

MSIL: COS: NSE&amp;BSE: 2022

08<sup>th</sup> August, 2022

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

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

**Sub: Revised Annual Report for the financial year 2021-22**

Dear Sirs,

This has reference to the Annual Report for the year 2021-22 submitted by us on 06<sup>th</sup> August, 2022. It was observed that there was some misalignment in couple of lines, between the description of particulars and the corresponding amount appearing on page no. 222 and 295 of the Annual Report, which has now been rectified.

Please find attached the revised Annual Report for the financial year 2021-22.

Kindly take the same on record.

Thanking you,

Yours truly,

**For Maruti Suzuki India Limited**



Sanjeev Grover  
Executive Vice President  
& Company Secretary

Encl: As above

**MARUTI SUZUKI INDIA LIMITED****Head Office:**

Maruti Suzuki India Limited,  
1, Nelson Mandela Road, Vasant Kunj,  
New Delhi - 110070, India.  
Tel: 011- 46781000, Fax: 011-46150275/46150276  
E-mail id: contact@maruti.co.in, www.marutisuzuki.com

**Gurgaon Plant:**

Maruti Suzuki India Limited,  
Old Palam Gurgaon Road,  
Gurgaon - 122015, Haryana, India. Tel:  
0124-2346721, Fax: 0124-2341304

**Manesar Plant:**

Maruti Suzuki India Limited,  
Plot No.1, Phase - 3A, IMT Manesar,  
Gurgaon - 122051, Haryana, India. Tel:  
0124-4884000, Fax: 0124-4884199



YEARS OF

**MARUTI**  **SUZUKI**

**JOY OF  
MOBILITY**

**ANNUAL INTEGRATED REPORT 2021-22**



# CONTENTS



## COMPANY OVERVIEW

- 2 40 Years Timeline
- 6 Company Profile
- 8 Global Markets Served (by Geography)
- 10 Product Portfolio
- 18 Technologies
- 22 Performance Highlights 2021-22
- 24 Awards & Accolades
- 26 Message from Chairman
- 30 Message from Executive Vice Chairman
- 34 Message from Managing Director & CEO
- 38 Board of Directors
- 40 Executive Management Team

## VALUE CREATION APPROACH

- 44 Value Creation Process
- 46 Triple Bottom Line Performance
- 58 Digitalisation and Innovation
- 60 External Environment
- 64 Stakeholder Engagement
- 67 Material Topics
- 72 Risk Management
- 74 Way Forward
- 76 Contribution to Sustainable Development Goals

## SUSTAINABILITY PERFORMANCE

- 82 Governance Mechanism
- 88 Product Stewardship and Innovation
- 96 Customer Engagement and Support
- 100 Sustainable Supply Chain
- 104 People Practices
- 112 Operational Eco-Efficiency
- 118 Corporate Social Responsibility
- 123 GRI Content Index
- 125 Alignment with UNGC Principles
- 126 Independent Verification Statement
- 130 List of abbreviations

## STATUTORY REPORTS

- 134 Board's Report
- 164 Corporate Governance Report
- 186 Management Discussion & Analysis
- 202 Business Responsibility Report

## FINANCIAL STATEMENTS

- 210 Standalone Financial Statements
- 286 Consolidated Financial Statements

# APPROACH TO REPORTING

Maruti Suzuki India Limited (hereafter referred to as 'MSIL' or 'the Company') is pleased to present its 41<sup>st</sup> Annual Report for the financial year 2021-22. This Report intends to serve as a concise communication about the Company's thoughts on business, governance, performance (financial and non-financial) and prospects in the context of its external environment.

### Reporting Framework

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

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

The non-financial information presented in this Report is based on the Global Reporting Initiative (GRI) standards. Additionally, the Report aligns with the 'Ten Principles of the United Nations Global Compact (UNGC)' and the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs, Government of India.

### Scope and Boundary

The 'reporting period' is from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. The Report covers the manufacturing facilities at Gurugram and Manesar, Research & Development (R&D) facilities at Gurugram and Rohtak, Head Office at New Delhi, regional, zonal and area offices across India, sales and distribution facilities and stockyards. Joint ventures and subsidiaries are excluded. There was no significant change in scope and boundary of the non-financial disclosures from the previous

### Introducing Key Icons

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

reporting period. The calculation methodologies conform to globally accepted standards, while assumptions, exclusions and restatements are clearly stated wherever applicable.

### Approach to Stakeholder Engagement

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

### Independent Assurance

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

### Disclaimer

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

### Contribution to UN SDGs

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

**SUSTAINABLE DEVELOPMENT GOALS**



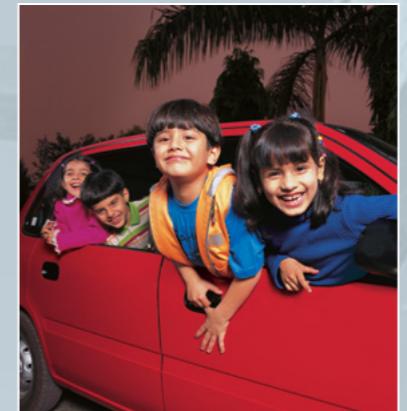
# CORPORATE OVERVIEW

40 Years Timeline	2
Company Profile	6
Global Markets Served (by Geography)	8
Product Portfolio	10
Technologies	18
Performance Highlights 2021-22	22
Awards & Accolades	24
Message from Chairman	26
Message from Executive Vice Chairman	30
Message from Managing Director & CEO	34
Board of Directors	38
Executive Management Team	40

## 40 YEARS TIMELINE



- The Dream of putting India on wheels became a reality in 1982
- Joint venture with Suzuki Motor Corporation, Japan
- First car M800 rolled out in 1983
- Launched Omni & Gypsy



- Accelerated efforts to increase the local component manufacturing ecosystem
- Suzuki Motor Corporation increased its stake in the company to 50%
- Launched Zen
- Launched Esteem

## 1982-1990 Good Beginnings



- Setup local component manufacturing ecosystem
- First lot of 500 cars exported to Hungary
- Launched 1<sup>st</sup> Sedan, M1000



## 1991-2000 Accelerating Ahead



- 1 millionth vehicle (a Gypsy ambulance) donated to Mother Teresa
- Launched round-the-clock emergency on-road vehicle service support
- Gurgaon plant-3 inaugurated
- Launched website, customer care and call centers
- Launched WagonR
- IDTR launched in Delhi



## 40 YEARS TIMELINE



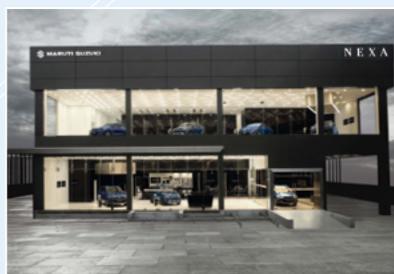
- Launched True Value
- Launched Maruti Finance and Maruti Insurance
- Suzuki Motor Corporation increased its stake to 54.2%
- Listing on NSE and BSE
- Launched Iconic hatchback car, Swift
- Padma Bhushan awarded to Mr. Osamu Suzuki



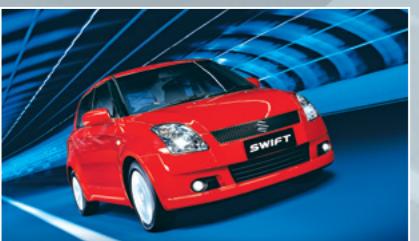
- Maruti Suzuki clocked a cumulative sales of 25 million cars
- Emperor of Japan conferred the Japanese Decoration- The Order of the Rising Sun, Gold and Silver Star upon Mr. R.C.Bhargava
- Launched Ertiga
- 2 million cumulative exports milestone crossed
- Commissioned state-of-art R&D test track at Rohtak, Haryana



- The Padma Bhushan awarded to Mr. R.C. Bhargava
- Global debut of Celerio with revolutionary Auto Gear Shift technology
- Launched Comprehensive Vendor Excellence Programme
- Launched NEXA with the S-Cross
- Launched Smart Hybrid Technology
- Launched Ciaz, Brezza, Ignis, XL6, S-Presso
- Launched Baleno - 1<sup>st</sup> product to be exclusively manufactured in India and exported across the world



## 2001-2010 Cruising in Style



- New manufacturing facility setup in Manesar, Haryana
- Launched SX4
- Achieved milestone of 1 million sales in a financial year
- Launched CNG cars
- Exclusive focus on upcountry markets
- Launched Dzire, Eeco



## 2011-2022 Gearing Up for Excellence



- Suzuki Motor Gujarat commenced operations
- Launched 3<sup>rd</sup> Housing Project for employees
- Launched Commercial Channel with Super Carry
- Indian Railways and Maruti Suzuki flagged off India's first flexi deck auto-wagon rake
- Use of solar power for manufacturing cars
- Started vehicle scrapping facility in Noida



- Finalised new manufacturing site at Kharkhoda in Haryana
- 50-bed multi-speciality hospital started in Sitapur, Gujarat in partnership with Zydus Group of Hospital
- Skill Development—2 dedicated JIMs setup and several ITIs adopted across the country
- Road Safety: Over 4 million people trained through 8 IDTRs and 23 RSKCs



## COMPANY PROFILE

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

### FACILITIES IN INDIA



### PRODUCTION CAPACITY

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

Suzuki Motor Gujarat Private Limited (SMG), a subsidiary of SMC, was set up in Hansalpur, Gujarat to cater to the increasing market demand for the Company's products and has been operational since 2017. In April 2021, the 3<sup>rd</sup> manufacturing plant with an annual production capacity of 0.25 million units, was

made operational. With this new capacity addition, an annual production capacity of 0.75 million units has been made available at SMG, thereby taking the Company's combined production capability to ~2.25 million units. The Company is responsible for the sales and distribution of units produced at the SMG facility.

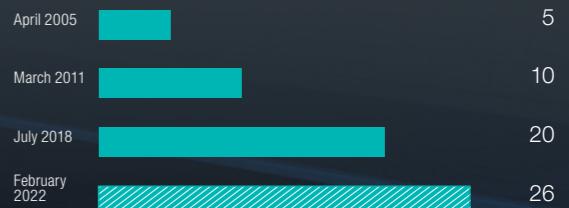
### UNIT SALES (DOMESTIC AND EXPORT)\* unit

1,652,653

FY'18	1,779,574
FY'19	1,862,449
FY'20	1,563,297
FY'21	1,457,861
FY'22	1,652,653

### TOTAL CUMULATIVE PRODUCTION (in Millions)

26



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



## GLOBAL MARKETS SERVED (BY GEOGRAPHY)

Exports to  
about 100 countries

### TOP 5 EXPORT MODELS

1

Dzire



2

Baleno



3

Swift



4

S-Presso



5

Brezza



### SALES VOLUME

63,752

SOUTH AFRICA

28,241

CHILE

24,420

EGYPT

10,451

PHILIPPINES

10,035

COLOMBIA

Note: Map not to scale

## PRODUCT PORTFOLIO

### NEXA

#### Baleno

A car that redefined the premium hatchback segment, the Baleno is the fastest-selling car in India to reach 1 million sales milestone. The 2<sup>nd</sup>- generation New Age Baleno is a technologically advanced premium hatchback offering many first-in-segment features.



#### XL6

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



#### Ignis

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



#### S-Cross

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



#### Ciaz

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



## PRODUCT PORTFOLIO

### ARENA



#### Brezza

India's favorite compact SUV, the Brezza, took the segment by storm ever since its launch. Admired for its bold design and imposing presence, the Brezza has captured the hearts of auto experts and customers alike. It has been the #1 selling compact SUV for five consecutive years since its launch. The 2<sup>nd</sup>-generation Brezza is a technologically advanced compact SUV with youthful and energetic designed.



#### Ertiga

Introduced in 2012, the Ertiga created a unique segment and became India's most loved Multipurpose Utility Vehicle in no time. The 2<sup>nd</sup>-generation Ertiga continues to be the market leader in its segment.



### WagonR

Introduced in 1999 as a tall boy hatchback car, the WagonR is one of the most popular cars in the country. It has been ranked in the top 5 selling models in India consecutively for last 15 years, and is the highest-selling CNG car in India. The 3<sup>rd</sup>-generation WagonR is also India's highest-selling car in FY 2021-22.



#### Dzire

Introduced in 2008, the Dzire is the most admired and the highest-selling entry-sedan in the country. The 3<sup>rd</sup>-generation Dzire is one of the most popular sedans in India and it continues to excite customers.



#### Swift

Introduced in 2005, Swift is one of the most loved hatchbacks in the country and has created a glorious legacy with unmatched driving experience, great customer fan following, acceptance and delight. Swift is the highest selling car in its segment.



# PRODUCT PORTFOLIO

## ARENA



### Alto

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



### Celerio

Maruti Suzuki pioneered with auto gear shift technology in the country with the Celerio. The 2<sup>nd</sup>-generation Celerio is known for its convenience and design and is aptly positioned as 'Drive your Style'.



## S-Presso

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



## Eco

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



## PRODUCT PORTFOLIO

### COMMERCIAL



#### Super Carry

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



#### Eeco Cargo

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



### Sales and Service Channels in India

#### MARUTI SUZUKI ARENA

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



#### TRUE VALUE

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



#### NEXA

A premium sales channel targeted at new customer segments, offering a global buying experience, innovative technology and enhanced hospitality.



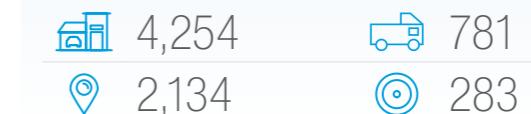
#### COMMERCIAL

The fastest-growing automobile retail channel in India



#### SERVICE CHANNEL

An extensive network for vehicle servicing, including value-added services such as Maruti Mobile Support vehicles and on-road assistance



Outlets

Cities

Vehicles deployed for quick response

Service on Wheels

### Supporting Products and Services

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



#### Maruti Suzuki Genuine Parts

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



#### Maruti Suzuki Genuine Accessories

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



#### Maruti Suzuki Finance

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



#### Maruti Suzuki Rewards

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



#### Maruti Suzuki Subscribe

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



#### Maruti Suzuki Driving School

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

World-class driving training using advanced simulators

## TECHNOLOGIES

# Carbon Reduction Technologies



PROGRESSIVE SMART HYBRID



S-CNG



NEW GENERATION K- SERIES  
ENGINES

## Strong Hybrid - Intelligent Electric Hybrid Technology

Offers superior energy efficiency and lower CO<sub>2</sub> emissions.

This Hybrid Technology has exclusive option of driving in PURE ELECTRIC powertrain mode (EV mode)

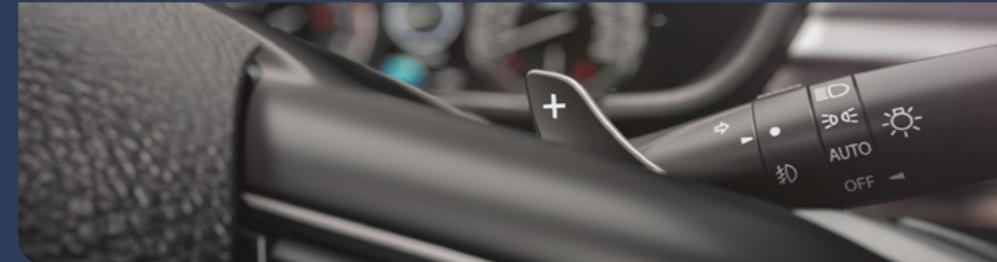


## TECHNOLOGIES

### Comfort, Convenience and Connected Technologies



PANORAMIC SUNROOF



6-SPEED AT WITH STEERING MOUNTED PADDLE SHIFTERS



VENTILATED SEATS



AWD- SUZUKI ALLGRIP SELECT TECHNOLOGY



SUZUKI CONNECT



9" SMARTPLAY INFOTAINMENT



WIRELESS CHARGING

## Safety Technologies



360 VIEW CAMERA



HEAD UP DISPLAY



6 AIRBAGS

## PERFORMANCE HIGHLIGHTS 2021-22

		Trend	2021-22	2020-21
 <b>Financial Capital</b> The Company's growth strategy, along with disciplined allocation of capital, has led to sustained financial returns.	Capital employed (₹ million)	△	540,860	513,668
	Net sales (₹ million)	△	837,981	665,621
	PAT (₹ million)	▽	37,663	42,297
	Book value per share (₹)	△	1,790	1,700
 <b>Manufactured Capital</b> The Company utilises state-of-the-art facilities and highly efficient green manufacturing processes to manufacture reliable and quality products.	Vehicles sold	△	1,652,653	1,457,861
 <b>Intellectual Capital</b> With the product and technology licences received from SMC, the Company is able to offer relevant products in the Indian market.	R&D spend (₹ million)	▽	4,233	6,259
	Patents applied/granted	△	122/56	110/31
	R&D engineers	△	1,920	1,889
 <b>Human Capital</b> The Company is focused on developing the skills, competencies, health, safety and well-being of its human resources so that they may be optimally leveraged for value creation across other capitals.	Employee benefit expenses (₹ Million)	△	40,222	34,028
	Voluntary employee attrition (%)	△	3.9%	1.8%
	Number of suggestions shared by employees towards continuous improvement in systems and processes	△	699,717	461,800

		Trend	2021-22	2020-21
 <b>Social and Relationship Capital</b> The Company strives to maintain mutually respectful and beneficial relationships with its stakeholders such as customers, value chain partners, local communities and the Government, creating a favourable environment for business.	Sales outlets	△	3,357	3,120
	Service outlets	△	4,254	4,044
	Sales workforce upskilled through various training programmes	△	310,199	190,635
	Service workforce upskilled through various training programmes	△	511,629	353,179
	Training facilities setup for improving the capability of suppliers' workforce (T-1 Suppliers)	△	400	387
	Training facilities setup for improving the capability of suppliers' workforce (T-2 Suppliers)	△	700	209
	CSR spend (₹ million)	▽	1,007	1,409
	People covered under automatic evaluation of driving skills (for issuing driver licences)	△	168,291	106,441

		Trend	2021-22	2020-21
 <b>Natural Capital</b> The Company strives to reduce the impact of its products and services on the environment through the sustainable use of natural resources and responsible waste, wastewater and emissions management practices.	Number of models (cumulative) in which International Material Data System (IMDS) implemented during the year to disclose 'RRR' performance	△	15 models	11 models
	Tier-1 supplier plants implemented ISO 14001 environmental management systems (%)	△	92%	91%
	Recycling of steel scrap (%)	◁▷	100	100
	Renewable energy used in manufacturing vehicles (total solar power capacity - MWp)	△	26.3	10.4
	Cumulative CO <sub>2</sub> emissions avoided by using green vehicles	△	1.58	1.29
	CO <sub>2</sub> emissions avoided by using Railways for vehicle dispatches (in MT)	△	1,035	866

## AWARDS & ACCOLADES

### Business Today MindRush 2022 Awards

Mr. R.C. Bhargava was awarded the 'Business Icon – Corporate Visionary' by Honourable Minister Shri. Piyush Goyal, Minister for Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles.



### Jagran HiTech Awards 2021

Mr. Kenichi Ayukawa, Executive Vice Chairman, was conferred the 'Lifetime Automotive Industry Leader of the Year' award at the prestigious Jagran HiTech Awards



### Grant Thornton Bharat SABERA Award

Won in the 'Responsible Business of the Year' category



### The Economic Times Best Brands 2021

The Economic Times recognized Maruti Suzuki as one of the 'Best Brands' in 2021. The award acknowledges brands with higher recall success, popularity, and the benefit of instant association among consumers and other stakeholders.



### Haryana Government felicitates Maruti Suzuki with a Certificate of Appreciation

Recognised for its significant contribution in combating the COVID-19 pandemic in Haryana



### Indian Vehicle Awards 2022

Celerio won Entry-level Hatchback car of the year



### India CSR Leadership Award 2021

Maruti Suzuki was awarded in three categories at a ceremony conducted during the prestigious India CSR Leadership Summit 2021. The categories were:

- COVID-19 Response: Support to Government in Augmenting Health Care
- Road Safety
- Skill Development



## MESSAGE FROM CHAIRMAN



*Dear Shareholders,*

It is my pleasure to express my thoughts through the annual Integrated Report of Maruti Suzuki India Limited. During 2021-22 we, like all other companies, were seriously affected by the second wave of the Covid pandemic. Fortunately, since then the Covid pandemic seems to have lost much of its virulence and the third wave did not disrupt our lives or business to any great extent. The need to take precaution continues, including having booster shots of the vaccine. I earnestly hope that 2022-23 will be a healthy and productive year for all of us.

Before proceeding further, I would like to pay tribute to Mr. V. Krishnamurthy who passed away in June at the age of 97. He was the Managing Director and Vice Chairman when your company was incorporated. The joint venture with Suzuki was created under his leadership. He was the person who guided all of us during our initial years and laid the foundations for establishing a new management culture that led to the future success of your company. I personally learnt a great deal from him and will always remember him with deep respect.

We have also had a change in our Managing Director and CEO. Ayukawa San is moving on to higher responsibilities in Suzuki Japan. On your behalf I would like to express our deep appreciation of his contribution in building the company and wish him all the success. Mr. Takeuchi is our new leader. He comes with a wealth of experience and achievements and we look forward to his taking us to greater heights.

This year is a landmark not only for your company but also for the country. We celebrate 75 years of Independence and have created history by electing a tribal leader, who is a woman, to be our President. India moves towards greater inclusivity. Your company also celebrates 40 years of the formation of the partnership with Suzuki of Japan. It was on the 2<sup>nd</sup> of October 1982 that the Government of India and Suzuki of Japan signed a joint venture agreement and set in motion a process that has resulted in the development of a modern competitive automobile industry in India, generation of millions of jobs and creation of immense wealth for the nation. I venture to say that manufacturing standards in India changed as a result of practices we brought in. In many ways your company is responsible for several of the positive factors that have marked the journey of our great country during the last 40 years.

MSIL not only created a modern automobile industry in India but brought in new concepts of quality, productivity and competitiveness to manufacturing activities in India. We now have a large component manufacturing industry that is of global standards. Thanks to the progressive policies of the present government, foreign companies are locating manufacturing facilities in India and sourcing products and components because manufacturing here is of global standards. Your company was the first to recognize the importance of focussing on the consumer and introduced a host of new practices. The success of your company attracted most of

## MESSAGE FROM CHAIRMAN

the leading car manufacturers of the world to India. In the manufacturing sector, foreign investments in the car and component industry are by far higher than in any other sector. Your company is conscious of its role as an industry leader and commits to keep doing its best to promote national interests and the development of the country.

The unexpectedly large success of Maruti created wide awareness in Japan about India and the exciting possibilities of the two countries working together in the manufacturing sector. Over the years the economic as well as political ties between our countries have continued to strengthen. All of us fully recognize that this situation has come about because of the trust that Mr. O. Suzuki showed in the Indian management, his love for this country and the continued help and support that SMC, and all members of that company have continued to give us. It has been demonstrated that when two countries work in the true spirit of partnership, with trust and confidence in each other, the outcome has to be wins for both partners. We look forward to reaching greater heights in the future with the support and guidance of SMC. To mark 40 years of this wonderful partnership your company is intending to launch a number of new initiatives. These will be announced at the appropriate time and place. I am confident that all of you will find them of great interest and value.

During the financial year 2021-22 our total sales increased by 13.4% to reach 16.52 lakh units. Even though profits were lower, the Board of Directors decided that in the context of our completing 40 years of partnership, the dividend should be increased to INR 60 per share compared to INR 45 per share in FY2020-21. I hope this will have your approval. Besides the loss of sales in the first quarter due to the pandemic, production remained affected due to the shortage of semi-conductors, mainly for domestic models. The number of unmet bookings with the company at the end of the year rose to about 2.7 lakhs. The demand for CNG cars was particularly strong and the largest proportion of pending orders were also those of CNG vehicles. The sale of the non-premium hatch backs declined by 5% compared to 2020-21, and were lower than sales in this sector in 2018-19 by 29%. I had mentioned in my last year's address that this sector was the most affected by rising costs and the trend has continued. On the other hand, the SUV sector continued to grow. We did not have enough models in this segment to compete effectively, though the situation has now become much better with the launch of the remodelled Brezza and the global launch of the Grand Vitara. More models are to follow. We are hopeful that MSIL's market share will rapidly increase in the SUV segment.

One result of the sale pattern in 2021-22 was that MSIL's market share declined to 43.4%. While MSIL lost some opportunity in domestic market, it made all efforts to maximise the overall production and sales volume. Export vehicles increased by 1.42 lakh as semi-conductor shortage did not affect export models as much. Besides, OEM sales, which are not counted in MSIL's market share, were 49,000 units.

During the current year, the vehicle production would increase as the situation regarding the availability of semi-conductors has improved. Your company has also made further improvisations to enhance production. I am exhorting our team to reach 2 million units, though doing that remains a challenge.

I have mentioned the launch of the Grand Vitara. This product will be manufactured for your company by Toyota in its Karnataka factory. This is one of the reasons why we are expecting to increase production and challenge 2 million units. But what is more significant is that this SUV will also come with Toyota's strong hybrid technology. This is the first-time cars with this technology would be manufactured in India. In the official tests the fuel efficiency of the Grand Vitara strong hybrid version is 27.97 km/litre, almost 10 km/litre higher than its competitors. This Strong hybrid variant offers 26.4% lower CO<sub>2</sub> emissions and 35.9% higher energy efficiency in comparison to its IC Engine variant. With such a healthy CO<sub>2</sub> reduction per car and faster adoption in terms of number of cars, the strong hybrid technology is a very potent solution to reduce total fleet emissions of cars in our country. You all are already aware that EV's will be manufactured by the Gujarat plant of SMC from 2024-25 and sold by MSIL. As I had mentioned last year, it will take time for EV's to become the major product in all the segments of the car market. In the period till this change happens, the object of carbon footprint reduction would be facilitated by incentivising the use of CNG, ethanol, biogas and strong hybrids in addition to EVs.

All of you would be aware of the finalisation of the land purchase at Kharkhoda in Haryana. We are giving high priority to expanding production facilities at this site so as to meet future demands. The first unit is planned to be commissioned in 2025 and the second about a year later. Depending on market conditions this site has

the potential to become one of the largest car manufacturing sites anywhere in the world. The facilities will incorporate the best of technology and generate employment opportunities in the State of Haryana and all over India. We are also increasing manufacturing capacity in Manesar by another 100,000 units a year.

The emphasis of Health, Safety and Environment remains unchanged. The water treatment facilities at both Gurgaon and Manesar Plants are being upgraded for zero liquid discharge capabilities. We already have 26.3 MW of solar energy generation in operation in our plants at Gurgaon and Manesar. There is a plan to add another 21.85 MW by 2024. At the Kharkhoda site we plan to install another 20.0 MW of solar energy from the very beginning. Our employees are fully vaccinated and most have had the booster dose. We work closely with our supplier partners and dealers to ensure that they also adopt the best practices in respect of employee safety, health and adopting practices that would minimise risk of any damage from fire or other accidental causes.

The CSR programme continues as approved by the Board. Funds allocated are fully utilized though, because of lower profitability during the last 2-3 years the CSR budget has seen a substantial decrease. The hospital and school in Gujarat are functioning well and the residents of that area are very satisfied with these new facilities.

The emphasis on road safety continues. Your company fully supports the government's programme of reducing road fatalities. We believe that a big impact can be made in reducing road deaths if those who drive cars as well as two wheelers are better trained in the methods of safe driving and also are fully aware of all the laws and regulations applicable to them. Further, drivers must learn to obey these laws and for that effective enforcement is necessary. Technology enables these activities to be carried out much more effectively and MSIL has, under the CSR programme, been working in areas like simulator equipped driving schools, automated test tracks for testing drivers and cameras for enforcement of laws. the effectiveness of what we are doing has been proven. It is now necessary that State governments revise the legal framework and allot necessary funds to introduce systems that will improve driving and enforcement of laws. In addition, it is necessary that as long as a vehicle is on the road it should have all the safety equipment fully functional. While new vehicles are certified as being fit it is also necessary that periodic inspections and certification carried out transparently and effectively. Many accidents are caused due to vehicle equipment malfunction due to poor maintenance. I believe that the facilities and expertise with the private sector could be used by the government in this area and it would help to reduce deaths in a short period of time.

Your company has always given the highest importance to the role of employees in building excellence. Teamwork and trust in each other have been the basis of our progress. Our associates who work on the shop floor have shown that the traditional belief that managements and workers cannot work together is not valid and that working as a team creates the best value for both. Your company would never have made the progress it has but for the contribution of all our employees without any exception. I again acknowledge their role and thank them for what they have done and are doing. It is true that your company and its leadership have won many awards, but it is very clear that these belong to all the employees.

Lastly, I would like to express my thanks to all our shareholders who have steadfastly supported us through good and bad times. This support has been a great source of strength to us and with all of you behind us I look to the future with great confidence and optimism.

Jai Hind



**R. C. Bhargava**  
Chairman

## MESSAGE FROM EXECUTIVE VICE CHAIRMAN



*Dear Shareholders,*

I would like to start my letter by paying tribute to our first MD and Vice-Chairman, Mr. V. Krishnamurthy, who laid down the foundation of this successful organisation, which completely modernised and expanded the Indian automobile industry. He will always have a special place in the history of this Company.

The year FY 2021-22 was the last year of my 9 years long stint in the Company as MD. The Board has kindly elevated me to Executive Vice Chairman position. In the glorious history of 40 years of the Company, I got a chance to contribute to almost one fourth of its time.

I vividly remember my first media interview after taking the role of MD in 2013. A journalist asked me about my plans for Maruti. I told him that I wanted to write a new chapter in the glorious history of this great Company. I came with that thinking.

How much I was able to succeed in writing a new chapter, the stakeholders of the company: customers, employees, shareholders, business partners, journalists etc. will be able to judge better.

My first priority was to take the employee-company relations to an altogether new level. The company took various initiatives to enhance the bond between management and workmen and make them feel part of one family. I personally used to meet the workmen union every month without exception to understand and address their expectations and to convey them the business situation. This helped me better understand their needs and as a result some industry leading welfare measures like housing scheme, post-retirement medical scheme, best in class health-care support etc. were implemented. Today, if I look back, the enthusiasm, with which the employees had supported the Company in successfully navigating several significant disruptions, is a testimony to healthy and harmonious industrial relations.

The other major task was to manage size and growth without diluting management's attention to details. This led to the establishment of Suzuki Motor Gujarat (SMG), a 100% subsidiary of SMC to produce cars for the Company on no-profit-no-loss basis. With this support coming from SMC, the Company could better focus on customer-centric initiatives. This unique arrangement was thought to strengthen the future competitive position of the Company. I thank our minority shareholders for approving the SMG project with overwhelming majority. Within a 5-year period, 3 production lines were established in SMG with a combined production capacity of 7.5 lakh cars per annum.

## MESSAGE FROM EXECUTIVE VICE CHAIRMAN

With the above arrangement we could concentrate on taking more initiatives for customer-facing functions, like our new sales channel strategy. The Company established two new sales channels viz: NEXA and Commercial channel, while upgrading the existing channel in the fresh feel of ARENA. The strategy helped Company gain market share.

The period was marked with changing technological landscape in Indian automobile industry for which the Company felt the need of new-age technologies. Our parent Company, SMC, is providing strong technological support to the company. Besides, SMC has partnered with Toyota Motor Corporation, Japan to support us with new-age technologies. I feel fortunate to contribute my bit in taking this partnership from drawing board to real life. The benefits are visible even beyond the access to technology.

Introduction of Strong Hybrid technology with Grand Vitara, increased exports, incremental sales volume of some of the models such as Baleno and Brezza which Company sells to Toyota Kirloskar Motor India etc. are some benefits of the partnerships.

The company also moved ahead in the journey of electrification of powertrain during the period, first by introducing smart hybrid then localising the battery pack manufacturing through Toshiba-Denso-Suzuki joint venture. Recently, our parent, SMC announced to invest INR ~ 10,400 crore for manufacturing of Electric Vehicles and batteries in SMG. The company has planned to introduce EVs by 2025. Also, the Company made efforts to significantly increase the share of CNG vehicles in its sales. Besides, the Company is also studying the feasibility of bio-fuel technologies as a powertrain option.

I set a mission to sell 2 million cars a year by around 2020 and the Company reached very close by selling ~1.9 million units in 2018-19. Unfortunately, in FY2019-20 the automobile industry declined by ~18% due to sudden and steep increase in vehicle prices on account of new product regulations and increase in road taxes in various states.

Unfortunately, successively, another big disruption emerged in the form of COVID pandemic.

But for me, the priority was human life and health.

No one had any experience to handle this unknown and invisible enemy. The company implemented stringent safety measures. We joined hands with multiple healthcare providers to extend support to any employee who required medical support.

We set up vaccination camps for employees and their families. Alongside, we supported our value chain partners to set up safety measures and vaccinate their workforce.

As a responsible corporate, besides employees, we reached out to nearby communities with food, water and dry rations, face masks, oxygen cylinders. We collaborated with our supplier partners to quickly scale-up the domestic manufacturing of ventilators and medical PSA oxygen generating plants.

We did whatever we could in the fight against pandemic and achieved some results with our efforts. Importantly, I am happy that we did not lose hope and kept our spirit to fight back.

Through my tenure, I had emphasized to our people to have close communication and collaboration to support each other as one family. I believe that this concept helped us in our fight against the pandemic.

I believe in the Darwin's Theory of Evolution- "Survival of the fittest," which highlights the importance of adaptation with changing times. I often tell my people that if we do not change as per the environment around us, we will not survive. To me, this is the foundation of success for any business and its sustainability.

Business challenges will continue to evolve. Changes in technology, customer preference and many more aspects will surely bring more challenges. I am confident that Maruti Suzuki will use these as opportunities and emerge successful.

As I hand over the reins of this magnificent company, I draw satisfaction from the fact that Maruti Suzuki is in the hands of able leadership of Mr. Hisashi Takeuchi. I am sure under his leadership Maruti Suzuki will achieve even greater heights.

With that, I wish all my stakeholders a healthy and prosperous future. I would also like to take this opportunity to thank our stakeholders for their support during my tenure.

**Kenichi Ayukawa**  
Executive Vice Chairman

## MESSAGE FROM MANAGING DIRECTOR & CEO



*Dear Shareholders,*

This is my first address to you after taking the role of MD & CEO of the Company. First, I would like to thank and compliment my predecessor, Mr. Kenichi Ayukawa for his valuable contribution in strengthening the Company. He wrote a new chapter in the history of Maruti Suzuki by transforming many business areas of the Company and enhancing the quality of business. During his tenure of 9 years as MD, the Company faced rough weather on many occasions but navigated smoothly under his able leadership and kept progressing. It is my honour and privilege to take this journey of Maruti Suzuki's growth ahead.

Coincidentally, it is also the 40<sup>th</sup> anniversary since the signing of the joint venture agreement between the Government of India and Suzuki Motor Corporation, Japan. The Company was incorporated to put India on wheels, and it gives me immense happiness to see that it has been true to its *raison d'être* even today. It can't be a stroke of luck that a Company is continuing its leadership journey for 4 decades. It's a thoughtful strategy crafted by its visionary leaders, with a winning culture.

One such visionary leader was Mr. V. Krishnamurthy, our first MD and Vice-Chairman, whom we unfortunately lost recently. I express deep gratitude to him for laying a strong foundation of the Company without which it would have been difficult for the Company to reach its present height and stature.

If we look back, one of the key success factors in our journey has been the strong focus on understanding and fulfilling the needs of customers by offering them relevant products, technologies, and services. Over the years, customers have evolved and accordingly our products, services, and business processes too have aligned, keeping the customers at the heart of it.

The other factor has been how we have always thought of the long-term in all our actions. In the 1980s, if we had to scale up our volumes and keep the cars affordable, we needed to develop a component industry to localise the manufacturing of the same for us. India has a vast geographical spread; so, a wider dealer network with focus on service was developed for customer convenience. All management decisions today are based on the long-term interests of our customers.

## MESSAGE FROM THE MANAGING DIRECTOR & CEO

Last but not the least, we have a very good blend of Indian and Japanese cultures in our Company. We were able to combine Japanese shop-floor practices and discipline with Indian innovation and zeal in our operations. Our parent Suzuki, Japan, has been a silent support, trying to look at the future from its global experience and carefully selecting the best technology and products for Indian customers, thus taking away a lot of risks from our operations.

As I take the reins of the Company, I would like to continue to nurture the ethos of the Company and truly commit towards the reason for existence of the Company. At the same time, I will keep aligning the business processes and systems with the changing business requirements.

Since the last 40 years, the Company has been satisfying mobility needs of many Indian people by providing affordable modern-technology cars. However, still only 3% of Indian people enjoy the ownership of a car and I would like to deliver the 'Joy of Mobility' to as many Indian people as possible. This is my personal mission. Majority of people love our products, and we also want them to join our large base of happy and loyal customers. However, we had some gaps in our product range in the SUV segment which were keeping away some of these customers from joining the Maruti Suzuki family. I am happy to share that now we have started strengthening the SUV segment with the All New Brezza and we have received overwhelming response from our customers. Similarly, Grand Vitara, another introduction in the SUV segment of the Company, has been proving to be a blockbuster from DAY ONE. It has been offered in multiple powertrain variants ranging from smart hybrid to strong hybrid versions. The strong hybrid variant offers fuel efficiency of 27.97 Km/litre, the most fuel-efficient model in its category, outstripping even the diesel offering in the segment by a wide margin.

Some variants also offer Suzuki's ALLGRIP SELECT technology that delivers a powerful off-road drive experience.

With the introduction of strong hybrid technology in Grand Vitara, the Company has taken a major step towards electrification. The introduction of strong hybrid is also an example of the benefits that the Company is deriving from the business partnership with Toyota Motor Corporation, Japan. The Company has also drawn plans to introduce Electric Vehicles in Indian market by 2025. Suzuki has announced the investment of around 10,400 crore rupees for manufacturing EVs and batteries in the Suzuki Motor Gujarat (SMG) plant.

The Company will continue to strengthen the SUV segment in near future.

Beyond SUV, the Company has also been working on products in other segments and new-age features to make our offerings even more attractive.

In recently launched models, the Company has started offering many new-age features such as Panoramic sunroof, Head Up Display, 360 view camera, Ventilated seats, Tire Pressure Monitoring System (TPMS), Electronic Stability Program (ESP) with Hill Hold Assist, Suzuki connect (Telematics) etc.

I am hopeful that with expansion and refreshment of product portfolio, new age features and fuel-efficient technologies, the customers will find virtually everything they desire in our products and don't have to go anywhere. This gives me confidence in regaining the market share of 50% in near future.

Our products are also creating excitement in overseas markets. Thanks to our parent company, SMC, we have been able to leverage its vast global distribution network to significantly enhance our exports from India.

With such exciting products we anticipate good demand, for which we need more production capacity. The Company will be investing in Haryana to set-up a new plant. The first plant with a manufacturing capacity of 250,000 vehicles per annum is expected to be commissioned within the year 2025. In the first phase, the investment would be over 11,000 crore rupees. The site will have space for capacity expansion to include more manufacturing plants in the future.

While the Company is preparing ground for maintaining its leadership for many more years, it becomes equally important to ensure that the interests of all our stakeholders are adequately addressed. Stakeholder sensitivity and inclusivity is thoroughly engrained in the ethos of the Company, and I would look at further opportunities to take this to a higher level.

In line with this philosophy, I would like to convey sincere gratitude to our esteemed customers, employees, dealers, suppliers, other business partners, progressive government, and our shareholders for their continued support and confidence.

Thank you.



**H. Takeuchi**  
Managing Director and CEO

## BOARD OF DIRECTORS



**Mr. R. C. Bhargava**

Chairman

**S N C R**

**Mr. O. Suzuki**

Director and Honorary  
Chairman

**Mr. T. Suzuki**

Director

**N**

**^Mr. Kenichi Ayukawa**

Executive Vice Chairman

**S C R**



**Mr. D. S. Brar**

Independent Director

**A S N**



**Mr. R. P. Singh**

Independent Director

**A C**



**Ms. Lira Goswami**

Independent Director

**A N**



**Mr. Maheswar Sahu**

Independent Director

**A R N**



**^Mr. Hisashi Takeuchi**

Managing Director  
& CEO

**S C R**

**Mr. Shigetoshi Torii**

Joint Managing Director  
(Production and Supply Chain)

**R**



**Mr. Kinji Saito**

Director



**Mr. Kenichiro Toyofuku**

Director  
(Corporate Planning)

**R**

## BOARD COMMITTEES

**A** Audit

**S** Stakeholders' Relationship

**C** CSR

**N** Nomination & Remuneration

**R** Risk Management

Additional Members (Risk Management)

**Mr. A. Seth**

**Mr. R. Gandhi**

Executive Vice President and Company Secretary

**Mr. S. Grover**

Auditor

**Deloitte Haskins & Sells LLP**

## EXECUTIVE MANAGEMENT TEAM



1. Mr. K. Ayukawa, Executive Vice Chairman
2. Mr. H. Takeuchi, Managing Director and Chief Executive Officer
3. Mr. S.Torii, Joint Managing Director (Production & Supply Chain)
4. Mr. P. K. Roy, Sr. Executive Officer (Production)
5. Mr. M. Kunieda, Executive Officer (Supply Chain)
6. Mr. S. Kakkar, Sr. Executive Officer (Supply Chain)
7. Mr. A. Seth, CFO (Finance & Internal Audit)
8. Mr. K. Toyofuku, Director (Corporate Planning)
9. Mr. R. Bharti, Executive Officer (Corporate Planning & Govt. Affairs) and Chief Investor Relations Officer
10. Mr. K.Kasahara, Executive Officer, (Corporate Planning & New Projects)
11. Mr. S. Y. Siddiqui, Executive Advisor, (Realty Infrastructure Development)
12. Mr. M.Oishi, Executive Officer, (Finance)
13. Mr. P. Garg, Executive Officer, (Finance)
14. Mr. T. Aggarwal, Executive Officer (Engineering - Electronics, xEV and Connected Systems)
15. Mr. T. Fujii, Executive Officer (Engineering)
16. Mr. C. V. Raman, Chief Technology Officer
17. Dr. T. Sahoo, Executive Officer (Engineering - Product & Cost Planning, Design & Development)



18. Mr. N.Suzuki, Executive Officer, (Marketing & Sales)
19. Mr. S. Srivastava, Sr. Executive Officer (Marketing & Sales)
20. Mr. R S Kalsi, MEB (Process and Audit - Marketing & Sales)
21. Ms. M. Chowdhary, Sr. Executive Officer (Legal) & General Counsel
22. Mr. P. Banerjee, Sr. Executive Officer (Service)
23. Mr. Y.Kawai, Executive Officer, (Service)
24. Mr. D. Thukral, Executive Officer (Parts & Accessories, Logistics)
25. Mr. R.S. Akella, Executive Officer (Marketing)
26. Mr. S. Grover, Company Secretary
27. Mr. R. Gandhi, MEB (Strategic Projects)
28. Mr. T.Sumino, Executive Officer, (Quality Assurance)
29. Mr. P. Panda, Executive Officer (Quality Assurance)
30. Mr. R. Uppal, MEB (Human Resource, Information Technology, Safety, Digital Enterprise)
31. Mr. K. Suzuki, Sr. Executive Officer (International Marketing)



# VALUE CREATION APPROACH

Value Creation Process	44
Triple Bottom Line Performance	46
Digitalisation and Innovation	58
External Environment	60
Stakeholder Engagement	64
Material Topics	67
Risk Management	72
Way Forward	74
Contribution to Sustainable Development Goals	76

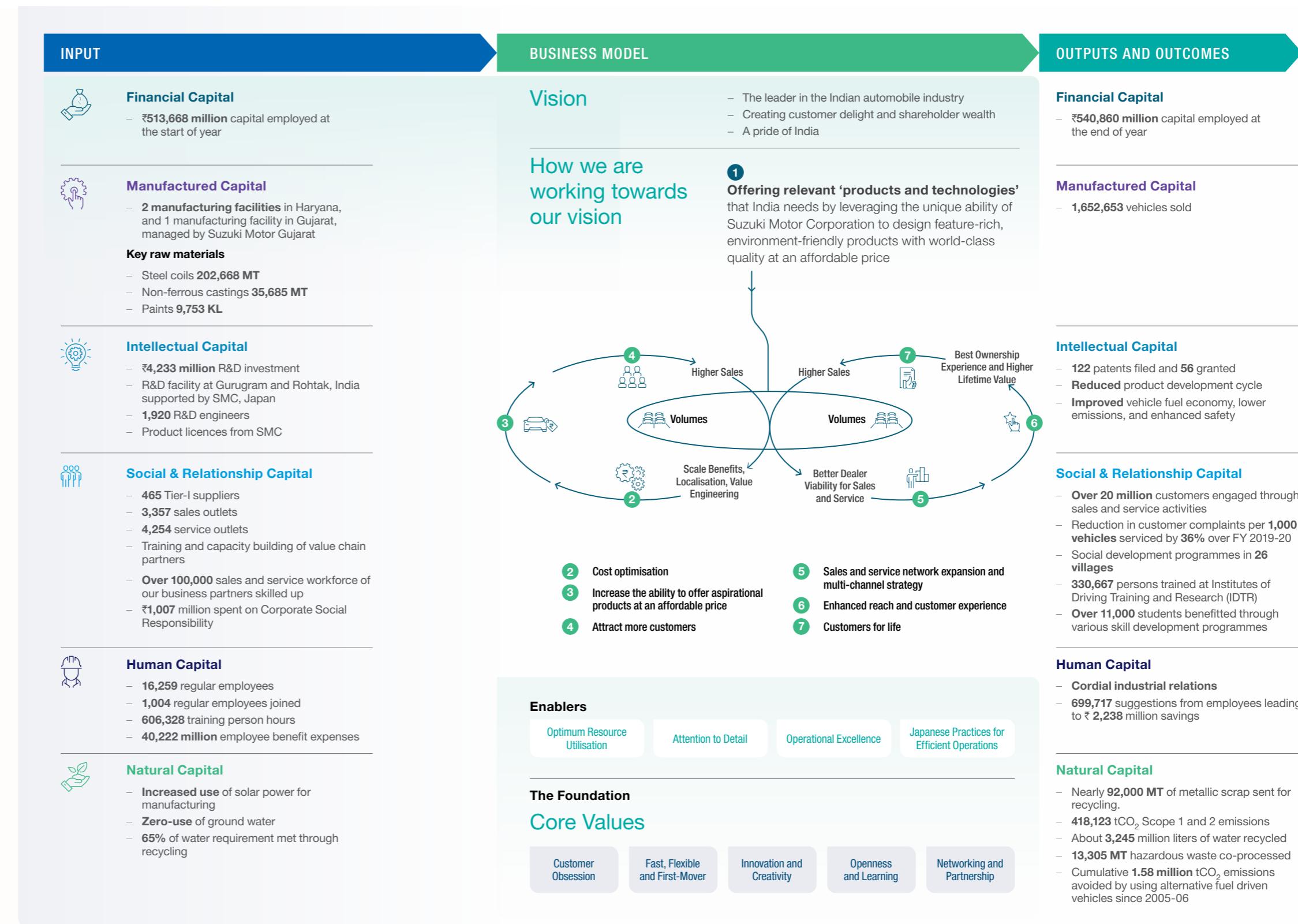
# VALUE CREATION PROCESS

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

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

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

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



# TRIPLE BOTTOM-LINE PERFORMANCE

## Economic Performance

The Company's contributions to its stakeholders have a multiplier effect on the economy, thereby generating millions of direct and indirect employment opportunities. The Company distributes over 90% of the value it generates to various stakeholders in its value chain.

