter and more fuel efficient vehicles.
- Capability enhancement in the field of electric vehicle/hybrid electric vehicle (EV/HEV).
- Development of light weight and efficient transmission for small cars.
- New technologies in lighting, interiors and exteriors.
- Use of internal heat exchanger for improvement in passenger comfort.

C. Technology Absorption, Adaptation and Innovation

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

- Design of components and systems using a robust design review process.
- Implementation of design failure mode and effect analysis (DFMEA) as a part of product design process to enhance design robustness.
- Component and sub-component level localisation, development and testing of parts for new models.
- Design of vehicle body using high tensile material and new light weight energy efficient structure.
- Capabilities enhanced in component and vehicle evaluation, component level CAE, benchmarking and design optimisation.
- Capability augmentation in the area of alternative fuels and power train through various study projects.
- VE during new model designing phase to maximise cost benefit.
- Idea generation for future design, quality up-gradation and cost reduction by teardown and benchmarking.
- Preparation of knowledge documents based on the market feedback to enhance future R&D capabilities for improved product quality for future models.

2. Benefits derived as a result of above efforts

- Lower costs due to high local content in new models and continuous reduction in product cost of existing models.
- Weight reduction of parts without compromising performance and durability.
- Improved fuel efficiency.
- Improved profitability of models.
- Improved productivity.
- Improved customer perception on technology front.

3. Technology inducted

- SHVS is a new age technology for lowering CO₂ emission. It includes integrated starter generator (ISG), regenerative braking, torque assist and idle start-stop function thereby resulting in FE improvement with respect to conventional engines.

- Baleno is the first vehicle in India in which Apple car play was introduced. Apple car play offers the best in car experience for iPhone users and lets the driver control all the multimedia functions via voice commands.
- Light emitting diode (LED) daytime running lamps and follow me home/ auto headlamps introduced in Baleno.
- Ultra-violet (UV) cut side door glasses were introduced for the first time in Baleno. It reduces impact of harmful UV rays, up to as high as 85% and still meets light transmission regulation requirements.
- High intensity discharge (HID) headlamps introduced in S-Cross for improved visibility.

Year of Import: 2015-16

Status of absorption: The technologies have been fully absorbed.

Expenditure incurred on R&D

| (₹ in million) | | |
|---------------------------|---------|---------|
| Particulars | 2015-16 | 2014-15 |
| A Capital Expenditure | 3,289 | 3,220 |
| B Net Revenue Expenditure | 2,646 | 3,340 |
| Total | 5,935 | 6,560 |

D. Foreign Exchange Earnings & Outgo (Cash Basis)

During the year, total inflows (on cash basis) in foreign exchange were ₹ 46,728 million and total outflows (on cash basis) in foreign exchange were ₹ 81,201 million.

For and on behalf of the board of directors

R.C. BHARGAVA
Chairman

KENICHI AYUKAWA
Managing Director & CEO

New Delhi
26th April 2016

Annexure – F

Form No. MR – 3

Secretarial Audit Report

For the financial year ended on 31st March 2016

[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]

To
The Members
Maruti Suzuki India Limited
New Delhi

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 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 **31st March, 2016**, 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, minutes books, forms and returns filed and other records maintained by **Maruti Suzuki India Limited** ("the Company") for the financial year ended on 31st March, 2016 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 to the extent of Foreign Direct Investment and External Commercial Borrowings. 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) 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;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 15th May, 2015;
 - (d) 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.

- 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

We further report that for the compliances of 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 General laws and Labour Laws.

We further report that during the period under review the Company has complied with the Listing Agreement, to the extent applicable, entered into by the Company with National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The Board of Directors has authorised the Managing Director & Company Secretary to execute revised listing agreement with the stock exchanges in its meeting held on January 28, 2016.

We have also examined compliances with the applicable clauses of Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent applicable.

We further report that 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 further report that on the basis of the forms, returns and registers maintained, the Board had the requisite balance of rotational, non-rotational, independent and woman director and the composition of the Board was as per provisions of the Act during the period under review. 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. The composition as on 31st March, 2016 during the period under review is mentioned in **Annexure I**.

The Company has intimated all the Directors about the dates of the board/committee meetings before the beginning of the financial year. Further, all notices were sent in advance to all Directors to schedule the Board Meetings. The agenda of the meeting was sent adequately in advance 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. Further, majority decisions were carried through while the dissenting members' views, if any, was captured and recorded as part of the minutes.

We further report that there were 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.

The Board periodically reviewed reports of the compliances 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 were assigned to specified individuals. The software enables in planning and monitoring all compliance activities across the Company.

As per the records, the Company had filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies ('ROC') and other authorities and all the formalities relating to the same in compliance with the Act.

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:-

- (i) The Board of Directors of the Company at the meeting of the Board held on October 27, 2015, on recommendation of the Audit Committee, approved a Scheme of Amalgamation between the Company and, the Amalgamating Companies, that is, seven wholly owned subsidiaries of the Company viz,
 - (a) Maruti Insurance Business Agency Limited;
 - (b) Maruti Insurance Agency Services Limited;
 - (c) Maruti Insurance Distribution Services Limited;
 - (d) Maruti Insurance Agency Logistics Limited;
 - (e) Maruti Insurance Agency Solutions Limited;
 - (f) Maruti Insurance Broker Limited; and
 - (g) Maruti Insurance Agency Network Limited,

and the respective shareholders and creditors of the Amalgamating Companies in terms of Section 391-394 of Companies Act, 1956 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013 ("Scheme").

- (ii) The Company by the way of Postal Ballot had sought approval of the members for related party transaction with Suzuki Motor Gujarat Private Limited.

For RMG & Associates

Company Secretaries

CS MANISH GUPTA

Partner

FCS : 5123; C.P. No.: 4095

New Delhi

26th April 2016

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

Annexure I

Composition of the Board of Directors as on 31st March, 2016

| Sl. No. | Name | Designation | Category |
|---------|-------------------------------|---------------------------|-------------------------------|
| 1 | Mr. Ravindra Chandra Bhargava | Chairman | Chairman and Non-Executive |
| 2 | Mr. Kinji Saito | Director | Non-Executive |
| 3 | Mr. Osamu Suzuki | Director | Non-Executive |
| 4 | Mr. Toshihiro Suzuki | Director | Non-Executive |
| 5 | Mr. Kazuhiko Ayabe | Director | Non-Executive |
| 6 | Mr. Rajinder Pal Singh | Director | Non-Executive and Independent |
| 7 | Mr. Amal Ganguli | Director | Non-Executive and Independent |
| 8 | Mr. Davinder Singh Brar | Director | Non-Executive and Independent |
| 9 | Ms. Pallavi Shroff | Director | Non-Executive and Independent |
| 10 | Mr. Toshiaki Hasuike | Joint Managing Director | Executive |
| 11 | Mr. Kenichi Ayukawa | Managing Director and CEO | Executive |
| 12 | Mr. Shigetoshi Torii | Director (Production) | Executive |

Notes:-

- 1) Mr. Ravindra Chandra Bhargava is the Chairman and Non-Executive Director.
- 2) Out of the total composition of Board of Directors 1/3rd are Independent Directors.
- 3) Out of the total composition of Board of Directors more than 50% are Non-Executive Directors.

Annexure II

The Members

Maruti Suzuki India Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. 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.

For RMG & Associates

Company Secretaries

CS MANISH GUPTA

Partner

FCS : 5123; C.P. No.: 4095

New Delhi

26th April 2016

Corporate Governance Report

Corporate Governance Philosophy

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

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

Management Structure and Shared Leadership

The Company has a multi-tier management structure with the Board of Directors at the top. The Company has five business verticals viz. Quality Assurance, Production, Engineering, Supply Chain and Marketing & Sales. Besides the above, the support functions of Human Resources, Legal & Company Secretary, Finance, Information Technology and Corporate Planning report directly to the Managing Director & CEO. The top level management of these verticals consists of a team of two persons, one of whom is a Japanese manager and the other, an Indian manager. The managers at the top level are designated as Executive Officers (EO). The board meetings of the Company mark the presence of all the EOs, as they act as a channel between the board above them and the employees working under them. This structure not

only allows easy and quick communication of field information to the board members but also gives the top management the opportunity to give recommendations relevant to their business operations. The executive officers are supported by divisional heads and departmental heads. Through this, it is ensured that:

- Strategic supervision is provided by the board;
- Control and implementation of the Company's strategy is achieved effectively;
- Operational management remains focused on implementation;
- Information regarding the Company's operations and financial performance are made available adequately;
- Delegation of decision making with accountability is achieved;
- Financial and operating control and integrity are maintained at an optimal level;
- Risk is suitably evaluated and dealt with.

Board of Directors

Composition of the Board

As on 31st March 2016, 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. Their composition is given in **Table 1**. Except Mr. O. Suzuki and Mr. Toshihiro Suzuki who are related to each other, none of the 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 2016

| S. No. | Name | Category | No. of directorship(s) | | No. of committee(s) | |
|--------|-------------------------|--------------------------------------|------------------------|---------|------------------------------------|----------|
| | | | Public | Private | Member (including chairpersonship) | Chairman |
| 1 | Mr. R. C. Bhargava | Chairman, Non-Executive | 8 | 1 | 7 | 2 |
| 2 | Mr. Kenichi Ayukawa | Managing Director and CEO, Executive | 6 | - | 2 | - |
| 3 | Mr. Toshiaki Hasuie | Executive | 1 | 1 | - | - |
| 4 | Mr. Shigetoshi Torii | Executive | 1 | 1 | - | - |
| 5 | Mr. Kazuhiko Ayabe | Non-Executive | 3 | - | - | - |
| 6 | Mr. Osamu Suzuki | Non-Executive | 1 | - | - | - |
| 7 | Mr. Toshihiro Suzuki | Non-Executive | 1 | - | - | - |
| 8 | Mr. Kinji Saito | Non-Executive | 1 | - | - | - |
| 9 | Mr. Amal Ganguli | Independent | 10 | 3 | 10 | 4 |
| 10 | Ms. Pallavi Shroff | Independent | 5 | 11 | 2 | - |
| 11 | Mr. Davinder Singh Brar | Independent | 4 | 12 | 7 | 1 |
| 12 | Mr. R.P.Singh | Independent | 2 | 1 | 1 | - |

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 Chairman of more than 5 committees across all listed companies in which he/she is a Director.

Except Mr. R.P. Singh who holds 50 equity shares, none of the Directors holds equity shares in the Company.

Board Meetings

The board met seven times during the year on 27th April 2015, 28th July 2015, 23rd September 2015, 1st October 2015, 27th October 2015, 28th January 2016 and 17th March 2016. 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 2015-16

| Name | Number of Board Meetings attended (Total meetings held: 7) | Whether attended last AGM |
|-------------------------|--|---------------------------|
| Mr. R. C. Bhargava | 7 | Yes |
| Mr. Kenichi Ayukawa | 7 | Yes |
| Mr. Toshiaki Hasuike | 7 | Yes |
| Mr. Kazuhiko Ayabe | 7 | Yes |
| Mr. Shigetoshi Torii | 7 | Yes |
| Mr. Osamu Suzuki* | 4 | Yes |
| Mr. Toshihiro Suzuki* | 3 | Yes |
| Mr. Kinji Saito | 5 | Yes |
| Mr. Amal Ganguli | 7 | Yes |
| Mr. Davinder Singh Brar | 7 | Yes |
| Mr. R.P. Singh | 7 | Yes |
| Ms. Pallavi Shroff | 4 | Yes |

*Mr. Osamu Suzuki and Mr. Toshihiro Suzuki did not attend the two meetings held on 23rd September, 2015 and 1st October, 2015 as they were deemed to be interested in the matter of related party transaction with Suzuki Motor Gujarat Private Limited which was the sole agenda discussed by the board in these two meetings.

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 27th April 2015, 28th July 2015, 23rd September 2015, 1st October 2015, 27th October 2015, 28th January 2016 and 22nd March 2016. All the members of the audit committee are financially literate and Mr. Amal Ganguli, the Chairman, has expertise in accounting and financial management. The Chairman attended the last annual general meeting to answer shareholders' queries.

Table 3

Composition and Attendance

| Name | Category | Designation | No. of meetings attended in 2015-16 (Total meetings held: 7) |
|-------------------------|-------------|-------------|--|
| Mr. Amal Ganguli | Independent | Chairman | 7 |
| Mr. Kenichi Ayukawa | Executive | Member | 7 |
| Mr. Davinder Singh Brar | Independent | Member | 7 |
| Ms. Pallavi Shroff | Independent | Member | 5 |

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. To 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. To review the functioning of the whistle blower mechanism.
19. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the charter of the audit committee.

II. Stakeholders' Relationship Committee

Composition and Meetings

Table 4 shows the composition of the Stakeholders' Relationship Committee and the details of attendance. Mr. R. C. Bhargava, the Chairman attended the last annual general meeting to address shareholders' queries.

Table 4
Composition and Attendance

| Name | Category | Designation | No. of meetings attended in 2015-16 (Total meetings held: 1) |
|-------------------------|---------------|-------------|--|
| Mr. R.C. Bhargava | Non-Executive | Chairman | 1 |
| Mr. Davinder Singh Brar | Independent | Member | 1 |
| Mr. Kenichi Ayukawa | Executive | Member | 1 |

The Company Secretary is the compliance officer and acts as the secretary to the committee.

Objective

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

In order to provide efficient and timely services to the investors, the board has delegated the power of approval of issue of duplicate / split / consolidation of share certificates, transfer of shares, transmission of shares, dematerialisation / rematerialisation of shares not exceeding 2000 equity shares per transaction to the Managing Director and Company Secretary severally.

Investor Grievance Redressal

During the year, 34 complaints were received and resolved. No transfer of shares was pending as on 31st March 2016.

III. Nomination and Remuneration Committee (NRC)

Composition and Meetings

Table 5 shows the composition of the Nomination and Remuneration Committee and the details of attendance.

Table 5

Composition and Attendance

| Name | Category | Designation | No. of meetings attended in 2015-16 (Total meetings held: 3) |
|-------------------------|---------------|-------------|--|
| Mr. Amal Ganguli | Independent | Chairman | 3 |
| Mr. R.C. Bhargava | Non-Executive | Member | 3 |
| Mr. Davinder Singh Brar | Independent | Member | 3 |
| Mr. Toshihiro Suzuki | Non-Executive | Member | 2 |

The Company Secretary acts as the secretary to the Nomination and Remuneration Committee.

Terms of Reference

The role/terms of reference of the 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 for the performance of every Director and the board as a whole.
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. 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 Regulation 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 6 gives details of the remuneration for the financial year ended 31st March 2016. The Company did not advance any loans to any of its Directors in the year under review.

Table 6

Details of Remuneration for the Financial Year ended 31st March 2016

(in ₹)

| Name | Salary & Perquisites | Performance Linked Bonus* | Sitting Fees | Commission | Total |
|-------------------------|----------------------|---------------------------|--------------|------------|------------|
| Mr. R.C. Bhargava | - | - | 1,000,000 | 7,750,000 | 8,750,000 |
| Mr. Kenichi Ayukawa | 26,799,573 | 12,745,000 | - | - | 39,544,573 |
| Mr. Toshiaki Hasuike | 23,256,072 | 10,875,000 | - | - | 34,131,072 |
| Mr. Kazuhiko Ayabe | 15,994,691 | 7,575,000 | 100,000 | - | 23,669,691 |
| Mr. Shigetoshi Torii | 19,428,484 | 9,090,000 | - | - | 28,518,484 |
| Mr. Kinji Saito | - | - | 500,000 | - | 500,000 |
| Mr. Toshihiro Suzuki | - | - | 400,000 | - | 400,000 |
| Mr. Osamu Suzuki | - | - | 400,000 | - | 400,000 |
| Mr. Amal Ganguli | - | - | 1,550,000 | 5,500,000 | 7,050,000 |
| Mr. Davinder Singh Brar | - | - | 1,600,000 | 3,375,000 | 4,975,000 |
| Ms. Pallavi Shroff | - | - | 900,000 | 2,250,000 | 3,150,000 |
| Mr. Rajinder Pal Singh | - | - | 800,000 | 2,250,000 | 3,050,000 |

*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 Nomination and Remuneration Policy.

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 ₹ 30 million per annum. The criteria for the purpose of determination of the amounts of commission are in accordance with the Nomination and Remuneration Policy.

IV. Corporate Social Responsibility Committee (CSR)

Composition and Meetings

Table 7 shows the composition of the Corporate Social Responsibility Committee and the details of attendance.

Table 7

Composition and Attendance

| Name | Category | Designation | No. of meetings attended in 2015-16 (Total meetings held:2) |
|---------------------|---------------|-------------|---|
| Mr. R.C. Bhargava | Non-Executive | Chairman | 2 |
| Mr. Kenichi Ayukawa | Executive | Member | 2 |
| Mr. R.P. Singh | Independent | Member | 2 |

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.

V. Risk Management Committee (RMC)

Composition and Meetings

Table 8 shows the composition of the RMC.

Table 8

Composition

| Name | Category | Designation |
|----------------------|--|-------------|
| Mr. R.C. Bhargava | Non-Executive | Chairman |
| Mr. Kenichi Ayukawa | Executive | Member |
| Mr. Toshiaki Hasuike | Executive | Member |
| Mr. Ajay Seth | Chief Financial Officer | Member |
| Mr. R. S. Kalsi | Executive Officer (Marketing & Sales) | Member |

The Company Secretary acts as the secretary to the RMC and 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; and
3. Monitoring and reviewing risk management and mitigation plan.

An Executive Risk Management Committee (ERMC) is in place at the management level to review the risk management activities of the Company on a regular basis. The composition of the ERMC consists of the Managing Director & CEO, Joint Managing Director, Whole-time Directors, Vertical Heads and Executive Officers of the Company. The Risk Management Department periodically organises reviews of the risk mitigation and implementation plans of risks with Chairman/Top management.

General Body Meetings

Table 9

Details of the last three AGMs of the Company

| Financial Year | Location | Date | Time |
|----------------|------------------------------|-----------------------|------------|
| 2012-13 | Air force | 27th August 2013 | 10:00 a.m. |
| 2013-14 | Auditorium, Subroto Park, | 4th September 2014 | 10:00 a.m. |
| 2014-15 | New Delhi | 4th September 2015 | 10:00 a.m. |

The Company passed one special resolution in the last three Annual General Meetings. No special resolutions were required to be put through postal ballot.

Management

Management Discussion and Analysis Report

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

Disclosures made by the Management to the Board

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

Related Party Transactions

None of the transactions with any of the related parties was in conflict with the interests of the Company. The Company undertook a postal ballot during the year for obtaining the approval of the members for entering into Contract Manufacturing Agreement and Lease Deed with Suzuki Motor Gujarat Private Limited. For details please refer to the Board's Report.

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

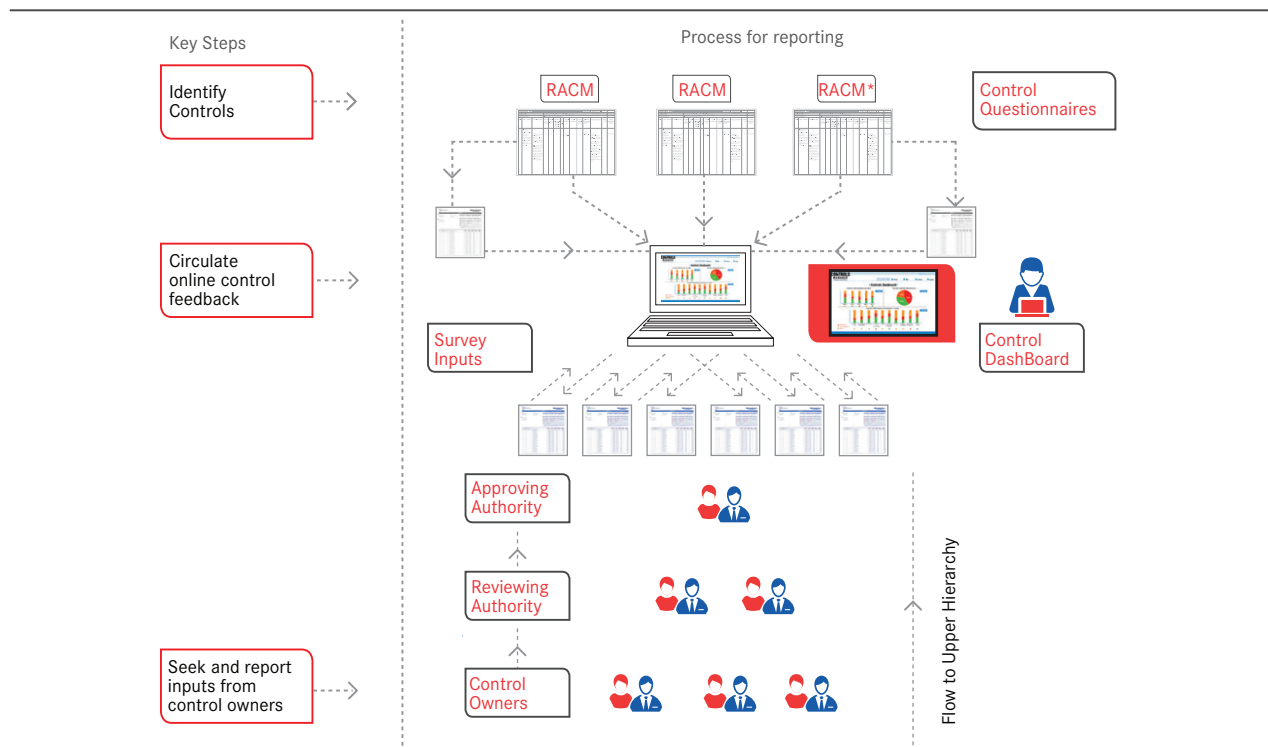
The code of conduct was circulated to all the members of the board and senior management personnel and they had affirmed their compliance with the said code of conduct for the financial

year ended 31st March 2016. A declaration to this effect signed by the Managing Director & CEO of the Company forms part of this report as **Annexure - A**.

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 endeavour to attain the highest level of governance to enhance the stakeholder's value. To enable certification by CEO/CFO for the

Enabling controls self-assessments through the "Controls Manager"



* RACM: Risk & Control Matrix

financial year 2015-16, 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 2015-16.

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 26th April 2016.

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.

Familiarisation Programme/ Policy on Related Party Transactions/ Policy on Material Subsidiaries

The web links of familiarisation programmes for the independent directors, policy on related party transactions and policy on material subsidiaries are given in the Board's Report.

Whistle Blower Mechanism

The Company has established a whistle blower mechanism for Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud, etc. It also provides for adequate safeguards against victimisation of Directors and employees who avail of the mechanism and allows direct access to the Ombudsperson being the Chairman of the audit committee. For details please refer to the Board's Report.

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 presentation made to media/ analysts/ institutional investors, financials, press releases, stock information, shareholding patterns, details of unclaimed dividend etc. |
| Annual Report | In our endeavour to protect the environment, the Company sent the annual report for the year 2014-15 through e-mails to a large number of members who had registered their e-mail ids with either depository participant (DP) or the Registrar & Transfer Agent (RTA) or the Company. This also helped the Company in saving a huge cost towards printing and dispatch. For those members whose e-mail ids were not registered, the annual report in physical mode was sent by post to their registered addresses. |
| BSE Listing Centre & NEAPS (NSE Electronic Application Processing System) | All disclosures and communications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through BSE Listing Centre and NEAPS. |
| SCORES (SEBI Complaints Redressal System) | SEBI commenced processing of investor complaints in a centralised web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company. |
| Exclusive e-mail Id's for Investors | Following e-mail id's have been exclusively dedicated for the investors' queries: investor@maruti.co.in einward.ris@karvy.com Queries relating to annual report may be sent to investor@maruti.co.in and queries relating to transfer of shares and splitting/ consolidation / remat of shares, payment of dividend, etc. may be sent to einward.ris@karvy.com |
| Request to Members | The members of the Company who are holding shares in demat form are requested to kindly update their e-mail id's with their depository participants and those who are holding shares in physical forms kindly get it registered with Karvy Computershare Pvt. Ltd., the Registrar and Share Transfer Agent of the Company. |

Additional Information**Annual General Meeting**

| | |
|-------|---|
| Date | 8th September 2016 |
| Day | Thursday |
| Time | 10:00 a.m. |
| Venue | Airforce Auditorium, Subroto Park, New Delhi – 110 010 |

Financial Year

Financial Year: 1st April to 31st March

For the year ending 31st March 2017, results will be announced:

By the end of July 2016: First quarter results

By the end of October 2016: Second quarter results

By the end of January 2017: Third quarter results

By the end of April 2017: Fourth quarter and annual results

Book Closure

The period of book closure is from Friday, the 2nd September 2016 to Thursday, the 8th September 2016 (both days inclusive).

Dividend Payment

Subject to the approval of the members in the annual general meeting, a dividend of ₹ 35 per equity share (face value ₹ 5 per equity share) for the year 2015-16 will be paid on or after 14th September 2016, to those whose names appear in the register

of members / beneficial owners at the close of business hours on 1st September 2016.

Reminders were sent to the members requesting them to claim unclaimed dividend for the year 2007-08. 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 remaining unclaimed was transferred to the Investor Education & Protection Fund (IEPF) within the stipulated time.

Listing on Stock Exchanges

The equity shares of the Company are listed on BSE and NSE. The annual listing fee for the year 2016-17 has been paid to both the stock exchanges. **Table 10** lists the Company's stock exchange codes. The Company will pay the annual custodial fee for the year 2016-17 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 LTD. | 532500 |
| National Stock Exchange of India Limited | MARUTI |
| ISIN | INE585B01010 |

Stock Market Data

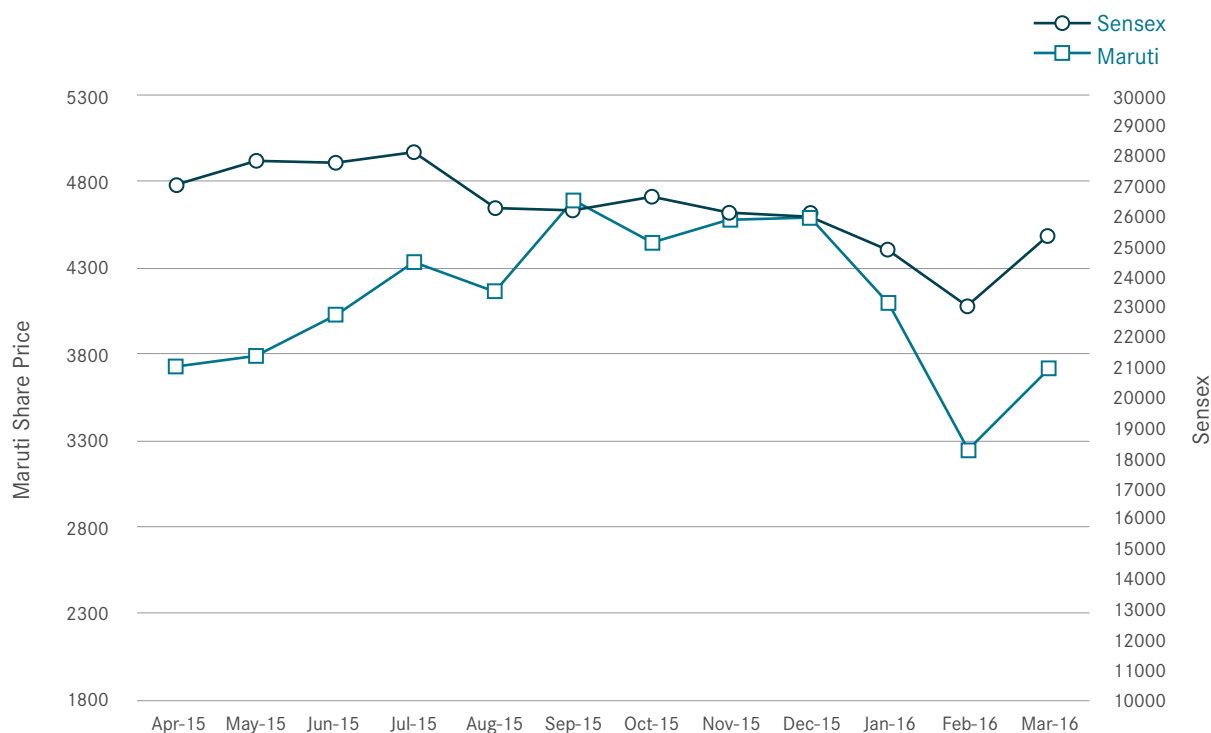
Table 11 gives the monthly high and low prices of the Company's equity shares on BSE and NSE for the year 2015-16. **Chart A** plots the movement of the Company's share prices on BSE vis-a-vis BSE Sensex for the year 2015-16.

Table 11

Monthly high & low quotation of the Company's equity shares

| Month | National Stock Exchange | | Bombay Stock Exchange | |
|---------|-------------------------|---------|-----------------------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr 15 | 3873 | 3386 | 3870 | 3389 |
| May 15 | 3840 | 3520 | 4031 | 3521 |
| Jun 15 | 4077 | 3675 | 4081 | 3676 |
| Jul 15 | 4359 | 3907 | 4360 | 3910 |
| Aug 15 | 4692 | 4062 | 4689 | 4062 |
| Sept 15 | 4763 | 4010 | 4762 | 4010 |
| Oct 15 | 4721 | 4216 | 4720 | 4220 |
| Nov 15 | 4790 | 4425 | 4789 | 4425 |
| Dec 15 | 4702 | 4406 | 4701 | 4408 |
| Jan 16 | 4668 | 3870 | 4665 | 3871 |
| Feb 16 | 4119 | 3461 | 4117 | 3202 |
| Mar 16 | 3777 | 3200 | 3774 | 3206 |

Chart A

**Registrar and Transfer Agent**

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli
 Financial District, Nanakramguda
 Hyderabad - 500 032
 Phone No.: 040- 67162222
 Fax No. : 040-23001153
 Toll Free: 1800-345-4001
 Email Id: einward.ris@karvy.com
 Website: www.karvycomputershare.com

Share Transfer System

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

Shareholding Pattern

Table 12 lists the distribution schedule of equity shares of the Company as on 31st March 2016.

Table 12

Distribution Schedule as on 31/03/2016

| S. No. | Category | No. of shareholders | % | No. of shares | % |
|--------------|----------------|---------------------|---------------|------------------|---------------|
| 1 | upto 1 - 5000 | 151000 | 98.77 | 6625517 | 2.19 |
| 2 | 5001 - 10000 | 427 | 0.28 | 626638 | 0.21 |
| 3 | 10001 - 20000 | 292 | 0.19 | 851923 | 0.28 |
| 4 | 20001 - 30000 | 155 | 0.10 | 780737 | 0.26 |
| 5 | 30001 - 40000 | 78 | 0.05 | 556608 | 0.18 |
| 6 | 40001 - 50000 | 87 | 0.06 | 785063 | 0.26 |
| 7 | 50001 - 100000 | 204 | 0.13 | 2916139 | 0.97 |
| 8 | 100001 & above | 639 | 0.42 | 288937435 | 95.65 |
| Total | | 152882 | 100.00 | 302080060 | 100.00 |

Dematerialisation of Shares and Liquidity

As on 31st March 2016, 99.999% of the Company's total paid up equity capital representing 302,075,445 equity shares was held in dematerialised form. The balance 0.001% equity representing 4615 equity shares was held in physical form.

Suzuki Motor Corporation, the promoter of the Company holds 169,788,440 shares in dematerialised form. Pursuant to

Regulation 39 read with Schedule VI of Listing Regulations, the Company has opened a demat account named 'Maruti Suzuki India Ltd.-Unclaimed Shares Demat Suspense Account' with Karvy Stock Broking Limited. The shares issued pursuant to 'Offer for Sale' and still lying unclaimed were credited in this account. The details of these shares are given hereunder:

| Securities | Balance as on 01-04-2015 | | No. of shareholders who approached for transfer of shares from suspense account | No. of shareholders to whom shares were transferred from suspense account | Balance as on 31-03-2016 | |
|---------------|--------------------------|---------------|---|---|--------------------------|---------------|
| | No. of records | No. of shares | | | No. of records | No. of shares |
| Equity Shares | 14 | 1000 | Nil | Nil | 14 | 1000 |

The voting rights on these 1000 shares shall remain frozen till the rightful owner of these shares claims the shares.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Please refer to Management Discussion and Analysis.

Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

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

Details of Public Funding Obtained in the last three years

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

Plant Location

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

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District, Nanakramguda
Hyderabad - 500 032
Phone No.: 040-67 162222
Fax No. : 040-23001153
Toll Free: 1800-345-4001
Email Id: einward.ris@karvy.com
Website: www.karvycomputershare.com

II. Shares held in Physical Form

Karvy Computershare Pvt. Limited
(at the address given above)

Or

The Company at the following address:

Maruti Suzuki India Limited

1, Nelson Mandela Road, Vasant Kunj
New Delhi-110 070
Phone No.: (+91)-11-4678 1000
Email Id: investor@maruti.co.in
Website: www.marutisuzuki.com

Annexure – A

Declaration of the Managing Director & CEO

This is to certify that the Company had laid down code of conduct for all the Board members and Senior Management Personnel of the Company and the same is uploaded on the website of the Company www.marutisuzuki.com.

Further, certified that the members of the Board of Directors and Senior Management Personnel have affirmed the compliance with the code applicable to them during the year ended 31st March 2016.

25th April 2016
New Delhi

KENICHI AYUKAWA
Managing Director & CEO

Auditors' Certificate

Regarding Compliance of Conditions of Corporate Governance

To the Members of Maruti Suzuki India Limited

We have examined the compliance of conditions of Corporate Governance by Maruti Suzuki India Limited, for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

ANUPAM DHAWAN
Partner
Membership Number - 084451

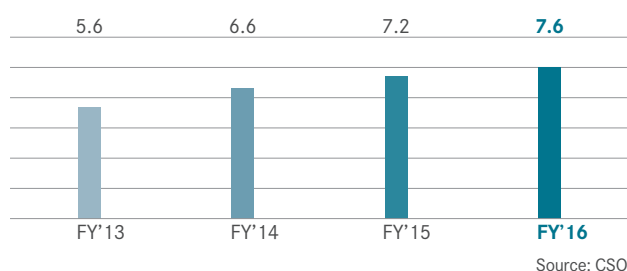
Gurgaon
27th May, 2016

Management Discussion & Analysis

Overview

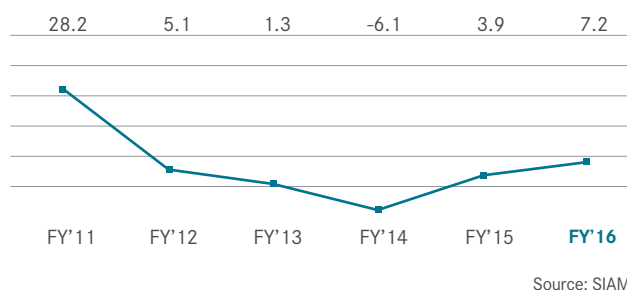
India's economy showed gradual recovery in 2015-16. Fiscal deficit and inflation were under control. Public investment was up. Interest rates were reduced. But rural demand and private investment remained weak. The fall in global prices of oil and commodities benefited the economy and the automobile sector. However, the slowdown in the global economy led to weak export demand.

India's GDP Growth Rate (%)



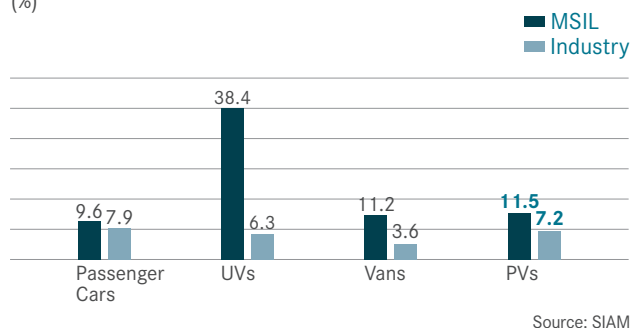
India's passenger vehicle market grew by 7.2%, compared to 3.9% in 2014-15. Growth was limited to a few manufacturers in the industry and this was achieved mainly with the help of new models. Sales promotion support remained high. Although Reserve Bank of India cut interest rates, this was not passed on fully to consumers. The benefit of lower interest rates is expected to be realised in 2016-17.

Domestic Passenger Vehicle Industry Growth (%)

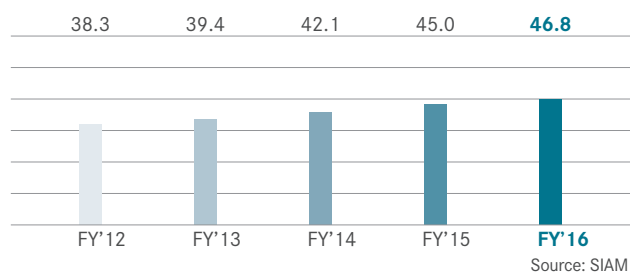


The Company was able to increase its domestic sales by 11.5%. This was the fourth year in a row when the Company's market share improved over the previous year. It stood at 46.8%, the highest in 14 years.

MSIL Segment Wise Performance (Domestic) (%)



MSIL Market Share (%)



The Company launched three new models. These were well received by customers for their design, performance and features. By introducing Smart Hybrid vehicles and offering the latest infotainment features, the Company enhanced sales and reinforced its position as a technology pioneer in the segments where it operates.

The Company launched a new retail channel, Nexa. This helped expand the Company's presence, especially in metros and tier II cities.

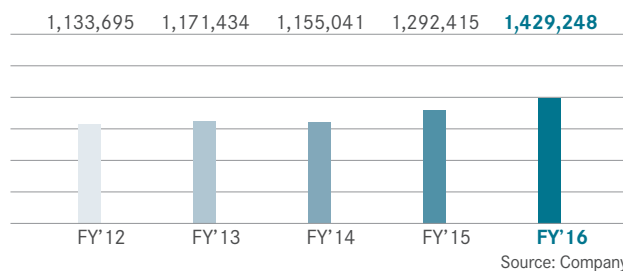
Nexa is designed considering the changing needs and expectations of urban customers, and will enable the Company to attract new categories of buyers into its fold.

The Company took important measures to enhance passenger safety. Features such as airbags and anti-lock braking systems (ABS) were offered as standard in certain models, and as an option in all variants of most other models.

The Company's exports grew by 1.8%. The fall in global commodity prices and a currency crisis in certain markets adversely impacted demand. But exports received a boost with the launch of Baleno, a premium hatchback model, in overseas markets in the fourth quarter. Baleno is the first model of the Company to be exported to Japan. Manufactured only in India, it is to be exported to nearly 100 countries. Baleno was duly recognised as an example of 'Make in India' by the Prime Minister, Shri Narendra Modi.

Total sales, at 1,429,248 units, were the highest ever for the Company, registering an overall volume growth of 10.6% over the previous year.

MSIL Sales (Domestic + Exports) (Units)



The Company was able to achieve growth in profits and improve profitability. Besides higher volumes, the Company was helped by favourable currency and low commodity prices. Marketing and sales expense remained high to support entry-level models and diesel variants in a highly competitive market. The Company's continued initiatives to improve efficiency and reduce wastage also contributed to margins.

In November 2015, the Company had sought approval of public shareholders for a related party transaction with Suzuki Motor Gujarat, for entering into a contract manufacturing agreement for production and sale of vehicles. The resolution was passed with nearly 90% votes in favor of the arrangement.

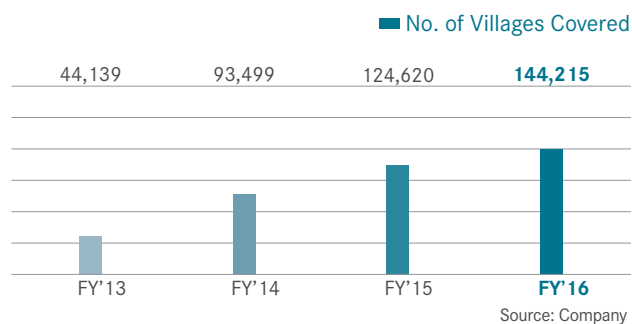
With this arrangement in place, the Company is able to provide more focus to strategic areas including Research and Development, new products and infrastructure for marketing and sales, while parent company Suzuki Motor Corporation, Japan, shares the responsibility of producing and supplying vehicles over the Company's existing capacity of 1.5 million units. The first car from SMC's Gujarat plant is expected to be rolled out in early 2017.

Domestic Sales

The domestic automobile market remained challenging. Consumer sentiment continued to be subdued. Competition increased with the launch of several new models in the segments in which the Company operates.

The Company increased its share in the top 10 markets of the country. Rural demand moderated following second successive year of below normal monsoon, leading to a drought-like situation in certain parts of the country. The Company was able to grow sales in small towns and rural areas by 9%, largely by expanding reach to newer towns and villages.

MSIL Rural Coverage

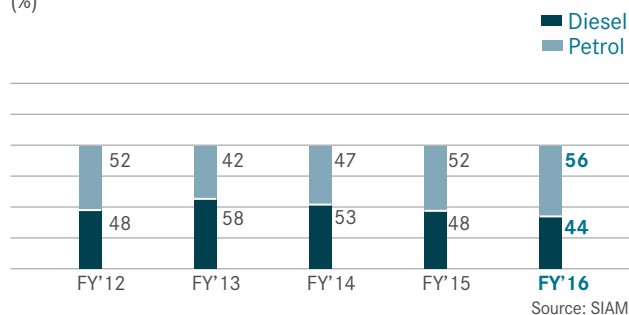


During the last few years, the industry has witnessed a downward trend in demand for diesel models, primarily due to reduction in the gap between the prices of petrol and diesel fuels. During the year, an order by the Supreme Court, prohibiting sales of diesel cars with an engine size of 2 litre and above in National Capital Region (NCR), caused concern among the potential buyers of diesel vehicles, especially in NCR. Although the Company does not offer vehicles in the 2 litre engine category, the adverse consumer sentiment impacted the share of diesel models.

The share of diesel vehicles in industry sales declined from 48% in 2014-15 to 44% in 2015-16. The Company was able to grow sales of its diesel vehicles through higher sales promotion, besides introduction of Smart Hybrid technology on few of its popular diesel vehicles.

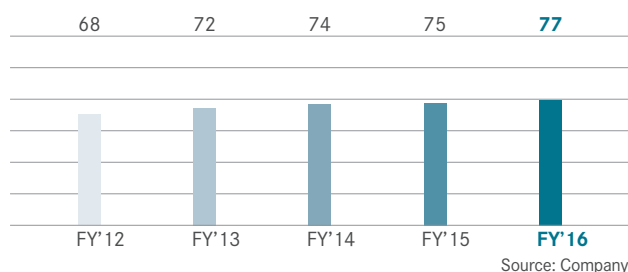
With 70% of the Company's sales being contributed by petrol vehicles, the Company is well positioned in this segment with 58.7% market share.

Industry Petrol Diesel Mix (%)



The Company's pre-owned car operation continued to support new car sales. Trade-ins grew by 9% and accounted for 30% of new car sales. Fleet sales surged 60%, although on a low base, mainly on account of demand from taxi aggregators. The share of vehicles financed reached 77.4%, the highest in nine years.

MSIL Finance Penetration (% of Domestic Sales)



New products

The Company's product-related initiatives contributed significantly to higher sales and market share. The Company launched S-Cross, India's first premium cross-over, Baleno, a premium hatchback, and Vitara Brezza, a compact SUV.

S-Cross offers customers power and performance in their vehicle without compromising on the comfort and refinement of a sedan. It is designed in a bold cross-over shape, with dynamic character lines and many sophisticated touches. The interiors are plush and spacious with high-quality fit and finish.

Baleno comes with a sophisticated design, rich interiors, host of premium features and advanced technology. It is built on a brand new Suzuki platform which is stronger and safer. It offers superior performance due to a higher power-to-weight ratio and offers best-in-class fuel efficiency in both, petrol and diesel options. Baleno has received a resounding response since its launch in October. Over 44,000 Balenos have been sold, and close to 50,000 customer orders remain to be served at the end of the year.

S-Cross and Baleno are sold exclusively through the new retail channel, Nexa.

Vitara Brezza, launched in early March, marks the Company's entry into the compact SUV segment. It delivers an outstanding fuel efficiency of 24.3 km per litre, the highest in the SUV category and 10-20% superior to existing models in the segment. With class leading features, personalisation options, future ready safety and an attractive price, Vitara Brezza has received a positive market response. Over 35,000 customer orders have been received in the first few weeks.

The introduction of Smart Hybrid technology by the Company in Ciaz and Ertiga, which enhances fuel efficiency by between 7 and 18%, boosted demand for these models. By offering the advantages of hybrid technology at a reasonable price, Smart Hybrids have benefited customers and the environment, besides supporting the Government's efforts to promote hybrid vehicles in the country.

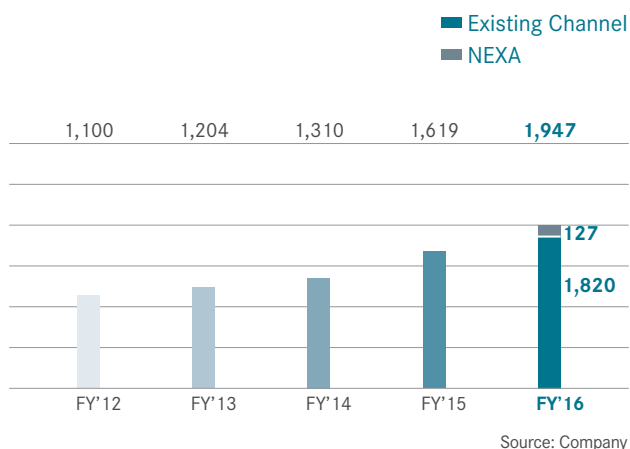
The popular Automatic Gear Shift technology, introduced in India by the Company in 2014, was extended to more models.

Launch of Nexa

The new retail channel was well accepted. Over 125 Nexa outlets were set up by dealers during the year. Nearly 70,000 cars were sold through this channel. The Company expects to double the number of Nexa outlets during 2016-17.

The Company also strengthened the existing network by adding over 200 outlets during the year taking the total number of outlets to 1,820 in the existing channel.

MSIL Sales Network (Existing + Nexa Outlets)



The Company was ranked first in customer satisfaction in after-sales service among mass market brands, as measured by J.D. Power. This was the 16th year in a row that the Company achieved the top position. Studies by J.D. Power, and by the Company, suggest that high satisfaction with after-sales service translate into high repurchase and advocacy.

During the year, 137 dealer workshops were added taking the total service workshops to 3,145 in 1,506 cities and towns. Besides expanding the network of service workshops, the Company also offered doorstep service to nearly 90,000 customers through 1,425 Maruti Mobile Support vehicles.

Flood Affected Cars in Chennai

Floods in Chennai caused loss of life and property. Several vehicles suffered extensive damage. To repair these vehicles and support customers, the Company mobilised technicians and mechanics from other parts of the country. Parts were rushed to ensure speedy repair. The Company partnered with insurance companies to facilitate claims. Nearly 9,000 damaged vehicles were repaired and handed back to customers within three months of the floods.

Parts and Accessories

The Parts & Accessories business registered an impressive growth of 19% during the year. Apart from robust growth in parts sales, the Company was able to grow the sales of Maruti Genuine Accessories through innovative marketing activities including

usage of tablets to showcase the accessories range to customers and introduction of lifestyle and theme based accessories.

Exports

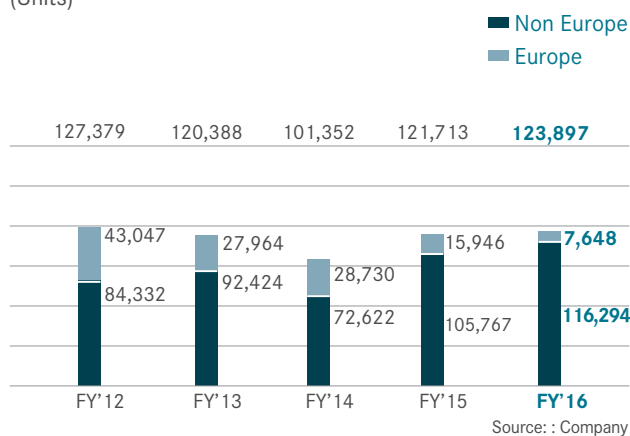
The fall in global prices of commodities impacted demand in certain export markets. Currency crisis in certain economies also affected demand adversely. In Sri Lanka, import duty was brought down for a few months. Sales surged during this period. The share of Sri Lanka in overall export sales increased to 32%, from 10% in the previous year.