**Material issue**  
Economic performance

**Contribution to SDG**



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

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

### OUTBOUND TRANSPORTERS

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

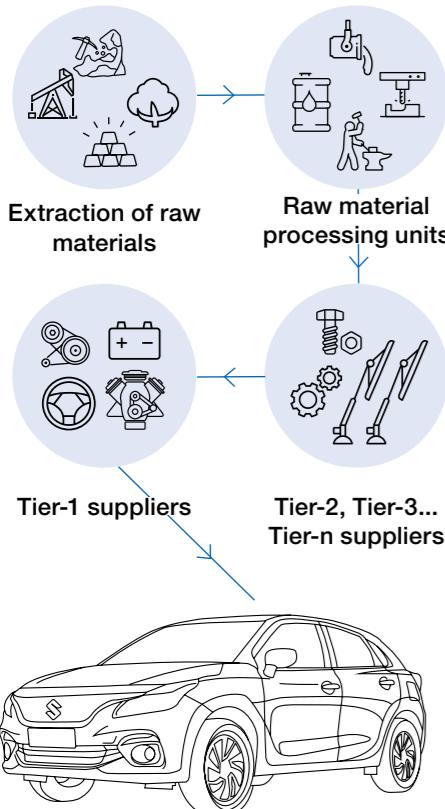
### MARKETING & SALES

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

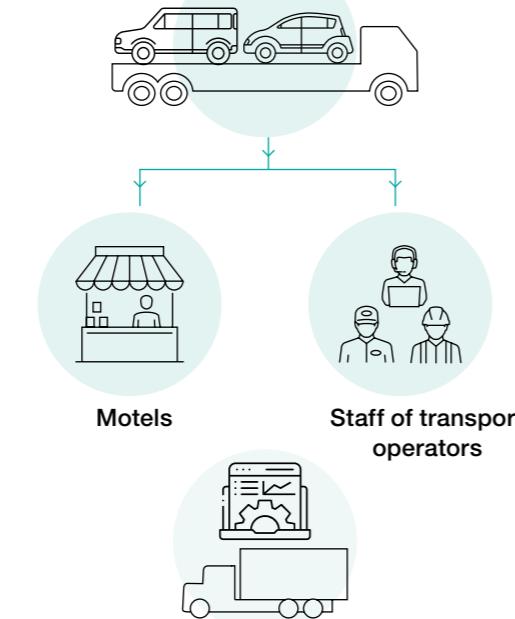
### AFTERMARKET

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

#### SUPPLIER ECOSYSTEM TO MANUFACTURE PASSENGER VEHICLES

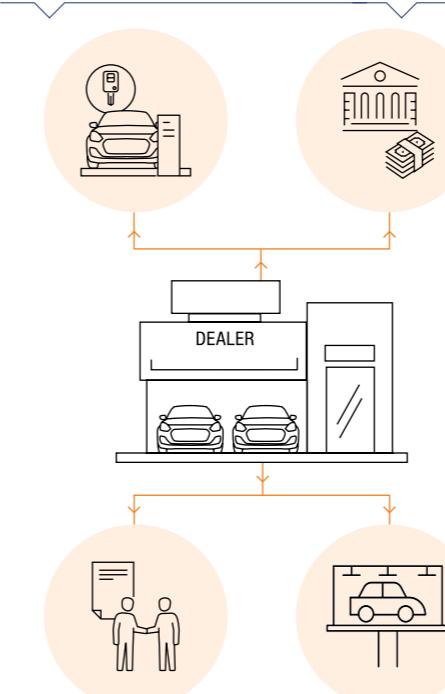


#### TRANSPORT OPERATORS



#### COMMERCIAL VEHICLE OEMS AND CUSTOMISED VEHICLE BODY MAKERS

#### INSURANCE COMPANY



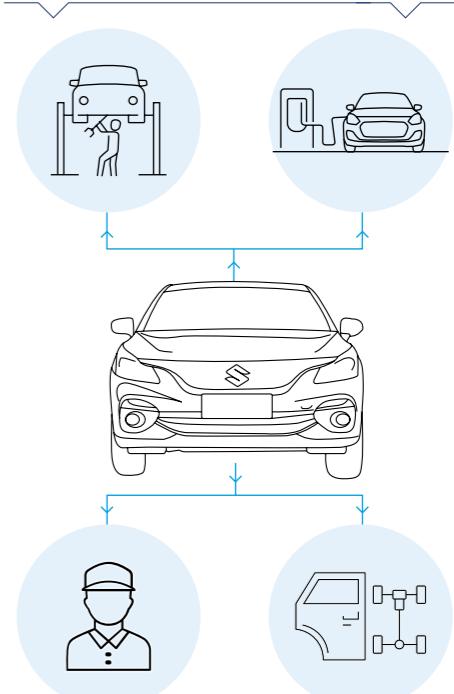
#### SALES TEAM



#### FINANCE COMPANY



#### SERVICE WORKSHOP



#### FUEL DISPENSING STATIONS

# TRIPLE BOTTOM-LINE PERFORMANCE

## Economic Performance

**PAT MARGIN (%)**

**ROCE (%)**

**OPERATING EBIT (%)**

**ROE (%)**

**DIVIDEND PAYOUT RATIO (%)**

**BOOK VALUE PER SHARE (₹ Per share)**


## 5-YEAR PERFORMANCE SUMMARY

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Net Sales	781,048	830,265	716,904	665,621	837,981
EBIT	93,036	79,804	37,769	23,138	29,147
PBT	110,034	104,656	70,648	51,594	45,823
PAT	77,218	75,006	56,506	42,297	37,663
EPS (Rs)	256	248	187	140	125
Dividend Per Share (Rs)	80	80	60	45	60
Net Worth	417,573	461,415	484,370	513,668	540,860
Current Liabilities	154,421	141,503	112,948	162,001	170,137
Total Liabilities	176,128	167,903	141,151	187,940	193,083
Non-current Assets	514,487	505,702	541,247	520,803	566,131
Current Assets	79,214	123,616	84,274	180,805	167,812
Total Assets	593,701	629,318	625,521	701,608	733,943
Operating Cash Flow	117,850	65,932	34,051	88,388	17,912



# TRIPLE BOTTOM-LINE PERFORMANCE

## Environment Performance

### Climate Change Management

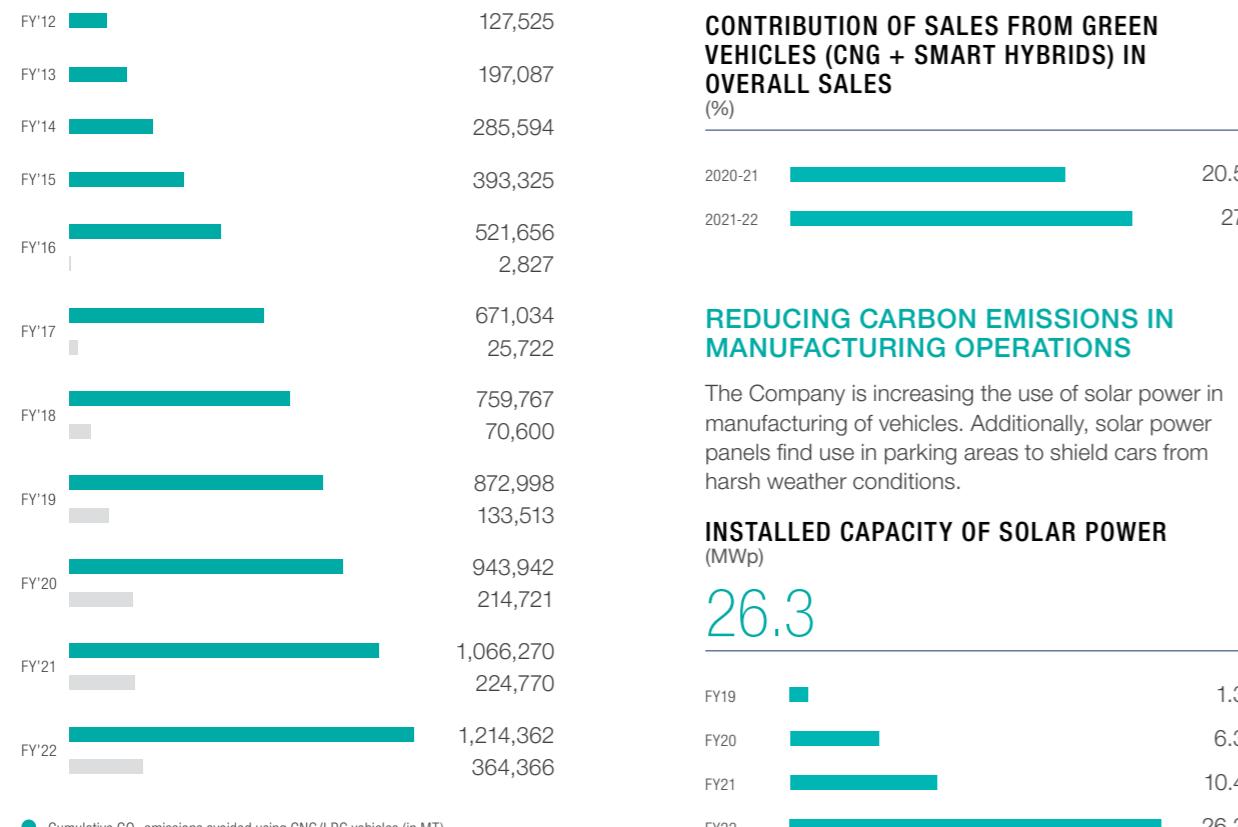
#### Material issue

Products and process emissions reduction



#### REDUCING CARBON EMISSIONS FROM PRODUCTS: CUMULATIVE CO<sub>2</sub> EMISSIONS AVOIDED

The Company deployed CNG and Smart Hybrid technology in its products to minimise carbon emissions.

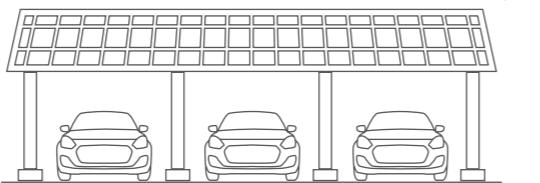


● Cumulative CO<sub>2</sub> emissions avoided using CNG/LPG vehicles (in MT)

● Cumulative CO<sub>2</sub> emissions avoided using Smart Hybrids (in MT)

### 1,578,728 MT

Cumulative CO<sub>2</sub> emissions avoided through green vehicles (till FY 2021-22)



Railway wagon carrying cars

#### REDUCING CARBON EMISSIONS IN VEHICLE DISPATCHES

The increasing use of rail transport over road transport to dispatch vehicles has helped avoid over 4,800 MT of CO<sub>2</sub> emissions in the past eight years as it saved over 156,000 truck trips and over 174 million litres of fuel.

#### EFFORTS TOWARDS ELECTRIFICATION OF POWERTRAIN

The Company will launch its 1<sup>st</sup> Battery Electric Vehicle by 2025. Our parent company, Suzuki will invest ₹10,400 crores in Gujarat, India, to construct a plant for manufacturing of BEV batteries and Electric Vehicles. The Company will introduce Strong Hybrid Electric Vehicle in its product line-up in FY 2022-23.

TDS Lithium-Ion Battery Gujarat Private Limited (TDSG) is India's first lithium-ion battery manufacturing plant with cell level localisation. TDSG is a collaboration among Toshiba, Denso and Suzuki—three of the biggest names in global automotive industry. The Company sources lithium-ion battery packs used in Smart Hybrid vehicles from TDSG.



Introduce 1<sup>st</sup> battery electric vehicle by 2025



Introduce Strong Hybrid Electric Vehicle in FY 2022-23



A view of TDSG manufacturing facility

## TRIPLE BOTTOM-LINE PERFORMANCE



### Contribution to Circular Economy

#### Material issue

End-of-life vehicle management

#### Contribution to SDG



#### DESIGNING FOR RECYCLABILITY AND RECOVERABILITY

In 15 models, the Company uses the IMDS tool to measure 'RRR' performance.

#### PROPORTION OF MATERIALS RECYCLABLE AND RECOVERABLE (%)

Recoverable		95
Recyclable		85

#### CREATING THE ECOSYSTEM FOR MANAGING END-OF-LIFE VEHICLES

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

The MSTI facility is operational. In the first 6 months of its functioning, about 100,000 kg of steel, 19,000 kg of aluminium could be recovered from the cars that were scrapped.



A view of MSTI facility



### Optimising use of Natural Resource

#### Material issue

Effective and efficient use of natural resources

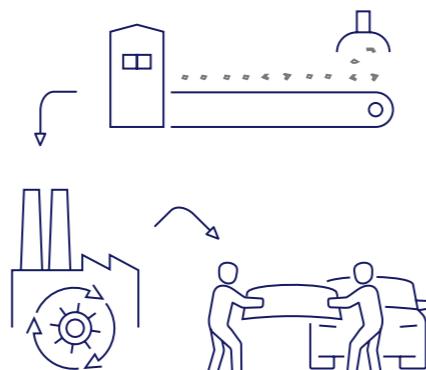
#### Contribution to SDG



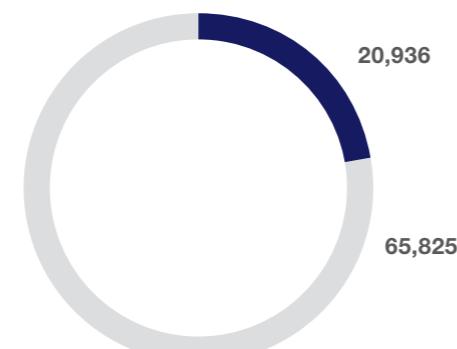
Through yield improvement projects, the Company as well as its supplier reduced the consumption of steel by about 4,300 tonnes in FY 2021-22.



100%  
Of waste generated in steel reused as inputs



#### STEEL SCRAP USED AS INPUTS (in MT)



- Scrap used as input by T-1 suppliers for making Components
- Scrap used as input by other Industries

#### PROMOTING 3R PRACTICES IN PACKAGING MATERIALS

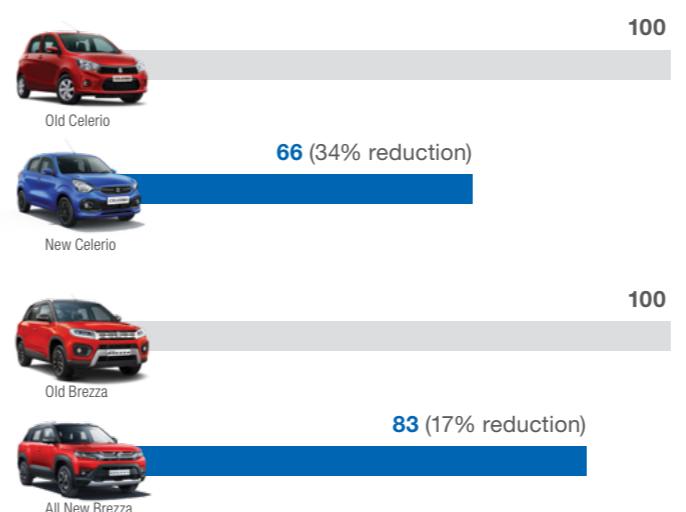


- Reduce
- Reuse
- Recycle

#### Reduction in the use of Packaging Materials

The Company takes measures to continuously optimise the use of packaging materials.

#### REDUCTION IN QUANTITY OF PACKAGING MATERIAL USED IN NEW MODEL WHEN COMPARED WITH THE OUTGOING MODEL (%)



#### Reuse of Packaging Materials



68%

of the packaging materials used in Component (KD) exports is met through reuse in FY 2021-22

#### Recycle of Packaging Materials



1,191 MT

of packaging materials sold to authorised recyclers in FY 2021-22



### Water Stewardship

#### Material issue

Water use and recycling

#### Contribution to SDG



3,200 million litres

Of water recycled and reused



1,350 million litres

Of water saved through dry-wash technology for cleaning cars at the workshop



233

Recharge wells used to rejuvenate the groundwater table



Zero use

of ground water in manufacturing facilities

# TRIPLE BOTTOM-LINE PERFORMANCE

## Social Performance

### Collaboration with Business Partners

#### Material issue

Occupational health and safety, Quality improvement, People development, Industrial labour relations, Business continuity, and Economic performance

#### Contribution to SDG



#### IMPROVING OVERALL CAPABILITY OF BUSINESS PARTNERS

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

#### SUPPORT PROVIDED BY COMPANY IN 2021-22 (in person-hours)

For Dealer partners		745,000
For Supplier partners		1,243,000

#### OCCUPATIONAL HEALTH AND SAFETY

The Company collaborates with suppliers to help them improve their occupational health and safety practices. 89% of Tier-1 suppliers have implemented ISO 45001 Occupational Health and Safety Management Systems

#### IMPROVING SAFETY AT T-2 SUPPLIER PLANTS

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

~350 T-2 supplier partners supplying sheet metal and moulded parts were audited to identify the gap areas and necessary countermeasures were implemented.

#### WORKFORCE TRAINING

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

#### NUMBER OF TRAINING CENTRES

(DOJO & mini DOJO Training centres) (in nos)

Tier-1 Suppliers		400
Tier-2 Suppliers		700

#### CREATING A TALENT POOL FOR SUPPLIER AND DEALER PARTNERS THROUGH MULTI-STAKEHOLDER INITIATIVES

##### Supplier Partners

The Company started a new academic course in Tool and Die Engineering in Government Polytechnic Educational Society (GPES), Manesar in Haryana. This initiative will improve the availability of skilled personnel in the country in tool and die maintenance. In the 1<sup>st</sup> batch, 60 students are being trained under this initiative

##### Dealer Partners

University tie-ups for an exclusive BBA degree programme in Retail Management. The Industry Integrated Degree Program is a first-of-its-kind initiative that takes industry to academia.

- The skilling programme has been designed on 'Earn while you Learn' models
- Tied-up with four universities in Gurgaon, Ahmedabad, Mumbai and Pune
- Till 2021-22, 108 students are being trained under this initiative
- The Company is working on putting necessary enablers to scale up this initiative across the country



#### SUCCESSION PLANNING

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



### Customer-centricity

#### Material issue

Product safety and quality, Innovation and Digitalisation

#### Contribution to SDG



#### SAFETY OF VEHICLES

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

29%

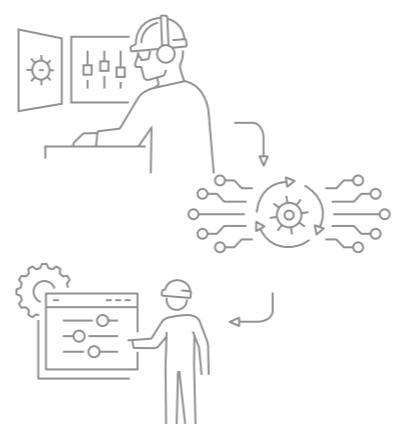
improvement in body rigidity of the platform used in the new Celerio

#### BODY RIGIDITY OF NEW CELERIO (%)

Old generation platform		100
New generation platform (fifth-generation)		129

#### DIGITALISATION

Introduced the 'Maruti Suzuki Smart Finance' (MSSF) programme that offers an online, end-to-end car finance facility. With this, 24 out of 26 customer interaction points while buying a car have been digitalised.



### Employer of Choice

#### Material issue

Product safety and quality, Innovation and Digitalisation

#### Contribution to SDG



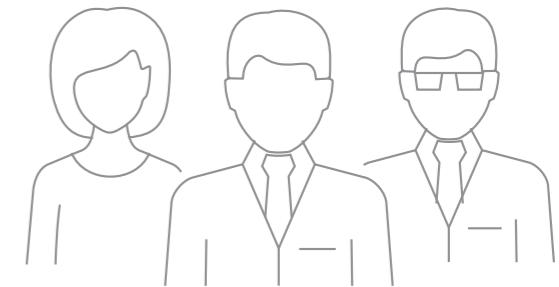
#### COMPREHENSIVE BENEFITS

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

#### EMPLOYEE BENEFIT EXPENSES

(in ₹ million)

FY'21		34,029
FY'22		40,222

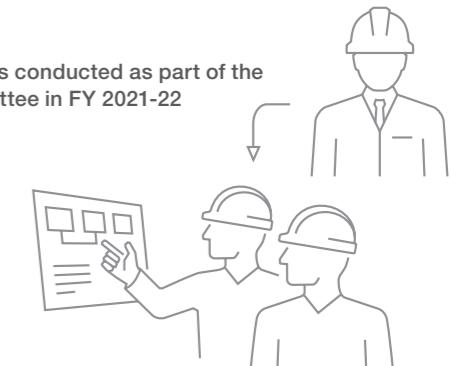


#### SAFE PLACE TO WORK

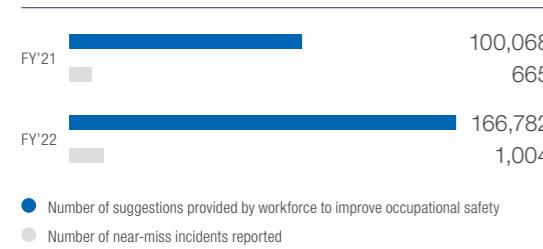
Strong involvement of workforce to continuously improve occupational safety

90

Number of meetings conducted as part of the 3-tier safety committee in FY 2021-22



## TRIPLE BOTTOM-LINE PERFORMANCE



For all the actionable near-miss incidents reported, countermeasures have been implemented.

### SOCIAL SECURITY AND WELFARE MEASURES

**709**

Superannuated employees, including their spouses were benefitted from post-retirement medical benefit scheme. The Company is the first in the industry to offer post-retirement medical benefit scheme to superannuated employees.

**357**

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

**2,136**

Employees benefitted by availing the Company's low-interest funding for buying houses

**4,125**

Employee children received rewards towards their achievement in academics and sports

### HEALTH AND WELLBEING

**6,300+**

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

**24,000+**

Free medical consultations availed by employees and their families

**9,300+**

Employees and their spouses availed the Company's periodic health check-up scheme



### Responsible Corporate Citizen

---

**Material issue**  
Health concern caused by the COVID-19 pandemic, Community development, Skill development and Road safety

**Contribution to SDG**  


### RESPONSE TO COVID-19 PANDEMIC

The Company, along with our Supplier partners, took on the challenge of increasing the production of masks, protective gowns, and ventilators and oxygen PSA plants in the shortest possible time.

#### The Company donated the following:

- 14 oxygen PSA generator plants to various hospitals
- 305 ventilators and 1,004 oxygen cylinders together with Suzuki Motor Corporation, Japan
- 10,000 medical protective clothing
- 2 million face masks.



Oxygen PSA generation plant donated by the Company



Handing over of oxygen cylinders to Gurugram District Administration

### AVAILABILITY OF POTABLE WATER

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

**Over 22,000**

People in 25 villages benefitted from the Company's water ATMs



Multi-speciality hospital in Sitapur, Gujarat

### SCHOOL INFRASTRUCTURE

The Company has set up a school in Sitapur, Gujarat in partnership with Podar Education Network. The primary-wing of the school was made operational in April 2021. In 2021-22, 150 students have enrolled in the school.



Maruti Suzuki Podar Learn School in Sitapur, Gujarat

### HEALTH INFRASTRUCTURE

A 50-bed multi-specialty hospital has been set up in Sitapur, Gujarat in partnership with Ramanbai Foundation, the philanthropic arm of Zydus Hospitals, Ahmedabad. It was made operational in 2021. Over 25,000 people from nearby villages have availed healthcare services from this hospital in FY 2021-22.

### IMPROVING WASTE MANAGEMENT IN LOCAL COMMUNITIES

About 15,000 households in 15 villages benefit from the waste management programme implemented by the Company.

### IMPROVING ROAD SAFETY

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

**330,667**

People trained on safe driving across 8 Institutes of Driving and Traffic Research (IDTR) and 23 Road Safety Knowledge Centers (RSKC)

### SKILL DEVELOPMENT

The Company aligns with the Government of India's flagship 'Skill India' mission to impart the relevant skill training to create livelihood opportunities for the youth. Over 8,600 youth were trained in 30 ITIs adopted by the Company and 39 Automobile Skill Enhancement centres across India.

The Japan-India Institute of Manufacturing (JIM) is a flagship state-of-the-art training infrastructure imparting the relevant training on the technical and behavioural skillsets, as required by the industry. Two JIMs have been set up in Haryana and Gujarat, and over 1,600 students have benefitted from this programme since its inception.

**168,291**

People covered under automatic skill evaluation for obtaining driving license

## DIGITALISATION AND INNOVATION

### Maruti Suzuki Smart Finance

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



#### Key Benefits to Customers

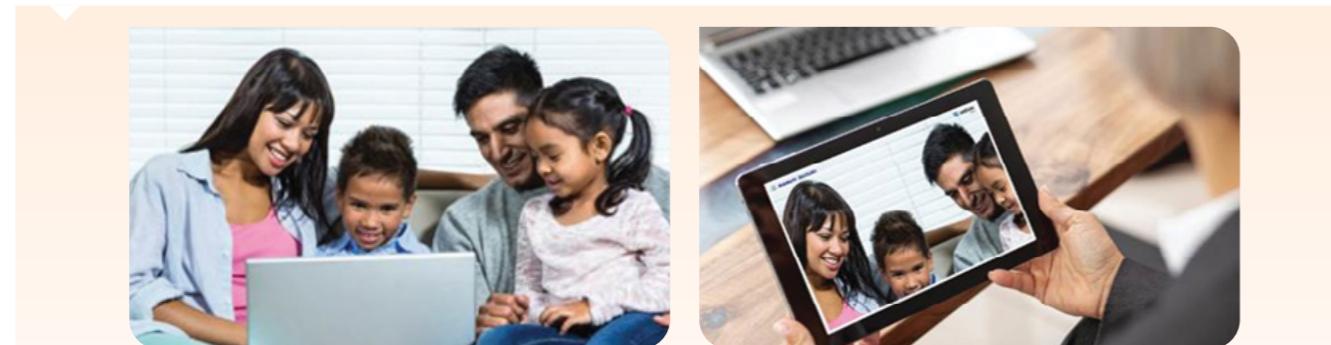
##### CONVENIENCE

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

##### PERSONALISATION

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

### MS Chatbot



- The MS Chatbot tool is bundled with video conferencing technology along with centralised content management systems to provide a live showroom experience to customers.
- This tool offers an enhanced customer experience and convenience by combining the digital and physical journey of buying a car on a single platform. Thus, providing customers an easy and engaging online experience with the relationship manager.
- Some of the modules included in the tool are video conferencing, product demo, feature images, online booking, and document sharing, among others.

### Maruti Suzuki Innovation Programme

The Maruti Suzuki Innovation programme aims to create an ecosystem that will provide the foundation for technology-enabled solutions to contribute to the betterment of society and the mobility space while building on the pillars of innovation, collaboration, and co-creation.



Started in 2020 in partnership with IIM-B, the Incubation Programme is targeted towards technology-based start-ups that are in the ideation to proof of concept stage. The 1<sup>st</sup> cohort saw more than 400 start-up applications from across the country. Of these, 7 start-ups made it to the incubation phase to co-create innovative solutions, and finally, 3 start-ups emerged as the winners of the cohort.

Launched in 2019, in partnership with GHV Accelerator, MAIL is targeted to accelerate the growth of technology based start-ups that are at the budding stage. More than 1000 such start-ups have been screened over 5 cohorts, and 33 start-ups have been engaged with. Paid POCs have been conducted with 19 start-ups and 9 of them have been onboarded as business partners.

The Mobility Challenge programme, launched in 2021 in partnership with T-Hub from Telangana, focuses on mature start-ups and targets a particular domain in each cohort. Over 100 applications were received in the 1<sup>st</sup> cohort and 2 start-ups emerged as the winners.

Started in 2021, is aimed at crowdsourcing ideas from the internal talent pool of MSIL. It saw hundreds of innovative business ideas from the Company's employees for the 1<sup>st</sup> cohort. Selected teams will undergo design thinking workshops as well as mentoring sessions. Winners will receive monetary rewards and a chance to implement their ideas.

### START-UPS ONBOARDED AS PARTNERS UNDER MAIL PROGRAMME



## EXTERNAL ENVIRONMENT



### Economic Conditions and Pandemic-Linked Disruptions

Ever since the pandemic struck, the Government of India and Reserve Bank of India have been taking several extraordinary measures to put the Indian economy on the path of recovery. As a result, the Indian economy grew by 8.7% in FY 2021-22 over FY 2020-21.

In FY 2022-23, the Government in its Union Budget put enablers in place for delivering sustainable economic growth.

It is expected that automobile demand in the domestic market should further recover during FY 2022-23. The demand in the overseas market is also expected to remain stable and will likely support export sales. However, the ongoing shortages of electronic components may have an impact on production volumes. Besides, the pandemic-related disruptions are not completely over, given the large value chain of car industry, maintaining business continuity may be challenging.

The sudden and steep increase in the prices of commodities adversely affected the margins in FY 2020-21 and FY 2021-22. However, in Quarter 1 of FY 2022-23, the prices of commodities have softened. Going ahead, given the extent of global uncertainties, it is difficult to predict the prices of commodities. While increase in crude oil prices may affect overall demand sentiment, it will also attract customers towards more fuel-efficient cars in which the Company has an advantage.

### OUR EFFORTS

To manage the dynamic and extraordinary situation caused by the Covid-19 pandemic, the Company has taken several measures to ensure the health and well-being of the value chain members as well as measures to strengthen business continuity. (For information on the additional measures that the Company has put in place to manage the Covid-19 pandemic, refer to the Risk Management section on page 72).

The Company has taken several measures to manage supply disruptions. (For information on the steps taken, please refer to the Risk Management section on page 72)

To bring down the impact of steep increase in cost owing to the surge in commodity prices, the Company is working on several cost optimisation measures to limit the impact. Besides, the Company is taking calibrated price increases to partially limit the adverse impact.

Thanks to the support from our parent, Suzuki Motor Corporation (SMC), the Company has access to SMC's distribution network in export markets. This should enable us to maintain our strong export performance in FY 2022-23.



Economic Conditions and  
Pandemic linked disruptions



Regulatory  
Landscape



Changing Customer  
Preferences



Competitive  
Landscape



Emerging Technological  
Landscape



## EXTERNAL ENVIRONMENT



### Regulatory Landscape

The regulations in India on vehicle fuel economy, emissions and safety are becoming increasingly stringent and will soon be at par with those of the developed world. This is resulting in an increase in the prices of vehicles and may affect demand, specially for mass-market or the entry-segment cars.

#### 2022

**Corporate Average Fuel Economy (CAFE) norms Phase 2**

(April)

#### 2023

**OBD II**  
**In-use Performance Ratio**  
**RDE compliance**  
(April)

#### OUR EFFORTS

In order to meet these regulatory requirements, it is imperative to have access to requisite technology. Continued technological support from SMC will help the Company comply with the regulatory requirements as per stipulated timelines.

The Company's state-of-the-art testing facilities in Rohtak will help reduce the product development cycle and achieve timely compliance.



### Changing Customer Preferences

The Company was established with a vision to put India on wheels. Right from its inception, the Company's emphasis has been on developing affordable products to cater to the needs of Indian customers.

Our ability to understand the stated and unstated needs of customers and our customer-centric approach towards decision-making led to the overwhelming acceptance of our products in the market.

In today's highly connected and digital world, customer preferences are changing rapidly. The new-age customer, even when buying a low-price-segment car, expects superior styling and technology usually offered in high-end cars, as well as a premium buying experience.

Led by the COVID-19 pandemic, customer behaviour and buying habits are changing. Now, digital transactions have become a new way of life for the customer. With the increase in fuel price, customers are shifting towards CNG cars. The increase in CNG network over the last three years and the Government's commitment to further improve the network across the country will lead to an increase in demand for CNG-run vehicles. Also, the customers preference towards SUV segment is seeing an increase.

#### OUR EFFORTS

The Company has been successfully satisfying Indian customers by offering contemporary technologies such as auto gear shift, electric sunroof, ventilated seats, Head Up Display, telematics (through Suzuki connect), 360 view camera, stylish products such as the Baleno, Brezza, and eco-friendly options like factory-fitted CNG vehicles at the price point of customer choice. With the Company offering factory-fitted S-CNG technology in several products, the expansion in the CNG network across the country will help improve sales.

The Company is watchful of customer's preference towards the SUV segment and has been strengthening the SUV segment.

To meet customers' requirements in this digital era, we increased our efforts of social listening by investing in digital marketing. Especially with COVID-19, to ensure the safety of customers in the showroom, the entire customer journey has been redesigned to facilitate contactless operations by maximising the use of digital interfaces wherever possible. We became India's first OEM to offer an online, end-to-end, car finance service facility. The Company is extensively using its flagship 'Service on Wheels' programme to provide vehicle services at the customer's doorstep.



### Competitive Landscape

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

#### OUR EFFORTS

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



### Emerging Technological Landscape

The auto industry is undergoing transformative changes not only because of regulation, but also because of emerging technologies. The developed automobile markets are already witnessing changes such as autonomous mobility, and in hybrid and electric vehicle technologies. This is catching up rapidly in India as well. However, the time and cost of developing such technologies are so immense that it is difficult for the Company to invest in all of them simultaneously. Therefore, sourcing some of the technological solutions through collaboration is the most practical approach.

#### OUR EFFORTS

With the support of SMC, the Company will introduce its first Electric Vehicle (EV) by 2025. Our parent company, Suzuki will invest ₹ 10,400 crore in Gujarat, India for manufacturing of EVs and EV batteries. Besides, the Toshiba Denso Suzuki lithium-ion battery Gujarat Private Limited (TDSG), India's first lithium-ion battery manufacturing plant with cell level localization, has been operationalised. The Company sources lithium-ion battery packs used in Smart Hybrid vehicles from TDSG. The business partnership between SMC and Toyota Motor Corporation, Japan, will immensely benefit the Company by getting access to new-age technologies (Refer to the Management Discussion and Analysis section: Powertrain Strategy, page 196).



# STAKEHOLDER ENGAGEMENT

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

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

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

## Stakeholder Identification

### DEPENDENCE



Stakeholders who are dependent on the Company's activities, products or services and on whom the Company is dependent for its operations

### RESPONSIBILITY



Stakeholders towards whom the Company has legal, commercial and moral responsibilities

### INFLUENCE



Stakeholders who can impact the Company's decision-making ability

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

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

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

## STAKEHOLDER ENGAGEMENT

Important Stakeholder Queries and Expectations Identified During Engagement		
Stakeholder	Identified Stakeholder Needs	Company's Response to Stakeholders' Expectations
<b>Employees</b> 	Health and well-being	Page no 56
	Capability development	Page no 110
	Career development and progression	Page no 194
	Maintaining cordial industrial relations	Page no 194
	Digitalisation of business processes/virtual trainings	Page no 58
	Social security measures	Page no 56
<b>Customers</b> 	Housing scheme and welfare measures	Page no 194
	Superior products and technology at attractive prices	Page no 45
	Increased digitalisation for convenient and hassle-free sales and service processes	Page no 58
	Increase product offering in UV segment	Page no 62
	Reduce higher waiting time on certain cars	Page no 198
	Easy vehicle financing options	Page no 58
<b>Shareholders</b> 	Expansion of CNG fuel outlets across the country	Page no 197
	Choice of future powertrain strategy of the Company	Page no 196
	Sudden and steep increase in prices of commodities impacting the financial performance	Page no 187, 198
	Plan to use the excess cash on the books of the Company	Page no 37
	Plan to strengthen the Company's product offering in UV segment	Page no 62
	Maintaining business continuity	Page no 72
<b>Suppliers</b> 	Continuously revising Standard Operating Procedures of various business operations in the wake of the COVID-19 pandemic	Page no 72
	Improving the capability of supply chain (Safety practices, Quality management, managing Industrial labour relations, etc.)	Page no 102
	Continuously revising Standard Operating Procedures of sales and service operations in the wake of COVID-19 pandemic	Page no 72
	Plan to strengthen the Company's product offering in UV segment	Page no 62
	Digitalisation of sales and service business processes	Page no 58
	Skill development of dealer sales executive.	Page no 54
<b>Dealers</b> 	Grooming of 2nd generation dealer partners.	Page no 54
	Improve the health and sanitation facilities	Page no 119
	Potable water facility	Page no 120
	Improve school infrastructure	Page no 119
	Reduce the CO <sub>2</sub> emissions of the fleet—CAFE	Page no 18, 196
	Improve safety of the vehicles	Page no 92
<b>Local Community</b> 	Improve cyber security	Page no 73
	Improve road safety—to prevent any fatalities in road accidents	Page no 122
	Make in India—increasing the local value add and generate more local jobs	Page no 46
	Skill India—skill development to create better livelihood and employment opportunities.	Page no 120
	Start-up India—encourage entrepreneurship in India	Page no 59
	Water conservation	Page no 53

## MATERIAL TOPICS

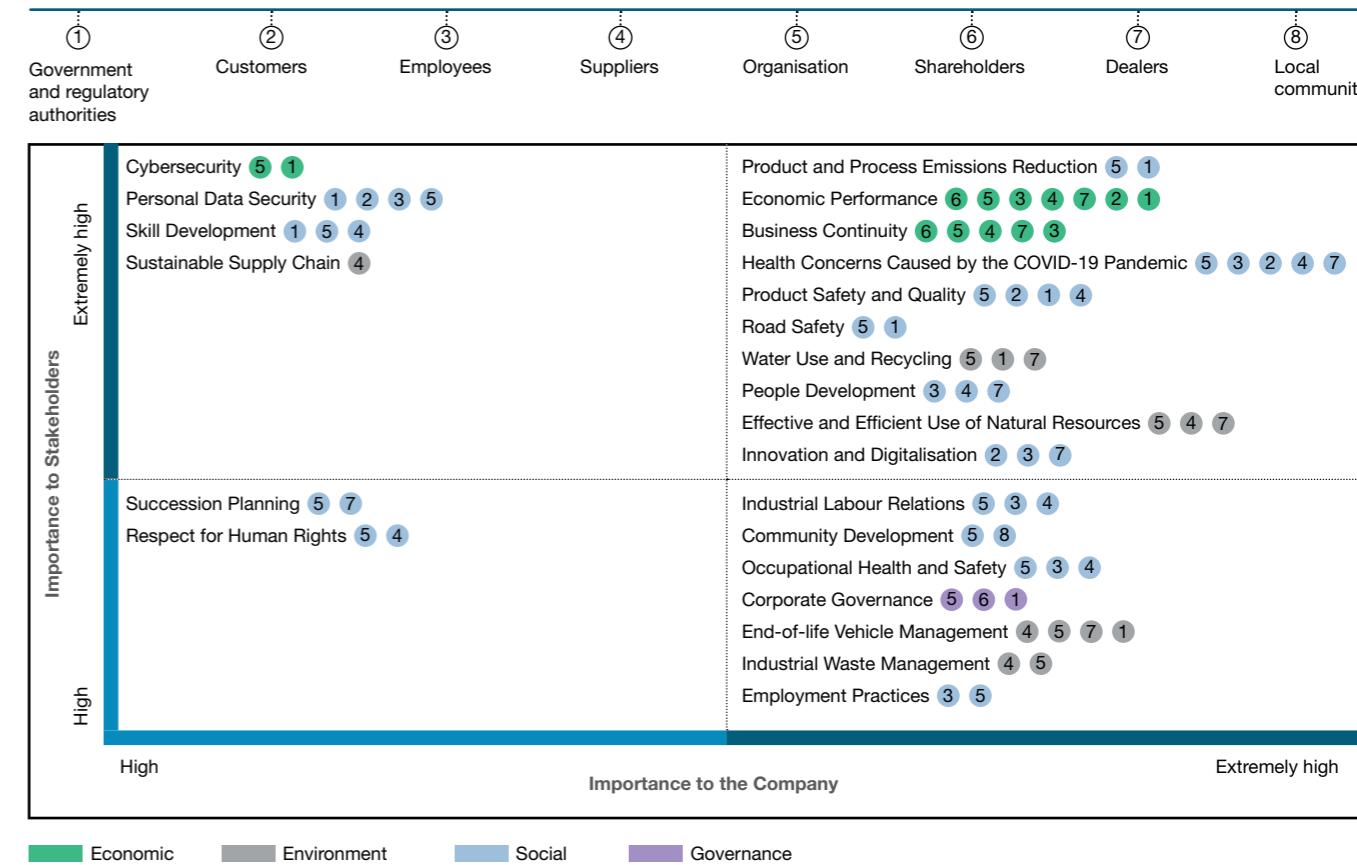
The Company has, through stakeholder engagement activities and from the changes in the external operating environment, identified the topics that are material to its business and stakeholders. During the reporting period, the list of material topics presented in the Annual Integrated Report 2020-21 was revalidated through internal stakeholder consultations,

which took into account the views and opinions expressed by both internal and external stakeholders.

The identified material issues were analysed and prioritised based on its importance for the organisation and its stakeholders. The material issues that are significant to the Company and its stakeholders were identified and suitably

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

### Stakeholder Groups



As per the IIRC framework, on the basis of which this report has been prepared, the resources and relationships used and affected by an organisation are collectively referred to as capitals. They are categorised as financial, manufactured, intellectual, human, social and relationship, and natural capitals. During the preparation of this report, each material

topic is mapped against the capitals in order to showcase a cause-and-effect relationship.

The United Nations' SDGs are a part of an ambitious global plan to end poverty, protect the planet, promote prosperity and ensure peace for all. The Company is committed to align its business activities to

the SDGs and contribute to its fulfilment. As a first step, the Company mapped the material topics to the SDGs to understand the goals it can best contribute to. During the mapping exercise, careful consideration has been given to the applicability of the goals to the Company's business activities and current operating context.

# MATERIAL TOPICS

Material Topics	Relevance to the Company	Boundary	Associated Capitals	Alignment with SDGs	Location in this Report
 <b>Business Continuity</b>	<ul style="list-style-type: none"> <li>Mitigating risk of disruption in the value chain</li> </ul>	MSIL, Suppliers, Dealers			Sustainable Supply Chain, Page 100 Risk Management, Page 72 Management Discussion & Analysis, Page 200
 <b>Product and Process Emissions Reduction</b>	<ul style="list-style-type: none"> <li>Optimising energy use across the value chain and reducing emissions from the products</li> <li>Complying with rapidly evolving regulatory landscape</li> </ul>	MSIL, Suppliers, Dealers			Powertrain Strategy, Page 196 Fuel Efficiency Technologies, Page 90 Energy and Emissions Management, Page 112 Environment Performance, Page 50
 <b>Product Safety and Quality</b>	<ul style="list-style-type: none"> <li>Ensuring strong focus on designing and manufacturing safe vehicles</li> <li>Complying with evolving regulations on vehicle safety</li> <li>Institutionalising a 'zero defect' philosophy across the value chain, in the face of increasing scale and complexity of business, to build reliable and safer vehicles</li> </ul>	MSIL, Suppliers, Dealers			Vehicle Safety, Page 92 Product Quality, Page 94 Sustainable Supply Chain, Page 100 Social Performance, Page 55
 <b>Economic Performance</b>	<ul style="list-style-type: none"> <li>Creating economic value in the short, medium and long term for all stakeholders</li> </ul>	MSIL, Suppliers, Dealers			Management Discussion & Analysis, Page 187 Economic Performance, Page 46
 <b>Health Concerns Caused by the COVID-19 Pandemic</b>	<ul style="list-style-type: none"> <li>Minimising the risk of COVID-19 infection for human capital in the value chain</li> </ul>	MSIL, Suppliers, Dealers			Risk Management, Page 72, 200
 <b>People Development</b>	<ul style="list-style-type: none"> <li>Augmenting the competence and skills of employees</li> <li>Developing an industry-ready workforce and minimising the skill gap</li> </ul>	MSIL, Suppliers, Dealers			People Practices, Page 104 Social Performance, Page 54 Capability Development, Page 194
 <b>Effective and Efficient Use of Natural Resources</b>	<ul style="list-style-type: none"> <li>Improving 3R practices in manufacturing activities as well as packaging across the value chain</li> <li>Optimising the consumption of raw materials</li> <li>Eliminating the use of non-biodegradable products in packaging</li> </ul>	MSIL, Suppliers			Environment Performance, Page 52, 53 Conservation of Natural Resources and Environment Protection, Page 192
 <b>Water Use and Recycling</b>	<ul style="list-style-type: none"> <li>Embracing water stewardship across the value chain to prevent its degradation and to meet resource requirements in the face of increasing water stress</li> </ul>	MSIL			Environment Performance, page 53 Water and Wastewater Management, Page 114
 <b>Road Safety</b>	<ul style="list-style-type: none"> <li>Contributing to the social issue relevant to the automobile sector</li> </ul>	MSIL			Road Safety, page 122 Safety Campaigns, Page 106
 <b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>Promoting shareholder trust</li> <li>Ensuring highest standards of business ethics transparency and accountability</li> </ul>	MSIL			Governance Mechanism, Page 82
 <b>Cybersecurity</b>	<ul style="list-style-type: none"> <li>Ensuring security of the Company's confidential information for business continuity</li> </ul>	MSIL			Risk Management, Page 73

# MATERIAL TOPICS

Material Topics	Relevance to the Company	Boundary	Associated Capitals	Alignment with SDGs	Location in this Report
 <b>Personal Data Privacy</b>	• Protecting personal information of employees, customers and other stakeholders	MSIL			Risk Management, Page 73
 <b>Innovation and Digitalisation</b>	• Co-creating technological and process innovations with start-ups • Increasing the use of digital technologies and digitalisation of processes in line with evolving customer needs	MSIL, Dealers			Value Creation Process, Page 44, 45 Digitalisation and Innovation, Page 58, 59 Management Discussion & Analysis, Page 188, 189, 194
 <b>Occupational Health and Safety</b>	• Promoting safety culture, employee well-being and workplace ergonomics across the value chain • Institutionalising a 'zero accident' philosophy across the value chain	MSIL, Suppliers, Dealers			Occupational Health and Safety Management System, Page 104 Social Performance, Page 54
 <b>Industrial Labour Relations</b>	• Striving to achieve a happy, harmonious and safe work culture to ensure operational continuity	MSIL, Suppliers			Industrial Relations, Page 100, 181
 <b>Employment Practices</b>	• Striving to become employer of choice	MSIL			People Practices, Page 104 Social Performance, Page 55, 56
 <b>Community Development</b>	• Maintaining social licence to operate • Contributing to national developmental priorities	MSIL			Community Development, Page 118 Response to COVID-19 Pandemic, Page 118
 <b>Skill Development</b>	• Making youth employable by imparting skillsets required within the industry • Partnering with the Government in its 'Skill India' mission	MSIL			Skill Development Projects, Page 120
 <b>Sustainable Supply Chain</b>	• Mitigating operational and reputational risks from suppliers' non-compliance • Minimising the environmental and social footprint of products	MSIL, Suppliers			Sustainable Supply Chain, Page 100
 <b>End-of-life Vehicle Management</b>	• Continuing best practices on end-of-life vehicle management to contribute towards circular economy	MSIL, Suppliers			End-of-life Vehicle Management, Page 94
 <b>Industrial Waste Management</b>	• Ensuring responsible management and disposal of hazardous wastes • Ensuring optimum resource recovery from wastes by improving 3R practices and promoting industry symbiosis	MSIL			Waste Management, Page 115
 <b>Respect for Human Rights</b>	• Continuing socially responsible business practices across the value chain • Mitigating risk of business disruptions	MSIL, Suppliers, Dealers			Contribution to Sustainable Development Goals, Page 78
 <b>Succession Planning</b>	• Grooming employees and creating a talent pool	MSIL			

## RISK MANAGEMENT

The Company understands that effective risk management is critical in meeting strategic objectives and achieving sustainable growth. We have a structured risk management process, which is overseen by the Risk Management Committee.

This Committee monitors and reviews the risk management plan of the Company as per relevant provisions of The Companies Act, 2013 and Listing Regulations. The accountability for the mitigation of each risk is assigned to the identified risk owner(s).

The Company applied the net risk principle to determine its risks. The mitigation measures to counter these risks are monitored by the top management.

### Risk of supply disruption due to natural & man-made disasters (Pandemic-related disruptions, global semiconductor shortage, fire, etc.)

- Maintaining close communication with suppliers
- Optimising the use of semiconductors in electronic components
- Use of alternate semiconductors in electronic components
- Alternate suppliers
- Enhanced focus on localisation of components
- Temporary increase in the inventory of components.
- Use of advance technologies for prevention and quick suppression of fire

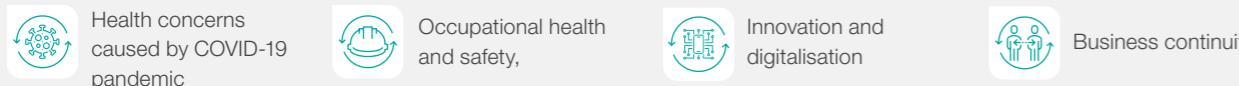
#### Related Material Topic



### Management of COVID-19- related risks to ensure human health safety and continuity of operations

- Established top-level steering committee chaired by MD & CEO to drive systems and processes to prevent the spread of COVID-19 infection
- The Company collaborated with stakeholders and jointly prepared detailed Standard Operating Procedures (SOPs) to cater to specific needs of the value chain partners
- Implemented stringent engineering and administrative control measures that are over and above Government-stipulated guidelines to prevent the spread of COVID-19
- Continuous education of the workforce to observe high degree of self-discipline and safety precautions to minimise the risk of infection spread.
- Organising COVID-19 vaccination camps for the entire workforce, including the families of the employees.
- Forging tie-ups with several health-care service providers to offer COVID-19 care to employees

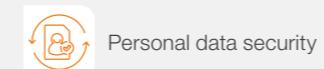
#### Related Material Topic



### Safeguarding Consumer and Personal Data

- Policies, governance structure and technological solutions are strengthened to safeguard consumer and personal data

#### Related Material Topic



### Guarding confidential information and IT systems

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

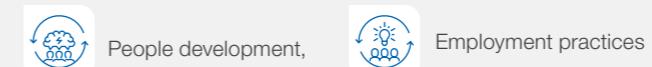
#### Related Material Topic



### Strengthening the capacity and capability for future product development

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

#### Related Material Topic



## WAY FORWARD

Here are some measures taken by the Company to strengthen our position in the market for sustainable value creation:

### Business Development

Key Measures	Material Topics
<ul style="list-style-type: none"> <li>Extending product portfolio by bringing in aspirational, environment-friendly, and safer products with support from Suzuki Motor Corporation</li> <li>Increasing SUV product line-up</li> <li>Expanding CNG product line-up</li> <li>Introducing products with strong hybrid powertrain technology by FY 2022-23</li> <li>Introducing Battery Electric Vehicle in the Indian market by 2025</li> <li>Enhancing the focus on digital marketing and targeted marketing techniques</li> <li>Expansion of warehouses and part distribution centres for quick availability of aftermarket parts</li> <li>Network expansion—going to the customer and tapping new market opportunities</li> <li>Scaling up the pre-owned car business</li> <li>Contributing to the Government of India's flagship 'Make in India' initiative, increasing exports</li> <li>Partnering with start-ups to co-create technological solutions to improve customer convenience</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Product and process</li> <li>Emissions reduction</li> <li>Product safety and quality</li> <li>Innovation and digitalisation</li> </ul>

### Technology

Key Measures	Material Topics
<ul style="list-style-type: none"> <li>Powertrain strategy: Appropriate mix of low-carbon emitting internal combustion engines, and CNG, hybrid and electric vehicles to meet the objective of reducing emissions (carbon footprint and mass vehicular emissions), and enhancing energy security of the country</li> <li>Managing regulatory compliances with support from SMC</li> <li>Introducing new-age technologies with the support from SMC</li> <li>Pursuing Industry 4.0 to continuously improve the quality of products</li> <li>Use of data analytics for effective and efficient decision-making</li> </ul>	<ul style="list-style-type: none"> <li>Product and process</li> <li>Emissions reduction</li> <li>Product safety and quality</li> <li>Innovation and digitalisation</li> </ul>

### Cost Competitiveness

Key Measures	Material Topics
<ul style="list-style-type: none"> <li>Continued focus on cost optimisation programmes such as localisation, value analysis and value engineering, among others</li> <li>Establishing supplier ecosystem near SMG in Gujarat</li> <li>Continue to focus on flagship employee suggestion scheme 'Sujhav Sangrehika' to optimise cost and improve resource efficiency</li> <li>Partnering with start-ups to co-create technological solutions that improve productivity and increase operational efficiency of business processes</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Sustainable supply chain</li> <li>Innovation and digitalisation</li> </ul>



### Capability Building

Key Measures	Material Topics
<ul style="list-style-type: none"> <li>Capability enhancement for designing, developing, and testing of new models</li> <li>People development—capability building and career progression</li> <li>Capability building of supplier and dealer workforce</li> <li>Increasing the use of digital training platforms across the value chain</li> <li>Creating a talent pool to meet increasing scale of business</li> <li>Developing an industry-ready workforce and minimising the skill gap</li> </ul>	<ul style="list-style-type: none"> <li>People development</li> <li>Skill development</li> <li>Innovation and digitalisation</li> </ul>



### Sustainable Practices (ESG Measures)

Key Measures	Material Topics
<ul style="list-style-type: none"> <li>Adopting measures for energy conservation and emissions reduction. Continuously increase the use of renewable energy for manufacturing cars to further boost the capacity of captive solar power generation by 21.85 MWp by 2024 to reduce the scope-1 and scope-2 CO2 emissions. With this planned expansion, the cumulative capacity of captive solar power generation will reach 48.15 MWp</li> <li>Design for recyclability and recoverability</li> <li>Monitoring and controlling the usage of Substances of Concern (SoC) through the IMDS</li> <li>Establishing additional vehicle recycling plant by Maruti Suzuki Toyotsu India Private Limited (MSTI) by 2025</li> <li>Promoting the 3R principle and waste management techniques across the value chain for effective and efficient use of natural resources</li> <li>Increasing the use of eco-friendly modes of vehicle dispatch: railway logistics</li> <li>Increasing water recycling and water conservation measures across the value chain</li> <li>Green supply chain</li> <li>Measures to continuously improve occupational and non-occupational health and safety</li> <li>Social security measures and welfare schemes for employees</li> <li>Maintaining cordial industrial labour relations</li> <li>Road safety initiatives</li> <li>Pursuing community development measures in the areas of water, health and hygiene, education, etc.</li> <li>Contributing to the Government of India's 'Skill India' mission to impart relevant skills training to enable youth to seek gainful employment</li> <li>Strengthening internal control measures in the light of increasing complexity due to rising scale of business</li> <li>Strong focus on business conduct and ethics</li> </ul>	<ul style="list-style-type: none"> <li>Product and process emissions reduction</li> <li>Effective and efficient use of natural resources</li> <li>End-of-life vehicle management</li> <li>Industrial waste management</li> <li>Water use and recycling</li> <li>Employment practices</li> <li>Occupational health and safety</li> <li>Road safety</li> <li>Corporate governance</li> <li>Community development</li> <li>Industrial labour relations</li> <li>Respecting human rights</li> </ul>



### Risk Management

Key Measures	Material Topics
<ul style="list-style-type: none"> <li>Business continuity—exclusive focus on managing supply disruption due to global semiconductor shortages</li> <li>Comprehensive Excellence programme for suppliers in areas of safety, quality, HR, financial health, compliance, etc.</li> <li>Talent acquisition and retention measures</li> <li>Managing risks related to the COVID-19 pandemic</li> <li>Managing risks related to cybersecurity and data security</li> </ul>	<ul style="list-style-type: none"> <li>Business continuity</li> <li>Cybersecurity</li> <li>Personal data security</li> <li>Health concerns caused by the pandemic</li> </ul>

# CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

## Goal 3

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



### INITIATIVES TO IMPROVE ROAD SAFETY

#### Road Safety Education

- Imparting quality driving training and education**

Over 330,000 people were trained across 8 Institutes of Driving and Traffic Research and 23 Road Safety Knowledge Centres in association with 6 State Governments. Over 4 million people have been trained over 21 years.

► Please refer to Page 122 for more details

- Educating employees on safe and defensive driving as a part of 'National Road Safety' month**

The Company educated employees and their families on safe and defensive driving to ensure safety while driving.

#### Traffic Safety Management System (TSMS)

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

► Please refer to Page 122 for more details

#### Automated Driving Test Track (ADTT)

In partnership with the Transport Departments of Delhi, Uttarakhand and Bihar, the Company has set up 12 automated ADTTs until now, of which 10 are located in Delhi, and one each in Dehradun in Uttarakhand, and in Aurangabad in Bihar. It uses computer vision systems and AI-based technology to issue driving licences in a transparent and efficient manner. Over 370,000 candidates have taken their tests in these centres so far.

Recently, the Company in collaboration with Microsoft Research India has developed a smartphone-based technology for evaluating applicants seeking driving licences. The technology — HAMS (Harnessing Auto Mobile for Safety) — has been deployed at 2 ADTTs, Dehradun and Aurangabad, in association with the Transport Departments of respective Governments.

► Please refer to Page 122 for more details

### INITIATIVES FOR HEALTH AND WELL-BEING

#### For the community

- The Company in partnership with the philanthropic arm of Zydus Group of hospitals, Ahmedabad has set up a 50-bed multi-speciality hospital in Sitapur, Gujarat as a part of its CSR programme. Over 25,000 people from 25 nearby villages availed healthcare services from this hospital in FY 2021-22.

## For Employees

- The Company takes care of its employees' health even after their superannuation through a flagship post-retirement medical benefit scheme. We are the first in the industry to provide such a healthcare scheme. This social security measure also covers the spouse of the employee. Over 700 employees including their spouses have benefitted from this scheme.
- The medicare benefit scheme provided to employees during their employment covers, spouses, dependent children and parents. ~6,300 employees and their families benefitted from the medicare scheme in 2021-22. The Company also supported employees and their families towards vaccination from the pandemic.
- Over 9,300 employees and their spouses benefitted under periodic health checkup scheme.

#### Response to COVID-19 Pandemic

- The Company, with the backing of our supplier partners, extended support to the Government and assisted in increasing the production of ventilators, face masks, other protective clothing, and oxygen PSA generator plants.
- Under CSR, the Company donated 305 ventilators, 800 oxygen cylinders, more than 2 million face masks, over 10,000 medical protective clothing, 1,000 testing kits and other medical supplies to Haryana and Gujarat state governments. Besides, the Company has also donated 14 oxygen PSA generator plants to various hospitals in the country.

► Please refer to Page 118 for more details

## Goal 4

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



### SUPPORTING IMPROVEMENTS IN PRIMARY EDUCATION AS A PART OF CSR

- The Company has set up a school in Sitapur, Gujarat, in partnership with Podar Education Network. Its primary wing has been made operational from April 2021. 150 children from nearby local communities are studying in the school.

► Please refer to Page 118 for more details

### PROVIDING VOCATIONAL TRAINING TO THE YOUTH THROUGH SKILL DEVELOPMENT INITIATIVES AS A PART OF CSR

- The Company supports 69 Industrial Training Institutes (ITIs) across the country to impart vocational training.
- The Company adopted 30 ITIs across various states and over 6,800 students were trained in 2021-22.

- The Company established Automotive Skill Enhancement Centres in 39 ITIs and over 1,800 students were trained in 2021-22.
- The Company also started two Japan-India Institutes for Manufacturing (JIM)—one in Gujarat and the other in Haryana. This is the result of a collaboration between the Governments of Japan and India to create a pool of skilled workforce for the Indian manufacturing industry.

► Please refer to Page 119 for more details

The Company supported 3,000 apprentices by providing a monthly stipend and improving their employability by working on shop floors.

## Goal 5

Achieve gender equality and empower all women and girls



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

► Please refer to Page 107 for more details

## Goal 6

Ensure availability and sustainable management of water and sanitation for all



### WATER STEWARDSHIP INITIATIVES

- The Company's manufacturing facilities employ zero liquid discharge techniques to maximise water recycling and reduce the uptake of freshwater in manufacturing processes.
- Reducing dependence on groundwater and adopting measures to harvest rainwater:
  - Recharging the water table with 233 recharge wells across manufacturing facilities in Haryana and Gujarat.
- Use of dry-wash technology to clean cars at the workshops saved 1,350 million litres of water in FY 2021-22.
- The Company promotes usage of Effluent Treatment Plants among direct and indirect suppliers to increase water reuse.

### MAKING POTABLE WATER AVAILABLE IN LOCAL COMMUNITIES

The Company has set up 28 water ATMs across 25 villages at an affordable price, as part of CSR. Over 22,000 households within the local communities are benefitting through this initiative.

► Please refer to Page 120 for more details

## IMPROVING HYGIENE AND SANITATION IN LOCAL COMMUNITIES

- Across 24 villages, 4,455 individual toilets were constructed and 58km of sewer lines were laid.
- Managing door-to-door household waste collection in 16 villages.

► Please refer to Page 119 for more details

## Goal 7

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



- The Company is increasing the use of solar energy in manufacturing of vehicles. The installed capacity of solar power increased to 26.3 MWp in 2021-22, from 10.4 MWp.
- Please refer to Page 50 for more details.
- Promoting the use of solar power in the supply chain:
  - Several Tier-1 suppliers of the Company use solar power. The combined installed capacity of solar power generation available with Tier-1 suppliers increased to ~72MWp in FY 2021-22, from ~58 MWp in FY 2020-21.

## Goal 8

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



### PROMOTING INCLUSIVE, EQUITABLE, FAIR EMPLOYMENT PRACTICES, PROVIDING A SAFE WORK ENVIRONMENT AND CREATING EMPLOYMENT OPPORTUNITIES

- Implementing fair employment practices as part of Code of Business Conduct and Ethics policy.
- Ensuring fair and equitable remuneration practices with best employee compensation scheme and welfare measures in the industry.
- Respect for the right to form unions, the right to freedom of association and collective bargaining upheld through cordial industrial relations and a regular two-way dialogue between unions and the management.
- Robust Occupational Health and Safety Management Systems implemented in conjunction with a multi-tiered safety governance system.
- The Company promotes robust Occupational Health and Safety Management Systems among Tier-1 suppliers. As on 31<sup>st</sup> March 2022, 89% of Tier-1 suppliers have implemented ISO 45001 (Occupational Health and Safety Management Systems) at their manufacturing facilities.

## CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

- The Company not only takes measures to respect human rights at the workplace, but also promotes fair employment practices among suppliers. According to the Company's Basic Purchase Agreement with suppliers, it is mandatory for suppliers to abide by the below rules and regulations:

- No child labour should be engaged by the Supplier for carrying out its operations.
- Supplier shall form and implement a suitable policy to prevent the instances of sexual harassment at work place.
- Supplier shall ensure a safe and secure work environment in all its workshops, showrooms and office premises to prevent any loss to employees.

► Please refer to Page 104 for more details

### CREATING LIVELIHOOD OPPORTUNITIES FOR THE YOUTH IN THE COUNTRY THROUGH SKILL DEVELOPMENT

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

- The Company, in association with National Council of Vocational Training under the Ministry of Skill Development and Entrepreneurship, offers a scheme named 'Learn and Earn', specially designed to provide on-the-job training and stipends to students during their 24-month training period. In order to increase the uptake for this programme, the student trainees are deployed to the manufacturing plants of supplier partners. On successful completion of the 24-month training period, a vocational training certificate is provided by the Government, which can be used by the student trainees to secure gainful employment. In 2021-22, ~2,300 student trainees benefitted, and since inception of this scheme, ~13,000 students have benefitted.

### Goal 9

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



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

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

The Company continues to work in generating Intellectual Property. In FY 2021-22, 122 patents were filed and 56 were granted.

We align with the Government of India's 'Start-up India' and 'Digital India' initiatives to promote entrepreneurship in the country. Under our innovation programme, the Company has 3 programmes: 'Incubation', 'Mobility and Automobile Innovation Lab (MAIL)' and 'Mobility Challenge' to engage with start-ups at different levels of maturity. Under the MAIL programme, the Company has screened more than 1,000 start-ups so far, of which 33 start-ups were engaged, and 9 start-ups were onboarded as a supplier partner with the Company.

### Goal 10

Reduce inequality within and among countries



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

► Please refer to Page 108 for more details

### Goal 11

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



### HOUSING SCHEME FOR EMPLOYEES

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

### HOME LOAN INTEREST SUBSIDY FOR EMPLOYEES BUYING AFFORDABLE HOMES

In another employee-friendly initiative, the Company extends home loans at a subsidised rate of interest to employees for buying affordable homes. Over 2,100 employees have benefitted from this scheme.

### SAFE, AFFORDABLE, ACCESSIBLE AND SUSTAINABLE TRANSPORT SYSTEMS

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

► Please refer to Page 88 for more details

### Goal 12

Ensure sustainable consumption and production patterns



### OPTIMISING THE USE OF FINITE RESOURCES BY PROMOTING 3R PRACTICES

- ~4,300 MT of steel was saved in FY 2021-22 through yield improvement activities undertaken at the Company and across its suppliers' manufacturing facilities. A dedicated expert team was put in place by the Company to help improve the capability of suppliers to optimise the use of raw materials.
- Suppliers and other recycling agents reused ~86,760 MT of steel scrap and ~5,182 MT of aluminium scrap generated by the Company.
- Promoting industry symbiosis:
  - 100% of Lithium Carbonate extracted post the recycling of lithium-ion batteries is sold to pharmaceutical companies.
- Reduced dependence on fossil fuels for captive power generation by progressively increasing the use of solar power.
- Design for recyclability and recoverability: Nearly in all the products manufactured by the Company (including SMG), we have implemented the European Union's End-of-Life Vehicle (EU- ELV) directive norms on recoverability and recyclability. The Company, along with Toyota Tsusho Group, set up one-of-its-kind vehicle dismantling and recycling joint venture, Maruti Suzuki Toyotsu India Private Limited (MSTI) in 2021

► Please refer to Page 94 for more details

### PROMOTING ENVIRONMENT-FRIENDLY MEASURES

- ~92% of Tier-1 suppliers implemented ISO 14001 Environmental Management systems.
- Voluntarily controlled the usage of Substances of Concern (SoC) in products sold in India as per the EU ELV directive

### ZERO WASTE TO LANDFILL WITH MAXIMUM UTILISATION OF PROCESS WASTE THROUGH RECYCLING AND CO- PROCESSING

► Please refer to Page 115 for more details

### Goal 13

Take urgent action to combat climate change and its impacts



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

► Please refer to Page 94 for more details

In order to reduce carbon emissions during the dispatch of finished vehicles to dealerships across the country, the Company is increasingly using rail transport, consequently avoiding 4,800 MT of CO<sub>2</sub> release over the last 8 years.



# SUSTAINABILITY PERFORMANCE

Governance Mechanism	82
Product Stewardship and Innovation	88
Customer Engagement and Support	96
Sustainable Supply Chain	100
People Practices	104
Operational Eco-Efficiency	112
Corporate Social Responsibility	118
GRI Content Index	123
Alignment with UNGC Principles	125
Independent Verification Statement	126
List of Abbreviations	130

# GOVERNANCE MECHANISM

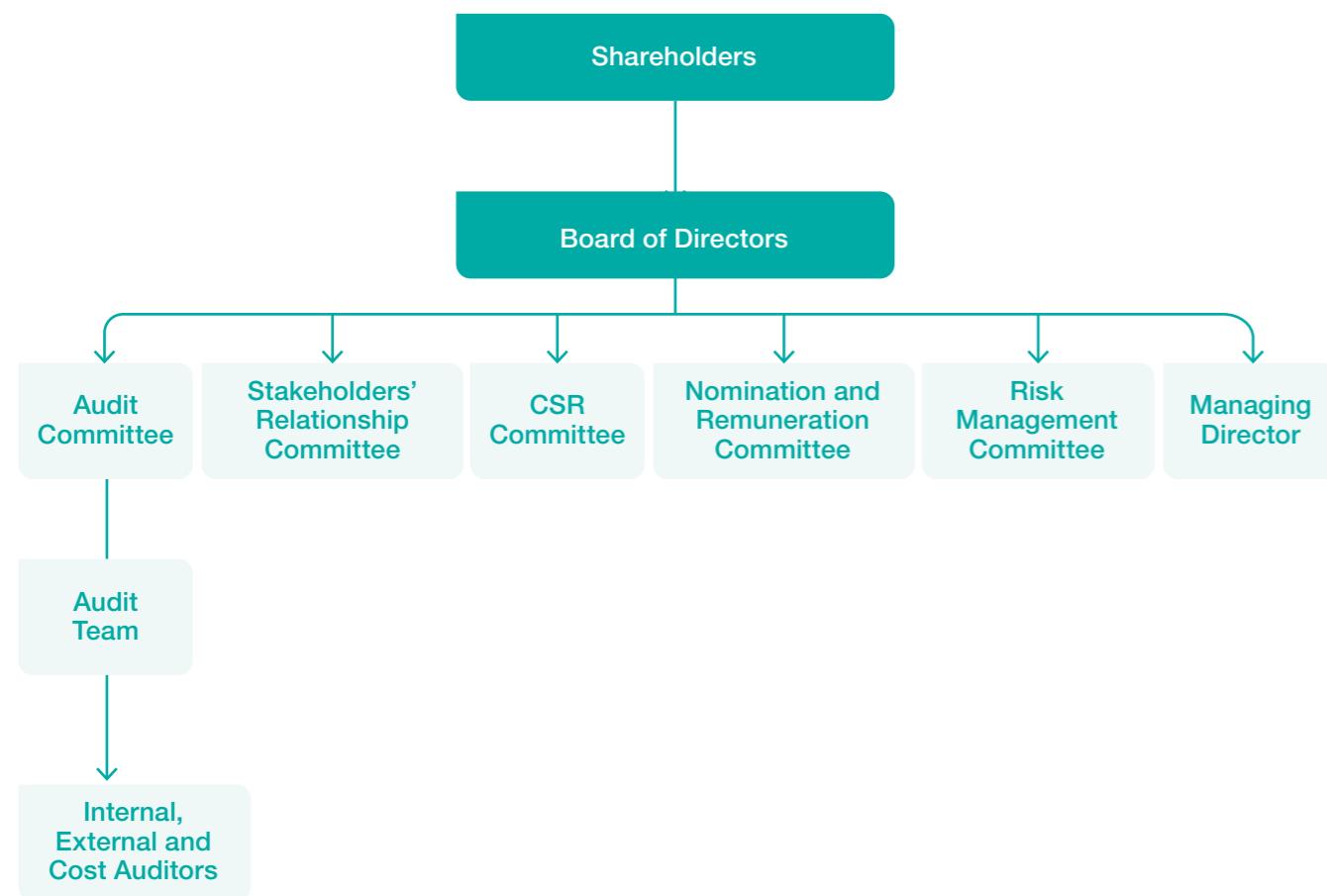
The Company operates in a highly competitive and regulated landscape that presents new challenges. It is committed to creating value for shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance. It fosters a culture in which integrity,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

## STRUCTURE OF THE BOARD AND ITS COMMITTEES

The election, composition and functioning of the Board of Directors are governed by the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board, along with its committees, carries out responsibilities towards all stakeholders by ensuring transparency, fair play and independence in decision-making. It comprises 12 members, including the Chairman as a Non-

Executive and Non-Independent Director, and the Managing Director (MD) as an Executive Director. As on 31<sup>st</sup> March 2022, the average tenure of the Board members was around 8.96 years. Further details on the Board and its committees are given on page 165 of the Corporate Governance Report.



Board composition as on 31 <sup>st</sup> March, 2022				
	No. of Directors	Non-Executive Non-Independent	Independent	Executive
Board of Directors	12	4	4	4
Audit Committee	4	-	4	-
Nomination & Remuneration Committee	4	1	3	-
Corporate Social Responsibility Committee	3	1	1	1
Risk Management Committee	5	1	-	4
Stakeholders' Relationship Committee	3	1	1	1

## BOARD DIVERSITY

The Nomination and Remuneration Policy of the Company provides a framework that ensures diversity of the Board members based on factors such as gender, age, qualifications, nationality, professional experience, recognition, skills and ability to add value to the business. As on 31<sup>st</sup> March 2022, there was one Independent woman Director on the Board. The Board members possess requisite qualifications, experience, expertise and attributes commensurate with their positions and are as described on page 173 of the Corporate Governance Report.

## BOARD INDEPENDENCE AND EFFECTIVENESS

One-third of the Board of Directors are Independent, and the Company has received declarations of independence from all the Independent Directors. Further details on Board independence are given on page 135 of the Board's Report.

The Board of Directors ensures that the Company protects the rights and interests of its shareholders and creates maximum value for its stakeholders. The Board, in compliance with the applicable regulations, undertakes annual evaluation of its own performance, individual Directors and the

committees. Further details on the Board performance evaluation are given on page 135 of the Board's Report.

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

## KEY CODES AND POLICIES

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

## COMPLIANCE MANAGEMENT

There is a strong focus on strengthening the culture of compliance in the Company. A robust Compliance Management System is in place to ensure appropriate compliance with statutory laws and meet the requirements of an ever-evolving regulatory framework.

During the year, over 3,500 applicable compliances, including those related to labour, environmental, financial and corporate laws, were monitored through the Compliance Management System. More than 120 compliance health checks were also conducted covering various Company facilities.

The Company complies with the requirements pertaining to a listed company under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In every quarter of the reporting period, a compliance certificate was submitted to the Board of Directors providing a status of compliance with applicable laws and relevant standards. There has been no significant non-compliance with the applicable laws and regulations during the year.

In order to reinforce the commitment to compliance and integrity, the Compliance Month was observed virtually in October 2021 with the theme 'Being Resilient in the New Normal with Compliance'. The Chairman of the Company, Mr. R. C. Bhargava, Senior Corporate Advisor of Suzuki Motor Corporation, Mr. O. Suzuki, and Executive Vice Chairman of the Company, Mr. K. Ayukawa emphasised that doing business in a compliant manner would ensure enhanced operational efficiency and sustained competitive advantage. The Compliance Month activities comprised panel discussions, speaker sessions and training programmes covering topics such as corporate governance, business resilience, digital transformation and intellectual property. Special emphasis was given to training sessions for business associates.

### Awareness session on 'Corporate Governance and Compliance' for dealers during the Compliance Month 2021



**Mr. H. Takeuchi,  
MD & CEO**

Emphasised on 3A model of resilience (Anticipatory Capacity, Absorptive Capacity, and Adaptive Capacity) and stressed on remaining vigilant, strong and agile to identify risks, absorb shocks and be able to adapt to the new ground realities.



**Mr. Shashank Srivastava,  
Sr. Executive Officer (Marketing & Sales)**

Reiterated that a good corporate governance framework, supported by healthy compliance culture, has positive impact on the business and its partners.



**Ms. Manjaree Chowdhary,  
Sr. Executive Officer (Legal) and  
General Counsel**

Focused on developing a strong culture of compliance that not only helps to be compliant with law and mitigate business risk, but also to foster business growth, customer trust and market leadership.



**Mr. Partho Banerjee,  
Sr. Executive Officer (Service)**

Acknowledged the support of dealer partners for their resilience during the pandemic and underlined the value of developing a compliant business culture across the value chain.

## CODE OF BUSINESS CONDUCT AND CONFLICTS OF INTEREST

Emphasis, equal in measure to statutory compliances, is laid on adherence to the internal policies such as the Code of Business Conduct and Ethics (COBCE) that provides guidance to employees in all business dealings with internal and external stakeholders including business partners, and the policy on Conflicts of Interest (COI). The COBCE is applicable to all employees and addresses aspects such as compliance with applicable laws, fair employment practices, working with stakeholders, environment, health and safety, conflicts of interest, privacy and safeguarding of assets.

All employees declare their commitment to the COBCE at the time of joining the Company and thereafter declare compliance with the COBCE and the COI policies on a yearly basis. During the reporting period, all employees submitted their declarations and completed the mandatory e-learning COBCE training.

The standing orders, developed as per regulatory requirements, formally define the codes of behaviour for the workforce.

To meet regulatory requirements, a Code of Conduct has been laid down for the Board of Directors and the top management personnel, covering topics such as regulatory compliances, ethics and integrity, conflicts of interest, related party transactions, confidentiality and insider trading. All Board members and top management personnel have affirmed their compliance with the Code of Conduct for FY 2021-22.

In addition, the Company's business associates (vendors and dealers) affirm their commitment to comply with applicable regulatory requirements, including but not limited to, prohibition of child labour and prevention of sexual harassment of women at workplace, by submitting declarations during their onboarding process.

## PREVENTION OF SEXUAL HARASSMENT

Being an equal opportunity employer, the Company has always provided a safe and conducive work environment to all its employees. A gender-neutral policy on the prevention of sexual harassment is in place to provide a mechanism to make the workplace safe for all employees. The policy has been designed to prohibit, prevent and redress the complaints of sexual harassment under the COBCE and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act).

As mandated by the POSH Act, there is an internal committee for receiving, investigating and resolving sexual harassment complaints in a time-bound manner. The committee comprises 15 employees and two external subject matter experts. It ensures full confidentiality and protection of the affected parties. During the reporting period, no complaints of sexual harassment were received.

Awareness sessions on prevention of sexual harassment were conducted and an e-learning training module was launched during the year. The e-POSH training was successfully completed by all employees (supervisor and above). In addition, training sessions were conducted for internal committee members on a regular basis.

## WHISTLE BLOWER MECHANISM

The Company's Whistle Blower policy allows employees to bring instances of unethical behaviour to the knowledge of the management. An ombudsman has been appointed to receive and investigate complaints. All the complaints received under Whistle Blower policy relating to previous financial year(s) were duly resolved. During the reporting period, no complaint was received.

## INTELLECTUAL PROPERTY

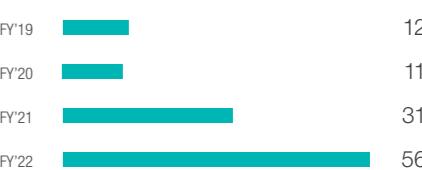
The portfolio of patents, industrial designs, copyrights and trademarks collectively contribute considerably to the Company's competitive advantage. The Company enters into confidentiality and invention assignment agreements with employees and into non-disclosure agreements with suppliers and customers to ensure authorised disclosure of its proprietary information and thereby adequate protection of its intellectual property. At the same time, the Company also respects the intellectual property rights of other companies and takes preventive measures to avoid any disputes with value chain partners.

### Intellectual property portfolio till 31<sup>st</sup> March, 2022

	Filed	Granted/ registered
Patents	818	116
Industrial designs	327	302
Trademarks	590	415
Copyrights	275	174

A rewards policy motivates and incentivises employees for innovation, resulting in incremental growth of the intellectual property portfolio.

### PATENTS GRANTED (%)



Highest number of patents grants in FY 2021-22

Status of compliances during FY 2021-22	
<b>Environmental laws &amp; Regulations</b>	No non-compliance and significant sanctions (monetary or non-monetary) were imposed on the Company by the regulatory authorities. Emissions and waste generation were within the limits defined by the Pollution Control Board. As on 31 <sup>st</sup> March 2022, satisfactory replies had been given to all show-cause notices received from the Pollution Control Board.
<b>Marketing Communications</b>	No incidents of non-compliance.
<b>Advertising Standards</b>	No incidents of non-compliance.
<b>Competition Law</b>	Case related to after-market sale of spare parts: An investigation was initiated by the Competition Commission of India (CCI) in 2011 against a few car manufacturing companies wherein it was contended that these companies were not making genuine spare parts of automobiles freely available in the open market. CCI later expanded the scope of investigation to the Company and other car manufacturing companies. In the final order passed by the CCI on 25 <sup>th</sup> August 2014, certain directions were laid down against the automobile companies and penalties were imposed. A penalty of ₹4,711.4 million was imposed on the Company. The Company contested this matter before the Delhi High Court primarily on the ground that it was not a named party in the investigation and that the investigation ought not to have been conducted against the Company. On the contrary, the Company was named in the information given by the informant as a Company that made spare parts easily accessible in the open market. The Delhi High Court, on 16 <sup>th</sup> May 2019, disposed the petition stating that the Company had alternative remedies available. Thereafter, it filed a Special Leave Petition before the Supreme Court of India, wherein a stay on the CCI's order was granted and the stay is continuing.  Matter relating to discount control practices: An investigation was initiated suo-moto by the CCI in February 2019 based on the information provided by a purported dealer of the Company. The dealer alleged that the Company resorts to anti-competitive discount control practices. The CCI passed its final order on 23 <sup>rd</sup> August 2021 and held that MSIL indulged in anti-competitive discount control practices (re-sale price maintenance) and imposed a penalty of ₹2,000 million on the Company. The Company filed an appeal against the CCI's order before the National Company Law Appellate Tribunal (NCLAT), wherein on 22 <sup>nd</sup> November 2021, a stay on the CCI's order was granted subject to the deposit of ₹200 million. The stay is continuing.
<b>Consumer Protection Laws</b>	As on 31 <sup>st</sup> March 2022, 1,741 consumer cases involving the Company were pending before various forums.

## POLICY ADVOCACY PRACTICES

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

Industry body memberships	
<b>Name of the committee/forum</b>	<b>Position</b>
The Confederation of Indian Industry (CII) Haryana State Council	Member
CII Regional Committee on HR and IR (Northern region)	Chairman
CII National Committee on Regulatory Affairs	Member
CII National Committee on Financial Reporting	Member
CII Manufacturing Council	Member
CII Smart Manufacturing Council	Member
Governing Council for CII Skills Training Centre, Chhindwara	Member
CII National Council	Member
CII National Committee for CFOs	Member
Society of Indian Automobile Manufacturers (SIAM)	President
SIAM Group on International Relations and Trade Policy	Chairman
SIAM Group on Gas-based Mobility (CNG & LNG)	Chairman
SIAM Aatmnirbhar Bharat Group	Chairman

## INFORMATION SECURITY AND DATA PRIVACY

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

The Company has implemented an Information Security policy, which provides management direction and guidance to ensure availability, integrity and confidentiality of information and information systems across locations. Management Information Security Forum (MISF) has been constituted, which is chaired by the MD and comprises Head of IT, Chief Information Security Officer (CISO) and other senior management personnel.

The MISF facilitates internal communication of information security programmes and implements processes for risk assessment and security classification of information systems. It convenes on a yearly basis and reports critical matters to the Board of Directors.

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

Employees are sensitised on information security and cyber security policies of the Company through e-learning modules, new joiners' induction programmes and regular advisories. Sessions with industry experts are conducted to further enhance the awareness of employees as well as Tier-1 suppliers.

The Company has a privacy policy for protection of stakeholders' personally

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

## PRODUCT STEWARDSHIP AND INNOVATION

The Company has maintained its leadership in the Indian passenger car market by providing reliable, fuel-efficient, safe and affordable products to customers. Innovative technologies such as Smart Hybrid, Smart-CNG (S-CNG), K-series engines, HEARTECT platform, a range of automatic transmission systems and idle start-stop feature, have not only made the Company's vehicles safer and cleaner, but has also improved the driving experience and expectations of customers. In view of the preferences of the new-age customers, there has been a focus on providing connected technologies in the vehicles such as Suzuki Connect telematics solutions, and Smart Play infotainment system.

Environmental, human health and safety impacts associated with products are managed responsibly at the design and development stage itself. Processes and systems for reduction of hazardous substances in products and end-of-life (ELV) vehicle management are being strengthened with support from value chain partners.

**MSIL CNG fleet has lowest CO<sub>2</sub> emission intensity with respect to all CNG models in industry**

Until 31<sup>st</sup> March 2022,  
~1 million tonnes of CO<sub>2</sub> emissions saved from the sale of S-CNG vehicles

### S-CNG Range



#### COMPLIANCE WITH EMISSION NORMS

#### LOW-CARBON PRODUCTS

S-CNG technology plays an important part in low-carbon product strategy of the Company. The S-CNG range of vehicles is specifically designed, developed and manufactured to suit Indian driving conditions. S-CNG vehicles are equipped with an intelligent injection system that maintains a perfect air-to-fuel ratio within the combustion chamber, resulting in better mileage. A retuned suspension setup accommodates the added weight of S-CNG components and delivers stable performance in every terrain. To maintain highest standards of safety, the entire CNG structure is designed in a leak-proof manner using stainless-steel pipes and joints.

During the reporting period, the Company has launched many models with new-generation engines and improved fuel efficiency, and continued to expand the Compressed Natural Gas (CNG) portfolio.

Out of total 61 applications, the Company has transitioned 31 applications to BS-VI Phase-2 by end of April 2022 and the remaining 30 applications are planned to be completed before the regulation deadline.

#### Largest portfolio of S-CNG vehicles

**26% CAGR increase in the sales of S-CNG vehicles in last 5 years**

Achieved sales of ~1 million S-CNG vehicles till date

S-CNG technology has been made available in personal segment (Alto, Celerio, S-Presso WagonR, Ertiga, Eeco and Dzire) and commercial segment (Tour S, Tour V, Tour M, Tour H1, Tour H2, Tour H3 and Super Carry).

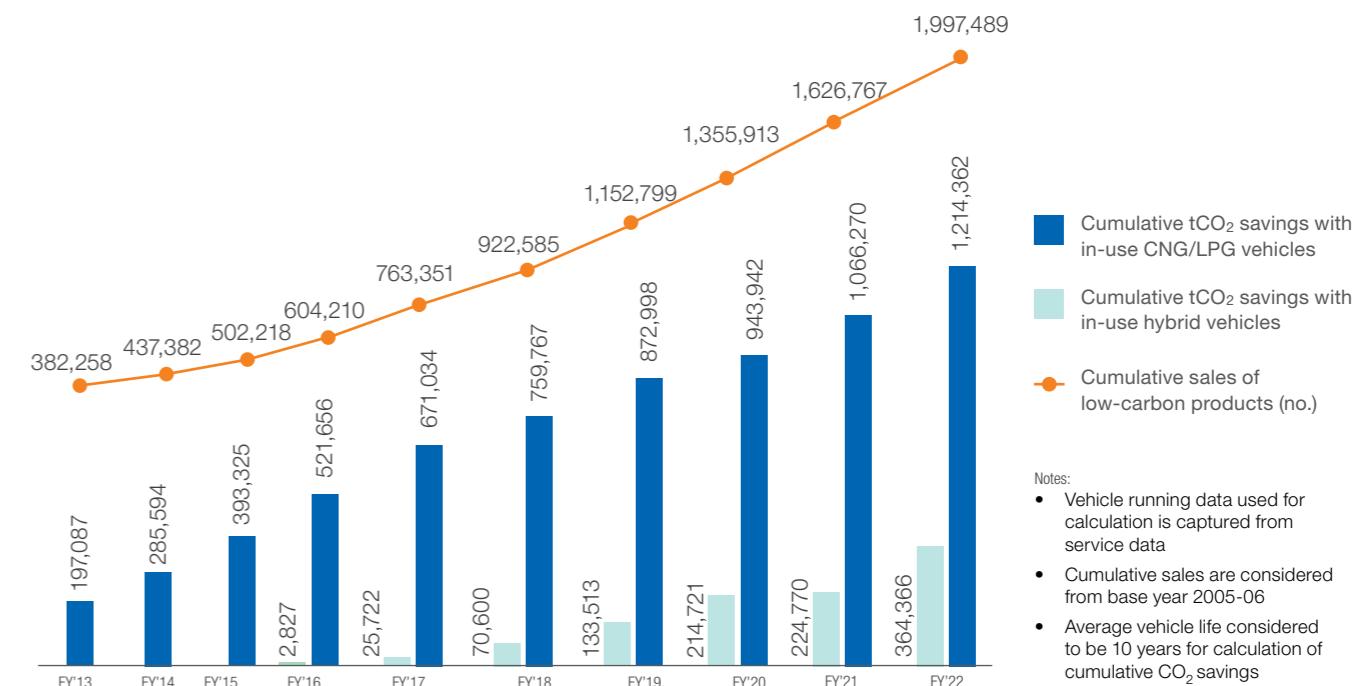
The Company's efforts to popularise the adoption of S-CNG vehicles are aligned with the Government of India's objective of reduction in oil imports by enhancing the share of natural gas in the energy basket of the country. Presently, there are already over 4,400 CNG stations across India and the Government's target is to reach over 17,000 CNG stations across the country. The demand for CNG vehicles is expected to remain high and the CNG technology will play a significant role in lowering carbon emission from a large volume of passenger vehicles.

During FY 2021-22, the Company sold around 234,000 units of S-CNG vehicles. The trend of growth in the sales of S-CNG and SHVS vehicles demonstrate the acceptance of low-carbon technologies among customers.

The Government of India is promoting biofuels such as ethanol and compressed biogas as alternate low-carbon vehicular fuels. Currently, 10% Ethanol Blended Petrol (EBP) is being commercialised and 20% EBP is planned to be launched from April 2023, with pan-India availability by 2025. The Company has provided policy-level inputs to the government on vehicle compatibility with higher ethanol blends. Components in all the petrol models have been made compatible with 10% EBP in year 2008. Efforts are being made to make all new vehicles material compatible with 20% EBP from April 2023. The CNG vehicles can run on compressed biogas without any modifications.



CUMULATIVE CO<sub>2</sub> AVOIDANCE FROM USAGE OF ALTERNATE FUEL VEHICLES



## FUEL EFFICIENCY TECHNOLOGIES

Keeping customers at the centre, the Company has continuously endeavoured to set new benchmarks of fuel efficiency across the range of cars. It is this pursuit that fuels the drive to constantly innovate and push the boundaries of technology.

The Company's K-series engine realises the true spirit of the global design trend of optimising engine performance through innovative design techniques. It is currently offered in five different options across the product line-up: K10B, K12M, K15B, and next-gen dual VVT dual injector K12N and K10C engines. For example, continuous upgradation of the K-series engine in the Dzire has improved its fuel efficiency by

over 30% in the last decade. The next-gen K-series engine is equipped with state-of-art technologies such as cooled exhaust gas recirculation (EGR), auto tensioner, and integrated exhaust manifold.

Idle start-stop (ISS) technology, made available in the new Baleno, Celerio, WagonR and Dzire, saves fuel by cutting off the engine when idling in traffic.

Auto Gear Shift (AGS), the two-pedal technology, offers the driving convenience of an automatic transmission vehicle to the customers without any compromise on fuel economy. This technology has been introduced in the new Baleno and new WagonR.



### New WagonR

The new WagonR with the next-gen K-series engine was launched with both petrol (1.0L and 1.2L) and S-CNG (1.0L) fuel options. Both the 1.0L and 1.2L next-generation K-series engine comes equipped with dual jet, dual VVT and idle start-stop technology. The 1.0L engine delivers a fuel efficiency of 25.19 kmpl in petrol, higher by approximately 16% from outgoing model, and 34.05 km/kg in S-CNG, higher by approximately 5% from outgoing S-CNG model. The 1.2L engine delivers 24.43 kmpl, higher by approximately 19% from outgoing model.



### New Celerio

The petrol variant of the new Celerio launched in FY 2021-22 offers a mileage of 26.68 kmpl and is India's most fuel-efficient petrol car. It is powered by the next-gen K-series dual jet, dual VVT engine with idle start-stop technology and offers around 23% higher mileage than previous generation Celerio petrol model. The S-CNG variant of the new Celerio offers a mileage of 35.6 km/kg, which is approximately 16.8% higher than the outgoing S-CNG model.

Weight optimisation in the new Celerio

Design optimisation in seat set and platform related parts

Overall reduction of ~13 kg compared to outgoing model



### New Baleno

The new-age Baleno, equipped with advanced 1.2L K-series dual jet, dual VVT engine combined with idle start-stop technology offers a fuel efficiency of 22.35 kmpl for the manual transmission variant and 22.94 kmpl for the AGS variant.



### Dzire

The Dzire S-CNG powered by advanced K-series 1.2L dual jet, dual VVT engine offers a mileage of 31.12 km/kg, making it India's most fuel-efficient CNG sedan.

## AGS TECHNOLOGY PROGRESSION

The Company-pioneered Auto Gear Shift (AGS) technology is equipped with an intelligent electric-hydraulic shift-control actuator that automatically performs clutch and shift operations and allows users to experience the futuristic two-pedal technology. AGS combines the actuator and controller, and directly mounts them in the transmission to unify the working components. This permits synchronised control over the clutch, gear and engine for a smoother drive, and brings together the advantages of both manual and automatic transmissions.

Additionally, features such as start assist and creep system help in stop-go traffic and parking manoeuvres, while the kick-down function helps meet sudden acceleration demands. AGS provides the same convenience as that of automatic transmission with 50% lesser cost, 30% lighter weight and improved fuel economy.

During FY 2021-22, the Company introduced the AGS technology mated with next-gen K-series engines in the new Celerio, new Baleno and WagonR to offer superior driving comfort and performance along with enhanced fuel economy.

## VEHICLE SAFETY

Customer safety is a key focus area of the Company while designing and developing the products. The vehicles comply with all applicable safety regulations. The entire range of vehicles were upgraded to meet crash and pedestrian protection regulations ahead of the stipulated timeframe. Other safety features and technologies, mandated by regulations, were introduced across the product line-up to achieve compliance ahead of implementation timelines. Advanced safety features, beyond regulatory requirements, introduced in the recently launched models depict the Company's holistic approach towards vehicle safety.

Brake Assist System (BAS) was implemented across the entire vehicle portfolio ahead of regulatory timelines. Dual airbags were introduced, ahead of regulations, as standard offering in entry segment models such as the Alto, S-Presso, WagonR and Eeco. Electronic Stability Programme (ESP), available in the new Celerio, WagonR and Baleno, enhances the overall control, drivability and safety of the vehicle. In AGS variants, ESP is powered with Hill-Hold Assist that prevents the vehicle from rolling back on inclined slopes and in stop-start traffic condition.

S-CNG vehicles are offered with a host of safety features including micro switch, stainless steel pipes, ferrule joints, advanced dual solenoid system, non-return valve, CNG fuel filter and integrated electrical system. The vehicle with the entire CNG system in place is evaluated for crashworthiness and durability. These features not only ensure unmatched safety with respect to aftermarket CNG kits, but also offer consumers complete peace of mind.

### Safety features in the new Baleno

- Front row side airbags and full curtain airbags, for crash safety
- Head Up Display (HUD) to view critical information such as speed, RPM, fuel economy etc., and drive without taking eyes off the road
- 360-view camera provides comprehensive 3D view of one's surroundings, enabling safe parking and manoeuvring, and Approaching Object Detection (AOD) feature intuitively alerts driver when moving object is detected
- Electronic Stability Programme (ESP) with Hill-Hold Assist
- Anti-Lock Braking System (ABS) with Electronic Brakeforce Distribution (EBD)
- High-speed alert system
- Driver and co-driver seatbelt reminder
- LED fog lamps



Head Up Display (HUD)



360-view camera



Front row side airbags and full curtain airbags

## RESEARCH AND DEVELOPMENT

The Company's integrated Research and Development (R&D) centres in Haryana have state-of-the-art facilities for development, testing, and evaluation of products. The test tracks at Rohtak facility are being utilised for evaluation and introduction of new technologies such as ESP, ABS and hill-hold control, as well for various homologation activities, which were earlier done at overseas locations. During the reporting period, the R&D capabilities were significantly upgraded.

- New dynamic brake drag and bearing friction measurement test facilities

- New curtain and side airbag testing facilities, in addition to passenger airbag and seating system validation facilities
- New electric motor evaluation and battery test facility
- New Pass-by-Noise measurement system
- Upgradation of crash facilities to meet EURONCAP protocols for European markets, and for EV testing
- New environmental test chambers for performance testing of lamps
- New side sliding door test facility
- Addition of Computer Aided Engineering (CAE) simulation capabilities in multiple areas related to chassis and engine development



## CONNECTED CAR TECHNOLOGIES

The next-gen telematics system Suzuki Connect, an in-built feature in the Company's vehicles, offers more than 40 connected car features for vehicle security, comfort and convenience, vehicle management, trips and driving behaviour analysis, status-alerts and remote operations. For ease of use for the customers, Suzuki Connect has been made compatible for accessing via Alexa enabled devices.



## MONITORING AND CONTROL OF HAZARDOUS SUBSTANCES IN PRODUCTS

The presence of hazardous substances such as lead, cadmium, mercury, hexavalent chromium, asbestos and volatile organic substances in automobile parts may pose a risk to customer health during vehicle use, to public health, and the environment during end-of-life vehicle dismantling. The Government of India has taken many initiatives to frame regulations in this regard, and these may be brought into force in the near future. However, the Company is proactively controlling such Substances of Concern (SOC) in the vehicles, in line with global standards.

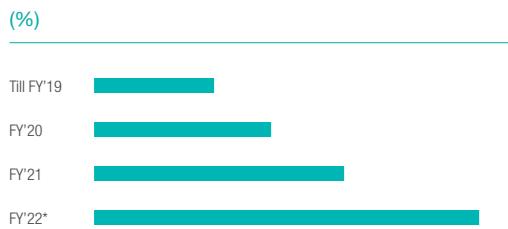
Systems have been implemented across the value chain to ensure adherence to standards related to SOC. The Company's Green Procurement Guidelines (GPG)

set requirements for all Tier-1 component suppliers to restrict the use of SOC. Control procedures have been put in place to ensure effective implementation and continuous improvement of SOC control at suppliers' end.