Baleno, launched in overseas markets in the fourth quarter, will play an important role in export sales. The Company commenced exports of this car to Europe, besides Japan. The Company continued its efforts to expand the network of sales and service outlets and improve processes in export markets.

During the year, the Company exported 123,897 units, a growth of 1.8% over the previous year.

Export Sales

(Units)



Operations

During the year, the challenge was to manufacture a higher volume of vehicles and introduce multiple new models while maintaining high levels of quality and productivity. The Company further improved processes and systems to meet this challenge.

The combined output capacity of all plants in Gurgaon and Manesar stands at about 1.5 million units annually. The Company is focused on enhancing manufacturing capability through better utilisation of facilities, higher flexibility in plant-model combinations and flexible lines. This will enable the Company to meet market demand before SMC's Gujarat plant starts supply of cars in early 2017.

To enhance efforts in safety, the Company consolidated all related functions into a dedicated division to impart focus and cohesion.

The Company's Suggestion Scheme encourages employees at all levels to generate and execute new ideas for improvement and efficiency. During the year, over 698,000 suggestions were

generated, leading to a potential saving of over ₹ 2,800 million. The Company is screening these ideas for trials and subsequent implementation.

Energy Conservation and Environment Sensitivity

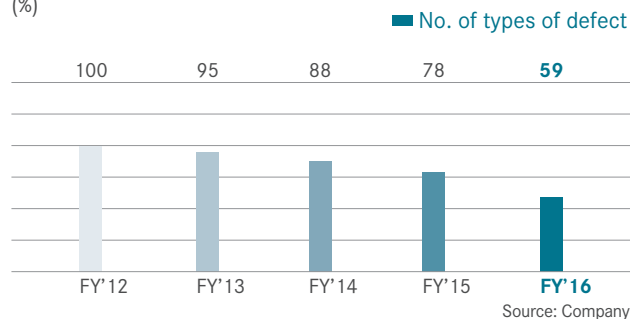
The Company continued its energy conservation initiatives. The focus was on reducing energy cost, conserving water and improving efficiency through new technology and optimisation in operations. A separate section in this Annual Report, 'Business Responsibility Report' discusses the environment-related and social performance of the Company in detail.

Quality

Besides ensuring quality on the shop floor, the Company works closely with suppliers and helps them upgrade by sharing knowhow. The Company has set up special teams on quality to work with tier I and tier II suppliers. These teams studied all quality related aspects at suppliers and jointly created action plans. During the year, over 2,100 visits to supplier shop floors were carried out by these quality teams. This contributed to over 20% improvement in supplier parts quality compared to 2014-15.

Supplier Defect Reduction (Indexed)

(%)



Operator skill plays an important role in ensuring quality. The Company is supporting suppliers in improving the skill sets of their employees. Over 1,200 supplier personnel have been trained at the Company's shop floor and training centre. Further, training centers that replicate shop floor situations (Dojo Centre) are being established at certain suppliers' locations with the Company's support, to strengthen operator skill sets regularly.

The Company has begun analysing data and patterns generated from operations to anticipate defects, and take preventive measures.

Enhancing Value in the Supply Chain

The Company continued its partnership with suppliers in value analysis/value enhancement (VA/VE) projects. Joint efforts were also made in yield improvement. Along with this, the Company worked on localisation of parts imported by vendors to mitigate risk arising out of foreign exchange exposure and to bring down input cost.

During the year, the Company localised child parts and assembly operations of its popular Auto Gear Shift (AGS) technology. The Company is in touch with Indian steel makers to further enhance use of local steel. The scope of raw material yield improvement

activities was extended beyond the traditional sheet metal areas to plastics, electrical and castings to enhance savings.

The Company undertakes commodity hedging to prevent input cost inflation. The Commodities Risk Management Committee (CRMC) reviews the commodity hedging status periodically and takes hedging positions. During the year, favorable hedge rates helped in achieving gains in major base and precious metals.

Through the supplier risk management system, the Company monitors the health of suppliers' businesses in areas like operations and finance. Operational risks are assessed in the areas of industrial relations, quality, delivery performance and tier-II suppliers' management. Financial risk is assessed in the areas of profitability, liquidity and working capital and funding management.

The Company continued the safety assessment of plants of tier-I suppliers. The assessment is carried out by experts who comprehensively study suppliers' plant facilities and prepare time-based improvement plans along with the suppliers' management. A reassessment audit will be carried to check the improvement in safety preparedness.

Research and Development

It is important to understand the stated and unstated needs of the consumer for every segment and evolve products and technologies accordingly. Based on this, the Company does a careful selection of technologies and features for each segment of cars.

The compact SUV, Vitara Brezza, launched during the year is the first model to be conceptualised, designed and developed in India using Suzuki core technology and platform/engine. Extensive research was carried out across India to finalise the concept of the model, to make it appealing for everyday use. During the course of development, various Suzuki platform/powertrain options were studied and after weighing all the options, Suzuki C-Platform with DDiS 200 engine with 5-speed manual powertrain was chosen. This combination of powertrain, along with new-age technologies like intelligent battery management

and low rolling resistance tyres contributed to its best-in-class fuel efficiency. Besides, Vitara Brezza is the first vehicle in the country to be certified by the homologation authority, for offset and side impact crash compliance.

Another new model, Baleno, combines harmoniously flowing curves, elegant styling, a superior power to weight ratio and smart packaging to offer a premium hatchback experience to mature car buyers. Numerous first-in-class features were introduced in the product including smartplay infotainment system with navigation, colour TFT multi-information speedometer display and UV cut glasses, to appeal to the target consumer segment.

The Company will continue to participate in more new vehicle development projects.

Scaling up product development demands a solid back-end of local R&D infrastructure, design capability and capacity and skill upgradation of engineers. In the last few years, the Company has consistently upped its focus on R&D to design and develop new products for local and export markets, using in-house capability and capacity. The R&D Centre at Rohtak, equipped with world class test and evaluation facilities, will play a pivotal role in achieving the Company's ambitions going forward. The local R&D facility will also serve as an advantage to meet the challenges posed by changes in regulations and towards conforming to new regulations thereby reducing the time to market. During the year, a number of facilities like test tracks, a passive safety lab, a vehicle dynamic lab, Noise, Vibration and Harshness (NVH), ride handling and a braking and structural durability lab were made operational.

Financial Performance

The Company registered Net Sales of ₹ 563,504 million and Profit after Tax of ₹ 45,714 million, a growth of 23.2% over the previous year. This growth was driven by increase in volumes, besides favourable commodity prices and continued efforts on cost reduction initiatives. However, Marketing and Sales expense remained high to support entry level models and diesel variants in a tough market.

(₹ million)

Abridged profit and loss account for 2015-16

| Parameters | 2015-16 | 2014-15 | Change (%) |
|---|------------------|-----------|------------|
| 1 Volumes (Nos.) | | | |
| Domestic | 1,305,351 | 1,170,702 | |
| Export | 123,897 | 121,713 | |
| Total | 1,429,248 | 1,292,415 | 10.6% |
| 2 Gross Sale of Products | 638,669 | 537,685 | |
| Vehicles | 582,950 | 490,806 | |
| Spare parts/ dies & moulds/ components | 55,719 | 46,879 | |
| 3 Excise duty | 75,165 | 51,630 | |
| 4 Net sales (2-3) | 563,504 | 486,055 | |
| 5 Other operating revenue | 13,959 | 13,651 | |
| 6 Other income | 4,619 | 8,316 | |
| 7 Total revenue (4+5+6) | 582,082 | 508,022 | 14.6% |
| 8 Consumption of raw materials, components & traded goods | 387,800 | 350,080 | |
| 9 Employee benefit expenses | 19,887 | 16,066 | |
| 10 Finance Costs | 815 | 2,060 | |
| 11 Depreciation and amortisation | 28,239 | 24,703 | |

(₹ million)

Abridged profit and loss account for 2015-16

| Parameters | 2015-16 | 2014-15 | Change (%) |
|--|----------------|---------|------------|
| 12 Other expenses | 79,991 | 66,431 | |
| 13 Total expenses | 516,732 | 459,340 | 12.5% |
| 14 Profit before tax (7-13) | 65,350 | 48,682 | 34.2% |
| 15 Current tax (Net of MAT Credit availed) | 20,414 | 12,322 | |
| 16 Deferred tax | (778) | (752) | |
| 17 Profit after tax (14-15-16) | 45,714 | 37,112 | 23.2% |

Treasury Operations

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

Table 3 lists the investment of surplus funds while Table 4 lists the return on these surplus funds.

Foreign exchange risk management

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

Human Resources

The Company acknowledges that the key to its sustained success is its employees and realises that the capability, motivation, sense of ownership and satisfaction of its people are the most important drivers for its continued success.

Employees' voice and feedback are extremely important and greatly impact the direction of the Company. There are various communication and feedback-seeking forums to capture employee feedback. Apart from these forums, as part of regular performance and career development reviews all regular employees undergo a KRA setting exercise in the beginning of the year followed by mid-year and annual appraisal.

The Company realises that the three factors which are important for an employee point-of-view are: Work Life Balance, Employee Engagement and Family Connect. Feedback from employees

Table 2 (%)**Financial Performance – Ratios
(As a Percentage of Net Sales)**

| Parameters | 2015-16 | 2014-15 | Change |
|-------------------------------|---------|---------|--------|
| Material cost | 68.8 | 72.0 | 3.2 |
| Employee benefit expenses | 3.5 | 3.3 | (0.2) |
| Depreciation and amortisation | 5.0 | 5.1 | 0.1 |
| Other expenses | 14.2 | 13.7 | (0.5) |
| Profit before tax | 11.6 | 10.0 | 1.6 |
| Profit after tax | 8.1 | 7.6 | 0.5 |

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

| | 31-03-16 | 31-03-15 |
|------------------|----------|----------|
| Debt Mutual Fund | 176,158 | 126,442 |

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

| | 2015-16 | 2014-15 |
|---------------------------------|--------------|---------|
| Interest on fixed deposits | - | 325 |
| Dividend from debt mutual funds | - | 473 |
| Net Gain on sale of investments | 3,002 | 6,690 |
| Total | 3,002 | 7,488 |

helped drive several new initiatives like implementation of a 5-day week, creation of recreational centres with sports facilities, awareness sessions on HR Policies, among others.

Various employee-related policies were revised to take care of business needs and employee requirements. Apart from a range of engagement initiatives, regular health checkups and health awareness sessions were conducted to promote healthy living and improve Health and Wellness Index of the organisation.

For enhancing people connect, the Company created several opportunities like Parivar Milan, Diwali Mela and Family Day.

The Company continued to have cordial relations with its unions and workforce. To take its communication with unions to a higher level, the Company invested significant time and resources to enhance awareness of union representatives in areas like

economic & business and Japanese systems & processes. Besides, orientation sessions were held with unions on employee grievance redressal, group dynamics, team skills and spiritual well-being.

A team led by the Managing Director regularly interacts with the union. During the year, a wage settlement agreement for the next three years was also concluded amicably with the Union.

With the recruitment of around 961 people this year, employee strength reached 13,259 people. The Company has been able to limit the attrition to 2.9%.

Information Technology

The Company has robust systems, processes and technologies to manage the size and complexity of its business. The Company is perhaps the only one in the Indian manufacturing sector to be certified at Level Three of the Capability Maturity Model (CMMI) for software development in processes. The Company was also recently recertified as an ISO 27001:2013 compliant organisation ensuring the highest levels of information security.

The Company is using data generated in operations to improve the efficiency of various processes and identify opportunities for improvement.

Self-service mobile apps (Maruti Care) have enabled the Company to improve the connection with customers. Sales teams of dealers and the Company have been provided mobile apps that enable them to access real-time data and take quick decisions. Business Intelligence applications were revamped to enable the management to monitor performance indicators and quickly identify improvement areas.

During the year, a separate team was created (IT New Initiatives) to focus on identifying and implementing new technologies to help us stay ahead of the curve.

Risk Management

The Company has a robust risk management framework which was implemented several years ago. The top management periodically reviews the library of key risks and their appropriate mitigation plans.

During the year, top management reviewed the status of progress of the risk mitigation plans. Key action points derived out of the

review were captured for further action by risk owners. The key risk areas were related to business continuity, supply disruptions, managing quality across the value chain, talent acquisition and retention, etc.

In line with the risk management policy, and following certain changes in the operating environment, the Committee has recommended a review of the key risks library during 2016-17.

Outlook

The Company's goal is to achieve sales of 2 million cars annually in 2020. During the year, it put in place several building blocks towards this objective and beyond. The launch of three new models, start of a new retail channel, strengthening product design and development capabilities and enhancing vehicle safety in preparation for new regulations are some of the initiatives for the future.

The Company has consistently grown faster than industry in the context of an overall market slowdown. New products, design and technologies that meet the needs of the evolving Indian customer will continue to have an important role in the future. The Company will build further on its network strength to get closer to customers in urban areas as well as in small towns.

New regulations for safety and emission are likely to play an important role in the medium term. The Company is gearing up to meet regulations while trying to minimise the impact on the customer.

As the Indian economy attains a higher growth trajectory in the medium term, as is widely expected, the Company would be in a sound position to capitalise on the opportunity.

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

Maruti Suzuki India Limited (the Company) strives for holistic growth of its business and welfare, and prosperity of its stakeholders. The Company focuses on all three aspects of sustainability i.e. economic, environmental and social along with ethics and good governance practices.

This report gives a brief on the Business Responsibility performance of the Company for 2015-16.

Section A

| Sl. No. | General information about the Company | Details |
|---------|---|---|
| 1 | Corporate Identity Number (CIN) of the Company | L34103DL1981PLC011375 |
| 2 | Name of the Company | Maruti Suzuki India Limited |
| 3 | Registered address | 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070 |
| 4 | Website | www.marutisuzuki.com |
| 5 | E-mail id | investor@maruti.co.in |
| 6 | Financial year reported | 2015-16 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Automobile |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | Passenger cars, Multi Utility Vehicles (MUV), Multi-Purpose Vehicles (MPV) |
| 9 | Total number of locations where business activity is undertaken by the Company | |
| | i. Number of international locations (Provide details of major 5) | Nil |
| | ii. Number of National Locations | Company manufactures vehicles at its Gurgaon and Manesar plants located in Haryana, India |
| 10 | Markets served by the Company – Local/ State/ National/ International | Domestic: Across India International: Europe, Africa, Asia, Oceania and Latin America etc. |

Section B

| Sl. No. | Financial details of the Company | Details |
|---------|--------------------------------------|---------------|
| 1 | Paid up capital (₹) | 1,510,400,300 |
| 2 | Total turnover (₹ million) | 563,504 |
| 3 | Total profit after taxes (₹ million) | 45,714 |
| 4 | Total CSR spent (₹ million) | 784.6 |

| Sl. No. | Financial details of the Company | Details |
|---------|---|---|
| 5 | Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 1.71% |
| 6 | Total spending on CSR as percentage of average net profit of the previous three years as per Companies Act 2013 | 2.4% |
| 7 | List of activities in which expenditure in 4 above has been incurred | I. Community Development II. Skill Development III. Road Safety |

Section C

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

i. Details of the Director/Director responsible for implementation of the BR policy/policies

| Sl. No. | Particulars | Details |
|---------|----------------------------|-------------------------|
| 1 | DIN Number (if applicable) | 02262755 |
| 2 | Name | Mr. Kenichi Ayukawa |
| 3 | Designation | Managing Director & CEO |

ii. Details of the BR head

| Sl. No. | Particulars | Details |
|---------|----------------------------|--|
| 1 | DIN Number (if applicable) | NA |
| 2 | Name | Mr. Kanwaldeep Singh |
| 3 | Designation | Sr. Vice President, Corporate Planning |
| 4 | Telephone number | 011-46781123 |
| 5 | e-mail id | kanwaldeep.singh@maruti.co.in |

List of Principles

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

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

Principle 3: Businesses should promote the wellbeing of all employees

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

Principle 5: Businesses should respect and promote human rights

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

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

* Policies available on internal portal which is accessible only to employees

** Policies available on Company website - <http://www.marutisuzuki.com/our-policies.aspx>, <http://www.marutisuzuki.com/code-of-conduct.aspx>

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

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

*Human Rights: The Company doesn't have a standalone Human Rights policy. Aspects of human rights such as child labour, forced labour, occupational safety, non-discrimination are covered by its various Human Resource policies.

**Policy Advocacy: The Company doesn't have a separate policy on policy advocacy. For advocacy on policies related to the automobile industry, the Company works through industry associations such as SIAM, CII and FICCI etc. There is an independent department in the Company responsible for interaction with industry bodies and managing government affairs.

3. Governance related to BR

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

The Managing Director and top management periodically review the BR performance of the Company through the weekly Business Review Meetings. The action points that emerge from the discussions at these meetings are recorded and reviewed in subsequent meetings to ensure their closure. The BRM process is a part of ISO 9001:2008 framework and is audited by an external agency every six months.

Besides, the CSR Committee of the Board reviews the social performance of the Company as per provisions of the Companies Act 2013.

- ii. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company has been publishing standalone Sustainability Report annually as per the international GRI framework since 2008-09. From the year 2015-16, the Company has decided to make Sustainability Report an integral part of the Annual Report.

Section E: Principle wise Performance

Principle 1: Businesses Should Conduct And Govern Themselves with Ethics, Transparency and Accountability

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

The Company's Code of Business Conduct and Ethics addresses subjects like bribery, corruption, compliance to the Company's standards of business conduct and ethics and ensures compliance with regulatory requirements. All employees sign a Code of Conduct at the time of joining the Company. The middle and senior management sign the Code of Conduct every year. In 2015-16, 15 workshops were conducted for senior management to reinforce the Code of Business Conduct and Ethics. As a new initiative Code of Conduct and Business Ethics session has been made mandatory for all new joiners. The Company also has in place a Whistle Blower Policy. The workmen are governed by the Certified Standing Order under the Industrial Employment (Standing Order) Act, 1946.

All joint ventures, suppliers and contractors of the Company are independent entities. Therefore, the Company's Code of Conduct and Whistle Blower Policy do not apply to them.

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

- The Company has an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. During the period under review, one complaint was received by ICC and the same was closed after following the due process.
- Under the Whistle Blower Policy of the Company, three complaints were received in 2015-16 and the same are under review.

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

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Fuel Efficiency Improvements: Maruti Suzuki's vehicles are known for high fuel efficiency. Taking it further, in 2015-16, the Company refreshed certain existing vehicles and launched new vehicles with best-in-class fuel efficiency.

Fuel efficiency improvement in select models (2015-16)

| Model | Fuel efficiency (kmpl) | Improvement (%) |
|--------------------|------------------------|-----------------|
| Ertiga SHVS (DDiS) | 24.52 | 18.1 |
| Ertiga MC (CNG) | 24.49 | 7.4 |
| Ciaz SHVS (DDiS) | 28.09 | 7.2 |

Alternate Fuel Technology: Presently, the Company offers six alternate fuel models namely Alto 800, Alto K10, Celerio, WagonR, Eeco and Ertiga with Intelligent Gas Port Injection (i-GPI) CNG engine technology. Maruti Suzuki has sold over 5.44 lakh (1 Lakh = 100,000 units) alternate fuel vehicles cumulatively till 31st March, 2016 which has helped in offsetting about 3.73 lakh tons of CO2 emission cumulatively.

Customer Safety: In 2015-16, safety features in vehicles were further improved. The S-Cross is equipped with ABS for all wheels, dual air bags and anti-pinch windows. The new model Baleno has safety features like - dual airbags, anti-pinch power windows, generation 3 Hub Unit, driver seat belt reminder buzzer and rear parking sensors with camera.

The Vitara Brezza embodies Suzuki's Total Effective Control Technology (TECT) concept for occupant protection. It meets offset and side impact crash test standards which will come into force in India in 2017. It is the first vehicle in India to be certified by homologation agency for meeting these future regulations. Also, driver side airbag has been introduced in most of the vehicles either as standard feature or as an option.

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

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

As production lines at the Company are flexible and produce multiple models, there is practical difficulty in isolating model-wise resource utilisation data. The detailed information related to resource conservation is shared under subtopics- water, energy, material and waste etc. in the Sustainability section of this Annual Report.

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

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

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

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

In the reporting period, the Company had a supplier base of 444 local component suppliers. Nearly, 88% of the supplier base by value is located within 100 km radius of the Company. As far as possible, Maruti Suzuki strives to procure components from local markets without compromising on quality. The Company has implemented Green Procurement Guidelines for suppliers which prohibit usage of any kind of banned substances as per law in component manufacturing.

The Company has been encouraging and supporting its tier-I local component suppliers in implementation of ISO 14001. As on 31st March, 2016, 86% of the local component suppliers plant (applicable for this purpose) were ISO 14001 certified. The Company supports its suppliers for optimisation of raw materials in component manufacturing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company undertakes initiatives to build capabilities of the suppliers. In 2015-16, the Company strengthened its efforts towards quality across the value chain. Following initiatives were taken in this direction:

- The Company continued to publish manuals and operating standards on critical issues for suppliers,

to communicate expectations and achieve quality related objectives.

- Maruti Centre of Excellence (MACE) provides training support, and consultation to tier-I and II suppliers to help them achieve world class standards in quality, cost, service and technology orientation.
- A monthly assembly and weld training is organised for line supervisors of vendors and they are trained on the concepts of safety, kaizen, 5S and operations etc.
- Maruti Suzuki supports suppliers for tool management through ensuring standardised specifications, tool refurbishment and replacement system, and creation of database for monitoring tool life for improving quality. Also, there are other initiatives taken by the Company to support suppliers in the areas like, financial assessment, and HR and IR Management etc.

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

Presently, the Company does vehicle scrapping on very low scale inside its factory. Whereas, the hazardous waste materials generated by the Company during vehicle manufacturing are given to authorised vendors either for disposal or recycling. More information on recycling of product and waste management is given in the Sustainability section of this Annual Report.

Principle 3: Businesses should promote the Wellbeing of all employees

1. Please indicate the Total number of employees.

The Company provides following employee benefits:

- Regular employees are provided with subsidised meals and all employees with their dependent children/ parents are covered under the Company's Hospitalisation Policy.
- Contractual employees are provided with free meals and are covered under Government's ESIC scheme.

There is a medical centre in factory premises for first aid and regular health check-ups of all the employees.

Manpower break-up as on 31st March 2016

| Manpower Category | 2013-14 | 2014-15 | 2015-16 | | |
|--|---------------|---------------|---------------|---------------|------------|
| | Total | Total | Total | Male | Female |
| 1 Regular manpower | | | | | |
| a) AE (Assistant Engineer) & above | 5,878 | 6617 | 6981 | 6628 | 353 |
| b) Associates/Technician | 5,222 | 5354 | 5553 | 5535 | 18 |
| c) Trainees (includes CTs, JETs, GETs) | 1,447 | 814 | 725 | 693 | 32 |
| Total Regular manpower (a+b+c) | 12,547 | 12785 | 13259 | 12856 | 403 |
| 2 Apprentice | 1,099 | 1164 | 1276 | - | - |
| 3 Contractual/ temporary workers | 6,578 | 8527 | 10626 | - | - |
| Total manpower | 20,224 | 22,476 | 25,161 | 12,856 | 403 |

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

The total number of contractual/temporary manpower employed as on 31st March, 2016 was 10,626.

3. Please indicate the Number of permanent women employees.

The total number of permanent female employees as on 31st March, 2016 was 403.

4. Please indicate the Number of permanent employees with disabilities

The total number of regular employees with disabilities as on 31st March, 2016 was 14.

5. Do you have an employee association that is recognised by management?

The Company has internal and independent labour unions at its manufacturing locations and union elections are held as per the statutory requirements. The Company's management officially recognises three employee unions, one each at its Gurgaon plant, Manesar Vehicle Manufacturing plant and Manesar Powertrain plant.

6. What percentage of your permanent employees is members of this recognised employee association?

- The Company's unions represent 100% of workers.
- There were no grievances on labour practices filed through formal grievance mechanism during the reporting year.

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.

| Sl. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as on March 31, 2016 |
|---------|---|---|--|
| 1 | Child labour/ forced labour/ involuntary labour | Nil | Nil |
| 2 | Sexual harassment | One | Closed by ICC after following the due process |
| 3 | Discriminatory employment | Nil | Nil |

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

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

The Company strives to cover majority of employees under training programmes. Training reach for the year 2015-16 has been 79% of the total regular employees of the Company.

| Category | Man-days per employee | Select examples of safety and skill upgradation |
|---|-----------------------|--|
| Assistant managers and above (including GETs) | 3.76 | Presentation Skills, Time Management, Communication Skills Promotion Trainings, Negotiation skills, Business Etiquettes Assertive Management, Conflict Management, Safety, Business Ethics, Leadership Programs and Team building programs. The Training academy also undertook Personality Profile Assessment for employees in 2015-16. |
| Supervisors and above (including JETs) | 3.82 | Team Building, Conflict and Anger Management, Understanding associates, Safety, Vehicle Manufacturing Process, Constructive dialog, team player, subordinate development, mentoring, 5S, 3M, 3G, Quality Control, 7QC tools, etc. |
| Associates | 1.67 | Team work, conflict management, self-awareness, develop sense of ownership and MS Office (basic) and Safety etc. |
| Man-days per employee (average) | 2.84 | |

Safety training is an integral part of the new employee induction process and all new employees mandatorily go through one day safety training, including firefighting training. For shop floor workers, periodic safety trainings are organised as per the annual safety calendar with regular communication through emails and newsletters.

The Company has setup Maruti Suzuki Training Academy (MSTA) at its Gurgaon plant for capability development of its own employees and employees of dealers and suppliers. Besides, the Academy is registered as Vocational Training Provider (VTP) with the State of Haryana under the Skill Development Initiative Scheme. In 2015-16, 10,012 employees of Maruti Suzuki, 8319 ITI students, 631 ITI faculty and 1,018 employees of dealers and suppliers were trained at MSTA.

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

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has well established processes for identifying and engaging with stakeholder groups. Internal and external stakeholders for the Company are classified into six broad categories:

1. Employees and their families
2. Shareholders and investors
3. Local Community and Society
4. Environment and Regulatory Authorities
5. Dealers, suppliers and other business partners
6. Customers and their families

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

The Company has identified following two vulnerable sections:

- Local community
- Socio-economically disadvantaged sections of the society

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

The Company covers a wide range of social issues both at local as well as national level. The three main CSR areas are:

1. Community Development (In villages around Company's facilities)
2. Skill Development (National level)
3. Road Safety (National level)

Detailed information about the social initiatives undertaken in the above mentioned areas are given in the Sustainability section of this Annual Report.



Training on automobile trade in Automobile Skill Enhancement Centre at ITI Meerut

Principle 5: Businesses should respect and promote Human Rights

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

The Company doesn't have a standalone Human Rights policy. Aspects of human rights such as child labour, forced

labour, occupational safety, non-discrimination are covered by its various Human Resource Policies. These policies cover only the Company.

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

The Company did not receive any stakeholder complaint in 2015-16 regarding human rights.

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

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

Maruti Suzuki has a robust Environmental Policy that applies to the Company only.

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

To minimise the environmental impacts of its products, the Company continuously improves products in terms of fuel efficiency, material use and recyclability. It offers factory fitted CNG vehicles to customers. All vehicles offered by the Company are End-of-Life Vehicle (ELV) compliant, which means they are free from hazardous substances and over 85% materials used can be recycled. The Company is also working on hybrid and electric vehicle technologies. In 2015-16, the Company launched Smart Hybrid (SHVS) technology in Ciaz and Ertiga vehicles.

The Company also works on resource optimisation, water and electricity conservation and waste reduction to reduce its environmental footprint. The details of initiatives are shared in the Environment section under Sustainability section in this Annual Report.

3. Does the Company identify and assess potential environmental risks? Y/N

The potential environmental risks are identified internally and mitigation measures are undertaken.

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?

Maruti Suzuki is the first automobile Company in India to register a Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC). The Company presently has two registered CDM projects:

- I. Shifting a part of vehicle transportation from roadways to railways with specially designed railway wagons.

- II. Waste heat recovery from gas turbines by installing steam turbine generator in Gurgaon.

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

- **Clean technology:** Details are shared in Principle 2, Question 1.
- **Energy efficiency:** Details are mentioned under subtopic – Energy in the Sustainability Profile section of this Annual Report.
- **Renewable energy:** Maruti Suzuki has commissioned 1 MW solar power plant and installed solar street lights in its factories. A total of 4,924 GJ of energy was generated by using solar power.
- 96.4% of total energy required by the Company comes from clean sources (natural gas, LPG, solar).



Natural gas based captive power plant at Gurgaon facility

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

All emissions and waste generated by the Company are within the limits defined by CPCB/SPCB in 2015-16.

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

No show cause notices from SPCB or CPCB are pending. The Company has given satisfactory replies to all notices received in 2015-16.

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

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

Following is the list of major industry bodies and expert agencies with whom Maruti Suzuki engages for policy making activities. This list is indicative.

- UN Global Compact India
- National HRD Network (NHRD)
- Bureau of Indian Standards (BIS)
- Confederation of Indian Industry (CII)
- Society of Automotive Engineers (SAE)
- All India Management Association (AIMA)
- Society of Indian Automobile Manufacturers (SIAM)
- Society for Automotive Fitness and Environment (SIAM SAFE)
- Federation of Indian Chambers of Commerce and Industry (FICCI)

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

Maruti Suzuki participates actively in committees set up by SIAM (the Automobile Industry Association) and the Government on various subjects related to future regulations, policies, and their implementation plans etc. Similarly, the Company engages with various policy makers for framing new regulations and policies.

The Company's engagements cover broad areas like-emissions, safety, vehicle scrappage, trade, R&D, electric/hybrid vehicles and inclusive development policies etc.

Principle 8: Businesses should support inclusive growth and equitable development

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

Yes,

1. The Company's approach and projects are given in the CSR policy (<http://www.marutisuzuki.com/our-policies.aspx>)
2. Social projects implemented in 2015-16 and project wise CSR expenditure is given in Annexure D of this report.
3. Description of the social projects is given in the Sustainability section of this Annual Report.

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

The Company is directly involved in the needs assessment process, project design, execution and sustainability of its projects. Over the years, the Company has developed competencies in local village development, skill development and road safety, each of which are largely implemented, monitored and supervised by in-house teams with strategic partnerships forged in areas where the Company lacks competencies.

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

Yes, in 2015-16 the Company undertook third party impact assessment for the following projects:

1. Sanitation
2. Education
3. Skill Development

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

In 2015-16, the Company has spent ₹ 784.6 million on CSR activities. The details of this expenditure are given in Annexure D. The expenditure includes ₹ 321.7 million spent on community development projects.

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

The Company is striving for a favourable behavioural change among communities towards the facilities developed. To bring about the change in behaviour and build capabilities of the community, the Company has tied with a local grass root NGO. This NGO is engaging with the community on a daily basis educating them on adopting and maintaining the common community assets constructed by the Company.

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

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

In 2015-16, the Company sold 1,429,248 vehicles. Total customer cases registered were 8,561, 0.07% (of total sales) cases were under process of resolution which is not significant in comparison to total sales volume.

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

The important information about products is shared with the customers. The Owner's Manual and Service Booklet is provided to every customer on purchase of vehicle and contains information relating to safety, operation and maintenance of the vehicle.

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

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? If so, provide details thereof, in about 50 words or so.

No court case has been filed against the Company regarding unfair trade practices or irresponsible advertising against the Company. However, one case pertaining to anti-competitive behaviour filed against 17 automobile companies is pending before Hon'ble Delhi High Court.

The case was filed before the Competition Commission of India (CCI) under Section 19 of the Competition Act by Shri Shamsher Kataria ("Informant") on 17th January, 2012, against some car companies (other than Maruti Suzuki), alleging multiple violations of the provisions of the Competition Act.

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

The Company regularly engages with customers to get their feedback on the product and carries out surveys to gauge their satisfaction level. Some mechanisms through which the Company engages with customers are brand track, customer meets, customer satisfaction feedback, product clinics, mega service camps and free check-up camps.

The Company has been ranked first in customer satisfaction for 16 years in a row in customer surveys conducted by J.D. Power.



Sustainability Report

2015-16

GRI G4 - In Accordance - Core



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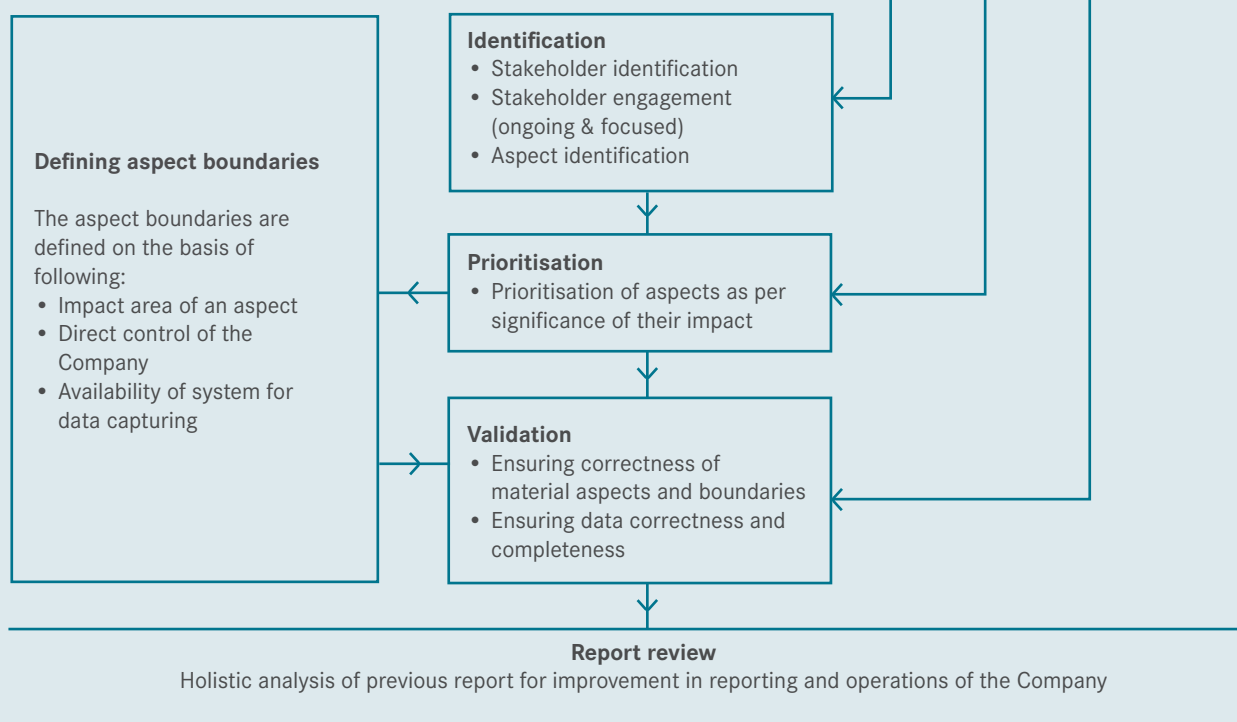
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Sustainability Report

Report Profile

The Company publishes its Sustainability Report annually and the most recent report was published for year 2014-15. This is the Company's 8th Sustainability Report which is for the period, 1st April, 2015 to 31st March, 2016. This report has been prepared as per GRI G4 guidelines, in accordance with 'Core' reporting. Following process flow describes the approach adopted by the Company for defining report content and aspect boundaries for report preparation.

Maruti Suzuki's Sustainability Report Preparation Process



The report is assured and verified by an independent assurance provider, DNV GL Business Assurance India Pvt. Ltd. as per AA1000AS(2008) standards. There is an internal approval system in the Company for appointment of the external assurance provider for Sustainability Report. The assurance statement is given at the end of this section.

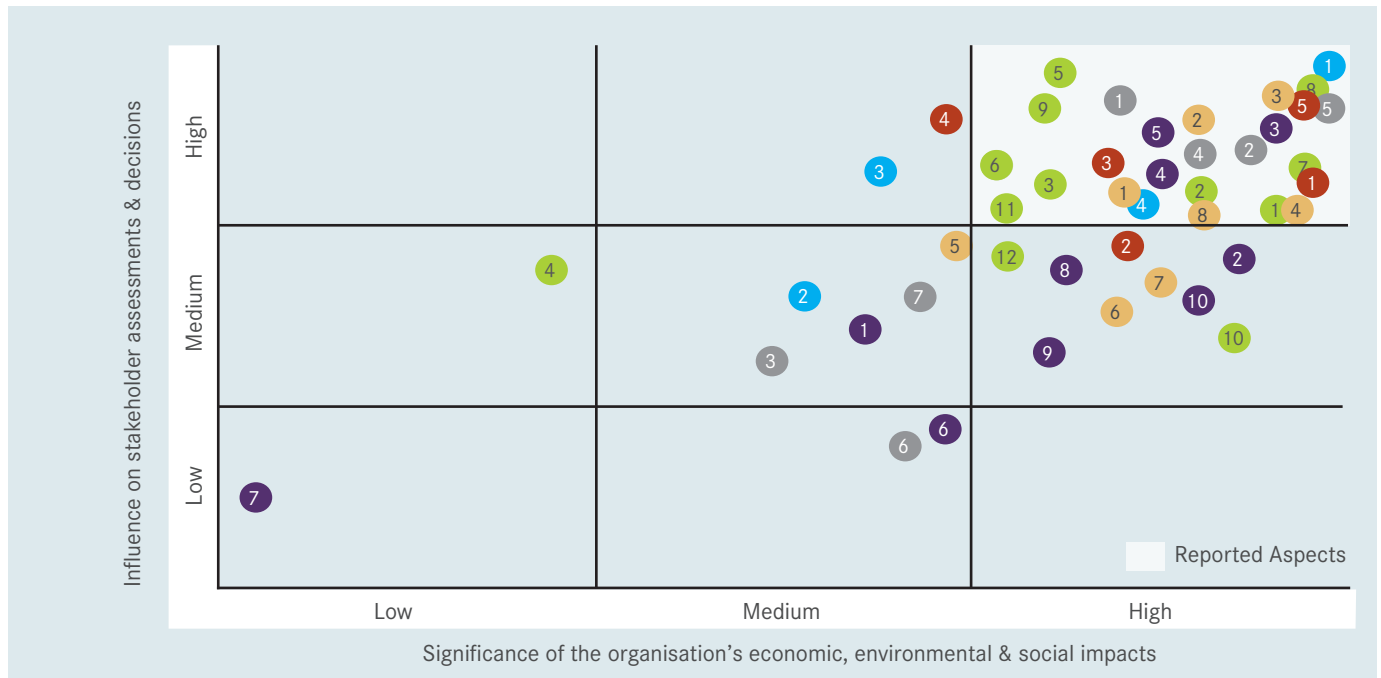
Report Scope and Aspect Boundary

There has been no significant change from the previous reporting period in the report scope and aspect boundaries. There is no restatement. However, required 'notes' have been indicated throughout the Sustainability Report section.

Materiality Matrix

The Company undertook an internal materiality assessment exercise for defining report content in the previous reporting year. All cross-functional team members involved in report preparation dedicated a day to understand the concept of materiality and jointly created the materiality matrix. The exercise was guided by an external sustainability expert. The matrix was then evaluated and modified by the corporate level sustainability team. For 2015-16, the materiality matrix was reviewed and has been updated.

Material aspects for Maruti Suzuki India Limited



● Economic

| | |
|---|------------------------------|
| 1 | Economic performance |
| 2 | Market presence (Wage ratio) |
| 3 | Indirect economic impacts |
| 4 | Procurement practices |

● Labour practices and decent work

| | |
|---|--|
| 1 | Employment |
| 2 | Labour/ management relations |
| 3 | Occupational health & safety |
| 4 | Training & education |
| 5 | Diversity & equal opportunity |
| 6 | Equal remuneration for women & men |
| 7 | Supplier assessment for labour practices |
| 8 | Labour practices grievance mechanisms |

● Human rights

| | |
|----|--|
| 1 | Investment |
| 2 | Non-discrimination |
| 3 | Freedom of association & collective bargaining |
| 4 | Child labour |
| 5 | Forced or compulsory labour |
| 6 | Security practices |
| 7 | Indigenous rights |
| 8 | Assessment |
| 9 | Supplier human rights assessment |
| 10 | Human rights grievance mechanisms |

● Environment

| | |
|----|-------------------------------------|
| 1 | Materials |
| 2 | Energy |
| 3 | Water |
| 4 | Biodiversity |
| 5 | Emissions |
| 6 | Effluents & waste |
| 7 | Products & services |
| 8 | Compliance |
| 9 | Transport |
| 10 | Overall (Environmental expenditure) |
| 11 | Supplier environmental assessment |
| 12 | Environmental grievance mechanisms |

● Society

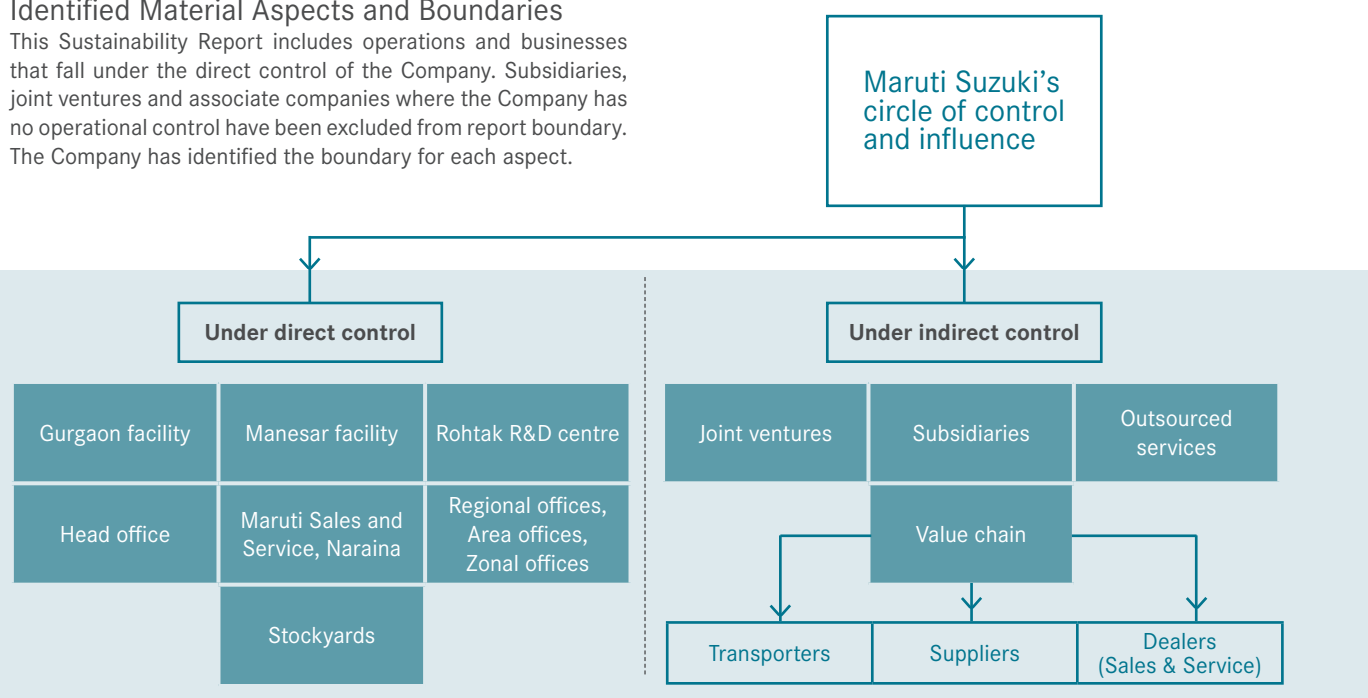
| | |
|---|---|
| 1 | Local communities |
| 2 | Anti-corruption |
| 3 | Public policy |
| 4 | Anti-competitive behaviour |
| 5 | Compliance |
| 6 | Supplier assessment for impacts on society |
| 7 | Grievance mechanisms for impacts on society |

● Product responsibility

| | |
|---|-----------------------------|
| 1 | Customer health & safety |
| 2 | Product & service labelling |
| 3 | Marketing communications |
| 4 | Customer privacy |
| 5 | Compliance |

Identified Material Aspects and Boundaries

This Sustainability Report includes operations and businesses that fall under the direct control of the Company. Subsidiaries, joint ventures and associate companies where the Company has no operational control have been excluded from report boundary. The Company has identified the boundary for each aspect.



Aspect Boundary for Sustainability Report

| Material aspect | Gurgaon | Manesar | Rohtak | Head office | Other facility / office | Supply chain |
|--|---------|---------|--------|-------------|-------------------------|--------------|
| Governance and ethics | | | | | | |
| Economic performance | | | | | | |
| Procurement practices | | | | | | |
| Materials | | | | | | |
| Energy | | | | | | |
| Water | | | | | | |
| Emission | | | | | | |
| Effluents & waste | | | | | | |
| Products & services | | | | | | |
| Supply chain | | | | | | |
| Employment | | | | | | |
| Labour/ management relations | | | | | | |
| Training and education | | | | | | |
| Occupational health & safety | | | | | | |
| Freedom of association & collective bargaining | | | | | | |
| Child labour | | | | | | |
| Forced or compulsory labour | | | | | | |
| Local community | | | | | | |
| Customer health & safety | | | | | | |
| Marketing communications | | | | | | |
| Compliance | | | | | | |

Risk Management

The Company has established a Risk Management process which consists of an Enterprise Risk Management Committee (ERMC). The process includes a mechanism of periodic identification of risks through stakeholder interviews, workshops and surveys, and their mitigation. Management of each risk is assigned to a risk owner and the designated risk champion. The Company

has also set up a Risk Management Committee of the Board to monitor and review the risk management plan as per the requirements of the Companies Act, 2013. The Company has a Risk Management Policy approved by the Board. The Chief Risk Officer at the corporate level coordinates all activities related to risk management and presents the report to the Risk Management Committee.

| Identified Risk | Mitigation Strategy |
|--|--|
| Unfavourable economic conditions | <ul style="list-style-type: none"> Flexible manufacturing to manage demand fluctuations, high focus on exchange sales, expansion of sales and service network through the successful implementation of NEXA sales channel High focus on semi-urban and rural markets |
| Regulatory changes | <ul style="list-style-type: none"> Expansion of R&D capabilities, incorporation of advance safety features Designing vehicles with low carbon emission and high fuel efficiency |
| Competition and changing of customer preferences | <ul style="list-style-type: none"> Diversification of product portfolio, enhancement of vehicle performance Strengthening after sales service and attractive vehicle pricing Introduction of advance technologies to ensure safety, lesser fuel consumption, lower carbon emissions and use of recyclable material in manufacturing |
| Talent migration | <ul style="list-style-type: none"> Employee motivation, career growth, high focus on training and development Employee satisfaction survey and action on the outcome of the survey Regular engagement with workers and ensuring safe working environment Direct communication between top management and workers |
| High level of dependency on value chain | <ul style="list-style-type: none"> Suppliers' capacity building in different areas of business, establishment of supplier base close to manufacturing facilities Working with transporters on subjects like health and welfare, road safety and driving training for drivers, accident data monitoring, equipping trailers with GPS devices Dealers' performance monitoring, supporting their financial stability, regular training of sales executives and service technicians |
| Quality issues | <ul style="list-style-type: none"> Fool-proofing internal manufacturing systems and processes, undertaking assessment of suppliers' manufacturing processes and capacity building for quality management |
| Breach of information security | <ul style="list-style-type: none"> Creating awareness, strengthening information security systems and vigilance, classification of information, creation of information security champions |
| Corruption | <ul style="list-style-type: none"> Mandatory adherence to code of business conduct by all employees and focus on awareness among middle and senior management |
| Water scarcity | <ul style="list-style-type: none"> Meeting most of the water requirement from canal water, taking up rainwater harvesting, recycling and reuse of water, and system improvement for reducing water consumption |
| Emissions | <ul style="list-style-type: none"> Designing low carbon emitting vehicles, promoting CNG vehicles, undertaking process enhancement and use of solar energy and cleaner fuel for electricity production |
| Negative social impact | <ul style="list-style-type: none"> Planning the Company's operations to minimise disturbance to local communities, assessing Company's impact on society and addressing concerns of local communities |

Applying the Precautionary Approach

The Company undertakes Environmental Impact Assessments to identify potential impacts of new manufacturing projects and expansion of existing facilities on the environment. The Company undertakes mitigation efforts in line with findings of the assessment.