During the product development stage, data related to SOC is collected for all parts through globally recognised International Material Data System (IMDS) and used to identify SOC and calculate Reusability, Recyclability and Recoverability (RRR). During the reporting period, RRR and SOC compliance of all running models were ensured. For new and upcoming models, compliance has been ensured during the developmental stage.

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

## SOC AND RRR COMPLIANCE CONFIRMATION OF RUNNING MODELS



\*Excludes a model with planned end of production in FY22-23

## END-OF-LIFE VEHICLE MANAGEMENT

End-of-Life Vehicle (ELV) management is of vital importance for environment conservation, human health, and circular economy. Effective ELV management requires that products are designed for maximum recoverability and recyclability. In line with the government vision, the Company is undertaking initiatives to ensure treatment of end-of-life vehicles in an environment-friendly manner.

### Design to Recycle

Measures to maximise recyclability and recoverability of the vehicles are taken at the product design stage. Material coding for polymer parts is carried out as per the requirements for easy segregation during dismantling. The usage of SOC is being controlled in line with the requirements for the parts and processes across the value chain.

All running models being manufactured by the Company are minimum 85% recyclable and 95% recoverable. The export models comply with the European Union End-of-Life Directive (EU ELV) norms related to Reusability, Recyclability and Recoverability (RRR) to meet the requirements of the various export markets and in-line with calculations specified in ISO 22628.

In India, the Ministry of Road, Transport and Highways (MoRTH) is working towards ELV management policies based on global practices. However, the Company, since 2017, has voluntarily ensured that the domestic models meet the EU ELV norms for RRR, ahead of Indian regulations.

### ELV Dismantling and Recycling Unit

Scraping of older vehicles in a scientific and eco-friendly manner will help reduce pollution and make roads safer. The Company has ventured into End-of-Life Vehicle (ELV) recycling by forming a joint venture with Toyota Tsusho Group called Maruti Suzuki Toyotsu India Private Limited (MSTI) to set up a ELV dismantling and recycling unit in Noida, Uttar Pradesh. The operations of MSTI commenced in November 2021, with a planned capacity of processing around 24,000 units per annum. Recycling and scrapping processes being followed at MSTI, comply with regulations and standards introduced by MoRTH for management of ELVs. Similar units are planned across India to cater to the expected future rise in ELV volumes.

### Li-ion Battery Recycling

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

Since the introduction of its first hybrid vehicle in India in 2018, the Company has proactively established a mechanism for recovery and recycling of LiBs from the

Sampling inspection of parts is undertaken periodically at in-house testing facilities to verify SOC compliance by suppliers. Testing of heavy metals, Volatile Organic Compounds and asbestos is carried out and the capability to test other SOC is also being explored.

For advance preparation, proactive supplier SOC surveys are conducted for assessing upcoming material restriction compliance. Digital mode is being adopted during these surveys for reducing the survey lead time and for effective monitoring and control.

improvement. Special focus is given to ensure regulatory markings on parts and their digital verification.

At the time of new model development, suppliers are required to conduct Failure Mode and Effect Analysis (FMEA) of processes to establish robust manufacturing lines. In addition, an assessment of Tier-2 suppliers is carried out as per requirement, with the help of Tier-1 suppliers.

The Company evaluates supplier parts' thoroughly during various trial stages. Supplier processes are also thoroughly evaluated and improved through Peak Production Verification Trial. Initial flow controls are implemented across suppliers to monitor and stabilise process quality at the start of the mass production.

Suppliers are guided to become self-reliant in maintaining the condition of their tools (dies and moulds) for producing good-quality parts by carrying out timely refurbishment of tools.



Part scanning

## PRODUCT QUALITY

Product quality is ensured right from the design stage of new model development by front-loading of design input, even before actual vehicles are manufactured. In addition, vehicles are thoroughly evaluated through multiple static and dynamic quality checks at the Rohtak R&D centre and on actual roads to identify and address quality issues in advance. Test and design standards are being continuously upgraded as per customer usage conditions to avoid recurrence of defects.

The Company works in close association with its suppliers to ensure that they meet the standards for parts' quality during mass production. Regular examination of suppliers' parts and processes and horizontal deployment of learnings across supplier plants helps in continuous

## PRODUCT RECALL MANAGEMENT

During the reporting period, 181,754 units of the Ciaz, Ertiga, XL6, Brezza and S-Cross with a Motor Generator Unit (MGU) defect were voluntarily recalled from the domestic market as per the MoRTH guidelines. The Company received feedback from market through dealerships and took immediate action. A detailed analysis was carried out for the case and market action judgment was taken to replace the defective parts free of cost. The Company will proactively continue to seek defect-related feedback and voluntarily recall the vehicles in customers' interest.

Robust quality systems for traceability, accurate root cause analysis, countermeasures, and prevention of defect

recurrence is in place. These systems are periodically reviewed and upgraded based on changing regulatory framework and market dynamics.

## OPEN INNOVATION

The Maruti Suzuki Innovation initiative is devised to bring forth cutting-edge technologies and cost-effective solutions to drive industry standards. It is based on open innovation, collaboration and co-creation with startups, academia and industry players working in disruptive technologies.

The Maruti Suzuki Mobility and Automobile Innovation Lab (MAIL) programme, launched in 2019, focuses on areas such as computer vision, artificial intelligence, speech analytics, augmented/virtual/extended reality, Bluetooth mesh and robotics. More than 1,000 budding stage start-ups have been screened over five cohorts and 33 start-ups have been engaged with. Paid Proof-of-Concepts have been conducted with 19 startups. Eight startups, namely Xane.AI, Sensegiz, Dave.AI, Rezo, Enmovil, Urja, Amlgo Labs and Peer Robotics, have been on-boarded as business partners. The programme has entered the 6<sup>th</sup> cohort and received an overwhelming response.

The Incubation Programme, launched in 2020, saw more than 400 applications from idea-stage start-ups in the 1<sup>st</sup> cohort. Of these, seven start-ups made it to the incubation phase to co-create innovative solutions with business teams and made their pitches. Finally, three start-ups, namely True Assistive, eShipz and Hycube Works, emerged as the winners of the cohort.

The Mobility Challenge programme, launched during the reporting period, targets a particular domain in each cohort to quickly onboard technologies. More than 100 applications from mature start-ups in India and abroad have been received for a use-case in service and efforts are being made to take these solutions to market.

The Intrapreneurship Challenge, also introduced during the reporting period, saw hundreds of innovative business ideas from the Company's employees, aimed at cost effectiveness, process and

product improvement, app development etc. Selected teams will undergo design thinking workshops as well as mentoring sessions. Winners will receive monetary rewards and a chance to implement the ideas.



Mr. Kenichi Ayukawa, Executive Vice Chairman, Maruti Suzuki India Limited, delivering the keynote address on the Demo Day for Cohort 5 of MAIL programme



Mr. Hisashi Takeuchi, MD&CEO, Maruti Suzuki India Limited, addressing the participants on the MAIL Demo Day



Executive Vice Chairman and MD&CEO, Maruti Suzuki India Limited, felicitating the winning start-ups on MAIL Demo Day 5



Jury comprising Maruti Suzuki India Limited top management evaluating the start-ups

## CUSTOMER ENGAGEMENT AND SUPPORT

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

### DIGITAL CUSTOMER CONNECT

Modern-day customers make use of various digital channels to communicate with brands. Additionally, during the pandemic, customers have become increasingly reliant on digital touchpoints for availing any service or buying a product.

The Company is focusing on establishing a strong digital presence by year-round social and brand campaigns. These platforms are being leveraged to improve customer experience and engagement across various customer touchpoints.

In order to provide round-the-clock availability of a virtual agent to cater to customer queries on buying, an artificial intelligence (AI)-enabled voice bots, in six vernacular languages with conversational script, have been rolled out on dealer centralised calling numbers, resulting in reduction on the missed calls compared to the pre-bot phase. Additionally, dealer websites have been equipped with chatbots. An AI-based bot in the form of an avatar has been deployed on the Company's corporate website starting with select brands.

MSIL Service has launched an industry-first AI-based 24x7 virtual car assistant to enhance customer convenience and offer end-to-end digital engagement. The app allows the customer to use scan, voice chat and text-based search features to find answers to any car-related queries. It provides content of owner's manual in multimedia and digital form and can also be used to navigate to the nearest Maruti Suzuki Workshop at the time of distress.



Presence in  
20 cities

Flexible tenure  
options

Multiple annual-  
mileage options

Multiple end-of-  
tenure options -  
Return, Retain or  
Extend

### SERVICE NETWORK

The Company broadened its service network in India to 4,254 centres across 2,134 cities and catered to over 19 million customers in FY 2021-22. Despite the unprecedented pandemic situation and reduced market sentiment due to COVID-19, the Company added 210 workshops to its network in FY 2021-22.

Doorstep service facility, with 283 specially designed service-on-wheels workshops, has been made available in 150 cities across India. Additionally, more than 1,000 Maruti Mobile Support (MMS) vehicles are providing servicing facility at the doorstep of customers mostly in areas away from the existing service infrastructure.

Quick Response Teams (QRT) provide emergency support to customers stranded due to vehicular breakdowns, comprising 781 support vehicles in 432 cities. They attended to over 9,000 breakdown calls per month during the reporting period. The quick-response service staff is equipped with essential tools and spares needed to quickly restore the vehicles in distress. A web-based live tracking system helps the customer contact and coordinate with the nearest service technician.

~300,000  
customers availed  
loans through  
Maruti Suzuki Smart  
Finance platform

### SUBSCRIPTION-BASED MOBILITY

The Company expanded 'Maruti Suzuki Subscribe' to 20 cities with help of four subscription partners. The all-inclusive subscription service enables customers to enjoy the experience of owning a brand-new car inclusive of vehicle cost, road tax, registration charges, insurance, maintenance, road-side assistance and accessories by paying fixed monthly rentals.

### EXPANSION OF SERVICE WORKSHOP NETWORK (No.)





### CUSTOMER SATISFACTION

In line with the core value of customer obsession, the Company regularly gauges customer satisfaction levels with the sales processes experienced at dealerships.

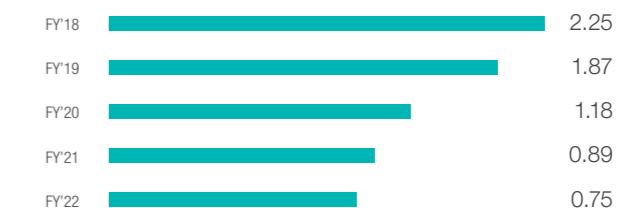
Customer satisfaction levels associated with the buying experience are measured through an internal Customer Delight Index (CDI), which considers customers' feedback across various attributes collated on a monthly basis. The CDI is derived using a rating scale ranging from -50 to +150 (Excellent: 150, Very Good: 100, Good: 50, Fair: 0, Poor: -50). CDI results are used by the Company to enhance and align sales processes at dealerships in line with customer expectations. During the reporting period, the Company overachieved its target (115) with a customer satisfaction survey score of 121. For FY 2022-23, the Company aims to maintain this level of customer satisfaction.

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

#### Customer satisfaction survey scores

	Actual FY 2019-20	Actual FY 2020-21	Target FY 2021-22	Actual FY 2021-22
Customer Delight Index	113	114	115	121

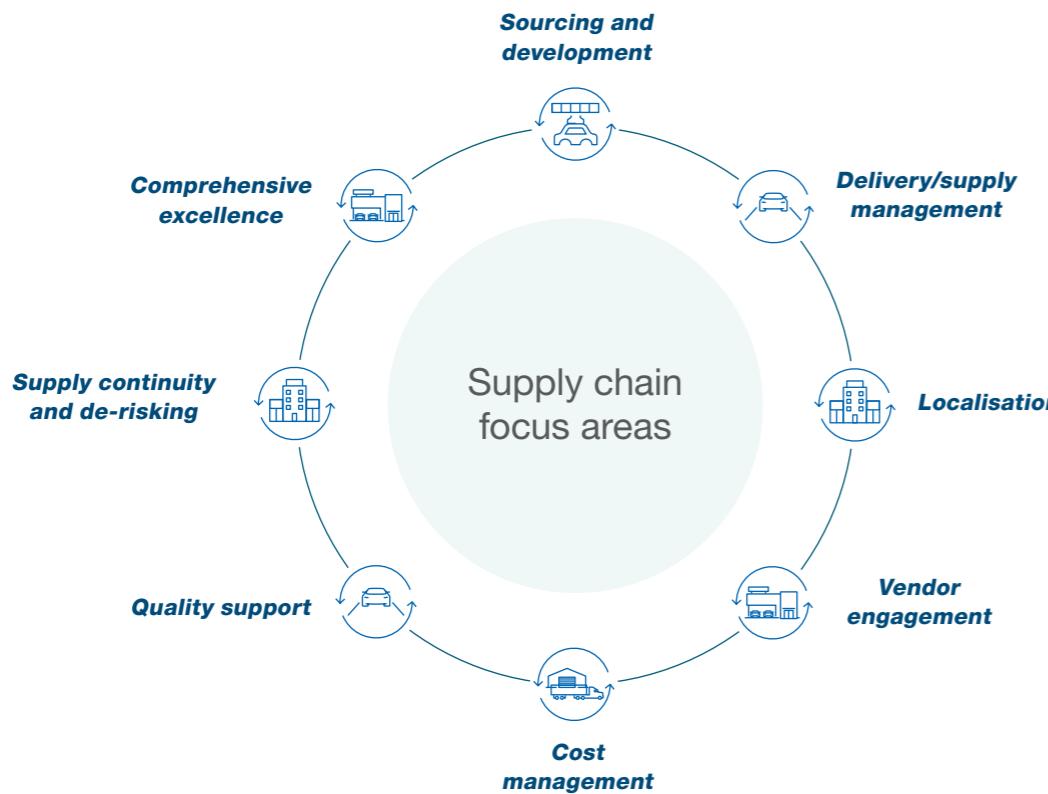
#### REDUCTION IN CUSTOMER SERVICE COMPLAINTS (CC/1,000)



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

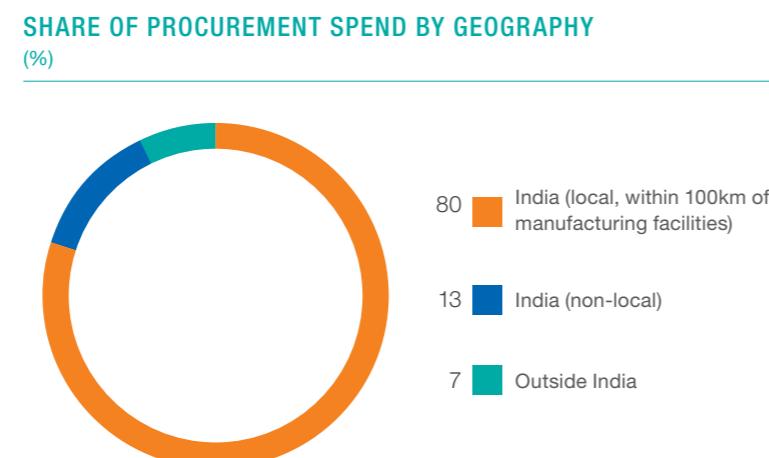
## SUSTAINABLE SUPPLY CHAIN

The Company is dependent on its vast supply chain for the availability of necessary materials and components required for the smooth operation of the business. Given the size and complexity of the Company's supply chain, the key focus is on incorporating sustainability practices among vendors, along with ensuring timely development and delivery of components of desired quality at competitive prices.



### SUPPLY CHAIN STRUCTURE

The upstream segment of the Company's value chain consists of a complex multi-tiered supply chain network providing components, raw material and consumables. It consists of 465 Tier-1 suppliers, including 17 JV companies and over 1,750 Tier-2 suppliers. The Company has a policy of prioritising local procurement in order to improve efficiency, mitigate environmental and safety impacts, and ensure business continuity. Around 95% of Tier-1 suppliers are located in India and around 84% of supplier plants in the country are within 100 km of the Company's manufacturing facilities.



The Company has identified 80 Tier-1 suppliers to be critical to business operations, which include suppliers of high-volume materials, critical components and those with non-substitutable relationships. Of the Company's total procurement, 75% spent during FY 2021-22 was attributed towards these suppliers. Additionally, 25 Tier-2 suppliers have also been identified as critical.

The Company undertook de-risking activities, not only at Tier-1 but also among Tier-2, Tier-3 and raw material suppliers.

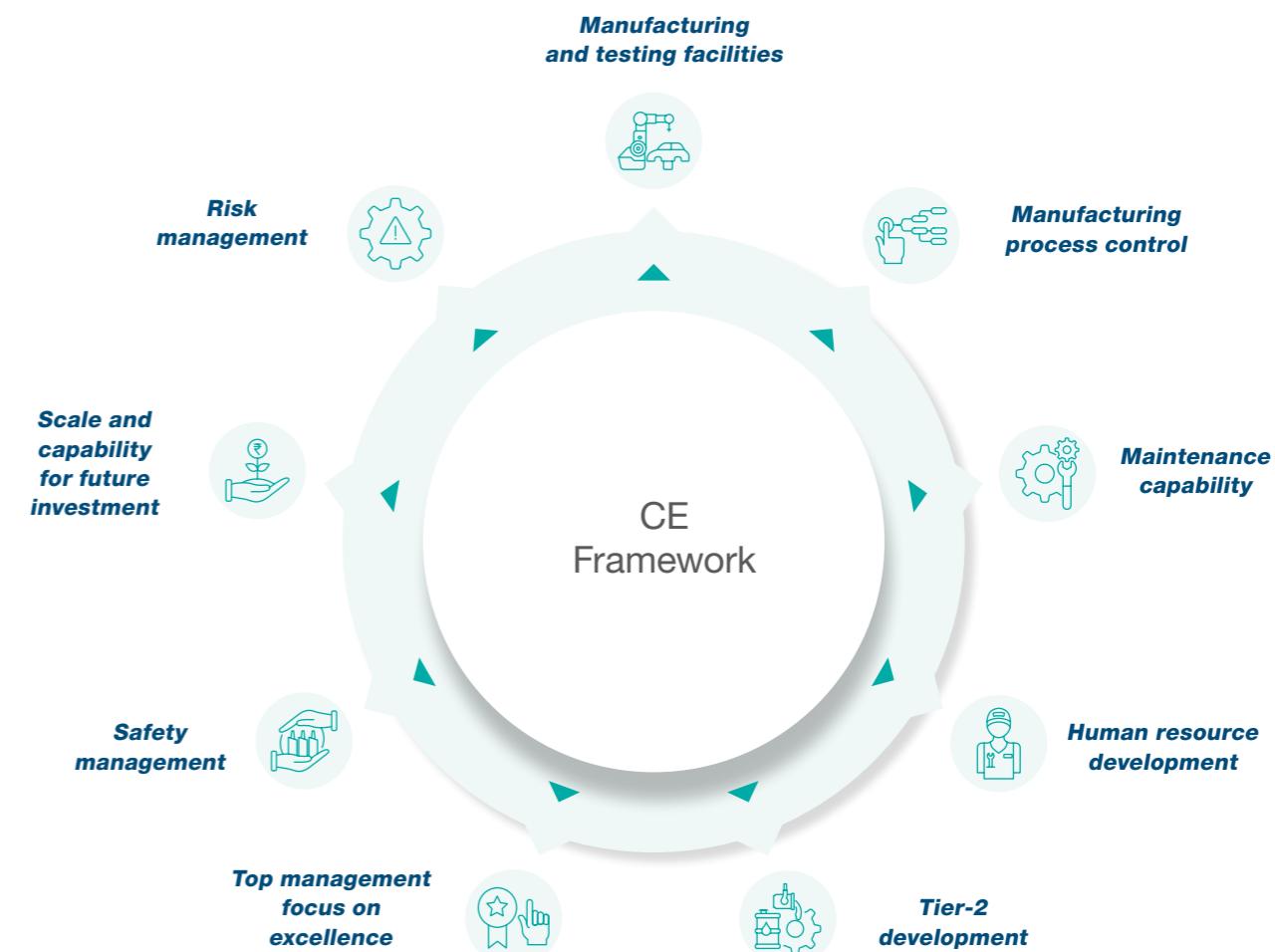
Back-up supplier plants have been identified and are being on-boarded on an ongoing basis.

During the reporting period, there was an increased pace of localisation of parts imported by vendors in order to reduce foreign exchange and other import related risks. The Tier-1 suppliers invested in new plants in India. New Tier-2 suppliers were developed with help of parent suppliers and parts quality validation was done through special vehicle testing.

### SUPPLY CHAIN SUSTAINABILITY FRAMEWORK

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

### SUPPLIERS' COMPREHENSIVE EXCELLENCE (CE) FRAMEWORK



Assessments of supplier plants are carried out on all CE pillars in a planned manner. As of 31<sup>st</sup> March 2022, 98% of Tier-1 supplier plants achieved the desired performance standards under all pillars. The remaining suppliers are being provided adequate support and training to help them meet the CE standards. In order to promote the sustenance of good performance by suppliers, the CE framework rating system has been made dynamic. The suppliers are monitored at periodic intervals and any dip in performance leads to temporary downgrading of supplier ratings.

#### SUPPLIER PLANTS MEETING COMPREHENSIVE EXCELLENCE STANDARDS (%)

FY'19		57
FY'20		80
FY'21		80
FY'22		98

Tier-2 system upgradation activities were also carried out with the help of Tier-1 suppliers. By end of the reporting period, 78% Tier-2 suppliers have achieved the desired performance standards.

#### FIRE SAFETY PROGRAMME

Fire has been identified as major risk to suppliers in terms of human life and property damage and to the Company in terms of business continuity. As part of the CE framework, a supplier fire safety programme has been implemented to help Tier-1 suppliers reduce fire risks. The programme focuses on preparedness and ability of supplier plants to manage routine fires and respond to emergency situations. The Company is continuously working with its supplier partners to implement and sustain appropriate fire safety practices and maintenance of infrastructure at their plants. Despite few fire accidents at supplier plants during the

reporting period, there were no loss of lives or supply disruptions. In FY 2021-22, follow-up audits were conducted at 91% of Tier-1 supplier plants. Additionally, Tier-1 suppliers ensure that Tier-2 suppliers get their plants assessed on fire safety by a third party. Furthermore, 54 Tier-2 suppliers with surface coating processes were assessed directly by the Company and fire safety measures were upgraded.

#### HUMAN SAFETY PROGRAMME

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

#### SUPPLIER PLANTS IN INDIA WITH OHSAS 18001/ISO 45001 CERTIFICATION

FY'19		75
FY'20		81
FY'21		89
FY'22		89

Out of the 650 Tier-2 plants involved in sheet metal production and plastic moulding that were identified as having a high potential risk of accidents, around 350 plants have been audited till date. Safety infrastructure has been improved through engineering controls such as cam guard and safety curtain in press operations and safety doors and purge covers in plastic moulding operations. Going forward, the remaining 300 Tier-2 suppliers will be covered under the programme.

#### GREEN INITIATIVES IN SUPPLY CHAIN

The Company ensures that Tier-1 suppliers are informed about upcoming Substances of Concern (SOC) control requirements in advance through the Green Procurement Guidelines (GPG), which restrict the use of globally recognised SOC in parts, accessories, raw material, and direct consumables. Tier-1 suppliers are required to strengthen SOC management processes within their organisations and also inform Tier-2 suppliers to comply with the minimum SOC management requirements.

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

#### SUPPLIERS IN INDIA WITH ISO 14001 CERTIFICATION

FY'19		85
FY'20		90
FY'21		91
FY'22		92

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

#### SAVINGS THROUGH YIELD IMPROVEMENT

	(₹ million)
FY'19	231
FY'20	258
FY'21	279
FY'22	404

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

Detailed audits comprising leadership meetings, plant visit, focus group discussion with suppliers' employees and document review are carried out by the Company directly and also through an independent organisation. Based

on the assessments, each supplier is recommended an action plan for improvement and is monitored. As on 31<sup>st</sup> March 2022, the Company audited 391 supplier plants and carried out re-verification audits of 297 plants to check implementation of countermeasures.

#### SUPPLIER PLANTS MEETING HR EXCELLENCE CRITERIA UNDER CE FRAMEWORK (%)

FY'19		71
FY'20		80
FY'21		91
FY'22		98

#### BUSINESS CONTINUITY IN VIEW OF SEMICONDUCTOR SHORTAGE

The global automotive industry has been impacted due to semiconductor shortages induced by higher demand of electronic devices and production shortage due to the COVID-19 pandemic. The Company, with the support of supplier partners, is taking various measures for chip availability, such as:

- Mapping of key semiconductor suppliers and establishment of channels for advance information on volume requirements to the suppliers
- Evaluation of alternative suppliers and type of chips
- Optimisation of production volumes based on semiconductor availability to ensure that customer requirements are fulfilled
- Building flexibility in non-semiconductor parts to take care of volume fluctuations on vehicle variant levels

## PEOPLE PRACTICES

Employees are considered as the most valued asset of the Company and a key contributor in its success over the years. There is constant focus on attracting, developing and retaining competent people, promoting safe work practices, equal opportunity, employee welfare, employee engagement and harmonious industrial relations.

### OCCUPATIONAL HEALTH AND SAFETY

The Company regards occupational health and safety as a high-priority business objective and a fundamental value to be upheld at all times by all persons who work at its premises, to ensure that they return home safely at the end of each workday.

### Occupational Health and Safety Management System

The Occupational Health and Safety Management System (OHSMS), in line with the requirements of ISO 45001, has been implemented. More than 200 safety ambassadors and departmental coordinators were involved for the implementation of OHSMS. All employees are engaged to create a culture of risk awareness and accident prevention and are involved in identification and reporting of hazards and potentially hazardous situations.

The Head Office in New Delhi, the manufacturing plants in Manesar and Gurugram, as well as the R&D centre in Rohtak are externally certified under ISO 45001. To ensure efficient functioning of internal processes and controls, the OHSMS is subject to internal and external audits as per IS 14489.

Inspired by SMC's philosophy that says 'all incidents are avoidable', strong technical and administrative systems have been developed to minimise risks and ensure safety and wellbeing of the workforce.

#### Safety Governance

Plant-level safety committees, constituted as per statutory requirements, promote cooperation and dialogue between workers and the management on occupational health and safety matters. Additionally, multi-tiered safety committees serve to strengthen the Safety Management System and oversee its implementation.

### Safety Committees

#### Central level – Chaired by MD & CEO

#### Vertical level – Chaired by vertical heads

#### Divisional level – Chaired by divisional heads

Identification, assessment, elimination and control of hazards in the workplace are critical components of OHSMS. The Company follows a comprehensive set of hazard identification and risk assessment (HIRA) guidelines, which are aligned to ISO 45001 as well as applicable legal requirements. For non-routine activities, KY (Kiken Yochi) is used to determine hazards and identify control measures before using of work permit. Further, KY process is also carried on scheduled interval at shop floors where employees spend time to identify hazards and control measures at their workstations.

Safety audits carried out a pre-determined schedule as per regulatory requirements,

ISO 45001 and IS-14489. Safety patrolling, work permit audit and other forms of inspections are undertaken on a regular basis.

### Safety Communication and Training

All employees, right from the shop floor up to the top management, are trained to execute their work in a safe and responsible manner. Employees are encouraged to follow the principle of Ho-Ren-So (timely reporting, communication and consultation) to avert mishaps at work. The occupational safety policy and basic safety principles are displayed across all work locations. Safety ambassadors from all shops are trained in the process

of HIRA. Safety messages from top management are circulated periodically to remind employees of their responsibility to demonstrate safe working practices and behaviours.

The safety policy encourages reporting of incidents, which are investigated using root cause analysis techniques such as 5-why analysis, 3G and Ishikawa diagram. Post investigation and analysis, information regarding incidents is circulated to departmental managers and safety ambassadors, in the form of causal factors, key learnings and action plans. Learnings from incidents within the Suzuki Group are translated into safety alerts, work instruction sheets and training modules.

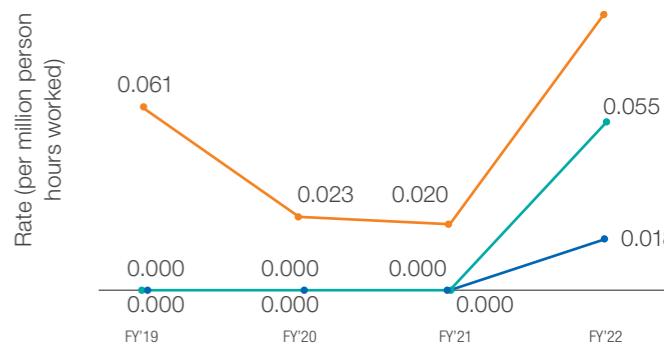
### Occupational safety training hours during FY 2021-22

Employee category	Training Person Hours
Regular employees	48,960
Non-regular employees	63,642

### Safety Performance

Regular employees				
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Fatalities due to work-related injury	0	0	0	0
Recordable work-related injuries	1	1	2	1
Lost time injuries	0	0	1	0

Non-regular employees				
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Fatalities due to work-related injury	0	0	0	1
Recordable work-related injuries	3	1	1	5
Lost time injuries	0	0	0	3





### Safety Campaigns

In order to raise awareness on road safety, employees were sensitised on responsible driving behaviour through engagement initiatives such as defensive driving training for two-wheeler commuters, road safety quizzes and sharing of learnings from accidents. The 51<sup>st</sup> National Safety Month was observed from 4<sup>th</sup> March 2022 through trainings, competitions, quiz, seminars and knowledge sharing sessions.

### HUMAN RESOURCES

Similar to the situation in FY 2020-21, the prime responsibility of the Company's HR function during the reporting period FY 2021-22 was to create a balance between productivity and employee health and wellbeing. The second COVID-19 wave, which was more serious than the first one, brought immense challenges and pains to the entire nation, and also affected the Company's workforce in adverse ways. The HR policies and systems were continuously reviewed, amended and strengthened to provide timely support to employees in need and to build confidence when they returned to work.

### COVID-19 Management

#### Tracking and Preventive Measures

- Constitution of a central COVID-19 task force, supported by COVID-19 marshals
- Health monitoring of workforce through in-house mobile application
- Over 200 vaccination camps for employees and their family members
- Regular virtual talks by health professionals on employee health and wellness

#### Emergency Response

- A 24-hour medical helpline to support employees and family members in case of emergency
- Immunity booster diet in all the industrial canteen services at MSIL
- Distribution of medical kits to employees
- Procurement of medical equipment such as oxygen cylinders and concentrators for employees and their family members
- Dedicated tie-ups with hospitals for ICU beds and arrangement of isolation/quarantine facilities during the second and third waves of pandemic
- Graded Response Action based on COVID-19 cases within the Company and other affected areas
- Work-from-home, roster schedule and hybrid working culture were incorporated depending on prevailing situation



### Diversity of Workforce

The Company's diverse workforce, comprising different age groups, genders, intellectual abilities and professional backgrounds, has played a key role in fostering innovation and enhancing

productivity, leading to competitive advantage and sustained market leadership over the years. As on 31<sup>st</sup> March 2022, the Company had 39,287 employees, including 16,259 regular and

23,028 non-regular employees working at various offices and manufacturing facilities. Among the regular employees, 17 persons were differently abled.

### Break-up of regular employees by age group and gender

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22						Total	
				<30 years		30-50 years		>50 years			
				Male	Female	Male	Female	Male	Female		
Top and senior management	198	214	230	0	0	126	2	96	2	226	
Mid management	323	334	339	0	0	298	4	62	3	367	
Junior management	6,151	6,285	6,446	1,774	171	4,054	257	220	5	6,481	
Supervisors	3,450	3,367	3,259	1,694	90	1,311	32	287	0	3,414	
Associates	5,770	5,745	5,751	340	0	5,071	3	347	10	5,771	
<b>Total</b>	<b>15,892</b>	<b>15,945</b>	<b>16,025</b>							<b>16,259</b>	

### Break-up of non-regular employees

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Apprentices	2,534	2,065	2,160	2,985
Temporary workers	3,845	4,137	7,249	7,989
Student trainees	3,045	3,088	3,370	3,564
Outsourced employees	8,881	8,047	8,352	8,490
<b>Total</b>	<b>18,305</b>	<b>17,337</b>	<b>21,131</b>	<b>23,028</b>

A gender diversity and inclusion initiative called Women in Network, Growth and Success (WINGS) is being undertaken for empowerment of women at work and promotion of an inclusive work environment. Commitment towards equity in employment, recognition and advancement is helping make the workplace more female friendly.

### Digital Transformation

The Company continued to focus on digital transformation of human resource management systems to bring in more innovation, agility and operational excellence as well as create value for employees.

Digital platforms are available to employees for grievance redressal and asking queries on HR policies. The HR Assist mobile app, which helps employees to manage leaves, employee lookup,

payroll and visitor gate pass on-the-go, was upgraded during the reporting period to improve user experience. The online travel and expense management system, introduced to ease the process of official travel and expense filing, was also upgraded.

A platform called SAP Success Factors Employee Central Module – NEEV (Nurturing Employee Experience and Value) helps to centrally maintain and dissipate employee-related information as well as provide self-service features for employee and manager. The platform is integrated with various human resource processes of the organisation, such as the hiring and separation performance management, learning management, rewards and recognition, succession planning, and will be integrated with payroll, thereby providing a better experience over the entire employee

lifecycle. During the year, mobile application for NEEV was launched as another step towards enhancing agility.

### Employee Remuneration

The Company is committed to equitable pay for work that is of equal value, skill and responsibility. Pay scales are developed as per industry remuneration practices and constantly reviewed to provide maximum value for employees.

Remuneration ratio for regular employees (female to male)							
FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22	
Fixed	Total	Fixed	Total	Fixed	Total	Fixed	Total
1.07	1.06	1.03	1.04	1.07	1.03	1.01	1.02

Ratio of compensation between highest-paid individual and employees				
Ratio of the annual total compensation of Managing Director to the median annual total compensation for all regular employees	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
	46.90	39.07	34.11	31.17

### Employee Benefits

The Company provides a wide array of benefits for regular and non-regular employees. These include:

- Medical reimbursement policy for regular employees and their dependants
- Coverage of contractual employees under the Government's Employees' State Insurance Corporation's social security and health insurance schemes
- Life insurance, healthcare, disability coverage and retirement benefits
- Post-retirement medical benefits for superannuating employees and their spouses
- Superannuation planning workshops
- Provision to extend maternity leave up to six months beyond the statutory entitlement
- Housing township for employees at Dharuhera, Haryana
- Creche facilities

During the reporting period, a Group Medical Insurance Policy was introduced to provide medical support to dependents of employees who lost their lives to the COVID-19 pandemic. Additionally, other social security provisions such as employee deposit linked insurance scheme, death relief fund contribution, death relief fund, and compensation on compassionate grounds were also provided to the affected persons.



Maruti Suzuki Group Housing

### Industrial Relations

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

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

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

### Talent Acquisition and Retention

During FY 2021-22, 1,004 regular employees were recruited, while 770 employees separated from the Company. The attrition rate for regular employees stood at 4.7%.

Category	New hires by age group and gender						Total			
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22						
				<30 years		30-50 years				
Category	Male	Female	Male	Female	Male	Female	Total			
Top and senior management	6	4	1	0	0	1	0	5	0	6
Mid management	29	21	15	0	0	16	0	2	0	18
Junior management	1,006	463	351	395	35	65	4	0	0	499
Supervisors	367	112	115	404	23	11	1	0	0	439
Associates	54	2	27	26	0	16	0	0	0	42

Category	Turnover* by age group and gender						Total			
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22						
				<30 years		30-50 years				
Category	Male	Female	Male	Female	Male	Female	Total			
Top and senior management	12	19	16	0	0	2	0	21	0	23
Mid management	23	25	28	0	0	15	0	23	0	38
Junior management	400	436	325	330	40	220	21	30	0	641
Supervisors	45	42	39	25	1	10	1	9	0	46
Associates	30	27	21	1	0	13	0	8	0	22

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

## Performance Management

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

## LEARNING AND DEVELOPMENT

The Company invests heavily in the learning and development of employees to equip them with appropriate knowledge and skillsets and prepare them for future business needs and challenges. Support is extended to suppliers and dealers for capacity building of their workforce. The investments for training of value

chain partners plays an important role in enhancing business outcomes and customer experience.

### Training Programmes for Employees

The Company's learning and development strategy is aimed at creating a talent pipeline. With significant hiring at the entry level, there is strong focus on nurturing young talent with requisite technical and behavioural skills, along with culture building.

This is coupled with their involvement in cross-functional teams for challenging projects and stretch role assignments, thereby preparing them for future leadership roles.

Maruti Suzuki Training Academy (MSTA), the training arm of the Company, implements a comprehensive learning and development framework that enables the identification of skill gaps and providing structured band-wise

training programmes, covering behavioral, technical, and functional topics. Technical trainings are decided in consultation with the departments. Training in Japanese language and culture is also imparted on need basis. Hands-on technical and multi-skilling trainings of shop floor employees and trainees are imparted through the Maruti Suzuki Finishing School, the Centre of Excellence and the Technical Training Centre.

The COVID-19 pandemic triggered a digital transformation across the business and led to the implementation of a hybrid learning model comprising of a mix of online and offline training programmes.

This has helped foster a digital culture and mindset in the Company and aligning the decision-makers to the digital way of doing business.

### TECHNICAL

- EV technology
- Spot welding
- DFMEA & PFMEA
- Fasteners & torquing
- 7 QC tools
- Basic pneumatics
- Failure Tree Analysis

### FUNCTIONAL

- Job description
- Drafting skills
- Connected leadership
- Data analytics
- Balancing tasks & relationships
- Financial analysis & costing

### BEHAVIORAL

- Digital for innovation & transformation
- Coaching & mentoring
- Empowering team
- Emotional intelligence
- Listening skills
- Core values

### HEALTH & WELLNESS

- Building immunity by yoga
- Emotional resilience
- Heartfulness mediation
- Awareness on Omicron

## Training hours by employee category

Employee category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Regular employees	798,307	544,131	280,235	352,566
Non-regular employees	622,268	441,387	155,929	253,762

## Training of Value Chain Partners

The Company focuses on training and skill enhancement of supplier manpower by establishing DOJO training centres at the suppliers' facilities. The centres focus on skilling and re-skilling the workforce on aspects of quality, safety and productivity. New workers are trained and assessed before joining work and only qualified workers are sent to the shop floor. This initiative plays a significant role in preventing quality issues in parts due to human error. Online quality communication meetings with suppliers are conducted to share the Company's quality expectations as well as good practices.

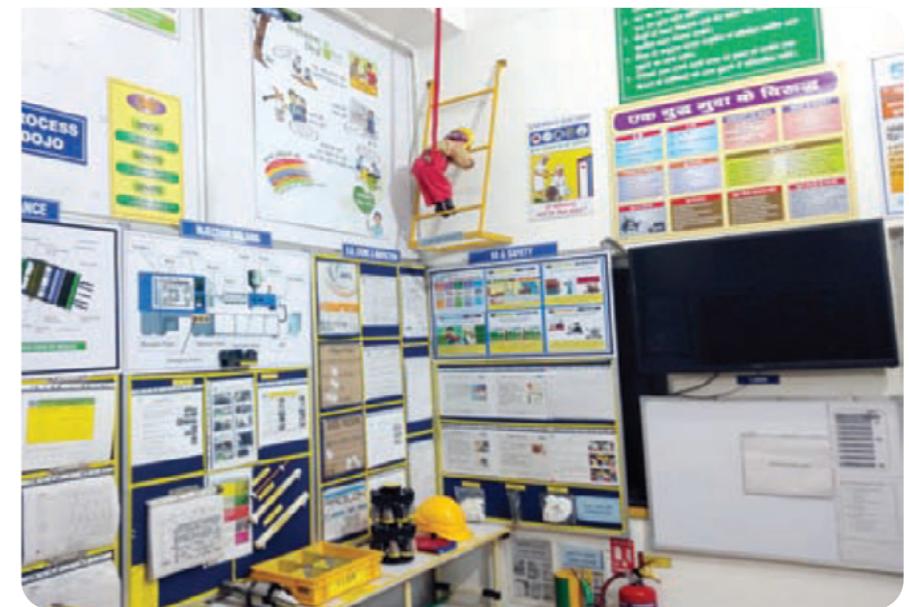
In order to enhance the quality of service, the Company upgrades the skill sets of service staff on a continual basis. Digital modes of training have been employed to ensure coverage of service staff across the country and to communicate standardised information. An initiative has been taken to broadcast digital training through online broadcasting centres in order to reach out to last-mile technician and workshop staff.

The Company has dedicated learning and development interventions for dealership staff that aims at improving their productivity and enhancing customer experience. Training programmes are designed keeping in view business needs and leading practices across industry.

During the reporting period, a blended training approach, comprising instructor-led classroom training, online training and self-learning on digital platform, was adopted to train over 48,000 dealership sales staff. Sales Leadership Programme was conducted for senior management of dealerships in partnership with a leading business school. Additional platforms such as NEXA Academy, FIFA and The Great Master were established to engage and

enhance learning opportunities for both the management and staff of dealerships.

In FY 2020-21, the Company had collaborated with a university in Haryana for an industry integrated Bachelor's programme to equip youth with automotive retail skills required at dealerships and create a pool of skilled and professional Dealer Sales Executives (DSEs). The programme is a blend of academic learning and skill development where students acquire theoretical knowledge through classroom learning in the first year and receive on-the-job training for next two years at the Company's dealerships. In FY 2021-22, this initiative was further expanded to two more cities, namely Ahmedabad and Pune.



Mini-DOJO centre

## OPERATIONAL ECO-EFFICIENCY

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



New solar plant at Manesar facility



### ENERGY AND EMISSIONS MANAGEMENT

Energy is one of the critical inputs to the production process at the Company. A major share of its energy requirement is met through captive natural gas power plants and grid power.

The Company is steadily increasing the share of solar power in its energy portfolio. In FY 2021-22, an additional solar

photovoltaic (PV) capacity of 20 MWp was fully commissioned at the Manesar facility. Thus, the total installed capacity of grid connected solar power across all manufacturing facilities increased to 26.3 MWp and the share of solar-based electricity consumption increased from 2.1% in FY 2020-21 to 5.4% in FY 2021-22. The output of the solar plants is synchronised with power generated from natural gas to collectively cater to internal energy needs. Opportunities for further

expansion of renewable energy share in its overall energy mix are being explored.

To reduce carbon emissions, purchase of green power for Gurgaon and Manesar plants through energy exchange was initiated from January 2022. A total of 2,145 MWh non-solar green power was purchased, resulting in around 1,700 tonnes of CO<sub>2</sub> reduction.

Energy use by type (GJ)					
Energy Use	Energy Use	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Energy inputs	Natural gas*	7,759,461	5,864,677	3,353,771	3,735,072
	High Speed Diesel (HSD)*	182,513	67,053	73,896	25,402
	Liquefied Petroleum Gas (LPG) and Propane	29,113	22,282	24,759	26,221
	Gasoline	32,674	28,334	28,179	42,543
	Solar	4,684	8,676	32,468	91,863
	Purchased electricity	157,681	404,593	884,036	919,620
Electricity supplied to MSIL's vendors		181,437	94,957	37,602	34,987

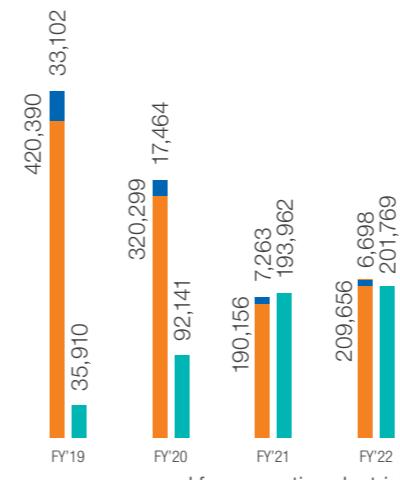
\*Energy inputs are inclusive of fuel used (natural gas and HSD) to generate electricity for supply to the Company's vendors located in vendor parks at Gurugram and Manesar

### ENERGY INTENSITY (GJ/vehicle manufactured)



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

### GREENHOUSE GAS (GHG) EMISSIONS BY TYPE (tCO<sub>2</sub>e)



**Note:** Scope 1 and Scope 2 emissions are calculated based on the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories and User Guide (Version 17.0) of Central Electricity Authority (Ministry of Power, Government of India); Scope 1 figures for FY 2018-19, 2019-20 and 2020-21 have been restated in terms of tCO<sub>2</sub>e.

Capital investment in FY 2021-22 towards energy conservation is mentioned in Annexure-C of the Board's Report (page 154). Key energy-saving initiatives undertaken in the reporting period include:

- Installation of gravity conveyors in seat and tyre section of assembly shops at Manesar facility
- Installation of intelligent flow controller in Manesar plant to reduce compressed air pressure for process

### SCOPE 1 & 2 GHG INTENSITY (tCO<sub>2</sub>e / vehicle manufactured)



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

- Elimination of idle time running by installation of Variable Frequency Drive in hemming machines in weld and paint shops and process optimisation in press and moulding shops at Manesar facility
- Elimination of compressed air blowing, pump motor, and screw conveyor and drilling unit in machine shop at Gurugram facility and component heating in assembly shops at Manesar facility
- Conversion of pneumatic sanders and polishers from pneumatic to electric energy based at weld and press shops at Gurugram and Manesar facilities
- Installation of hot water generator in paint shop of Manesar facility for supplying hot water in place of steam for process application
- Upgradation of IE1/IE2 rated electric motors with energy efficient IE3 grade motors in Gurugram facility
- Upgradation of pump set with energy efficient pumps in water treatment section of Manesar facility
- Upgradation of existing air washers and cooling towers with electronically commuted (EC) based motors at Gurugram and Manesar facilities

**Annual emission reduction of ~4,700 tCO<sub>2</sub> through energy-saving measures**

**Annual cost savings of ~ ₹80 million**

The Company is committed to eliminate the use of Ozone-Depleting Substances (ODS) at its facilities by the year 2025, which is well ahead of the regulatory timeline of 2030. It is gradually reducing its inventory of R-22, which is currently contained in condensers, chillers and air-conditioning units, and intends to procure equipment with only non-ODS refrigerants. During FY 2021-22, there was a 48% reduction in total ODS inventory compared to the previous year.

### WATER AND WASTEWATER MANAGEMENT

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

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

3.2 million m<sup>3</sup> water recycled across manufacturing facilities in FY 2021-22

### ODS (R-22) INVENTORY (Tonnes of refrigerant)

FY'19	2,958
FY'20	2,824
FY'21	2,352
FY'22	1,213

### CANAL WATER SOURCED (m<sup>3</sup>)

FY'19	2,228,605
FY'20	1,924,243
FY'21	1,622,161
FY'22	1,747,091

### GROUND WATER WITHDRAWN (m<sup>3</sup>)

FY'19	8
FY'20	2,793
FY'21	45
FY'22	0

### WATER WITHDRAWAL INTENSITY (m<sup>3</sup>/vehicle manufactured)

FY'19	1.42
FY'20	1.64
FY'21	1.51
FY'22	1.56

### WASTE MANAGEMENT

The Company follows the Reduce, Reuse, Recycle (3R) principle of waste management. Handling, storage and disposal are carried out after proper segregation according to the waste type. A major portion of the hazardous waste, such as process and ETP sludge, is sent to the cement industry for co-processing. The remaining portion of the hazardous waste, including used oil, contaminated barrels and cloth, is sent to authorised recyclers. During the reporting period, bio composters have been made operational at Gurugram and Manesar facilities to treat organic waste.

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

Maximum utilisation of waste by recycling and co-processing

### HAZARDOUS WASTE SENT TO CEMENT INDUSTRY FOR CO-PROCESSING (Tonnes)

FY'19	15,082
FY'20	12,713
FY'21	11,569
FY'22	13,305

### HAZARDOUS WASTE SENT TO AUTHORISED RECYCLERS (Tonnes)

FY'19	4,359
FY'20	4,748
FY'21	4,126
FY'22	4,236

### NON-HAZARDOUS WASTE SENT FOR RECYCLING (Tonnes)

FY'19	160,855
FY'20	124,391
FY'21	109,725
FY'22	123,895

### METALLIC SCRAP SENT FOR RECYCLING (Tonnes)

FY'19	27,512	94,927
FY'20	22,994	71,526
FY'21	19,027	65,343
FY'22	21,853	67,003

Scrap sent to material suppliers for recycling

Scrap sent to other recycling vendors



## RESOURCE CONSERVATION AT WORKSHOPS

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

### **Automatic car washing system:**

Automatic car washing and underbody car washing systems have led to nearly 20% reduction in water consumption and better washing quality.