Stakeholder Engagement

Organisations and individuals that are impacted by the Company's operations and that can potentially impact its sustainability and growth are identified as key stakeholders by the Company.

Stakeholder engagement is a continuous process and the Company has well established processes for the same. Since, this is a continuous process, engagement happens naturally. The Company engages with the entire stakeholder groups during its day-to-day operations, irrespective of significance and size of the groups.



Employees

| Activity | Frequency | Engagement approach to address concerns |
|--|-----------|--|
| Managing Director's communication | Bi-annual | To update department heads on the Company's performance and developments |
| Divisional communication meetings | Monthly | To update employees on the Company's performance and developments |
| Family interaction* | Monthly | Family interactions and visits to facilities to strengthen bonding between the Company and employees/ their families |
| Suggestion schemes and quality circles | Ongoing | Employees implement work related suggestions and are rewarded appropriately |
| Employee relations development committee | Monthly | A platform that ensures constructive discussions between workers' unions and the Company officials |
| Umbrella mentoring | Ongoing | One supervisor mentors a group of seven associates on a professional and personal level |

Note: The engagement type is formal except for the star (*) marked activities

Customers

| Activity | Frequency | Engagement approach to address concerns |
|----------------------------|-----------|--|
| Brand track | Ongoing | To gauge customers' perception of corporate brand and product brands |
| Customer meet and feedback | Ongoing | To gauge customers' satisfaction level with products and services |
| Mega service camps | Ongoing | A means to receive first-hand customer feedback and resolve complaints on the spot |
| Customer care cell | Ongoing | A 24x7 toll-free number (18001800180) for customer complaints |

Note: The engagement type is formal for all activities

Shareholders and Investors

| Activity | Frequency | Engagement approach to address concerns |
|--|------------------|---|
| Annual general meeting | Annual | For investors to interact directly with the Company's top management |
| Press releases and emails | Ongoing | To disseminate information such as financial results, new model launches and price changes to investors |
| Investor meets | 5-6 meets a year | To update investors on current business environment and the Company's approach and strategies |
| One-to-one meetings and conference calls | Ongoing | To address investor-specific queries |

Note: The engagement type is formal for all activities

Suppliers

| Activity | Frequency | Engagement approach to address concerns |
|--|-----------|---|
| Maruti centre for excellence | Ongoing | To upgrade suppliers through training, consultation and sharing the Company's best practices |
| Suppliers' club | Ongoing | A platform for select suppliers to discuss critical issues with the Company's top management |
| Quality month | Annual | To enhance quality consciousness amongst suppliers |
| Value Analysis and Value Engineering (VA-VE) Month | Annual | To achieve cost competitiveness jointly with suppliers |
| Vendor conference | Annual | A platform for Company's top management and suppliers' CEOs to share thoughts and best practices |
| Safety and energy audits | Ongoing | Auditing for identification of opportunities to improve safety culture and energy consumption reduction |
| Environment management system promotion | Ongoing | Engagement and support for ISO 14001 certification for suppliers |

Note: The engagement type is formal for all activities

Dealers

| Activity | Frequency | Engagement approach to address concerns |
|--|-----------|--|
| Balanced scorecard | Quarterly | A tool for sustained performance improvement of dealers in areas such as operations, sales, service and spares |
| Dealer conferences | Annual | A platform to share best practices, offer future direction and receive feedback from dealers |
| Guidance on Business and Financial Matters | Ongoing | A way of capacity building and hand-holding of dealers by the Company |

Note: The engagement type is formal for all activities

Local Community and Society

| Activity | Frequency | Engagement approach to address concerns |
|--|-----------|---|
| Community Development around facilities ** | Ongoing | <ul style="list-style-type: none"> The Company's representatives meet village panchayat leaders at least once in a quarter to understand community's concerns and discuss ways to address those and meet Government officials for seeking permissions and taking their inputs for projects, as and when required Location-wise dedicated teams are deployed to engage with community on a regular basis for implementation of social development projects. This is further supported by the Company's employee volunteering programme |
| Skill Development – Pan-India | Ongoing | <ul style="list-style-type: none"> Quarterly review meetings with the Chairman of the Institute Management Committee of ITIs to review the progress of the project and define the way forward Regular engagement with students and staff of ITIs for infrastructure upgradation, facilitation for industry exposure, skill enhancement, personality development and trainings, etc. |
| Road Safety initiatives – Pan-India | Ongoing | <ul style="list-style-type: none"> Engagement with Government officials i.e. Traffic Police Commissioners, traffic marshals, IDTR officials and civil society groups for promotion of road safety Driving training for general public, marginalised groups, trailer drivers through IDTRs, MDS's and Road Safety Knowledge Centres of the Company's network. Further, the Company organises road safety awareness programmes across various schools and colleges |

Note: The engagement type for star (**) marked activities is formal as well as informal in nature, whereas others are formal activities

Environment and Regulatory Authorities

| Activity | Frequency | Engagement approach to address concerns |
|---|-------------|---|
| Community feedback | Annual | Gauges environmental impact of the Company on neighbouring communities |
| Interaction with regulatory authorities | Ongoing | Interaction and communication with regulatory authorities for meeting compliance standards, understanding new regulations and discussing environmental issues |
| Advocacy on future environmental regulations and policies | As required | Participation in committees set up by SIAM and the Government, on future environmental regulations, policies and implementation plans |
| Hybrid and electric cars | Ongoing | Working closely with the Government for attaining goals under the National Electric Mobility Mission Plan 2020 (NEMMP), for hybrid and electric cars |

Note: The engagement type is formal for all activities



Economic Performance

The Company achieved highest-ever sales in the reporting period. This has been possible because of new launches, good customer services, better strategy and united efforts of Maruti Suzuki family. Large number of vehicles produced and sold, make aspects of economic performance and procurement practices material for the Company.

For managing economic performance, the Company closely monitors the external environment and changing consumer preferences and responds accordingly with its products and expansion of manufacturing facilities, sales and service network. The suppliers are also advised to build capacities and capabilities to meet current and future business requirements. Further, future plans are made considering the long-term interests of the Company and its various stakeholders.

This was the fourth year in a row when the Company's market share improved over the previous year. It stood at 46.8%, the highest in 14 years.

Direct Economic Value Distributed (₹ in million)

| Item | 2013-14 | 2014-15 | 2015-16 |
|--|---------|---------|---------|
| Employee wages & benefits | 13,681 | 16,066 | 19,887 |
| Shareholders' fund | 209,780 | 237,042 | 270,071 |
| Dividend paid | 3,625 | 7,552 | 10,573* |
| Contribution to the National Exchequer | 87,832 | 91,012 | 137,166 |
| CSR spend | 232.8 | 372.5 | 784.6 |

*Proposed.

Maruti Suzuki's Contribution to Employee Benefit Plan Obligation (₹ in million)

| Employee benefit | 2013-14 | 2014-15 | 2015-16 |
|---------------------------------------|---------|---------|---------|
| Leave encashment/ compensated absence | 1,448 | 1,830 | 2,101 |
| Employees' gratuity fund | 1,351 | 1,715 | 1,967 |
| Retirement allowance | 47 | 54 | 58 |
| Provident fund | 7,908 | 9,563 | 11,590 |

Source: Note 28 (employee benefit expenses) of standalone accounts of 2013-14, 2014-15 and 2015-16



Environmental Performance

Disclosure on Management Approach

The Company business operations involve natural resource consumption and have its environmental impacts. The nature and scale of operation makes material, energy, water, effluent, waste and emissions as material aspects for the Company. To minimise environmental footprint, the Company follows the basic philosophy of its parent, ‘Smaller, Fewer, Lighter, Shorter and Neater’. Specifically, the Company has been working on initiatives like, resource consumption optimisation, implementation of green procurement guidelines and improving environmental performance of suppliers, etc.

Generally, the environmental parameters are regulated by government rules and guidelines. The Company conducts Aspect-Impact Analysis and Environmental Impact Assessment (EIA) to identify and manage potential environmental impacts. The Company avoids adoption of any process, equipment or strategy which can cause environment, health and safety risks. If the risks are inevitable, mitigation plans are prepared and implemented. The Company has dedicated departments to manage different aspects of environmental performance and annual targets for key environmental performance which are set at the beginning of the year.

Materials

The materials used by the Company for vehicle manufacturing are primarily non-renewable in nature. To reduce per vehicle raw material consumption, the Company has focused on initiatives like ‘One Gram One Component’ weight reduction programme, yield improvement, Value Analysis-Value Engineering and recycling and reuse initiatives.

Materials Recycled and Used

30,484t

of steel scrap was used for manufacturing child parts

3,485t

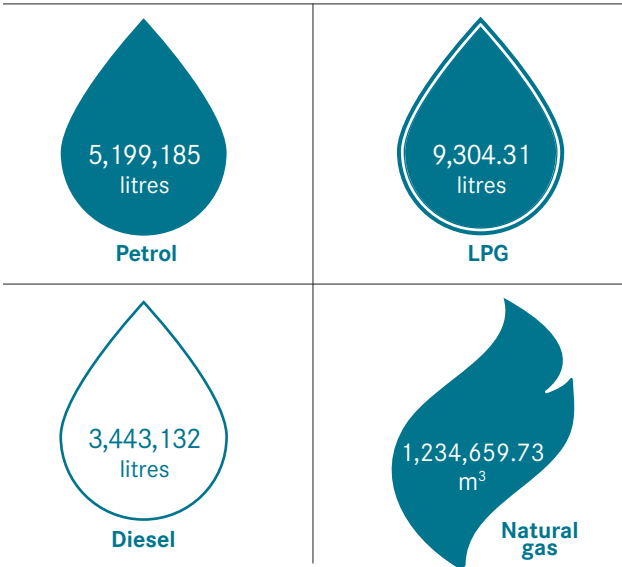
of aluminium scrap was melted to create ingots

68,013t

of trim scrap (very small pieces) was melted and made into ingots

To minimise environmental footprint, the Company follows the basic philosophy of its parent, ‘Smaller, Fewer, Lighter, Shorter and Neater’.

Fuel Consumed in the Vehicles Manufactured



Energy

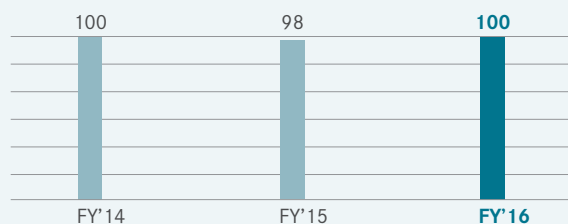
The Company meets more than 96% of its energy requirement from cleaner sources (natural gas, LPG, solar based power plants). The other sources include electricity from grid and back-up generators.

Energy Consumption by Type (GJ)

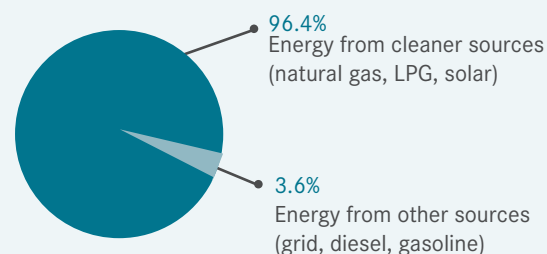
| Energy type | Energy source | 2013-14 | 2014-15 | 2015-16 |
|-----------------|------------------|-----------|-----------|-----------|
| Direct energy | Natural gas | 5,386,574 | 6,106,698 | 6,379,212 |
| | Diesel (HSD) | 43,155 | 88,704 | 84,940 |
| | LPG/ propane | 117 | 22,946 | 20,709 |
| | Gasoline | 30,659 | 31,936 | 29,759 |
| | Solar | 522 | 4,750 | 4,924 |
| Indirect energy | Grid electricity | 52,325 | 101,215 | 126,100 |
| Total | | 5,513,352 | 6,356,249 | 6,645,644 |

Note: Conversion factor has been taken from GRI G3.1 guidelines; grid electricity figure excludes Rohtak

Electricity consumption per vehicle manufactured (%), indexed to base year 2013-14



Energy from cleaner sources



Energy Related Initiatives

Conservation initiatives

- Energy efficiency improvement in compressed air plant by reduction of generating air pressure in Manesar Casting Plant
- Energy efficiency improvement in cyclo's, twin lobe blowers, submersible mixer in water treatment plant and use of energy efficient motors in blowers and cooling fans
- Optimisation of process steam pressure by installation of pressure reducing and de-superheating station (PRDS)

Process improvements

- Design improvement of cooling air system to enhance air flow in casting plant
- Replacement of single core high tension cable with three core cable to enhance reliability of power distribution system
- Upgradation of turbocharger system in gas generator for instantaneous loads

Cost-reduction initiatives

- Increased loading of steam turbine generator in Manesar by efficient running of Waste Heat Recovery Boiler
- Optimisation of power resources by use of low pressure steam turbine generator and auxiliary boiler, on Sundays/holidays
- Alternate source of electricity through Open Access

Water

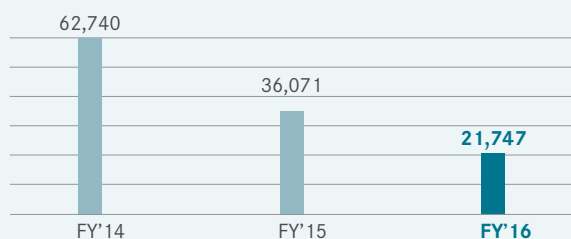
Over the years, the Company has reduced the ground water consumption significantly whereas canal water is the primary source of water for the Company. The Company has also created rainwater harvesting structures at all its facilities.

Water Consumption by Source (m³)

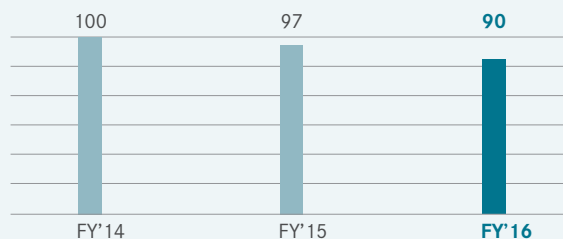
| Water source | 2013-14 | 2014-15 | 2015-16 |
|-------------------------------|------------------|------------------|------------------|
| Surface water (canal water) | 1,980,981 | 2,352,632 | 2,346,326 |
| Groundwater (tube well water) | 62,740 | 36,071 | 21,747 |
| Rainwater | 3,341 | 6,871 | 39,668 |
| Total | 2,047,062 | 2,395,574 | 2,407,741 |

Decreasing Dependency on Groundwater

Groundwater consumption (m³)



Water consumption per vehicle manufactured (%), indexed to base year 2013-14



Water lagoon at Gurgaon facility

Effluents and Waste

There is no water discharge outside the factory premises as all the Company facilities have zero wastewater discharge status. The recycled water is used for manufacturing processes, irrigation and cleaning purpose and RO water reject is used for toilet flushing.

Recycled and Reused Water (m³)

| Water type | 2013-14 | 2014-15 | 2015-16 |
|--------------------------------------|-----------|-----------|-----------|
| Recycled water from treatment plants | 1,379,237 | 1,751,278 | 2,191,079 |
| Reused water | 518,619 | 614,683 | 828,352 |

Note: Data for Rohtak Centre is not included

Hazardous Waste

The hazardous waste generated during the Company's operations are categorised, accounted and disposed as per the prescribed norms. The data for significant hazardous waste is given in the following table.

| Waste type | Unit | 2015-16 |
|---|------|---------|
| Hazardous waste sent to cement industry for co-processing | t | 12,153 |
| Hazardous waste sent to authorised recyclers | t | 2,881 |

Emissions

In 2015-16, total scope-1 and scope-2 emissions (CO₂) were 366,233t and 27,317t of CO₂ equivalent respectively. For carbon emission calculation, IPCC 2006 guidelines for National Greenhouse Gas Inventories and User Guide (Version 8.0) of Central Electricity Authority (Ministry of Power) have been used.

Emissions of Ozone Depleting Substances (ODS)

The substances responsible for Ozone depletion are used as refrigerants in a limited way in offices and manufactured vehicles. The office areas in the Company have air conditioning, while, all manufacturing facilities are cooled by air washers; therefore, the use of refrigerant by the Company at its manufacturing facilities is limited. Also, the Company fills environment friendly refrigerant gas R134a in the vehicles manufactured at its facilities.

NO_x, SO_x, and Other Significant Air Emissions

The ambient air quality and stack emission parameters (SO_x, NO_x, and SPM, etc.) are monitored as per prescribed government norms by a government approved external agency. The monitored values in 2015-16 were well within the prescribed limits of the Pollution Control Board.

Mitigation of Environmental Impacts of Products and Services

The products offered by the Company have high fuel efficiency and low emissions. In general, the Company strives to design and develop products and services to further reduce their possible environmental impacts. The important initiatives for reducing environmental impacts of products and services include, fuel efficiency enhancement, vehicle weight reduction and system improvement in servicing processes.



Effluent treatment plant at Gurgaon facility

Products

Fuel Efficiency

Fuel efficiency is directly linked to the amount of CO₂ emitted by the vehicle. The Company has been able to minimise environmental impact of its products by improving fuel efficiency of vehicles. Underlined below are some of the important initiatives taken to achieve better fuel efficiency.

- Introduction of new generation alternator management to optimise battery charging (SHVS)
- Optimisation of transmission gear ratios for better drive and fuel efficiency
- Improvement in combustion, thermal efficiency and engine calibration
- Engine friction reduction and compression ratio optimisation
- Improvement in aerodynamic design & weight reduction
- Introduction of Idle Start Stop
- Introduction of turbocharger and of new fuel injection technology (Direct Injection in Cylinder Head) in gasoline engines

CO₂ emission reduction for entire fleet

The Company is continuously targeting reduction in CO₂ emissions to combat climate change. The Company was able to reduce overall weighted average CO₂ by over 15%.

The CO₂ emission reduction has been achieved as a result of the following initiatives-

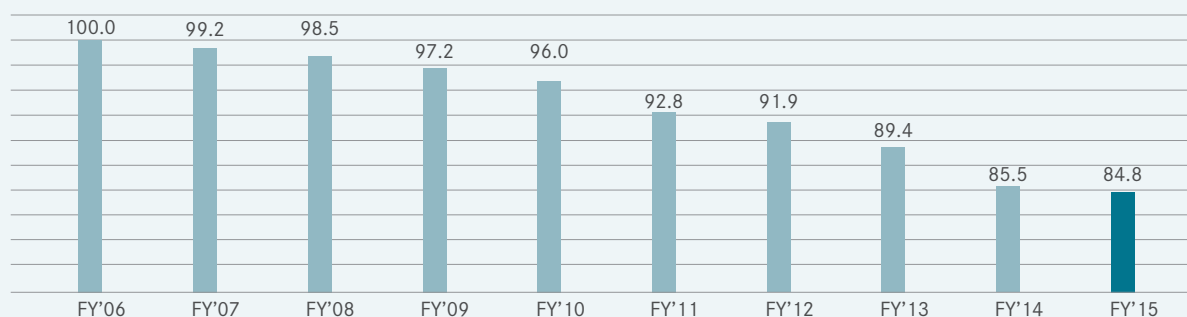
- Fuel efficiency improvements
- Introduction of new technologies
- Development of alternate fuel products

Weight Reduction Initiatives

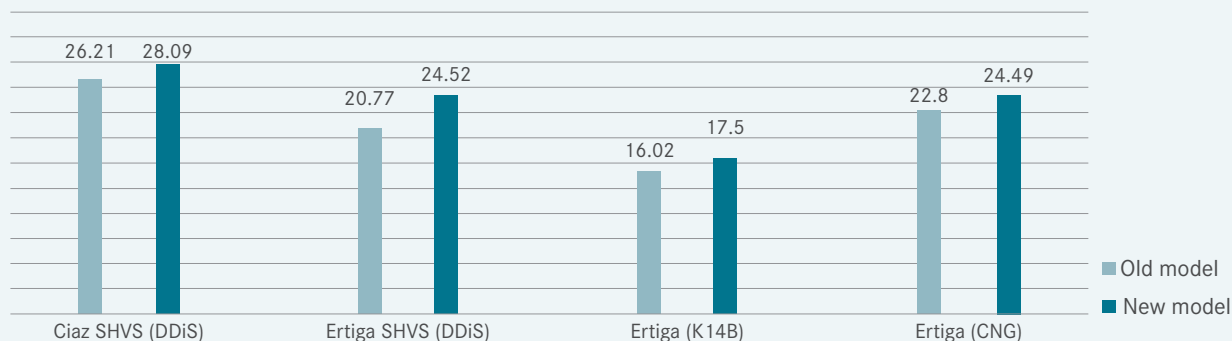
Use of high strength steel for body and use of stronger, lighter and safer materials has resulted in an increase in fuel efficiency and performance of vehicles without compromising on their safety.

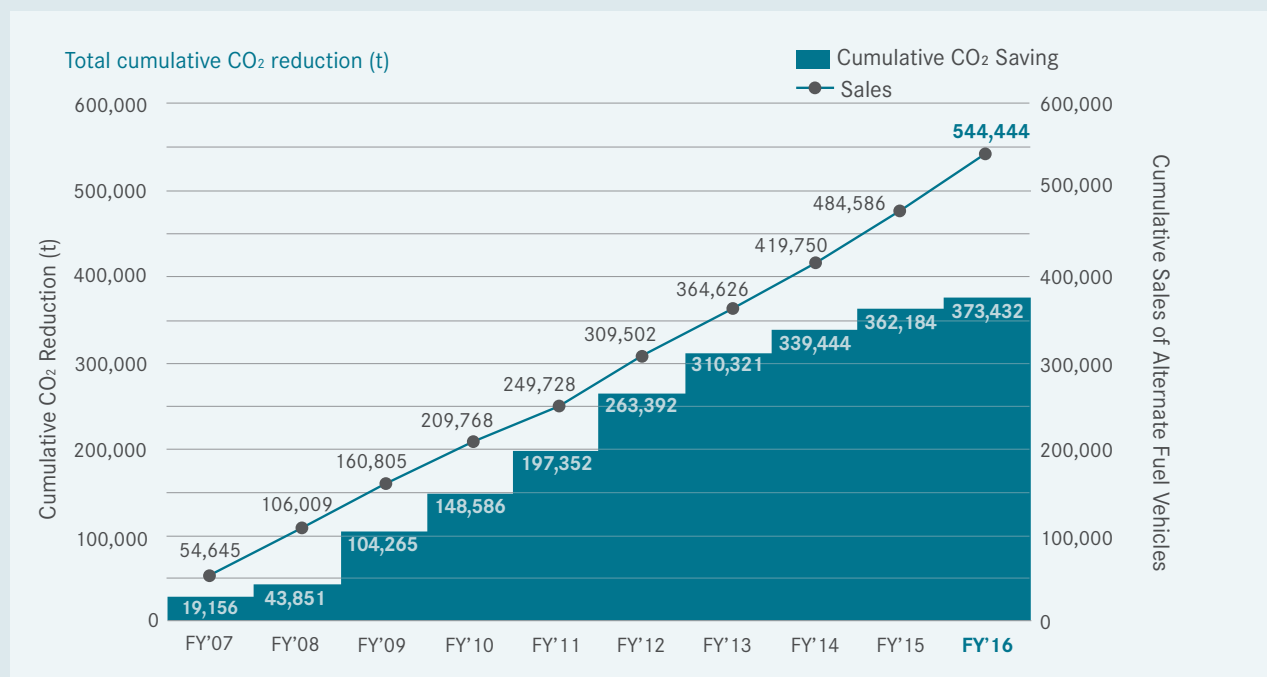
- Extensive use of high and ultra-high strength steel to make light weight yet rigid BIW structures
- High tensile seat frame and mechanism for weight reduction
- Usage of alternate materials in exterior trims and body equipment
- Use of CAE for improvement of powertrain thermal and combustion efficiencies
- Low thickness low weight back door glass (used for the first time)
- Intelligent use of plastic and resin material in glass run channel and mechanism
- New generation lightweight HVAC platform used in Baleno
- Use of plastic fuel tank mounted with bolt and compact fuel system layout
- Light-weighting of engine unit and auxiliaries, and chassis aggregates

Weighted average CO₂ percentage improvement with respect to base year 2005-06 (for entire fleet)



Fuel efficiency improvement in new models introduced in 2015-16 (km/l)





Alternate Fuel Technology

Presently, the Company offers alternate fuel option in six models, namely, Alto 800, Alto K10, Celerio, WagonR, Eeco and Ertiga with i-GPI CNG engine technology where CO₂ emissions are 20% less on average compared to its petrol variants.

The Company has sold over 5.44 lakh alternate fuel vehicles cumulatively till 31st March, 2016 which has helped in offsetting about 3.73 lakh tons of CO₂ emission cumulatively.

Sustainable Technologies

SHVS (SMART HYBRID VEHICLE BY SUZUKI)

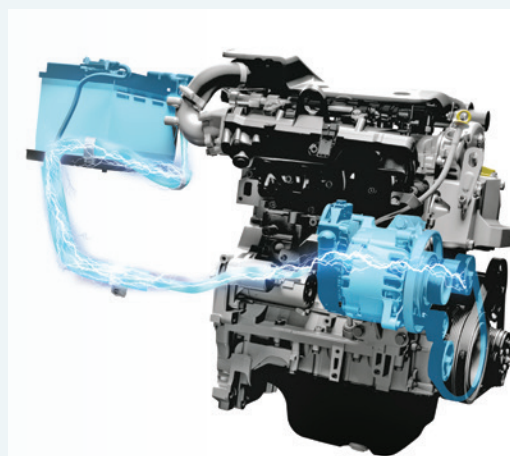
The Company introduced SHVS technology in Ciaz to make it India's first Smart Hybrid Diesel Car. Ciaz SHVS has created a new benchmark in fuel efficiency, making it friendly for the customer as well as the environment.

SHVS is a technology which uses an Integrated Starter Generator (ISG) and an advanced high capacity battery to supplement the engine's power. SHVS technology makes it more efficient than the conventional set-up and saves energy while decelerating/braking, which is otherwise lost, is stored in the advance high capacity battery and assists during acceleration (like gradient climbing). This combination results in a peppy, powerful and fuel efficient vehicle.

Some of the important features of SHVS include idle start stop, power assist, brake energy regeneration, gear shift indicator and enhanced safety.

BOOSTERJET

Boosterjet is a performance oriented technology used in newly developed 1.0 litre direct-injection turbo engine. It generates continuous high torque across the driving range of engine speed. It delivers an effortless ride which is genuine driving pleasure.



SHVS Engine

The key points about Boosterjet is as follow-

- Output and torque are boosted through a turbocharger from low engine-revolution range
- Direct-injection allows enhanced control of strategy for fuel injection directly into the combustion chamber, giving better performance and lesser CO₂ emission
- The effective performance of this engine is similar to a conventional bigger displacement naturally aspirated port-injection gasoline engine

Other Initiatives

MSIL continuously promotes voluntary initiatives that encourage elimination of chemical substances of concern such as lead, cadmium, mercury, hexavalent chromium and asbestos. These substances are detrimental to the environment and human health.

Use of pendulum engine mount system, effective use of acoustic insulation and absorption materials around the cabin and engine compartment ensure low NVH levels in Vitara Brezza.

Further, the Company focuses on recording feedback through telephonic surveys and e-feedback cards (feedback cards collected through emails) to reduce the usage of physical feedback cards. Interactive Feedback System (Kiosk) is used for this purpose. Also, for all old discontinued models, CD-ROM based manuals have been developed. For new models, service manuals are available in electronic and paper form. Going forward, the Company is targeting to supply only CD-ROM based service manuals to our service workshops.

Service

Service Workshops

The Company has implemented various technologies to offer quality servicing of vehicles with reduced environmental impact. These technologies have enabled handling of greater numbers of vehicles along with reduction in water and paper consumption at the service workshops. Following are some of the noteworthy initiatives undertaken to reduce environmental impact of the service workshops.

Systems implemented

Automated oil management system

During vehicle servicing, oil spillage is a major environmental challenge. This system minimises spillage and reduces time and effort required to issue the oil. It helps in good monitoring and identification of oil wastage and its control.

Paint-less dent repair system

This system of dent repairing for minor dents without stripping the existing paint which is faster, cost effective and avoids environmental contamination.

Automatic car washing system

The automatic car washing and underbody car washing system consumes 20% lesser water which delivers better washing quality and faster washing of vehicles.

Dry wash systems

This system replaces final water wash process with a special dry chemical wash. It has helped in reducing required wash time, improving wash quality and has reduced water consumption by around 54 million litres per annum across the service network. In 2015-16, 5.7 lakh vehicles were cleaned using the dry wash system.

Reduction in paper consumption in service operations

The Company has focused on extensive usage of tablets during interaction with customers. Job cards are now opened in Dealer Management System integrated with tablets, thus reducing paper consumption. Approximately 64.6% of the job cards are being opened through tablets.

Workshops covered



* Till June, 2015



Supply Chain Management

Disclosure on Management Approach

The Company has one of the largest networks of supply chain in the country. The Company's operations depend heavily on its suppliers and dealers. The vastness, dependency and the extent of associated economic activities make the value chain a material aspect for the Company.

To increase the share of locally sourced components, the Company has created a supplier base of 444 local suppliers till 31st March, 2016. Nearly 88% of the supplier base by volume is located within 100 km radius of the Company facilities.

However, local procurement has its own challenges like, non-availability of skilled manpower, industrial relations at supplier facilities, complexity of network and volatile markets. The Company has laid down robust sourcing processes to ensure selection of suitable suppliers. The Company also has a set of policies in place which define rules and regulations for smooth functioning of the value chain. The suppliers are audited and rated against various parameters of environment, occupational health and safety including safety management system, general working conditions, hazard identification and control, emergency management system and legal compliance. As of 31st March, 2016, an audit of 193 suppliers had been duly completed.

The significant impacts of supply chain include emissions, risk of road accidents, fire hazards and contamination through oil spillage, ultimately leading to resource and environmental degradation. Thus, the Company has developed a structured approach to assess the risks arising from major suppliers and plan proactive actions to avoid the potential impacts.

Initiatives to Mitigate Environmental Impacts

Green Supply Chain

The implementation of green procurement policy was a significant step towards management of supply chain in a more environmentally responsible manner. The Company aims to embed good practices which reduce environmental impacts of its supply chain including supplier's operations. As per the guidelines, all Tier-I local component suppliers are required to sign the green procurement agreement along with submission of environmental compliance sheet. The guidelines prohibit usage of any kind of banned substances as per law in component

manufacturing. It also introduces Classification, Labelling and Packing (CLP) for the parts which are being exported. The guidelines were revised in 2015 and training on new guidelines was also arranged for all the suppliers.

Environment Management System

The Company has been encouraging and supporting its Tier-I local component suppliers in implementation of ISO 14001. As of 31st March, 2016, 86% of the local component suppliers' plants were ISO 14001 certified.

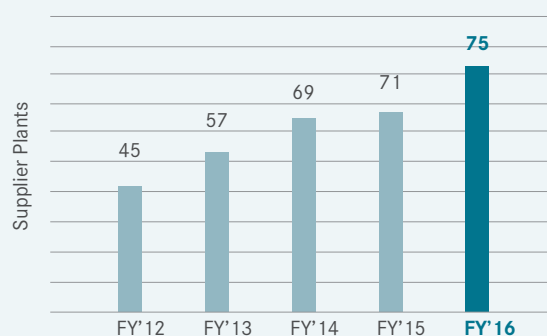
Localisation of Component Procurement

Procurement of components from local suppliers has multi-dimensional benefits like, supply chain shortening, boosting local economic growth, mitigation of foreign exchange fluctuation risk and saving on time. Presently, localisation of all the components is not feasible because of unavailability of technology in India or lack of economies of scale.

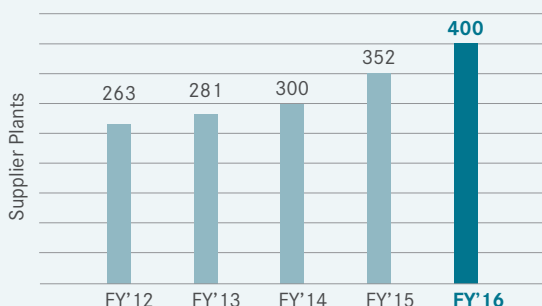
Yield Improvement

The Company is focused on yield improvement activities for conserving critical resources used in manufacturing. This is an activity of optimisation of raw material usage for sheet metal, plastics, electrical and casting, etc.

Vendor participation in yield improvement activities



ISO 14001 certification status of supplier plants



Route Rationalisation

The Company has been constantly rationalising the routes followed by its carriers. The construction of new roads and highways has helped in this endeavour of the Company. Route rationalisation has helped in achieving emission reduction, reduction in delivery time and efficiency improvement.

Multimodal Dispatches

In addition to road transportation, the Company also uses railways for transportation of vehicles. The Company has three rakes (Maruti wagons) of its own. It serves as a cost effective means that has lesser emissions. In 2015-16, 76,443 vehicles were transported through the multimodal dispatch as compared to 66,222 vehicles in 2014-15.



Car loading facility at Manesar plant

Tier-II Vendor Management

Maruti Suzuki has started engaging with Tier-II vendors in a more focused manner for vendor development. In 2015-16, the Company mapped almost all the Tier-II vendors and developed an engagement framework for them. A manual on 'Management of Sub-Supplier' was launched. The main objective of this initiative is development along with upgradation of vendors to ensure quality management.

Supporting Vendors in Business Operations

Tool Management: Product quality is directly related to the tool management. In order to ensure quality of components, the Company has started focused activities in the area of vendor tooling management through-

- Standardised specifications for vendor tooling to ensure better quality and tool life
- Introduced tool refurbishment and replacement system for vendor tooling
- Started creating database for monitoring tool's life for improving quality

HR and IR Management

The Company supports vendors in addressing their challenges of managing human resource and industrial relations. This involves sensitisation of vendors' CEOs and acquainting them with their

expected role in this regard. For structured implementation, an 'HR Manual' was launched by the Company which provides guidelines to vendors for recruitment, employee welfare, compliance and communication. In 2015-16, the Company completed HR/IR preparedness audits of around 99 vendors.

Compliance

For the Company, compliance is a material aspect. However, the Company has always gone beyond compliance for achieving sustainability goals. The Company has an online legal management system through which it tracks all legal compliances. These compliances are then reviewed by the Board on a quarterly basis.

There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations. In the reporting period, there were no cases filed against the Company relating to product and services. However, one case pertaining to anti-competitive behaviour, filed against the Company, is pending before Hon'ble Delhi High Court (details mentioned under response to Question 3, of Principle 9, of BRR section of this Annual Report). Also, in the reporting period, there were no significant incidences and fine for non-compliance with laws and regulations in relation to society. However, the Company monitors such things internally as a part of risk management.



Social Performance

Disclosure on Management Approach

The Company acknowledges that the key to its sustained success is its employees and believes that the capability, motivation, ownership and satisfaction of its employees are the most important drivers for its continued success.

The Company believes that the three factors which are important from an employees' point-of-view are: Work Life Balance, Employee Engagement and Family Connect. Feedback from employees has helped drive several new initiatives like implementation of a 5-day week, creation of recreational centres with sports facilities and awareness sessions on HR policies, among others.

The Company upholds the Human Rights principles of non-discrimination and freedom of association. The Company is also committed to diversification of talent and non-discrimination on grounds of race, colour, religion, caste or any other factor.

In 2015-16, the Company was able to increase its CSR spend to ₹ 784.6 million from ₹ 372.5 million in 2014-15, a growth of 110.6% while focusing on the three major areas of Community Development, Skill Development and Road Safety.

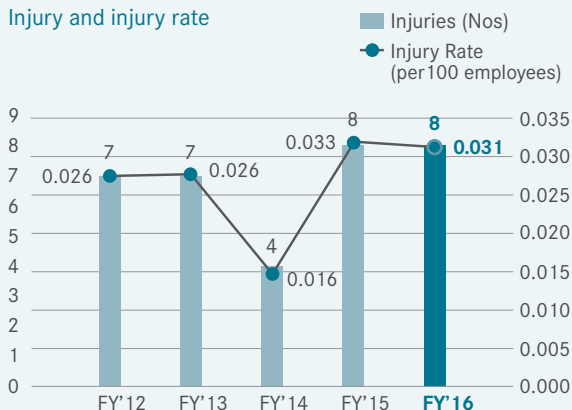
The overall goal is to achieve the target sale of 2 million cars annually by 2020. During the year, it put in place several building blocks for 2 million. The launch of three new models, start of a new retail channel, strengthening of product design and development capabilities and enhancing vehicle safety in preparation for new regulations are some of the initiatives for the future.

The Company was able to increase its CSR spend to ₹ 784.6 million from ₹ 372.5 million in 2014-15, a growth of 110.6% while focusing on the three major areas of Community Development, Skill Development and Road Safety.

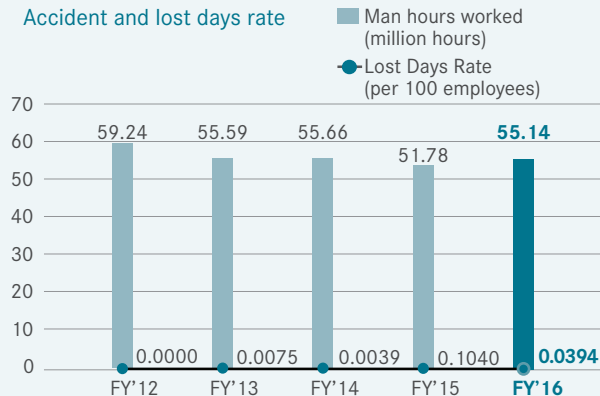
Occupational Health and Safety

The Company values health and safety of all employees. It also takes initiatives to educate and train truckers involved in supply chain activities for road safety. The Company's approach towards safety makes occupational health and safety a material aspect. The Company has an apex safety committee which has been constituted as per the guidelines of the Factories Act, 1948 (India) comprising an equal number of workers and management representatives. The tenure of the Safety Committee is two years and it meets on a quarterly basis.

Injury and injury rate



Accident and lost days rate



To further strengthen the safety culture across the organisation, the Company introduced 'Safety Basic Principles'. These principles promote safety as everyone's responsibility, making safety as first priority and accident prevention. It aims to create safe working environment across the organisation.

In 2015-16, there was no fatality due to accidents within the Company boundary. There are employees working in certain zones which are legally classified as areas having potential to

cause occupational diseases. To avoid development of any kind of occupational disease, the Company implemented sufficient engineering controls like automation, better ventilation, barriers between man and machine and administrative controls like rotation of manpower, awareness on hazards and use of personal protection equipment (PPE). Further, surveillance and periodic monitoring has not reported any incidence of occupational disease in the year 2015-16.



New recruits taking fire safety training

Corporate Social Responsibility

Maruti Suzuki is committed to serve the society through its social initiatives. The Company considers local community and society as a direct stakeholder group. The CSR projects of the Company can be categorised into three broad areas namely Community Development, Skill Development and Road Safety.

The Company has set up a CSR Committee of the Board and has a CSR policy duly approved by the Board. The CSR Committee met twice during 2015-16 to review implementation of approved projects, approve CSR Annexure for the Annual Report and provide direction on social projects.

Besides review by the CSR Committee, all CSR projects are centrally reviewed and monitored every month at the corporate level. All CSR projects are audited by internal as well as external statutory auditors for compliance as per the law and CSR policy of the Company.

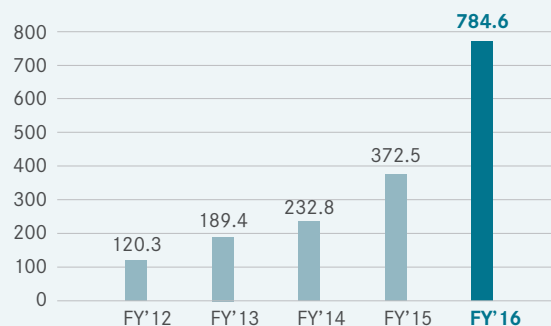
In 2015-16, the CSR Committee recommended setting up of a Trust 'Maruti Suzuki Foundation' to the Board. The Board approved the same and it was registered during the year. This Trust will further streamline social activities of the Company and will help in forging partnerships and in scaling up social projects for creating a multiplier effect.

CSR Spend

In 2015-16, Maruti Suzuki was able to increase its CSR spend to ₹ 784.6 million from ₹ 372.5 million in 2014-15, a growth of 110.6%. In 2014-15, Maruti Suzuki was not able to fully spend 2% of the average net profit for the previous three years and the unutilised amount was carried forward to 2015-16.

In 2015-16, the Company not only spent the required 2% as per the requirement of the Companies Act, 2013 but also fully utilised the unspent amount carried forward from the previous year. In 2015-16, the Company spent 2.4% of the average net profit of the previous three years. The trend of CSR spend in the last five years is given below:

Trend of CSR Spend in last 5 years (₹ in millions)



Community Development

Community Development entails CSR at the local level wherein social projects are undertaken in 21 villages across Gurgaon, Manesar, Rohtak (all in Haryana) and Hansalpur (Gujarat). The main areas of intervention in these villages include:

- Water and Sanitation
- Education
- Rural Development

Water and Sanitation

Maruti Suzuki has taken up various community development initiatives to improve the water and sanitation of the villages. The projects are based on community needs and preliminary baseline surveys. The Company has followed a holistic approach and taken up comprehensive sanitation programmes to address the sanitation issue in the villages. The programmes include construction of individual household toilets, laying of sewer lines along with solid and liquid waste management and other behavioural change awareness programmes.



Sweepers, waste collection vans and segregation trolleys provided in villages for solid waste management

Water and Sanitation

| Programmes | Achievements |
|------------------------------|--|
| Liquid Waste Management | <ul style="list-style-type: none"> • 4.9 km sewer line laid in 2 villages in 2015-16 • 11.3 km sewer line laid in 4 villages so far • Repaired open drains and paved streets • Benefited over 1,500 households in 4 villages of Manesar |
| Solid Waste Management | <ul style="list-style-type: none"> • 65 sweepers provided in 12 villages for daily cleaning of streets • 9 waste collection vans deputed to cover 7,500 households on daily basis • Constructed one garbage collection and segregation unit |
| Individual Household Toilets | <ul style="list-style-type: none"> • 1,400 household toilets constructed in 2015-16 • 1,506 household toilets constructed so far |
| Community Toilets | <ul style="list-style-type: none"> • 15 community toilets installed in Manesar villages |
| Sanitation Awareness | <ul style="list-style-type: none"> • Engaged NGO to create community based organisations • Created awareness on health, hygiene and waste management |



Creating community awareness on hygiene and waste management



Installed stainless steel community toilets in villages

IMPACT ASSESSMENT

The findings of the impact assessment survey for water and sanitation conducted in 2015-16 are given below:

- Laying of sewer lines has reduced the number of water-borne diseases such as diarrhoea
- Construction of toilets has helped in making villages open defecation free
- Repair of streets has reduced waterlogging during rainy season
- It was observed that toilets provided privacy and security for female members of the household
- *Pucca* toilets constructed by the Company are easier to maintain and gave a sense of pride to the households



Handing over of individual household toilet

Voice of Beneficiary

“Every inch of available place has seen construction of houses, shops and commercial complexes. For those who were defecating in the open, whether due to habit or lack of having household toilets, they had to go for over a mile to find a sheltered spot where they could relieve themselves. The inconvenience and health hazards were painful till Maruti Suzuki came to their rescue by building good quality toilets for them within the privacy of their household. We are happy to see that the Company is taking the Government’s ‘Swachh Bharat Abhiyan’ forward.”

Prahlad Singh,

Bass Khusla village, Village Head,
Manesar



Finding a solution to the sewer menace

“Maruti Suzuki is the first company that has shown it can walk the talk. Many have come before but they only indulged in *baatein aur khaali vaade*. We are so happy that the Company cares for us. We will do everything to support them because in doing so we are benefiting ourselves.”

**Ishwar Singh, Village Head,
Bass Hariya village, Manesar**

Ishwar Singh, recounts numerous sanitation efforts which began in his village but could not be completed due to reasons like lack of funds and awareness among people, forcing residents to live in sub-human conditions. The turnaround came when a systematic mapping exercise was initiated to fix the sewage issue. The filthy village was transformed from having open garbage dumps, faulty sewer lines and frequent disease outbreaks to a model village where cleanliness was sacrosanct. While installing dozens of fixed dustbins around the village, hiring street sweepers and equipping them with brooms along with a mobile garbage van was one part of the sanitation story, the other more critical part related to was laying and mending of sewer lines to ensure proper disposal of liquid and solid waste. These initiatives helped our village in achieving the status of ‘Nirmal Gram’.

Education

The Company's intervention in the field of education started in 2007-08 with infrastructure upgradation of Government schools in villages. Since 2008, the Company has upgraded infrastructure of 22 Government school campuses (20 primary, 6 middle, 3 higher secondary and 9 senior secondary schools), benefiting over 33,000 students.

The Company has divided its Education project under two categories:

- School Infrastructure Upgradation
- Improving Learning Levels of Students

School Infrastructure Upgradation

The Company is constructing toilet blocks for boys and girls, water tanks, providing furniture, repairing classrooms, boundary walls, etc. The objective of infrastructure upgradation is to create an enabling environment in the schools.

Improving Learning Levels of the Students

The Company has designed this project, based on the outcome of a comprehensive study conducted in select Government schools and the experience of working in these schools for the last eight years. After upgrading physical infrastructure of schools, a holistic approach has been taken to address multiple issues impacting the learning level of students. The Company has also signed an MoU with the Government of Haryana to improve learning level of students.



Ventilators and wider windows installed in classrooms for increased natural light

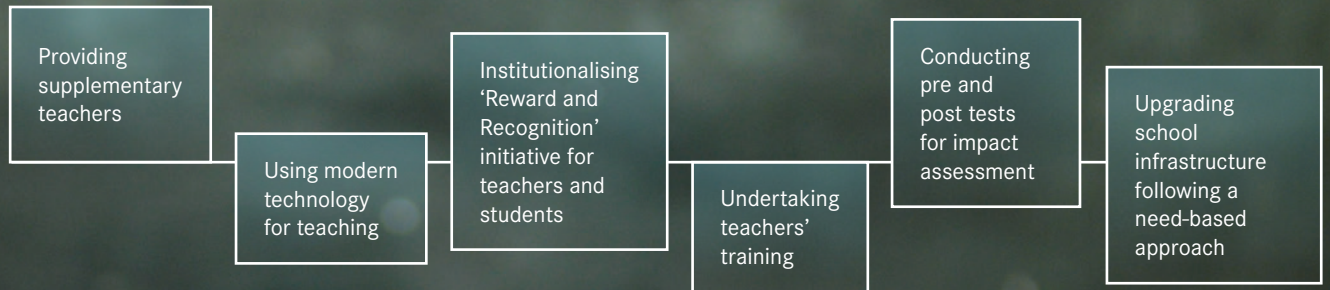


Teachers using modern technology while teaching in classrooms



Construction of separate toilet blocks for boys and girls in Government schools

The highlights of improving learning level programme include:



| Programmes | Achievements |
|---|---|
| Infrastructure Upgradation | |
| Schools upgraded | <ul style="list-style-type: none"> • 8 schools upgraded in Haryana in 2015-16 • 22 Government school campuses (20 primary, 6 middle, 3 higher secondary and 9 senior secondary schools) upgraded since 2008 |
| Construction of toilet blocks | <ul style="list-style-type: none"> • 14 new toilet blocks constructed in 2015-16 • 38 new toilet blocks with 224 WCs and 161 urinals constructed so far |
| Construction of water tanks | <ul style="list-style-type: none"> • 18 new water tanks constructed in 2015-16 |
| Windows and doors installed for natural lighting | <ul style="list-style-type: none"> • 1,051 windows and doors installed to improve natural lighting in classrooms |
| Mid-day meal utensil washing areas | <ul style="list-style-type: none"> • 18 Mid-day meal utensil washing areas constructed in 2015-16 |
| Improving Learning Levels | |
| Supplementary teachers | <ul style="list-style-type: none"> • 34 supplementary teachers provided • Improving learning abilities of students in Mathematics, Science and English subjects |
| Audio visual training device | <ul style="list-style-type: none"> • 16 Multi-media projectors installed in 13 schools |
| Academic Excellence Awards | <ul style="list-style-type: none"> • 85 Academic Excellence Awards distributed in 2015-16 • 152 Academic Excellence Awards distributed so far |
| Scholarships for students: ITI, Diploma and Engineering | <ul style="list-style-type: none"> • 158 Scholarships distributed in 2015-16 |



Academic Excellence Awards awarded to school toppers of X and XII classes



Signing of the MoU for Learning Level Improvement with Government of Haryana

IMPACT ASSESSMENT

In 2015-16, the Company conducted an impact assessment survey for school infrastructure upgradation programme. The assessment validated that construction of new water tanks and separate area for washing mid-day meal utensils has increased the hygiene habits among students.