### **Dry wash systems:**

Water-based car wash replaced with chemical-based wash, thereby reducing the washing time, improving the final wash quality and saving around 1,350 million litres of water till date.

## WORKSHOPS COVERED

(No.)

FY'19	1,174
FY'20	1,262
FY'21	1,292
FY'22	1,402

## WORKSHOPS COVERED

(No.)

FY'19	1,804
FY'20	2,210
FY'21	2,320
FY'22	2,586

## MULTI-MODAL DISPATCHES BY RAILWAYS

Considering the logistics and workforce related challenges and the environmental impacts associated with long-haul road transport, the share of vehicle dispatch through rail mode is being steadily increased. The Company uses specially designed rakes, which it owns, to dispatch vehicles to dealer destinations across the country and to gateway ports for exports. Till date, over 1.1 million vehicles have been dispatched through rail mode.

During the reporting period, over 233,000 vehicles, constituting 14.6% of the total vehicles sold, were transported through rail. This is the highest volume of rail dispatch by the Company in any fiscal year and is a 24% increase over rail dispatches made in FY 2020-21. The total number of destinations has been increased to 16.

To further enhance dispatch volumes, the Company is developing railway sidings at Manesar plant and Gujarat sales and distribution facility, which are expected to be completed by 2023.

## VEHICLES DISPATCHED THROUGH RAIL MODE

(No.)



# CORPORATE SOCIAL RESPONSIBILITY

## INTRODUCTION

The Company undertakes Corporate Social Responsibility (CSR) initiatives in the areas of road safety, skill development and community development in alignment with the national development priorities. Beyond these core thematic areas, the Company continues its efforts to support the government in strengthening the health infrastructure to tackle COVID-19 by setting up the oxygen generation plants. Through its CSR activities, the Company aims to create a meaningful and lasting impact on the lives of beneficiaries.

Corporate social responsibility at the Company is guided by the CSR Policy and overseen directly by the CSR Committee. Project processes and outputs are reviewed internally on an ongoing basis to ensure the efforts are on track and these internal monitoring efforts are underpinned by a third-party Impact Assessment study for the closed projects annually.



One of the oxygen generation plants set up by MSIL

**26**  
Oxygen generation  
plants set up in  
various hospitals

**~1,000**  
Oxygen cylinders  
donated

## RESPONSE TO COVID-19 PANDEMIC

The Company has been supporting the government and local community throughout the COVID-19 pandemic. The initiatives include setting up of oxygen generation plants, providing ventilators, oxygen cylinders and protective medical clothing, and supporting the local community with food, water and dry ration.

During the reporting period, the Company facilitated the installation of 26 oxygen generation plants in various hospitals, along with Suzuki Motor Corporation and vendors. In addition, the Company along with Suzuki Motor Corporation, donated around 1,000 oxygen cylinders and 25 ventilators to strengthen the health infrastructure of the country.

## COMMUNITY DEVELOPMENT

The Company engages with the local community through village administration bodies (Panchayat) and village leaders to understand their diverse perspectives on local problems and find solutions to some of the most pressing issues. Based on the local context, the community development initiatives are focused on improving health, education, water and sanitation, and common community infrastructure.

Community development projects were undertaken in 26 villages around the Company's facilities in Haryana (Gurugram, Manesar and Rohtak) and Gujarat to improve community wellbeing and maintain harmonious relationships.



Multi-specialty hospital in Sitapur, Gujarat



Maruti Suzuki Podar Learn School



Digital classroom facility at Maruti Suzuki Podar Learn School



Multi-sports complex facility at Maruti Suzuki Podar learn school

## Health Initiatives

A multi-specialty hospital has been set up at Sitapur, Gujarat in partnership with Ramanbhai Foundation, a philanthropic arm of Zydus Hospitals, Ahmedabad. The hospital has been operational with 50 beds since April 2021, and the facility is spread over 7.5 acres. It provides out-patient services, emergency care and super-specialty medical services in the areas of radiology, ophthalmology, physiotherapy, gynecology, cardiology, orthopedic, urology, nephrology and general surgery. During the reporting period, the hospital treated more than 25,000 patients. Along with quality health care services, it provides ambulance facility and organises health camps in the villages. The hospital has benefited 25 villages by improving accessibility to quality tertiary health care services. In addition, the hospital facilitated patients to avail the benefits of Aayushman Bharat Yojana, a Government Health Insurance scheme.

**~25,000**  
Patients treated  
at multi-specialty  
hospital in Sitapur

## Education

The Company has set up a school at Sitapur, Gujarat in partnership with Podar Education Network to provide quality education to children of Hansalpur, Becharaji and other nearby villages. The school focuses on the holistic development of children by imparting best academic practices and inculcating moral values, discipline and ethics. Primary school, from nursery to Class V, has been operational since April 2021, and during the reporting period, around 150 students were enrolled.

## Village Development Project

Since the project's inception, the Company has set up 28 water ATMs in 25 villages to supply drinking water to community members at an affordable price. Over 58 million litres of drinking water have been provided since the commencement of the project. The water ATMs are self-sustainable as the operations and maintenance costs are met with user fees. The Company has also constructed 4,455 individual household toilets to help villages achieve open-defecation-free status.

Support for door-to-door household waste collection and sweeping has been provided in 15 villages. Through the waste collection activity, over 37 tonnes of domestic waste have been collected from around 15,000 households each day. The mechanised organic waste management facility at Manesar processed more than 650 tonnes of solid waste during the reporting period.



Paved street laid in one of the project village



Water ATM in one of the project village



Solid Waste Management plant to convert waste to manure



Waste collection van



JIM at Uncha Majra



Training imparted to JIM students

The Company lends its support in strengthening of the common infrastructure in villages through initiatives such as laying of paver street, upgradation of panchayat office and development of community park.

**58 million**  
liters of drinking  
water dispensed  
through water ATMs,  
since inception

**37 tonnes**  
of domestic waste  
collected from  
15,000 households  
daily

#### SKILL DEVELOPMENT PROJECTS

The Company's skill development programmes are aimed at enabling the youth to undergo technical training on trades relevant for industrial employment.

#### Japan-India Institute for Manufacturing (JIM)

The Company has established two Japan-India Institutes for Manufacturing (JIM), one in Gujarat and the other in Haryana. Since 2017, around 1,200 students have been trained in these institutes. A new JIM is being set up at International Automobile Center of Excellence (IACE) located at Gandhinagar, Gujarat and the students will be enrolled from the academic year 2022-23.

The courses taught at JIM are recognised by the National Council for Vocational Training (NCVT) and the institutes are accredited by the Ministry of Economy, Trade and Industry (METI), Japan.

Training courses are offered in the domain of automobile manufacturing, maintenance, and service such as Mechanic Motor Vehicle, Mechanic Auto Body Painting, Electrician, Welder, Mechanic Diesel Engine, Mechanic Auto Body Repair, Technician Mechatronics and

**~1,200**  
students trained  
through Japan-  
India Institute for  
Manufacturing  
since inception

Fitter. Unique features of JIMs include mini-vehicle assembly line, engine assembly line, safety lab, virtual welding simulators and spot-welding equipment that provide hands-on training to the students to make them industry ready.

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

Both the JIMs provide training under the Dual System of Training (DST) scheme of the Ministry of Skill Development & Entrepreneurship (MSDE). DST is an amalgamation of theoretical training imparted through ITIs and practical training imparted through the industry. DST enables industry linkages and provides hands-on experience to students on latest technologies. During the reporting period, the first batch of over 190 DST students completed their industry training for seven months at the Company's plants in Haryana and the Suzuki Motor Corporation plant in Gujarat.

**~190**  
Students trained  
under the Dual  
System of Training

#### Upgradation of Industrial Training Institutes (ITI)

The Company supported 30 government-run Industrial Training Institutes (ITI) across 10 states and 1 Union Territory in the country. The interventions are focused on training programmes related to the industry's shop-floor requirements, behavioral and functional skills, and industry work culture. Over 6,500 students were trained during the reporting period.

Automobile Skill Enhancement Centres (ASECs) in ITIs impart training on trades such as Mechanic Motor Vehicle (MMV), Auto Body Repair (ABR) and Auto Body Paint (ABP). During the reporting period, over 1800 students were trained through ASECs at 39 Government ITIs.



Upgraded training facility at one of the Maruti Suzuki adopted ITI

#### Apprenticeship Programme

Through the apprenticeship programme for Industrial Training Institute (ITI) students, over 3,000 aspiring youth from various ITIs were trained at the Company's manufacturing facilities and were given a monthly stipend. The apprentices got an opportunity to engage with the Company's experts and improve their employability skills by working on the shop floor.

**~3,000**  
Youth given apprenticeship opportunity at  
MSIL manufacturing facilities

**~1,800**  
ITI students trained  
at ASECS during  
FY 2021-22

**~6,500**  
ITI students trained  
at MSIL supported ITI  
during FY 2021-22



IDTR, Raipur



Driving - learning through simulator at IDTR



Heavy Motor Vehicle simulator at IDTR

## ROAD SAFETY

Driven by the commitment to make Indian roads safer, the Company undertakes various initiatives, augmenting government efforts to improve driving skills through awareness campaigns, professional driving training, and automation of traffic enforcement and license issuing system.

### Improving Road Safety through IDTR

To provide driving training and education, the Company has set up eight Institutes of Driving and Traffic Research (IDTR) and 23 Road Safety Knowledge Centres (RSKC) in association with six state governments. In December 2021, IDTR at Raipur, Chhattisgarh commenced its operations.

The IDTRs use scientifically designed test tracks, driving simulators and a well-defined curriculum to conduct learner, refresher and evaluation courses for drivers of light motor vehicles, heavy motor vehicles, two-wheelers, three-wheelers and forklifts. The IDTRs imparted quality and safe driving training to varied types of drivers including commercial drivers, police personnel, corporate employees and tribal youth. The IDTRs and RSKCs have trained over 300,000 drivers during the reporting period and nearly 4 million drivers over the past 20 years.

**~300,000**  
Drivers trained  
through 8 IDTRs and  
23 RSKCs during  
FY 2021-22

**~370,000**  
driving license  
aspirants have taken  
driving tests at  
ADTTs

### Strengthening Driving Licence Tests through ADTT

The Company has partnered with the Delhi Transport Department to set up 12 Automated Driving Test Tracks (ADTT) in Delhi. The centres have specially designed tracks to conduct driving tests. They are also equipped with high-resolution cameras to capture real-time footage of tests and analytics-based assessment tools to help in the issuance of driving licenses more transparently and efficiently. As of 31<sup>st</sup> March 2022, over 370,000 candidates have taken tests at ADTTs. In addition, two ADTTs are operational in IDTR Dehradun, Uttarakhand and IDTR Aurangabad, Bihar.

### Traffic Safety Management System

The Traffic Safety Management System (TSMS) project has been implemented for the Delhi Police at 13 road junctions with high traffic density. The project aims to improve compliance with traffic rules, thereby reducing accidents. The TSMS comprises 3D radars and high-resolution cameras that capture traffic violations such as over-speeding, red-light violation, stop line violation and wrong side driving happening at traffic junctions. The information on violations is transmitted to the central control room of Delhi Traffic Police for manual validation, from where e-prosecution slips are sent to violators by SMS with a weblink that shows the evidence. Between February 2019 and March 2022, more than 3.3 million e-prosecution slips were issued.

## GRI CONTENT INDEX

GRI Standard	GRI Title	Reference Section / Remarks	Page no.
102-1	Name of organisation	Approach to reporting	01
102-2	Activities, brands, products, and services	Company profile; Product portfolio	06; 10
102-3	Location of headquarters	Company profile	06
102-4	Location of operations	Company profile	06
102-5	Ownership and legal form	Company profile; Notes to the standalone financial statements	06; 226
102-6	Markets served	Company profile	06
102-7	Scale of the organisation	Company profile; Performance highlights; Diversity of workforce; Notes to the standalone financial statements	06; 22; 107; 226
102-8	Information on employees and other workers	Diversity of workforce	107
102-9	Supply chain	Sustainable supply chain	100
102-10	Significant changes to organisation and its supply chain	Company profile; Sustainable supply chain	06; 100
102-11	Precautionary principle or approach	Risk management	72
102-13	Membership of associations	Policy advocacy practices	86
102-14	Statement from senior decision-maker	Message from Chairman; Message from the MD & CEO	26; 34
102-15	Key impacts, risks, and opportunities	Risk management	72
102-16	Values, principles, standards, and norms of behavior	Code of business conduct and conflicts of interest	85
102-18	Governance structure	Governance mechanism; Corporate governance report	82; 164
102-38	Annual total compensation ratio	Employee remuneration	107
102-40	List of stakeholder groups	Stakeholder engagement	64
102-41	Collective bargaining agreements	Industrial relations	109
102-42	Identifying and selecting stakeholders	Stakeholder engagement	64
102-43	Approach to stakeholder engagement	Stakeholder engagement	64
102-44	Key topics and concerns raised	Stakeholder engagement	64
102-45	Entities included in the consolidated financial statements	Consolidated financial statements	300
102-46	Defining report content and topic boundaries	Approach to reporting; Material topics	01; 67
102-47	List of material topics	Material topics	67
102-48	Restatements of information	Scope 1 GHG emission figures for FY 2018-19, 2019-20 and 2020-21 have been restated in terms of tCO <sub>2</sub> e; Figures related to 'Hazardous waste sent to authorised recyclers' for FY 2018-19, 2019-20 and 2020-21 have been restated to include the amount of hazardous e-waste sent to authorised recyclers.	
102-49	Changes in reporting	Material topics	67
102-50	Reporting period	Approach to reporting	01
102-51	Date of most recent report	Approach to reporting	01
102-52	Reporting cycle	Approach to reporting	01
102-53	Contact point for questions regarding the report	Corporate governance report	164
102-55	GRI content index	GRI content index	123
102-56	External assurance	Verification statement	126
103	Management approach	Risk management; Sustainability performance; Management discussion and analysis	72; 82; 186

## ALIGNMENT WITH UNGC PRINCIPLES

GRI Standard	GRI Title	Reference Section / Remarks	Page no.
201-1	Direct economic value generated and distributed	Triple bottom line performance	46
204-1	Proportion of spending on local suppliers	Supply chain structure	100
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Status of compliances during FY 2021-22	86
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Status of compliances during FY 2021-22	86
301-1	Materials used by weight or volume	Notes to the standalone financial statements	226
302-1	Energy consumption within the organisation	Energy and emissions management*	112
302-3	Energy intensity	Energy and emissions management*	112
303-3	Water withdrawal	Water and wastewater management*	114
303-4	Water discharge	Water and wastewater management*	114
305-1	Direct (Scope 1) GHG emissions	Energy and emissions management*	112
305-2	Energy indirect (Scope 2) GHG emissions	Energy and emissions management*	112
305-4	GHG emissions intensity	Energy and emissions management*	112
305-6	Emissions of ozone-depleting substances (ODS)	Energy and emissions management*	112
307-1	Non-compliance with environmental laws and regulations	Status of compliances during FY 2021-22	86
401-1	New employee hires and employee turnover	Talent acquisition and retention	109
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee benefits	108
401-3	Parental leave	Employee benefits	108
403-1	Occupational health and safety management system	Occupational health and safety	104
403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety management system	104
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety	104
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Vehicle safety; Fire safety programme; Human safety programme; Occupational health and safety	92; 102; 102; 104
403-8	Workers covered by an occupational health and safety management system	Occupational health and safety management system	104
403-9	Work-related injuries	Safety performance	105
404-1	Average hours of training per year per employee	Diversity of workforce; Training programmes for employees	107; 110
404-2	Programs for upgrading employee skills and transition assistance programs	Employee benefits; Training programmes for employees	108; 110
404-3	Percentage of employees receiving regular performance and career development reviews	Performance management	110
405-1	Diversity of governance bodies and employees	Diversity of workforce; Corporate governance report	107; 164
405-2	Ratio of basic salary and remuneration of women to men	Employee remuneration	107
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate social responsibility; Board's report	118; 134
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information security and data privacy	87

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

UNGC principle	Description	Reference section	Page no.
PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights	Code of business conduct and conflicts of interest; Prevention of sexual harassment;	85; 85
PRINCIPLE 2	Businesses should make sure they are not complicit in human rights abuses	Code of business conduct and conflicts of interest; Prevention of sexual harassment; Suppliers' human resource development	85; 85; 103
PRINCIPLE 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Industrial relations	109
PRINCIPLE 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	Code of business conduct and conflicts of interest; Suppliers' human resource development	85; 103
PRINCIPLE 5	Businesses should uphold the effective abolition of child labour	Code of business conduct and conflicts of interest; Suppliers' human resource development	85; 103
PRINCIPLE 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Code of business conduct and conflicts of interest; Diversity of workforce	85; 107
PRINCIPLE 7	Businesses should support a precautionary approach to environmental challenges	Product stewardship and innovation; Operational eco-efficiency	88; 112
PRINCIPLE 8	Businesses should undertake initiatives to promote greater environmental responsibility	Product stewardship and innovation; Operational eco-efficiency	88; 112
PRINCIPLE 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Product stewardship and innovation; Operational eco-efficiency	88; 112
PRINCIPLE 10	Businesses should work against corruption in all its forms, including extortion and bribery	Governance mechanism; Code of business conduct and conflicts of interest;	82; 85



## INDEPENDENT VERIFICATION STATEMENT

### Scope and Approach

DNV Business Assurance India Private Limited ('DNV') has been engaged by the Management of Maruti Suzuki India Limited ('MSIL', or the 'Company', Corporate Identity Number L34103DL1981PLC011375) to undertake an independent verification of its sustainability performance data as detailed in Annexure 1 of this statement. The reported sustainability performance data has been prepared using MSIL's internal systems for measuring, monitoring, recording and reporting data and Global Reporting Initiative's (GRI's) topic-specific Standards.

The boundaries of the reported sustainability performance data relate to MSIL's operations in India that is, manufacturing facilities at Gurugram and Manesar, research and development (R&D) facility at Rohtak and Gurugram, and Head Office at New Delhi, Regional offices (25), Zonal offices (12) and Area offices (25), Sales and Distribution facilities (3) and Stockyards (3) for the reporting period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

We performed a limited level of customised verification using DNV's assurance methodology VeriSustain™<sup>1</sup> for the selected sustainability performance data applying a ±5% materiality threshold for errors and omissions. The intended user of this Verification Statement is the management of the Company. Our engagement was planned and carried out during May 2022 – July 2022.

### Responsibilities of the Management of MSIL and of the Verification Provider

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

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

### Verification Methodology

During the verification, we adopted a risk-based approach, and a sample-based verification was carried out for a limited level of customised verification as per VeriSustainTM. We planned and performed our work to obtain the evidence considered necessary to provide a basis for our opinion, and as part of the engagement, a multi-disciplinary team of sustainability and assurance specialists reviewed sustainability performance data related to MSIL's operations in India. We carried out remote verification with the various teams of MSIL using DNV's remote assessment procedures. We undertook the following activities:

- Reviewed the selected data management systems, data accuracy, information flow and controls that MSIL has in place to report the selected performance data based on GRI topic-specific Standards. We examined and reviewed supporting evidence such as documents, data and other information made available by MSIL.
- Reviewed the accuracy of the data prepared for the Company's reporting purposes using a sampling plan for a limited level of verification.
- Reviewed the systems and procedures used for data collection and aggregation.
- Interviewed selected senior managers and other representatives at MSIL, including data owners and decision-makers from different functions of the Company to validate the conversion factors, emission factors, assumptions and estimations made for deriving the sustainability performance indicators.

During the process, we did not come across limitations to the scope of the agreed verification engagement except the energy and emissions related intensity which is averaged across the product mix. This verification engagement did not involve evaluation of the management approach as required by GRI topic specific standards and did not involve any interaction with external stakeholders.

### Conclusions

In our opinion, on the basis of our scope of work, nothing has come to our attention to suggest that the sustainability data verified for MSIL's manufacturing facilities, R&D facilities, Head Office, Regional, Zonal and Area offices, Sales and Distribution

facilities and Stockyards in India and listed in Annexure 1 is not a reliable and an accurate representation of the Company's sustainability performance. 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 and were subsequently corrected.

### Our Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with

ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>2</sup> during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. DNV did not provide any services to Maruti Suzuki India Limited during 2022 that could compromise the independence or impartiality of our work.

### For DNV Business Assurance India Private Limited

**Aravind,  
Arun**

Digital signature by  
Aravind, Arun  
Date: 2022.08.01  
11:08:25 +05'30'

**Arun Aravind A**

Lead Verifier,  
DNV Business Assurance India  
Private Limited, India.

01<sup>st</sup> August 2022

**Vadakepathth,  
Nandkumar**

Digital signature by  
Vadakepathth, Nandkumar  
Date: 2022.08.01 11:16:21  
+05'30'

**Vadakepathth Nandkumar**

Technical Reviewer  
DNV Business Assurance India  
Private Limited, India.

<sup>1</sup> The VeriSustain protocol is available on request from [www.dnv.com](http://www.dnv.com)

<sup>2</sup> DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>


**Annexure 1: Verified sustainability performance data**

Parameter	Related GRI Topic-specific Standard	Unit	Verified Value (April 2021-March 2022)
<b>ENERGY</b>			
Energy Consumption (Fossil fuels, Grid Electricity and Solar power)	GRI 302-1	GJ	4,840,721
Energy Intensity (Averaged across all types of vehicles produced)	GRI 302-3	GJ/Annual vehicle production	4.07
<b>WATER</b>			
Water Withdrawal (Surface water from canals)	GRI 303-3	M³	1,747,091
Water Discharge	GRI 303-4	M³	Nil
<b>EMISSIONS</b>			
Direct Scope 1 GHG Emissions	GRI 305-1	Tonnes CO₂e	216,354
Indirect Scope 2 GHG Emissions	GRI 305-2	Tonnes CO₂e	201,769
GHG Emissions Intensity (Averaged across all types of vehicles produced)	GRI 305-4	(Total Scope 1 & Scope 2 emissions) / Annual vehicle production	0.349
<b>WASTE</b>			
Waste Disposal (Hazardous waste include Used Oil, ETP Sludge, Contaminated barrels and clothes)	GRI 306-2	Tonnes	17,541
Waste Disposal (Non-Hazardous)		Tonnes	123,895
<b>EMPLOYMENT</b>			
<b>Employee Hires and Turnover (Regular Employees)</b>	GRI 401-1	Numbers	
– New Hires Female			63
– New Hires Male			941
– Total Turnover (voluntary and involuntary)			770
<b>Parental Leave</b>	GRI 401-3	Numbers	
– Female employees who took maternity leave			39
– Female employees who returned to work after maternity leave ended for the FY 2021-22			35
– Female employees whose maternity leave ended during FY 2020-21, and were still employed as on 31 <sup>st</sup> March 2022			28
Employee Count (Regular and Non-Regular)	GRI 405-1	Numbers	39,287
<b>Remuneration Ratio of Female to Male (Regular Employees)</b>	GRI 405-2	-	
– Fixed			1.01
– Fixed and Variable			1.02

**Annexure 1: Verified sustainability performance data**

Parameter	Related GRI Topic-specific Standard	Unit	Verified Value (April 2021-March 2022)
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>Regular Employees</b>	GRI 403-9	Per million person hours worked	
– Fatality Rate			0
– Recordable work-related injury rate			0.017
– Lost time injury rate			0
<b>Non-regular Employees</b>		Per million person hours worked	
– Fatality Rate			0.018
– Recordable work-related injury rate			0.092
– Lost time injury rate			0.055
<b>TRAINING AND EDUCATION</b>			
Average Training Hours (Regular Employees)	GRI 404-1	Hours of Training	21.68
Average Training Hours (Non-regular Employees)			11.01

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

Note 2: CO<sub>2</sub> emission factors used for estimating greenhouse gas emissions due to consumption of natural gas, diesel, petrol, LPG and propane and gasoline are as per IPCC guidelines. Grid emission factor used for Scope 2 GHG calculation is based on the CO<sub>2</sub> Baseline Database for the Indian Power Sector User Guide Version 17.0 dated October 2021 issued by the Central Electricity Authority, of 0.79 tCO<sub>2</sub>/MWh.

Note 3: The boundary for accounting total energy consumption, GHG emissions, water consumption, refrigerant usage and waste disposed considers manufacturing facilities (Gurugram, Manesar) and R&D facilities (Gurugram, Rohtak).

Note 4: Energy and GHG intensity calculations consider annual production of total number of vehicles (1,116,908 vehicles)

Note 5: Hazardous wastes including Used Oil, ETP Sludge, Contaminated barrels and clothes are accounted based on amounts recorded in manifests (Form 10) for wastes sent to authorised recyclers.

Note 6: Total employee count considers 16,259 regular employees including top and senior management, middle management, junior management, supervisors and associates and 23,028 non-regular employees including apprentices, temporary workmen, student trainees and outsourced employees.

Note 7: All 28 women employees that returned to work after maternity leave ended in April 2020 – March 2021 were still in employment as of 31 March 2022.

Note 8: 1 Fatality, 6 Work-related injury & 3 LTI as per Factories Act 1948 and Disclosure GRI 403-9 Work-related Injuries.

Note 9: Training hours account for trainings carried out through classroom and virtual (e-learning and WebEx) modes for both regular and non-regular employees.

## LIST OF ABBREVIATIONS

Abbreviation	Full Form
3D	Three Dimensional
3R	Reduce, Reuse, Recycle
ABP	Auto Body Paint
ABR	Auto Body Repair
ABS	Anti-lock Braking System
ADTT	Automated Driving Test Track
AGS	Auto Gear Shift
AI	Artificial Intelligence
AOD	Approaching Object Detection
AOTS	Association for Overseas Technical Cooperation and Sustainable Partnerships
ASEC	Automobile Skill Enhancement Centre
ASSOCHAM	The Associated Chambers of Commerce
ATM	Automated Teller Machine
BS VI	Bharat Stage VI
CAE	Computer Aided Engineering
CAFE	Corporate Average Fuel Efficiency
CAGR	Compounded Annual Growth Rate
CC/1,000	Customer Complaints per 1,000 vehicles serviced
CCI	Competition Commission of India
CCP	Customer Convenience Package
CDI	Customer Delight Index
CE	Comprehensive Excellence
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CISO	Chief Information Security Officer
CMVR	Central Motor Vehicles Rules
CNG	Compressed Natural Gas
CO2	Carbon Dioxide
COBCE	Code of Business Conduct and Ethics
COI	Conflicts of Interest
CPCB	Central Pollution Control Board
CSR	Corporate Social Responsibility
DFMEA	Design Failure Mode and Effect Analysis
DSE	Dealer Sales Executives
DST	Dual System of Training

Abbreviation	Full Form
EBD	Electronic Brakeforce Distribution
EBP	Ethanol Blended Petrol
EC	Electronically Commuted
EGR	Exhaust Gas Recirculation
ELV	End-of-Life Vehicle
EMS	Environmental Management System
ESP	Electronic Stability Programme
ETP	Effluent Treatment Plant
EU ELV	European Union End-of-Life Vehicle
EURONCAP	European New Car Assessment Programme
EV	Electric Vehicle
FICCI	Federation of Indian Chambers of Commerce and Industry
FMEA	Failure Mode and Effect Analysis
FY	Financial Year
GHG	Green House Gas
GJ	Giga Joules
PGP	Green Procurement Guidelines
GRI	Global Reporting Initiative
HIRA	Hazard Identification and Risk Assessment
HR	Human Resources
HSD	High Speed Diesel
HSE	Health, Safety and Environment
HUD	Head Up Display
IACE	International Automobile Center of Excellence
ICU	Intensive Care Unit
IDTR	Institute of Driving and Traffic Research
IE1	International Efficiency Class 1
IE2	International Efficiency Class 2
IE3	International Efficiency Class 3
IMDS	International Material Data System
IPCC	Intergovernmental Panel on Climate Change
IR	Industrial Relations
IS	Indian Standard
ISMS	Information Security Management System
ISO	International Organisation for Standardization
ISS	Idle start-stop

Abbreviation	Full Form
IT	Information Technology
ITI	Industrial Training Institute
JIM	Japan-India Institute for Manufacturing
JMD	Joint Managing Director
JV	Joint Venture
KG	Kilograms
KM	Kilometers
KMPL	Kilometers Per Litre
KY	Kiken Yochi
LED	Light Emitting Diode
LiB	Lithium-ion Battery
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
M <sub>3</sub>	Cubic Metre
MAIL	Mobility and Automobile Innovation Lab
MD	Managing Director
METI	Ministry of Economy, Trade and Industry
MGU	Motor Generator Unit
MISF	Management Information Security Forum
MMS	Maruti Mobile Support
MMV	Mechanic Motor Vehicle
MoRTH	Ministry of Road Transport and Highways
MSDE	Ministry of Skill Development and Entrepreneurship
MSIL	Maruti Suzuki India Limited
MSSF	Maruti Suzuki Smart Finance
MSTA	Maruti Suzuki Training Academy
MSTI	Maruti Suzuki Toyotsu India Private Limited
MWp	Mega Watt Peak
MWh	Mega Watt hour
NBFC	Non-Banking Financial Company
NCLAT	National Company Law Appellate Tribunal
NCVT	National Council for Vocational Training
NEEV	Nurturing Employee Experience and Value
ODS	Ozone-Depleting Substances
OHSAS	Occupational Health and Safety Assessment Series

Abbreviation	Full Form
OHMS	Occupational Health and Safety Management System
PFMEA	Process Failure Mode Effects Analysis
POSH	Prevention of Sexual Harassment of Women at Workplace
PV	Photovoltaic
QC	Quality Check
QRT	Quick Response Team
R&D	Research and Development
RRR	Reusability, Recyclability and Recoverability
RSKC	Road Safety Knowledge Centre
S-CNG	Smart-CNG
SIAM	Society of Indian Automobile Manufacturers
SHVS	Smart Hybrid Vehicle by Suzuki
SMC	Suzuki Motor Corporation
SMS	Short Message Service
SOC	Substances of Concern
STP	Sewage Treatment Plant
tCO <sub>2</sub>	Tonnes of Carbon Dioxide
tCO <sub>2</sub> e	Tonnes of Carbon Dioxide Equivalent
TDS	Total Dissolved Solids
TSMS	Traffic Safety Management System
VVT	Variable Valve Timing
WINGS	Women in Network, Growth and Success



# STATUTORY REPORTS

Board's Report

134

Corporate Governance Report

164

Management Discussion & Analysis

186

Business Responsibility Report

202

# BOARD'S REPORT

Your Directors have pleasure in presenting the 41<sup>st</sup> annual report together with the audited financial statements for the year ended 31<sup>st</sup> March, 2022.

## Financial Results

The Company's financial performance during 2021-22 as compared to the previous year 2020-21 is summarized below:

Particulars	2021-22	2020-2021
Total revenue	900,891	732,789
Profit before tax	45,823	51,594
Tax expense	8,160	9,297
Profit after tax	37,663	42,297
Retained Earnings		
Balance at the beginning of the year	455,741	432,385
Profit for the year	37,663	42,297
Other comprehensive income arising from remeasurement of defined benefit obligation*	208	408
Amount transferred to employee welfare fund	-	(565)
Income on employee welfare fund	(106)	(108)
Expenses on employee welfare fund	74	14
Amount transferred to scientific research fund	-	(565)
Payment of dividend on equity shares	(13,594)	(18,125)
Corporate dividend tax paid	-	-
Balance at the end of the year	479,986	455,741

\* net of deferred tax liabilities of ₹ 12 million (previous year deferred tax liabilities ₹ 137 million)

## Financial Highlights

The total revenue was ₹ 900,891 million as against ₹ 732,789 million in the previous year showing an increase of 22.94%. Sale of vehicles in the domestic market was 1,414,277 units as compared to 1,361,722 units in the previous year showing an increase of 3.86%. Total number of vehicles exported was 238,376 units as compared to 96,139 units in the previous year showing an increase of 147.95%.

Profit before tax (PBT) was ₹ 45,823 million against ₹ 51,594 million showing a decrease of 11.19% and profit after tax (PAT)

stood at ₹ 37,663 million against ₹ 42,297 million in the previous year showing a decrease of 10.96%.

## Dividend

The Board recommends a dividend of ₹ 60/- per equity share of ₹ 5/- each for the year ended 31<sup>st</sup> March, 2022 amounting to ₹ 18,125 million. The Company has formulated a dividend distribution policy that forms part of the annual report. No amount was carried to General Reserve.

## Operational Highlights

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

## Consolidated Financial Statements

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

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

## Annual Return

The annual return of the Company for the year 2021-22 is available on its website at <https://www.marutisuzuki.com/corporate/investors/company-reports>.

## Material Subsidiaries

In accordance with Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has a policy for determining material subsidiaries. The policy is available on its website at

[https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy\\_on\\_Subsidiary\\_Companies.pdf](https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_on_Subsidiary_Companies.pdf)

## Particulars of Loans, Guarantees and Investments

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

## Board Meetings

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

## Audit Committee

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

## Independent Directors

The Company has received declarations of independence in accordance with the provisions of Section 149 of the Act and Listing Regulations from all the Independent Directors. Under the relevant provisions of the Act and the Listing Regulations, one separate meeting of the Independent Directors was held during 2021-22. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity. The details of the familiarization programmes for the Independent Directors are available on the website of the Company at [https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Familiarization\\_Programme.pdf](https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Familiarization_Programme.pdf).

## Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls were followed by the Company and they are adequate and are operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## Directors and Key Managerial Personnel (KMP)

Mr. Hisashi Takeuchi and Mr. Kenichiro Toyofuku shall retire by rotation in the ensuing Annual General Meeting of the Company and, being eligible, have offered themselves for re-appointment. Mr. Kenichi Ayukawa was appointed as Executive Vice Chairman with effect from 1<sup>st</sup> April, 2022 for a period of six months till 30<sup>th</sup> September, 2022. Mr. Hisashi Takeuchi was appointed as Managing Director and Chief Executive Officer with effect from 1<sup>st</sup> April, 2022 for a period of three years till 31<sup>st</sup> March, 2025.

## Risk Management

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

## Internal Financial Controls

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

## Vigil Mechanism

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

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

## Related Party Transactions

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

## Performance Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the annual performance evaluation of the Board, its committees and the Directors was carried out as per the Nomination and Remuneration Policy of the Company. The evaluation of the performance of the Board, its Chairman and the Non-

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

#### Nomination and Remuneration Policy

The Nomination and Remuneration Policy is attached as Annexure A.

#### Corporate Social Responsibility (CSR)

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

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

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

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

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

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

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

#### Corporate Governance

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

#### Secretarial Audit Report

In accordance with the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s RMG & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit for 2021-22. The report on secretarial audit is attached as Annexure D. The report does not contain any qualification.

#### Secretarial Standards

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

#### Management Discussion and Analysis Report

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

#### Personnel

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

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

#### Cost Auditors and Records

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, M/s R.J. Goel & Co., Cost Accountants, New Delhi (Registration No. 000026) were appointed as the Cost Auditors of the Company to carry out the cost audit for 2022-23. The maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is required by the Company and such accounts and records are made and maintained.

#### Auditors

The auditors, M/s Deloitte Haskins & Sells LLP ("Deloitte") were re-appointed in the 40<sup>th</sup> Annual General Meeting and hold their office till the conclusion of the 45<sup>th</sup> Annual General Meeting. In compliance with the conditions of the Foreign Direct Investment, a certificate has been obtained from Deloitte Haskins & Sells for the downstream investment made by the Company.

#### CRISIL Ratings

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

#### Quality

The Company has established and is maintaining an environmental management system (EMS) since 1999. During the year, surveillance audit for ISO 14001 was carried out by M/s VINÇOTTE nv, Belgium for the manufacturing plants located at Gurugram and Manesar in November, 2021. The auditors appreciated various efforts taken by MSIL in regard to EMS initiatives.

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

#### Awards/Recognition/Rankings

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

- a. The Company's advertising campaign 'CalculateKyaKya.' was selected as the winner in the 'Auto Four Wheelers'

category in the IndIAA Awards 2021 (IAA INDIA Awards 2021).

- b. Mr. Kenichi Ayukawa, Executive Vice Chairman was conferred the 'Lifetime Automotive Industry Leader of the Year' award at the prestigious Jagran HiTech Awards 2021.
- c. The All-New Celerio bagged 'Hatchback of the Year' award.
- d. The Company received many awards during India CSR Leadership Summit 2021 in the area of its CSR activities.
- e. The ET Edge, a special initiative by The Economic Times selected the Company amongst the Best Brands 2021.
- f. 'Celerio' won entry level hatchback of the Year 2022 award at Indian Vehicles Award 2022.
- g. The Company was felicitated with five awards at the inaugural OLX Autos Autocar Pre-Owned Car Awards 2022.
- h. The Company was awarded 'Gold' at the 2020/21 Vision Awards for its Annual Integrated Report.
- i. The Company was honoured with the prestigious National Safety Award (NSA) in the automobile category.

#### Acknowledgment

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

For and on behalf of the Board of Directors

**Kenichi Ayukawa**  
Executive Vice Chairman

New Delhi  
29<sup>th</sup> April, 2022

**Hisashi Takeuchi**  
Managing Director & CEO

# ANNEXURE - A

## Nomination and Remuneration Policy

### 1. Scope

- 1.1. This Nomination and Remuneration Policy (the "Policy") has been framed in compliance with Section 178 of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
- 1.2. This Policy aims to ensure that the persons appointed as Directors and Key Managerial Personnel (KMPs) as defined under the Act and Senior Management (designated Executive Officer and above) possess requisite qualifications, experience, expertise and attributes commensurate with their positions and level of management responsibilities and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate these persons to run the Company successfully.
- 1.3. This Policy is applicable to Directors, KMPs, Senior Management and other employees of the Company.

### 2. Objective

- 1.1. The objective of this Policy is to provide a framework for appointment, removal and remuneration of Directors, KMPs and Senior Management.
- 1.2. The Policy aims to provide:
  - (i) Criteria of appointment and removal of Directors, KMPs and Senior Management;
  - (ii) Criteria for determining qualifications, positive attributes and independence of a Director;
  - (iii) Remuneration of Directors, KMPs and Senior Management;
  - (iv) Principles for retaining, motivating and promoting talent and ensuring long term retention of talent and creating competitive advantage.

### 3. Board Diversity

While considering the composition of the Board, the Nomination and Remuneration Committee ('NRC') will take into account the diversity of the members of the Board based on a number of factors, inter-alia, gender, age, qualifications, nationality, professional experience, recognition, skills and ability to add value to the business. Subject to the provisions of the Act including rules and regulations made thereunder and Listing Regulations, the Board shall have atleast one woman Director, persons

who have strong technical/managerial/administrative backgrounds relevant to the business of the Company and those who have excelled in one or more areas of finance/accounting/ law/public policy with top level administrative/managerial experience.

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

- 1.1. The prospective Director:
  - (i) should be of the highest integrity and level of ethical standards;
  - (ii) should possess the requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company;
  - (iii) should, while acting as a Director be capable of balancing the interests of the Company, its employees, the shareholders, the community and of the need to ensure the protection of the environment; and
  - (iv) should inter-alia,
    - (a) uphold the highest ethical standards of integrity and probity;
    - (b) act objectively and constructively while exercising his / her duties;
    - (c) exercise his / her responsibilities in a bona fide manner in the interest of the Company;
    - (d) devote sufficient time and attention to his / her professional obligations for informed and balanced decision making;
    - (e) not allow any extraneous considerations that will vitiate his / her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
    - (f) not abuse his / her position to the detriment of the Company or its shareholders or other stakeholders or attempt to gain direct or indirect personal advantage or advantage for any associated person;

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

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

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

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

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

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

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

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

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

#### 1.1 Appointment

- (i) Depending upon the requirements of the Company, the NRC shall identify from sources the Committee considers appropriate and reliable the persons who meet the requisite criteria and recommend their appointment to the Board at appropriate times.
- (ii) The Board will consider the recommendations of the NRC and accordingly, approve the appointment and remuneration of Non-executive and / or Independent Directors, subject to the needs of the Company and the approval of the shareholders.
- (iii) The appointment process shall be independent of the Company management. While selecting persons for appointment as Independent Directors, the Board shall ensure that there is an appropriate balance of skills, experience and knowledge in the Board so as to

enable the Board to discharge its functions and duties effectively.

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

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

#### 1.2 Removal

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

- a. commits a breach of any of the duties, functions and responsibilities or obligations towards the Company or for reasons prescribed under the Act; or
- b. compromises independence vis-à-vis the Company in any manner whatsoever which will have an impact on the criteria of independence.
- c. If he/she becomes prohibited by law or under the Articles of Association from being an Independent Director of the Company.

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

#### 1.1 Appointment

- (i) Depending upon the requirements of the Company for the above positions, the NRC shall identify persons and recommend their appointment to the Board including the terms of appointment and remuneration.
- (ii) The Board will consider the recommendations of the NRC and accordingly approve the appointment(s) and remuneration. The appointment of the Managing Director/Joint Managing Director/Whole-time Directors shall be subject to the approval of the shareholders.
- (iii) Appointments of other employees will be made in accordance with the Company's Human Resource (HR) policy.

**1.2. Removal**

- (i) The appointment of the Managing Director/Joint Managing Director/Whole-time Directors, may be terminated at the recommendation of the NRC or by the Board on its own, if such Director commits a breach of any of the duties, functions and responsibilities or obligations or he/she becomes prohibited by law or under the Articles of Association from being such Director of the Company.
- (ii) The appointment of KMPs/Senior Management Personnel may be terminated at the recommendation of the NRC or by the Board on its own, if the person commits a breach of any duties, functions and responsibilities or obligations or for reasons prescribed under the Act or the Listing Regulations or for reasons of poor performance as measured as the result of the performance appraisal process over one or more years or suffers from any disqualification(s) mentioned in the Act, the Rules or under any other applicable laws, rules and regulations, or breaches the code of conduct and / or policies of the Company
- (iii) In respect of employees in other positions, where an employee suffers from any disqualification(s) mentioned in the Act, if any, under any other applicable laws, rules and regulations, the code of conduct and / or policies of the Company, the Management of the Company may terminate the services of such employee as laid down in the HR Policy of the Company.

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

- 1.3. The remuneration of the Managing Director/Joint Managing Director/Whole-time Directors/KMPs/Senior Management Personnel will include the following:
  - (i) Salary and allowances - fixed and variable besides other Benefits as per Rules contained in the HR Policy applicable to Senior Management Personnel;
  - (ii) Retirement benefits including provident fund / gratuity/ superannuation / leave encashment;
  - (iii) Performance linked bonus.
- 1.4. No Sitting Fee shall be payable to the Managing Director/ Whole-time Directors for attending meetings of Board or the committees constituted by the Board.
- 1.5. The remuneration of the employees other than Senior Management Personnel shall be as per Company's HR Policy.

**8. Remuneration**

- 1.1. The remuneration of the Non-executive / Independent Directors will include the following:
  - (i) Variable remuneration in the form of commission calculated as a percentage of the net profits of the Company as recommended by the NRC and to the extent permitted in the Act and approved by the Board and / or the shareholders of the Company. The payment of commission is based on criteria such as attendance at meetings of the Board/ Committees of the Board, time devoted to the Company's work, the responsibilities undertaken as Chairmen of various committees/the Board, their contribution to the conduct of the Company's business, etc.
  - (ii) Sitting fee for attending meetings of the Board and committees constituted by the Board
  - (iii) Reimbursement of expenses for participation in the meetings of the Board and other meetings.
- 1.2. The remuneration of the Managing Director, Joint Managing Director, Whole-time Directors, KMPs and Senior Management Personnel should be commensurate

**ANNEXURE - 1****Evaluation Criteria**

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

S.No.	Provisions of the Act	Evaluation of Performance of	Performance to be evaluated by
A.	Section 178(2)	Independent Directors 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	The Board
C.	Listing Regulations and Schedule IV of the Act	Non-Independent Directors The Board Chairman of the Company	Independent Directors

**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 - B

### Annual Report on CSR Activities

#### 1. Brief outline on CSR policy of the company

The Company's CSR policy aims to create a sustainable impact in the local community and the society at large. As a policy, the company's CSR activities focus on strategic areas including community development, road safety, skill development and response to COVID 19. The Company's CSR activities are guided by the CSR Committee and all the projects are regularly monitored and reviewed by the Committee for their impact on the beneficiaries.

Community development projects are undertaken in 26 villages around the Company's facilities in Haryana (Gurugram, Manesar and Rohtak) and Gujarat. The initiatives are focused on health, education, water and sanitation, and common community infrastructure. Some of the key projects undertaken during the year are improvement of village infrastructure, water and sanitation related activities.

Recognizing the need for a quality tertiary care service, Maruti Suzuki had set up a multi-specialty hospital at Sitapur, Gujarat in association with Zydus Hospitals and Healthcare Research Private Limited. The facility is spread over 7.5 acres and currently, the hospital is operational with 50-bed facility. The Hospital provides OPD services, emergency care and super-specialty medical services in the areas of radiology, ophthalmology, physiotherapy, gynecology, cardiology, orthopedic, urology, nephrology and general surgery. The Hospital is providing transport/ambulance facilities to villages for bringing the patients to the hospital from the remote locations. The Hospital has treated more than 24,000 patients, as of March 2022. The hospital has also set up a residential facility for its' staff.

The Company has also set up a senior secondary English medium Maruti Suzuki Podar Learn School in Sitapur, Gujarat with a capacity of 1400 students. The School facilities include 37 classrooms, laboratories, indoor activity rooms and a multisport playground. The school focuses on the holistic development of children by adopting best academic practices and inculcating moral values, discipline and ethics. Currently, the primary school is operational and admissions for classes VI to VIII will start in the academic year 2022-23.

Driven by commitment to make Indian roads safer, the Company undertakes projects to improve driving skills and improve road safety consciousness. The Company implemented two technology-driven road safety projects in the national capital namely Traffic Safety Management System (TSMS) and Automated Driving Test Tracks (ADTT) in association with Delhi Government. The centers have

specially designed tracks to conduct driving tests. They are also equipped with high-resolution cameras to capture real-time footage of tests, analytics-based assessment tools and biometrics to help in the issuance of driving licenses more transparently and efficiently. Through the Traffic Safety Management Systems (TSMS), the automatic traffic violation systems were set up in 13 high traffic density junctions. The Company continued to offer driving training through eight Institutes for Driver Training and Traffic Research (IDTR) set up in association with various state governments across the country. Also, during the year the company has set up a new Institute for Driver Training and Traffic research in Raipur, Chhattisgarh in partnership with the State government.

Skill development programs are aimed at enabling large number of youth to undergo industry-relevant skill training that will help them in securing employment opportunities in the manufacturing and service sectors. Under its flagship skill development program, the Company has set up Japan-India Institute for Manufacturing (JIM) at Mehsana, Gujarat and Uncha Majra, Haryana. The Company is also setting up a new JIM at Gandhinagar, Gujarat. Here, students undergo industrial training courses and learn Japanese manufacturing practices. The government-approved Dual System of Training (DST – on-the-job training) scheme was implemented at the JIMs. Under this scheme, students will undergo theory and basic training at JIMs for five months. Post that, they will also undergo On-Job Training (OJT) on the shop floor of the Company or Suzuki Motor Gujarat Private Limited or any other partner industry for seven months and will be paid a stipend for this period. In addition, the Company provided industrial and soft skill training by supporting 69 Industrial Training Institutes (ITIs). The interventions at the ITIs include upgrading workshops, enhancing industry exposure for trainers and students and imparting soft skills to make students industry-ready.

To support the government in tackling the COVID 19 crisis, the Company extended assistance in the donation & installation of Oxygen Generating Plants, donation of oxygen cylinders & ventilators and increasing the productivity of small-scale oxygen PSA plants manufacturers. The company through its' own efforts and with the support of vendor partners, installed 25 Oxygen Generating plants in various Government hospitals in 6 states. Through the company's support, the productivity of two small-scale oxygen PSA plant manufacturers increased by about 10 times.

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

#### 2. Composition of the CSR Committee

The composition of the CSR Committee of the Board as on 31<sup>st</sup> March, 2022 is as under:

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

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

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

<https://www.marutisuzuki.com/corporate/investors/committees>

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

Executive summary attached. Detailed report at <https://www.marutisuzuki.com/corporate/about-us/csr>

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

Not Applicable

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

Average net profit of the Company for last three financial years (2018-19, 2019-20 and 2020-21), calculated in accordance with the provisions of the Section 198 of Companies Act 2013 is ₹ 48,064 millions

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

The prescribed CSR expenditure for the financial year 2021-22 was ₹ 961.27 million

#### b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.

Not applicable

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

Not applicable

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

₹ 961.27 million

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

Total Amount spent for the financial year (in ₹ Million)	Amount Unspent		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Name of the fund	Amount
₹ 1,006.57	Not applicable	Not applicable	Not applicable	Not applicable

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

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project Duration	Amount Allocated for the project	Amount spent in the current Financial year	Amount transferred to Unspent CSR Account for the project as per section 135(6)	Mode of implementation - Direct (Yes/ No)	Mode of implementation -Through implementing agency	(₹ in million)		
				State	District							Total	Name	CSR Reg No.
<b>Community Development</b>														
1	Maruti Suzuki Podar Learn School at Sitapur, Gujarat	Education	Yes	Gujarat	Sitapur	2019-2022	45.59	45.59	-	Both	Maruti Suzuki India Limited / Maruti Suzuki Foundation	CSR00002958		
2	Multi-specialty Hospital at Sitapur, Gujarat in partnership with Zydus Hospitals	Health	Yes	Gujarat	Sitapur	2019-2022	304.24	304.24	-	Both	Maruti Suzuki India Limited / Maruti Suzuki Foundation	CSR00002958		
<b>Road Safety</b>														
1	Automation of examination for issuance of Driving License in collaboration with Delhi Transport Department	Promotion of Road Safety	Yes	Delhi	Delhi	2018-2022	18.98	18.98	-	Both	Maruti Suzuki India Limited / Maruti Suzuki Foundation	CSR00002958		
<b>Total</b>														
							368.81							

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

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of implementation -Through implementing agency	(₹ in million)	
				State	District				Name	CSR Reg No.
<b>Community Development</b>										
1	Village Development Projects on Community Infrastructure	Rural Development	Yes	Gujarat, Haryana	Sitapur, Hansalpur, Rohtak, Manesar, Gurugram	23.10	Yes	-		
2	Village Development Projects on Health Facilities, waste management including water and sanitation staff	Water and Sanitation	Yes	Haryana	Manesar, Gurugram, Rohtak	22.62	Yes	-		
3	Support to Public Health Dispensary	Health	Yes	Gujarat	Becharaji	10.73	No	Maruti Suzuki Foundation	CSR00002958	
4	Support to Government in managing the pandemic by scaling up production capacity of Oxygen PSA Plant manufacturing in the country			Gujarat, Haryana, J&K, Delhi, UP, Uttarakhand	Ahmedabad, Becharaji, Gurugram, Rohtak, Fatehabad, Mehsana, Deoria, Delhi, Noida, Sarsa, Tehri, Sri Nagar, Rudraprayag	110.87	Yes			
	Installation of 25 PSA Oxygen Plant in Govt. Hospitals*									
	Donation of Oxygen Cylinders and Ventilators									

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of implementation -Through implementing agency	Mode of implementation -Through implementing agency	CSR Reg No.
<b>Skill Development</b>										
1	Vocational Training through Japan India Institutes for Manufacturing (JIM) set-up by the Company	Vocational training for employability	Yes	Gujarat, Haryana	Mehsana, Uncha Majra	58.25	Yes			
2	Upgradation of Government Industrial Training Institutes (ITIs)	Vocational training for employability	Yes	Pan India	Pan India	19.40	Both	Maruti Suzuki India Limited / Maruti Suzuki Foundation	CSR00002958	
3	Upgradation of Automobile Trade (vehicle service, repair etc.) at Industrial Training Institutes (ITIs)	Vocational training for employability	Yes	Pan India	Pan India	12.91	Yes			
4	Apprentice Training Programme for Industrial Training Institute (ITI) students	Vocational training for employability	Yes	Haryana	Gurugram, Manesar	321.57	Yes			
<b>Road Safety</b>										
1	Imparting Driving Training at Institute of Driving and Traffic Research (IDTR) set-up by the Company and other road safety initiatives	Road safety education	Yes	Pan India	Pan India	9.88	Both	Maruti Suzuki India Limited / Maruti Suzuki Foundation	CSR00002958	
	<b>Total</b>									589.33

\*Oxygen Plant 14 nos. directly donated by Company and 11 nos. by vendors

**8(d) CSR Administrative Overheads**

Particulars	Amount
Common Administrative Overheads (Salary of staff and expenditure on training and capacity building)	47.19

**8(e) Expenditures on Impact assessment**

(₹ in million)
----------------

Particulars	Amount
Impact Assessment study of CSR projects	1.24

**8(f) Total amount spent for the Financial Year – ₹ 1,006.57 million**

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

**8(g) Excess amount for set off, if any**

(₹ in million)
S.No. Name
(i) Two percent of average net profit of the company as per section 135(5)
(ii) Total amount spent for the Financial Year
(iii) Excess amount spent for the financial year [(ii)-(i)]
(iv) Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any
(v) Amount available for set off in succeeding financial years [(iii)-(iv)]

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

S.No.	Preceding Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.					
		Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Name of the Fund	Amount (in ₹)	Date of transfer	Amount remaining to be spent in succeeding financial years. (in ₹)
1	2018-19	Nil	NA	NA	NA	NA	Nil
2	2019-20	Nil	NA	NA	NA	NA	Nil
3	2020-21	Nil	NA	NA	NA	NA	Nil
<b>Total</b>		<b>Nil</b>					

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

S.No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project-Completed /Ongoing	(₹ in million)	
1	Education	Maruti Suzuki Podar Learn School at Sitapur, Gujarat	2019-20	2019-2022	285.94	45.59	285.94	Completed		
2	Health	Multi-specialty Hospital at Sitapur, Gujarat in partnership with Zydus Hospitals	2019-20	2019-2022	1,312.87	304.24	1,312.87	Completed		
3	Automated Test Track Project	Automation of examination for issuance of Driving License in collaboration with Delhi Transport Department	2018-19	2018-2022	223.25	18.98	223.25	Completed		
<b>Total</b>					<b>368.81</b>	<b>1,822.06</b>				

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year 21-22:**

S.No.	Project Name	Asset Description	Status of Asset	Date of creation or acquisition of the capital asset(s)*	Amount	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1	Setting up of English Medium CBSE School**	Building	Completed	21-Mar-22	26.06	Maruti Suzuki Foundation, 1, Nelson Mandela Marg, Vasant Kunj ,New Delhi	MSPLS, new survey number 715/2 (old survey number 1239) Taluka Mandal, District Ahmedabad Sitapur village, Gujarat
2	Setting up of English Medium CBSE School**	Furniture	Completed	16-Jun-21	2.67	Maruti Suzuki Education Society MSPLS, new survey number 715/2 (old survey number 1239) Taluka Mandal, District Ahmedabad Sitapur village, Gujarat	MSPLS, new survey number 715/2 (old survey number 1239) Taluka Mandal, District Ahmedabad Sitapur village, Gujarat
3	Setting up of English Medium CBSE School**	Furniture and Electrical Equipment	Completed	31-Mar-22	1.43	Maruti Suzuki Education Society MSPLS, new survey number 715/2 (old survey number 1239) Taluka Mandal, District Ahmedabad Sitapur village, Gujarat	MSPLS, new survey number 715/2 (old survey number 1239) Taluka Mandal, District Ahmedabad Sitapur village, Gujarat
4	Setting up of a multispecialty hospital**	Medical Equipment	Completed	31-Mar-22	48.77	Zydus Sitapur Hospital, A unit of Rambhai Foundation, Sitapur, Mandal, Ahmedabad	New Survey Number 715/1 (old survey number 1241) Taluka Mandal, District Ahmedabad
5	Setting up of a multispecialty hospital**	Medical Equipment	Completed	01-Apr-21	32.67	Zydus Sitapur Hospital, A unit of Rambhai Foundation, Sitapur, Mandal, Ahmedabad	New Survey Number 715/1 (old survey number 1241) Taluka Mandal, District Ahmedabad
6	Setting up of a multispecialty hospital**	Building	Completed	28-Mar-22	94.46	Maruti Suzuki Foundation, 1, Nelson Mandela Marg, Vasant Kunj ,New Delhi	New Survey Number 715/1 (old survey number 1241) Taluka Mandal, District Ahmedabad
7	Setting up of a multispecialty hospital**	Connecting Road to Hospital	Completed	31-Mar-22	3.06	Zydus Sitapur Hospital, A unit of Rambhai Foundation, Sitapur, Mandal, Ahmedabad	New Survey Number 715/1 (old survey number 1241) Taluka Mandal, District Ahmedabad
8	Community Development - Rural Development	Park Boundary Wall	Completed	11-Feb-22	3.49	Village community, Municipal Councilor Sonipat Road PO & Village, Bohar, Rohtak	Village community, Municipal Councilor Sonipat Road PO & Village, Bohar, Rohtak
9	Community Development - Rural Development	Panchayat Office Building	Completed	7-Mar-22	4.05	Village Community, Sitapur, Taluka Mandal, Dist. Ahmedabad - 382130	Near ADC Bank, Sitapur, Ta- Mandal, Dist.- Ahmedabad -382130
10	Community Development - Rural Development	Laptops	Completed	16-Nov-21	0.11	At- Sitapur, Ta- Mandal, Dist.-Ahmedabad Pin Code-382130	Gram Panchayat, Hansalpur Gujarat - 382130
11	Community Development - Rural Development	Pond Boundary Wall	Completed	4-Mar-22	2.28	Village community, Dhana Village, IMT Manesar	Dhana Village, IMT Manesar, Haryana

S.No.	Project Name	Asset Description	Status of Asset	Date of creation or acquisition of the capital asset(s)*	Amount	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
12	Community Development COVID-19 expenses	Ventilators	Completed	24-May-21	2.56	District Panchayat Ahmedabad	District Panchayat, Ahmedabad, Nr. Bhadra Temple, Lal Darwaja Ahmedabad.
13	Community Development COVID-19 expenses	Ventilators	Completed	03-Jun-21	1.71	Health Department, District Panchayat office, Mehsana	Chief District Health Officer, Health Department, District Panchayat Office, Mehsana, Gujarat-384001
14	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	11-May-21	0.64	Block Development and Panchayat officer Sirsa	Block Dev & Panchayat Officer, Sirsa
15	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	11-May-21	0.64	District Revenue officer, Fatehabad	District Revenue officer, Fatehabad
16	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	7-May-21	1.91	District red cross society , District Branch, Gurugram	District red cross society , District Branch, Gurugram
17	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	7-May-21	0.64	Noida DTC Depot.	Engineer, Work circle 8 Noida
18	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	9-Jun-21	16.62	Commissionerate of Health, Medical Services, Medical education and research, Gandhinagar, Gujarat	Commissionerate of Health, Medical Services, Medical education and research, Gandhinagar, Gujarat
19	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	31-Aug-21	0.66	Medical Health and Welfare Director(Store), Central Medical Drug Store	Medical Health and Welfare Director(Store), Central Medical Drug Store, 107 Chander Nagar, Near 108 Fire office, Dehradun, Uttarakhand
20	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	7-May-21	1.27	Depot Manager Delhi Transport Corp, Rajghat Depot - I, New Delhi - 100002	Depot Manager Delhi Transport Corp, Rajghat Depot - I, New Delhi - 100002
21	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	3-May-21	0.64	District red cross society	District red cross society , District Branch, Gurugram
22	Community Development COVID-19 expenses	Oxygen Plant	Completed	20-May-21	6.34	Medical Superintendent, ESIC Hospital, Sector 3, Manesar	Medical Superintendent, ESIC Hospital, Sector 3, Manesar
23	Community Development COVID-19 expenses	Oxygen Plant	Completed	20-May-21	6.01	Principal Medical Officer Civil Hospital, Sector 10	Deputy commissioner, Govt of Haryana
24	Community Development COVID-19 expenses	Oxygen Plant	Completed	24-May-21	6.01	ILBS, Vasant Kunj, New Delhi	Bio Medical Engineer, ILBS D-1 Vasant Kunj, New Delhi
25	Community Development COVID-19 expenses	Oxygen Plant	Completed	23-May-21	6.01	ILBS, Vasant Kunj, New Delhi	Bio Medical Engineer, ILBS D-1 Vasant Kunj, New Delhi

S.No.	Project Name	Asset Description	Status of Asset	Date of creation or acquisition of the capital asset(s)*	Amount	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
26	Community Development COVID-19 expenses	Oxygen Plant	Completed	21-May-21	6.01	Noida COVID Hospital, Sector 39, Noida	Chief Medical Superintendent, Noida Covid Hospital sector 39 Noida Gautam Budh Nagar UP
27	Community Development COVID-19 expenses	Oxygen Plant	Completed	28-May-21	6.01	Government Hospital, Singarva	Government Hospital, Singarva
28	Community Development COVID-19 expenses	Oxygen Plant	Completed	26-May-21	6.01	Guru Teg Bahadur Hospital, GTB Enclave, Dilshad Garden	Guru Teg Bahadur Hospital, GTB Enclave, Dilshad Garden
29	Community Development COVID-19 expenses	Oxygen Plant	Completed	15-May-21	3.24	Principal Medical Officer, Civil Hospital, Sector 10	Deputy commissioner, Govt of Haryana
30	Community Development COVID-19 expenses	Oxygen Plant	Completed	17-May-21	6.27	Medical Superintendent, ESIC Hospital, Sector 9A, Neki Ram Marg, Gurugram	Deputy commissioner, Govt of Haryana
31	Community Development COVID-19 expenses	Oxygen Plant	Completed	20-Jun-21	6.01	District Civil Hospital, Subhash Road, Rohtak	District Civil Hospital, Subhash Road, Rohtak
32	Community Development COVID-19 expenses	Oxygen Plant	Completed	30-May-21	6.01	District Hospital Deoria	Chief Medical Superintendent, District Hospital Deoria State medical college Deoria UP
33	Community Development COVID-19 expenses	Oxygen Plant	Completed	14-Jun-21	6.01	Suman District Hospital Narendra Nagar, Tehri Garhwal	Office of the CMS Sridev Suman SDH Narendranagar Tehri Garhwal
34	Community Development COVID-19 expenses	Oxygen Plant	Completed	1-Jun-21	6.01	CMS District Hospital Rudraprayag, Uttarakhand	CMS District Hospital Rudraprayag, Uttarakhand
35	Community Development COVID-19 expenses	Oxygen Plant	Completed	7-Jun-21	6.01	Super Specialty Hospital & Medical College, Srinagar	Super Specialty Hospital & Medical College, Srinagar, Jammu and Kashmir
36	Community Development - Rural Development	Paver Street	Completed	7-Mar-22	11.38	Village Community, Sitapur, Taluka Mandal, Dist. Ahmedabad - 382130	Near ADC Bank, Sitapur, Taluka- Mandal, Dist.- Ahmedabad -382130
37	Improvement in licensing system**	Driving Test Track	Completed	16-Mar-22	14.78	In front of District Labour Court, Pocket A, DTC Colony, Pocket A1, Maya Enclave, Hari nagar, New Delhi	Transport Department, 5/9 Under Hill Road, Delhi 110054
38	Community Development - Rural Development	Paver Block	Completed	8-Feb-22	0.74	Shaheed Park, Dhana Village	Shaheed Park, Dhana Village
39	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	31-Jan-22	0.03	CII Foundation , Plot no 249-F, Udyog Vihar, Phase IV, Sector 18, Gurugram- 122015	CII Foundation , Plot no 249-F, Udyog Vihar, Phase IV, Sector 18, Gurugram- 122015

S.No.	Project Name	Asset Description	Status of Asset	Date of creation or acquisition of the capital asset(s)*	Amount	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
40	Community Development COVID-19 expenses	Oxygen Cylinders	Completed	31-Jan-22	0.03	Federation House, 1 Tensan Marg, New Delhi-110003	Federation House, 1 Tensan Marg, New Delhi-110003
41	Promotion of driving Training	Vehicles	Completed	19-Feb-22	5.06	Institute of Driving and Training Research Tendua-2, Atal Nagar, Naya Raipur, Chhattisgarh - 492099	Institute of Driving and Training Research Tendua-2, Atal Nagar, Naya Raipur, Chhattisgarh - 492099
42	Promotion of driving Training	Lab Equipment	Completed	4-Dec-21	0.59	Institute of Driving and Training Research Tendua-2, Atal Nagar, Naya Raipur, Chhattisgarh - 492099	Institute of Driving and Training Research Tendua-2, Atal Nagar, Naya Raipur, Chhattisgarh - 492099
43	Community Development - Rural Development	Furniture	Completed	16-Nov-21	0.38	Gram Panchayat office, Hansalpur, Mandal, Ahmedabad- 382130	Gram Panchayat office, Hansalpur, Mandal, Ahmedabad- 382130
44	Upgradation of Govt Vocational and Technical Training Institutes	ITI Hostel Building	Completed	31-Mar-22	1.45	Tathagat Industrial Training Institute, Dadara Pahari, Devpura, Mirzapur, UP	Tathagat Industrial Training Institute, Dadara Pahari, Devpura, Mirzapur, UP
45	Japan India Institute of Manufacturing (JIM)	Tools and Equipment	Completed	31-Mar-22	8.98	IACE, Pandit Deendayal Petroleum University, Raisan Village, Ahmedabad	IACE, Pandit Deendayal Petroleum University, Raisan Village, Ahmedabad
46	Japan India Institute of Manufacturing (JIM)	Tools and Equipment under procurement	Under Process	Not Applicable	3.12	IACE, Pandit Deendayal Petroleum University, Raisan Village, Ahmedabad	IACE, Pandit Deendayal Petroleum University, Raisan Village, Ahmedabad

\* This includes cases wherein multiple dates of capitalization exists, in such cases, date of utilization certificate ( UC ) is considered as date of capitalization.

\*\* This represents projects which have been completed in FY 2021-22 and excludes the amount spent till previous year i.e. FY 20-21.

## 11. Reason(s), if the Company has failed to spend two % of the average net profit as per section 135(5) -

Not Applicable

**R.C. Bhargava**  
Chairman CSR Committee

**Hisashi Takeuchi**  
Managing Director and CEO

## Impact Assessment Executive Summary FY 2021-22

The CSR initiatives undertaken by MSIL are in the thematic areas of (a) Skill development, (b) Road safety and (c) Community Development and supporting community during the Covid-19 pandemic. MSIL's CSR programs tackle social issues at both local and national levels to develop scalable, impactful and sustainable social programs that have a long-lasting visible impact on future generations. The project needs are identified through formal surveys, one-to-one contact, engaging with the leaders and community involvement. An impact assessment of 8 vital projects implemented during the financial year 2020-21 has been conducted by NEERMAN Research & Consultancy. Below are the key highlights:

Project Details	Impact Assessment Study Key Findings
<b>I. Skill Development</b>	
• JIM Mehsana, Gujarat	<b>1. Management of two Japan India Institutes for Manufacturing (JIM) for skill development of youth in automobile trades and Japanese manufacturing practices to make them industry ready</b> <ul style="list-style-type: none"> <li>JIMs are equipped with advanced, and upgraded workshops which give students exposure to the latest industry technology.</li> <li>JIM Mehsana trained 847 students. From the batch of 2020-21, 100% of the passed students secured employment post course completion.</li> <li>JIM Uncha Majra trained 344 students. From the batch of 2020-21, 98% of the passed students secured employment post course completion.</li> </ul>
• JIM Uncha Majra, Haryana	<b>2. Upgradation of vocational training facilities at Govt./Pvt. Industrial Training Institutes (ITIs) including upgradation, repair and maintenance of workshops and infrastructure, industry oriented courses and industry exposure for students, setting up of placement centre etc.</b> <ul style="list-style-type: none"> <li>More than 15000 students trained.</li> <li>30 Government ITIs in 11 states</li> <li>Upgradation of ITI, Mirzapur (Uttar Pradesh) since 2016</li> </ul>
• 39 Government ITIs in 19 States and 3 Union Territories.	<b>3. Upgradation of vocational training facilities at Govt. Industrial Training Institutes (ITIs) in automobile trade including upgradation of training facilities and workshops, provision of study material and practical training etc.</b> <ul style="list-style-type: none"> <li>More than 1800 students trained.</li> <li>Students respondents appreciated the top-up technical training provided by the expert trainers at the ITIs.</li> <li>More than 80% of student respondents rated placement support, training material &amp; instructors and online sessions during the project as "good and above".</li> </ul>
• Trained more than 2000 trainees from ITIs across 13 trades.	<b>4. Training of apprentices from various ITIs across India</b> <ul style="list-style-type: none"> <li>More than 90% of respondent trainees have rated their training as "good and above". Trainees stated that the training has helped them in acquiring practical skills, and technical acumen, improved their soft skills, and better industry exposure.</li> </ul>

Project Details	Impact Assessment Study Key Findings
<b>II. Road Safety</b>	
	<p>5. Setting up and operation of Traffic Safety Management System (TSMS) comprising of sophisticated radars and high resolution cameras at high-volume traffic junctions, to capture traffic violations leading to reduction in number of accidents; Road safety awareness programs</p> <ul style="list-style-type: none"> <li>The company has installed Radars and cameras at 13 traffic junctions in Delhi.</li> <li>Since its inception, the system has captured more than 30 lakh instances of traffic rule violations.</li> <li>System automation reduced the need for physical presence of traffic police officials at Junctions. This has helped in reducing work hours and fatigue for the traffic police officials.</li> </ul>
<b>III. Community Development</b>	
	<p>6. Holistic development of villages</p> <ul style="list-style-type: none"> <li>Water ATMs, household toilets, and paver roads were developed under this project.</li> <li>100% of the respondents were aware of the Water ATMs facilities in the villages and are satisfied with their water quality.</li> <li>90% of respondents shared that post the water ATM, their monthly expenses on the water have reduced.</li> <li>100% of the respondents have functional toilets. All members of the household are using these toilets.</li> <li>Respondents have stated that paver block roads have led to improved internal transportation and cleanliness.</li> </ul>
	<p>7. Upgradation of infrastructure at government schools and Improving learning level of students</p> <ul style="list-style-type: none"> <li>53 support teachers engaged in Government Schools in Haryana.</li> <li>The project has improved the availability of trained teachers and books for the school students.</li> <li>As per the staff, this project has helped in improving the attendance and classroom participation of the students.</li> </ul>
	<p>8. Community development COVID-19 expenses, Infrastructure and equipment support to dispensaries; and Reduction in the incidence of anaemia among women and children through community awareness programs</p> <ul style="list-style-type: none"> <li>To support the government in tackling the crises, the Company extended assistance in the production and donation of ventilators, face masks, and other protective equipment. Support was provided to AgVa Healthcare, an approved ventilator manufacturer, to rapidly scale up their production from 50 units per day to around 400 units per day, thereby reaching a volume of about 10,000 units per month. Additionally, face masks and medical protective clothing were produced, with the support of vendor partners. As on March 21, the company donated 280 ventilators, 2 million masks, 1000 testing kits, and 950 oxygen cylinders. Also, 12,000 families were supported with dry ration kits which impacted 60,000 individuals, 120000 cooked meals were distributed, and more than 5 lakh liter of drinking water was provided to the community through the Water ATMs already set up by the company.</li> <li>The project has benefitted more than 18000 community members. Majority of the respondents (67.57%) mentioned that their primary reason to visit the PHC was the reduced cost of the services. Beneficiaries also felt that the accessibility and the reachability of the PHCs had improved.</li> <li>The project impacted more than 11000 women and children in 4 villages of Rohtak. 100% of frontline workers (FLWs) like ANM and ASHA conveyed that they received training on anaemia and handholding support under the program. 100% of the adolescent girls and women (of reproductive age) stated that they had attended awareness sessions. Women also stated that there was an increase in the uptake of government services by them after the implementation of the project.</li> </ul>

## ANNEXURE - C

Information in accordance with Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Boards' Report for the year ended 31<sup>st</sup> March, 2022.

### A. Energy Conservation

The Company has continued its drive towards energy conservation with focus on efficiency improvement, renewable portfolio and mass awareness across all the plants. The major activities carried out during the year towards efficiency improvement are as under:

- Installation of gravity conveyors in seat and tyre section of assembly shops at Manesar resulting in estimated reduction of 81,760 kWh/Year (63 Ton CO<sub>2</sub>)
- Identification and rectification of compressed air leak points in pneumatic systems in Gurgaon and Manesar plants, which corresponds to 2% of the consumption of the compressed air in 2021-22 respective shops.
- Installation of intelligent flow controller (IFC) in Manesar plant to reduce compressed air pressure for process resulting in estimated energy saving of 1,626,542 kWh/Year (1251 Ton CO<sub>2</sub>)
- Identification and elimination of idle time running by variable frequency drive installation in hemming machine in Weld A,B,C, spare paint shop and process optimization in C shift in press and moulding shops at Manesar with an estimated reduction of 1,056,512 kWh/Year (813 Ton CO<sub>2</sub>)
- Process optimization by elimination of compressed air blowing, pump motor and screw conveyor and drilling unit at MC-3 at Gurgaon and component heating at assembly shops in Manesar resulting in estimated reduction of 345,154 kWh/Year (266 Ton CO<sub>2</sub>)
- Identification and conversion of sanders and polishers from pneumatic to electric energy at Weld2-3, PS-3, PS-A,B,C and press shops resulting in estimated reduction of 104,650 kWh/Year (81 Ton CO<sub>2</sub>)
- Installation of hot water generator in paint shop-A of Manesar plant to substitute steam usage in process resulting estimated saving of 1,223 Ton CO<sub>2</sub>
- Up-gradation of 39 nos. of in-efficient IE1/IE2 rated electric motors with energy efficient IE3 grade motors across Gurgaon plant resulting in estimated reduction of 107,388 kWh/Year (83 Ton CO<sub>2</sub>)

- Up-gradation of 06 nos. of inefficient pump sets with energy efficient pumps in water treatment section of Manesar plant resulting in estimated reduction of 39,532 kWh/Year (30 Ton CO<sub>2</sub>)

- Up-gradation of existing air washer (31 nos.) and cooling tower (2 nos.) with electronically commuted (EC) based motors at Gurgaon and Manesar resulting in estimated reduction of 516,934 kWh/Year (398 Ton CO<sub>2</sub>)

With a focus on moving towards Carbon neutrality, enhancement in renewable energy was done as under:

#### Captive Solar power plant

- Installation of 20 MWp (15.9MWp in 21-22) capacity Photo Voltaic Solar Plant at Manesar, resulting in generation of 16,509 MWH of green energy.
- The total generation from Solar plants (26.3 MWp) during FY21-22 is 25,513 MWH against 9,017 MWH during FY20-21; an increase from 2.1% to 5.4% of total electricity consumption (4.9% to 11.7% of captive power generation). This has resulted in total CO<sub>2</sub> reduction of 18,302 Ton.

#### Renewable energy through energy exchange

- Purchase of green power through open access using grid connection with effect from January, 2022 at Gurgaon plant (~2MW) and February, 2022 at Manesar plant (~10MW).
- During the year, a total of 2,145 MWH non-solar power was purchased resulting in reduction of CO<sub>2</sub> footprint by 1695 Ton.

In order to spread mass awareness about significance of energy conservation, efficiency improvement, renewable energy and impact on environmental and climate change, some of the steps taken are as under:

- Publishing periodical snippets on environmental aspects (bi-weekly) and energy perspective (weekly) on the Company's internal mail portal;
- Commemorating National energy conservation day on 14<sup>th</sup> December and celebrating Energy Week during 13<sup>th</sup>-19<sup>th</sup> December, 2021;

- During this week, various activities were carried out like energy conservation drive (identification & rectification of compressed air leaks) in shops, awareness sessions from eminent speakers, quiz, poster and slogan competition having theme of "Energy conservation & Climate change". More than 3,500 employees participated in this activity.

#### **Environment:**

- Up-gradation of existing Sewage Treatment Plant (STP) in Gurgaon, Manesar and Rohtak Plants for improvement in treated water parameters resulting in improved recycling of treated water.
- Environment Awareness and Tree Plantation in Schools around the Company's Plants.
- Environment month activities
  - Tree plantation by plant head, union members and pollution control board members across all plants along with Regional Parts Distribution Centers.
  - Online awareness guest lectures by eminent experts working in environment field.
  - Online quiz.
- Concept of Environmental snippets was initiated with an aim of enhancing awareness on various aspects of environmental issues.
- Physical audits of vendors for checking environment compliances were started along with supply chain.
- Bio Composters in Gurgaon and Manesar have been started and a new bio composter was installed in Head Office at Delhi.

The Company committed a capital investment of INR 67 million towards activities and equipment for energy conservation and INR 4.9 million towards environment improvement.

#### **B. Research & Development (R&D)**

The Indian automotive industry is rapidly evolving due to multiple factors like changes in the consumer aspirations, shift towards environment friendly, safe and connected technologies. Being a market leader, the Company has been at the forefront of customer satisfaction and value proposition, by bringing new products equipped with the latest technologies, features that offer high level of safety, reliability, performance and fuel efficiency.

The Covid-19 pandemic had an unprecedented impact on the automotive industry, adding to the challenge of semiconductor shortage and increased commodity prices. The Company's engineers worked relentlessly and adapted themselves to the new normal. While keeping the health and safety of its employees on top priority, the Company swiftly took measures to recover the lost time. Continuity of the R&D work was ensured through various virtual technologies to enable Work from Home (WFH), remote access of data and digital collaboration with suppliers & technology partners. The Company reached normal efficiency with a judicious mix of 'Work from Home' and 'Work at Office'. The Company is now gearing up to counter any such situation by harnessing the advanced virtual technologies to 'Work from Anywhere'.

Global semiconductor shortage continued to play spoilsport for the Indian automobile industry. The shortage of electronic components had an impact on the production of vehicles especially the one sold in domestic market. The Company took all possible measures to minimize the impact through various measures including quick R&D support to develop alternate sources.

The year marks a quantum leap in introduction of new products and technologies that are safe, affordable, environment friendly to delight the Indian customer. With the growing customer expectations, the Company has launched products that are fresh in design, high in performance, reliable and are equipped with new technologies and features.

New Baleno was launched with a focus on technology and innovation. It is powered by new Advanced K-Series Dual Jet, Dual Variable Valve Timing (VVT) Engine with Idle Start-Stop (ISS) technology along with a new improved Auto Gear Shift (AGS) transmission.

Baleno is the first model to feature NEXA's crafted futurism design language. A work of art that is futuristic and a design exclusively crafted to match the refined tastes of NEXA customers. The design philosophy manifests itself upon three major pillars:

- NEXpression: Artfully designed exteriors & interiors, crafted to perfection
- NEXtech: Advanced technology catering to the new age customer needs
- NEXperience: Experience that is ahead of times.

To meet aspirations of the young & urban customers, new technologies like Head Up Display (HUD), 360 View Camera, SmartPro & Pro+ Infotainment System with HD display, In-built Next-Gen Suzuki Connect and Electronic stability program (ESP) were introduced in New Baleno. To enhance side crash safety, side airbags in front & full curtain airbags were also introduced.

The All-New Celerio was launched with a 3D organic sculpted design & dynamic stance. The sweeping interior design is center focused, energetic with bigger cabin space, improved leg room, luggage space for increased comfort & convenience. The All-New Celerio is the most fuel-efficient petrol car in India, powered by next generation K-Series Engine Dual Jet, Dual Variable Valve Timing (VVT) Engine with Idle Start-Stop (ISS). New safety features like Hill Hold Assist, Dual Airbags and Antilock Braking System (ABS) with Electronic Brake Distribution (EBD) are added for peace of mind. For enhanced customer convenience- 7" Touchscreen Audio -Smart Play Studio with smartphone navigation, engine push start-stop button with smart key, gear shift indicator, electrically adjustable and foldable outside rear view mirrors (ORVM).

New Wagon R was launched with Advanced new K-Series Engines with Idle Start Stop Technology (ISS), Stylish & Sport Dual Tone Exteriors with Floating Roof & Dynamic Alloy wheels and new dual tone interiors with Beige and Dark Grey Melange fabric that complements the exterior. Hill Hold Assist is offered across Auto Gear Shift (AGS) variants & (7") SmartPlay Studio with Smartphone Navigation and 4 speakers for added safety & convenience. Smart CNG (S-CNG) is now also available in both LXI and VXI variants. New Tour H3 was also launched in Petrol and CNG variants exclusively for passenger taxi segment.

Dzire CNG: Dzire with Smart CNG (S-CNG) technology was expanded to strengthen and democratize green mobility in India. Coupled with the advanced K-series Dual Jet, Dual (Variable Valve Timing) VVT 1.2L engine. Dzire is India's most fuel-efficient and most powerful CNG sedan. The Company's CNG range of vehicles are conceptualized, designed and developed at the company's world-class research & development facility after rigorous testing and are factory-fitted to deliver unmatched safety, performance, durability and fuel efficiency.

The Company launched "People Technology", a media campaign that highlights the recent path-breaking technologies - Smart Hybrid, Smart CNG (S-CNG), New K-Series Engines, HEARTECT platform, Suzuki Connect telematics solution, Smart play infotainment system and a range of Automatic Transmissions introduced by the

Company on its wide portfolio. Through these technological interventions, the Company intends to enhance the lives of our customers.

The phrase "CARE" [C- Customer Centric; A- Aspirational; R – Relevant; E – Experience] communicates Company's approach for rolling out new technologies for the future. The Company's focus is to offer safe, environment friendly, comfortable and connected technologies to Indian customers at competitive prices.

On the regulatory side, the Company made strenuous efforts to ensure compliance of mandatory dual airbag across its model lineup.

The Company is extensively utilizing its integrated R&D facility at Rohtak for testing and evaluation of new models. The integrated R&D facility at Rohtak has state-of-the-art vehicle testing and evaluation laboratories and numerous test tracks to evaluate product for quality, performance, reliability, emission and safety. The facility has contributed in introduction of new technologies like Electronic Stability Program (ESP), Antilock Braking System (ABS), Hill Hold control and various homologation activities for Domestic & Export markets. Dynamic brake drag & bearing friction measurement test facilities were introduced for the accurate measurement of brake drag & bearing friction, which are important parameters attributing to vehicle performance. Two new environmental test chambers were installed for expediting performance testing of lamps.

#### **Technology:**

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

#### **Safety:**

- Side & Curtain Airbags:** To enhance side crash safety, front row side airbags & full curtain airbags were introduced in New Age Baleno.
- Head Up Display (HUD):** In order to decrease distraction, it allows customers to drive without taking eyes off the road by displaying critical information like speed, rotation per minute (RPM), fuel economy, and other pertinent notifications in a way that does not disturb the attention of the driver from the road.
- 360 View Camera:** For comprehensive 3D view of surroundings, enabling safe parking & maneuvering.

- ESP (Electronic Stability Program) & Hill Hold:** ESP and Hill Hold Assist features are added in New Baleno to enhance the overall control, drivability & safety of the car. The New Celerio & Wagon-R also are powered with the Hill-Hold Assist in AGS- Auto Gear Shift variants. Hill hold prevents the vehicle from rolling back on inclined slopes and in stop-start traffic condition to ensure safety.

#### Comfort and Convenience:

- Next Generation Infotainment:** The New Age Baleno comes with a 7" Smart Play Pro & 9" Smart Play Pro+ Infotainment system. It comes with a High-Definition display, intuitive user interface with Voice Assist to offer seamless connected driving experience. It offers Premium Sound tuning through "Surround Sense" powered by ARKAMYS®, which is a sound solution expert company, offering signature sound ambiances to suit various moods. The customizable display option allows customers to personalize the look and feel of the infotainment system and also customize the automatic greeting messages by the car.
- Next Generation Suzuki Connect:** The next-gen telematics system- Suzuki Connect comes as a factory fitted solution which offers enhanced vehicle safety & security, comfort & convenience, vehicle management, trip & driving behavior analysis, status-alerts to customers. The new Suzuki Connect App is intuitively designed to provide superior user experience.
- Smartwatch & Alexa Connectivity-** Taking the user ownership experience a notch above, the New Baleno can also be remotely accessed through compatible smart watch & voice connectivity through Alexa Skill®. Customers can remotely access & operate vehicle functions like door lock, headlamps off, hazard lights, alarm, and many more features through these devices.
- Advanced Auto Gear Shift (AGS):** The Company has been the pioneer with revolutionary two-pedal technology- AGS, which offers driving convenience of an automatic transmission vehicle to Indian consumer at an affordable price without compromising on fuel economy. The AGS technology has been improved with New Baleno to provide comfortable driving experience.

#### Environment friendly technologies:

- Powertrain:** K-Series engine realizes the true spirit of the global design trend of optimizing engine performance through innovative design techniques. It is currently offered in five different options across the product line-up: K10B, K12M, K15B and Next-gen Dual VVT Dual Injector K12N & K10C Engine. With continuous upgradation of the K-Series engine, the Company has improved up to 30% Fuel efficiency in the last decade to delight value-conscious Indian consumers.
- Idle Start Stop (ISS) Technology:** All new Baleno, Celerio & Wagon R are equipped with idle start-stop system, which further improves fuel economy by cutting off the engine when idling in traffic.
- Alternate fuel - CNG:** The Company's Smart CNG (S-CNG) vehicles has largest range of 9 CNG vehicles across its portfolio. The All New Celerio having CO<sub>2</sub> emission of 77g/km, has the lowest CO<sub>2</sub> emissions with respect to all CNG models across the Indian automotive industry. The Company has till date saved more than 1.6 million Metric Tonnes of cumulative CO<sub>2</sub> emission from the sale of Smart CNG (S-CNG) vehicles. In FY 2021-2022, the Company has crossed 1 million cumulative sales milestone for its S-CNG vehicles.

#### Benefits derived as a result of above R&D initiatives:

- The Company launched new models like New Baleno, Wagon R, New Celerio & Dzire CNG.
- The company saved ₹ 1,687 million by localization & ₹ 3,044 million from implementation of Value Analysis/ Value Engineering (VA/VE) idea.
- Rigorous efforts to localize imported raw material and high technology parts has helped in reducing the material cost and mitigating the risk of foreign exchange fluctuations.

#### Technology Absorption, Adaptation and Innovation:

- Efforts in brief made towards technology absorption, adaptation and innovation:**
  - Focused benchmarking of various products and technologies is being done to understand and develop better products for consumers.
  - The Company continues to grow its capabilities and experience to deeply understand Indian consumer's aspirations, behavior, and product usage pattern, which will help to adopt and introduce Suzuki's relevant technologies for the Indian market.

- The Company continues to work closely with its supplier partners for value enhancement of parts and subsystems i.e. higher function at lower cost.
- New CAE simulation capabilities added in multiple areas related to chassis and engine development to enhance vehicle performance and enhance product quality.
- Suspension/Steering performance optimization was done for CNG variants, so that customers get similar driving feel as that of Gasoline variant.

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

- Introduction of Suzuki's relevant technologies in wide product portfolio of cars for the India market.
- Creating superior quality and cost-effective products.
- Weight optimization in new models without compromising on safety, performance and durability.
- Improvements in safety of drivers, passengers and pedestrians.
- Higher level of localization in new models to optimize cost.
- Improvement in vehicle fuel efficiency.
- In line with the nation's vision of Atmanirbhar Bharat Abhiyaan, focused Internal Part Localization / Value Engineering (IPL/VE) activities were carried out in different High technology items like Antilock Braking System (ABS), Electronic Stability Program (ESP) , Headlamps, Steering wheel, Airbag etc.

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

- ##### Technology Inducted in 2019-20:
- ESP (Electronic Stability Program) along with Hill Hold function has been introduced in all new premium MPV XL6 and new 2020 Dzire.
  - New 1.2L K-series Dual Jet Injector, Dual VVT BS6 petrol engine has been introduced in Baleno and new 2020 Dzire.
  - New Vitara Brezza was launched with the powerful 1.5L K-series BS6 petrol engine.

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

#### Technology Inducted in 2020-21:

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

#### Technology Inducted in 2021-22:

- Introduced new 1.0L K-series Dual Jet, Dual VVT BS6 petrol (with Idle Start Stop function) & Smart CNG (S-CNG) engine in New Celerio & WagonR.
- First in segment Hill Hold Assist feature was introduced in AGS variants of New Celerio & WagonR.

- Following technologies were introduced with New Age Baleno:

- Head Up Display (HUD) was introduced for a fascinating and safe drive experience.
- 360 View Camera for a comprehensive 3D view of surroundings, enabling safe parking & maneuvering.
- In-built next-gen Suzuki Connect Telematics System with 40+ connectivity features including access through Alexa Skill® and compatible smart watch, for an unparalleled connected car experience.
- To enhance side crash safety, Front row side airbags & full curtain airbags were introduced.
- All-New 7" SmartPlay Pro & 9" SmartPlay Pro+ Infotainment system with HD display, Surround Sense & Voice Assistant.
- All-new suspension, new hydraulic clutch system, 14" disc brakes, flat-bottom steering wheel, and reduced Noise Vibration & Harshness (NVH) for a comfortable drive.
- Advanced K-Series Dual Jet, Dual VVT Engine with Idle Start-Stop technology. Available in 5 speed Manual Transmission (MT) and improved Auto Gear Shift (AGS) transmission.

### C. Expenditure incurred on R&D

Particulars	2021-22	2020-2021
A Capital Expenditure	2,232	2,701
B Net Revenue Expenditure	2,001	3,558
<b>Total</b>	<b>4,233</b>	<b>6,259</b>

(₹ in million)

### D. Foreign Exchange Earnings and Outgo (Cash Basis)

During the year, total inflows (on cash basis) in foreign exchange were ₹ 110,642 million and total outflow (on cash basis) in foreign exchange were ₹ 74,672 million

For and on behalf of the Board of Directors

**Kenichi Ayukawa**  
Executive Vice Chairman

New Delhi  
29th April, 2022

**Hisashi Takeuchi**  
Managing Director & CEO

## ANNEXURE - D

### Form No. MR 3

#### Secretarial Audit Report

#### For the Financial Year ended on 31<sup>st</sup> March, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

transaction of Overseas Direct Investment which was required to be reviewed during the period under audit;

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [Not Applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review];

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [Not Applicable as the Company has not issued and listed any Non-Convertible securities during the financial year under review];

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued [Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 [Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review];

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 authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder by the Depositories with regard to dematerialisation/ rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Further, there was no

- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 [Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review].
- VI. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

1. Motor Vehicles Act, 1988
2. The Central Motor Vehicles Rules, 1989

For the compliances of Environmental Laws, Labour Laws & other General Laws vis-à-vis The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable Environmental Laws, Labour Laws & other General Laws.

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

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

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. General Circular Nos.14/2020, 17/2020, 20/2020, 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 for conduct of Extra-Ordinary General Meetings/ Annual General Meetings through

- Video Conferencing (VC) or other audio-visual means (OAVM).
4. MCA Notification No. G.S.R 186 (E) dated March 19, 2020 read with Notification No. G.S.R 806 (E) dated December 30, 2020 issued by Ministry of Corporate Affairs to conduct the Meetings of the Board or its committees through Video Conferencing (VC) or other audio- visual means (OAVM).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Circulars, Notifications etc.

**We further report that**

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

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

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

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

**We further report that** during the period under review, the Competition Commission of India ("CCI") has pronounced an order for the alleged contravention of Section 3 (4) (e) read with Section 3(1) of the Competition Act, 2002 against the Company and has imposed a penalty for an amount of ₹ 200 crores (Two Hundred Crores) on the Company. However, the Company has filed an appeal to the National Company Law Appellate Tribunal ("NCLAT") and NCLAT has granted an interim stay on the said order. The company has complied with the interim order of Hon'ble NCLAT and the same was also intimated to Stock Exchanges within the stipulated time.

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

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

The Board of Directors in its meetings held has accorded its consent for the following:

- Mr. Takahiko Hashimoto, (DIN: 08506746) completed his tenure as Whole Time Director of the Company on 27<sup>th</sup> April, 2021 and ceases to be a member of the Board.
- Mr. Shigetoshi Torii (DIN: 06437336) was appointed as Whole Time Director designated as Joint Managing Director (Production and Supply Chain) to fill casual vacancy caused by resignation of Mr. Takahiko Hashimoto with effect from 28<sup>th</sup> April, 2021. Also, the said appointment was approved by shareholders and Central Government.
- Mr. Hisashi Takeuchi (DIN: 07806180) was appointed as Whole Time Director designated as Joint Managing

Director (Commercial) for period of three years with effect from 28<sup>th</sup> April, 2021. Also, the said appointment was approved by shareholders and, in this regard the company has applied for approval of Central Government and the order for same is awaited.

Further, he was also appointed and re-designated as a Managing Director and Chief Executive Officer for a period of three years with effect from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March 2025 by the Board in its meeting held on 24<sup>th</sup> March, 2022.

- Mr. Kenichi Ayukawa (DIN: 02262755) was appointed as a Whole- Time Director designated as Executive Vice-Chairman for a period of six months from 1<sup>st</sup> April, 2022 to 30<sup>th</sup> September, 2022.

The Members in the Annual General Meeting held on 24<sup>th</sup> August, 2021 accorded consent of the following:

- To re-appoint Mr. Toshihiro Suzuki (DIN: 06709846) as the director, who is liable to retire by rotation.
- To re-appoint Mr. Kinji Saito (DIN: 00049067) as the director, who is liable to retire by rotation.

**For RMG & Associates**

Company Secretaries  
Firm Registration No. P2001DE16100  
Peer Review No.: 734 / 2020

**CS Manish Gupta**

Partner

FCS: 5123; C.P. No.: 4095  
UDIN: F005123D000360280

New Delhi  
29<sup>th</sup> April, 2022

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

## ANNEXURE - 1

To,  
The Members  
**Maruti Suzuki India Limited**

Our Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2022 of even date is to be read along with this letter:

### Management's Responsibility

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

### Auditor's Responsibility

- Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

- The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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

**CS Manish Gupta**  
Partner  
FCS: 5123; C.P. No.: 4095  
UDIN: F005123D000360280

New Delhi  
29<sup>th</sup> April, 2022

## DIVIDEND DISTRIBUTION POLICY

The Company has already laid down the Dividend Distribution Guidelines ('Dividend Guidelines') which were approved by the Board of Directors of the Company ('Board') on 30<sup>th</sup> October, 2014. The Securities and Exchange Board of India has amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') under which the Company is required to formulate a dividend distribution policy.

Pursuant to the aforesaid change in the Listing Regulations, the Board has approved this Dividend Distribution Policy ('Policy') of the Company on March 23, 2017.

The Company shall declare and pay dividend in accordance with the provisions of the Companies Act 2013, rules made thereunder and Listing Regulations as amended from time to time.

Following points shall be considered while declaring dividend:

- Consistency with the Dividend Guidelines as laid out by the Board
  - Sustainability of dividend payout ratio in future
  - Dividend payout ratio of previous years
  - Macroeconomic factors and business conditions
- Retained earnings are intended to be utilized for:
- Investments for future growth of the business

- Dealing with any possible downturns in the business
- Strategic investment in new business opportunities

The Company currently has only one class of shares i.e. equity shares. As and when it proposes to issue any other class of shares, the policy shall be modified accordingly.

### Dividend guidelines

Background: Many shareholders have opined that the company should provide a dividend policy in the interest of providing greater transparency to the shareholders.

The Board, at the time of approving the annual accounts in each year, also decides the dividend to be paid to the shareholders depending on the context of business in that year. A policy stated by the current Board cannot be binding on future Board. However, the current Board can form a guideline on dividend payout in future in the interest of providing transparency to shareholders.

### Board approval

The Board accordingly approved the following guidelines for dividend payment:

The Company would endeavour to keep the Dividend payout ratio, except for reasons to be recorded, within the range of 18% to 40%. The actual dividend for each year would be decided by the Board taking into account the availability of cash, the profit level that year and the requirements of capital investments.