It was observed that over 80% students wash hands before and after meals and also after using the washroom.

In addition to that improved classroom environment was one of the reasons for better attendance among students. Wider windows ensured proper inflow of natural light and air in the classroom.

Awarding of Academic Excellence Awards for meritorious students boosted the morale of students, with better results and a spirit of healthy competition being seen.

“When I came to this school in 2008 it would look very dirty. I would be standing near the gate stopping students from running out of the school as there was no boundary wall. Stray cattle coming inside the school was a common sight. Repair of school building has helped in keeping a clean environment and contributed to improving discipline too.”

Rampal Yadav,

Principal, Government Middle School,
Bass Hariya Dhana, Manesar

Rural Development Programme

The Company facilitates creation and maintenance of common community infrastructure. The Infrastructure is revamped and repaired as per needs of the community.

In 2015-16, the Company undertook projects like construction of community halls, crematorium repair, construction of roads and upgradation of veterinary hospitals. The CSR team from the Company is in regular touch with the village Sarpanch and other key influencers to understand their needs and work with them collaboratively to plan and prioritise rural development efforts.

Voice of Beneficiary

“Earlier there were three taps in the entire school for washing and drinking water. Post lunch break all water taps would get occupied by students, leaving no space to wash utensils. With a new area for washing mid-day meal utensils, overall cleanliness standards have been improved as students don’t throw leftovers in water tanks and we can also quickly wind up our work.”

Asha Kumari

Mid-day meal worker, Government Middle School,
Bass Khusla, Manesar



Mid-day meal utensil washing area



New drinking water facility constructed with bigger tank capacity



Healthy sporting culture sweeps across school playgrounds

“Seeing my friends achieve sporting excellence, gave me confidence to coax my parents to hire a private tutor and take part in state championships, going on to win a gold medal. My dream now is to represent the country in kick-boxing.”

**18-year-old Sooraj, Class IX,
Sarhaul Government Senior School, Gurgaon**

Sooraj Thapa, a Class IX student of Sarhaul Government Senior Secondary School is enthused with an ‘I can’ spirit as he takes part in football championships, winning gold and silver trophies that sit proudly in the Principal’s office. Not long ago, the ground he plays on were dumping site for garbage and construction material. From a volleyball ground, it was transformed into a multipurpose sporting ground serving as an athletic venue and kho-kho and kabaddi playground. Hiring a special coach by Maruti Suzuki ensured mentoring of students who were preparing for tournaments. Based on requests made by the coach and Principal, sports kits, shoes, tracksuits, balls and refreshments were provided, motivating budding sportsperson to excel.



No break in teaching with support teachers

“Earlier when a teacher used to leave, we had no replacement teacher for months in the school. This used to impact performance and exam results. Extra teachers provided by Maruti Suzuki have brought fresh approach and our classes are also regular.”

**Pinki Devi, Principal,
Bass Khusha Government Middle School,
Manesar**

When Harinder Singh was appointed as a science teacher under Maruti Suzuki's Education programme, he was fearful of the students of Government schools who were a boisterous lot. Majority of them, he feared, were not interested in studies. He persevered, not with an iron control but by making education interactive, talking of experiments, scientific discoveries and new advancements, going beyond textbooks. It has been five years and he is still teaching. He is a valued member of the school fraternity and admired by students whose grades in science have improved. Their conceptual understanding has improved with more practical demonstrations and interactions, but most of all there has been no interruption in teaching and course syllabus has been completed on time.

Skill Development

Maruti Suzuki is addressing the mismatch between industry demand and technical training provided in Industrial Training Institutes (ITI) by actively engaging with 131 ITIs across India. The Company is committed to contribute actively to the Government's vision of Skill India through the following programmes under its skill development initiative:

- Upgradation of Government Vocational and Technical Training Institutes (adopt all trades)
- Skill Enhancement in Automobile Trade

Upgradation of Government Vocational and Technical Training Institutes

In partnership with the state Government, the Company is working towards improving the quality of training by upgrading infrastructure. The support provided to each ITI depends on its individual needs. Broadly, the Company offers support in infrastructure improvement, faculty training, exposure to manufacturing facilities, training in acclaimed Japanese work practices like 5S, Kaizen and 3G along with soft skills like personality development and teamwork.

Skill Enhancement in Automobile Trade

To take its skill development initiatives to scale, the Company is setting up Automobile Skill Enhancement Centres (ASEC) at select ITIs. Tripartite partnerships have been forged with ITIs and their dealers with an objective to upgrade select courses linked to the auto industry such as mechanics, automobile, denting and painting courses.

With the growth in number of vehicles on the roads, quality repair and maintenance offers a major employment opportunity. These ASECs set up by the Company provide hands-on experience to trainees, making them capable of undertaking quality service and repair of vehicles.

Each of these centres is equipped with a model workshop to provide practical training. The Company also appoints full-



ITI students practising on modern machines while visiting Maruti Suzuki factory

time trainers, provides tools and equipment. Partnerships are established with local Maruti Suzuki service workshops to upgrade skills of ITI students and make them job-ready.

These efforts are helping the Company to create a pool of employable youth by working intensively with students learning the finer nuances of the automobile trade in these ITIs. The trainees in ASEC are free to seek employment in any workshop, including those not servicing Maruti Suzuki vehicles.

In 2015-16, the Company started the country's first auto body denting and auto body painting courses at ITI Pusa, Delhi and ITI Dhoraji in Rajkot.



Maruti Suzuki trainers providing training on automobile related courses to students in ASEC

| Programmes | Achievements |
|--|--|
| Upgradation of Government ITIs | |
| Temporary Workers (TWs) and Apprentices hired from adopted ITIs by Maruti Suzuki | <ul style="list-style-type: none"> 1,749 TWs and apprentice were hired in 2015-16 2,722 TWs and apprentice hired in last 2 years |
| Students visiting factories for Industry Connect | <ul style="list-style-type: none"> 2,546 students visited factories for Industry Connect from ITIs in 2015-16 |
| Skill Enhancement in Automobile Trade | |
| Students absorbed in Maruti Suzuki automobile service workshop from supported ITIs | <ul style="list-style-type: none"> 1,100 students hired in 2015-16 |
| Percentage of trainees hired from supported ITIs in 2015-16 | <ul style="list-style-type: none"> 44% students hired by Maruti Suzuki dealer service network from supported ITIs in 2015-16 |

In 2015-16, the Company trained over 14,500 students and 889 teachers in its 131 ITIs spread across 27 states of India



Modern paint booth set-up for auto body painting course at ITI Pusa, Delhi



Students working in the auto body denting workshop at ITI Pusa, Delhi

Voice of Beneficiary

"I never thought I would make a career in a male dominated profession. Not only did I do well in the ITI course but got a good job and promotion at Maruti Suzuki automobile service workshop. Now, I am planning to do an advanced course."

Sushma Kumari
Supervisor, Madhya Pradesh



‘Fitting in’ with a more spruced up technical cadre

“Ever since Maruti Suzuki partnered with our ITI, more students are stepping forward to enroll in our courses, confident of acquiring in-demand skills and finding good jobs at better salaries.”

**Satyendra Singh Yadav, Faculty Member,
Gurgaon ITI, Haryana**

"Scared of entering the shop floor of a manufacturing facility, stammering while talking to a shift-in-charge, unaware of management concepts like quality control, time management and productivity and insufficient experience on latest machines were common scenarios which students faced once they passed out of the ITI," explains Professor Satyendra Singh Yadav, faculty member at Gurgaon ITI. Things changed dramatically when an MoU was signed between the ITI and Maruti Suzuki ensuring students no longer had just a certificate on paper but a training that came with real learning and industry preparedness. They were now provided with exposure to real-life situations, factory processes and shop floor trainings. Existing courses have been strengthened with modern machines. Defunct workshops have been revamped, students and faculty members are given industry training and the Company also helps organise job fairs, inviting other industries for recruitment.



Better jobs, salaries and job satisfaction

“I have just got my appointment letter as a mechanic at RKS Motors. Each day spent at the ITI has been a learning experience. Apart from technology and machine related aspects, soft skills like discipline, conversation skills, social interaction and courtesy are helping me in my personal life too.”

**Abdul Wahed Khan, Student,
ITI Mallepally, Hyderabad**

Abdul Wahed Khan joined the **Motor Vehicle Mechanic Trade**, at Hyderabad ITI to learn skills that could help him fetch a job. The timing of his admission was just right. The ITI was in the process of strengthening its partnership with Maruti Suzuki by setting up a dedicated Automobile Skill Enhancement Centre (ASEC). He benefited from automobile related areas within the ITI which got renovated and equipped with modern equipments based on industry needs. Old machines with outdated engines were replaced with latest car models. Full-time trainers were brought in to provide specialised training on vehicles like Swift, Swift Dzire and Ritz. Existing curriculum was modified with a ‘top-up’ element with hands-on training on specialised topics like cut sections, service/measuring tools, technical charts, safety items and testing. Today, Abdul is a sought-after auto technician and a confident human being.

Road Safety

Maruti Suzuki has been promoting road safety since 2000 through quality driving training curriculum and infrastructure. These initiatives have grown into nationwide programmes focused on providing scientific driving training and generating awareness amongst masses on safe driving.

Institute of Driving and Traffic Research (IDTR): Established in partnership with the state Government, the IDTRs offer training to passenger and commercial vehicle drivers on scientifically designed driving tracks and simulators. Health check-ups and soft skills training are also offered to commercial vehicle drivers.

Maruti Driving Schools (MDS): These have been set-up in association with Maruti Suzuki's dealer network in a smaller format to impart driving training. Unlike IDTRs, here practical training is offered on road instead of test tracks, so that learners get a first-hand feel of the road before they actually start driving. These schools offer classroom as well as attitudinal training. In 2015-16, a special job oriented driving training course 'Unnati programme' was launched in 5 cities.

Road Safety Knowledge Centres (RSKC): Set-up in partnership with the traffic police wherein traffic violators and learner license applicants are given training on road safety and traffic rules.

Train the Trainer Programme: The key objective of the programme is to develop high quality, dedicated road safety professionals for the Company's driving schools and to standardise training delivery across India as per Maruti Suzuki standards.



Institute of Driving and Traffic Research (IDTR)



Driving training provided to tribal youth in All Gujarat Institute of Driving Technical Training & Research (AGIDTTR), Vadodara



Women felicitated under Unnati programme for completing training at Maruti Driving School

Road Safety for Truck Drivers: Week-long safety campaigns, called 'Jagriti' are organised for truck drivers. The hugely successful campaign covers health and eye check-ups along with HIV/AIDS awareness and testing camps. In these campaigns the Company rewards drivers who practise safe driving while transporting vehicles. Mock sessions, quizzes, street plays and demos are held to reinforce correct driving, reading of road signs and managing risky situations. Many truckers admitted that they had never received any such inputs in their long career as truck drivers. They had mostly learnt on-the-job and a majority had transitioned from being helpers to conductors to drivers. The 'Jagriti' campaign has been

well received both by truckers as well as the dealers who depute the truckers to attend the sessions.

Road Safety Education: The Company promotes road safety through various campaigns. The programme helps in bringing about behaviour change amongst people on road safety issues.

City Specific Road Safety Programme: Launched in partnership with Gurgaon traffic police, the 'Sabhya Roads Bhavya Gurgaon' initiative aims at improving driving sense and creating awareness about traffic rules among city commuters.



Truckers involved in workshops organised in 'Jagriti' safety campaign at Gurgaon facility



MoU signing with Gurgaon Police for 'City Specific Road Safety' project

| Programmes | Achievements |
|--|---|
| Institute of Driving and Traffic Research (IDTR) | <ul style="list-style-type: none"> Set-up and operationalised six IDTRs Over 3 lakh people trained at six IDTRs in 2015-16 In Gujarat IDTR, 8,500 tribal youth trained in driving and soft skills, of these 6,600 youth are in gainful employment |
| Maruti Driving School (MDS) | <ul style="list-style-type: none"> 31 new MDS added taking the total number of MDS to 364 in 2015-16 Under Unnati Programme 150 women trained in 2015-16 89 women employed with various taxi operators |
| Road Safety for truckers | <ul style="list-style-type: none"> Over 45,000 commercial vehicle drivers trained at Driver Education Centre located in Manesar and Gurgaon factory premises in 2015-16 Over 8,500 drivers participated in awareness campaign in 2015-16 |
| Road Safety Knowledge Centres (RSKC) | <ul style="list-style-type: none"> Ten centres set-up so far Over 90,000 people provided with training at 10 RSKCs in 2015-16 |
| Train the Trainer programme | <ul style="list-style-type: none"> 258 new and 287 existing trainers trained in 2015-16 |
| City Specific Road Safety programme | <ul style="list-style-type: none"> Deputed 100 traffic marshals on select routes to educate people on road safety and traffic rules |
| Road Safety awareness campaign | <ul style="list-style-type: none"> 15 road safety awareness campaigns organised and over 100 schools covered in 2015-16 |



Truckers commit to the 'zero accident' goal at 'Jagriti'

"Never have I got so much respect in my life as at the 'Jagriti' event. Though we have been driving for decades, we were never trained on the scientific principles of truck driving, managing overflowing goods, reading road signs and minimising accidents."

**25-year-old Karambir Singh,
Chhatra District, Jharkhand**

Beaming with pride, Karambir Singh holds his 'Star Award' which he received for achieving 'zero accident' at a special 'Jagriti' safety campaign organised for truckers at Maruti Suzuki manufacturing facilities. According to him, truckers are treated like outcasts. They meet their family barely twice a year and their constant companions are the conductor and helper assigned to them on long inter-state trips. Using an 'edutainment' format, 'Jagriti' imparts useful information on road safety. How much distance to maintain between vehicles, the correct way of following the four-second rule and how to avoid trucks from overturning are shared through informal discussions and street plays. The all-day event goes on for six days with truck drivers trooping in to sign up for eye check-ups, HIV/AIDS and other tests, besides being counselled on hygiene, diet, nutrition, sexually transmitted infections, heart and lifestyle diseases.



Tribal youth embark on 'driving change'

"Lessons on simulated driving, English speaking, etiquette training and working in a corporate environment helped me get a job and hold it, keeping my employers happy."

Jignesh Haresingh,
Waghodia Tehsil, Vadodara, Gujarat

Marriage proposals are pouring in for 21-year-old Jignesh who is now perceived as a well settled young man. He was working in a supervisory role at a dealer outlet, but it is the heavy motor vehicle (HMV) driving training at All Gujarat Institute of Driving Technical Training & Research (AGIDTTR) set-up by Maruti Suzuki that fetched him a ₹ 20,000 job. This residential facility provided driving training on light and heavy vehicles and tractors, helping him qualify the driving test and other formalities at Regional Transport Office before finding a job.

He also developed soft skills from making conversation with boys from different tribal communities to learning how to eat a wholesome meal on a dining table and participating in cultural activities. He is one of the many boys trained at AGIDTTR who have blossomed into smart young men of their communities.



Employee Volunteering

Employee volunteering is a significant means of engaging employees in a socially useful activities. Through volunteering initiatives, employees contribute to the Company's various CSR projects. Employee volunteering activities are conducted actively throughout the year and all employees are free to participate. Employees volunteer in programmes linked to Road Safety, Education, Sanitation and Rural Development. In 2015-16, more than 15,000 hours of employee volunteering were clocked through different CSR activities. This serves as a huge motivator to the beneficiaries who look forward to these interactions.

"We have gained a lot from the society and the least we can do is payback a little. Being a part of employee volunteering programme 'e-Parivartan' since my GET (trainee) days in 2011 gives me a personal association with the programme and a deep sense of satisfaction each time I volunteer."

Sandeep Kumar Agrawal,
Quality Assurance, Gurgaon

"I participated in Road Safety campaign wherein I helped in traffic management and pasted light reflectors on the cycles in Gurgaon to make them visible at night. Just few hours of my volunteering could help save somebody's life. I'm proud to be a part of Maruti Suzuki's group of volunteers."

Bijendar Singh,
Plant 3, Gurgaon

"I had participated in the sanitation drive and I felt proud in cleaning the area around the villages surrounding our Manesar factory. Best part of employee volunteering in Maruti Suzuki is that, employees of all levels participate together."

Naresh Kumar Sharma,
Paint Shop B, Manesar



A volunteer painting, teaching learning material on school walls



Volunteers encouraging sporting culture in schools



Shop floor employees volunteering in road safety campaigns



Employees participating in sanitation drive in Manesar

Product Responsibility

Disclosure on Management Approach

Maruti Suzuki's product and services have extensive geographical reach in the country and abroad. This makes customer health and safety, and product and services material aspects for the Company. The active and passive safety devices provided in the cars ensure passengers' safety in the event of an accident. The Company continuously improves its products and services to minimise their environmental impacts. Maruti Suzuki cars comply with 'Bharat Stage IV' emission norms. The Company's R&D initiatives help in improving the performance and safety aspects of vehicles based on customers' feedback and new regulations.

Customer Health and Safety: Products

In the present Indian scenario, safety aspect of a passenger car has started gaining importance. Customers' expectations

situations. Presently, seven such workshops are operational in the Maruti Suzuki network. Some of the important initiatives in this domain are as follows:

Emergency Road Side Assistance

Providing 24 hours assistance to customers in case of vehicle breakdown through Maruti On-Road Service (MOS) which is available across the country. In 2015-16, the service provided assistance to 1.04 lakh customers through MOS vans.

Mobile Workshops

A specially designed workshop to cater to areas which are away from existing service infrastructure and providing servicing facility to customers right at their doorstep. Presently, 1,425 Maruti Mobile Support (MMS) vehicles are operating. These have provided service to around 88,492 customers each month in the reporting period.

Safety Features of Select Vehicles

| S-Cross | Baleno | Ertiga (Facelift) | Vitara Brezza |
|---|--|---|---|
| <ul style="list-style-type: none"> Hi-tensile steel body, all wheel disc brakes with ABS Front seat pre-tensioner and force limiter Dual airbags are standard across all variants Anti-pinch windows offering advanced safety features (it automatically roll down on obstacle detection) | <ul style="list-style-type: none"> Dual airbags, seatbelts with pre-tensioners and force limiters, front disc brakes with ABS & EBD Anti-pinch power windows Generation 3 Hub Unit in front is available from base variant onwards Driver seatbelt reminder buzzer with lamp Rear parking sensors with camera | <ul style="list-style-type: none"> The driver airbag and driver side seatbelt reminder with buzzer are now standard features and available from the base variant More safety equipment including co-driver airbag, ABS with EBD and seat-belt with pre-tensioner and force limiter provided on the base variant as an option Rear parking sensors and rear parking camera Front fog lamps | <ul style="list-style-type: none"> Embodies Suzuki's Total Effective Control Technology (TECT) concept for occupant protection Hi-tensile steel body for strength and low weight Driver airbag is a standard feature Front passenger airbag and ABS with EBD is optional from base variant onwards Meets offset and side impact crash test standards which will come into force in India in 2017 First vehicle in India to be certified by homologation agency for meeting future regulations |

from manufactures are increasing and the Government is implementing it through new regulations. All the Company's vehicles comply with the safety norms of the country and its export markets. During the vehicle designing process, a series of tests are performed to ensure safety aspects of cars. The upcoming Rohtak R&D centre of Maruti Suzuki will help in improving safety features in vehicles further.

Customer Health and Safety: Service

Maruti Suzuki offers different categories of services which are critical and avoid creation of unsafe conditions while driving. The Company's service infrastructure is equipped with world class service facilities which provide service to over 13.8 lakh customers per month. The Company has introduced the concept of Maruti Quick Stop (MQS) workshops which are basically small workshops in bigger cities which help customers in odd



Maruti Mobile Support providing service at customer's doorstep



Maruti Service Mobile Application (Maruti Care):

This is a mobile based application to provide fast access to facilities like service booking, workshop locator, cost calculator, driving tips, service records, feedback and service reminders, etc. **Till date, 1.21 lakh customers have downloaded this application.**



Maintenance Cost Protect Programme (MCP):

The MCP has been launched for higher customer engagement. **In its first year of launch, over 32,000 customers connected to MCP.**

Service Receipt and Delivery Centres

For customer convenience and to avoid travel in defective vehicles, the Company has initiated pilot 'Service Receipt and Delivery Centres' through dealers, for vehicle collection to feed existing workshop infrastructure. This is a unique practice started by the Company which is convenient and avoids creation of unsafe situations. In 2015-16, three such centres were operationalised.

Customer Relationship Building

Customer relationship building activities like free check-up camps and customer meets are conducted to promote proper maintenance of vehicles. This aims to prevent/escape hazardous situations on the roads which might be caused by

any defects in the vehicle. In 2015-16, 20,734 service camps and 3,212 customer meets were conducted.

Service Knowledge Centre

This is an online portal comprising of all service information at one place, such as service training modules, training handbooks, service literature, service circulars, training videos and customer education posters, among others.

Grievance Redressal System

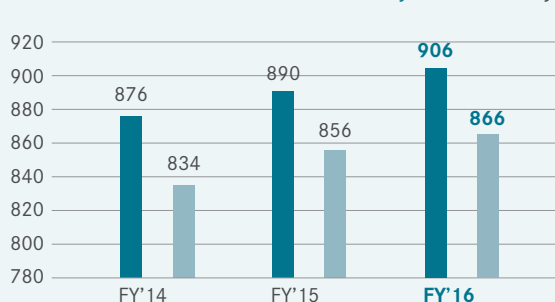
Maruti Suzuki has established a robust system to address customers' grievances. It also has a complaint escalation mechanism which can be accessed by a customer in case of dissatisfaction with any of the service they have received.

Customer Satisfaction Survey

Maruti Suzuki was ranked first in the Customer Satisfaction Index for 16 years in a row in customer surveys conducted by J.D. Power Asia Pacific, with a score of 906. It performed well across all parameters of the survey, with the greatest improvements in service initiation followed by service facility.

J.D. Power is a company based in Singapore. It was established in 1997 and is engaged in consumer surveys. This survey aims to measure the after sales service satisfaction of consumers in India.

Customer Satisfaction Index Survey – J.D. Power Asia Pacific 2015 India survey



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Independent Assurance Statement

Scope and Approach

Maruti Suzuki India Limited (MSIL) commissioned DNV GL Business Assurance India Private Limited ('DNV GL') to undertake an independent assurance of MSIL's Sustainability Report 2015-16 (the 'Report') in its printed format. The intended user of this assurance statement is the management of the Company. Our assurance engagement was planned and carried out in June-July 2016 for the financial year ending 31st March, 2016.

We performed our work using AccountAbility's AA1000 Assurance Standard 2008 (AA1000 AS) and DNV GL's assurance methodology VeriSustain™¹, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

We evaluated the performance data presented in the Report using the reliability principle, together with MSIL's data protocols for how the data is measured, recorded and reported. The performance data in the agreed scope of work included the qualitative and quantitative information on sustainability performance disclosed in the Report prepared by MSIL based on GRI G4 in line with its 'in accordance' – Core option, and covering economic, environmental and social performance for the activities undertaken by the Company over the reporting period 1st April, 2015 to 31st March, 2016.

The reporting Aspect boundary of sustainability performance is based on internal and external materiality assessment covering MSIL's operations and key internal and external stakeholders, as set out in the Report in the 'Sustainability Section'.

We understand that the reported financial data and information are based on data from MSIL's Annual Report and Accounts 2015-16, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a Type 2 Moderate Level of assurance. No external stakeholders were interviewed as part of this assurance engagement.

Responsibilities of the Management of MSIL and of the assurance providers

The management of Maruti Suzuki India Limited have sole responsibility for the preparation of the Report as well as the processes for collecting, analysing and reporting the information

presented in the Report. In performing our assurance work, our responsibility is to the management of MSIL; however our statement represents our independent opinion and is intended to inform the outcome of our assurance to the stakeholders of MSIL. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV GL provides a range of other services to MSIL, none of which constitute a conflict of interest with this assurance work.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at MSIL's manufacturing facility in Gurgaon and at its corporate office in New Delhi. We undertook the following activities:

- Review of the current sustainability issues that could affect MSIL and are of interest to stakeholders;
- Review of MSIL's approach to stakeholder engagement and recent outputs. We did not have any direct engagement with external stakeholders;
- Review of information provided to us by MSIL on its reporting and management processes relating to the Principles;
- Interviews with selected senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives;
- Site visits to the manufacturing facility at Gurgaon and corporate office in New Delhi to review processes and systems for preparing site level sustainability data and implementation of sustainability strategy. We were free to choose sites we visited and it was selected on the basis of their materiality;
- Review of supporting evidence for key claims and data in the Report. Our verification processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a consolidated corporate level;
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. The reported data on economic

¹ The VeriSustain protocol is available on www.dnvgl.com

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performance and other financial data are based on audited financial statements issued by the Company's statutory auditors;

- An independent assessment of MSIL's reporting against the Global Reporting Initiative (GRI) G4 Guidelines and the reporting requirements for its 'in accordance' – Core option.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement, except the disclosures related to indirect energy consumption and recycled water, which is not reported for the Rohtak plant as the Company is currently in the process of implementing systems to capture this data.

Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe MSIL's adherence to the GRI G4 Principles for Defining Report Content:

Economic

- Economic Performance – G4-EC1, G4-EC3;
- Procurement Practices – G4-EC9.

Environment

- Materials – G4-EN1, G4-EN2;
- Energy – G4-EN3, G4-EN5, G4-EN7;
- Water – G4-EN8;
- Emissions – G4-EN15, G4-EN16;
- Effluents and Waste – G4-EN22;
- Products and Services – G4-EN27;
- Compliance – G4-EN29;
- Transport – G4-EN30;
- Supplier Environmental Assessment – G4-EN32.

Social

Labour Practices and Decent Work

- Employment – G4-LA1, G4-LA2;

adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

Materiality

The process of determining the issues that is most relevant to an organisation and its stakeholders.

The Company has reviewed and updated the materiality assessment exercise which it has carried out in the previous reporting period. The Report fairly captures identified material Aspects considering its internal and external impacts, the concerns of various stakeholders and sustainability context of the business. In our view, the level at which the Report adheres to this principle is 'Good'.

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The stakeholder engagement process is ongoing and continuous and involves key stakeholders including supply chain partners,

- Labour/Management Relations – G4-LA4;
- Occupational Health and Safety – G4-LA5, G4-LA6;
- Training and Education – G4-LA9, G4-LA10, G4-LA11;
- Labour Practices Grievance Mechanism – G4-LA16.

Human Rights

- Freedom of Association and Collective Bargaining – G4-HR4;
- Child Labour – G4-HR5;
- Forced or Compulsory Labour – G4-HR6.

Society

- Local Communities – G4-SO1;
- Anti-corruption – G4-SO3, G4-SO4, G4-SO5;
- Anti-competitive Behaviour – G4-SO7
- Compliance G4-SO8.

Product Responsibility

- Customer Health and Safety – G4-PR1;
- Marketing Communications – G4-PR7;
- Compliance – G4-PR9.

- **General Standard Disclosures:** The reported information on General Standard Disclosure generally meets the disclosure requirements for the 'in accordance' – Core option of GRI G4.
- **Specific Standard Disclosures:** The Report describes the generic Disclosures on Management Approach (DMA) and Performance Indicators for identified material Aspects as below:

Observations

Without affecting our assurance opinion we also provide the following observations. We have evaluated the Report's

to identify and respond to significant sustainability concerns. The material issues emerging from materiality analysis were collected and prioritised, and the results are fairly reflected in the Report. In our view, the level at which the Report adheres to this principle is 'Good'.

Responsiveness

The extent to which an organisation responds to stakeholder issues.

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We consider the response to key stakeholder concerns through its policies, management systems and governance mechanisms to be fairly reflected in the Report. In our view, the level at which the Report adheres to this principle is 'Good'.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The robustness of the data management and aggregation systems was evaluated, and the majority of the data and information verified at the Corporate Office at New Delhi and at the manufacturing facility at Gurgaon was found to be fairly reliable. Nothing has come to our attention to suggest that reported data has not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been communicated for correction. Hence in accordance with AA1000AS (2008) requirements for a Type 2, Moderate level assurance engagement, we conclude that the specified sustainability data and information presented in the Report is generally reliable. In our view, the level at which the Report adheres to this principle is 'Good'.

Specific evaluation of the information on sustainability performance

We consider the methodology and process for gathering information developed by MSIL for its sustainability performance reporting to be appropriate, and the qualitative and quantitative data included in the Report was found to be identifiable and traceable; the personnel responsible was able to demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the reported sustainability activities for the reporting period.

Additional principles as per DNV GL VeriSustain**Completeness**

How much of all the information that has been identified as material to the organisation and its stakeholders is reported

The Report has fairly reported the General and Specific Standard Disclosures including the management approach, monitoring systems and sustainability performance indicator against GRI G4 requirements for its 'in accordance' – Core option within its identified reporting boundary. In our view, the level at which the Report adheres to this principle is 'Good'.

Neutrality

The extent to which a report provides a balanced account of an organisation's performance, delivered in a neutral tone.

The disclosures related to sustainability issues and performances are reported in a neutral tone, in terms of content and presentation. In our view, the level at which the Report adheres to the principle of Neutrality is 'Good'.

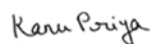
Opportunities for Improvement

The following is an excerpt from the observations and opportunities for improvement reported to the management of the Company and are not considered for drawing our conclusions on the Report; however they are generally consistent with the management's objectives:


- MSIL may identify impacts and strengthen its disclosure on impacts in its supply chain, through a structured risk assessment. This can help establish short, medium and long-term sustainability goals and targets for identified material Aspects in its supply chain.
- A systematic process of internal audit of data management systems may be established to further strengthen the reliability of reported sustainability performance.

For and on behalf of DNV GL Business Assurance India Private Limited

New Delhi, India
2nd August, 2016



KANU PRIYA
Lead Verifier



NANDKUMAR VADAKEPATH
Assurance Reviewer

DNV GL Business Assurance India Private Limited, India

Regional Sustainability Manager - Region India & Middle East
DNV GL Business Assurance India Private Limited

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Contact person for details: Mr. Ranjit Singh, General Manager (CSR & Sustainability)
Maruti Suzuki India Limited, 1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070, Tel: 011-46781123
E-mail: ranjit.s@maruti.co.in



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Independent Auditors' Report

To The Members of Maruti Suzuki India Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Maruti Suzuki India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section

133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 B.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Notes 7 and 32;

ii. The Company has long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

ANUPAM DHAWAN
Partner
Membership Number - 084451

Place: New Delhi
Date: April 26, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Maruti Suzuki India Limited on the standalone financial statements as of and for the year ended March 31, 2016.

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

The fixed assets of the Company have been physically verified by the Management during the year except furniture and fixtures, office appliances and certain other fixed assets having an aggregate net book value of 2,141 million. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

(b) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company, except for the two immovable properties which amounts to gross block of ₹ 16 million and net block of ₹ 14 million whose title deeds are not held in the Company's name.

ii. The physical verification of inventory excluding stocks with third parties and tools and machinery spares having an aggregate value of ₹ 1,957 million have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Income Tax and Service Tax, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise, value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Amount under dispute (₹ In million) | Amount deposited under dispute (₹ In million) | Period to which the amount relates | Forum where the dispute is pending |
|---|--|--|------------------------------------|--|
| Income Tax Act, 1961 (Tax & Interest) | 34,261 | 5,169 | 1991 to 2014 | Income Tax Appellate Tribunal/ High Court/AO(TDS) |
| Wealth Tax Act, 1957 (Tax) | 1 | 1 | 1997 to 1998 | High Court |
| The Central Excise Act, 1944 (Duty, Interest & Penalty) | 17,444 | 2,096 | May 1989 to October 2015 | Customs Excise & Service Tax Appellate Tribunal/ High Court/ Supreme Court |
| The Finance Act, 1994 (Service Tax, Interest & Penalty) | 3,455 | 126 | July 2003 to December 2014 | Customs Excise & Service Tax Appellate Tribunal/ Commissioner (Appeals) |
| Haryana General Sales Tax Act (Tax & Interest) | 3 | 0 | 1983 to 1988 | Assessing authority |
| Delhi Sales Tax Act (Tax) | 48 | 18 | 1987 to 1991 | Additional Commissioner |
| Customs Act, 1962 (Duty & Interest) | 129 | 22 | May 1991 to March 2014 | Commissioner Customs |

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions

have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

ANUPAM DHAWAN
Partner
Membership Number - 084451

Place: New Delhi
Date: April 26, 2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Maruti Suzuki India Limited on the standalone financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of Maruti Suzuki India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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.

5. 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

6. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorized 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

7. 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

8. In our opinion, 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, 2016, 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.

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

ANUPAM DHAWAN

Partner

Membership Number - 084451

Place: New Delhi

Date: April 26, 2016

Balance Sheet

As at 31st March, 2016

(All amounts in ₹ million, unless otherwise stated)

| | Notes to Accounts | As at 31.03.2016 | As at 31.03.2015 |
|--|----------------------|---------------------|---------------------|
| Equity and Liabilities | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 1,510 | 1,510 |
| Reserves and Surplus | 3 | 268,561 | 235,532 |
| | | 270,071 | 237,042 |
| Non-Current Liabilities | | | |
| Long Term Borrowings | 4 | - | 1,448 |
| Deferred Tax Liabilities (Net) | 5 | 4,741 | 4,810 |
| Other Long Term Liabilities | 6 | 1,224 | 1,054 |
| Long Term Provisions | 7 | 3,020 | 2,926 |
| | | 8,985 | 10,238 |
| Current Liabilities | | | |
| Short Term Borrowings | 8 | 774 | 354 |
| Trade Payables | 9 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 533 | 590 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 69,600 | 53,591 |
| Other Current Liabilities | 10 | 23,648 | 20,074 |
| Short Term Provisions | 11 | 18,345 | 13,604 |
| | | 112,900 | 88,213 |
| Total | | 391,956 | 335,493 |
| Assets | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 12 | 124,209 | 119,670 |
| Intangible Assets | 13 | 3,469 | 2,923 |
| Capital Work in Progress | 14 | 10,069 | 18,828 |
| | | 137,747 | 141,421 |
| Non-Current Investments | 15 | 169,127 | 98,176 |
| Long Term Loans and Advances | 16 | 13,497 | 13,493 |
| Other Non-Current Assets | 17 | 90 | 441 |
| | | 320,461 | 253,531 |
| Current Assets | | | |
| Current Investments | 18 | 8,730 | 29,964 |
| Inventories | 19 | 31,321 | 26,859 |
| Trade Receivables | 20 | 12,986 | 10,698 |
| Cash and Bank Balances | 21 | 391 | 183 |
| Short Term Loans and Advances | 22 | 15,565 | 11,728 |
| Other Current Assets | 23 | 2,502 | 2,530 |
| | | 71,495 | 81,962 |
| Total | | 391,956 | 335,493 |

The accompanying notes are an integral part of these financial statements

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

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

KENICHI AYUKAWA

Managing Director & CEO

TOSHIKI HASUIKE

Joint Managing Director

ANUPAM DHAWAN

Partner

Membership Number - 084451

AJAY SETH

Chief Financial Officer

S. RAVI AIYAR

Executive Director (Legal) & Company Secretary

Place: New Delhi

Date: 26th April, 2016

Statement of Profit and Loss

For the year ended 31st March, 2016

(All amounts in ₹ million, unless otherwise stated)

| | Notes to Accounts | For the Year ended 31.03.2016 | For the Year ended 31.03.2015 |
|--|----------------------|----------------------------------|----------------------------------|
| Revenue from Operations | | | |
| Gross Sale of Products | 24 | 638,669 | 537,685 |
| Less: Excise Duty | | 75,165 | 51,630 |
| Net Sale of Products | | 563,504 | 486,055 |
| Other Operating Revenue | 25 | 13,959 | 13,651 |
| | | 577,463 | 499,706 |
| Other Income | 26 | 4,619 | 8,316 |
| Total Revenue | | 582,082 | 508,022 |
| Expenses | | | |
| Cost of Material Consumed | 45(i) | 357,069 | 328,678 |
| Purchase of Stock-in-Trade | 49 | 31,264 | 26,652 |
| Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 27 | 69 | (4,559) |
| Employee Benefits | 28 | 19,887 | 16,066 |
| Finance Costs | 29 | 815 | 2,060 |
| Depreciation and Amortisation | 30 | 28,239 | 24,703 |
| Other Expenses | 31 | 79,991 | 66,431 |
| Vehicles / Dies for Own Use | | (602) | (691) |
| Total Expenses | | 516,732 | 459,340 |
| Profit before Tax | | 65,350 | 48,682 |
| Less : Tax Expense - Current Tax [includes provision for earlier years amounting to ₹ 171 million (Previous year ₹ 1,036 million)] | | 20,414 | 13,026 |
| - MAT Credit availed of | | - | (704) |
| - Deferred Tax | 5 | (778) | (752) |
| Profit for the Year | | 45,714 | 37,112 |
| Basic / Diluted Earnings per Share of ₹ 5 each (in ₹) | 50 | 151.33 | 122.85 |

The accompanying notes are an integral part of these financial statements

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

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

KENICHI AYUKAWA

Managing Director & CEO

TOSHIKI HASUIKE

Joint Managing Director

ANUPAM DHAWAN

Partner

Membership Number - 084451

AJAY SETH

Chief Financial Officer

S. RAVI AIYAR

Executive Director (Legal) & Company Secretary

Place: New Delhi

Date: 26th April, 2016

Cash Flow Statement

For the year ended 31st March, 2016

(All amounts in ₹ million, unless otherwise stated)

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| A. Cash flow from Operating Activities: | | |
| Net Profit before Tax | 65,350 | 48,682 |
| Adjustments for: | | |
| Depreciation and amortisation | 28,239 | 24,703 |
| Finance costs | 815 | 2,060 |
| Interest income | (1,510) | (1,086) |
| Dividend income | (107) | (540) |
| Net loss on sale / discarding of fixed assets | 1,353 | 483 |
| Profit on sale of investments (Net) | (3,002) | (6,690) |
| Provisions no longer required written back | (2,175) | (1,452) |
| Unrealised foreign exchange (gain)/ loss | (190) | (3) |
| Operating Profit before Working Capital changes | 88,773 | 66,157 |
| Adjustments for changes in Working Capital : | | |
| - Increase/(Decrease) in Trade Payables | 18,127 | 7,175 |
| - Increase/(Decrease) in Short Term Provisions | 500 | 168 |
| - Increase/(Decrease) in Long Term Provisions | 94 | 946 |
| - Increase/(Decrease) in Other Current Liabilities | 4,991 | 4,170 |
| - Increase/(Decrease) in Other Long Term Liabilities | 170 | 5 |
| - (Increase)/Decrease in Trade Receivables | (2,288) | 3,439 |
| - (Increase)/Decrease in Inventories | (4,462) | (9,800) |
| - (Increase)/Decrease in Long Term Loans and Advances | 398 | (572) |
| - (Increase)/Decrease in Short Term Loans and Advances | (2,952) | 783 |
| - (Increase)/Decrease in Other Current Assets | (272) | 1,053 |
| - (Increase)/Decrease in Other Non Current Assets | 351 | 90 |
| Cash generated from Operating Activities | 103,430 | 73,614 |
| - Taxes (Paid) (Net of Tax Deducted at Source) | (19,099) | (10,407) |
| Net Cash from Operating Activities | 84,331 | 63,207 |
| B. Cash flow from Investing Activities: | | |
| Purchase of Tangible Assets | (24,148) | (30,269) |
| Purchase of Intangible Assets | (1,787) | (1,300) |
| Sale of Tangible Assets | 123 | 82 |
| Sale of Current Investments | 24,423 | 61,521 |
| Sale of Non Current Investments | 48,912 | 89,523 |
| Purchase of Current Investments | - | (14,968) |
| Purchase of Non Current Investments | (120,050) | (156,347) |
| Maturities of Deposits with Banks | - | 5,600 |
| Interest Received | 661 | 1,518 |
| Dividend Received | 107 | 540 |
| Net Cash from Investing Activities | (71,759) | (44,100) |

Cash Flow Statement

For the year ended 31st March, 2016

(All amounts in ₹ million, unless otherwise stated)

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| C. Cash flow from Financing Activities: | | |
| Proceeds from Short Term borrowings | 774 | 354 |
| Repayment of Short Term borrowings | (354) | (12,247) |
| Repayment of Long Term borrowings | (2,773) | (1,389) |
| Interest Paid | (921) | (2,098) |
| Dividend Paid | (7,552) | (3,625) |
| Corporate Dividend Tax Paid | (1,538) | (616) |
| Net Cash from Financing Activities | (12,364) | (19,621) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 208 | (514) |
| Cash and Cash Equivalents as at 1st April (Opening Balance) | 183 | 697 |
| Cash and Cash Equivalents as at 31st March (Closing Balance) | 391 | 183 |
| Cash and Cash Equivalents comprise | 391 | 183 |
| Cash & Cheques in Hand | 24 | 11 |
| Balance with Banks | 367 | 172 |

Notes :

1 The above Cash Flow Statement has been prepared under the indirect method as set out in the applicable Accounting Standards specified under the Companies Act, 2013 ("the Act").

2 Cash and Cash Equivalents include ₹ 7 million (Previous Year ₹ 6 million) in respect of unclaimed dividend, this balance is not available to the Company.

3 Figures in brackets represent cash outflow.

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

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

KENICHI AYUKAWA

Managing Director & CEO

TOSHIAKI HASUIKE

Joint Managing Director

ANUPAM DHAWAN

Partner

Membership Number - 084451

AJAY SETH

Chief Financial Officer

S. RAVI AIYAR

Executive Director (Legal) & Company Secretary

Place: New Delhi

Date: 26th April, 2016

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

1. Summary of Significant Accounting Policies

1.1 General Information

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

1.2 Basis for Preparation of Financial Statements

These financial statements have been prepared as a going concern in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis and comply in all material aspects with the Companies Act, 2013, applicable rules and other relevant provisions of the Companies Act, 2013 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict with any other accounting standard referred to in the Companies Act, 2013.

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 Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016, which is interpreted to apply to the accounting period commencing on or after the date of notification i.e. 1st April, 2016.

1.3 Revenue Recognition

Revenue is recognised as follows:

(a) Domestic and export sales on transfer of significant risks and rewards to the customer which takes place on dispatch of goods from the factory and port respectively.

(b) Income from services on completion of rendering of services.

1.4 Fixed Assets

Tangible Assets

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

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

Intangible Assets

Lumpsum royalty is stated at cost incurred stated in the relevant licence agreements with the technical know-how / engineering support provider less accumulated amortisation.

1.5 Borrowing Costs

Borrowing costs that are 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.

1.6 Depreciation / Amortisation

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

Depreciation has been provided in accordance with useful lives prescribed in the Companies Act, 2013 except for certain fixed assets where, based on technical evaluation of the useful lives of the assets, higher depreciation has been provided on the straight line method over the following useful lives:

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

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

b) Leasehold land is amortised over the period of lease.

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

d) Lump sum royalty is amortised on a straight line basis over its estimated useful life i.e. 4 years from the start of production of the related model.

1.7 Inventories

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

b) The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. 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.

(All amounts in ₹ million, unless otherwise stated)

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

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

1.8 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are valued at the lower of cost and fair value. Long-term investments are valued at cost except in the case of other than temporary decline in value, in which case the necessary provision is made.

1.9 Research and Development

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

1.10 Foreign Currency Translations and Derivative Instruments

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

b) At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are reported at the exchange rates prevailing at the balance sheet date by recognising the exchange difference in the Statement of Profit and Loss. However, the exchange difference arising on foreign currency monetary items that qualify and are designated as hedge instruments in a cash flow hedge is initially recognised in 'hedge reserve' and subsequently transferred to the Statement of Profit and Loss on occurrence of the underlying hedged transaction.

c) Effective 1st April, 2008, the Company adopted Accounting Standard-30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with the accounting standards specified under section 133 of the Companies Act, 2013 ("the Act") and other regulatory requirements. All derivative contracts (except for forward foreign exchange contracts where underlying assets or liabilities exist) are fair valued at each reporting date. For derivative contracts designated in a hedging relationship, the Company records the gain or loss on effective hedges, if any, in a hedge reserve, until the transaction is complete. On completion, the gain or

loss is transferred to the Statement of Profit and Loss of that period. Changes in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedges are recognised in the Statement of Profit and Loss in the accounting period in which they arise.

d) In the case of forward foreign exchange contracts where an underlying asset or liability exists, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

1.11 Employee Benefit Costs

Short - Term Employee Benefits:

Recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Post-employment and Other Long Term Employee Benefits:

(i) The Company has Defined Contribution Plans for post-employment benefit namely the Superannuation Fund which is recognised by the income tax authorities. This Fund is administered through a Trust set up by the Company and the Company's contribution thereto is charged to the Statement of Profit and Loss every year. The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a Defined Contribution Plan administered by The New India Insurance Company Limited. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the Statement of Profit and Loss every year.

(ii) The Company has Defined Benefit Plans namely Gratuity, Provident Fund & Retirement Allowance for employees and Other Long Term Employee Benefits i.e. Leave Encashment / Compensated Absences, the liability for which is determined on the basis of an actuarial valuation at the end of the year based on the Projected Unit Credit Method and any shortfall in the size of the fund maintained by the Trust is additionally provided for in the Statement of Profit and Loss. The Gratuity Fund and Provident Fund are recognised by the income tax authorities and are administered through Trusts set up by the Company.

Termination benefits are immediately recognised as an expense as and when incurred.

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

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

1.12 Customs Duty

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

1.13 Government Grants

Government grants are recognised in the Statement of Profit and Loss in accordance with the related schemes and in the period in which these accrue.

1.14 Taxes

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit or loss for the year.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act and at the prevailing tax rates.

Deferred tax is recognised for all timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Minimum Alternate Tax (MAT), paid in accordance with the Income Tax Act, 1961 gives rise to expected future economic benefit in the form of adjustment of future tax liability arising within a specified period, is recognised as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.15 Dividend Income

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

1.16 Interest Income

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

1.17 Impairment of Assets

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

1.18 Royalty

a) The Company pays / accrues for royalty in accordance with the relevant licence agreements with the technical know-how provider.

b) The lump sum royalty incurred towards obtaining technical assistance/technical know-how and engineering support to manufacture a new model/ car, ownership of which rests with the technical know-how provider, is recognised as an intangible asset. Royalty payable on sale of products i.e. running royalty is charged to the Statement of Profit and Loss as and when incurred.

1.19 Provisions and Contingencies

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

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

1.20 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or the terms of underlying agreement/s, as the case may be.

As a lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the

(All amounts in ₹ million, unless otherwise stated)

lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

1.21 Cash and Cash Equivalents

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

1.22 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during

the period. Earnings considered in ascertaining the Company's earnings per share consist of the net profit for the period and any attributable tax thereon. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2 Share Capital

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| Authorised Capital | | |
| 3,744,000,000 equity shares of ₹ 5 each (previous year 3,744,000,000 equity shares of ₹ 5 each) | 18,720 | 18,720 |
| Issued, Subscribed and Paid up | | |
| 302,080,060 equity shares of ₹ 5 each (previous year 302,080,060 equity shares of ₹ 5 each) fully paid up | 1,510 | 1,510 |
| | 1,510 | 1,510 |

Reconciliation of the number of shares

| | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|--------|---------------------|--------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance as at the beginning of the year | 302,080,060 | 1,510 | 302,080,060 | 1,510 |
| Balance as at the end of the year | 302,080,060 | 1,510 | 302,080,060 | 1,510 |

Equity shares held by the holding company

| | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|------------|---------------------|------------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Suzuki Motor Corporation, the holding company | 169,788,440 | 849 | 169,788,440 | 849 |
| | 169,788,440 | 849 | 169,788,440 | 849 |

Rights, preferences and restrictions 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.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Shares held by each shareholder holding more than 5% of the aggregate shares in the Company

| | % | Number of Shares | % | Number of Shares |
|--|-------|---------------------|-------|---------------------|
| Suzuki Motor Corporation (the holding company) | 56.21 | 169,788,440 | 56.21 | 169,788,440 |
| Life Insurance Corporation of India | 5.75 | 17,382,016 | 5.94 | 17,932,030 |

Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2016):

13,170,000 Equity Shares of ₹ 5 each have been allotted as fully paid up during Financial Year 2012-13 to Suzuki Motor Corporation pursuant to the Company's scheme of amalgamation with erstwhile Suzuki Powertrain India Limited.

3 Reserves and Surplus

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| Reserve created on Amalgamation | 9,153 | 9,153 |
| Securities Premium Account | 4,241 | 4,241 |
| General Reserve | | |
| Balance as at the beginning of the year | 24,738 | 21,027 |
| Add: Transferred from Surplus in Statement of Profit and Loss during the year | 4,571 | 3,711 |
| Balance as at the end of the year | 29,309 | 24,738 |
| Hedge Reserve | | |
| Balance as at the beginning of the year | 32 | - |
| Add / (Less): Released / recognised during the year | 40 | 32 |
| Balance as at the end of the year | 72 | 32 |
| Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 197,368 | 173,849 |
| Impact of revision of useful lives of certain fixed assets (Refer Note 12) | - | (792) |
| Add: Profit for the year | 45,714 | 37,112 |
| Less: Appropriations: | | |
| Transferred to General Reserve | 4,571 | 3,711 |
| Proposed dividend | 10,573 | 7,552 |
| Dividend distribution tax | 2,152 | 1,538 |
| Balance as at the end of the year | 225,786 | 197,368 |
| | 268,561 | 235,532 |

4 Long Term Borrowings (Refer Note 10)

| | As at 31.03.2016 | As at 31.03.2015 |
|-----------------------------------|---------------------|---------------------|
| Unsecured | | |
| Foreign currency loans from banks | - | 869 |
| Loan from holding company | - | 579 |
| | - | 1,448 |

(All amounts in ₹ million, unless otherwise stated)

1. Foreign currency loans from banks include:

Loan amounting to ₹ 921 million (USD 13.90 million) (previous year ₹ 1,738 million; USD 27.80 million) taken from Japan Bank of International Cooperation (JBIC) at an interest rate of LIBOR + 0.125, repayable in 2 half yearly instalments (acquired pursuant to a scheme of amalgamation). The entire amount of ₹ 921 million (previous year ₹ 869 million) repayable within one year has been transferred to current maturities of long term debts. The repayment of the loan is guaranteed by Suzuki Motor Corporation, Japan (the holding company).

Loan amounting to ₹ Nil (Previous year ₹ 1,906 million) (USD 30 million) taken from banks at an average interest rate of Libor + 1.375 and repaid in July 2015.

2. A loan amounting to ₹ 614 million (USD 9.27 million) (previous year ₹ 1,158 million; USD 18.53 million) taken from the holding company at an interest rate of LIBOR + 0.48, repayable in 2 half yearly instalments (acquired pursuant to a scheme of amalgamation). The entire amount of ₹ 614 million (previous year ₹ 579 million) repayable within one year has been transferred to current maturities of long term debts.

5 Deferred Tax Liabilities (Net)

Major components of deferred tax arising on account of timing differences along with their movement as at 31st March, 2016 are:

| | As at 31.03.2015 | Movement during the year* | As at 31.03.2016 |
|--|---------------------|------------------------------|---------------------|
| Deferred Tax Assets | | | |
| Provision for doubtful debts / advances | 94 | (25) | 69 |
| Contingent provisions (net of amount paid) | 224 | (35) | 189 |
| Others | 744 | 511 | 1,255 |
| Total (A) | 1,062 | 451 | 1,513 |
| Deferred Tax Liabilities | | | |
| Depreciation on fixed assets | 5,345 | (650) | 4,695 |
| Exchange gain on capital accounts | (91) | 65 | (26) |
| Allowances under Income Tax Act, 1961 | 618 | 967 | 1,585 |
| Total (B) | 5,872 | 382 | 6,254 |
| Net Deferred Tax Liability (B) - (A) | 4,810 | (69) | 4,741 |
| Previous Year | 5,866 | (1,056) | 4,810 |

* Includes adjustment of ₹ 709 million (Previous year ₹ 105 million) on account of reclassification to "Deferred Tax Liabilities" from "Provision for Taxation" and adjustment on account of change in useful live of fixed assets of ₹ Nil (previous year ₹409 million) (reversal of deferred tax liabilities) adjusted with retained earning. (Refer Note 12)

Note: Deferred Tax Assets and Deferred Tax Liabilities have been offset as they are governed by the same taxation laws.

6 Other Long Term Liabilities

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| Deposits from dealers, contractors and others | 1,224 | 1,054 |
| | 1,224 | 1,054 |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

7 Long Term Provisions

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Provisions for Employee Benefits | | |
| Provision for retirement allowance (Refer Note 28) | 56 | 53 |
| Other Provisions | | |
| Provision for litigation / disputes | 1,645 | 2,081 |
| Provision for warranty & product recall | 1,319 | 783 |
| Others | - | 9 |
| | 3,020 | 2,926 |

Details of Other Provisions:

| | Litigation / Disputes | | Warranty / Product Recall | | Others | |
|---|-----------------------|-----------|---------------------------|-----------|-----------|-----------|
| | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| Balance as at the beginning of the year | 2,081 | 1,121 | 1,071 | 1,307 | 9 | 8 |
| Additions during the year | 134 | 1,110 | 919 | 806 | - | 3 |
| Utilised/ reversed during the year | 570 | 150 | 155 | 1,042 | 9 | 2 |
| Balance as at the end of the year | 1,645 | 2,081 | 1,835 | 1,071 | - | 9 |
| Classified as Long Term | 1,645 | 2,081 | 1,319 | 783 | - | 9 |
| Classified as Short Term | - | - | 516 | 288 | - | - |
| Total | 1,645 | 2,081 | 1,835 | 1,071 | - | 9 |

a) Provision for litigation / disputes represents the estimated outflow in respect of disputes with various government authorities.

b) Provision for warranty and product recall represents the estimated outflow in respect of warranty and recall cost for products sold.

c) Provision for others represents the estimated outflow in respect of disputes or other obligations on account of export obligation, etc.

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

8 Short Term Borrowings

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Unsecured | | |
| From banks - cash credit and overdraft | 774 | 354 |
| | 774 | 354 |

9 Trade Payables

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Total outstanding dues of micro enterprises and small enterprises | 533 | 590 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 69,600 | 53,591 |
| | 70,133 | 54,181 |

(All amounts in ₹ million, unless otherwise stated)

The Company pays its vendors within 30 days and no interest during the year has been paid or is payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006.

10 Other Current Liabilities

| | As at 31.03.2016 | | As at 31.03.2015 | |
|--|---------------------|--------|---------------------|--------|
| Current maturities of long term debts (Refer Note 4) | 1,535 | | 3,354 | |
| Interest accrued but not due on: | | | | |
| - Borrowings | - | | 254 | |
| - Deposits from dealers, contractors and others | 228 | 228 | 80 | 334 |
| Unclaimed dividend * | 7 | | 6 | |
| Creditors for capital goods and services | 6,203 | | 5,695 | |
| Other payables | 4,075 | | 2,664 | |
| Book overdraft | 584 | | 590 | |
| Advances from customers/dealers | 5,213 | | 4,253 | |
| Statutory dues | 3,641 | | 2,903 | |
| Deposits from dealers, contractors and others | 2,162 | 21,878 | 275 | 16,380 |
| | 23,648 | | 20,074 | |

* There are no amount due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at year end.

11 Short Term Provisions

| | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|--------|---------------------|--------|
| Provisions for Employee Benefits (Refer Note 7 and 28) | | | | |
| Provision for retirement allowances | 2 | | 1 | |
| Provision for compensated absences | 2,101 | 2,103 | 1,830 | 1,831 |
| Other Provisions (Refer Note 7) | | | | |
| Provision for warranty & product recall | 516 | | 288 | |
| Provision for proposed dividend* | 10,573 | | 7,552 | |
| Provision for corporate dividend tax | 2,152 | | 1,538 | |
| Provision for taxation | 3,001 | 16,242 | 2,395 | 11,773 |
| [Net of tax paid ₹ 107,670 million (Previous year ₹ 88,571 million) and Minimum Alternate Tax credit available ₹ 1,608 million (previous year ₹ 1,608 million)] | | | | |
| | 18,345 | | 13,604 | |

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

| | As at 31.03.2016 | | As at 31.03.2015 | |
|-------------------------------|---------------------|--|---------------------|--|
| On equity shares of ₹ 5 each: | | | | |
| Amount of dividend proposed | 10,573 | | 7,552 | |
| Dividend per equity share | ₹ 35.00 | | ₹ 25.00 | |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

12 Tangible Assets

| Particulars | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
|--|---------------------|---------------|------------------------------|-----------------------------|--------------------|-----------------|---------------------|---------------------|
| | As at 01.04.2015 | Additions | Deductions/ Adjustments # | As at 31.03.2016 | Upto 01.04.2015 | For the year | As at 31.03.2016 | As at 31.03.2015 |
| Own Assets (Acquired): | | | | | | | | |
| Freehold Land (Note 3 below and note 32 (vii)) | 17,852 | 600 | - | 18,452 | - | - | 18,452 | 17,852 |
| Leasehold Land | 3,100 | 144 | - | 3,244 | 104 | 37 | 141 | 3,103 |
| Building | 18,117 | 1,776 | - | 19,893 | 4,865 | 714 | 5,579 | 14,314 |
| Plant and Machinery (Note 2 below) | 214,590 | 28,243 | (3,934) | 238,899 | 130,786 | 25,590 | 152,834 | 86,065 |
| Electronic Data Processing Equipment | 1,875 | 343 | (201) | 2,017 | 1,391 | 344 | 1,534 | 483 |
| Furniture, Fixtures and Office Appliances | 1,373 | 531 | (37) | 1,867 | 804 | 194 | 979 | 888 |
| Vehicles | 1,016 | 594 | (343) | 1,267 | 303 | 147 | 363 | 904 |
| Total | 257,923 | 32,231 | (4,515) | 285,639 | 138,253 | 27,026 | 161,430 | 124,209 |
| | | | | | | | | 119,670 |
| Assets given on operating lease: | | | | | | | | |
| Plant and Machinery | 77 | - | - | 77 | 39 | - | 77 | - |
| Total (B) | 77 | - | - | 77 | 39 | - | 77 | 38 |
| Total [(A) + (B)] | 222,523 | 38,959 | (3,559) | 257,923 | 116,446 | 23,600 | 138,253 | 119,670 |
| Previous Year Figures | 194,112 | 30,362 | (1,951) | 222,523 | 98,347 | 19,844 | 116,446 | 106,077 |

(1) Immovable properties costing ₹ 16 million (previous year ₹ 16 million) is not yet registered in the name of the Company.

(2) Plant and Machinery (gross block) includes pro-rata cost amounting to ₹374 million (previous year ₹ 374 million) of a Gas Turbine jointly owned by the Company with its group companies and other companies.

(3) A part of freehold land of the Company at Gurgaon, Manesar and Gujarat (Refer Note 56) has been made available to its group companies / fellow subsidiary.

* The estimated useful lives of certain fixed assets had been revised in accordance with Schedule II to the Companies Act 2013, with effect from 1st April 2014. Pursuant to the above mentioned changes in useful lives, the depreciation expense of previous year was higher by ₹ 649 million and for the assets whose revised useful lives had expired prior to 31st March 2014, the net book value of ₹ 792 million (net of deferred tax of ₹ 409 million) had been deducted from the retained earnings.

Adjustment includes the intra-head re-grouping of amounts

(All amounts in ₹ million, unless otherwise stated)

13 Intangible Assets

| Particulars | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
|--|---------------------|--------------|----------------------------|-----------------------------|--------------------|-----------------|---------------------|---------------------|
| | As at 01.04.2015 | Additions | Deductions/ Adjustments | As at 31.03.2016 | Upto 01.04.2015 | For the year | As at 31.03.2016 | As at 31.03.2015 |
| Own Assets (Acquired): | | | | | | | | |
| Lump sum royalty and Engineering support | 6,694 | 1,759 | - | 8,453 | 3,771 | 1,213 | 4,984 | 3,469 |
| Total | 6,694 | 1,759 | - | 8,453 | 3,771 | 1,213 | 4,984 | 3,469 |
| | | | | | | | | |
| Particulars | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
| | As at 01.04.2014 | Additions | Deductions/ Adjustments | As At 31.03.2015 | Upto 01.04.2014 | For the year | As At 31.03.2015 | As At 31.03.2014 |
| Own Assets (Acquired): | | | | | | | | |
| Lump sum royalty | 4,495 | 2,199 | - | 6,694 | 2,668 | 1,103 | 3,771 | 2,923 |
| Total | 4,495 | 2,199 | - | 6,694 | 2,668 | 1,103 | 3,771 | 2,923 |
| Previous Year Figures | 3,895 | 600 | - | 4,495 | 1,668 | 1,000 | 2,668 | 1,827 |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14 Capital Work In Progress

| | As at 31.03.2016 | As at 31.03.2015 |
|------------------------|---------------------|---------------------|
| Plant and Machinery | 8,025 | 16,346 |
| Civil Work in Progress | 2,044 | 2,482 |
| | 10,069 | 18,828 |

15 Non-Current Investments (Refer Note 54)

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Trade Investment (valued at cost, unless otherwise stated) | | |
| Investment in subsidiaries (unquoted equity instruments) | 91 | 91 |
| Investment in joint ventures (unquoted equity instruments) | 999 | 999 |
| Investment in associates: | | |
| - quoted equity instruments | 315 | 315 |
| - unquoted equity instruments | 293 | 293 |
| | 1,698 | 1,698 |
| Other Investment (valued at cost unless otherwise stated) | | |
| Investment in equity shares of a Section 8 Company - unquoted | 1 | - |
| Investment in mutual funds - unquoted | 167,428 | 96,478 |
| Investment in preference shares - unquoted | 50 | 50 |
| | 167,479 | 96,528 |
| Less: Provision for diminution, other than temporary, in value of investments in preference shares | 50 | 50 |
| | 167,429 | 96,478 |
| | 169,127 | 98,176 |
| Aggregate value of unquoted investments | 168,861 | 97,911 |
| Aggregate value of quoted investments | 315 | 315 |
| Market value of quoted investments | 5,839 | 5,605 |
| Aggregate value of provision for diminution other than temporary in value of investments | 50 | 50 |

(All amounts in ₹ million, unless otherwise stated)

16 Long Term Loans and Advances

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Capital Advances | | |
| Unsecured - considered good | 5,114 | 4,712 |
| - considered doubtful | - | 33 |
| | 5,114 | 4,745 |
| Less: Provision for doubtful capital advances | - | 33 |
| | 5,114 | 4,712 |
| Security Deposits | | |
| Unsecured - considered good | 103 | 113 |
| Taxes Paid Under Dispute | | |
| Unsecured - considered good | 8,100 | 8,476 |
| Inter corporate deposits - unsecured considered doubtful | 125 | 125 |
| Less: Provision for doubtful deposits | 125 | - |
| | - | - |
| Other Loans and Advances | | |
| Secured - considered good | 4 | 5 |
| Unsecured - considered good | 176 | 187 |
| - considered doubtful | 42 | 43 |
| | 222 | 235 |
| Less: Provision for doubtful other loans and advances | 42 | 43 |
| | 180 | 192 |
| | 13,497 | 13,493 |

17 Other Non-Current Assets

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Interest Accrued on Deposits, Loans and Advances | | |
| Secured - considered good | 1 | 1 |
| Claims | | |
| Unsecured - considered good | 83 | 68 |
| - considered doubtful | 27 | 27 |
| | 110 | 95 |
| Less: Provision for doubtful claims | 27 | 27 |
| | 83 | 68 |
| Others [Including derivative assets of ₹ Nil (Previous Year ₹ 366 million)] | 6 | 372 |
| | 90 | 441 |

18 Current Investments (Refer Note 54)

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| At cost or market value, whichever is less | | |
| Investment in mutual funds - unquoted | 8,730 | 29,964 |
| | 8,730 | 29,964 |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

19 Inventories (Refer Note 47)

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Components and Raw Materials | 17,343 | 13,212 |
| Work in Progress | 1,643 | 1,232 |
| Finished Goods Manufactured | | |
| Vehicles | 7,695 | 8,633 |
| Vehicle spares and components | 441 | 389 |
| | 8,136 | 9,022 |
| Traded Goods | | |
| Vehicle spares and components | 2,480 | 1,963 |
| Stores and Spares | 994 | 861 |
| Loose Tools | 725 | 569 |
| | 31,321 | 26,859 |
| Inventory includes in transit inventory of: | | |
| Components and Raw Materials | 6,860 | 5,186 |
| Traded Goods - vehicle spares | 43 | 26 |

20 Trade Receivables

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Unsecured - considered good | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 99 | 53 |
| Others | 12,887 | 10,645 |
| | 12,986 | 10,698 |
| Unsecured - considered doubtful | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 6 | 6 |
| Less: Provision for doubtful debts | 6 | - |
| | 12,986 | 10,698 |

21 Cash and Bank Balances

| | As at 31.03.2016 | As at 31.03.2015 |
|-----------------------------------|---------------------|---------------------|
| Cash and Cash Equivalents | | |
| Cash on hand | 10 | 8 |
| Cheques and drafts on hand | 14 | 3 |
| Bank balances in current accounts | 360 | 166 |
| | 384 | 177 |
| Other Bank Balances | | |
| Unclaimed dividend accounts | 7 | 6 |
| | 391 | 183 |

(All amounts in ₹ million, unless otherwise stated)

22 Short Term Loans and Advances (considered good, unless otherwise stated)

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Loans and Advances to Related Parties | | |
| Unsecured | 1,538 | 1,256 |
| Balance with Customs, Port Trust and Other Government Authorities | | |
| Unsecured | 11,204 | 7,442 |
| Other Loans and Advances | | |
| Secured | 2 | 2 |
| Unsecured | 2,821 | 3,028 |
| | 15,565 | 11,728 |

23 Other Current Assets (considered good, unless otherwise stated)

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Interest Accrued on Deposits, Loans and Advances | | |
| Secured | - | 3 |
| Unsecured | 4 | 37 |
| Claims | | |
| Unsecured | 1,230 | 1,350 |
| Receivable | | |
| Unsecured | 517 | 584 |
| Others | | |
| [Including derivative assets of ₹ 746 million (Previous Year ₹ 552 million)] | | |
| Unsecured | 751 | 556 |
| | 2,502 | 2,530 |

24 Gross Sale of Products (Refer Note 47)

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Vehicles | 582,950 | 490,806 |
| Spare parts / dies and moulds / components | 55,719 | 46,879 |
| | 638,669 | 537,685 |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

25 Other Operating Revenue

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Income from services [Net of expenses of ₹ 1,241 million (Previous Year ₹ 1,039 million)] | 3,508 | 4,113 |
| Sale of scrap | 3,564 | 4,191 |
| Cash discount received | 1,429 | 1,599 |
| Recovery of service charges | 776 | 681 |
| Provisions no longer required written back | 2,175 | 1,452 |
| Others | 2,507 | 1,615 |
| | 13,959 | 13,651 |

26 Other Income

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Interest Income (gross) on: | | |
| a) Fixed deposits | - | 325 |
| b) Receivables from dealers | 545 | 614 |
| c) Advances to vendors | 3 | 146 |
| d) Income tax refund | 885 | - |
| e) Others | 77 | 1 |
| | 1,510 | 1,086 |
| Dividend Income from: | | |
| a) Long term investments | 107 | 67 |
| b) Short term investments | - | 473 |
| | 107 | 540 |
| Net gain on sale of investments | | |
| a) Long term | 2,577 | 6,494 |
| b) Short term | 425 | 196 |
| | 3,002 | 6,690 |
| | 4,619 | 8,316 |

27 Change in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Work in Progress | | |
| Opening stock | 1,232 | 1,527 |
| Less: Closing stock | 1,643 | 1,232 |
| | (411) | 295 |
| Vehicles - Manufactured | | |
| Opening stock | 8,633 | 3,674 |
| Less: Closing stock | 7,695 | 8,633 |
| | 938 | (4,959) |
| Less: Excise duty on (increase) / decrease of finished goods | (111) | (477) |
| | 1,049 | (4,482) |
| Vehicle Spares and Components - Manufactured and Traded | | |
| Opening stock | 2,352 | 1,980 |
| Less: Closing stock | 2,921 | 2,352 |
| | (569) | (372) |
| | 69 | (4,559) |

(All amounts in ₹ million, unless otherwise stated)

28 Employee Benefits

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Salaries, wages, allowances and other benefits [Net of staff cost recovered ₹ 30 million (Previous year ₹ 42 million)] | 17,393 | 14,127 |
| Contribution to provident and other funds | 983 | 911 |
| Staff welfare expenses | 1,511 | 1,028 |
| | 19,887 | 16,066 |

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

A. Defined Contribution Plans

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

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

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Employers Contribution to Superannuation Fund* | 69 | 75 |
| Employers Contribution to Post Employment Medical Assistance Scheme.* | 9 | 10 |

B. State Plans

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

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

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Employers contribution to Employee State Insurance.* | 38 | 21 |
| Employers contribution to Employee's Pension Scheme 1995.* | 261 | 176 |

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

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

C. Defined Benefit Plans and Other Long Term Benefits

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

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

| | March 31, 2016 | | | | March 31, 2015 | | | |
|---|----------------|---------------------------------------|-------------------------|----------------------|----------------|---------------------------------------|-------------------------|----------------------|
| | Provident Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Retirement Allowance |
| Discount rate (per annum) | 8.80% | 8.00% | 8.00% | 8.00% | 8.75% | 8.00% | 8.00% | 8.00% |
| Rate of increase in compensation levels | Not Applicable | 7.00% | 7.00% | Not Applicable | Not Applicable | 7.00% | 7.00% | Not Applicable |
| Rate of return on plan assets | 8.85% | Not Applicable | 9.00% | Not Applicable | 8.81% | Not Applicable | 9.00% | Not Applicable |
| Expected average remaining working lives of employees (years) | 26 | 26 | 26 | 26 | 22 | 22 | 22 | 22 |

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

Changes in present value of obligations

| | March 31, 2016 | | | | March 31, 2015 | | | |
|---|----------------|---------------------------------------|-------------------------|----------------------|----------------|---------------------------------------|-------------------------|----------------------|
| | Provident Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund | Leave Encashment/ Compensated Absence | Employees Gratuity Fund | Retirement Allowance |
| Present value of obligation as at beginning of the year | 9,563 | 1,830 | 1,715 | 54 | 7,908 | 1,448 | 1,351 | 47 |
| Adjustment in beginning balance | - | - | - | - | - | (10) | - | - |
| Interest cost | 870 | 142 | 138 | 5 | 732 | 99 | 105 | 4 |
| Current service cost | 403 | 200 | 93 | 10 | 334 | 167 | 138 | - |
| Contribution by plan participants | 1,137 | - | - | - | 881 | - | - | - |
| Benefits paid | (373) | (282) | (86) | - | (500) | (247) | (71) | - |
| Transfer In | - | - | - | - | 197 | - | - | - |
| Actuarial (gain) / loss on obligations | (10) | 211 | 107 | (11) | 11 | 373 | 192 | 3 |
| Present value of obligation as at the year end | 11,590 | 2,101 | 1,967 | 58 | 9,563 | 1,830 | 1,715 | 54 |

(All amounts in ₹ million, unless otherwise stated)

Changes in the fair value of plan assets

| | March 31, 2016 | | March 31, 2015 | |
|---|----------------|-------------------------|----------------|-------------------------|
| | Provident Fund | Employees Gratuity Fund | Provident Fund | Employees Gratuity Fund |
| Fair value of Plan Assets as at beginning of the year | 9,632 | 1,715 | 8,020 | 1,354 |
| Expected return on Plan Assets | 870 | 155 | 707 | 122 |
| Employer contribution | 403 | 203 | 334 | 292 |
| Employee contribution | 1,137 | - | 881 | - |
| Benefits paid | (373) | (86) | (500) | (71) |
| Transfer In | - | - | 197 | - |
| Actuarial (gain)/ loss on obligations | (15) | 20 | 7 | (18) |
| Fair value of plan assets as at the year end | 11,684 | 1,967 | 9,632 | 1,715 |

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

| | March 31, 2016 | | | | March 31, 2015 | | | |
|---|-----------------|--------------------------------------|-------------------------|----------------------|-----------------|--------------------------------------|--------------------------|----------------------|
| | Provident Fund* | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund* | Leave Encashment/Compensated Absence | Employees Gratuity Fund* | Retirement Allowance |
| Present value of obligation as at the year end | 11,590 | 2,101 | 1,967 | 58 | 9,563 | 1,830 | 1,715 | 54 |
| Fair value of plan assets as at the year end | 11,684 | - | 1,967 | - | 9,632 | - | 1,715 | - |
| Surplus/ (Deficit) | 94 | (2,101) | - | (58) | 69 | (1,830) | - | (54) |
| Unfunded net asset/ (liability) recognised in balance sheet | - | (2,101) | - | (58) | - | (1,830) | - | (54) |

* Since there is surplus, the same has not been recognised in Balance Sheet

| | March 31, 2016 | | | | March 31, 2015 | | | |
|--------------------------|-----------------|--------------------------------------|-------------------------|----------------------|-----------------|--------------------------------------|--------------------------|----------------------|
| | Provident Fund* | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund* | Leave Encashment/Compensated Absence | Employees Gratuity Fund* | Retirement Allowance |
| Classified as Long Term | - | - | - | 56 | - | - | - | 53 |
| Classified as Short Term | - | 2,101 | - | 2 | - | 1,830 | - | 1 |
| Total | - | 2,101 | - | 58 | - | 1,830 | - | 54 |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

| | March 31, 2014 | | | | March 31, 2013 | | | |
|---|----------------|--------------------------------------|-------------------------|----------------------|----------------|--------------------------------------|-------------------------|----------------------|
| | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance |
| Present value of obligation as at the year end | 7,908 | 1,448 | 1,351 | 47 | 6,009 | 1,274 | 1,126 | 44 |
| Fair value of plan assets as at the year end | 8,020 | - | 1,354 | - | 6,508 | - | 1,126 | - |
| Surplus/ (deficit) | 112 | (1,448) | 3 | (47) | 499 | (1,274) | - | (44) |
| Unfunded net asset/ (liability) recognised in balance sheet | - | (1,448) | - | (47) | - | (1,274) | - | (44) |

| | March 31, 2012 | | | |
|---|----------------|--------------------------------------|-------------------------|----------------------|
| | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance |
| Present value of obligation as at the year end | 5,459 | 850 | 848 | 37 |
| Fair value of plan assets as at the year end | 5,480 | - | 907 | - |
| Surplus/ (deficit) | 21 | (850) | 59 | (37) |
| Unfunded net asset/ (liability) recognised in balance sheet | - | (850) | - | (37) |

Expenses recognised in the statement of profit & loss

| | March 31, 2016 | | | | March 31, 2015 | | | |
|--|-----------------|--|--------------------------|------------------------|-----------------|--|--------------------------|------------------------|
| | Provident Fund* | Leave Encashment/Compensated Absence** | Employees Gratuity Fund* | Retirement Allowance** | Provident Fund* | Leave Encashment/Compensated Absence** | Employees Gratuity Fund* | Retirement Allowance** |
| Current service cost | - | 200 | 93 | 10 | - | 167 | 138 | - |
| Company's Contribution to Provident Fund | 403 | - | - | - | 334 | - | - | - |
| Interest cost | - | 142 | 138 | 5 | - | 99 | 105 | 4 |
| Expected return on plan assets | - | - | (155) | - | - | - | (122) | - |
| Net actuarial (gain)/ loss recognised during the year | - | 211 | 127 | (11) | - | 373 | 174 | 3 |
| Total expense recognised in statement of profit and loss | 403 | 553 | 203 | 4 | 334 | 639 | 295 | 7 |

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

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

(All amounts in ₹ million, unless otherwise stated)

Constitution of Plan Assets

| | Provident Fund | | | | Gratuity | | | |
|----------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
| | March 31, 2016 | % | March 31, 2015 | % | March 31, 2016 | % | March 31, 2015 | % |
| (a) Debt Funds | 11,063 | 95% | 9,193 | 95% | 352 | 18% | 713 | 42% |
| (b) Others | 621 | 5% | 439 | 5% | 1,615 | 82% | 1,002 | 58% |
| Total | 11,684 | 100% | 9,632 | 100% | 1,967 | 100% | 1,715 | 100% |

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

The return on plan assets of Provident Fund is based on assumed rate of return derived from returns of past years.

Expected contribution on account of Gratuity and Provident Fund for the year ending 31st March, 2017 can not be ascertained at this stage.

29 Finance Costs

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Interest on : | | |
| - Foreign currency loans from banks | 26 | 23 |
| - Buyers' credit and export credit | 41 | 475 |
| - Deposits from dealers, contractors and others | 745 | 779 |
| Other borrowing costs | 3 | 5 |
| Other Interest | - | 778 |
| | 815 | 2,060 |

30 Depreciation & Amortisation (Refer Note 12 & 13)

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Depreciation / amortisation on tangible assets | 27,026 | 23,600 |
| Amortisation on intangible assets | 1,213 | 1,103 |
| | 28,239 | 24,703 |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

31 Other Expenses

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Consumption of stores [Refer Note 45 (iii)] | 2,140 | 1,801 |
| Power and fuel [Net of amount recovered ₹ 737 million (Previous year ₹ 1,085 million)] | 6,926 | 7,123 |
| Rent (Refer Note 51) | 199 | 162 |
| Repairs and maintenance : | | |
| - Plant and machinery | 1,861 | 1,194 |
| - Building | 474 | 330 |
| - Others | 396 | 407 |
| Insurance | 150 | 136 |
| Rates, taxes and fees | 1,496 | 1,260 |
| Royalty | 32,443 | 26,574 |
| Tools / machinery spares charged off | 3,432 | 2,498 |
| Net loss on foreign currency transactions and translation | 1,008 | 678 |
| Advertisement | 7,720 | 4,638 |
| Sales promotion | 4,570 | 2,996 |
| Warranty and product recall | 919 | 806 |
| Transportation and distribution expenses | 5,416 | 6,188 |
| Net loss on sale / discarding of fixed assets | 1,353 | 483 |
| Corporate social responsibility expenses (refer note below) | 785 | 373 |
| Other miscellaneous expenses * | 8,703 | 8,784 |
| | 79,991 | 66,431 |

Note on Corporate Social Responsibility

Gross amount required to be spent by the Company during the year ₹ 654 million

Amount spent during the year on:

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| (i) Construction / acquisition of any asset | | |
| In cash | - | - |
| Yet to be paid in cash | - | - |
| | - | - |
| (ii) On purpose other than above | | |
| In cash | 785 | 373 |
| Yet to be paid in cash | - | - |
| | 785 | 373 |
| Total | 785 | 373 |

* Does not include any item of expenditure with a value of more than 1% of turnover

(All amounts in ₹ million, unless otherwise stated)

32 Contingent Liabilities

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

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| (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 | 7,123 | 2,965 |
| (b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 11,099 | 13,741 |
| (c) Show cause notices on issues yet to be adjudicated | 7,019 | 15,670 |
| Total | 25,241 | 32,376 |
| Amount deposited under protest | 1,561 | 383 |
| (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 | 430 | 385 |
| (b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 3,318 | 4,912 |
| (c) Show cause notices on issues yet to be adjudicated | 486 | 183 |
| Total | 4,234 | 5,480 |
| Amount deposited under protest | 22 | 19 |
| (iii) Income Tax | | |
| (a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals | 7,778 | 6,033 |
| (b) Cases pending before Appellate authorities / Dispute Resolution Panel in respect of which the Company has filed appeals | 32,254 | 21,825 |
| Total | 40,032 | 27,858 |
| Amount deposited under protest | 5,172 | 7,140 |
| (iv) Customs Duty | | |
| Cases pending before Appellate authorities in respect of which the Company has filed appeals | 108 | 103 |
| Others | 43 | 32 |
| Total | 151 | 135 |
| Amount deposited under protest | 22 | 22 |
| (v) Sales Tax | | |
| Cases pending before Appellate authorities in respect of which the Company has filed appeals | 67 | 53 |
| Amount deposited under protest | 18 | 2 |

(vi) Claims against the Company for recovery of ₹ 326 million (Previous year ₹ 339 million) lodged by various parties.

(vii) In earlier years, pursuant to Court orders, the Haryana State Industrial & Infrastructure Development Corporation Limited ("HSI-IDC") had raised demands amounting to ₹ 10,317 million towards enhanced compensation to landowners for the Company's freehold land at Manesar, Haryana. Against this, the Company has made a payment of ₹ 3,742 million under protest and capitalised it as part of the cost of land. During the current year, The Punjab & Haryana High Court ("High Court") set aside the above orders and referred the matter back to the District Court, Gurgaon for fresh adjudication. An appeal was preferred by the land owners against the order of the High Court and presently the matter is pending with the Supreme Court.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

(viii) In respect of disputed Local Area Development Tax (LADT) (upto 15th April, 2008) / Entry Tax, the Sales Tax department has filed an appeal in the Supreme Court of India against the order of the Punjab & Haryana High Court. The amounts under dispute are ₹ 21 million (Previous year ₹ 21 million) for LADT and ₹ 19 million (Previous year ₹ 18 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from 16th April, 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date.

(ix) The Competition Commission of India ("CCI") had passed an order dated 25th August, 2014 stating that the Company has violated certain sections of the Competition Act, 2002 and has imposed a penalty of ₹ 4,712 million. An interim stay is in operation on the above order of the CCI pursuant to the writ petition filed by the Company before the Delhi High Court.

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.

33 Outstanding commitments under Letters of Credit established by the Company aggregate ₹ 1,671 million (Previous year ₹ 2,029 million).

34 Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amount to ₹ 30,387 million (Previous year ₹ 20,295 million).

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

36 The Company was granted sales tax benefit in accordance with the provisions of Rule 28C of Haryana General Sales Tax Rules, 1975 for the period from 1st August, 2001 to 31st July, 2015. The ceiling amount of concession to be availed of during the entitlement period is ₹ 5,644 million. Till 31st March 2016, the Company has availed of / claimed sales tax benefit amounting to ₹ 2,884 million (Previous year ₹ 2,626 million).

37 The Board of Directors, in its meeting held on 27th October, 2015 has approved a Scheme of Amalgamation (the "Scheme") under Sections 391 to 394 of the Companies Act, 1956 ('the 1956 Act') and other applicable provisions of the 1956 Act and the Companies Act, 2013, as per pooling of interest method, between the Company and its seven wholly owned subsidiaries which were authorised to engage in the business of acting as insurance intermediaries, by the name of Maruti Insurance Business Agency Limited, Maruti Insurance Distribution Services Limited, Maruti Insurance Agency Network Limited, Maruti Insurance Agency Solutions Limited, Maruti Insurance Agency Services Limited, Maruti Insurance Agency Logistics Limited and Maruti Insurance Broker Limited.

The amalgamation will be effective from 1st April, 2016 being the appointed date and is subject to shareholders' and other statutory approvals. The amalgamation is not expected to have a material impact.

38 The Company has considered "business segment" as its primary segment. The Company is primarily in the business of manufacture, purchase and sale of motor vehicles, components and spare parts ("automobiles"). The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing. The income from these activities, which are incidental to the Company's business, is not material in financial terms but such activities contribute significantly in generating the demand for the products of the Company. Accordingly, the Company operates in one business segment and thus no business segment information is required to be disclosed.

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

(All amounts in ₹ million, unless otherwise stated)

Financial information of geographical segments is as follows :

| Particulars | 2015-16 | | | | 2014-15 | | | |
|-------------------------------------|----------|----------|-------------|---------|----------|----------|-------------|---------|
| | Domestic | Overseas | Unallocated | Total | Domestic | Overseas | Unallocated | Total |
| Revenue from external customers | 598,475 | 51,978 | 6,794 | 657,247 | 498,656 | 51,228 | 9,768 | 559,652 |
| Segment assets | 200,893 | 4,996 | 186,067 | 391,956 | 196,849 | 1,909 | 136,735 | 335,493 |
| Capital expenditure during the year | 25,231 | - | - | 25,231 | 33,772 | - | - | 33,772 |

Notes:-

- a) Domestic segment includes sales and services to customers located in India.
b) Overseas segment includes sales and services rendered to customers located outside India.
c) Unallocated assets include other deposits, dividend bank accounts, investments and amount paid under protest.
d) Segment assets includes fixed assets, inventories, sundry debtors, cash and bank balances (except dividend bank account), other current assets, loans and advances (except other deposits).
e) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under 'unallocated expenses / income'.

39 The following expenses incurred on Research and Development are included under Respective Account heads:

| | 2015-16 | 2014-15 |
|--|---------|---------|
| Revenue Expenditure | | |
| Employees remuneration and benefits | 2,079 | 1,943 |
| Other expenses of manufacturing and administration | 1,137 | 1,869 |
| Capital Expenditure | 3,289 | 3,220 |
| Less: Contract research income | (570) | (472) |
| | 5,935 | 6,560 |

40 Auditors' Remuneration*

| | 2015-16 | 2014-15 |
|--------------------------------------|---------|---------|
| Statutory audit | 14.30 | 13.65 |
| Other audit services / certification | 2.28 | 2.18 |
| Reimbursement of expenses | 0.40 | 1.17 |

*Excluding service tax and swachh bharat cess

41 CIF Value of Imports

| | 2015-16 | 2014-15 |
|------------------------------|---------|---------|
| Raw materials and components | 33,632 | 31,818 |
| Capital goods | 7,383 | 10,112 |
| Stores and spares | 1,000 | 758 |
| Dies and moulds | 168 | 100 |
| Other items | 461 | 131 |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

42 Expenditure in Foreign Currency (Accrual Basis)

| | 2015-16 | 2014-15 |
|---|---------|---------|
| Fees for technical services | 1,417 | 1,262 |
| Travelling expenses | 160 | 111 |
| Running royalty | 32,443 | 26,574 |
| Lumpsum royalty and engineering support(excluding R&D cess) | 1,678 | 2,104 |
| Supervision charges capitalised | 653 | 851 |
| Interest | 40 | 498 |
| Others | 1,535 | 1,603 |

43 Earnings in Foreign Currency

| | 2015-16 | 2014-15 |
|-----------------------------|---------|---------|
| Export of goods (FOB basis) | 47,353 | 45,857 |
| Export of services | 570 | 472 |

44 Dividend Remitted in Foreign Currency (Cash Basis)

| | 2015-16 | 2014-15 |
|---|-------------|-------------|
| Dividend for the year 2014-15 (Previous year 2013-14) | 4,245 | 2,037 |
| No. of non-resident shareholders | 1 | 1 |
| No. of shares for which dividend remitted | 169,788,440 | 169,788,440 |

45 Value of Imported and Indigenous Materials Consumed

| | 2015-16 | 2014-15 |
|--|----------------|----------------|
| i) Raw Materials and Components | | |
| Imported | 26,158 | 23,953 |
| Indigenous | 330,911 | 304,725 |
| | 357,069 | 328,678 |
| Percentage of Total Consumption | | |
| Imported | 7% | 7% |
| Indigenous | 93% | 93% |
| ii) Machinery Spares | | |
| Imported | 463 | 402 |
| Indigenous | 1,982 | 1,382 |
| | 2,445 | 1,784 |
| Percentage of Total Consumption | | |
| Imported | 19% | 23% |
| Indigenous | 81% | 77% |

(All amounts in ₹ million, unless otherwise stated)

| | 2015-16 | 2014-15 |
|--|--------------|--------------|
| iii) Consumption of Stores | | |
| Imported | 122 | 117 |
| Indigenous | 2,018 | 1,684 |
| | 2,140 | 1,801 |
| Percentage of Total Consumption | | |
| Imported | 6% | 6% |
| Indigenous | 94% | 94% |

46 Licensed Capacity, Installed Capacity and Actual Production

| Product | Unit | Licensed Capacity | Installed Capacity** | Actual Production |
|--|------|-------------------|----------------------|-------------------|
| Passenger Cars and Light Duty Utility Vehicles | Nos. | - * | 1,522,000 | 1,424,330 |
| | | (-)* | (1,490,000) | (1,308,537) |

Notes:

* Licensed Capacity is not applicable from 1993-94.

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

Previous Year figures are in brackets.

47 Sales, Opening Stock and Closing Stock

| Product | Sales | | Opening Stock | | Closing Stock | |
|----------------------------|-------------|-----------|---------------|---------|---------------|---------|
| | Qty.(Nos.) | Value | Qty.(Nos.) | Value | Qty.(Nos.) | Value |
| Passenger Vehicles | 1,429,248 | 582,950 | 25,564 | 8,633 | 19,162 | 7,695 |
| | (1,292,415) | (490,806) | (10,596) | (3,674) | (25,564) | (8,633) |
| Spare Parts and Components | * | 55,670 | * | 389 | * | 441 |
| | * | (46,841) | * | (298) | * | (389) |
| Dies, Moulds and Others | * | 49 | * | - | * | - |
| | * | (38) | * | - | * | - |
| Work in Progress | | NA | | 1,232 | | 1,643 |
| | * | (NA) | * | (1,527) | * | (1,232) |

Notes :

1. Traded goods comprise vehicles, spares, components, dies and moulds. During the year 1 vehicle (previous year nil vehicle) was purchased.

2. Closing Stock of vehicles is after adjustment of 39 vehicles (previous year 84) totally damaged.

3. Sales quantity excludes own use vehicles 1,191 Nos. (previous year 807 Nos.)

4. Sales quantity excludes sample vehicles 255 Nos. (previous year 263 Nos.)

5. Previous year figures are in brackets.

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

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

48 Statement of Raw Materials and Components Consumed

| Group Of Material | Unit | 2015-16 | | 2014-15 | |
|----------------------|-------|---------|---------|---------|---------|
| | | Qty. | Amount | Qty. | Amount |
| Steel coils | MT | 240,933 | 11,434 | 207,319 | 11,867 |
| Ferrous castings | MT | 39,616 | 4,476 | 33,791 | 3,995 |
| Non-ferrous castings | MT | 37,776 | 5,946 | 32,919 | 5,527 |
| Other components | | * | 331,810 | * | 304,352 |
| Paints | K.LTR | 10,078 | | 9,957 | |
| | MT | 10,472 | 3,403 | 7,881 | 2,937 |
| | | | 357,069 | | 328,678 |

* 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.

49 Purchase of Stock in Trade

| | 2015-16 | 2014-15 |
|--|---------|---------|
| Traded spares [includes cost related to inhouse manufactured spares ₹ 3,551 million (Previous year ₹ 2,934 million)] | 31,238 | 26,543 |
| Traded vehicles | 2 | - |
| Others | 24 | 109 |
| | 31,264 | 26,652 |

50 Statement of Earning per Share

| | 2015-16 | 2014-15 |
|--|-------------|-------------|
| Net profit after tax attributable to shareholders (in ₹ million) | 45,714 | 37,112 |
| Weighted average number of equity shares outstanding during the year (Nos) | 302,080,060 | 302,080,060 |
| Nominal value per share (In ₹) | 5.00 | 5.00 |
| Basic earning per share (In ₹) | 151.33 | 122.85 |
| Diluted earning per share (In ₹) | 151.33 | 122.85 |

(All amounts in ₹ million, unless otherwise stated)

51 Minimum Lease payments outstanding as on 31st March 2016 in respect of assets taken on non-cancellable operating leases are as follows:

a) As a lessee

| Due | March 31, 2016 | | | March 31, 2015 | | |
|--|-----------------------------------|------|-------|-----------------------------------|------|-------|
| | Total Minimum Lease Payments | | | Total Minimum Lease Payments | | |
| | Outstanding as on 31st March 2016 | | | Outstanding as on 31st March 2015 | | |
| | Premises | Cars | Total | Premises | Cars | Total |
| Within one year | 55 | 1 | 56 | 54 | 2 | 56 |
| Later than one year but less than five years | 244 | - | 244 | 233 | 1 | 234 |
| Later than five years | 497 | - | 497 | 562 | - | 562 |

| | March 31, 2016 | | | March 31, 2015 | | |
|-------------------------|-----------------------|------|-------|-----------------------|------|-------|
| | Minimum Lease Payment | | | Minimum Lease Payment | | |
| | Premises | Cars | Total | Premises | Cars | Total |
| Charged to rent expense | 60 | 2 | 62 | 60 | 2 | 62 |

The Company has taken certain premises on cancellable operating lease. The rent expense amounting to ₹ 137 million (Previous year ₹ 100 million) has been charged to the statement of profit and loss.

52 Derivative Instruments outstanding at the Balance Sheet date:

1(a) Forward Contracts against imports and royalty:

Forward contracts to buy JPY 3,500 million (Previous year JPY 14,500 million) against USD amounting to ₹ 1,978 million (Previous year ₹ 7,575 million). Forward contracts to buy EURO 6 million (Previous year EURO 13 million) against USD amounting to ₹ 434 million (Previous year ₹ 882 million). The above contracts have been undertaken to hedge against the foreign exchange exposures arising from transactions like import of goods and royalty.

(b) Forward Contracts against exports:

Forward contracts to sell USD 48.32 million (Previous year 35.8 million) against INR amounting to ₹ 3,321 million (Previous year 2,279 million). Forward contracts to sell JPY 5,398 million (Previous year Nil) against INR amounting to ₹ 3,273 million

(Previous year Nil). The above contracts have been undertaken to hedge against the foreign exchange exposures arising from export of goods.

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

Outstanding USD/INR Floating rate cross-currency swap USD 23.17 million (Previous year USD 46.34 million) amounting to ₹ 1,535 million (Previous year ₹ 2,896 million).

(d) Forward Contracts against buyers credit:

ForwardContractstobuyUSDNil(PreviousyearUSD30.49millions) against INR amounting to ₹ Nil (Previous year ₹ 1,905 million). Contracts mentioned in (c) &(d) above have been undertaken to hedge against the foreign exchange exposure arising from foreign currency loan.