# CORPORATE GOVERNANCE REPORT

## Corporate Governance Philosophy

Maruti Suzuki India Limited (the Company) is fully committed to practicing 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 behavior, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees. The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value. The sustainable business practices are the foundation on which the Company operates since its inception. The Company places utmost importance in creating value for all its stakeholders and it actively promotes sustainable business practices across the value chain. The Company's value creation is based on equitable, inclusive, transparent and collaborative stakeholder practices. The Company actively collaborates with the stakeholders to understand their needs and takes appropriate measures to address them. Since inception, the Company has inculcated the 3R (Reduce-Reuse- Recycle) principles, Japanese practices and Suzuki Motor Corporation's basic philosophy of 'fewer, smaller, lighter, neater and shorter' in all its operating practices. These not only make the operations efficient but also support in resource optimisation leading to conservation of natural resources. The Company offers relevant product and technology that the Indian customers need by leveraging the unique ability of Suzuki Motor Corporation to design feature-rich, safer, environment-friendly products with world class quality at an affordable price. The Company promotes a safe, healthy and happy workplace and always strives to be the employer of choice. The Company's initiatives towards improving its Environmental, Social and Governance (ESG) performance and its contribution towards Sustainable Development Goals is placed in the Integrated Report.

## Management Structure and Shared Leadership

The Company has a multi-tier management structure with the Board of Directors at the top. The Company has five business verticals viz. Engineering, Quality Assurance, Production, Supply Chain and Marketing & Sales. Marketing & Sales is further segregated into domestic sales & marketing, international sales & marketing, parts & accessories, service and logistics. Besides the above, there are other functions viz. Human Resources, Finance, Information Technology, Safety, Legal, Corporate Secretarial,

Corporate Planning and Realty Acquisition. All key verticals and support functions report directly to the Managing Director & CEO. The Managing Director & CEO is also supported by senior most executives in setting strategic direction for the Company and guiding in development of talent pipeline for leadership positions. The leaders at the top level are designated as Members Executive Board (MEBs)/ Sr. Executive Officers (Sr. EOEs)/ Executive Officers (EOs). The board meetings of the Company mark the presence of all the MEBs/ Sr. EOEs / EOEs as they act as a channel between the Board above them and the employees. This structure not only allows easy and quick communication of field information to the Board members but also gives the top management the opportunity to give recommendations relevant to their business operations. The Sr. EOEs/ EOEs are supported by the divisional heads and the departmental heads.

Through this, it is ensured that:

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

## Board of Directors

### Composition of the Board

As on 31<sup>st</sup> March, 2022, 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 four Executive Directors and eight Non-Executive Directors, of whom four are Independent Directors. The composition is given in Table 1. Except Mr. Osamu Suzuki and Mr. Toshihiro Suzuki who are related to each other, none of the other Director is related to any other Director. All Independent Directors are persons of

eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interests of stakeholders and the Company.

**Table 1: Composition of the Board as on 31<sup>st</sup> March, 2022**

S. No.	Name	Category	*No. of directorship(s)		No. of committee(s)		Name of the listed entities	
			Public	Private	Member (including chairperson)	Chairperson	In which he/she is a director	Category of directorship
1.	Mr. R. C. Bhargava	Chairman, Non-Executive	3	0	3	2	• Dabur India Limited • Maruti Suzuki India Limited	Independent Non- Executive
2.	Mr. Kenichi Ayukawa	Managing Director and CEO, Executive	4	2	1	-	• Maruti Suzuki India Limited • Subros Limited	Executive Non- Executive
3.	**Mr. Hisashi Takeuchi	Executive	1	1	-	-	• Maruti Suzuki India Limited	Executive
4.	***Mr. Shigetoshi Torii	Executive	2	2	-	-	• Machino Plastics Limited • Maruti Suzuki India Limited	Non-Executive Executive
5.	Mr. Kenichiro Toyofuku	Executive	1	1	-	-	• Maruti Suzuki India Limited	Executive
6.	Mr. Osamu Suzuki	Non- Executive	1	-	-	-	• Maruti Suzuki India Limited	Non- Executive
7.	Mr. Toshihiro Suzuki	Non- Executive	1	-	-	-	• Maruti Suzuki India Limited	Non- Executive
8.	Mr. Kinji Saito	Non- Executive	1	-	-	-	• Maruti Suzuki India Limited	Non- Executive
9.	Mr. Davinder Singh Brar	Independent	4	12	7	2	• Mphasis Limited • Maruti Suzuki India Limited • Wockhardt Limited • EPL Limited	Independent Independent Independent Independent
10.	Mr. Rajinder Pal Singh	Independent	3	1	5	2	• Maruti Suzuki India Limited • Nirlon Limited • Macrotech Developers Limited	Independent Independent Non- Executive
11.	Ms. Lira Goswami	Independent	1	1	1	-	• Maruti Suzuki India Limited	Independent
12.	Mr. Maheswar Sahu	Independent	8	6	6	2	• Maruti Suzuki India Limited • Adani Total Gas Limited	Independent Independent

\*Doesn't include directorship in foreign companies.

\*\* Appointed as Joint Managing Director (Commercial) w.e.f. 28<sup>th</sup> April, 2021.

\*\*\* Appointed as Joint Managing Director (Production and Supply Chain) w.e.f. 28<sup>th</sup> April, 2021.

- In terms of Regulation 26(1) of Listing Regulations:
  - Foreign companies, private limited companies and companies under section 8 of the Companies Act, 2013 are excluded for the purpose of considering the limit of committees.
  - The committees considered for the purpose are audit committee and stakeholders' relationship committee.
  - None of the Directors was a member of more than 10 committees or chairperson of more than 5 committees across all listed companies in which he/she is a Director.
- In terms of Schedule V of the Listing Regulations:
  - In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of management.
  - A certificate from a Company Secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority forms part of this report as **Annexure - A**.
- None of the Directors holds equity shares in the Company except Mr. D. S. Brar who holds 1 equity Share.

### Board Meetings

The Board met five times during the year on 27<sup>th</sup> April, 2021, 28<sup>th</sup> July, 2021, 27<sup>th</sup> October, 2021, 25<sup>th</sup> January, 2022 and 24<sup>th</sup> March, 2022. 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 2021-22**

S. No.	Name	Number of Board Meetings attended (Total meetings held: 5)	Whether attended last AGM (24 <sup>th</sup> August, 2021)
1.	Mr. R. C. Bhargava	5	Yes
2.	Mr. Kenichi Ayukawa	5	Yes
3.	Mr. Hisashi Takeuchi	5	Yes
4.	*Mr. Shigetoshi Torii	4	Yes
5.	Mr. Kenichiro Toyofuku	5	Yes
6.	**Mr. Takahiko Hashimoto	1	NA
7.	Mr. Osamu Suzuki	5	Yes
8.	Mr. Toshihiro Suzuki	5	Yes
9.	Mr. Kinji Saito	5	Yes
10.	Mr. Davinder Singh Brar	5	Yes
11.	Mr. R.P. Singh	5	Yes
12.	Ms. Lira Goswami	5	Yes
13.	Mr. Maheswar Sahu	5	Yes

\* Appointed as Joint Managing Director (Production and Supply Chain) w.e.f. 28<sup>th</sup> April, 2021.

\*\* Ceased to be Director (Marketing & Sales) w.e.f. 28<sup>th</sup> April, 2021.

### 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 27<sup>th</sup> April 2021, 03<sup>rd</sup> June 2021, 28<sup>th</sup> July 2021, 27<sup>th</sup> October 2021, 03<sup>rd</sup> December 2021, 25<sup>th</sup> January 2022 and 24<sup>th</sup> March, 2022. All the members of the audit committee are financially literate and Mr. Davinder Singh Brar, the Chairman, has expertise in accounting and financial management. The Chairman attended the last annual general meeting to answer shareholders' queries.

**Table 3: Composition as on 31<sup>st</sup> March, 2022 and Attendance**

S. No.	Name	Category	Designation	No. of meetings attended in –2021 - 2022 (Total meetings held: 7)
1	Mr. Davinder Singh Brar	Independent	Chairman	7
2	Mr. R. P. Singh	Independent	Member	7
3	Ms. Lira Goswami	Independent	Member	7
4	Mr. Maheswar Sahu	Independent	Member	7
5	*Mr. Kenichi Ayukawa	Executive	Member	1

\*Ceased to be member of the Audit Committee w.e.f. 28<sup>th</sup> April, 2021.

Mr. Sanjeev Grover, the Company Secretary acts as the secretary to the audit committee. Wherever required, other Directors and members of the management are also invited.

#### **Role**

The role/terms of reference of the audit committee include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of the auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditors' report before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the directors' responsibility statement to be included in the Board's Report in terms of clause (c) sub-section (3) of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
7. Review and monitor the auditors' independence and performance and effectiveness of the audit process.
8. Approval of transactions of the Company with related parties and any subsequent modification of such transactions.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk evaluation and mitigation systems.
12. Reviewing with the management the performance of statutory and internal auditors and adequacy of the internal control systems.
13. Reviewing the adequacy of the internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
14. Discussions with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain and resolve any areas of concern.
17. Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Review the functioning of the whistle blower mechanism.
19. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience, background, etc. of the candidate.
20. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investment.
21. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
22. Carrying out any other function as is mentioned in the charter of the audit committee.

## **II. Nomination and Remuneration Committee (NRC)**

### **Composition and Meetings**

Table 4 shows the composition of NRC and the details of attendance.

**Table 4: Composition as on 31<sup>st</sup> March, 2022 and Attendance**

S. No.	Name	Category	Designation	No. of meetings attended in -2021 - 2022 (Total meetings held: 4)
1.	Mr. Davinder Singh Brar	Independent	Chairman	4
2.	Mr. R.C. Bhargava	Non-Executive	Member	4
3.	*Mr. Toshihiro Suzuki	Non-Executive	Member	2
4.	Ms. Lira Goswami	Independent	Member	4
5.	**Mr. Maheswar Sahu	Independent	Member	2

\*Ceased to be the member of NRC w.e.f. 27<sup>th</sup> October, 2021.

\*\*Appointed as the member of NRC w.e.f. 27<sup>th</sup> October, 2021

Mr. Sanjeev Grover, the Company Secretary acts as the secretary to NRC.

### **Terms of Reference**

The role/terms of reference of NRC include the following:

1. Identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
2. Formulate criteria for evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.
3. Formulate the criteria for determining qualification, positive attributes and independence of a director and devising a policy on Board diversity.
4. Recommend to the Board a remuneration policy applicable to directors, key managerial personnel and other employees.
5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
7. Ensure that:
  - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
  - d. Any other action as may be required under the Companies Act, 2013 and any amendment thereto, Listing Regulations and guidelines/circular issued by the Securities and Exchange Board of India from time to time.

### **Performance Evaluation Criteria for Independent Directors & Remuneration Policy**

For performance evaluation criteria for independent directors and details of remuneration policy, please refer to the Board's Report.

## Remuneration of Directors

**Table 5** gives details of the remuneration for the financial year ended 31<sup>st</sup> March, 2022. The Company did not advance any loans to any of its Directors in the year under review.

**Table 5: Details of Remuneration for the Financial Year ended 31<sup>st</sup> March, 2022**

S. No.	Name	Salary & Perquisites (in ₹)	Performance Linked Bonus* (in ₹)	Sitting Fees (in ₹)	Commission (in ₹)	Total (in ₹)
1.	Mr. R.C. Bhargava	-		950,000	13,600,000	14,550,000
2.	Mr. Kenichi Ayukawa	32,448,000	17,770,000	-	-	50,218,000
3.	Mr. Hisashi Takeuchi	25,520,061	13,986,872	-	-	39,506,933
4.	Mr. Shigetoshi Torii	25,520,061	13,986,872	-	-	39,506,933
5.	Mr. Kenichiro Toyofuku	21,516,000	11,660,000	-	-	33,176,000
6.	Mr. Takahiko Hashimoto	1,607,203	862,521	-	-	2,469,724
7.	Mr. Osamu Suzuki	-	-	500,000	-	500,000
8.	Mr. Toshihiro Suzuki	-	-	600,000	-	600,000
9.	Mr. Kinji Saito	-	-	500,000	-	500,000
10.	Mr. Davinder Singh Brar	-	-	1,450,000	7,200,000	8,650,000
11.	Mr. Rajinder Pal Singh	-	-	1,300,000	5,000,000	6,300,000
12.	Mr. Maheswar Sahu	-	-	1,400,000	10,600,000	12,000,000
13.	Ms. Lira Goswami	-	-	1,400,000	5,500,000	6,900,000

\*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 is in accordance with the Nomination and Remuneration Policy. For details on performance evaluation, please refer to the Board's Report. There is no severance fee. The Company has not issued any stock options. No employee of the Company is related to any Director of the Company.

## Remuneration of the Non-Executive Directors

Members of the Company had approved the payment of commission to Non – executive Directors within the limit of one percent of the net profits of the Company and subject to the total payments not exceeding ₹ 50 million per annum. The criteria for the purpose of determination of the amounts of commission are in accordance with the Nomination and Remuneration Policy.

## III. Corporate Social Responsibility Committee (CSR) Composition and Meetings

**Table 6** shows the composition of CSR Committee and the details of attendance.

**Table 6: Composition as on 31<sup>st</sup> March, 2022 and Attendance**

S. No.	Name	Category	Designation	No. of meetings attended in -2021 - 2022 (Total meetings held: 2)
1.	Mr. R.C. Bhargava	Non-Executive	Chairman	2
2.	Mr. Kenichi Ayukawa	Executive	Member	2
3.	Mr. R.P. Singh	Independent	Member	2

Mr. Sanjeev Grover, the Company Secretary acts as the secretary to the CSR Committee.

## Terms of reference

- To frame the CSR policy and its review from time-to-time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the law, rules and regulations governing the CSR and to periodically report to the Board of Directors.

## IV. Risk Management Committee (RMC)

**Table 7** shows the composition and meetings of the RMC.

**Table 7: Composition as on 31<sup>st</sup> March, 2022 and Attendance**

S. No.	Name	Category	Designation	No. of meetings attended in 2021 - 2022 (Total meetings held: 2)
1.	Mr. R.C. Bhargava	Non-Executive	Chairman	2
2.	Mr. Kenichi Ayukawa	Executive	Member	2
3.	*Mr. Hisashi Takeuchi	Executive	Member	2
4.	*Mr. Shigetoshi Torii	Executive	Member	2
5.	*Mr. Kenichiro Toyofuku	Executive	Member	2
6.	**Mr. Maheswar Sahu	Independent	Member	2
7.	Mr. Ajay Seth	Chief Financial Officer	Member	2
8.	Mr. Rajiv Gandhi	Member of Executive Board (Strategic Projects)	Member	2
9.	***Mr. Takahiko Hashimoto	Executive	Member	NA

\*Appointed as member of the RMC w.e.f. 28<sup>th</sup> April, 2021.

\*\*Appointed as member of the RMC w.e.f. 28<sup>th</sup> July, 2021.

\*\*\*Ceased to be member of the RMC w.e.f. 28<sup>th</sup> April, 2021.

Mr. Sanjeev Grover, the Company Secretary acts as the secretary to RMC and Corporate Planning Division coordinates its activities.

## Roles and Responsibilities of the RMC

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

## V. Stakeholders' Relationship Committee (SRC) Composition

**Table 8** shows the composition of SRC. Mr. R. C. Bhargava, the Chairman attended the last annual general meeting to address shareholders' queries.

**Table 8: Composition as on 31<sup>st</sup> March, 2022 and Attendance**

S. No.	Name	Category	Designation	No. of meetings attended in -2021 - 2022 (Total meetings held: 1)
1.	Mr. R.C. Bhargava	Non-Executive	Chairman	1
2.	Mr. Davinder Singh Brar	Independent	Member	1
3.	Mr. Kenichi Ayukawa	Executive	Member	1

Mr. Sanjeev Grover, the Company Secretary & Compliance Officer acts as the secretary to SRC.

#### Objective

The scope of work of the SRC comprises of:

- Resolving the grievances of the shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent; and
- Review of the various measures and initiatives taken by Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### Investor Grievance Redressal

During the year, 11 complaints were received and resolved. All requests received for transfer of shares in physical form were duly processed.

#### General Body Meetings

**Table 9: Details of the last three AGMs of the Company**

Financial Year	Location	Date	Time
2018-2019	Air Force Auditorium, Subroto Park, New Delhi	27 <sup>th</sup> August, 2019	10:00 a.m.
2019-2020	Video Conferencing/ OAVM	26 <sup>th</sup> August, 2020	10:00 a.m.
2020-2021	Video Conferencing/ OAVM	24 <sup>th</sup> August, 2021	10:00 a.m.

In the AGM held on 27<sup>th</sup> August, 2019 two special resolutions were passed by the shareholders w.r.t. re-appointment of Mr. Davinder Singh Brar and Mr. Rajinder Pal Singh as Independent Directors. The special resolutions were not required to be put through postal ballot. During the year under review, no resolution was passed through postal ballot.

#### Competencies of the Board

The following chart gives the competencies of the Board of Directors:

**As on 31<sup>st</sup> March, 2022**

Competencies	Mr. R.C. Bhargava	Mr. K. Ayukawa	Mr. H. Takeuchi	Mr. S. Torii	Mr. K. Toyofuku	Mr. O. Suzuki	Mr. T. Suzuki	Mr. K. Saito	Mr. D.S. Brar	Mr. R.P. Singh	Ms. Lira Goswami	Mr. M. Sahu
Knowledge of all aspects of the car industry including its operations, technology, global experience and exports	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Legal/ Corporate Governance	✓	✓	✓	✓	✓				✓	✓	✓	✓
Government Rules/ Regulations	✓	✓	✓	✓	✓				✓	✓	✓	✓
Knowledge of Political/Social Environment	✓	✓	✓	✓	✓				✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

#### Disclosures made by the Management to the Board

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

#### Related Party Transactions

None of the transactions with any of the related parties was in conflict with the interests of the Company.

#### Code of Conduct for the Board of Directors and Senior Management Personnel

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

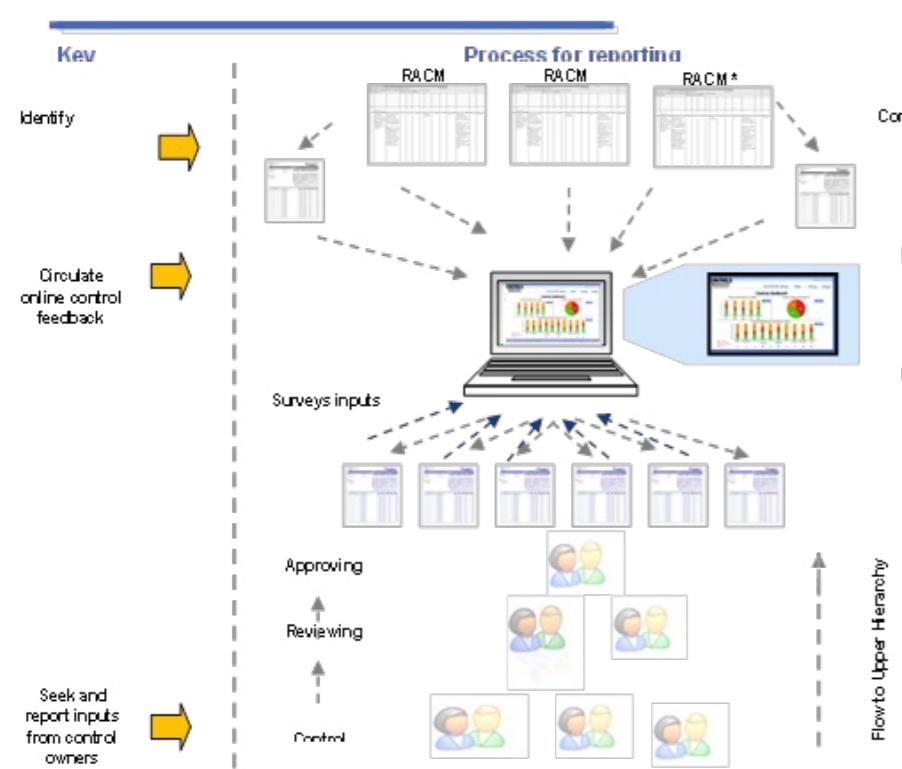
The Company's code of conduct has been posted on its website [www.marutisuzuki.com](http://www.marutisuzuki.com).

The code of conduct was circulated to all the members of the Board and senior management personnel and they had affirmed their compliance with the said code of conduct for the financial year ended 31<sup>st</sup> March, 2022. A declaration to this effect signed by the Managing Director & CEO of the Company forms part of this report as **Annexure - B**.

#### CEO/ CFO Certification

The Company has institutionalised the framework for CEO/CFO certification by establishing a transparent "controls self assessment" mechanism, thereby laying the foundation for development of the best corporate governance practices which are vital for a successful business. It is the Company's endeavor to attain the highest level of governance to enhance the stakeholders' value. To enable certification by CEO/CFO for the financial year 2021-2022, 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 2021-2022.

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



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 29<sup>th</sup> April, 2022.

### Legal Compliance Reporting

The Board periodically reviews reports of compliance with all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances. The Company has developed comprehensive legal compliance scheduling and management software by which specific compliance tasks are assigned to specified employees. The software enables planning and monitoring of all compliance activities across the Company.

### Code for Prevention of Insider Trading Practices

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

### Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

Refer Board's Report for details.

### Familiarization Programme/ Policy on Related Party Transactions/ Policy on Material Subsidiaries

The web links of familiarisation programmes for the independent directors, policy on related party transactions and policy on material subsidiaries are:

[https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Familiarization\\_Programme.pdf](https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Familiarization_Programme.pdf)

[https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy\\_On\\_Related\\_Party\\_Transactions.pdf](https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_On_Related_Party_Transactions.pdf)

[https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy\\_on\\_Subsidiary\\_Companies.pdf](https://marutistoragenew.blob.core.windows.net/msilintiwebpdf/Policy_on_Subsidiary_Companies.pdf)

### Whistle Blower Mechanism

The Company has in place an established and effective mechanism called the Whistle Blower Policy (Policy). The mechanism under the Policy has been appropriately communicated within the

organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behaviour, actual or suspected fraud within the Company. The Chairman of the audit committee is the ombudsman and direct access has been provided to the employees to contact him through e-mail, post and telephone for reporting any matter. No person has been denied access to the Ombudsman/Audit Committee.

### Details of Non-Compliance

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

### Subsidiary Companies

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

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

### Shareholders' Information

#### Means of Communication

<b>Financial results</b>	Quarterly, half-yearly and annual financial results are published in 'Financial Express' and in Hindi editions of 'Jansatta' and 'Hindustan'.
<b>Monthly sales/production</b>	Monthly sales and production figures are sent to stock exchanges as well as displayed on the Company's website <a href="http://www.marutisuzuki.com">www.marutisuzuki.com</a> .
<b>News releases</b>	All official news releases are sent to stock exchanges as well as displayed on the Company's website <a href="http://www.marutisuzuki.com">www.marutisuzuki.com</a> .
<b>Website</b>	The Company's website <a href="http://www.marutisuzuki.com">www.marutisuzuki.com</a> contains a dedicated segment called 'Investors' where all information needed by members is available including ECS mandate, nomination form and annual report. The website, inter-alia, also displays information regarding schedule of analyst or institutional investor meet and presentation made to media/ analysts/ institutional investors, financials, press releases, stock information, shareholding patterns, details of unclaimed dividend, etc.
<b>Annual report</b>	In our endeavor to protect the environment, the Company sent the annual report for the year 2020-21 through e-mails to those members who had registered their e-mail ids with either Depository Participants (DPs) or the Registrar & Transfer Agent (RTA) or the Company. This also helped the Company in saving a huge cost towards printing and dispatch.
<b>BSE Listing Centre, NEAPS (NSE Electronic Application Processing System)/Digital Exchange Portal (NSE)</b>	All disclosures and communications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through BSE Listing Centre, NEAPS and Digital Exchange Portal (NSE).
<b>SCORES (SEBI Complaints Redressal System)</b>	The Company supports SCORES by using it as a platform for communication between SEBI and the Company.
<b>Exclusive e-mail id's for investors</b>	Following e-mail ids have been exclusively dedicated for the investors' queries: <a href="mailto:investor@maruti.co.in">investor@maruti.co.in</a> <a href="mailto:einward.ris@kfinotech.com">einward.ris@kfinotech.com</a> Queries relating to annual report may be sent to <a href="mailto:investor@maruti.co.in">investor@maruti.co.in</a> and queries relating to transfer of shares and splitting/ consolidation / remat of shares, payment of dividend, etc. may be sent to <a href="mailto:einward.ris@kfinotech.com">einward.ris@kfinotech.com</a>
<b>Request to members</b>	The members of the Company who are holding shares in demat form are requested to kindly update their e-mail ids with their Depository Participants and those who are holding shares in physical forms kindly get it registered with Kfin Technologies Limited (formerly known as Kfin Technologies Private Limited) the Registrar and Share Transfer Agent of the Company.

**Additional Information****Annual General Meeting**

Date: 31<sup>st</sup> August, 2022  
 Day: Wednesday  
 Time: 10:00 a.m.  
 Venue: Air Force Auditorium, Subroto Park, New Delhi – 110010.

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

For the year ending 31<sup>st</sup> March 2023, results will be announced:

By the end of July 2022: First quarter results

By the end of October 2022: Second quarter results

By the end of January 2023: Third quarter results

By the end of April 2023: Fourth quarter and annual results

**Book Closure**

The period of book closure is from 05<sup>th</sup> August 2022 to 31<sup>st</sup> August 2022 (both days inclusive).

**Dividend Payment**

Subject to the approval of the members in the annual general meeting, a dividend of ₹ 60/- per equity share (face value ₹ 5/- per equity share) for the year 2021-22 will be paid on or after 08<sup>th</sup> September, 2022 to those whose names appear in the register of members/ beneficial owners at the close of business hours on 04<sup>th</sup> August 2022. Reminders were sent to the members requesting them to claim unclaimed dividend for the year 2013-14. Some members claimed their unclaimed dividends. The payments were made directly to their bank accounts wherever the particulars were available, under intimation to those entitled.

The balance amount remaining unclaimed was transferred to the Investor Education & Protection Fund (IEPF) within the stipulated time.

**Audit Fees**

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/entity of which statutory auditor is a part is ₹ 32 million for the financial year 2021-22.

**Listing on Stock Exchanges**

The equity shares of the Company are listed on BSE, Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 and NSE, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051. The annual listing fee for the year 2022-23 shall be paid to both the stock exchanges. **Table 10** lists the Company's stock exchange codes. The Company will pay the annual custodial fee for the year 2021-22 to both the depositories namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on receipt of the invoices.

**Table 10: Stock Code**

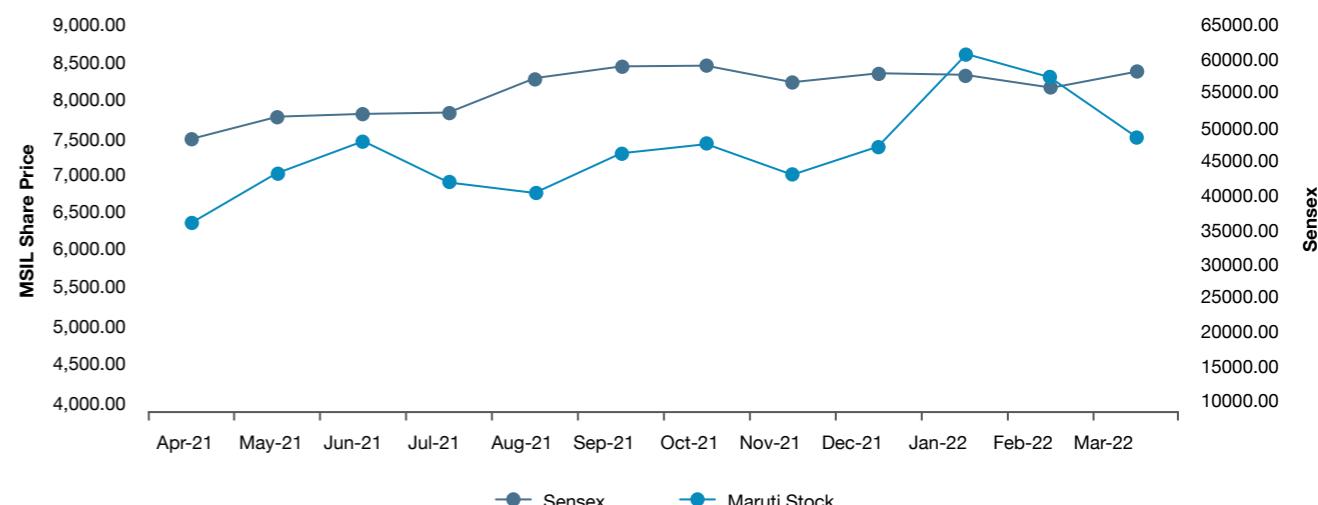
BSE Limited	532500
National Stock Exchange of India Limited	MARUTI
ISIN	INE585B01010

**Stock Market Data**

**Table 11** gives the monthly high and low prices of the Company's equity shares on BSE and NSE for the year 2021-22. **Chart A** plots the movement of the Company's share prices on BSE vis-a-vis BSE Sensex for the year 2021-22.

**Table 11: Monthly High & Low Quotation of the Company's Equity Share**

Month	National Stock Exchange		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 2021	6,991.50	6,415.00	6,990.00	6,415.00
May 2021	7,100.00	6,400.00	7,099.80	6,400.00
Jun 2021	7,698.00	6,821.00	7,695.30	6,824.85
Jul 2021	7,690.00	6,936.00	7,690.00	6,940.00
Aug 2021	7,248.60	6,591.00	7,247.15	6,590.65
Sep 2021	7,521.55	6,702.35	7,521.00	6,700.00
Oct 2021	7,814.80	7,090.00	7,808.00	7,093.50
Nov 2021	8,368.00	6,990.70	8,369.50	6,991.30
Dec 2021	7,640.00	7,021.00	7,639.00	7,022.10
Jan 2022	8,971.65	7,420.00	8,966.80	7,415.00
Feb 2022	9,050.00	8,114.10	9,022.00	8,114.10
Mar 2022	8,199.00	6,536.55	8,235.00	6,540.00



## Registrar and Transfer Agent

**Kfin Technologies Limited**  
 Karvy Selenium Tower B, Plot 31-32  
 Gachibowli, Financial District, Nanakramguda  
 Hyderabad – 500 032  
 Phone No.: 040- 67162222  
 Fax No.: 040-23001153  
 Toll Free: 1800-345-4001  
 Mail Id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
 Website: [www.kfintech.com](http://www.kfintech.com)

**Table 12: Distribution Schedule as on 31<sup>st</sup> March, 2022**

Category	No. of shareholders	%	No. of Shares	%
1. 1 - 5000	445,897	99.76	11,493,599	3.80
2. 5001 - 10000	237	0.05	1,708,420	0.57
3. 10001 - 20000	217	0.05	3,151,227	1.04
4. 20001 - 30000	105	0.02	2,574,870	0.85
5. 30001 - 40000	90	0.02	3,118,850	1.03
6. 40001 - 50000	54	0.01	2,414,922	0.80
7. 50001 - 100000	127	0.03	9,295,262	3.08
8. 100001 & above	237	0.05	268,322,910	88.83
<b>Total</b>	<b>446,964</b>	<b>100.00</b>	<b>302,078,907</b>	<b>100.00</b>

## Dematerialisation of Shares and Liquidity

As on 31<sup>st</sup> March, 2022, 99.999% of the Company's total paid up equity capital representing 302,078,907 equity shares were held in dematerialised form. The balance 0.001% equity representing 1,153 equity shares was held in physical form. Suzuki Motor Corporation, the promoter of the Company holds 170,283,762 shares in dematerialized form.

Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 5,870 shares in respect of which dividend had not been paid or claimed for seven consecutive years or more were transferred in favour of IEPF Authority.

## Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Please refer to **Annexure - C** and Management Discussion & Analysis for details.

## Share Transfer System

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

## Shareholding Pattern

**Table 12** lists the distribution schedule of equity shares of the Company as on 31<sup>st</sup> March, 2022.

## Other Disclosures

The Company has complied with the Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

### Address for Correspondence

Investors may please contact for queries related to

#### I. Shares held in dematerialised form

Their Depository Participant(s)

and/or

### Kfin Technologies Limited

Karvy Selenium Tower B, Plot 31-32  
 Gachibowli, Financial District, Nanakramguda  
 Hyderabad – 500 032  
 Phone No.: 040-67162222  
 Fax No.: 040-23001153  
 Toll Free: 1800-345-4001  
 Mail Id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
 Website: [www.kfintech.com](http://www.kfintech.com)

## II. Shares Held in Physical Form

### Kfin Technologies 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](mailto:investor@maruti.co.in)  
 Website: [www.marutisuzuki.com](http://www.marutisuzuki.com)

## Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

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

## Details of Public Funding Obtained in the Last Three Years

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

## Plant Location

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

## Adoption of Non-Mandatory Requirements

The Chairman's office with the required facilities is maintained by the Company at its expense, for use by its Non-Executive Chairman. The Company has appointed separate persons to the post of Chairperson and Managing Director.

## ANNEXURE - A

**Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Members

**Maruti Suzuki India Limited**

(CIN: L34103DL1981PLC011375)

Plot No.1, Nelson Mandela Road,

Vasant Kunj, New Delhi-110070

We have examined the relevant registers, records, forms and returns maintained / filed by **Maruti Suzuki India Limited (CIN: L34103DL1981PLC011375)** having its Registered Office at **Plot No. 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070** ("hereinafter referred to as the "Company") and notices and disclosures received from the Directors of the Company and produced before us by the Company, for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, as amended (hereinafter referred to as "Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the **financial year ended on March 31, 2022** have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

S.No.	Name	DIN
1.	Mr. Ravindra Chandra Bhargava	00007620
2.	Mr. Kenichi Ayukawa	02262755
3.	Mr. Hisashi Takeuchi	07806180
4.	Mr. Shigetoshi Torii	06437336
5.	Mr. Kenichiro Toyofuku	08619076
6.	Mr. Osamu Suzuki	00680073
7.	Mr. Toshihiro Suzuki	06709846
8.	Mr. Kinji Saito	00049067
9.	Mr. Davinder Singh Brar	00068502
10.	Mr. Rajinder Pal Singh	02943155
11.	Ms. Lira Goswami	00114636
12.	Mr. Maheswar Sahu	00034051

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

April 29, 2022  
New Delhi

**CS Manish Gupta**  
Partner  
FCS: 5123; C.P. No.: 4095  
UDIN: F005123D000360324

## ANNEXURE - B

**Declaration of the Managing Director & CEO**

This is to certify that the Company has laid down code of conduct for all the board members and senior management personnel of the Company and the same is uploaded on its website [www.marutisuzuki.com](http://www.marutisuzuki.com).

Further, certified that the members of the Board of Directors and Senior Management personnel have affirmed the compliance with the code applicable to them during the year ended 31<sup>st</sup> March, 2022.

29<sup>th</sup> April, 2022  
New Delhi

**Hisashi Takeuchi**  
Managing Director & CEO

## ANNEXURE - C

### Commodity price risk or foreign exchange risk and hedging activities

- a. Risk Management Policy: The Company has a commodities price risk management and hedge policy. The policy is attached herewith as **Annexure -1**
- b. Total exposure: ₹ 35006 Million.
- c. Exposure to various commodities:

Commodity	Exposure in ₹ towards the particular commodity (million)	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total	
			Domestic market		International market			
			OTC	Exchange	OTC	Exchange		
Copper (MT)	7273	12015	-	-	-	-	-	
Aluminum (MT)	3509	20423	-	-	-	-	-	
Lead (MT)	1522	10003	-	-	-	-	-	
Palladium (Toz)	21989	114625	-	-	16%	-	16%	
Platinum (Toz)	714	8158	-	-	26%	-	26%	

- d. Price movement of commodities are quite volatile in nature and the Company hedges commodity prices (procured directly or indirectly) to mitigate the risk and protect budgetary level, thus ensuring stable financial performance.

## ANNEXURE - 1

### Commodities Price Risk Management and Hedge Policy

#### 1.0 Background

Maruti Suzuki India Limited (MSIL) for producing cars needs to purchase large volumes of basic commodities like steel, aluminium directly and indirectly and consume high quantities of copper and lead being used by its vendors for supplying components. Apart from these basic metals, significant quantities of Precious Group Metals like Platinum, Palladium and Rhodium as well as other commodities like plastics, High speed diesel (HSD) etc., are consumed.

Due to high volume usage of the above-mentioned commodities in manufacturing cars and very high price volatility, which is being witnessed in last couple of years, Company is exposed to severe commodity price risk directly as well as indirectly. These commodities are either being purchased from suppliers directly at mutually negotiated rates or the price is settled with suppliers, who manufacture these components for MSIL using these commodities, at monthly/quarterly settled prices based on prevalent market trends.

Since these commodities and components are not purchased under a fixed price contract, the cost of the raw material input is variable.

#### 2.0 Commodities Price Risk Management Objective and Strategies

The commodities price risk management objective of the Company is to hedge the risk of changes in the commodity prices procured directly or indirectly (i.e., procured by component supplier). Since the fluctuations in commodity prices have severe impact on financials of the Company, hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

The Company shall follow a consistent policy of mitigating the commodities price risk by undertaking following strategies:

##### I. Bundling of commodity sourcing

Under this strategy, the Company shall negotiate with suppliers bundling its in house requirement with its vendor requirement to get a better price for different commodities based on large consolidated volume.

##### II. Bundling of Suzuki Motor Corporation's (SMC) subsidiaries sourcing

This strategy allows the Company to bundle the commodity sourcing for the SMC subsidiaries present in India in order to get better pricing for all the SMC group companies in India.

##### III. Commodity Grade Standardisation & Substitution

The Company shall undertake grade standardisation across various categories of commodities to the extent possible like in the case of steel and plastic products so as to optimise the costs.

The Company shall also change raw material grades to cheaper grades without affecting product performance e.g. in the case of steel from IF to EDD grade.

##### IV. Yield Improvement

The Company shall continuously undertake yield improvement activities across various commodities like in the case of plastic products and electrical components, etc., done so far.

##### V. Commodity price risk hedging

MSIL shall follow a consistent policy of mitigating commodities price risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on commodity prices, the Company may keep the exposures un-hedged or hedge only a part of the total exposure.

The Company shall not enter into commodity hedging transactions for speculative purposes i.e. without any actual/anticipated underlying exposure.

The Company shall strictly observe the rules and regulations laid down by RBI for undertaking the commodities price risk hedging.

#### 3.0 Commodities Permitted for Hedging

The Company may hedge commodities price risk on all the commodities being purchased directly or indirectly e.g. Aluminum, Copper, Lead, Platinum, Rhodium, Palladium, Steel, Plastic, etc., wherever possible and permissible under the applicable rules and regulations to enable fixing the sourcing costs.

Hedging for commodities allowed by Reserve Bank of India (RBI) from time to time (like Aluminum, Copper, Lead, Nickel and Zinc listed on a recognised stock exchange currently allowed) may be done through Authorised Dealer Category-1 banks specifically authorised by the RBI on a recognised stock exchange.

For hedging of (a) above commodities (i.e., the commodities allowed for hedging through a recognised stock exchange) through Over the Counter (OTC) Market or (b) the commodities, which are not permitted by RBI, specific approval of RBI shall be taken before undertaking any hedge for the same.

#### 4.0 Permitted Financial Instruments

##### Exchange traded instruments:

- Futures

##### Over the Counter (OTC) instruments:

- Forward contracts
- Range forward Options

#### 5.0 Hedging Ratio

A hedging ratio is defined as the total amount hedged divided by the sum of booked and budgeted/projected exposures. The hedge ratio for the Company shall normally be subject to following limits:

Exposure	Hedge Period	Maximum permissible hedge ratio
Budgeted exposures	0-12 months	75%
Projected/Estimated exposures	12-24 months	50%

However, depending on the commodity price outlook and views, the Company may exceed the above hedge ratio or the hedge period beyond 24 months.

## AUDITOR'S CERTIFICATE

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

#### Independent Auditor's Certificate on Corporate Governance

- This certificate is issued in accordance with the terms of our engagement letter reference no. ND/JA/2021-22/257 dated September 9, 2021.
- We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Maruti Suzuki India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

#### Managements' Responsibility

- The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

#### Auditor's Responsibility

- Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

- We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

- Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para-C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2022.
- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)  
(UDIN: 22087104AIBGPM8677)

Place: Gurugram  
Date: 29 April, 2022

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

The year 2021-22 started amidst the second wave of COVID-19, which caused a nationwide severe health crisis. Despite this, the Indian economy demonstrated phenomenal resilience by returning to a revival path after a brief moderation in growth in the first quarter of FY 2021-22 with policy support from the government and the RBI.

The government took measures targeted towards providing economic relief to vulnerable sectors like MSME (Micro, Small, and Medium Enterprises) by extending credit guarantee schemes, strengthening the healthcare system, mass vaccination drive, and providing impetus to growth and employment. The RBI on the other front kept the interest rates low and maintained adequate liquidity in the system to create a growth-supportive credit environment. The policies have worked in supporting economic revival and achieved various milestones like all-time high exports and record GST collections. However, inflation remained a cause of concern for the Indian economy which grew by 8.7% in FY 2021-22.

### INDIA'S GDP GROWTH (%)

8.7



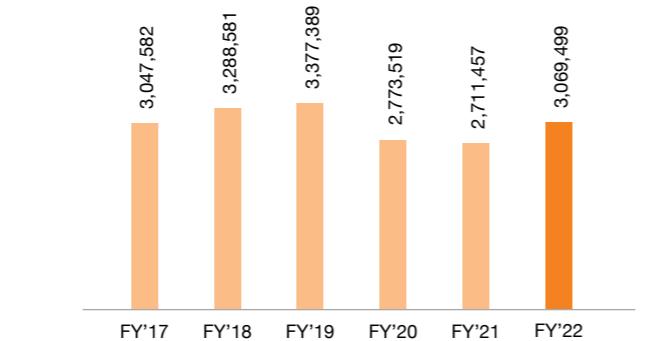
\*Provisional Estimate

In line with the economic recovery, the auto sector also saw a recovery from the lows of FY 2020-21. While the Passenger Vehicle (PV) industry sales in FY 2021-22 crossed the 3 million mark, it is still lower than sales registered in FY 2017-18 (~3.3 million) and FY 2018-19 (~3.4 million). Mass market segments, especially the entry-level segment continue to remain under pressure due to affordability issues leading to a sharp contraction in the share of the hatchback segment from 46% in FY 2020-21 to 38% this year. While the share of SUVs in industry sales climbed up from 32% in FY 2020-21 to 40.1% in FY 2021-22, it is a misconception that customers are moving away from the hatchback segment to SUVs. The reality

is that the entry-level market is contracting due to affordability issues and the ones who can afford higher segment vehicles are buying more. In the past few years, the vehicle purchase cost, especially for the entry-level hatchbacks, has gone up substantially in percentage terms due to several reasons like product regulations, increase in insurance costs, increase in road taxes by various state governments, among others.

### INDIA'S PASSENGER VEHICLE INDUSTRY VOLUMES

3,069,499



During FY 2021-22, the Company's sales volume in the domestic passenger vehicle market grew by 2.9%. Including the sales of Light Commercial Vehicles (LCVs), the overall sales in the domestic market for the Company grew by 3.2%.

Just before the start of the financial year, there was a sense of optimism driven by the good demand recovery of passenger vehicles in Quarters 3 and 4 of the previous financial year (FY2020-21). With subsiding COVID-19 cases there was a general feeling that the pandemic is nearing an end and a phase of good economic recovery is on the horizon. The business plans of the Company were also oriented towards capturing the market opportunity to the fullest. Preparing the ground for growth, the third manufacturing plant in Gujarat, with a capacity of 250,000 units was operationalised in April 2021. The Company was also in a position to make some adjustments in vehicle prices to partially offset the significant commodity inflation witnessed in previous quarters.

However, hardly had FY 2021-22 started, when the second wave of COVID-19 struck in April and took the entire nation in its grip with widespread acute shortages of medical oxygen. In this situation, the Company did its bit in supporting the nation by halting the production of vehicles for almost 15 days to divert the oxygen used for industrial

purposes to medical use. Besides, the Company immediately mobilized its vendor development team and supplier partners to support some manufacturers of PSA oxygen generator plants for scaling up production. Alongwith its supplier partners, the Company installed 25 PSA oxygen generator plants at various government hospitals in the country as part of CSR, comprising 11 plants from suppliers and 14 from the Company. Together with the help of its parent company, Suzuki Motor Corporation (SMC), the Company donated 1,004 oxygen cylinders to various government hospitals.

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

With the second COVID-19 wave subsiding, the demand in the domestic market started to revive. The Company ramped up its production in June and reached almost full capacity from production as low as 20% of the plan in May. This fast and steep ramp-up defines the Company's spirit of 'Making it happen'. Arranging components with desired quality levels in a very short period from a complex and disrupted supply chain spanning the world was not easy.

Barely did the Company continue its production for 2 months at almost full capacity, when another disruption struck in the form of supply constraint of electronic components driven by semi-conductor shortages. While the shortage of semi-conductor was a worldwide phenomenon and was affecting automakers since the start of the calendar year 2021, the Company was able to avoid impact till July

owing to its wide product portfolio with 100+ variants, which gave it a good flexibility in managing the shortages. Thereafter, in August, the COVID-19 surge in Southeast Asia impacted a supplier from which the Company sources semiconductors. September saw its steepest impact on production, in which the Company could produce only ~50% of the planned volume. Even after the operations of the affected supplier normalised, the semi-conductor shortage continued during the rest of the year in one or the other form. The Company took all possible measures, including changes at the design level to maximise production. The Company lost production of over 270,000 units during the year on account of this issue.

The shortage of electronic components largely affected the production of vehicles sold in the domestic market and not as much the production of vehicles for exports. As a result, the Company was able to fulfill the export orders and recorded the highest ever vehicle exports of 238,376 units.

On cost side challenges, the commodity prices saw sudden and steep increases, especially in precious metals, steel and aluminium. Through cost reduction efforts and by taking calibrated price increases in multiple stages over the year, the Company could partially offset the adverse impact of commodity prices.

In FY 2021-22, for the period of April-September, the adverse impact of the commodities price increase, lower volumes on account of COVID-19 related disruptions and electronic component shortages resulted in an operating profit of just ~0.5% (as % of the net sales). However, operating profit for H2 (October'21-March'22) improved to ~5.7% (as % of the net sales) with relatively better capacity utilisation, fuller impact of price increases, lower discounts, and cost reduction efforts.

## Domestic sales

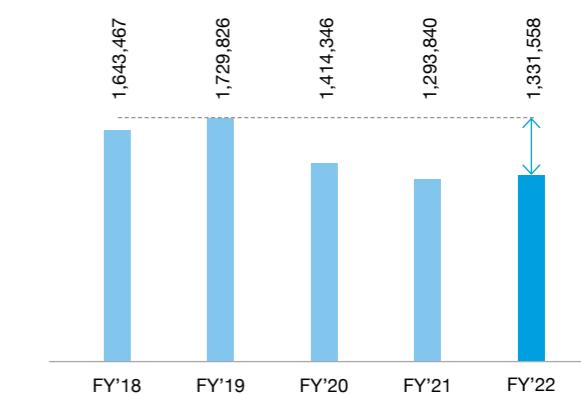
### PASSENGER VEHICLES

The Company continues to be the most preferred car brand in the country. In FY 2021-22, eight of the top ten best-selling passenger vehicles were from Maruti Suzuki. The Company's highly successful 'MPV-Multi Purpose utility vehicle', Ertiga joined the top 10 bestselling passenger vehicles for the first time.

In the domestic market, the Company sold 1,365,370 units, posting a growth of 3.2% over the previous year. This includes 1,331,558 units of passenger vehicles and 33,812 units of LCV. After the second wave of the pandemic, demand of passenger vehicles started to recover quickly but remained below the peak seen in FY 2018-19. The good demand recovery following the second wave of the pandemic coupled with severe supply constraints due to electronic component shortages resulted in significantly higher order backlogs leading to longer waiting time for customers. The customer order backlog by the end of FY 2021-22 was about 270,000 vehicles.