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

(e) Forward Contracts against Commodities (Firm Commitment):

As at March 31, 2016

| | Platinum (In Oz) | Palladium (In Oz) | Lead (In Tons) | Copper (In Tons) |
|----------------|------------------|-------------------|----------------|------------------|
| Quantity | 800 | 6,200 | 1,200 | 250 |
| INR Equivalent | 50 | 216 | 136 | 84 |

As at March 31, 2015

| | Platinum (In Oz) | Palladium (In Oz) | Lead (In Tons) | Copper (In Tons) |
|----------------|------------------|-------------------|----------------|------------------|
| Quantity | 4,000 | 4,600 | 1,300 | - |
| INR Equivalent | 305 | 221 | 153 | - |

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

As at March 31, 2016

| | YEN | INR Equivalent | USD | INR Equivalent | EURO | INR Equivalent | GBP | INR Equivalent | SGD | INR Equivalent |
|-------------|---------------|-------------------|-----------|-------------------|-----------|-------------------|-----|-------------------|-----|-------------------|
| Receivables | 513 | 300 | 17 | 1,093 | 1 | 106 | - | - | - | - |
| Payables | 27,972 | 16,344 | 32 | 2,090 | 24 | 1,761 | * | 2 | * | 2 |

(in million)

As at March 31, 2015

| | YEN | INR Equivalent | USD | INR Equivalent | EURO | INR Equivalent | GBP | INR Equivalent | SGD | INR Equivalent |
|-------------|--------|-------------------|-----|-------------------|------|-------------------|-----|-------------------|-----|-------------------|
| Receivables | 20 | 11 | 27 | 1,690 | * | 11 | - | - | - | - |
| Payables | 14,798 | 7,633 | 37 | 2,315 | 7 | 466 | * | 5 | - | - |

(All amounts in ₹ million, unless otherwise stated)

53 Statement of Transactions with Related Parties

Holding Company

Suzuki Motor Corporation

Joint Ventures

Mark Exhaust Systems Limited
 Bellsonica Auto Component India Private Limited
 FMI Automotive Components Private Limited
 Krishna Ishizaki Auto Limited
 Plastic Omnium Auto Inergy Manufacturing India Private Limited
 (Formerly known as Inergy Automotive Systems Manufacturing India Private Limited)
 Maruti Insurance Broking Private Limited
 Manesar Steel Processing India Private Limited

Subsidiaries

Maruti Insurance Agency Services Limited
 Maruti Insurance Agency Logistics Limited
 Maruti Insurance Distribution Services Limited
 Maruti Insurance Agency Network Limited
 Maruti Insurance Agency Solutions Limited
 True Value Solutions Limited
 Maruti Insurance Business Agency India Limited
 Maruti Insurance Broker Limited
 J.J. Impex (Delhi) Private Limited

Key Management Personnel

Mr. Kenichi Ayukawa
 Mr. Toshiaki Hasuike
 Mr. Kazuhiko Ayabe (upto 30th Jan, 2016)
 Mr. Masayuki Kamiya (upto 30th July, 2014)
 Mr. Shigetoshi Torii (w.e.f. 31st July, 2014)

Associates

Asahi India Glass Limited
 Bharat Seats Limited
 Caparo Maruti Limited
 Denso India Private Limited

Jay Bharat Maruti Limited
 Krishna Maruti Limited
 Machino Plastics Limited
 SKH Metals Limited
 Nippon Thermostat (India) Limited
 Sona Koyo Steering Systems Limited
 Magneti Marelli Powertrain India Private Limited
 Hanon Climate Systems India Private Limited (Former Halla
 Visteon Climate Systems India Private Limited)

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

Cambodia Suzuki Motor Co. Ltd.
 Magyar Suzuki Corporation Ltd.
 Pak Suzuki Motor Co., Ltd.
 Pt Suzuki Indomobil Motor (Former Pt Indomobil Suzuki International)
 Suzuki (Myanmar) Motor Co., Ltd.
 Suzuki Australia Pty. Ltd.
 Suzuki Austria Automobile Handels G.M.B.H.
 Suzuki Auto South Africa (Pty) Ltd
 Suzuki Cars (Ireland) Ltd.
 Suzuki France S.A.S.
 Suzuki Gb Plc
 Suzuki International Europe G.M.B.H.
 Suzuki Italia S.P.A.
 Suzuki Malaysia Automobile Sdn. Bhd.
 Suzuki Motor (Thailand) Co., Ltd.
 Suzuki Motor De Mexico, S.A. De C.V.
 Suzuki Motor Gujarat Private Limited
 Suzuki Motor Iberica, S.A.U.
 Suzuki Motor Poland Sp. Z.O.O. (Former Suzuki Motor Poland Ltd.)
 Suzuki Motorcycle India Ltd.
 Suzuki New Zealand Ltd.
 Suzuki Philippines Inc.
 Taiwan Suzuki Automobile Corporation
 Thai Suzuki Motor Co., Ltd.
 Vietnam Suzuki Corporation

All amounts in ₹ million, unless otherwise stated)

| 2015 - 16 | | | | | | | | | | 2014-15 | | | | |
|--|-------|----|-------|--------|-------|---|--------|--------|----|---------|--------|--------|---|--------|
| Outstanding at Year End | | | | | | | | | | | | | | |
| Loans and Advances Recoverable | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 335 | - | - | - | 335 | - | - | - | 339 | - | 339 |
| SKH Metals Limited | - | - | 193 | - | - | - | - | 193 | - | - | 270 | - | - | 270 |
| Krishna Maruti Limited | - | - | 202 | - | - | - | - | 202 | - | - | - | - | - | - |
| Jay Bharat Maruti Limited | - | - | 389 | - | - | - | - | 389 | - | - | 163 | - | - | 163 |
| Others | 117 | - | 277 | - | 25 | - | 419 | 71 | - | 412 | - | 1 | - | 484 |
| Total | 117 | - | 1,061 | 335 | 25 | - | 1,538 | 71 | - | 845 | 339 | 1 | - | 1,256 |
| Loans Payable | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 614 | - | - | - | 614 | - | - | - | 1,158 | - | 1,158 |
| Total | - | - | - | 614 | - | - | - | 614 | - | - | - | 1,158 | - | 1,158 |
| Amounts Payable | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 19,240 | - | - | - | 19,240 | - | - | - | 14,657 | - | 14,657 |
| Others | 2,269 | 2 | 9,903 | - | 350 | - | 12,524 | 1,268 | - | 5,777 | - | 134 | - | 7,179 |
| Total | 2,269 | 2 | 9,903 | 19,240 | 350 | - | 31,764 | 1,268 | - | 5,777 | 14,657 | 134 | - | 21,836 |
| Amount Recoverable | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 3,846 | - | - | - | 3,846 | - | - | - | 309 | - | 309 |
| Others | 710 | 78 | 1,069 | - | 932 | - | 2,789 | 370 | 20 | 1,100 | - | 1,407 | - | 2,897 |
| Total | 710 | 78 | 1,069 | 3,846 | 932 | - | 6,635 | 370 | 20 | 1,100 | 309 | 1,407 | - | 3,206 |
| Goods in Transit - Component Etc. | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 2,446 | - | - | - | 2,446 | - | - | - | 1,632 | - | 1,632 |
| Others | - | - | - | - | 85 | - | 85 | - | - | - | - | 117 | - | 117 |
| Total | - | - | - | 2,446 | 85 | - | 2,531 | - | - | - | 1,632 | 117 | - | 1,749 |
| Purchases of Tangible and Intangible Fixed Assets | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 2,483 | - | - | - | 2,483 | - | - | - | 3,610 | - | 3,610 |
| Krishna Maruti Limited | - | - | 599 | - | - | - | 45 | - | - | 45 | - | - | - | 45 |
| Others | 562 | - | 1,562 | - | 1 | - | 2,125 | 361 | - | 646 | - | 5 | - | 1,012 |
| Total | 562 | - | 2,161 | 2,483 | 1 | - | 5,207 | 361 | - | 691 | 3,610 | 5 | - | 4,667 |
| Sale of Tangible Fixed Assets | | | | | | | | | | | | | | |
| Suzuki Motor Gujarat Private Limited (refer note 56) | - | - | - | - | 2,019 | - | 2,019 | - | - | - | - | - | - | - |
| Total | - | - | - | - | 2,019 | - | 2,019 | - | - | - | - | - | - | - |

(All amounts in ₹ million, unless otherwise stated)

| 2015 - 16 | | | | | | | | | | | | | | | | 2014-15 | | | |
|--------------------------------------|----------------|--------------|------------|-----------------|---------------------|--------------------------|--------|----------------|--------------|------------|-----------------|---------------------|--------------------------|--------|--|---------|--|--|--|
| | Joint Ventures | Subsidiaries | Associates | Holding Company | Fellow subsidiaries | Key Management Personnel | Total | Joint Ventures | Subsidiaries | Associates | Holding Company | Fellow subsidiaries | Key Management Personnel | Total | | | | | |
| Sale of Goods | | | | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 6,558 | - | - | 6,558 | - | - | - | 88 | - | - | 88 | | | | | |
| Suzuki Motorcycle India Ltd. | - | - | - | - | 6,077 | - | 6,077 | - | - | - | - | 5,225 | - | 5,225 | | | | | |
| Suzuki Philippines Inc | - | - | - | - | 3,073 | - | 3,073 | - | - | - | - | 3,432 | - | 3,432 | | | | | |
| Others | 1,817 | 306 | 3,702 | - | 5,990 | - | 11,815 | 1,708 | 223 | 4,011 | - | 10,014 | - | 15,956 | | | | | |
| Total | 1,817 | 306 | 3,702 | 6,558 | 15,140 | - | 27,523 | 1,708 | 223 | 4,011 | 88 | 18,671 | - | 24,701 | | | | | |
| Other Income | | | | | | | | | | | | | | | | | | | |
| Finance Income/ Commission/ Dividend | | | | | | | | | | | | | | | | | | | |
| Mark Exhaust Systems Limited | 28 | - | - | - | - | - | 28 | 28 | - | - | - | - | - | 28 | | | | | |
| SKH Metals Limited | - | - | 62 | - | - | - | 62 | - | - | 146 | - | - | - | 146 | | | | | |
| Machino Plastics Limited | - | - | 18 | - | - | - | 18 | - | - | 15 | - | - | - | 15 | | | | | |
| Asahi India Glass Limited | - | - | 42 | - | - | - | 42 | - | - | 65 | - | - | - | 65 | | | | | |
| Others | 19 | 1 | 10 | - | - | - | 30 | 17 | - | 88 | - | - | - | 105 | | | | | |
| Total | 47 | 1 | 132 | - | - | - | 180 | 45 | - | 314 | - | - | - | 359 | | | | | |
| Other Misc Income | | | | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 584 | - | - | 584 | - | - | - | 496 | - | - | 496 | | | | | |
| Others | 31 | 1 | 36 | - | 110 | - | 178 | 30 | 2 | 49 | - | 4 | - | 85 | | | | | |
| Total | 31 | 1 | 36 | 584 | 110 | - | 762 | 30 | 2 | 49 | 496 | 4 | - | 581 | | | | | |
| Expenditure | | | | | | | | | | | | | | | | | | | |
| Purchases of Goods | | | | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 11,673 | - | - | 11,673 | - | - | - | 12,387 | - | - | 12,387 | | | | | |
| Jay Bharat Maruti Limited | - | - | 10,768 | - | - | - | 10,768 | - | - | 10,505 | - | - | - | 10,505 | | | | | |
| Krishna Maruti Limited | - | - | 10,745 | - | - | - | 10,745 | - | - | 10,000 | - | - | - | 10,000 | | | | | |
| Others | 14,831 | - | 41,313 | - | 1,458 | - | 57,602 | 13,727 | - | 38,207 | - | 124 | - | 52,058 | | | | | |
| Total | 14,831 | - | 62,825 | 11,673 | 1,458 | - | 90,787 | 13,727 | - | 58,712 | 12,387 | 124 | - | 84,950 | | | | | |
| Proposed Dividend | | | | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 5,943 | - | - | 5,943 | - | - | - | 4,245 | - | - | 4,245 | | | | | |
| Total | - | - | - | 5,943 | - | - | 5,943 | - | - | - | 4,245 | - | - | 4,245 | | | | | |
| Royalty | | | | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 32,443 | - | - | 32,443 | - | - | - | 26,574 | - | - | 26,574 | | | | | |
| Total | - | - | - | 32,443 | - | - | 32,443 | - | - | - | 26,574 | - | - | 26,574 | | | | | |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

| 2015 - 16 | | | | | | | | | | | | | | 2014-15 | | | |
|---|----------------|--------------|------------|-----------------|---------------------|--------------------------|-------|----------------|--------------|------------|-----------------|---------------------|--------------------------|---------|--|--|--|
| | Joint Ventures | Subsidiaries | Associates | Holding Company | Fellow subsidiaries | Key Management Personnel | Total | Joint Ventures | Subsidiaries | Associates | Holding Company | Fellow subsidiaries | Key Management Personnel | Total | | | |
| Services Received | | | | | | | | | | | | | | | | | |
| | - | - | - | 883 | - | - | 883 | - | - | - | 777 | - | - | 777 | | | |
| Others | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Total | - | - | - | 883 | - | - | 883 | - | - | - | 777 | - | - | 777 | | | |
| Other Expenditure | | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 155 | - | - | 155 | - | - | - | 168 | - | - | 168 | | | |
| Suzuki Auto South Africa (Pty) Limited | - | - | - | - | 65 | - | 65 | - | - | - | - | 43 | - | 43 | | | |
| Jay Bharat Maruti Limited | - | - | 161 | - | - | - | 161 | - | - | 2 | - | - | - | 2 | | | |
| Others | 3 | 16 | 49 | - | 98 | - | 165 | 6 | 14 | 16 | - | 460 | - | 496 | | | |
| Total | 3 | 16 | 210 | 155 | 163 | - | 547 | 6 | 14 | 18 | 168 | 503 | - | 709 | | | |
| Recovery of Expenses | | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | - | 27 | - | - | 27 | - | - | - | 24 | - | - | 24 | | | |
| Bellsonica Auto Component India Private Limited | 242 | - | - | - | - | - | 242 | 269 | - | - | - | - | - | 269 | | | |
| Jay Bharat Maruti Limited | - | - | 129 | - | - | - | 129 | - | - | - | 381 | - | - | 381 | | | |
| Others | 127 | 12 | 207 | - | 47 | - | 393 | 205 | 11 | 391 | - | 39 | - | 646 | | | |
| Total | 369 | 12 | 336 | 27 | 47 | - | 791 | 474 | 11 | 772 | 24 | 39 | - | 1,320 | | | |
| Managerial Remuneration | | | | | | | | | | | | | | | | | |
| Mr. Kenichi Ayukawa | - | - | - | - | - | 35 | 35 | - | - | - | - | - | 34 | 34 | | | |
| Mr. Toshiaki Hasulike | - | - | - | - | - | 31 | 31 | - | - | - | - | - | 29 | 29 | | | |
| Mr. Kazuhiko Ayabe | - | - | - | - | - | 21 | 21 | - | - | - | - | - | 24 | 24 | | | |
| Mr. Masayuki Kamiya | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 3 | | | |
| Mr. Shigetoshi Torii | - | - | - | - | - | 26 | 26 | - | - | - | - | - | 16 | 16 | | | |
| Total | - | - | - | - | - | 113 | 113 | - | - | - | - | - | 106 | 106 | | | |

(All amounts in ₹ million, unless otherwise stated)

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

[illegible]

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

| Name of the Company/Fund | Interest / Dividend % | Face Value ₹ | Face Value ₹ | Number As at | Number As at | As at | | As at | |
|--|-----------------------------|-----------------|-----------------|-----------------|--------------|---------|----------------|---------|----------------|
| | | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 | Current | Non Current | Current | Non Current |
| Axis Banking Debt Fund Direct Plan | | 1,000 | 1,000 | 683,014 | 255,691 | - | 850 | - | 300 |
| Axis Fixed Term Plan Series 47 (483 Days) | | | 10 | - | 25,000,000 | - | - | 250 | - |
| Axis Short Term Fund | | 10 | 10 | 74,879,353 | 42,568,240 | - | 1,150 | - | 650 |
| Baroda Pioneer Fixed Maturity Plan Series N Plan B (12.4 Months) | | - | 10 | - | 15,000,000 | - | - | 150 | - |
| Birla Sunlife Fixed Term Plan Series FW | | - | 10 | - | 25,000,000 | - | - | 250 | - |
| Birla Sunlife Fixed Term Plan Series JI 1099 Days (Earlier 368 Days) | | 10 | 10 | 20,000,000 | 20,000,000 | 200 | - | - | 200 |
| Birla Sunlife Fixed Term Plan Series JQ 1099 Day (Earlier 368 Days) | | 10 | 10 | 60,000,000 | 60,000,000 | 600 | - | - | 600 |
| Birla Sunlife Fixed Term Plan Series JY 1099 Days (Earlier 367 Days) | | 10 | 10 | 20,000,000 | 20,000,000 | 200 | - | - | 200 |
| Birla Sunlife Fixed Term Plan Series KC 1099 Days (Earlier 368 Days) | | 10 | 10 | 20,000,000 | 20,000,000 | 200 | - | - | 200 |
| Birla Sunlife Govt Securities Long Term | | 10 | 10 | 11,596,220 | 11,596,220 | - | 400 | - | 400 |
| Birla Sunlife Fixed Term Plan Series LG 1157 Day (Earlier 367 Days) | | 10 | 10 | 60,000,000 | 80,000,000 | - | 600 | 800 | - |
| Birla Sunlife Fixed Term Plan Series LV (1099 Days) | | 10 | 10 | 20,000,000 | 20,000,000 | - | 200 | - | 200 |
| Birla Sunlife Fixed Term Plan Series MA (1099 Days) | | 10 | 10 | 20,000,000 | 20,000,000 | - | 200 | - | 200 |
| Birla Sunlife Fixed Term Plan Series MD (1099 Days) | | 10 | 10 | 50,000,000 | 50,000,000 | - | 500 | - | 500 |
| Birla Sunlife Fixed Term Plan Series MX (1128 Days) | | 10 | - | 40,000,000 | - | - | 400 | - | - |
| Birla Sunlife Fixed Term Plan Series MY (1107 Days) | | 10 | - | 50,000,000 | - | - | 500 | - | - |
| Birla Sunlife Dynamic Bond Fund | | 10 | 10 | 234,032,609 | 234,032,609 | - | 5,480 | - | 5,480 |
| Birla Sunlife Income Plus | | 10 | 10 | 35,314,419 | 35,314,419 | - | 2,200 | - | 2,200 |
| Birla Sunlife Saving Fund | | 100 | 100 | 6,332,053 | 6,332,053 | - | 1,650 | - | 1,650 |
| Birla Sunlife Short Term Fund | | 10 | 10 | 213,663,534 | 40,441,709 | - | 11,650 | - | 2,100 |
| Birla Sunlife Treasury Optimizer Plan | | 100 | - | 1,141,130 | - | - | 200 | - | - |
| DSP Black Rock Strategic Bond Fund | | 10 | 10 | 1,705,807 | 1,407,588 | - | 2,760 | - | 2,260 |
| DSP BlackRock Fixed Maturity Plan Series 163 12 Month | | - | 10 | - | 25,000,000 | - | - | 250 | - |
| DHFL Pramerica Banking & PSU Debt Fund (Earlier name DWS Banking & PSU Debt Fund) * | | 10 | - | 68,382,816 | - | - | 850 | - | - |
| DWS Fixed Maturity Plan Series 57 | | | 10 | - | 50,000,000 | - | - | 500 | - |
| DHFL Pramerica Premier Bond Fund (Earlier name DWS Premier Bond Fund) | | 10 | 10 | 25,923,526 | 25,923,526 | - | 500 | - | 500 |
| DHFL Pramerica Gilt Fund (Earlier name DWS Gilt Fund) | | 10 | 10 | 38,515,757 | 38,515,757 | - | 500 | - | 500 |
| DHFL Pramerica Short Term Floating Rate Fund (Earlier name DWS Treasury Fund Investment Plan) | | 10 | 10 | 45,187,833 | 45,187,833 | - | 670 | - | 670 |
| DHFL Pramerica Ultra Short Term Fund (Earlier name DWS Ultra Short Term Fund) | | 10 | 10 | 55,129,962 | 55,129,962 | - | 536 | - | 536 |
| DWS Interval Fund Annual Plan Series 1 | | - | 10 | - | 24,205,730 | - | - | 250 | - |
| DHFL Pramerica Fixed Maturity Plan Series 82 (Earlier name DWS Fixed Maturity Plan Series 82) | | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 | - | 250 |
| DHFL Pramerica Fixed Maturity Plan Series 85 (Earlier name DWS Fixed Maturity Plan Series 85) | | 10 | 10 | 30,000,000 | 30,000,000 | - | 300 | - | 300 |
| DHFL Pramerica Fixed Maturity Plan Series 87 (Earlier name DWS Fixed Maturity Plan Series 87) | | 10 | 10 | 50,000,000 | 50,000,000 | - | 500 | - | 500 |
| DHFL Pramerica Fixed Maturity Plan Series 91 (Earlier name DWS Fixed Maturity Plan Series 91) | | 10 | - | 30,000,000 | - | - | 300 | - | - |
| Franklin India Treasury Management Account | | - | 1,000 | - | 550,871 | - | - | - | 1,150 |
| HDFC Fixed Maturity Plan 369 Days February 2014 (2) Series 29 | | 10 | 10 | 30,000,000 | 30,000,000 | - | 300 | - | 300 |
| HDFC Fixed Maturity Plan 378 Days March 2014 (1) Series 29 | | | 10 | - | 37,000,000 | - | - | 370 | - |
| HDFC Fixed Maturity Plan 384 Days March 2014 (1) Series 29 | | - | 10 | - | 40,000,000 | - | - | 400 | - |
| HDFC FMP 1198 Days Feb 2013 (1) Series 24 | | 10 | 10 | 5,000,000 | 5,000,000 | 50 | - | - | 50 |
| HDFC Fixed Maturity Plan 369 Days January 2014 (1) Series 29 | | 10 | 10 | 45,000,000 | 45,000,000 | 450 | - | - | 450 |

(All amounts in ₹ million, unless otherwise stated)

| Name of the Company/Fund | Interest / Dividend % | Face Value ₹ 31.03.2016 | Face Value ₹ 31.03.2015 | Number As at 31.03.2016 | Number As at 31.03.2015 | As at 31.03.2016 | | As at 31.03.2015 | |
|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|---------------------|----------------|---------------------|----------------|
| | | | | | | Current | Non Current | Current | Non Current |
| HDFC Fixed Maturity Plan 370 Days March 2014 (1) Series 29 | 10 | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 | - | 250 |
| HDFC Fixed Maturity Plan 372 Days December 2013 (1) Series 29 | 10 | 10 | 10 | 32,000,000 | 32,000,000 | 320 | - | - | 320 |
| HDFC Floating Rate Income Fund Long Term Plan | 10 | 10 | 10 | 72,897,491 | 72,897,491 | - | 1,610 | - | 1,610 |
| HDFC Floating Rate Income Fund Short Term Plan Growth | 10 | - | - | 92,433,479 | - | - | 2,200 | - | - |
| HDFC Medium Term Opportunity Fund | 10 | 10 | 10 | 386,703,159 | 146,402,254 | - | 5,900 | - | 2,100 |
| HDFC Fixed Maturity Plan 370 D April 2014 (1) Series 31 | 10 | 10 | 10 | 20,000,000 | 20,000,000 | - | 200 | 200 | - |
| HDFC Fixed Maturity Plan 370 D April 2014 (2) Series 31 | 10 | 10 | 10 | 40,000,000 | 60,000,000 | - | 400 | 600 | - |
| HDFC Fixed Maturity Plan 1111 Days November 2015 (1) Series 34 | 10 | - | - | 40,000,000 | - | - | 400 | - | - |
| HDFC Fixed Maturity Plan 1114D March 2016 (1) Series 35 | 10 | - | - | 250,000,000 | - | - | 2,500 | - | - |
| HDFC Fixed Maturity Plan 1167 Days January 2016 (1) | 10 | - | - | 180,000,000 | - | - | 1,800 | - | - |
| HDFC Fixed Maturity Plan 371 Days June 2014 (3) Series 31 | - | 10 | - | - | 25,000,000 | - | - | 250 | - |
| HDFC Floating Rate Income Fund Short Term Plan | - | 10 | - | - | 92,433,479 | - | - | - | 2,200 |
| HDFC High Interest Fund - Dynamic Plan | 10 | 10 | 10 | 27,381,267 | 27,381,267 | - | 1,340 | - | 1,340 |
| HDFC Income Fund | 10 | 10 | 10 | 73,743,649 | 73,743,649 | - | 2,280 | - | 2,280 |
| HDFC Short Term Opportunities Fund | 10 | 10 | 10 | 472,665,120 | 132,564,742 | - | 7,350 | - | 2,000 |
| HSBC Income Fund Short Term Plan | 10 | 10 | 10 | 51,140,380 | 36,386,144 | - | 1,200 | - | 850 |
| HSBC Fixed Term Series 109-377 Days | - | 10 | - | - | 50,000,000 | - | - | 500 | - |
| ICICI Prudential Fixed Maturity Plan Series 68 745 Days Plan H | 10 | 10 | 10 | 35,000,000 | 40,000,000 | 350 | - | 400 | - |
| ICICI Prudential Fixed Maturity Plan Series 73 376 Days Plan Q | - | 10 | - | - | 38,000,000 | - | - | 380 | - |
| ICICI Prudential Interval Fund Series VI Annual Interval Plan C | 10 | 10 | 10 | 10,760,176 | 22,854,844 | 118 | - | 250 | - |
| ICICI Prudential Blended Plan B | 10 | 10 | 10 | 17,130,523 | 17,130,523 | - | 300 | - | 300 |
| ICICI Prudential Fixed Maturity Plan Series 73 369 Days Plan S | - | 10 | - | - | 35,000,000 | - | - | 350 | - |
| ICICI Prudential Fixed Maturity Plan Series 73 369 Days Plan T | - | 10 | - | - | 45,000,000 | - | - | 450 | - |
| ICICI Prudential Fixed Maturity Plan Series 74 367 Days Plan D | 10 | 10 | 10 | 60,000,000 | 85,000,000 | - | 600 | 850 | - |
| ICICI Prudential Fixed Maturity Plan Series 74 369 Days Plan F | 10 | 10 | 10 | 40,000,000 | 50,000,000 | - | 400 | 500 | - |
| ICICI Prudential Fixed Maturity Plan Series 74 370 Days Plan X | - | 10 | - | - | 20,000,000 | - | - | 200 | - |
| ICICI Prudential Fixed Maturity Plan Series 74-369 Days Plan K | - | 10 | - | - | 25,000,000 | - | - | 250 | - |
| ICICI Prudential Fixed Maturity Plan Series 75- 1100 Days Plan H | 10 | 10 | 10 | 15,000,000 | 15,000,000 | - | 150 | - | 150 |
| ICICI Prudential Fixed Maturity Plan Series 75- 1100 Days Plan O | 10 | 10 | 10 | 15,000,000 | 15,000,000 | - | 150 | - | 150 |
| ICICI Prudential Fixed Maturity Plan Series 75 1100 Days Plan R | 10 | 10 | 10 | 50,000,000 | 50,000,000 | - | 500 | - | 500 |
| ICICI Prudential Fixed Maturity Plan Series 75 1103 Days Plan P | 10 | 10 | 10 | 35,000,000 | 35,000,000 | - | 350 | - | 350 |
| ICICI Prudential Fixed Maturity Plan Series 76 1100 Days Plan G | 10 | 10 | 10 | 50,000,000 | 50,000,000 | - | 500 | - | 500 |
| ICICI Prudential Fixed Maturity Plan Series 76 1100 Days Plan T | 10 | 10 | 10 | 35,000,000 | 35,000,000 | - | 350 | - | 350 |
| ICICI Prudential Fixed Maturity Plan Series 76 1103 Days Plan F | 10 | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 | - | 250 |
| ICICI Prudential Fixed Maturity Plan Series 76 1155 Days Plan K | 10 | 10 | 10 | 30,000,000 | 30,000,000 | - | 300 | - | 300 |
| ICICI Prudential Banking and PSU Debt Fund | 10 | 10 | 10 | 141,291,460 | 70,952,678 | - | 2,200 | - | 1,100 |
| ICICI Prudential Flexible Income | 100 | 100 | 100 | 11,858,050 | 9,596,222 | - | 3,100 | - | 2,500 |
| ICICI Prudential Income Fund | 10 | 10 | 10 | 48,662,288 | 48,662,288 | - | 2,040 | - | 2,040 |
| ICICI Prudential Income Opportunities Fund | 10 | 10 | 10 | 103,095,285 | 82,661,789 | - | 1,930 | - | 1,530 |
| ICICI Prudential Saving Fund | - | 100 | - | - | 3,792,553 | - | - | - | 760 |
| ICICI Prudential Ultra Short Term Direct Plan | 10 | - | - | 551,079,506 | - | - | 8,350 | - | - |
| IDFC Dynamic Bond Fund | 10 | 10 | 10 | 200,427,616 | 200,427,616 | - | 3,320 | - | 3,320 |
| IDFC Government Securities Fund Investment Plan | 10 | 10 | 10 | 20,690,838 | 20,690,838 | - | 350 | - | 350 |
| IDFC Super Saver Income Fund Medium Term Plan | - | 10 | - | - | 37,686,075 | - | - | - | 900 |
| IDFC Super Saver Income Fund Short Term Plan | - | 10 | - | - | 76,757,984 | - | - | - | 2,200 |
| IDFC Money Manager Fund Investment Plan | 10 | 10 | 10 | 105,056,990 | 62,901,943 | - | 2,200 | - | 1,250 |
| IDFC Banking Debt Fund | 10 | 10 | 10 | 91,140,256 | 91,140,256 | - | 1,000 | - | 1,000 |
| IDFC Super Saver Income Fund Short Term Plan | 10 | - | - | 134,579,249 | - | - | 3,950 | - | - |
| IDFC Super Saver Income Fund Medium Term Plan | 10 | - | - | 37,686,075 | - | - | 900 | - | - |
| IDFC Yearly Series Interval Fund Direct Plan Series I | 10 | 10 | 10 | 41,835,157 | 44,154,984 | 455 | - | 480 | - |
| IDFC Yearly Series Interval Fund Direct Plan Series II | 10 | 10 | 10 | 21,079,644 | 21,079,644 | 230 | - | 230 | - |
| IDFC Fixed Term Plan Series 88 (372 Days) | - | 10 | - | - | 21,000,000 | - | - | 210 | - |
| JM Money Manager Fund Super Plus Plan Growth Option | 10 | - | - | 37,591,347 | - | - | 750 | - | - |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

| Name of the Company/Fund | Interest / Dividend % | Face Value ₹ 31.03.2016 | Face Value ₹ 31.03.2015 | Number As at 31.03.2016 | Number As at 31.03.2015 | As at 31.03.2016 | As at 31.03.2015 |
|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|---------------------------|---------------------------|
| | | | | | | Current Non Current | Current Non Current |
| JP Morgan Fixed Maturity Plan Series 23 | | 10 | 10 | 8,000,000 | 8,000,000 | 80 | 80 |
| JP Morgan Income Fund Series 301 | | - | 10 | - | 85,121,701 | - | 851 |
| JP Morgan Active Income Bond Fund | | 10 | 10 | 93,948,790 | 93,948,790 | - | 1,230 |
| JP Morgan India Liquid Fund | | 10 | 10 | 99,231,756 | 197,154,896 | - | 1,008 |
| Kotak Bond Scheme Plan A | | 10 | 10 | 84,088,525 | 84,088,525 | - | 3,240 |
| Kotak Bond Short Term | | 10 | - | 20,779,182 | - | - | 550 |
| Kotak Treasury Advantage Fund | | 10 | 10 | 144,239,928 | 80,748,992 | - | 3,230 |
| Kotak Fixed Maturity Plan Series 136 | | 10 | 10 | 35,000,000 | 35,000,000 | 350 | - |
| Kotak Fixed Maturity Plan Series 142 | | 10 | 10 | 35,000,000 | 50,000,000 | - | 350 |
| Kotak Fixed Maturity Plan Series 147 | | - | 10 | - | 40,000,000 | - | 400 |
| Kotak Fixed Maturity Plan Series 150 | | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 |
| Kotak Fixed Maturity Plan Series 151 | | 10 | 10 | 25,000,000 | 40,000,000 | - | 250 |
| Kotak Fixed Maturity Plan Series 155 | | - | 10 | - | 40,000,000 | - | 400 |
| Kotak Fixed Maturity Plan Series 156 | | 10 | 10 | 18,000,000 | 55,000,000 | - | 180 |
| Kotak Fixed Maturity Plan Series 157 | | - | 10 | - | 60,000,000 | - | 600 |
| Kotak Fixed Maturity Plan Series 158 | | 10 | 10 | 25,000,000 | 40,000,000 | - | 250 |
| Kotak Fixed Maturity Plan Series 159 | | 10 | 10 | 20,000,000 | 30,000,000 | - | 200 |
| Kotak Fixed Maturity Plan Series 171 | | 10 | 10 | 20,000,000 | 20,000,000 | - | 200 |
| Kotak Fixed Maturity Plan Series 176 | | 10 | - | 25,000,000 | - | - | 250 |
| Kotak Fixed Maturity Plan Series 178 | | 10 | - | 45,000,000 | - | - | 450 |
| L & T Fixed Maturity Plan Series X Plan S | | - | 10 | - | 25,000,000 | - | 250 |
| L & T Fixed Maturity Plan Series X Plan T | | - | 10 | - | 43,000,000 | - | 430 |
| L&T Ultra Short Term Fund | | 10 | 10 | 55,748,239 | 122,646,125 | - | 682 |
| L&T Liquid Fund | | - | 1,000 | - | 263,266 | - | - |
| L & T Short Term Opportunities Fund | | 10 | - | 154,350,401 | - | - | 2,150 |
| LIC Nomura MF Fixed Maturity Plan Series 76 382 Days | | - | 10 | - | 20,000,000 | - | 200 |
| LIC Nomura MF Fixed Maturity Plan Series 79 373 Days | | - | 10 | - | 20,000,000 | - | 200 |
| LIC Nomura MF Fixed Maturity Plan Series 81 371 Days | | - | 10 | - | 25,000,000 | - | 250 |
| LIC Nomura MF Fixed Maturity Plan Series 86 370 Days | | - | 10 | - | 15,000,000 | - | 150 |
| Reliance Banking & PSU Debt Fund Direct Plan | | 10 | - | 173,988,866 | - | - | 1,800 |
| Reliance Yearly Interval Fund Series 2 | | 10 | 10 | 128,329,697 | 128,329,697 | 1,400 | - |
| Reliance Yearly Interval Fund Series 3 | | 10 | 10 | 36,525,011 | 36,525,011 | 400 | - |
| Reliance Yearly Interval Fund Series I | | 10 | 10 | 220,616,623 | 220,616,623 | 2,400 | - |
| Reliance Fixed Horizon Fund XXII Series 34 | | - | 10 | - | 5,000,000 | - | 50 |
| Reliance Fixed Horizon Fund XXVI Series 2 | | - | 10 | - | 80,000,000 | - | 800 |
| Reliance Fixed Horizon Fund XXVI Series 5 | | - | 10 | - | 20,000,000 | - | 200 |
| Reliance Fixed Horizon Fund XXVI Series 17 | | 10 | 10 | 34,000,000 | 34,000,000 | - | 340 |
| Reliance Fixed Horizon Fund XXVI Series 8 | | - | 10 | - | 50,000,000 | - | 500 |
| Reliance Fixed Horizon Fund XXVI Series 9 | | - | 10 | - | 175,000,000 | - | 1,750 |
| Reliance Fixed Horizon Fund XXVII Series 11 | | 10 | 10 | 45,000,000 | 45,000,000 | - | 450 |
| Reliance Fixed Horizon Fund XXVIII Series 10 | | 10 | 10 | 45,000,000 | 45,000,000 | - | 450 |
| Reliance Fixed Horizon Fund XXIX Series 10 | | 10 | - | 30,000,000 | - | - | 300 |
| Reliance Fixed Horizon Fund XXIX Series 16 | | 10 | - | 50,000,000 | - | - | 500 |
| Reliance Fixed Horizon Fund XXIX Series 8 | | 10 | - | 50,000,000 | - | - | 500 |
| Reliance Fixed Horizon Fund XXIX Series 9 | | 10 | - | 60,000,000 | - | - | 600 |
| Reliance Fixed Horizon Fund XXX Series 4 | | 10 | - | 85,000,000 | - | - | 850 |
| Reliance Yearly Interval Fund Series 6 | | 10 | 10 | 22,964,644 | 22,964,644 | 250 | - |
| Reliance Yearly Interval Fund Series 8 | | 10 | 10 | 33,812,627 | 46,058,753 | 367 | - |
| Reliance Dynamic Bond Fund | | 10 | 10 | 132,568,584 | 132,568,584 | - | 2,500 |
| Reliance Floating Rate Fund Short Term | | 10 | 10 | 277,895,589 | 72,977,200 | - | 6,300 |
| Reliance Income Fund | | 10 | 10 | 9,712,908 | 9,712,908 | - | 450 |
| Reliance Money Manager Fund | | 10 | - | 517,148 | - | - | 1,000 |
| Reliance Short Term Fund | | 10 | - | 116,240,942 | - | - | 3,300 |
| Religare Invesco Ultra Short Term Fund | | 1,000 | 1,000 | 1,254,342 | 2,822,269 | - | 1,333 |
| Religare Invesco Fixed Maturity Plan Series 23 Plan H (370 Days) | | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 |
| Religare Invesco Fixed Maturity Plan Series 23 Plan J (370 Days) | | - | 10 | - | 30,000,000 | - | 300 |
| Religare Invesco Fixed Maturity Plan Series 23 Plan L (370 Days) | | - | 10 | - | 17,821,656 | - | 178 |

(All amounts in ₹ million, unless otherwise stated)

| Name of the Company/Fund | Interest / Dividend % | Face Value ₹ 31.03.2016 | Face Value ₹ 31.03.2015 | Number As at 31.03.2016 | Number As at 31.03.2015 | As at 31.03.2016 | | As at 31.03.2015 | |
|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|---------------------|----------------|---------------------|----------------|
| | | | | | | Current | Non Current | Current | Non Current |
| Religare Invesco Fixed Maturity Plan Series 23 Plan O 370 Days | - | 10 | - | 10,000,000 | - | - | - | 100 | - |
| Religare Invesco Fixed Maturity Plan Series 25 Plan A (1098 Days) | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 | - | - | 250 |
| Religare Invesco Fixed Maturity Plan Series 25 Plan F (1126 Days) | 10 | 10 | 30,000,000 | 30,000,000 | - | 300 | - | - | 300 |
| Religare Invesco Fixed Maturity Plan Series 26 (1098 Days) | 10 | - | 30,000,000 | - | - | 300 | - | - | - |
| Religare Short Term Fund | 1,000 | 1,000 | 751,980 | 751,980 | - | 1,320 | - | - | 1,320 |
| Religare Invesco Fixed Maturity Plan 376 Days Series 23 Plan G | - | 10 | - | 25,000,000 | - | - | - | 250 | - |
| Religare Invesco Fixed Maturity Plan Series 22 Plan F (15 Months) | - | 10 | - | 30,000,000 | - | - | - | 300 | - |
| Religare Invesco Fixed Maturity Plan Series 22 Plan H (427 Days) | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 | - | - | 250 |
| Religare Invesco Fixed Maturity Plan Series 22 Plan L (14 MOnth) | - | 10 | - | 10,000,000 | - | - | - | 100 | - |
| SBI Debt Fund Series A-14 380 Days | - | 10 | - | 30,000,000 | - | - | - | 300 | - |
| SBI Debt Fund Series A 35 369 Days | - | 10 | - | 25,000,000 | - | - | - | 250 | - |
| SBI Debt Fund Series A-17 366 Days | - | 10 | - | 65,000,000 | - | - | - | 650 | - |
| SBI Debt Fund Series A-19 366 Days | - | 10 | - | 19,500,000 | - | - | - | 195 | - |
| SBI Debt Fund Series A-20 366 Days | - | 10 | - | 40,000,000 | - | - | - | 400 | - |
| SBI Debt Fund Series B- 8 (1105 Days) | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 | - | - | 250 |
| SBI Debt Fund Series B- 18 (1100 Days) | 10 | - | 30,000,000 | - | - | 300 | - | - | - |
| SBI Debt Fund Series B 26 (1100 Days) | 10 | - | 30,000,000 | - | - | 300 | - | - | - |
| SBI Debt Fund Series B 27 (1100 Days) | 10 | - | 30,000,000 | - | - | 300 | - | - | - |
| SBI Dynamic Bond Fund | 10 | 10 | 160,943,391 | 160,943,391 | - | 2,800 | - | - | 2,800 |
| SBI Premier Liquid Fund | - | 1,000 | - | 1,325,633 | - | - | - | - | 2,900 |
| SBI Short Term Debt Fund | 10 | 10 | 150,936,462 | 123,538,537 | - | 2,430 | - | - | 1,980 |
| SBI Ultra Short Term Debt Fund | 1,000 | 1,000 | 1,529,671 | 920,996 | - | 2,700 | - | - | 1,600 |
| Sundaram Fixed Term Plan GY | 10 | - | 65,000,000 | - | - | 650 | - | - | - |
| Sundaram Fixed Term Plan HB | 10 | - | 50,000,000 | - | - | 500 | - | - | - |
| Sundaram Money Fund | 10 | 10 | 183,330,755 | 183,330,755 | - | 1,870 | - | - | 1,870 |
| Sundaram Ultra Short Term Fund | 10 | 10 | 26,443,089 | 26,443,089 | - | 279 | - | - | 279 |
| Sundaram Fixed Term Plan FI 383 Days | - | 10 | - | 25,000,000 | - | - | - | 250 | - |
| Sundaram Flexible Fund Short Term Plan | 10 | 10 | 65,468,998 | 36,085,022 | - | 1,380 | - | - | 730 |
| Tata Fixed Maturity Plan Series 45 Scheme C | 10 | 10 | 17,370,158 | 17,370,158 | 174 | - | - | - | 174 |
| Tata Fixed Maturity Plan Series 46 Scheme R | - | 10 | - | 20,000,000 | - | - | - | 200 | - |
| Tata Fixed Maturity Plan Series 47 Scheme C | - | 10 | - | 20,000,000 | - | - | - | 200 | - |
| Tata Fixed Maturity Plan Series 47 Scheme D | - | 10 | - | 40,000,000 | - | - | - | 400 | - |
| Tata Fixed Maturity Plan Series 47 Scheme F | - | 10 | - | 20,000,000 | - | - | - | 200 | - |
| Tata Floater Fund Growth Option | 10 | - | 1,093,981 | - | - | 2,350 | - | - | - |
| Tata Short Term Bond Fund | 10 | 10 | 200,971,748 | 59,062,611 | - | 5,420 | - | - | 1,520 |
| UTI Fixed Term Income Fund Series XVII-I (369 Days) | 10 | 10 | 13,699,256 | 13,699,256 | 137 | - | - | - | 137 |
| UTI Fixed Term Income Fund Series XVII-XIII (369) Days | 10 | 10 | 32,000,000 | 32,000,000 | - | 320 | - | - | 320 |
| UTI Fixed Term Income Fund Series XIX IX 369 Days | 10 | 10 | 54,995,921 | 75,000,000 | - | 550 | 750 | - | - |
| UTI Fixed Term Income Fund Series XIX VI 366 Days | 10 | 10 | 25,000,000 | 25,000,000 | - | 250 | 250 | - | - |
| UTI Fixed Term Income Fund Series XIX XI 366 Days | 10 | 10 | 33,039,648 | 40,000,000 | - | 330 | 400 | - | - |
| UTI Fixed Term Income Fund Series XVIII VIII (366 Days) | - | 10 | - | 25,000,000 | - | - | - | 250 | - |
| UTI Fixed Term Income Fund Series XX VIII (1105 Days) | 10 | 10 | 50,000,000 | 50,000,000 | - | 500 | - | - | 500 |
| UTI Fixed Term Income Fund Series XX X (1105 Days) | 10 | 10 | 30,000,000 | 30,000,000 | - | 300 | - | - | 300 |
| UTI Fixed Term Income Fund Series XXI XI (1112 Days) | 10 | 10 | 50,000,000 | 50,000,000 | - | 500 | - | - | 500 |
| UTI Fixed Term Income Fund Series XXII XIV (1100 Days) | 10 | - | 45,000,000 | - | - | 450 | - | - | - |
| UTI Fixed Term Income Fund Series XXIII-III (1098 Days) | 10 | - | 40,000,000 | - | - | 400 | - | - | - |
| UTI Fixed Term Income Fund Series XXIII- VII (1098) Days | 10 | - | 35,000,000 | - | - | 350 | - | - | - |
| UTI Treasury Advantage Fund | 1,000 | - | 2,889,912 | - | - | 5,520 | - | - | - |
| UTI Bond Fund | 10 | 10 | 53,181,546 | 53,181,546 | - | 2,200 | - | - | 2,200 |
| UTI Floating Rate Fund | 1,000 | 1,000 | 705,166 | 705,166 | - | 1,600 | - | - | 1,600 |
| | | | | | | 8,730 | 167,428 | 29,964 | 96,478 |

Notes to the Financial Statements

(All amounts in ₹ million, unless otherwise stated)

55 Statement on Assets, Liabilities, Income & Expenses of Joint Ventures

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

| Sl. No | Name of Company | Country of Incorporation | % Ownership Interest | |
|--------|--|--------------------------|----------------------|---------------------|
| | | | As at 31.03.2016 | As at 31.03.2015 |
| 1 | Mark Exhaust Systems Limited | India | 44.37 | 44.37 |
| 2 | Bellsonica Auto Components India Limited | India | 30.00 | 30.00 |
| 3 | FMI Automotive Components Private Limited | India | 49.00 | 49.00 |
| 4 | Krishna Ishizaki Auto Limited | India | 15.00 | 15.00 |
| 5 | Manesar Steel Processing (India) Private Limited | India | 11.83 | 11.83 |
| 6 | Maruti Insurance Broking Private Limited | India | 46.26 | 46.26 |
| 7 | Plastic Omnium Auto Inergy Manufacturing India Private Limited (Formerly known as Inergy Automotive Systems Manufacturing India Private Limited) | India | 26.00 | 26.00 |

| | 2015-16 | 2014-15 |
|--------------------------------|---------|---------|
| Detail of Assets | | |
| Non-current Assets | | |
| Tangible Assets | 1,847 | 2,076 |
| Intangible Assets | 39 | 25 |
| Capital Work in Progress | 65 | 73 |
| Net Block | 1,951 | 2,174 |
| Non-Current Investments | 1,585 | 45 |
| Long Term Loans and Advances | 40 | 152 |
| Other Non-Current Assets | 1 | - |
| Current Assets | | |
| Current Investments | 18 | 1,063 |
| Inventories | 650 | 591 |
| Trade Receivables | 876 | 707 |
| Cash and Bank Balances | 261 | 149 |
| Short Term Loans and Advances | 375 | 260 |
| Other Current Assets | 192 | 10 |
| Detail of Liabilities | | |
| Non-current Liabilities | | |
| Long Term Borrowings | 1,471 | 1,335 |
| Deferred Tax Liabilities (Net) | 1 | 24 |
| Long Term Provisions | 1 | 32 |
| Current Liabilities | | |
| Short Term Borrowings | 133 | 171 |
| Trade Payables | 1,122 | 910 |
| Other Current Liabilities | 403 | 454 |
| Short Term Provisions | 46 | 7 |
| Detail of Income | | |
| Net Sale of Products | 6,995 | 6,665 |
| Other Operating Revenue | 1,144 | 1,035 |

(All amounts in ₹ million, unless otherwise stated)

| | 2015-16 | 2014-15 |
|--|---------|---------|
| Other Income | 51 | 153 |
| Detail of Expenditure | | |
| Cost of Material Consumed | 5,253 | 5,161 |
| Purchase of Stock-in-Trade | 10 | 50 |
| Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 15 | (53) |
| Employees Benefit Expenses | 498 | 439 |
| Finance Costs | 120 | 118 |
| Depreciation and Amortisation Expense | 415 | 423 |
| Other Expenses | 991 | 834 |
| Tax Expenses Current | 356 | 288 |
| Tax Expenses Deferred | (23) | (49) |
| Details of Contingent Liabilities | | |
| Excise Demands | 9 | 9 |
| Income Tax demands | 10 | 4 |
| Capital commitments | 151 | 156 |

56 The Company has entered into Contract Manufacturing Agreement (CMA) with Suzuki Motor Gujarat Private Limited (the wholly owned subsidiary of Suzuki Motor Corporation, Japan), the consent of which, alongwith the execution of Lease Deed, Deed of Assignment and any other related agreement or documentation, was accorded during the current year by the shareholders through the process of postal ballot.

57 Previous Year's figures have been recasted / regrouped where considered necessary to conform with the current year's presentation.

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

KENICHI AYUKAWA

Managing Director & CEO

TOSHIAKI HASUIKE

Joint Managing Director

ANUPAM DHAWAN

Partner

Membership Number - 084451

AJAY SETH

Chief Financial Officer

S. RAVI AIYAR

Executive Director (Legal) & Company Secretary

Place: New Delhi

Date: 26th April, 2016

Independent Auditors' Report

To The Members of Maruti Suzuki India Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Maruti Suzuki India Limited** ("hereinafter referred to as the Holding Company") and its subsidiaries, its jointly controlled entities and associate companies; together referred to as "the Group" (refer Note [1.1] to the attached consolidated financial statements), which comprises of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the

audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of 9 subsidiaries, and 2 jointly controlled entities whose financial statements reflect total assets of ₹ 4,359 million and net assets of ₹ 4,322 million as at March 31, 2016, total revenue of ₹ 4,749 million, net profit of ₹ 608 million and net cash flows amounting to ₹ 25 million for the year ended on that date, as considered in the consolidated

financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 109 million for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of 2 associate companies whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

9. We did not audit the financial statements of 5 jointly controlled entities whose financial statements reflect total assets of ₹ 3,116 million and net assets of ₹ 899 million as at March 31, 2016, total revenue of ₹ 4,337 million, net loss of ₹ (7) million and net cash flows amounting to ₹ 198 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 520 million for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of 10 associate companies whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid jointly controlled entities and associates companies, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Also attention is invited to Note 37(a) and 37(b) of the Notes to Consolidated Financial Statements regarding the jointly controlled entities and associate companies.

Our opinion on the consolidated financial statements 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 other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, 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 maintained by the Holding Company, its subsidiaries, associate companies and jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited (also refer paragraph 8 & 9 above).

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries, associate company and jointly controlled entities incorporated in India including relevant records relating to the preparation of the consolidated financial statements as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited, (also refer paragraphs 8 & 9 above).

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited, for all the entities incorporated in India (also refer paragraphs 8 & 9 above), none of the directors of the Group companies is disqualified as on March 31, 2016 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 Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2016 on the consolidated financial position of the Group – Refer Note 7 and 32 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2016 as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited (also refer paragraphs 8 & 9 above).

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2016 as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors in respect of

entities audited by them and representation received from the management for entities un-audited (also refer paragraphs 8 & 9 above).

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

ANUPAM DHAWAN
Partner
Membership Number - 084451

Place: New Delhi
Date: April 26, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Maruti Suzuki India Limited on the consolidated financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Maruti Suzuki India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 (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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting 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 ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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.

5. We believe that the audit evidence we have obtained and the reports of the other auditors in respect of entities audited by them and representation received from the management for

entities un-audited referred to in the Other Matters paragraph below, 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

6. 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

7. 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

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled 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, 2016, 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 as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited.

Other Matters

9. 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 the audited 9 subsidiary companies, 2 associate companies and 2 jointly controlled companies is based on the corresponding reports of the other auditors and insofar as it relates to the unaudited 10 associate companies and 5 jointly controlled companies is based on representation received from the management (also refer para 8 & 9 of the Independent Auditors' Report above). Our opinion is not qualified in respect of this matter.

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

ANUPAM DHAWAN
Partner
Membership Number - 084451

Place: New Delhi
Date: April 26, 2016

Consolidated Balance Sheet

As at 31st March, 2016

(All amounts in ₹ million, unless otherwise stated)

| | Notes to Accounts | As at 31.03.2016 | As at 31.03.2015 |
|--|----------------------|---------------------|---------------------|
| Equity and Liabilities | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 1,510 | 1,510 |
| Reserves and Surplus | 3 | 275,977 | 241,674 |
| | | 277,487 | 243,184 |
| Minority Interest | | 144 | 134 |
| Non-Current Liabilities | | | |
| Long Term Borrowings | 4 | 1,471 | 2,783 |
| Deferred Tax Liabilities (Net) | 5 | 4,751 | 4,844 |
| Other Long Term Liabilities | 6 | 1,224 | 1,059 |
| Long Term Provisions | 7 | 3,021 | 2,958 |
| | | 10,467 | 11,644 |
| Current Liabilities | | | |
| Short Term Borrowings | 8 | 907 | 525 |
| Trade Payables | 9 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 533 | 590 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 70,738 | 54,545 |
| Other Current Liabilities | 10 | 24,078 | 20,582 |
| Short Term Provisions | 11 | 18,345 | 13,565 |
| | | 114,601 | 89,807 |
| Total | | 402,699 | 344,769 |
| Assets | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 12 | 126,251 | 121,947 |
| Intangible Assets | 13 | 3,508 | 2,948 |
| Capital Work in Progress | 14 | 10,134 | 18,901 |
| | | 139,893 | 143,796 |
| Non-Current Investments | 15 | 175,117 | 99,918 |
| Long Term Loans and Advances | 16 | 13,555 | 13,666 |
| Other Non-Current Assets | 17 | 91 | 442 |
| | | 328,656 | 257,822 |
| Current Assets | | | |
| Current Investments | 18 | 8,748 | 33,059 |
| Inventories | 19 | 31,998 | 27,453 |
| Trade Receivables | 20 | 13,873 | 11,443 |
| Cash and Bank Balances | 21 | 768 | 432 |
| Short Term Loans and Advances | 22 | 15,957 | 12,017 |
| Other Current Assets | 23 | 2,699 | 2,543 |
| | | 74,043 | 86,947 |
| Total | | 402,699 | 344,769 |

The accompanying notes are an integral part of these financial statements

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

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

KENICHI AYUKAWA

Managing Director & CEO

TOSHIAKI HASUIKE

Joint Managing Director

ANUPAM DHAWAN

Partner

Membership Number - 084451

AJAY SETH

Chief Financial Officer

S. RAVI AIYAR

Executive Director (Legal) & Company Secretary

Place: New Delhi

Date: 26th April, 2016

Consolidated Statement of Profit and Loss

For the year ended 31st March, 2016

(All amounts in ₹ million, unless otherwise stated)

| | Notes to Accounts | For the Year ended 31.03.2016 | For the Year ended 31.03.2015 |
|---|----------------------|----------------------------------|----------------------------------|
| Revenue from Operations | | | |
| Gross Sale of Products | 24 | 646,759 | 545,459 |
| Less: Excise Duty | | 76,144 | 52,509 |
| Net Sale of Products | | 570,615 | 492,950 |
| Other Operating Revenue | 25 | 15,505 | 15,064 |
| | | 586,120 | 508,014 |
| Other Income | 26 | 4,715 | 8,650 |
| Total Revenue | | 590,835 | 516,664 |
| Expenses | | | |
| Cost of Material Consumed | | 362,007 | 333,612 |
| [Share of Joint Ventures ₹ 5,253 million (Previous Year ₹ 5,161 million)] | | | |
| Purchase of Stock-in-Trade | | 31,715 | 27,144 |
| [Share of Joint Ventures ₹ 10 million (Previous Year ₹ 50 million)] | | | |
| Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 27 | 63 | (4,609) |
| Employee Benefits | 28 | 20,602 | 16,710 |
| Finance Costs | 29 | 937 | 2,178 |
| Depreciation and Amortisation | 30 | 28,670 | 25,153 |
| Other Expenses | 31 | 81,147 | 67,407 |
| Vehicles / Dies for Own Use | | (602) | (691) |
| Total Expenses | | 524,539 | 466,904 |
| Profit before Tax | | 66,296 | 49,760 |
| Less : Tax Expense - Current Tax [include provision for earlier years amounting to ₹ 171 million (Previous year ₹ 1,036 million)] | | 20,788 | 13,363 |
| [Share of Joint Ventures ₹ 356 million (Previous year ₹ 288 million)] | | | |
| - MAT Credit availed of | | - | (704) |
| - Deferred Tax | 5 | (801) | (805) |
| [Share of Joint Ventures ₹ (23) million (Previous year ₹ (49) million)] | | | |
| Profit for the Year | | 46,309 | 37,906 |
| Minority Interest | | (10) | (12) |
| Share of Profit in respect of Investment in Associates | | 689 | 180 |
| Profit for the Year | | 46,988 | 38,074 |
| Basic / Diluted Earnings Per Share of ₹ 5 each (in Rupees) (Refer Note 39) | | 155.55 | 126.04 |

The accompanying notes are an integral part of these financial statements This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

KENICHI AYUKAWA

Managing Director & CEO

TOSHIAKI HASUIKE

Joint Managing Director

ANUPAM DHAWAN

Partner

Membership Number - 084451

AJAY SETH

Chief Financial Officer

S. RAVI AIYAR

Executive Director (Legal) & Company Secretary

Place: New Delhi

Date: 26th April, 2016

Consolidated Cash Flow Statement

For the year ended 31st March, 2016

(All amounts in ₹ million, unless otherwise stated)

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| A. Cash flow from Operating Activities: | | |
| Net Profit before Tax | 66,296 | 49,760 |
| Adjustments for: | | |
| Depreciation and amortisation | 28,670 | 25,153 |
| Finance cost | 937 | 2,178 |
| Interest income | (1,518) | (1,089) |
| Dividend Income | (107) | (541) |
| Share of profit in respect of investment in associates | 689 | 180 |
| Share of minority interest | (10) | (12) |
| Net loss on sale / discarding of fixed assets | 1,354 | 483 |
| Profit on sale of investments (net) | (3,039) | (6,867) |
| Provisions no longer required written back | (2,184) | (1,452) |
| Unrealised foreign exchange (gain)/ loss | (190) | (3) |
| Operating Profit before Working Capital changes | 90,898 | 67,790 |
| Adjustments for changes in Working Capital : | | |
| - Increase/(Decrease) in Trade Payables | 18,320 | 7,115 |
| - Increase/(Decrease) in Short Term Provisions | 540 | 178 |
| - Increase/(Decrease) in Long Term Provisions | 63 | 951 |
| - Increase/(Decrease) in Other Current Liabilities | 4,945 | 4,243 |
| - Increase/(Decrease) in Other Long Term Liabilities | 165 | (80) |
| - (Increase)/Decrease in Trade Receivables | (2,430) | 3,448 |
| - (Increase)/Decrease in Inventories | (4,545) | (9,821) |
| - (Increase)/Decrease in Short Term Loans and Advances | (3,940) | 822 |
| - (Increase)/Decrease in Long Term Loans and Advances | 1,407 | (593) |
| - (Increase)/Decrease in Other Current Assets | (455) | 1,096 |
| - (Increase)/Decrease in Other Non Current Assets | 351 | 94 |
| Cash generated from Operating Activities | 105,319 | 75,243 |
| - Taxes (Paid) (Net of Tax Deducted at Source) | (19,475) | (10,751) |
| Net Cash from Operating Activities | 85,844 | 64,492 |
| B. Cash flow from Investing Activities: | | |
| Purchase of Tangible Assets | (24,429) | (30,578) |
| Purchase of Intangible Assets | (1,810) | (1,315) |
| Sale of Tangible Assets | 192 | 161 |
| Sale of Current and Non Current Investments | 74,045 | 152,699 |
| Purchase of Current and Non Current Investments | (121,894) | (173,538) |
| Maturities of Deposits with Banks | (68) | 5,600 |
| Interest Received | 669 | 1,519 |
| Dividend Received | 107 | 541 |
| Net Cash from Investing Activities | (73,188) | (44,911) |

Consolidated Cash Flow Statement

For the year ended 31st March, 2016

(All amounts in ₹ million, unless otherwise stated)

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| C. Cash flow from Financing Activities: | | |
| Proceeds from Short Term borrowings | 907 | 525 |
| Repayment of Short Term borrowings | (525) | (12,379) |
| Proceeds from Long Term borrowings | 284 | 390 |
| Repayment of Long Term borrowings | (2,921) | (2,114) |
| Interest Paid | (1,043) | (2,216) |
| Dividend Paid | (7,552) | (3,625) |
| Corporate Dividend Tax Paid | (1,538) | (616) |
| Net Cash from Financing Activities | (12,388) | (20,035) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 268 | (454) |
| Cash and Cash Equivalents as at 1st April (Opening Balance) | 432 | 886 |
| Cash and Cash Equivalents as at 31st March (Closing Balance) | 700 | 432 |
| Cash and Cash Equivalents comprise | 700 | 432 |
| Cash & Cheques in Hand | 25 | 13 |
| Balance with Banks | 675 | 353 |
| Balance with Scheduled Banks in Deposit Accounts | - | 66 |

Notes :

1 The above Cash Flow Statement has been prepared under the indirect method as set out in the applicable Accounting Standards specified under the Companies Act, 2013 ("the Act").

2 Cash and Cash Equivalents include ₹ 7 million (Previous Year ₹ 6 million) in respect of unclaimed dividend, this balance is not available to the Company.

3 Figures in brackets represent cash outflow.

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

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

KENICHI AYUKAWA

Managing Director & CEO

TOSHIAKI HASUIKE

Joint Managing Director

ANUPAM DHAWAN

Partner

Membership Number - 084451

AJAY SETH

Chief Financial Officer

S. RAVI AIYAR

Executive Director (Legal) & Company Secretary

Place: New Delhi

Date: 26th April, 2016

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

1 Summary of Significant Accounting Policies

1.1 Group Companies

Maruti Suzuki India Limited (The Company) has nine subsidiaries, seven joint venture companies and twelve associate companies (The Group), as given in the following table:

| Sl No | Name of Company | Relationship | Country of Incorporation | Percentage of ownership interest | |
|-------|--|---------------|--------------------------|----------------------------------|--------------------------|
| | | | | as on 31st March 2016 | as on 31st March 2015 |
| 1 | Maruti Insurance Business Agency Limited | Subsidiary | India | 100.00 | 100.00 |
| 2 | Maruti Insurance Distribution Services Limited | Subsidiary | India | 100.00 | 100.00 |
| 3 | True Value Solutions Limited | Subsidiary | India | 100.00 | 100.00 |
| 4 | Maruti Insurance Agency Network Limited | Subsidiary | India | 100.00 | 100.00 |
| 5 | Maruti Insurance Agency Solutions Limited | Subsidiary | India | 100.00 | 100.00 |
| 6 | Maruti Insurance Agency Services Limited | Subsidiary | India | 100.00 | 100.00 |
| 7 | Maruti Insurance Agency Logistic Limited | Subsidiary | India | 100.00 | 100.00 |
| 8 | Maruti Insurance Broker Limited | Subsidiary | India | 100.00 | 100.00 |
| 9 | J.J Impex (Delhi) Private Limited | Subsidiary | India | 50.87 | 50.87 |
| 10 | Mark Exhaust Systems Limited | Joint Venture | India | 44.37 | 44.37 |
| 11 | Bellsonica Auto Component India Private Limited | Joint Venture | India | 30.00 | 30.00 |
| 12 | Krishna Ishizaki Auto Limited | Joint Venture | India | 15.00 | 15.00 |
| 13 | FMI Automotive Components Private Limited | Joint Venture | India | 49.00 | 49.00 |
| 14 | Plastic Omnium Auto Inergy Manufacturing India Private Limited (Formerly known as Inergy Automotive Systems Manufacturing India Private Limited) | Joint Venture | India | 26.00 | 26.00 |
| 15 | Manesar Steel Processing India Private Limited | Joint Venture | India | 11.83 | 11.83 |
| 16 | Maruti Insurance Broking Private Limited | Joint Venture | India | 46.26 | 46.26 |
| 17 | Hanon Climate Systems India Private Limited (Formerly known as Halla Visteon Climate Systems India Private Limited) | Associates | India | 39.00 | 39.00 |
| 18 | SKH Metals Limited | Associates | India | 38.90 | 48.71 |
| 19 | Jay Bharat Maruti Limited | Associates | India | 29.28 | 29.28 |
| 20 | Caparo Maruti Limited | Associates | India | 25.00 | 25.00 |
| 21 | Machino Plastics Limited | Associates | India | 15.35 | 15.35 |
| 22 | Bharat Seats Limited | Associates | India | 14.81 | 14.81 |
| 23 | Krishna Maruti Limited | Associates | India | 15.80 | 15.80 |
| 24 | Asahi India Glass Limited | Associates | India | 11.11 | 11.11 |
| 25 | Denso India Private Limited | Associates | India | 9.53 | 10.27 |
| 26 | Nippon Thermostat (India) Limited | Associates | India | 10.00 | 10.00 |
| 27 | Sona Koyo Steering Systems Limited | Associates | India | 6.94 | 6.94 |
| 28 | Magneti Marelli Powertrain India Private Limited | Associates | India | 19.00 | 19.00 |

(All amounts in ₹ million, unless otherwise stated)

| Name of Company | Net Assets (Total Assets less Total Liability) | | | | Share in Profit & Loss | | | |
|--|---|--------------|----------------------------------|--------------|-------------------------------|-------------|-------------------------------|-------------|
| | As at 31st March 2016 | | As at 31st March 2015 | | FY 15-16 | | FY 14-15 | |
| | As a % of Consolidated Net Asset | Amount | As a % of Consolidated Net Asset | Amount | As a % of Consolidated Profit | Amount | As a % of Consolidated Profit | Amount |
| Parent Company | | | | | | | | |
| 1 Maruti Suzuki India Limited | 97.28 | 270,071 | 97.42 | 237,042 | 97.29 | 45,714 | 97.47 | 37,112 |
| Subsidiaries | | | | | | | | |
| 1 Maruti Insurance Business Agency Limited | 0.42 | 1,158 | 0.48 | 1,158 | 0.00 | 0 | 0.16 | 62 |
| 2 Maruti Insurance Distribution Services Limited | 0.07 | 207 | 0.08 | 199 | 0.02 | 8 | 0.04 | 15 |
| 3 True Value Solutions Limited | 0.00 | 2 | 0.00 | 2 | 0.00 | 0 | (0.00) | (0) |
| 4 Maruti Insurance Agency Network Limited | 0.12 | 325 | 0.13 | 317 | 0.02 | 8 | 0.06 | 23 |
| 5 Maruti Insurance Agency Solutions Limited | 0.09 | 240 | 0.10 | 234 | 0.01 | 6 | 0.04 | 17 |
| 6 Maruti Insurance Agency Services Limited | 0.02 | 57 | 0.02 | 57 | 0.00 | 0 | 0.01 | 4 |
| 7 Maruti Insurance Agency Logistic Limited | 0.05 | 144 | 0.06 | 141 | 0.01 | 3 | 0.03 | 11 |
| 8 Maruti Insurance Broker Limited | 0.00 | 2 | 0.00 | 2 | (0.00) | (0) | (0.00) | (0) |
| 9 J.J Impex (Delhi) Private Limited | 0.11 | 294 | 0.11 | 272 | 0.04 | 19 | 0.06 | 23 |
| Consolidation Adjustments | (0.09) | (239) | (0.09) | (226) | | | | |
| Total of Subsidiaries | 0.79 | 2,190 | 0.89 | 2,156 | 0.09 | 44 | 0.41 | 155 |
| Minority Interests in all subsidiaries | 0.05 | 144 | 0.06 | 134 | (0.02) | (10) | (0.03) | (11) |
| Joint Ventures | | | | | | | | |
| 1 Mark Exhaust Systems Limited | 0.07 | 187 | 0.07 | 180 | 0.02 | 8 | 0.08 | 29 |
| 2 Bellsonica Auto Component India Private Limited | (0.07) | (182) | (0.05) | (117) | (0.11) | (53) | 0.09 | 34 |
| 3 Krishna Ishizaki Auto Limited | 0.04 | 109 | 0.03 | 76 | 0.07 | 31 | 0.07 | 28 |
| 4 FMI Automotive Components Private Limited | (0.01) | (15) | (0.01) | (14) | 0.00 | 2 | 0.12 | 47 |
| 5 Plastic Omnium Auto Inergy Manufacturing India Private Limited (Formerly known as Inergy Automotive Systems Manufacturing India Private Limited) | 0.03 | 75 | 0.02 | 54 | 0.04 | 21 | 0.07 | 26 |
| 6 Manesar Steel Processing India Private Limited | (0.01) | (27) | (0.01) | (23) | (0.01) | (4) | (0.01) | (2) |
| 7 Maruti Insurance Broking Private Limited | 0.59 | 1,649 | 0.45 | 1,095 | 1.18 | 554 | 1.25 | 477 |
| Total of Joint Ventures | 0.65 | 1,796 | 0.51 | 1,251 | 1.19 | 559 | 1.68 | 639 |
| Stock Reserves | (0.01) | (25) | (0.01) | (31) | (0.02) | (8) | 0.01 | 2 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

| Name of Company | Net Assets (Total Assets less Total Liability) | | | | Share in Profit & Loss | | | |
|---|---|----------------|----------------------------------|----------------|-------------------------------|---------------|-------------------------------|---------------|
| | As at 31st March 2016 | | As at 31st March 2015 | | FY 15-16 | | FY 14-15 | |
| | As a % of Consolidated Net Asset | Amount | As a % of Consolidated Net Asset | Amount | As a % of Consolidated Profit | Amount | As a % of Consolidated Profit | Amount |
| Associates | | | | | | | | |
| 1 Hanon Climate Systems India Private Limited (Formerly known as Halla Visteon Climate Systems India Private Limited) | 0.25 | 689 | 0.26 | 639 | 0.11 | 50 | 0.24 | 92 |
| 2 SKH Metals Limited | 0.12 | 346 | 0.06 | 151 | 0.41 | 195 | (0.67) | (254) |
| 3 Jay Bharat Maruti Limited | 0.26 | 722 | 0.25 | 619 | 0.22 | 103 | 0.28 | 107 |
| 4 Caparo Maruti Limited | 0.12 | 325 | 0.14 | 332 | (0.01) | (7) | 0.02 | 8 |
| 5 Machino Plastics Limited | 0.03 | 95 | 0.04 | 88 | 0.01 | 7 | 0.01 | 2 |
| 6 Bharat Seats Limited | 0.03 | 78 | 0.03 | 73 | 0.01 | 5 | 0.02 | 8 |
| 7 Krishna Maruti Limited | 0.13 | 362 | 0.12 | 285 | 0.16 | 77 | 0.17 | 66 |
| 8 Asahi India Glass Limited | 0.16 | 449 | 0.13 | 327 | 0.26 | 122 | 0.18 | 67 |
| 9 Denso India Private Limited | 0.00 | 4 | 0.02 | 39 | (0.07) | (35) | (0.15) | (57) |
| 10 Nippon Thermostat (India) Limited | 0.00 | 4 | 0.00 | 5 | (0.00) | (1) | 0.00 | - |
| 11 Sona Koyo Steering Systems Limited | 0.07 | 190 | 0.08 | 187 | 0.01 | 3 | (0.05) | (20) |
| 12 Magneti Marelli Powertrain India Private Limited | 0.30 | 820 | 0.27 | 650 | 0.36 | 170 | 0.42 | 161 |
| Total of Associates | 1.47 | 4,084 | 1.40 | 3,395 | 1.47 | 689 | 0.47 | 180 |
| Stock Reserves | (0.01) | (21) | (0.01) | (21) | 0.00 | - | (0.01) | (3) |
| Less: Investment in Associates | (0.22) | (608) | (0.25) | (608) | | | | |
| Total | 100.00 | 277,631 | 100.00 | 243,318 | 100.00 | 46,988 | 100.00 | 38,074 |

1.2 Basis for Preparation of the Consolidated Financial Statements

These financial statements have been prepared as a going concern in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis and comply in all material aspects with the Companies Act, 2013, applicable rules and other relevant provisions of the Companies Act, 2013 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict with any other accounting standard referred to in the Companies Act, 2013.

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 Companies Act, 2013. 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 12 months for the purpose of current – non current classification of assets and liabilities.

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

All unrealised surplus and deficits on transactions between the Group companies are eliminated.

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

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30th March, 2016 which is interpreted to apply to the accounting period commencing on or after the date of notification i.e. 1st April, 2016.

1.3 Revenue Recognition

Revenue is recognised as follows:

- Domestic and export sales on transfer of significant risks and rewards to the customer which takes place on dispatch of goods from the factory and port respectively.
- Finance charges on hire purchase business/ lease rental income are recognized on the basis of implicit rate of return on the value of assets hired out/leased.
- Agency commission income from insurance companies and remuneration to dealers are recognised based on the insurance policies issued by the dealers.
- Income from services on completion of rendering of services.

(All amounts in ₹ million, unless otherwise stated)

1.4 Fixed Assets**Tangible Assets**

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

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

Intangible Assets

Lumpsum royalty is stated at cost incurred stated in the relevant license agreements with the technical know-how / engineering support providers less accumulated amortisation.

1.5 Borrowing Costs

Borrowing costs that are 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.

1.6 Depreciation/ Amortisation

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

Depreciation has been provided in accordance with useful life prescribed in the Companies Act, 2013 except for certain fixed assets where, based on technical evaluation of the useful lives of the assets, higher depreciation has been provided on the straight line method over the following useful lives:

| | |
|--------------------------------------|--------------|
| Plant and Machinery | 8 – 11 Years |
| Dies and Jigs | 4 Years |
| Electronic Data Processing Equipment | 3 Years |

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

| Assets | Depreciation Rates |
|--------------------------------------|--------------------|
| Electrical Fitting | 3 Years |
| Plant and Machinery | 5 – 13 Years |
| Furniture & Fittings | 5 – 7 Years |
| Vehicles | 5 Years |
| Electronic Data Processing Equipment | 3 – 5 Years |

In respect of assets whose useful lives has been revised, the

unamortised depreciable amount is charged over the revised remaining useful lives of the assets.

b) Leasehold land is amortised over the period of lease.

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

d) Lump sum royalty is amortised on a straight line basis over its estimated useful life i.e. 4 years from the start of production of the related model.

1.7 Goodwill

Goodwill arising on consolidation is charged to Statement of Profit and Loss.

1.8 Inventories

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

b) The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. 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.

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

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

1.9 Investments

Investment that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are valued at the lower of cost and fair value. Long-term investments are valued at cost except in the case of other than temporary decline in value, in which case the necessary provision is made.

1.10 Research and Development

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

1.11 Foreign Currency Translations and Derivative

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Instruments

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

b) At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are reported at the exchange rates prevailing at the balance sheet date by recognising the exchange difference in the Statement of Profit and Loss. However, the exchange difference arising on foreign currency monetary items that qualify and are designated as hedge instruments in a cash flow hedge is initially recognised in 'hedge reserve' and subsequently transferred to the Statement of Profit and Loss on occurrence of the underlying hedged transaction.

c) Effective 1st April, 2008, the Company adopted Accounting Standard-30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with the accounting standards specified under section 133 of the Companies Act, 2013 ("the Act") and other regulatory requirements. All derivative contracts (except for forward foreign exchange contracts where underlying assets or liabilities exist) are fair valued at each reporting date. For derivative contracts designated in a hedging relationship, the Company records the gain or loss on effective hedges, if any, in a hedge reserve, until the transaction is complete. On completion, the gain or loss is transferred to the Statement of Profit and Loss of that period. Changes in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedges are recognised in the Statement of Profit and Loss in the accounting period in which they arise.

d) In the case of forward foreign exchange contracts where an underlying asset or liability exists, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

1.12 Employee Benefit Costs

Short - Term Employee Benefits

Recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Post-employment and Other Long Term Employee Benefits:

i. The Company has Defined Contribution Plans for post-employment benefit namely the Superannuation Fund which is recognised by the income tax authorities. This Fund is

administered through a Trust set up by the Company and the Company's contribution thereto is charged to the Statement of Profit and Loss every year. The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a Defined Contribution Plan administered by The New India Insurance Company Limited. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the Statement of Profit and Loss every year.

ii. The Company has Defined Benefit Plans namely Gratuity, Provident Fund and Retirement Allowance for employees and Other Long Term Employee Benefits i.e. Leave Encashment / Compensated Absences, the liability for which is determined on the basis of an actuarial valuation at the end of the year based on the Projected Unit Credit Method and any shortfall in the size of the fund maintained by the Trust is additionally provided for in the Statement of Profit and Loss. The Gratuity Fund and Provident Fund are recognised by the income tax authorities and is administered through Trusts set up by the Company.

Termination benefits are immediately recognised as an expense as and when incurred.

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

1.13 Customs Duty

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

1.14 Government Grants

Government grants are recognised in the Statement of Profit and Loss in accordance with the related schemes and in the period in which these accrue.

1.15 Taxes

Tax expense for the year, comprising current tax and deferred tax, is included in determining the net profit or loss for the year.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act and at the prevailing tax rates.

Deferred tax is recognised for all timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets

(All amounts in ₹ million, unless otherwise stated)

are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Minimum Alternate Tax (MAT), paid in accordance with the Income Tax Act, 1961 gives rise to expected future economic benefit in the form of adjustment of future tax liability arising within a specified period, is recognised as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.16 Dividend Income

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

1.17 Interest Income

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

1.18 Impairment of Assets

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

1.19 Royalty

a) The Company pays / accrues for royalty in accordance with the relevant license agreements with the technical know-how providers.

b) The lump sum royalty incurred towards obtaining technical assistance/technical know-how and engineering support to manufacture a new model/ car, ownership of which rests with the technical know-how provider, is recognised as an intangible asset. Royalty payable on sale of products i.e. running royalty is charged to the Statement of Profit and Loss as and when incurred.

1.20 Provisions and Contingencies

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present

obligation at the balance sheet date and are not discounted to their present value.

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

1.21 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or the terms of underlying agreement/s as the case may be.

As a lessor

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

1.22 Cash and Cash Equivalents

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

1.23 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share consists of the net profit for the period and any attributable tax thereon. The weighted average number of equity shares outstanding during the period and for all period presented is adjusted for events other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

2 Share Capital

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| Authorised Capital | | |
| 3,744,000,000 equity shares of ₹ 5 each (Previous year 3,744,000,000 equity shares of ₹ 5 each) | 18,720 | 18,720 |
| Issued, Subscribed and Paid up | | |
| 302,080,060 equity shares of ₹ 5 each (Previous year 302,080,060 equity shares of ₹ 5 each) fully paid up | 1,510 | 1,510 |
| | 1,510 | 1,510 |

Reconciliation of the number of shares outstanding

| | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|--------|---------------------|--------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance as at the beginning of the year | 302,080,060 | 1,510 | 302,080,060 | 1,510 |
| Balance as at the end of the year | 302,080,060 | 1,510 | 302,080,060 | 1,510 |

Equity shares held by the holding company

| | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|------------|---------------------|------------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Suzuki Motor Corporation, the holding company | 169,788,440 | 849 | 169,788,440 | 849 |
| | 169,788,440 | 849 | 169,788,440 | 849 |

Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having 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.

Shares held by each shareholder holding more than 5% of the aggregate shares in the Company

| | As at 31.03.2016 | | As at 31.03.2015 | |
|--|------------------|---------------------|------------------|---------------------|
| | % | Number of Shares | % | Number of Shares |
| Suzuki Motor Corporation (the holding company) | 56.21 | 169,788,440 | 56.21 | 169,788,440 |
| Life Insurance Corporation of India | 5.75 | 17,382,016 | 5.94 | 17,932,030 |

Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2016)

13,170,000 Equity Shares of ₹ 5 each have been allotted as fully paid up during Financial Year 2012-13 to Suzuki Motor Corporation pursuant to the Company's scheme of amalgamation with erstwhile Suzuki Powertrain India Limited.

(All amounts in ₹ million, unless otherwise stated)

3 Reserves and Surplus

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Reserve created on Amalgamation | 9,153 | 9,153 |
| Capital Reserve on Consolidation [includes Joint Venture share of ₹ 2 million (Previous Year ₹ 2 million)] | 32 | 32 |
| Securities Premium Account | 4,246 | 4,246 |
| General Reserve | | |
| Balance as at the beginning of the year | 24,851 | 21,092 |
| Add : Transferred from Surplus in Statement of Profit and Loss | 4,620 | 3,759 |
| Balance as at the end of the year | 29,471 | 24,851 |
| Hedge Reserve | | |
| Balance as at the beginning of the year | 32 | - |
| Add / (Less) : Release / recognised during the year | 40 | 32 |
| Balance as at the end of the year | 72 | 32 |
| Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 203,360 | 178,931 |
| Impact of revision of useful lives of certain fixed assets (Refer Note 12) | - | (803) |
| Adjustment in Opening Reserves due to Change in Percentage Share Holding in Joint Venture | - | 7 |
| Add : Profit for the year | 46,988 | 38,074 |
| Less: Appropriations: | | |
| Transferred to General Reserve | 4,620 | 3,759 |
| Proposed dividend | 10,573 | 7,552 |
| Dividend distribution tax | 2,152 | 1,538 |
| Balance as at the end of the year | 275,977 | 241,674 |

4 Long Term Borrowings (Refer Note 10)

| | As at 31.03.2016 | As at 31.03.2015 |
|-----------------------------------|---------------------|---------------------|
| Unsecured | | |
| Foreign currency loans from banks | - | 869 |
| Loan from holding company | - | 579 |
| | - | 1,448 |
| Share in Joint Ventures | 1,471 | 1,335 |
| | 1,471 | 2,783 |

1. Foreign currency loans from banks include:
loan amounting to ₹ 921 million (USD 13.90 million) (Previous year ₹ 1,738 million) (USD 27.80 million) taken from Japan Bank of International Cooperation (JBIC) at an interest rate of LIBOR + 0.125, repayable in 2 half yearly installments (acquired pursuant to a scheme of amalgamation). The entire amount of ₹ 921 million (Previous year ₹ 869 million) repayable within one year has been transferred to current maturities of long term debts. The repayment of the loan is guaranteed by Suzuki Motor Corporation, Japan (the holding company).

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

loan amounting to ₹ Nil (Previous year ₹ 1,906 million) (USD 30 million) taken from banks at an average interest rate of Libor + 1.375 and repaid in July 2015.

2. A loan amounting to ₹ 614 million (USD 9.27 million) (Previous year ₹ 1,158 million; USD 18.53 million) taken from the holding company at an interest rate of LIBOR + 0.48, repayable in 2 half yearly instalments (acquired pursuant to a scheme of amalgamation). The entire amount of ₹ 614 million (Previous year ₹ 579 million) repayable within one year has been transferred to current maturities of long term debts.

Loans taken by Joint Venture (Gross)

1. Foreign currency loans amounting to ₹ 2,127 million (Previous year ₹ 2,207 million) taken from The Bellsonica Corporation at an interest rate of 2.5%

2. Foreign currency loan amounting to ₹ 382 million (Previous year ₹ 392 million) taken from The Resona Bank at an interest rate of 2.589%

3. Foreign currency loan amounting to ₹ 68 million (Previous year ₹ 71 million) taken from The Resona Bank at an interest rate of 2.02%

4. Foreign currency loan amounting to ₹ 165 million (Previous year ₹ 171 million) taken from The Shizuoka Bank at an interest rate of 1.250%

5. Foreign currency loan amounting to ₹ 210 million (Previous year ₹ 216 million) taken from The Shizuoka Bank at an interest rate of 2.5%

6. Foreign currency loan amounting to ₹ 112 million (Previous year ₹ 122 million) taken from The Shoko Chukin at an interest rate of 2.40%

7. Foreign currency loan amounting to ₹ 136 million (Previous year ₹ 139 million) taken from The Shoko Chukin at an interest rate of 2.45%

8. Foreign currency loan amounting to ₹ 115 million (Previous year ₹ 305 million) taken from Futaba Industrial co Ltd at an interest rate of 3 Months JPY Libor + 25 basis point

9. Foreign currency loan amounting to ₹ 250 million (Previous year ₹ 250 million) taken from Mizuho Bank at an interest rate of 9.6%

10. Foreign currency loan amounting to ₹ 203 million (Previous year ₹ Nil) taken from Bank of Tokyo at an interest rate of 8.48%

11. INR loan amounting to ₹ Nil (Previous year ₹ 88 million) taken from BNP Paribas at an interest rate of 12.0%

12. INR loan amounting to ₹ Nil (Previous year ₹ 10 million) taken from BNP Paribas at an interest rate of 14.0%

13. INR loan amounting to ₹ Nil (Previous year ₹ 80 million) taken from BNP Paribas at an interest rate of 14.0%

14. INR loan amounting to ₹ Nil (Previous year ₹ 120 million) taken from BNP Paribas at an interest rate of 12.0%

15. INR loan amounting to ₹ 200 million (Previous year ₹ Nil) taken from BNP Paribas at an interest rate of 10.0%

16. Foreign currency loan amounting to ₹ Nil (Previous year ₹ 98 million) taken from Ishizaki Honten Co. Ltd. at an interest rate of 3%

17. Foreign currency loan amounting to ₹ Nil (Previous year ₹ 10 million) taken from Ishizaki Honten Co. Ltd. at an interest rate of 3%

18. Foreign currency loan amounting to ₹ 67 million (Previous year ₹ 111 million) taken from Mizuho Bank Ltd at an interest rate of 9.96%

19. Foreign currency loan amounting to ₹ 219 million (Previous year ₹ 250 million) taken from Mizuho Bank Ltd at an interest rate of 10.75%

20. Foreign currency loan amounting to ₹ 71 million (Previous year ₹ 106 million) taken from Mizuho Bank Ltd at an interest rate of 11.29%

21. Foreign currency loan amounting to ₹ 263 million (Previous year ₹ 263 million) taken from Mizuho Bank Ltd at an interest rate of 10.90%

22. INR loan amounting to ₹ Nil (Previous year ₹ 26 million) taken from others at an interest rate of 8.4%

23. INR loan amounting to ₹ 299 million (Previous year ₹ Nil) taken from Mizuho Bank at an interest rate of 10.60%

24. INR loan amounting to ₹ 3 million (Previous year ₹ Nil) taken from HDFC Bank at an interest rate of 9.45%

25. INR loan amounting to ₹ 3 million (Previous year ₹ Nil) taken from HDFC Bank at an interest rate of 10.1%

26. Foreign currency loan amounting to ₹ Nil (Previous year ₹ 128 million) taken from BTMU at an interest rate of 8.34%

27. Foreign currency loan amounting to ₹ 50 million (Previous year ₹ 50 million) taken from BTMU at an interest rate of 10.4%

(All amounts in ₹ million, unless otherwise stated)

5 Deferred Tax Liabilities (Net)

Major components of deferred tax arising on account of timing differences along with their movement as at 31st March, 2016 are:

| | As at 31.03.2015 | Movement during the year* | As at 31.03.2016 |
|---|---------------------|------------------------------|---------------------|
| Deferred Tax Assets | | | |
| Provision for doubtful debts / advances | 94 | (25) | 69 |
| Contingent provisions (net of amount paid) | 224 | (35) | 189 |
| Others | 744 | 511 | 1,255 |
| Total (A) | 1,062 | 451 | 1,513 |
| Deferred Tax Liabilities | | | |
| Depreciation on fixed assets | 5,355 | (651) | 4,704 |
| Exchange gain on capital accounts | (91) | 65 | (26) |
| Allowances under Income Tax Act, 1961 | 618 | 967 | 1,585 |
| | 5,882 | 381 | 6,263 |
| Share in Joint Ventures | 24 | (23) | 1 |
| Total (B) | 5,906 | 358 | 6,264 |
| Net Deferred Tax Liability (B) - (A) | 4,844 | (93) | 4,751 |
| Previous Year | 5,962 | (1,118) | 4,844 |

* Includes adjustment of ₹ 708 million (Previous year ₹ 99 million) on account of reclassification to "Deferred Tax Liabilities" from "Provision for Taxation" and adjustment on account of change in useful life of fixed assets of ₹ Nil (reversal of deferred tax liabilities) (Previous year ₹ 412 million) adjusted with retained earning. (Refer Note 12)

Note: Deferred Tax Assets and Deferred Tax Liabilities have been offset as they are governed by the same taxation laws.

6 Other Long Term Liabilities

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| Deposits from dealers, contractors and others | 1,224 | 1,059 |
| | 1,224 | 1,059 |
| Share in Joint Ventures | - | - |
| | 1,224 | 1,059 |

7 Long Term Provisions

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Provision for Employee Benefits | | |
| Provision for retirement allowance (Refer Note 28) | 56 | 53 |
| Other Provisions | | |
| Provision for litigation / disputes | 1,645 | 2,081 |
| Provision for warranty & product recall | 1,319 | 783 |
| Others | - | 2,873 |
| | 3,020 | 2,926 |
| Share in Joint Ventures | 1 | 32 |
| | 3,021 | 2,958 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Details of Other Provisions:

| | Litigation / Disputes | | Warranty/ Product Recall | | Others | |
|--------------------------------------|-----------------------|-----------|--------------------------|-----------|-----------|-----------|
| | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| Balance at the beginning of the year | 2,081 | 1,121 | 1,071 | 1,307 | 9 | 8 |
| Additions during the year | 134 | 1,110 | 919 | 806 | - | 3 |
| Utilised/ reversed during the year | 570 | 150 | 155 | 1,042 | 9 | 2 |
| Balance as at the end of the year | 1,645 | 2081 | 1,835 | 1,071 | - | 9 |
| Classified as Long Term | 1,645 | 2,081 | 1,319 | 783 | - | 9 |
| Classified as Short Term | - | - | 516 | 288 | - | - |
| Total | 1,645 | 2,081 | 1,835 | 1,071 | - | 9 |

a) Provision for litigation / disputes represents the estimated outflow in respect of disputes with various government authorities.

b) Provision for warranty and product recall represents the estimated outflow in respect of warranty and recall cost for products sold.

c) Provision for others represents the estimated outflow in respect of disputes or other obligations on account of export obligation, etc.

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

8 Short Term Borrowings

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Unsecured | | |
| From banks - cash credit and overdraft | 774 | 354 |
| | 774 | 354 |
| Share in Joint Ventures | 133 | 171 |
| | 907 | 525 |

9 Trade Payables

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Total outstanding dues of micro enterprises and small enterprises | 533 | 590 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 69,616 | 53,635 |
| | 70,149 | 54,225 |
| Share in Joint Ventures | 1,122 | 910 |
| | 71,271 | 55,135 |

The Company pays its vendors within 30 days and no interest during the year has been paid or is payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006.

(All amounts in ₹ million, unless otherwise stated)

10 Other Current Liabilities

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Current maturities of long term debts (Refer note 4) | 1,535 | 3,354 |
| Interest accrued but not due on: | | |
| - Borrowings | - | 254 |
| - Deposits from dealers, contractors and others | 228 | 80 |
| Unclaimed dividend * | 7 | 6 |
| Creditors for capital goods and services | 6,203 | 5,717 |
| Other payables | 4,082 | 2,667 |
| Bank overdraft | 584 | 590 |
| Advances from customers/dealers | 5,225 | 4,276 |
| Statutory dues | 3,649 | 2,909 |
| Deposits from dealers, contractors and others | 2,162 | 275 |
| | 23,675 | 20,128 |
| Share in Joint Ventures | 403 | 454 |
| | 24,078 | 20,582 |

* There are no amount due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at year end.

11 Short Term Provisions

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Provisions for employee benefits (Refer Note 7 and 28) | | |
| Provision for retirement allowances | 2 | 1 |
| Provision for compensated absences | 2,106 | 1,834 |
| Other Provisions (Refer Note 7) | | |
| Provision for warranty & product recall | 516 | 288 |
| Provision for proposed dividend* | 10,573 | 7,552 |
| Provision for corporate dividend tax | 2,152 | 1,538 |
| Provision for taxation [Net of tax paid] | 2,950 | 2,345 |
| | 18,299 | 11,723 |
| Share in Joint Ventures | 46 | 7 |
| | 18,345 | 13,565 |

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

| | As at 31.03.2016 | As at 31.03.2015 |
|-------------------------------|---------------------|---------------------|
| On equity shares of ₹ 5 each: | | |
| Amount of dividend proposed | 10,573 | 7,552 |
| Dividend per equity share | ₹ 35.00 | ₹ 25.00 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

12 Tangible Assets

| Particulars | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
|---|---------------------|---------------|------------------------------|-----------------------------|--------------------|-----------------|---------------------|---------------------|
| | As at 01.04.2015 | Additions | Deductions/ Adjustments # | As at 31.03.2016 | Upto 01.04.2015 | For the year | As at 31.03.2016 | As at 31.03.2015 |
| Freehold land (Note 1, 3 below and note 32 (vii)) | 17,901 | 600 | - | 18,501 | - | - | 18,501 | 17,901 |
| Leasehold land | 3,103 | 144 | - | 3,247 | 104 | 36 | 3,107 | 2,999 |
| Building | 18,822 | 1,781 | (27) | 20,576 | 5,067 | 742 | 5,756 | 14,820 |
| Plant and Machinery (Note 2 below) | 218,015 | 28,483 | (4,030) | 242,468 | 132,549 | 25,968 | 154,991 | 87,477 |
| Electronic Data Processing Equipment | 1,929 | 347 | (202) | 2,074 | 1,431 | 349 | 1,575 | 499 |
| Furniture , Fixtures and Office Appliances | 1,435 | 534 | (39) | 1,930 | 846 | 199 | 1,016 | 914 |
| Vehicles | 1,077 | 600 | (342) | 1,335 | 338 | 155 | 402 | 933 |
| Total | 262,282 | 32,489 | (4,640) | 290,131 | 140,335 | 27,449 | 163,880 | 121,947 |
| Share in Joint Venture (Note 5 below) | 4,004 | 245 | (92) | 4,157 | 1,928 | 407 | 2,310 | 1,847 |

| Particulars | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
|--|---------------------|---------------|------------------------------|-----------------------------|--------------------|-----------------|---------------------|---------------------|
| | As at 01.04.2014 | Additions | Deductions/ Adjustments # | As at 31.03.2015 | Upto 01.04.2014 | For the year | As at 31.03.2015 | As at 31.03.2014 |
| Freehold land (Note 1, 3 below and note 32 (viii)) | 13,201 | 4,700 | - | 17,901 | - | - | - | 17,901 |
| Leasehold land | 3,100 | 3 | - | 3,103 | 69 | 35 | 104 | 2,999 |
| Building | 17,595 | 1,247 | (20) | 18,822 | 2,993 | 1,044 | 5,067 | 13,755 |
| Plant and Machinery (Note 2 below) | 188,580 | 32,521 | (3,163) | 217,938 | 112,923 | 22,289 | 132,472 | 85,466 |
| Electronic Data Processing Equipment | 1,723 | 359 | (153) | 1,929 | 1,289 | 315 | 1,431 | 498 |
| Furniture, Fixtures and Office Appliances | 1,333 | 184 | (82) | 1,435 | 479 | 221 | 846 | 589 |
| Vehicles | 919 | 342 | (184) | 1,077 | 243 | 139 | 338 | 739 |
| Total (A) | 226,451 | 39,356 | (3,602) | 262,205 | 117,996 | 24,043 | 140,258 | 121,947 |
| Assets given on operating lease: | | | | | | | | |
| Plant & Machinery | 77 | - | - | 77 | 39 | 38 | 77 | - |
| Total (B) | 77 | - | - | 77 | 39 | 38 | 77 | 38 |
| Total [(A) + (B)] | 226,528 | 39,356 | (3,602) | 262,282 | 118,035 | 24,043 | 140,335 | 121,947 |
| Share in Joint Venture (Note 5 below) | 3,664 | 382 | (42) | 4,004 | 1,462 | 416 | 1,928 | 2,076 |

(1) Immovable properties costing ₹ 16 million (previous year ₹ 374 million) is not yet registered in the name of the Company.

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

(3) A part of freehold land of the Company at Gurgaon, Manesar and Gujarat (Refer Note 43) has been made available to its Group companies / fellow subsidiary.

(4) The Joint Ventures' share is included in the above schedule under respective heads.

* The estimated useful lives of certain fixed assets had been revised in accordance with Schedule II to the Companies Act 2013, with effect from 1st April 2014. Pursuant to the above mentioned changes in useful lives, the depreciation expense of previous year was higher by ₹ 652 million and for the assets whose revised useful lives had expired prior to 31st March 2014, the net book value of ₹ 803 million (net of deferred tax of ₹ 412 million) had been deducted from the retained earnings.

Adjustment includes the intra-head regrouping of amounts.

(All amounts in ₹ million, unless otherwise stated)

| Particulars | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
|--|---------------------|--------------|------------------------------|-----------------------------|-----------------|----------------------------|---------------------|---------------------|
| | As at 01.04.2015 | Additions | Deductions/ Adjustments # | Upto 01.04.2015 | For the year | Deductions/ Adjustments | As at 31.03.2016 | As at 31.03.2015 |
| Own Assets (Acquired): | | | | | | | | |
| Lump Sum Royalty and Engineering Support | 6,737 | 1,782 | - | 3,789 | 1,221 | 1 | 5,011 | 2,948 |
| Total | 6,737 | 1,782 | - | 3,789 | 1,221 | 1 | 5,011 | 2,948 |
| Share in Joint Venture (Note 1 below) | 43 | 23 | - | 18 | 8 | 1 | 27 | 39 |
| | | | | | | | | |
| | | | | | | | | |
| Particulars | | | | | | | | |
| | | | | | | | | |
| Own Assets (Acquired): | | | | | | | | |
| Lump Sum Royalty | 4,523 | 2,214 | - | 2,679 | 1,110 | - | 3,789 | 2,948 |
| Total | 4,523 | 2,214 | - | 2,679 | 1,110 | - | 3,789 | 1,844 |
| Share in Joint Venture (Note 1 below) | 28 | 15 | - | 11 | 7 | - | 18 | 25 |

1) The Joint Ventures' share is included in the above schedule under respective heads.

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

14 Capital Work In Progress

| | As at 31.03.2016 | As at 31.03.2015 |
|--------------------------------|---------------------|---------------------|
| Plant and Machinery | 8,025 | 16,346 |
| Civil Work in Progress | 2,044 | 2,482 |
| | 10,069 | 18,828 |
| Share in Joint Ventures | 65 | 73 |
| | 10,134 | 18,901 |

15 Non-Current Investments

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Trade Investments | | |
| Investment in Associates, equity instruments | 4,084 | 3,395 |
| [Includes ₹ 28 million of capital reserves on acquisition of certain Associates (Previous year ₹ 28 million)] | | |
| Other Investment (valued at cost unless otherwise stated) | | |
| Investment in equity shares of a Section 8 Company - unquoted | 1 | - |
| Investment in mutual funds - unquoted | 169,447 | 96,478 |
| Investment in preference shares - unquoted | 50 | 50 |
| | 169,498 | 96,528 |
| Less: Provision for diminution, other than temporary, in value of investments in preference shares | 50 | 50 |
| | 173,532 | 99,873 |
| Share in Joint Ventures | 1,585 | 45 |
| | 175,117 | 99,918 |
| Aggregate value of unquoted investments | 173,581 | 99,923 |
| Aggregate value of provision for diminution other than temporary in value of investments | 50 | 50 |

(All amounts in ₹ million, unless otherwise stated)

16 Long Term Loans and Advances

| | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|--------|---------------------|--------|
| Capital Advances | | | | |
| Unsecured - considered good | 5,126 | | 4,715 | |
| - considered doubtful | - | | 33 | |
| | 5,126 | | 4,748 | |
| Less: Provision for doubtful capital advances | - | 5,126 | 33 | 4,715 |
| Security Deposits | | | | |
| Unsecured - considered good | 109 | | 130 | |
| Taxes Paid Under Dispute | | | | |
| Unsecured - considered good | 8,100 | | 8,478 | |
| Inter corporate deposits - considered doubtful | 125 | | 125 | |
| Less: Provision for doubtful deposits | 125 | - | 125 | - |
| Other Loans and Advances | | | | |
| Secured - considered good | 4 | | 5 | |
| Unsecured - considered good | 176 | | 186 | |
| - considered doubtful | 42 | | 43 | |
| | 222 | | 234 | |
| Less: Provision for doubtful other loans and advances | 42 | 180 | 43 | 191 |
| | | 13,515 | | 13,514 |
| Share in Joint Ventures | | 40 | | 152 |
| | | 13,555 | | 13,666 |

17 Other Non-Current Assets

| | As at 31.03.2016 | | As at 31.03.2015 | |
|--|---------------------|----|---------------------|-----|
| Interest Accrued on Deposits, Loans and Advances | | | | |
| Secured - considered good | 1 | | 1 | |
| Claims | | | | |
| Unsecured - considered good | 83 | | 69 | |
| - considered doubtful | 27 | | 27 | |
| | 110 | | 96 | |
| Less: Provision for doubtful claims | 27 | 83 | 27 | 69 |
| Others [Including derivative assets of ₹ Nil (Previous Year ₹ 366 million)] | | 6 | | 372 |
| | | 90 | | 442 |
| Share in Joint Ventures | | 1 | | - |
| | | 91 | | 442 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

18 Current Investments

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| At cost or market value, whichever is less | | |
| Investment in mutual funds - unquoted | 8,730 | 31,996 |
| | 8,730 | 31,996 |
| Share in Joint Ventures | 18 | 1,063 |
| | 8,748 | 33,059 |

19 Inventories

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Components and Raw Materials | 17,317 | 13,189 |
| Work in Progress | 1,643 | 1,232 |
| Finished Goods Manufactured | | |
| Vehicle | 7,695 | 8,633 |
| Vehicle spares and components | 441 | 389 |
| | 8,136 | 9,022 |
| Traded Goods | | |
| Vehicle spares and components | 2,526 | 1,988 |
| Stores and Spares | 994 | 861 |
| Loose Tools | 732 | 570 |
| | 31,348 | 26,862 |
| Share in Joint Ventures | 650 | 591 |
| | 31,998 | 27,453 |
| Inventory includes in transit inventory of: | | |
| Components and Raw Materials | 6,860 | 5,186 |
| Traded Goods - vehicle spares | 43 | 26 |

20 Trade Receivables

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Unsecured - considered good | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 99 | 53 |
| Others | 12,898 | 12,997 |
| | 12,997 | 10,736 |
| Unsecured - considered doubtful | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 6 | 7 |
| Less: Provision for doubtful debts | 6 | 7 |
| | 12,997 | 10,736 |
| Share in Joint Ventures | 876 | 707 |
| | 13,873 | 11,443 |

(All amounts in ₹ million, unless otherwise stated)

21 Cash and Bank Balances

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Cash and Cash Equivalents | | |
| Cash on hand | 11 | 10 |
| Cheques and drafts on hand | 14 | 3 |
| Bank balances in current accounts | 407 | 198 |
| Deposits (less than 3 months original maturity period) | - 432 | 66 277 |
| Other Bank Balances | | |
| Deposits (more than 3 months but less than 12 months original maturity period) | 37 | - |
| Long term deposits (more than 12 months original maturity period) | 31 | - |
| Unclaimed dividend accounts | 7 75 | 6 6 |
| | 507 | 283 |
| Share in Joint Ventures | 261 | 149 |
| | 768 | 432 |

22 Short Term Loans and Advances (considered good, unless otherwise stated)

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Loans and Advances to Related Parties | | |
| Unsecured | 1,538 | 1,256 |
| Balance with Customs, Port Trust and Other Government Authorities | | |
| Unsecured | 11,204 | 7,442 |
| Other Loans and Advances | | |
| Secured | 2 | 2 |
| Unsecured | 2,838 2,840 | 3,057 3,059 |
| | 15,582 | 11,757 |
| Share in Joint Ventures | 375 | 260 |
| | 15,957 | 12,017 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

23 Other Current Assets (considered good, unless otherwise stated)

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Interest Accrued on Deposits, Loans and Advances | | |
| Secured | - | 3 |
| Unsecured | 6 | 39 |
| Claims | | |
| Unsecured | 1,233 | 1,351 |
| Receivable | | |
| Unsecured | 517 | 584 |
| Others | | |
| [Including derivative assets of ₹ 746 million (Previous Year ₹ 552 million)] | | |
| Unsecured | 751 | 556 |
| | 2,507 | 2,533 |
| Share in Joint Ventures | 192 | 10 |
| | 2,699 | 2,543 |

24 Gross Sale of Products

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Vehicles | 582,950 | 490,914 |
| Spare parts / dies and moulds / components | 55,835 | 47,000 |
| | 638,785 | 537,914 |
| Share in Joint Ventures | 7,974 | 7,545 |
| | 646,759 | 545,459 |

25 Other Operating Revenue

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Income from services [Net of expenses of ₹ 1,241 million (Previous Year ₹ 1,039 million)] | 3,860 | 4,457 |
| Sale of scrap | 3,569 | 4,196 |
| Cash discount received | 1,445 | 1,600 |
| Recovery of service charges | 776 | 681 |
| Provisions no longer required written back | 2,184 | 1,452 |
| Others | 2,527 | 1,643 |
| | 14,361 | 14,029 |
| Share in Joint Ventures | 1,144 | 1,035 |
| | 15,505 | 15,064 |

(All amounts in ₹ million, unless otherwise stated)

26 Other Income

| | For the year ended 31.03.2016 | | For the year ended 31.03.2015 | |
|--|----------------------------------|-------|----------------------------------|-------|
| Interest Income (gross) on: | | | | |
| a) Fixed deposits | 7 | | 328 | |
| b) Receivables from dealers | 545 | | 614 | |
| c) Advances to vendors | 3 | | 146 | |
| d) Income tax refund | 885 | | - | |
| e) Others | 78 | 1,518 | 1 | 1,089 |
| Dividend Income from: | | | | |
| a) Long term investments | 107 | | 68 | |
| b) Short term investments | - | 107 | 473 | 541 |
| Net gain on sale of investments | | | | |
| a) Long term | 2,614 | | 6,671 | |
| b) Short term | 425 | 3,039 | 196 | 6,867 |
| | | 4,664 | | 8,497 |
| Share in Joint Ventures | | 51 | | 153 |
| | | 4,715 | | 8,650 |

27 Change in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade

| | For the year ended 31.03.2016 | | For the year ended 31.03.2015 | |
|--|----------------------------------|-------|----------------------------------|---------|
| Work in Progress | | | | |
| Opening stock | 1,232 | | 1,527 | |
| Less: Closing stock | 1,643 | (411) | 1,232 | 295 |
| Vehicles - Manufactured | | | | |
| Opening stock | 8,633 | | 3,687 | |
| Less: Closing stock | 7,695 | | 8,633 | |
| | 938 | | (4,946) | |
| Less: Excise duty on (increase) / decrease of finished goods | (111) | 1,049 | (477) | (4,469) |
| Vehicle Spares and Components - Manufactured and Traded | | | | |
| Opening stock | 2,377 | | 1,995 | |
| Less: Closing stock | 2,967 | (590) | 2,377 | (382) |
| | | 48 | | (4,556) |
| Share in Joint Ventures | | 15 | | (53) |
| | | 63 | | (4,609) |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

28 Employee Benefits

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Salaries, wages, allowances and other benefits [Net of staff cost recovered ₹ 30 million (Previous year ₹ 42 million)] | 17,528 | 14,280 |
| Contribution to provident and other funds | 1,050 | 946 |
| Staff welfare expenses | 1,526 | 1,045 |
| | 20,104 | 16,271 |
| Share in Joint Ventures | 498 | 439 |
| | 20,602 | 16,710 |

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

A. Defined Contribution Plans

- Superannuation Fund
- Post Employment Medical Assistance Scheme.

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

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Employers Contribution to Superannuation Fund* | 69 | 75 |
| Employers Contribution to Post Employment Medical Assistance Scheme.* | 9 | 10 |
| Employers Contribution to Provident Fund / Gratuity Liability (Share of Joint Venture ₹ 26 million (Previous Year 25 million)) | 46 | 42 |

B. State Plans

- Employers contribution to Employee State Insurance
- Employers contribution to Employee's Pension Scheme 1995

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

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Employers contribution to Employee State Insurance.* | 42 | 23 |
| Employers contribution to Employee's Pension Scheme 1995.* | 261 | 178 |

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

C. Defined Benefit Plans and Other Long Term Benefits

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

(All amounts in ₹ million, unless otherwise stated)

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

| | March 31, 2016 | | | | March 31, 2015 | | | |
|---|----------------|--------------------------------------|-------------------------|----------------------|----------------|--------------------------------------|-------------------------|----------------------|
| | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance |
| Discount rate (per annum) | 8.80% | 8.00% | 8.00% | 8.00% | 8.75% | 8.00% | 8.00% | 8.00% |
| Rate of increase in compensation levels | Not Applicable | 7.00% | 7.00% | Not Applicable | Not Applicable | 7.00% | 7.00% | Not Applicable |
| Rate of return on plan assets | 8.85% | Not Applicable | 9.00% | Not Applicable | 8.81% | Not Applicable | 9.00% | Not Applicable |
| Expected average remaining working lives of employees (years) | 26 | 26 | 26 | 26 | 22 | 22 | 22 | 22 |

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

Changes in present value of obligations

| | March 31, 2016 | | | | March 31, 2015 | | | |
|---|----------------|--------------------------------------|-------------------------|----------------------|----------------|--------------------------------------|-------------------------|----------------------|
| | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance |
| Present value of obligation as at beginning of the year | 9,568 | 1,837 | 1,753 | 54 | 7,908 | 1,457 | 1,378 | 47 |
| Adjustment in beginning balance | - | - | - | - | - | (10) | - | - |
| Interest cost | 870 | 143 | 140 | 5 | 732 | 100 | 107 | 4 |
| Current service cost | 446 | 202 | 96 | 10 | 338 | 169 | 144 | - |
| Contribution by plan participants | 1,137 | - | - | - | 882 | - | - | - |
| Benefits paid | (373) | (285) | (88) | - | (500) | (250) | (73) | - |
| Transfer in | - | - | - | - | 197 | - | - | - |
| Actuarial (gain) / loss on obligations | (10) | 208 | 105 | (11) | 11 | 371 | 197 | 3 |
| Present value of obligation as at the year end | 11,638 | 2,106 | 2,007 | 58 | 9,568 | 1,837 | 1,753 | 54 |

Changes in the fair value of plan assets

| | March 31, 2016 | | March 31, 2015 | |
|---|----------------|-------------------------|----------------|-------------------------|
| | Provident Fund | Employees Gratuity Fund | Provident Fund | Employees Gratuity Fund |
| Fair value of Plan Assets as at beginning of the year | 9,632 | 1,754 | 8,020 | 1,387 |
| Expected return on Plan Assets | 870 | 158 | 707 | 125 |
| Employer Contribution | 403 | 214 | 334 | 297 |
| Employee Contribution | 1,137 | - | 881 | - |
| Benefits paid | (373) | (88) | (500) | (73) |
| Transfer in | - | - | 197 | - |
| Actuarial (gain)/ loss on obligations | (15) | 20 | 7 | (18) |
| Fair value of plan assets as at the year end | 11,684 | 2,018 | 9,632 | 1,754 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

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

| | March 31, 2016 | | | | March 31, 2015 | | | |
|--|----------------|--------------------------------------|-------------------------|----------------------|----------------|--------------------------------------|--------------------------|----------------------|
| | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund* | Retirement Allowance |
| Present value of obligation as at the year end | 11,638 | 2,106 | 2,007 | 58 | 9,568 | 1,837 | 1,753 | 54 |
| Fair value of plan assets as at the year end | 11,684 | - | 2,018 | - | 9,632 | - | 1,754 | - |
| Surplus/ (Deficit) * | 46 | (2,106) | 11 | (58) | 64 | (1,837) | 1 | (54) |
| Unfunded net asset/ (liability) recognised in balance sheet. | - | (2,106) | - | (58) | - | (1,837) | - | (54) |

* Since there is surplus, the same has not been recognised in Balance Sheet

| | | | | | | | | |
|--------------------------|---|-------|---|----|---|-------|---|----|
| Classified as Long Term | - | - | - | 56 | - | - | - | 53 |
| Classified as Short Term | - | 2,106 | - | 2 | - | 1,837 | - | 1 |
| Total | - | 2,106 | - | 58 | - | 1,837 | - | 54 |

| | March 31, 2014 | | | | March 31, 2013 | | | |
|--|----------------|--------------------------------------|-------------------------|----------------------|----------------|--------------------------------------|--------------------------|----------------------|
| | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund | Retirement Allowance | Provident Fund | Leave Encashment/Compensated Absence | Employees Gratuity Fund* | Retirement Allowance |
| Present value of obligation as at the year end | 7,908 | 1,457 | 1,378 | 47 | 6,009 | 1,282 | 1,148 | 44 |
| Fair value of plan assets as at the year end | 8,020 | - | 1,387 | - | 6,508 | - | 1,150 | - |
| Surplus/ (deficit) | 112 | (1,457) | 9 | (47) | 499 | (1,282) | 2 | (44) |
| Unfunded net asset/ (liability) recognised in balance sheet. | - | (1,457) | - | (47) | - | (1,282) | - | (44) |

| | March 31, 2012 | | |
|--|----------------|--------------------------------------|----------------------|
| | Provident Fund | Leave Encashment/Compensated Absence | Retirement Allowance |
| Present value of obligation as at the year end | 5,459 | 855 | 37 |
| Fair value of plan assets as at the year end | 5,480 | - | - |
| Surplus/ (deficit) | 21 | (855) | (37) |
| Unfunded net asset/ (liability) recognised in balance sheet. | - | - | (37) |

(All amounts in ₹ million, unless otherwise stated)

Expenses recognised in the statement of profit & loss

| | March 31, 2016 | | | | March 31, 2015 | | | |
|--|-----------------|---|--------------------------|------------------------|-----------------|---|--------------------------|------------------------|
| | Provident Fund* | Leave Encashment/ Compensated Absence** | Employees Gratuity Fund* | Retirement Allowance** | Provident Fund* | Leave Encashment/ Compensated Absence** | Employees Gratuity Fund* | Retirement Allowance** |
| Current service cost | - | 202 | 96 | 10 | - | 169 | 144 | - |
| Company's contribution to provident fund | 446 | - | - | - | 338 | - | - | - |
| Interest cost | - | 143 | 140 | 5 | - | 100 | 107 | 4 |
| Expected return on plan assets | - | - | (158) | - | - | - | (125) | - |
| Net actuarial (gain)/ loss recognised during the year | - | 208 | 125 | (11) | - | 371 | 179 | 3 |
| Total expense recognised in statement of profit & loss | 446 | 555 | 203 | 4 | 338 | 640 | 305 | 7 |

* Included in "Contribution to provident and other funds" above. Since there is surplus, no other cost has been recognised in the statement of Profit and Loss.

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

Constitution of Plan Assets

| | Provident Fund | | | | Gratuity | | | |
|----------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| | March 31, 2016 | % | March 31, 2015 | % | March 31, 2016 | % | March 31, 2015 | % |
| (a) Debt Funds | 11,063 | 95% | 9,193 | 95% | 352 | 17% | 714 | 42% |
| (b) Others | 621 | 5% | 439 | 5% | 1,666 | 83% | 1,002 | 58% |
| Total | 11,684 | 100% | 9,632 | 100% | 2,018 | 100% | 1,716 | 100% |

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

The return on plan assets of provident fund is based on assumed rate of return derived from returns of past years.

Expected contribution on account of Gratuity and Provident Fund for the year ending 31st March, 2017 can not be ascertained at this stage.

29 Finance Costs

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|-------------------------------|-------------------------------|
| Interest on : | | |
| - Foreign currency loans from banks | 26 | 23 |
| - Buyers' credit and export credit | 41 | 475 |
| - Deposits from dealers, contractors and others | 747 | 779 |
| Other Borrowing Costs | 3 | 5 |
| Other Interest | - | 778 |
| | 817 | 2,060 |
| Share in Joint Ventures | 120 | 118 |
| | 937 | 2,178 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

30 Depreciation & Amortisation (Refer Note 12 & 13)

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|--|----------------------------------|----------------------------------|
| Depreciation / amortisation on tangible assets | 27,449 | 24,043 |
| Amortisation on intangible assets | 1,221 | 1,110 |
| | 28,670 | 25,153 |

31 Other Expenses

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Consumption of stores | 2,140 | 1,800 |
| Power and fuel [Net of amount recovered ₹ 737 million (Previous year ₹ 1,085 million)] | 6,941 | 7,138 |
| Rent (Refer Note 40) | 221 | 180 |
| Repairs and maintenance : | | |
| - Plant and machinery | 1,866 | 1,196 |
| - Building | 476 | 331 |
| - Others | 398 | 408 |
| Insurance | 151 | 137 |
| Rates, taxes and fees | 1,495 | 1,261 |
| Royalty | 32,443 | 26,575 |
| Tools / machinery spares charged off | 3,445 | 2,512 |
| Net loss on foreign currency transactions and translation | 1,008 | 678 |
| Advertisement | 7,720 | 4,639 |
| Sales promotion | 4,582 | 3,007 |
| Warranty and product recall | 919 | 806 |
| Transportation and distribution expenses | 5,432 | 6,202 |
| Net loss on sale / discarding of fixed assets | 1,354 | 483 |
| Corporate social responsibility expenses | 786 | 373 |
| Other miscellaneous expenses * | 8,779 | 8,847 |
| | 80,156 | 66,573 |
| Share in Joint Ventures | 991 | 834 |
| | 81,147 | 67,407 |

* Does not include any item of expenditure with a value of more than 1% of turnover

(All amounts in ₹ million, unless otherwise stated)

32 Contingent Liabilities:

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

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| (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 | 7,019 | 2,965 |
| (b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 11,098 | 13,741 |
| (c) Show cause notices on issues yet to be adjudicated | 6,451 | 15,670 |
| (d) Share in Subsidiaries, JVs and Associates | 37 | 110 |
| Total | 24,605 | 32,486 |
| Amount deposited under protest (Including share of JVs Current year ₹ nil; Previous year ₹ 1 million) | 1,561 | 384 |
| (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 | 78 | 385 |
| (b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods | 3,675 | 4,912 |
| (c) Show cause notices on issues yet to be adjudicated | 486 | 183 |
| (d) Share in Subsidiaries, JVs and Associates | 10 | 8 |
| Total | 4,249 | 5,488 |
| Amount deposited under protest | 22 | 19 |
| (iii) Income Tax | | |
| (a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals | 7,778 | 6,033 |
| (b) Cases pending before Appellate authorities / Dispute Resolution Panel in respect of which the Company has filed appeals | 32,254 | 21,825 |
| (c) Share in Subsidiaries, JVs and Associates | 61 | 62 |
| Total | 40,093 | 27,920 |
| Amount deposited under protest (Including share of JVs Current year ₹ 2 million; Previous year ₹ 2 million) | 5,174 | 7,142 |
| (iv) Customs Duty | | |
| (a) Cases pending before Appellate authorities in respect of which the Company has filed appeals | 108 | 103 |
| (b) Others | 43 | 32 |
| (c) Share in Subsidiaries, JVs and Associates | - | 1 |
| Total | 151 | 136 |
| Amount deposited under protest | 22 | 22 |
| (v) Sales Tax | | |
| (a) Cases pending before Appellate authorities in respect of which the Company has filed appeals | 67 | 53 |
| (b) Share in Subsidiaries, JVs and Associates | 12 | 3 |
| Total | 79 | 56 |
| Amount deposited under protest (Including share of Subsidiaries Current year ₹ 2 million; Previous year ₹ 2 million) | 20 | 4 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

(vi) Claims against the Group for recovery of ₹ 696 million (including share of Joint Ventures and Associates ₹ 3 million) (Previous year ₹ 342 million) (including share of Joint Ventures and Associates ₹ 3 million) lodged by various parties.

(vii) In earlier years, pursuant to Court orders, the Haryana State Industrial & Infrastructure Development Corporation Limited ("HSIIDC") had raised demands amounting to ₹ 10,317 million towards enhanced compensation to landowners for the Company's freehold land at Manesar, Haryana. Against this, the Company has made a payment of ₹ 3,742 million under protest and capitalised it as part of the cost of land. During the current year, The Punjab & Haryana High Court ("High Court") set aside the above orders and referred the matter back to the District Court, Gurgaon for fresh adjudication. An appeal was preferred by the land owners against the order of the High Court and presently the matter is pending with the Supreme Court.

(viii) In respect of disputed Local Area Development Tax (LADT) (upto 15th April, 2008) / Entry Tax, the Sales Tax department has filed an appeal in the Supreme Court of India against the order of the Punjab & Haryana High Court. The amounts under dispute are ₹ 21 million (Previous year ₹ 21 million) for LADT and ₹ 19 million (Previous year ₹ 18 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from 16th April, 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date.

(ix) The Competition Commission ("CCI") of India had passed an order dated 25th August, 2014 stating that the Company has violated certain sections of the Competition Act, 2002 and has imposed a penalty of ₹4,712 million. An interim stay is in operation of the above order of the CCI pursuant to the writ petition filed by the Company before the Delhi High Court.

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.

33 Outstanding commitments under Letters of Credit established by the Group aggregating ₹ 1,723 million (including share of Joint Ventures and Associates ₹ 52 million) (Previous year ₹ 2,030 million) (including share of Joint Ventures and Associates ₹ 1 million).

34 Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amounts to ₹ 30,578 million (includes share of Joint Ventures and Associates ₹ 191 million) (Previous year ₹ 20,545 million) (includes share of Joint Ventures and Associates ₹ 250 million).

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

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

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

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

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

d) In case of a joint venture company, fair value (mark to market) of a derivative instrument i.e. an interest rate swap has not been computed as at 31st March, 2016.

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

f) In case of a joint venture company, warranty expense is charged to Statement of Profit and Loss as and when claimed by customer on actual basis.

g) None of the subsidiaries, joint ventures and associates have adopted Accounting Standard -30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India.

37 a) The Profit after tax of Sona Koyo Steering Systems Limited, Denso India Private Limited and Asahi India Glass Limited has been annualised based on unaudited financial statements of nine months ended 31st December 2015. It is unlikely that the audited results would be materially different from annualised results.

b) The Profit after tax of Hanon Climate Systems India Private Limited, SKH Metals Limited, Caparo Maruti Limited, Machino Plastics Limited, Krishna Maruti Limited, Nippon Thermostat

(All amounts in ₹ million, unless otherwise stated)

(India) Limited, Magneti Marelli Powertrain India Limited, Bellsonica Auto Component India Private Limited, Krishna Ishizaki Auto Limited, FMI Automotive Component India Private Limited, Plastic Omnium Auto Inergy Manufacturing India Private Limited and Manesar Steel Processing (India) Private Limited, have been taken on the basis of unaudited financial statements for financial year ended 31st March 2016. It is unlikely that the audited results would be materially different from unaudited results.

38 The Group has considered "business segment" as its primary segment. The Group is primarily in the business of manufacture, purchase and sale of motor vehicles, automobile components and

spare parts ("automobiles"). The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing. The income from these activities, which are incidental to the Company's business, is not material in financial terms but such activities contribute significantly in generating the demand for the products of the Company. Accordingly, the Group has considered "Business Segment" as the primary segment and thus no business segment information is required to be disclosed.

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

Financial information of geographical segments is as follows :

| Particulars | 2015-16 | | | | 2014-15 | | | |
|-------------------------------------|----------|----------|-------------|---------|----------|----------|-------------|---------|
| | Domestic | Overseas | Unallocated | Total | Domestic | Overseas | Unallocated | Total |
| Revenue from external customers | 608,102 | 51,978 | 6,899 | 666,979 | 507,843 | 51,228 | 10,102 | 569,173 |
| Segment assets | 205,622 | 4,996 | 192,081 | 402,699 | 201,269 | 1,909 | 141,591 | 344,769 |
| Capital expenditure during the year | 25,504 | - | - | 25,504 | 34,076 | - | - | 34,076 |

Notes:-

- Domestic segment includes sales and services to customers located in India.
- Overseas segment includes sales and services rendered to customers located outside India.
- Unallocated revenue includes interest income, dividend income and profit on sale of investments.
- Unallocated assets include other deposits, dividend bank accounts, investments and amount paid under protest.
- Segment assets includes fixed assets, inventories, sundry debtors, cash and bank balances (except dividend bank account), other current assets, loans and advances (except other deposits).
- Capital expenditure during the year includes fixed assets (tangible and intangible assets) and net additions to capital work in progress.
- The Joint Ventures' share is included in the above schedule under respective heads.
- The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under 'Unallocated expenses / income'.

39 Statement of Earning per Share

| | 2015-16 | 2014-15 |
|--|-------------|-------------|
| Net Profit after tax attributable to shareholders (in ₹ million) | 46,988 | 38,074 |
| Weighted average Number of equity shares outstanding during the year (Nos) | 302,080,060 | 302,080,060 |
| Nominal value per share (In Rupees) | 5.00 | 5.00 |
| Basic earning per share (In Rupees) | 155.55 | 126.04 |
| Diluted earning per share (In Rupees) | 155.55 | 126.04 |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

40 Minimum Lease payments outstanding as on 31st March 2016 in respect of assets taken on non-cancellable operating leases are as follows:

a) As a lessee

| Due | March 31, 2016 | | | March 31, 2015 | | |
|--|--|------|-------|--|------|-------|
| | Total Minimum Lease Payments Outstanding as on 31st March 2016 | | | Total Minimum Lease Payments Outstanding as on 31st March 2015 | | |
| | Premises | Cars | Total | Premises | Cars | Total |
| Within one year | 55 | 1 | 56 | 54 | 2 | 56 |
| Later than one year but less than five years | 244 | - | 244 | 233 | 1 | 234 |
| Later than five years | 497 | - | 497 | 562 | - | 562 |

| | March 31, 2016 | | | March 31, 2015 | | |
|-------------------------|-----------------------|------|-------|-----------------------|------|-------|
| | Minimum Lease Payment | | | Minimum Lease Payment | | |
| | Premises | Cars | Total | Premises | Cars | Total |
| Charged to rent expense | 60 | 2 | 62 | 60 | 2 | 62 |

The Company has taken certain premises on cancellable operating lease. The rent expense amounting to ₹ 159 million (Previous year ₹ 118 million) has been charged to the Statement of Profit and Loss.

(All amounts in ₹ million, unless otherwise stated)

41 Statement of Transactions with Related Parties

Holding Company

Suzuki Motor Corporation

Hanon Climate Systems India Private Limited

(Former Halla Visteon Climate Systems India Private Limited)

Joint Ventures

Mark Exhaust Systems Limited

Bellsonica Auto Component India Private Limited

FMI Automotive Components Private Limited

Krishna Ishizaki Auto Limited

Plastic Omnium Auto Inergy Manufacturing India Private Limited

(Formerly known as Inergy Automotive Systems Manufacturing India Private Limited)

Maruti Insurance Broking Private Limited

Manesar Steel Processing India Private Limited

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

Cambodia Suzuki Motor Co. Ltd.

Magyar Suzuki Corporation Ltd.

Pak Suzuki Motor Co., Ltd.

Pt Suzuki Indomobil Motor (Former Pt Indomobil Suzuki International)

Suzuki (Myanmar) Motor Co., Ltd.

Suzuki Australia Pty. Ltd.

Suzuki Austria Automobile Handels G.M.B.H.

Suzuki Auto South Africa (Pty) Ltd

Suzuki Cars (Ireland) Ltd.

Suzuki France S.A.S.

Suzuki Gb Plc

Suzuki International Europe G.M.B.H.

Suzuki Italia S.P.A.

Suzuki Malaysia Automobile Sdn. Bhd.

Suzuki Motor (Thailand) Co., Ltd.

Suzuki Motor De Mexico, S.A. De C.V.

Suzuki Motor Gujarat Private Limited

Suzuki Motor Iberica, S.A.U.

Suzuki Motor Poland Sp. Z.O.O.

(Former Suzuki Motor Poland Ltd.)

Suzuki Motorcycle India Ltd.

Suzuki New Zealand Ltd.

Suzuki Philippines Inc.

Taiwan Suzuki Automobile Corporation

Thai Suzuki Motor Co., Ltd.

Vietnam Suzuki Corporation

Key Management Personnel

Mr. Kenichi Ayukawa

Mr. Toshiaki Hasuiki

Mr. Kazuhiko Ayabe (upto 30th Jan, 2016)

Mr. Masayuki Kamiya (upto 30th July, 2014)

Mr. Shigetoshi Torii (w.e.f. 31st July, 2014)

Associates

Asahi India Glass Limited

Bharat Seats Limited

Caparo Maruti Limited

Denso India Private Limited

Jay Bharat Maruti Limited

Krishna Maruti Limited

Machino Plastics Limited

SKH Metals Limited

Nippon Thermostat (India) Limited

Sona Koyo Steering Systems Limited

Magneti Marelli Powertrain India Private Limited

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

| | 2015 - 16 | | | 2014-15 | | | |
|--|----------------|--------------|-----------------|---------------------|--------------------------|--------------------|-------------------|
| | Joint Ventures | Associates | Holding Company | Fellow subsidiaries | Key Management Personnel | Total | |
| Outstanding at Year End | | | | | | | |
| Loans and Advances Recoverable | | | | | | | |
| Suzuki Motor Corporation | - | - | 335 | - | - | 339 | - 339 |
| SKH Metals Limited | - | 193 | - | - | - | 270 | - 270 |
| Krishna Maruti Limited | - | 202 | - | - | - | - | - |
| Jay Bharaat Maruti Limited | - | 389 | - | - | - | 163 | - 163 |
| Others | 117 | 277 | - | 25 | - | 412 | 1 484 |
| Total | 117 | 1,061 | 335 | 25 | - | 845 339 | 1 1,256 |
| Loans Payable | | | | | | | |
| Suzuki Motor Corporation | - | - | 614 | - | - | 1,158 | - 1,158 |
| Total | - | - | 614 | - | - | 1,158 | - 1,158 |
| Amounts Payable | | | | | | | |
| Suzuki Motor Corporation | - | - | 19,240 | - | - | 14,657 | - 14,657 |
| Others | 2,269 | 9,903 | - | 350 | - | 5,777 | 134 7,179 |
| Total | 2,269 | 9,903 | 19,240 | 350 | - | 1,268 5,777 | 134 21,836 |
| Amount Recoverable | | | | | | | |
| Suzuki Motor Corporation | - | - | 3,846 | - | - | 309 | - 309 |
| Others | 710 | 1,069 | - | 932 | - | 1,407 | - 2,877 |
| Total | 710 | 1,069 | 3,846 | 932 | - | 1,100 1,407 | - 3,186 |
| Goods in Transit - Component Etc. | | | | | | | |
| Suzuki Motor Corporation | - | - | 2,446 | - | - | 1,632 | - 1,632 |
| Others | - | - | - | 85 | - | 117 | - 117 |
| Total | - | - | 2,446 | 85 | - | 1,632 117 | - 1,749 |
| Purchases of Tangible and Intangible Fixed Assets | | | | | | | |
| Suzuki Motor Corporation | - | - | 2,483 | - | - | 3,610 | - 3,610 |
| Krishna Maruti Limited | - | 599 | - | - | - | 45 | - 45 |
| Others | 562 | 1,562 | - | 1 | - | 646 | - 1,012 |
| Total | 562 | 2,161 | 2,483 | 1 | - | 691 3,610 | 5 4,667 |
| Sale of Tangible Fixed Assets | | | | | | | |
| Suzuki Motor Gujarat Private Limited (refer note 56) | - | - | - | 2,019 | - | - | - - |
| Total | - | - | - | 2,019 | - | 2,019 | - - |

(All amounts in ₹ million, unless otherwise stated)

| 2015 - 16 | | | | | | | | | | | | | 2014-15 | | | |
|-------------------------------------|----------------|------------|-----------------|---------------------|--------------------------|--------|----------------|------------|-----------------|---------------------|--------------------------|--------|---------|--|--|--|
| | Joint Ventures | Associates | Holding Company | Fellow subsidiaries | Key Management Personnel | Total | Joint Ventures | Associates | Holding Company | Fellow subsidiaries | Key Management Personnel | Total | | | | |
| Sale of Goods | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | 6,558 | - | - | 6,558 | - | - | 88 | - | - | 88 | | | | |
| Suzuki Motorcycle India Ltd. | - | - | - | 6,077 | - | 6,077 | - | - | - | 5,225 | - | 5,225 | | | | |
| Suzuki Philippines Inc | - | - | - | 3,073 | - | 3,073 | - | - | - | 3,432 | - | 3,432 | | | | |
| Others | 1,817 | 3,702 | - | 5,990 | - | 11,509 | 1,708 | 4,011 | - | 10,014 | - | 15,733 | | | | |
| Total | 1,817 | 3,702 | 6,558 | 15,140 | - | 27,217 | 1,708 | 4,011 | 88 | 18,671 | - | 24,478 | | | | |
| Other Income | | | | | | | | | | | | | | | | |
| Finance Income/ Commission/Dividend | | | | | | | | | | | | | | | | |
| Mark Exhaust Systems Limited | 28 | - | - | - | - | 28 | 28 | - | - | - | - | 28 | | | | |
| SKH Metals Limited | - | 62 | - | - | - | 62 | - | 146 | - | - | - | 146 | | | | |
| Machino Plastics Limited | - | 18 | - | - | - | 18 | - | 15 | - | - | - | 15 | | | | |
| Asahi India Glass Limited | - | 42 | - | - | - | 42 | - | 65 | - | - | - | 65 | | | | |
| Others | 19 | 10 | - | - | - | 29 | 17 | 88 | - | - | - | 105 | | | | |
| Total | 47 | 132 | - | - | - | 179 | 45 | 314 | - | - | - | 359 | | | | |
| Other Misc Income | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | 584 | - | - | 584 | - | - | 496 | - | - | 496 | | | | |
| Others | 31 | 36 | - | 110 | - | 177 | 30 | 49 | - | 4 | - | 82 | | | | |
| Total | 31 | 36 | 584 | 110 | - | 761 | 30 | 49 | 496 | 4 | - | 579 | | | | |
| Expenditure | | | | | | | | | | | | | | | | |
| Purchases of Goods | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | 11,673 | - | - | 11,673 | - | - | 12,387 | - | - | 12,387 | | | | |
| Jay Bharat Maruti Limited | - | 10,768 | - | - | - | 10,768 | - | 10,505 | - | - | - | 10,505 | | | | |
| Krishna Maruti Limited | - | 10,745 | - | - | - | 10,745 | - | 10,000 | - | - | - | 10,000 | | | | |
| Others | 14,831 | 41,312 | - | 1,458 | - | 57,601 | 13,727 | 38,207 | - | 124 | - | 52,058 | | | | |
| Total | 14,831 | 62,825 | 11,673 | 1,458 | - | 90,787 | 13,727 | 58,712 | 12,387 | 124 | - | 84,950 | | | | |
| Proposed Dividend | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | 5,943 | - | - | 5,943 | - | - | 4,245 | - | - | 4,245 | | | | |
| Total | - | - | 5,943 | - | - | 5,943 | - | - | 4,245 | - | - | 4,245 | | | | |
| Royalty | | | | | | | | | | | | | | | | |
| Suzuki Motor Corporation | - | - | 32,443 | - | - | 32,443 | - | - | 26,574 | - | - | 26,574 | | | | |
| Total | - | - | 32,443 | - | - | 32,443 | - | - | 26,574 | - | - | 26,574 | | | | |

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

| | 2015 - 16 | | | 2014-15 | | | |
|---|----------------|------------|-----------------|---------------------|--------------------------|-------|-------|
| | Joint Ventures | Associates | Holding Company | Fellow subsidiaries | Key Management Personnel | Total | |
| Services Received | | | | | | | |
| Suzuki Motor Corporation | - | - | 883 | - | - | 883 | 777 |
| Others | - | - | - | - | - | - | - |
| Total | - | - | 883 | - | - | 883 | 777 |
| Other Expenditure | | | | | | | |
| Suzuki Motor Corporation | - | - | 155 | - | - | 155 | 168 |
| Suzuki Auto South Africa (Pty) Limited | - | - | - | 65 | - | 65 | 43 |
| Jay Bharat Maruti Limited | - | 161 | - | - | - | 161 | 2 |
| Others | 3 | 49 | - | 98 | - | 149 | 483 |
| Total | 3 | 210 | 155 | 163 | - | 531 | 695 |
| Recovery of Expenses | | | | | | | |
| Suzuki Motor Corporation | - | - | 27 | - | - | 27 | 24 |
| Bellsonica Auto Component India Private Limited | 242 | - | - | - | - | 242 | 269 |
| Jay Bharat Maruti Limited | - | 129 | - | - | - | 129 | 381 |
| Others | 127 | 207 | - | 47 | - | 381 | 635 |
| Total | 369 | 336 | 27 | 47 | - | 779 | 1,309 |
| Managerial Remuneration | | | | | | | |
| Mr. Kenichi Ayukawa | - | - | - | - | 35 | 35 | 34 |
| Mr. Toshiaki Hasuke | - | - | - | - | 31 | 31 | 29 |
| Mr. Kazuhiko Ayabe | - | - | - | - | 21 | 21 | 24 |
| Mr. Masayuki Kamiya | - | - | - | - | - | - | 3 |
| Mr. Shigetoshi Torii | - | - | - | - | 26 | 26 | 16 |
| Total | - | - | - | - | 113 | 113 | 106 |

(All amounts in ₹ million, unless otherwise stated)

42 The Board of Directors, in its meeting held on 27th October, 2015 has approved a Scheme of Amalgamation (the "Scheme") under Sections 391 to 394 of the Companies Act, 1956 ('the 1956 Act') and other applicable provisions of the 1956 Act and the Companies Act, 2013, as per pooling of interest method, between the Company and its seven wholly owned subsidiaries which were authorised to engage in the business of acting as insurance intermediaries, by the name of Maruti Insurance Business Agency Limited, Maruti Insurance Distribution Services Limited, Maruti Insurance Agency Network Limited, Maruti Insurance Agency Solutions Limited, Maruti Insurance Agency Services Limited, Maruti Insurance Agency Logistics Limited and Maruti Insurance Broker Limited.

The amalgamation will be effective from 1st April, 2016 being the appointed date and is subject to shareholders' and other statutory approvals. The amalgamation is not expected to have a material impact.

43 The Company has entered into Contract Manufacturing Agreement (CMA) with Suzuki Motor Gujarat Private Limited (the wholly owned subsidiary of Suzuki Motor Corporation, Japan), the consent of which, alongwith the execution of Lease Deed, Deed of Assignment and any other related agreement or documentation, was accorded during the current year by the shareholders through the process of postal ballot.

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

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

ANUPAM DHAWAN

Partner
Membership Number - 084451

Place: New Delhi

Date: 26th April, 2016

KENICHI AYUKAWA
Managing Director & CEO

AJAY SETH
Chief Financial Officer

TOSHIAKI HASUIKE
Joint Managing Director

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

Notes to the Consolidated Financial Statements

(All amounts in ₹ million, unless otherwise stated)

Form AOC-1 PART "A" - Subsidiaries

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | | |
|---------|---|------------------------------------|--|---|---|---|--|---------------------------------|--|------------------------------|
| Sl. No. | Name of the Subsidiary | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | J.J. Impex (Delhi) Private Limited | Maruti Insurance Agency Services Limited | Maruti Insurance Agency Logistics Limited | Maruti Insurance Agency Network Limited | Maruti Insurance Agency Solutions Limited | Maruti Insurance Business Agency Limited | Maruti Insurance Broker Limited | Maruti Insurance Distribution Services Limited | True Value Solutions Limited |
| 3 | Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign (subsidiaries) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5 | Share Capital (in millions) | 88 | 2 | 2 | 2 | 2 | 2 | 5 | 2 | 1 |
| 6 | Reserves & Surplus (in millions) | 206 | 55 | 142 | 323 | 238 | 1,156 | (3) | 205 | 1 |
| 7 | Total Assets (in millions) | 421 | 57 | 144 | 325 | 240 | 1,158 | 2 | 207 | 2 |
| 8 | Total Liabilities (in millions) | 421 | 57 | 144 | 325 | 240 | 1,158 | 2 | 207 | 2 |
| 9 | Investments (in millions) | - | 56 | 139 | 321 | 234 | 1,068 | - | 200 | - |
| 10 | Turnover (in millions) | 812 | - | - | - | - | - | - | - | - |
| 11 | Profit before taxation (in millions) | 32 | 1 | 3 | 10 | 7 | - | (0) | 11 | (0) |
| 12 | Provision for taxation (in millions) | 10 | - | - | 2 | 1 | - | - | 2 | - |
| 13 | Profit after taxation (in millions) | 22 | 1 | 3 | 8 | 6 | - | (0) | 9 | (0) |
| 14 | Proposed Dividend | - | - | - | - | - | - | - | - | - |
| 15 | % of shareholding | 50.87% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Note:

- 1 No subsidiaries are yet to commence operations.
- 2 No subsidiaries have been liquidated or sold during the year.

PART "B" - Associates and Joint Ventures I. Associates

| Sl. No. | Name of Associates/Joint Ventures | Hanon Climate Systems India Private Limited | SKH Metals Limited | Jay Bharat Maruti Limited | Caparo Maruti Limited | Machino Plastics Limited | Bharat Seats Limited | Krishna Maruti Limited | Asahi Glass Limited | India Private Limited | Denso Private Limited | Nippon Thermostat (India) Limited | Sona Koyo Steering Systems Limited | Magneti Marelli Powertrain India Private Limited |
|---------|--|---|--------------------|---------------------------|-----------------------|--------------------------|----------------------|------------------------|---------------------|-----------------------|-----------------------|-----------------------------------|------------------------------------|--|
| 1 | Latest Audited Balance Sheet Date | 31-Mar-15 | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 | 31-Mar-15 | 31-Mar-15 | 31-Mar-15 | 31-Mar-15 | 31-Mar-15 | 31-Dec-15 |
| 2 | Shares of Associate/Joint Ventures held by the company on the year end | 5,18,700 | 2,64,5,000 | 6,34,000 | 2,50,000 | 941,700 | 4,65,000 | 670,000 | 26,99,5,200 | 2,86,2,758 | 125,000 | 13,80,000 | 8,55,000 | 8,55,000 |

(All amounts in ₹ million, unless otherwise stated)

Notes to the Consolidated Financial Statements

PART "B" - Associates and Joint Ventures II. Joint Ventures

| Sl. No. | Name of Associates/ Joint Ventures | Mark Exhaust Systems Limited | Bellsonica Auto Component Private Limited | Krishna Ishizaki Auto Limited | FMI Automotive Components Private Limited | Plastic Omnium India Private Limited | Manesar Steel Processing Private Limited | Maruti Insurance Broking Private Limited |
|---------|---|---|---|---|---|---|---|---|
| | | 31-Mar-16 | 31-Mar-15 | 31-Mar-15 | 31-Mar-15 | 31-Mar-15 | 31-Mar-15 | 31-Mar-16 |
| 1 | Latest Audited Balance Sheet Date | | | | | | | |
| 2 | Shares of Associate/Joint Ventures held by the company on the year end | | | | | | | |
| | No. | 4,437,465 | 3,540,000 | 734,880 | 44,100,000 | 6,656,000 | 6,840,000 | 231,275 |
| | Amount of Investment in Associates/ Joint Venture (in millions) | 57 | 354 | 10 | 441 | 67 | 68 | 2 |
| | Extent of Holding % | 44.37% | 30.00% | 15.00% | 49.00% | 26.00% | 11.83% | 46.26% |
| 3 | 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 |
| 4 | Reason why the associate/joint venture is not consolidated | NA | NA | NA | NA | NA | NA | NA |
| 5 | Networth attributable to shareholding as per latest audited Balance sheet (in millions) | | | | | | | |
| a) | Share Capital (in millions) | 44 | 354 | 7 | 441 | 67 | 68 | 2 |
| b) | Reserves & Surplus (in millions) | 187 | (182) | 109 | (15) | 75 | (27) | 1,649 |
| 6 | Profit/Loss for the year | | | | | | | |
| i. | Considered in Consolidation (in millions) | 8 | (53) | 31 | 2 | 21 | (4) | 554 |
| ii. | Not Considered in Consolidation | | | | | | | |

Note:

- 1 No associates or joint ventures are yet to commence operations.
- 2 No associates or joint ventures have been liquidated or sold during the year.
- 3 a) The Profit after tax of Sona Koyo Steering Systems Limited, Denso India Private Limited and Asahi India Glass Limited has been annualised based on unaudited financial statements of nine months ended 31st December 2015
- b) The Profit after tax of Hanon Climate Systems India Private Limited, SKH Metals Limited, Caparo Maruti Limited, Machino Plastics Limited, Krishna Maruti Limited, Nippon Thermostat (India) Limited, Magneti Marelli Powertrain India Limited, Bellsonica Auto Component India Private Limited, Krishna Ishizaki Auto Limited, FMI Automotive Component India Private Limited, Plastic Omnium Auto Inergy Manufacturing India Private Limited and Manesar Steel Processing (India) Private Limited have been taken on the basis of unaudited financial statements for financial year ended 31st March 2016

[illegible]



CIN: L34103DL1981PLC011375

Registered Office

1, Nelson Mandela Road, Vasant Kunj,
New Delhi - 110 070
Ph. No.: +91 11 4678 1000
Fax No.: +91 11 4615 0275
www.marutisuzuki.com
investor@maruti.co.in

Registrar and Transfer Agent

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower - B, Plot 31-32
Gachibowli, Financial District
Nanakramguda, Hyderabad - 500 032
Ph. No.: +91 40 6716 2222
Fax No.: +91 40 2300 1153
Tollfree No.: 1800-345-4001
www.karvycomputershare.com



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