### DOMESTIC SALES FOR THE COMPANY IN PV SEGMENT

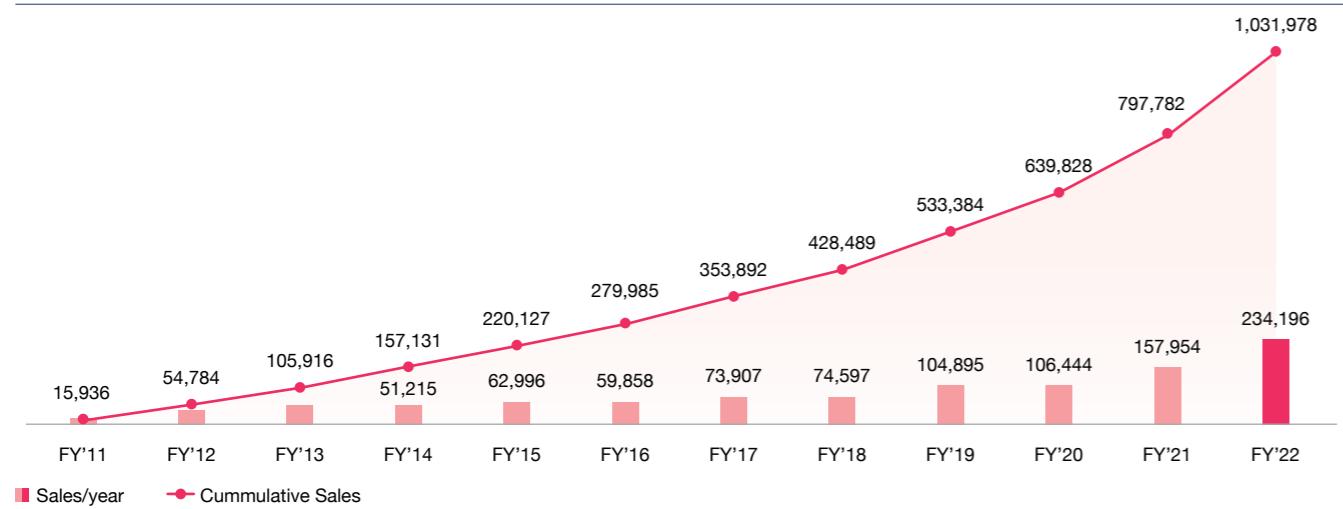
1,331,558



The Company launched two new products, New Baleno and New Celerio. Besides, a highly fuel-efficient powertrain, the Company also offered many industry-first technological features in a compact-segment car such as Head Up Display, telematics, 360° view camera, hill-hold assist to improve convenience and safety. The increased fuel efficiency coupled with the introduction of many technological features increased the acceptability of these products which were received well by the customers, creating an excitement in the market. This helped Company to further strengthen its leadership position in the passenger car segment.

#### SALES OF CNG FUEL VEHICLES

**234,196**



At a time when the running cost of vehicles became one of the prime factors for purchase, the Company launched 'Kam Se Kaam Banega', a campaign to highlight and grab the attention of customers towards the Company's strength of offering the country's most fuel-efficient cars.

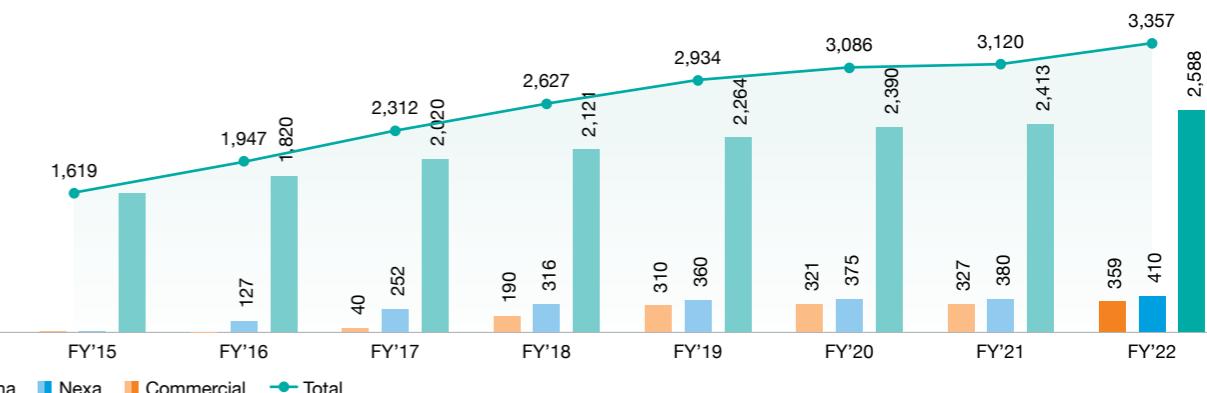
To further increase customer convenience, the Company introduced the MS Chatbox tool in which a dealer sales executive and the customer can connect virtually. The tool has centralised content management systems to explain the product features and technologies virtually to provide a live showroom experience to customers.

Further, the Company is extensively promoting its very efficient digital platforms to ensure an increase in the share of digital enquiries. In FY 2021-22, digital enquiries grew by ~15% contributing to ~30% of the total enquiries.

The initiative, 'Maruti Suzuki Smart Finance' (MSSF), introduced last year to offer an online, end-to-end car finance facility in 30 cities, is now available across the country offered by 16 financiers. During the year, through MSSF, cumulatively auto loans of ₹ 175,000 million were disbursed to over 313,000 customers.

During the year, the Company also launched refreshers in Wagon-R and extended its CNG product lineup with the introduction of Dzire CNG. The year saw customer preference for CNG vehicles increasing further. While the overall sales of the Company increased by 3.2% in FY 2021-22, the sales of CNG vehicles grew by 48.3%. Consequently, the share of sales from CNG vehicles in the overall sales went up to 17.2% from 11.9% the previous year.

#### MSIL SALES NETWORK (Nos.)



With over 1,800 outlets in non-urban markets across the country, the contribution of sales from these markets in overall sales increased by ~2.7% to ~43.6% in FY 2021-22. Sensing the non-urban market opportunity very early in the industry, the Company continued to expand the network over these years. With strong focus on these markets, the Company attained the milestone of cumulative sales of 5 million cars in non-urban markets.

NEXA sales channel of the Company completed 6 successful years of delivering premium automotive experience to customers. Since its inception, over 1.6 million cars have been sold cumulatively across 400+ NEXA outlets. The Company also introduced 'S-Assist', an industry-first, AI-based, 24x7 and virtual car assistant for NEXA products. This assistant is a mobile app providing customers with information on networks of the Company, digital owners' manual, booking workshop appointments, access to emergency assistance, among others.

#### Service

One of the competitive advantages of the Company is its unmatched after-sales experience. Through a vast network of service workshops, highly skilled workshop personnel, shorter service time, efficient customer interaction processes, and affordable cost of services, the Company is trying to enhance customer delight.

The Company continued to expand its service network by adding 210 service touchpoints, which include various workshop formats suitable for specific market segments and focused on providing affordable and convenient service solutions to customers of that area. This also provided a viable solution to the dealers. A large part of expansion during the year happened in non-urban markets. The formats range from dealer workshops to Maruti authorised service stations to 1 bay workshops to Service-on-Wheels (mobile service vehicles).

With 4,254 service touchpoints across the country, the company catered to around 16 million customers in FY 2021-22.

In Light Commercial Vehicles (LCVs) segment, the Company sold 33,812 units of Super Carry during the year from its 359 commercial channel outlets in 248 cities. Super Carry is being offered in two fuel options -petrol and CNG. The sales of Super Carry grew by 14.4% in FY 2021-22 and is the second-largest selling model in its segment.

The demand for pre-owned cars during FY 2021-22 continued to see an increase. However, the supply of pre-owned cars was constrained as customers were delaying their replacement purchases. In FY 2021-22, the Company's True Value channel sales registered a growth of 9% though over a low base of last year. The Company firmly believes in the future growth potential of pre-owned cars in India and is accordingly expanding the sales outlets. During FY 2021-22, the Company added 31 independent True Value sales outlets.

The Company continued its efforts in training workshop personnel on latest technologies, behavioural skills and soft skills. The Company trained over 85,000 workshop personnel during the year. The Company adopted an online practical training mode to train the workshop personnel at a faster pace in an efficient and effective manner.

With solutions like multi-language voice BOT, digitalised job card opening, digital owner's manual, among others, the Company is aggressively moving towards digitalisation in the vehicle service area to establish superior customer experience.

The lesser time the vehicles stay away from customers for servicing, the higher the customer satisfaction. The Company put in place a system that ensures the vehicles do not have to be stranded at workshops due to want of spare parts. Besides, replacement vehicles were also provided in certain cities to ensure that customers' mobility is least interrupted.

## Aftermarket Parts and Accessories

The Company always strives to ensure timely availability of genuine parts and accessories throughout its service and parts sales network. Ensuring genuine parts availability throughout the country, for a Company with such a large portfolio of existing and discontinued products and with over 70,000 different aftermarket parts, is a complex activity. The pandemic-induced restrictions like local lockdowns, restricted movements and weekend/night curfew, among others further amplified the challenges in ensuring availability. Close communication and regular engagement with all stakeholders helped in supporting our channel partners with timely delivery of parts and accessories.

In addition to the service workshops, 859 retail outlets of aftermarket parts distributors across the country assist in the easy availability of genuine parts and accessories to customers located even in the farthest corners of the country. To serve customers faster, the Company also expanded the capacity of Regional Parts Distribution Centers (RPDCs).

## Exports

The Company achieved highest ever export sales of 238,376 units in this year.

Africa emerged as the top export destination for the Company and accounted for ~50% of the total export volume. In FY 2021-22, exports to this region grew by ~200%. While the better demand environment in these markets was one of the factors contributing to this unprecedented growth, the efforts in developing these markets over the past few years proved to be the big differentiator in cornering a larger share of the market opportunity with increased market share, especially in South Africa.

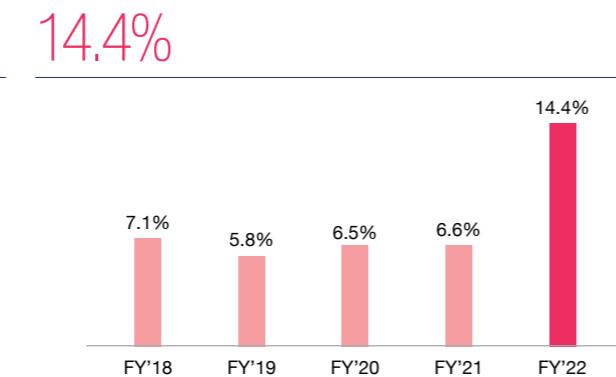
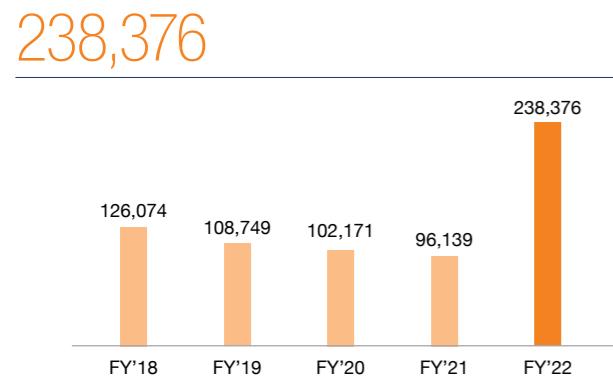
Besides expanding the sales and service network and increasing the product portfolio, the best practices are being implemented to further enhance customer satisfaction. Additionally, the OE supply

of vehicles to Toyota through SMC in the African market also helped grow the export volume.

Growth in exports to Latin America, and the Middle East, which are among our other important export destinations, has also been strong.

Without strong multi-functional collaboration within the Company and with other stakeholders, such a fast-paced growth in exports would have been difficult. Meticulous planning, close communication, and efficiency improvement activities in export logistics have been key differentiators. Going forward, the Company is cautiously optimistic about the exports business. The Company is focused and aligned with the Government of India's vision of 'Make in India for the World' and are putting all efforts in maintaining the momentum in exports.

### EXPORT SALES



## Operations

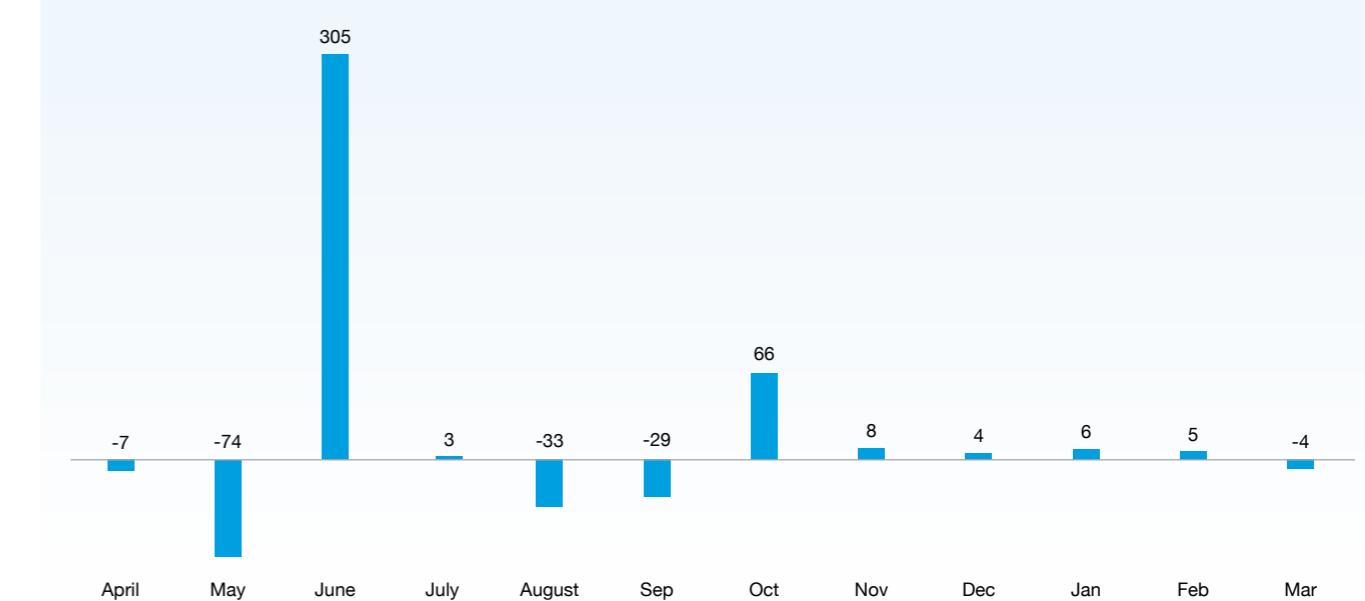
The Company's scale and complexity of manufacturing is so large that even the slightest variation in the availability of resources such as parts, human-resource, machines and manufacturing techniques will require meticulous planning to ensure effective change management for maintaining continuity in operations. In FY 2021-22, driven by the second wave of the pandemic and electronic component shortages, the Company faced unprecedented challenges, which significantly increased manifold the magnitude and complexity of change management. Besides, substantial volatility in production volumes every month made levelised manufacturing (also known as 'Heijunka') impossible. This has further affected the overall resource efficiency.

With the learning acquired during the first wave of the pandemic, the Company acted quickly and proactively to strengthen its Standard

Operating Procedures (SOPs). This helped the Company to quickly ramp up its manufacturing once the operations resumed after the second wave subsided. Besides, the Company also resorted to the use of alternate manufacturing processes to effectively deal with the shortage of industrial gases to maintain continuity in operations.

As the production volumes started to stabilise, the onset of second wave and supply disruptions led by electronic component shortages caused a significant impact in maintaining the continuity. The Company's thrust in ensuring its manufacturing systems are highly flexible and agile came to its rescue. The Company was able to quickly realign its manufacturing plan and maximise production volumes basis component availability. The month-on-month fluctuation in production volumes in FY 2021-22 is shown below,

### PRODUCTION VOLUME CHANGE IN FY 2021-22 OVER PREVIOUS MONTH (in %)



The Company rolled out its vaccination drive on war footing, and well before the start of the third wave of the pandemic, the Company could complete its vaccination programme. This helped the Company in navigating the tough phase of the third wave with relative ease.

Increasing features and multiple regulations lead to increase in complexity of manufacturing a vehicle. The manufacturing and engineering teams collaborate to check the design for manufacturability at the design stage to not only identify and eliminate possible quality defects but also help identify possible issues related to workplace ergonomics. To achieve tighter tolerances in manufacturing and

ensuring defect-free products, the Company has in place a robust process control system that leverages new technological solutions.

The inspection systems are increasingly being shifted to the source to prevent the outflow of defects. This significantly reduces the time required for any corrective action leading to resource optimisation. To prevent human error while making any judgements on quality, the Company is progressively using Internet of Things (IoT) technology and machine vision systems for machine-based judgement to achieve better product quality.

## Conservation of Natural Resources and Environment Protection

The 3R (Reduce, Reuse and Recycle) principle, is a way of life for the Company. The Company's commitment to preserve resources is reflected in every step, right from product design to manufacturing processes to distribution to the end-of-life management.

During the year, the Company further increased its installed capacity of the solar power plant to 26.3 MWp from 10 MWp. With this, the contribution of solar power in overall energy mix is continuously increasing and solar power contributed to about 12% of captive power generation, and helped avoid over 18,000 tonnes of CO<sub>2</sub> emissions in FY 2021-22.

Towards environment protection, the Company not only conforms to laws and regulations but also strives to stay ahead. Initiatives are being taken across the value chain for education, execution and evaluation of best practices to restrict the usage of hazardous substances. Contractual agreements and green procurement guidelines are executed with suppliers for promoting green products. The Company has established control procedures to ensure the effective implementation of guidelines by suppliers. The Company adopted the globally acclaimed International Material Data Systems (IMDS) tool to control the use of Substance of Concern (SoC). With IMDS, it will be able to quantify the recoverable and recyclable materials in

its vehicles. During the year, the Company took measures to extend IMDS in almost all its models. The Company's products are at least 95% recoverable and 85% recyclable. Besides the commitment to environment protection, the Company promotes yield improvement activities to optimise the usage of resources such as steel, aluminium and other materials.

Taking a step towards a circular economy, with an aim to promote the recycling of commodities, Maruti Suzuki and Toyota Tsusho Group's Vehicle Scrapping and Recycling unit commenced operations. The facility offers a hassle-free and end-to-end solution for customers to scrap vehicles in a safe and environmentally friendly way with a capacity to scrap 24,000 vehicles annually.

The Company takes comprehensive measures to continuously reduce the usage of packaging material. In the new Celerio, the Company was able to reduce the usage of packaging material by 34% over the outgoing Celerio model. Besides, in the KD export operations, over 68% of the packaging material requirement is met through reused material. During the year, the Company could recycle ~1,200 MT of packing polythene sheets by selling through authorised recyclers. The Company's Sustainability Report elaborates on the initiatives undertaken in this section.

## Safety

The Company believes that a safety culture is built through effective involvement of the Top leadership and equal participation of the front-line workforce to continuously identify safety threats and take measures to neutralise them. In line with this, a three-tier committee under the direct supervision of the MD & CEO is making constant progress towards the improvement of safety systems and compliance to achieve the Company's safety vision. The focus of the leadership is not only to continuously strengthen occupational safety but also to improve non-occupational safety. The Company observes Safety Month – a month-long engagement activity, including the families of employees, to sensitise, educate and share best practices related to occupational and non-occupational safety. The Company also promotes a culture of safety across its value chain and carries out a periodic risk assessment of fire safety, waterlogging and human injuries at its supplier and dealer facilities.

During the year, the Company's primary focus was on ensuring the safety and well-being of its employees from the second and third waves of the pandemic. The Company continuously updated its safety protocols based on government advisories and other best

global practices. Diligent planning to outline even the minutest actions was done with a focus on frequency, accountability and ownership. The implementation of these safety protocols was monitored by the top leadership. The MD & CEO constantly communicated with the workforce and kept emphasising on the importance of following safety protocols and not to let the guards down. This also helped build confidence among the workforce and these protocols became a 'way of life'. Rigorous training was conducted to ensure adherence to SOPs. Regular monitoring and audits were held to check for gaps and fix them. The Company collaborated with various stakeholders and kept improving its COVID-19 safety protocols. By ensuring widespread communication, the Company was able to successfully sensitise the workforce on the precautions that needed to be taken. These measures ensured the overall safety of the workforce.

To ensure road safety discipline and imbibe safe driving practices, the Company took various initiatives to promote and create awareness among its workforce and other stakeholders, including supplier and dealer partners.

## Quality

In FY 2021-22, the significant disruption caused by the pandemic and electronic component shortages required the Company to make substantial efforts within a very short time to ensure the attainment of desired quality levels. With the capability acquired while navigating through the first wave of the pandemic, the Company could quickly evaluate the quality levels of the alternate semiconductor manufacturers and minimise the shortfall in production volumes.

A steep ramp-up of production may lead to quality defects unless proper proactive measures are taken. As the manufacturing of CNG vehicles increased steeply during the year, the Company took all round measures to ensure that suppliers produced the right quality of CNG components as the volume ramped up.

Amid managing the challenges described above, the Company continued ongoing quality improvement programs as mentioned below to ensure improved quality of products.

### REINFORCEMENT OF ZERO-DEFECT PHILOSOPHY

The Company believes that for utmost customer satisfaction, every product should be free from any defect. During the year, a series of sensitisation workshops by the Company encouraged suppliers to enhance their knowledge and implement best practices to achieve zero-defect production lines. The Company put in place an organisation that exclusively supports supplier partners to continuously improve their quality levels. Besides, the Company observes 'Quality Month' every year to enhance quality consciousness among suppliers. Through customer product feedbacks, periodic surveys, and social media listening, the Company continuously assesses customers' needs and expectations on product quality and takes appropriate measures to address them.

## Human Resource

### Company Philosophy

The Company always strives to promote a safe, healthy, and happy workplace. It creates and instils a culture of partnership among its employees. The empowerment of human resource to acquire knowledge and build capability, grow, and prosper in a healthy work environment is the guiding philosophy of the Company's HR policies. With people-centric policy interventions, a constant two-way communication led by the MD & CEO to promote participative decision-making and various welfare measures undertaken from time to time, the Company's motivated human resources have been making strong contributions in responding to business challenges successfully.

Among the many thrust areas to achieve world-class quality, the broad areas of quality management are highlighted below:

#### A) New Model Quality Improvement:

The Company implemented concepts such as front-loading, Peak Production Verification Trial (PPVT), and initial flow management to ensure defect-free production of new models. The front-loading concept helps in arresting the defects at the design and development stage while PPVT and the initial flow management concept helps prevent defects during mass production of a new model. Besides, the Company uses its state-of-the-art testing facility in Rohtak, Haryana to rigorously evaluate the new models for quality performance.

#### B) Quality Management during Mass Production:

To maintain high-level quality standards during mass production, the Company has put in place various measures such as DOJO centres, '10 cycle check method', and regular maintenance of plants, equipment and tools. In DOJO centres—(set up at suppliers' facilities) training is provided in simulated production conditions to equip the workforce with the skill to do a high-quality job on the production lines. The Company is collaborating with Tier-1 suppliers to implement mini DOJO training centers at Tier-2 suppliers as well. The method of '10 cycle check' helps identify the reasons for human error. Besides, the Company constantly reinforces a culture of identification of root cause. Every quality feedback from the market is carefully investigated. Once the right root cause is identified, prompt corrective actions are taken to prevent a recurrence. The Company is also implementing part traceability system to correctly identify the affected vehicles with a potential quality defect.

### Employee Health and Well-Being

The Company puts paramount importance on employee health and well-being. During the year, it was even more important to ensure the well-being of employees and their families. The Company took all-round measures such as forging tie-ups with several healthcare service providers to offer COVID-19 care, supporting timely with oxygen concentrators, providing a round-the-clock dedicated medical helpline for employees, tying up with an external partner for digital health consultation, organising vaccination camps (including for family members), and imparting training on improving physical and mental well-being.

For mental health, the Company organised a series of sessions on areas like emotional, spiritual, psychological and physical well-being, work-life balance, among others. A total of 29 wellness sessions were organised virtually covering close to 10,500 participants. Over 25,000 employees, including the family members, availed and benefitted from the telemedical-consultation facility in FY 2021-22.

#### Training and Sensitisation on COVID-19 Safety Protocols

The Company focused on sensitising its workforce on proper COVID-19 safety precautions. Continuous communication led by the top leadership, along with constant awareness drives were conducted throughout the year. Special video training modules were developed for ease of understanding of COVID-19 safety protocols. The training was imparted to over 40,000 participants. Internal communication was beefed up significantly to reinforce the importance of following the safety protocols and not to let the guards down.

#### Digitalisation

Working-from-home was not a common concept in the manufacturing setup. However, in view of the pandemic, the Company adapted to work-from-home ensure the well-being of employees while maintaining business continuity. When the severity of the pandemic reduced, the Company adopted a hybrid working model, which included a mix of work-from-home and work-from-office shifts.

#### Industrial Relations Environment

The Company strives to ensure stable and cordial industrial relations through effective communication, participation of employees across levels in important decisions, and various employee welfare programs. Regular two-way communication, led by the MD & CEO, with the employees across various levels, keeps them informed on the overall business scenario, providing them with a strong platform for exchange of views.

#### Capability Development

Adapting to the requirements of the new normal, the Company stepped up online training, which includes the e-Gurukul platform (which has 700+ hours of in-house training content), virtual instructor-led training sessions, webinars and online courses through Learning Experience Platforms. Once the severity of the pandemic reduced, the Company resumed physical training sessions depending on the necessity while maximising digital training sessions. The shift to digital platforms provided employees with a convenient option to upskill themselves and as a result, during the year, a total of 352,570 person-hours of training were imparted. The Company also tied up with a renowned global e-learning platform to provide training in niche and new technological domains. Apart from regular

training programs for capability building, employees are given the opportunity for career growth through the higher education program. For this, the Company tied up with renowned academic institutions, and eligible employees completing the higher education program are suitably considered for promotion to take up higher responsibilities.

Courses	Courses taken by	Number of employees being benefited under higher education programme offered by the Company
Diploma programme	Workmen	561
B.Tech programme	Supervisors	227
Part-time MBA programme	Managers	112
<b>Total</b>		<b>900</b>

#### Compensation

The Company offers industry-leading benefits with the average compensation being higher than the industry benchmark. The Company's compensation policies are gender neutral. To improve productivity and help achieve business goals, the Company also put in place a structured performance-based incentive pay structure that covers employees at all levels, including the non-regular employees.

#### Employee Welfare

Helping an employee own a house has been a major area of intervention by the Company, right from its first housing project in 1989. Continuing with this practice, this year also another set of flats was delivered to employees in a housing society in Dharuhera, Haryana. The Company facilitated the entire process from selecting land, negotiating the price, and appointing a real estate firm to ensure the quality and timely construction of houses. The Company also provided housing loan subsidies. Going forward, the Company plans to introduce similar housing options at more locations.

The Company values its employees, who have devoted their lives for its progress. The Company contributes 1% of the Profit After Tax of the previous year to a fund that is exclusively earmarked for employee welfare. The fund is used to provide social security measures such as post-retirement medical benefits, welfare measures like educational support for employees' children and developing common infrastructure facilities in housing projects.



Flats being handed over at the Dharuhera housing society to employees



Apartments in Maruti Suzuki Enclave

#### Multi-Layered Connect

For larger connect and welfare of the families of employees, the Company has a calendar of events, which includes expert career counselling for employees' children, a gala family day, and plant visits for family members. In engaging with the families of the employee, communication through an in-house magazine and MD & CEO messages on special occasions play an important role. (Note: Some of the above-mentioned initiatives, which require large public gatherings such as Family Day, among others, have been temporarily put on hold because of the pandemic.)

#### Gender Diversity and Inclusion

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

#### Grievance Redressal Mechanism

To address any grievance of its workforce including those among the temporary workforce, the Company has a well-structured grievance redressal mechanism. Periodic grievance redressal camps are organised to address their issues.

#### Supporting Business Partners

The Company has put in place an exclusive organisation to improve the human resource and industrial relations practice of the suppliers. Regular audits are conducted for suppliers to identify the areas of improvement followed by workshops to share the best practices. Customised training courses are also carried out for supplier partners. The Company collaborated with the State Board of Technical Education, Haryana, and Government Polytechnic Educational Society (GPES), Manesar to start a new academic course in tool and die engineering. The suppliers will immensely benefit from this arrangement. The first batch comprising 60 students was started last year. The Company believes in ensuring road safety for employees and the workforce of its supplier partners such as truck drivers. The Company imparts training to all its incoming truck drivers from its supplier partners on road safety. This year, more than 5,700 truck drivers were trained. For its dealer partners' workforce, the Company has put an organisation in place to impart relevant skills training. Besides, the Company collaborated with Sri Vishwakarma Skill University (SVSU) for a unique undergraduate degree program (BBA) in retail management. The program has been designed on 'Earn while Learn' models. The initiative aims to make youth job ready for the automotive retail industry. The degree program was started for a pilot batch of 29 students with SVSU University and Delhi-NCR dealers in November 2020. In FY 2021-22, the program was extended to Ahmedabad and Pune, in collaboration with GLS University and Pune University, respectively. A total of 69 students enrolled in this program.

During FY 2020-21, the Company imparted over 600,000 person-hours of training for its employees and the workforce of its business partners.

## Engineering

The pandemic and the electronic component shortage impacted the new model development plans. The Company took all possible measures to minimise the impact.

During the year, with the support of Suzuki Motor Corporation (SMC), the Company successfully launched New Baleno, New Celerio, minor change model of New Wagon R, and CNG variants of New Celerio and Dzire.

The Company also introduced the next generation of K-series engine in one-litre capacity with enhanced drivability and fuel efficiency performance. With these improvements, the Company could launch the most fuel-efficient petrol car, the all-new Celerio with a fuel efficiency of 26.68 km/l.

The increase in customer preference towards CNG fuel technology enabled the Company to extend its product offering with CNG technology to Dzire and New Celerio.

The Company introduced a host of Safety, infotainment & connected, and comfort & convenience features in the Indian market. Some of these features are 6 airbags (driver, co-driver, side and curtain), electronic stability program (ESP), 7-inch and 9-inch infotainment system with HD display, and built-in next-gen telematics system Suzuki Connect, Head Up Display, 360° view camera, among others.

The dynamic and evolving regulatory environment demands the capacity and capability to simultaneously meet emerging market needs and regulatory requirements. The state-of-the art R&D test track and testing facilities at Rohtak is an enabler for quick evaluation and development of products.

Industry is transforming at a speed never seen before which requires quick development of all relevant technologies. The Company along with its parent Company Suzuki Motor Corporation is working on a long-term product and technology development plan.

Key highlights of R&D efforts during FY 2021-22 are discussed in detail in Annexure C of the Board's Report.

### POWERTRAIN STRATEGY

The Company has the least carbon emission fleet among all car manufacturers in the country. Going further, the Company is committed to completely support India's commitments towards Carbon Net Zero by 2070 and intermediate targets before 2070. Reducing the overall carbon emission cannot be achieved until the entire fleet of cars produced are included in the carbon reduction efforts. To make these efforts sustainable and good for the country, it is also important that the technologies deployed have maximum local manufacturing and are affordable to the consumers. Since the entire country has to reduce Carbon, we have to address carbon reduction on a Life-Cycle and Well-to-Wheel basis rather than limiting it to only on a Tank-to-Wheel basis.

The Company will introduce its first Battery Electric Vehicle (BEV) by 2025. The parent company (SMC) through its subsidiary Suzuki Motor Gujarat (SMG) has signed an MOU (memorandum of understanding) with the Government of Gujarat to invest ₹ 104,000 million in BEV batteries and BEV manufacturing capacity. This investment will support the Company in accelerating and expanding BEVs in India with localisation.

However, BEVs might not be able to immediately and completely replace the entire fleet of cars. Estimates vary and the most ambitious scenario projects that by 2030, BEVs could be 30% of the car fleet. This means that in the next 8 years, atleast 85% to 90% of the cars sold in India could be non-BEVs. Any meaningful carbon reduction cannot be achieved if this 85% to 90% of the volume is not addressed. The car industry needs more solutions for reducing carbon from the entire fleet that are scalable and faster.

In addition to BEVs, the Company will deploy multiple technologies to address the entire fleet:

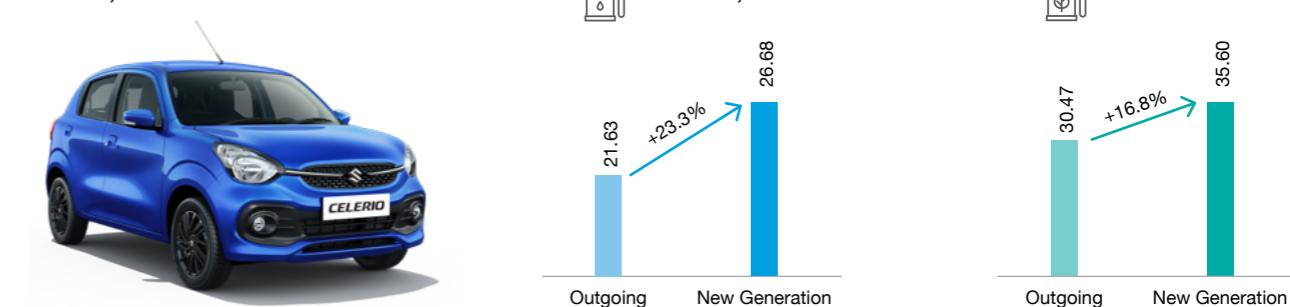
- Reducing carbon footprint by enhancing fuel efficiency of IC Engine Vehicles
- Promoting CNG
- Deploying hybrid electric technologies
- Exploring bio-fuels like Bio-CNG, Ethanol, Flex Fuel vehicles

#### A) Reducing carbon footprint by enhancing fuel efficiency of ICE

The Company with the support of SMC, has been able to progressively improve fuel efficiency of ICE. The new generation K-series powertrain is more fuel efficient, thanks to superior technology support from SMC.

#### IMPROVEMENT IN FUEL EFFICIENCY (in Km/l)

##### CELERIO, K-SERIES ENGINE



#### B) Promoting CNG

CNG fuel vehicles besides being low-carbon emission vehicles and incurring low running cost, also help in reducing the import bill of the country. This is a win-win situation for the customer, environment and the government. With the increased focus of the government on expanding CNG distribution infrastructure across the country, the demand for CNG vehicles is growing.

##### CNG OUTLETS

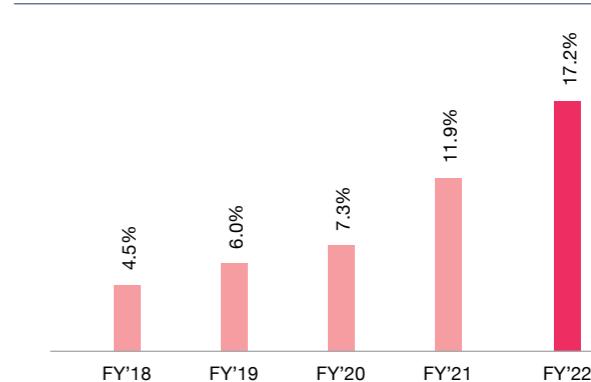
4,433



\*As per PPAC data 31<sup>st</sup> March 2022

##### CONTRIBUTION OF CNG VEHICLES IN TOTAL DOMESTIC SALES (PV+LCV)

17.2%



#### C) Deploying hybrid technologies

The Company is already providing smart-hybrid technology in XL-6, Ertiga, S-cross and Brezza. The total share of Smart Hybrid vehicles in overall domestic sales stands at 10%

Going forward, the introduction of Strong Hybrid Electric Vehicles will help significantly reduce the carbon emission of the conventional ICE vehicle without even requiring charging infrastructure. Strong Hybrid Electric Vehicles are self-charging and have the potential to scale up quickly.

#### D) Exploring Bio-fuels like Bio-CNG, Ethanol & Flex Fuels

Bio-CNG, Ethanol (E20 or 20% blending), and Flex Fuel vehicles (FFV) seem to be other promising options in carbon emission reduction especially when the country has a good amount of agricultural biomass required for the production of these green fuels which is also in the interest of Indian farmers. E20 is already in the government roadmap for India. The Company is exploring all these technologies and the eco-system of production of these fuels by undertaking a technical and commercial feasibility study to find the best solution for customers.

The sale of green vehicles (CNG + Smart Hybrid) in overall domestic sales now stands at around 27%.

## Supply Chain Management

Car manufacturing has a long supply chain with significant interlinkages. The pandemic brought an enormous challenge in maintaining a continuous supply of components. The Company collaborated with the supplier partners and took timely measures to navigate the difficult phase of the pandemic.

As the pandemic related supply challenges were easing out and the Company was preparing to recover the lost volumes with the festive season round-the-corner, the shortages of electronic components created a significant supply disruption. The Company, by maintaining close communication with suppliers, and by optimising the use of semiconductors in electronic components, the Company could gradually improve its supplies over H2 FY 2021-22. However, the challenge in semi-conductor supply is expected to continue for some time.

## Cost Optimisation

FY 2021-22 was the second year in a row with significant challenges on the cost front. The prices of the commodities such as precious metals, steel, aluminium, among others have continued to increase, driven by demand-supply imbalances.

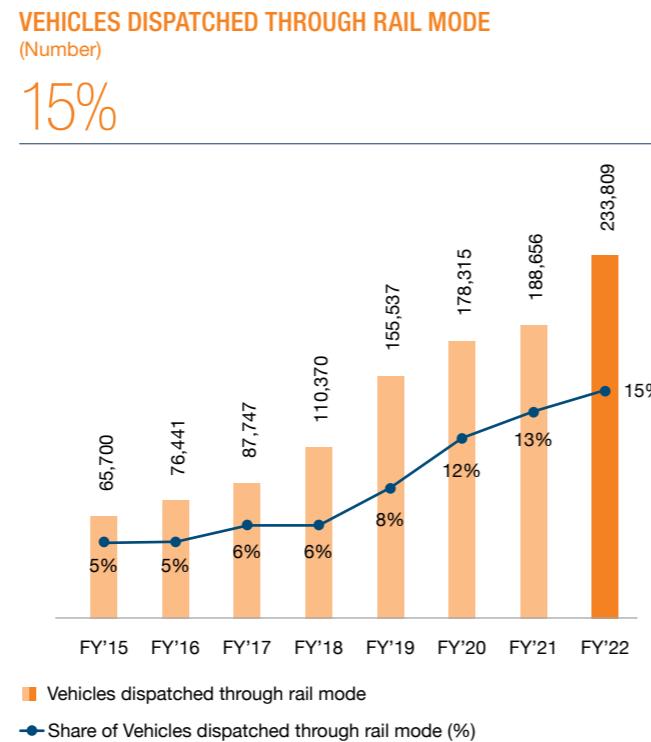
To partially offset this adverse cost impact, several cost reduction programs continued throughout the year. These include localisation of direct and indirect imports, value engineering and analysis, yield improvement, and tighter control on overheads.

Every year, the contribution of employees in cost reduction drives and suggestion schemes results in significant cost savings. During the year, the Company achieved cost savings of ₹ 2,238 million on account of such efforts.

## Logistics

During the year, the pandemic continued to pose logistical challenges for the Company on inbound and outbound logistics. In addition to the impact of the pandemic, dynamic production plans (adopted to mitigate the shortage of electronic components) magnified the complexity of managing import logistics. Container shortages due to sudden demand from the US, Europe, and Latin America, coupled with the limited availability of air cargo flights added to the challenges. To ensure effective production planning in such challenging situations, better visibility of the time of delivery was required. For this, the Company implemented digital tools to ensure real-time tracking of containers right from the country of origin to the Company's production facilities. Close communication, meticulous planning, and proactive response to emerging challenges helped minimise production disruptions. Usage of solutions like a combination of rail-road transport for inbound logistics has also been a key enabler in reducing transit time.

On the outbound logistics, the Company is aggressively working on the strategy of increasing share of rail-mode transportation. During the year, the Company dispatched a record 233,809 vehicles through rail mode, registering a robust growth of about 24% over FY 2020-21. Rail-mode dispatches resulted in cumulative avoidance of over 4,800 MT of CO<sub>2</sub> emissions in the past eight years. The ongoing implementation of railway siding projects for the production facilities in Manesar and Gujarat will further stimulate growth in rail-mode dispatches.



## Financial Performance

The Company registered Net Sales of Rs 837,981 million and Profit after Tax of Rs 37,663 million, a de-growth of 11% over the previous year.

### Abridged profit and loss account for 2021-22 (Rs. million)

Parameters	2021-22	2020-21	Change
1 Volumes (Nos.)			
Domestic	1,414,277	1,361,722	
Export	238,376	96,139	
<b>Total</b>	<b>1,652,653</b>	<b>1,457,861</b>	<b>13.4%</b>
2 Vehicles	737,912	590,059	
3 Spare parts/ dies & moulds/ components	100,069	75,562	
4 Net sales (2+3)	837,981	665,621	
5 Other operating revenue	44,975	37,704	
6 Other income	17,935	29,464	
7 <b>Total revenue (4+5+6)</b>	<b>900,891</b>	<b>732,789</b>	<b>22.9%</b>
8 Consumption of raw materials, components & traded goods	658,928	507,444	
9 Employee benefit expenses	40,222	34,029	
10 Finance Costs	1,259	1,008	
11 Depreciation and amortization	27,865	30,315	
12 Other expenses	126,794	108,399	
13 Total expenses	855,068	681,195	25.5%
14 Profit before tax (7-13)	45,823	51,594	(11.2%)
15 Current tax	14,301	11,556	
16 Deferred tax	(6,141)	(2,259)	
17 Profit after tax (14-15-16)	37,663	42,297	(11.0%)

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

Parameters	2021-22	2020-21	Change
Material cost	78.6%	76.2%	2.4
Employee benefit expenses	4.8%	5.1%	(0.3)
Depreciation and amortization	3.3%	4.6%	(1.3)
Other expenses	15.1%	16.3%	(1.2)
Profit before tax	5.5%	7.8%	(2.3)
Profit after tax	4.5%	6.4%	(1.9)

Particulars	FY22	FY21	Change	Change
(i) Debtors Turnover (No of Times)	51	42	21%	
(ii) Inventory Turnover (No of Times)	26	21	24%	
(iii) Interest Coverage Ratio	389	209	86%	Lower interest payments as compared to previous year
(iv) Current Ratio	1.0	1.1	-9%	
(v) Debt Equity Ratio	0.006	0.009	-33%	Lower loans repayable on demand from banks - cash credit and overdraft
(vi) Operating Profit Margin (%)	3.5%	3.5%	0%	
(vii) Net Profit Margin (%)	4.5%	6.4%	-30%	Net Profit margin is lower as compared to previous year, mainly on account of higher commodity prices partially offset by higher sales volume, increase in selling price and cost reduction efforts.
Return on Net Worth	7.1%	8.5%	-16%	

## TREASURY OPERATIONS

The Company has efficiently managed its surplus funds through prudent and cautious treasury operations. The guiding principle of the company's treasury investments is to keep safety and liquidity of investment over and above returns. In view of this, the Company invested its surplus funds in debt schemes of mutual funds and fixed deposits with banks. This has enabled the company to earn reasonable and stable returns.

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

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

Parameters	31-03-22	31-03-21
Debt Mutual Fund	390,543	405,705
Fixed Deposits	30,000	30,000
<b>Total</b>	<b>420,543</b>	<b>435,705</b>

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

Parameters	31-03-22	31-03-21
Interest on fixed deposits	1,282	94
Income from investment in debt mutual funds	15,671	28,124
<b>Total</b>	<b>16,953</b>	<b>28,218</b>

## FOREIGN EXCHANGE RISK MANAGEMENT

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

## INTERNAL CONTROLS AND ADEQUACY

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

## Risk Management

### MANAGEMENT OF COVID-19-RELATED RISKS TO ENSURE HUMAN HEALTH AND SAFETY

The Company places utmost importance on the health and safety of the people across its value chain. It collaborated with various stakeholders and worked together to implement measures across its value chain to keep the spread of COVID-19 in check. Vaccination of its employees and their family members at a faster pace was the key strategy to effectively deal with the pandemic. The Company also facilitated and extended support in vaccinating its supplier and dealer partners as well. The Company constituted a crisis management group, which was monitored by the Top Leadership to combat the threat to human health. Structured guidelines for encountering any subsequent wave were put in place. Dedicated control groups along with their defined responsibilities were created to ensure business continuity in the face of any potential disaster. Depending on the trend of prevailing COVID-19 cases, the graded response action plan, categorised through yellow, amber and red shades, was quickly implemented to minimise the risk of infection spread.

For more information on the measures taken by the Company to overcome the threat posed by pandemic, kindly refer to the earlier sections in this MD&A report.

### CYBER SECURITY

Over the past several years the Company has made conscious and concerted efforts to counter the threat of cyber security to its business. During the year, the Company further strengthened its measures towards cyber security in view of implementing 'work from home' and increasing digitalising of its business processes across the value chain.

### ENSURING CONTINUITY IN COMPONENT SUPPLIES

The Company faced supply issues mainly on account of the pandemic and shortages of electronic components. Through meticulous advance planning, maintaining constant communication with top management of suppliers, developing alternate sources, and by optimising the usage of semiconductors in electronic components, the Company is working to limit the impact of these shortages. Besides, the Company is also working on an ongoing program called Vendor Comprehensive Excellence Program to improve the capability of suppliers in various business functions, including risk management. A few areas covered under comprehensive supplier assessment are ensuring fire safety, industrial relations management, quality improvement, financial prudence, water logging, succession planning, and minimising single location supply dependence. Besides, the Company's strong focus on localisation of components is also a part of the risk mitigation strategy.

## Outlook

The Company in the financial year 2022-23 is poised to create excitement in the domestic market through a number of much-awaited new introductions and product refreshments. This will help the Company expand its presence into more segments of the market and delight customers in the existing segments.

It is expected that automobile demand in the domestic market should further recover during FY 2022-23. The demand in the overseas market is also expected to remain stable and will likely support export sales. However, the ongoing shortages of electronic components and geopolitical issues may have their impact on production volumes.

If commodity prices remain elevated for a fairly long time during the year due to global uncertainties, it might have an impact on the Company's volumes and margins. While increase in crude oil may affect overall demand sentiment, it will also attract customers towards more fuel-efficient cars where the Company has an advantage.

The Company will pursue multiple technologies to keep its leadership in Carbon reduction both in its products and its operations.

The automobile industry has the potential to provide a significant boost to the growth of India's manufacturing sector due to its size and interlinkages with various sectors of the economy. If Indian manufacturing sector has to grow at a healthy rate, it cannot happen without the growth of the automobile industry.

India has a car ownership penetration of approximately 3% in its population. While replacement purchases and additional purchases by this 3% segment are welcome, sustained healthy growth can come only if more consumers from the 97% segment who currently don't have a car make their first time purchases. This means that the mass segment or entry level cars should be made affordable to first time buyers and all stakeholders should make conscious efforts to make this happen. Small cars are inherently a more sustainable solution for ecology and economy as they use less raw material, have lower emissions, consume less fuel, put lesser strain on the road and parking infrastructure and give mobility to a wider section of society. If small car purchases grow in India, it will be good for the people of India, for the economy, for employment and for society as a whole.

# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identification Number (CIN) of the Company	L34103DL1981PLC011375		
2. Name of the Company	Maruti Suzuki India Limited		
3. Registered address	1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070		
4. Website	www.marutisuzuki.com		
5. E-mail Id	investor@maruti.co.in		
6. Financial year reported	2021-22		
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Description	Industrial activity code	
		Group	Class
	Manufacture of motor vehicles	291	2910
	Sale of motor vehicle parts and accessories	453	4530
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	1. Passenger Vehicles (PV) 2. Multi-Utility Vehicles (MUV) 3. Multi-Purpose Vehicles (MPV)		
9. Total number of locations where business activity is undertaken by the Company	Number of international locations	Nil	
	Number of national locations	<ul style="list-style-type: none"> <li>• Head Office in New Delhi</li> <li>• 2 Manufacturing facilities at Gurugram and Manesar (Haryana)</li> <li>• 2 Research and Development facilities at Gurugram and Rohtak (Haryana)</li> <li>• 3 Sales and Distribution facilities at Gurugram and Manesar (Haryana) and Hansalpur (Gujarat)</li> <li>• 3 Stockyards at Siliguri (West Bengal), Bangalore (Karnataka) and Nagpur (Maharashtra)</li> <li>• Regional offices, area offices and zonal offices across India</li> <li>• 1 Service facility at Naraina, New Delhi</li> </ul>	
10. Markets served by the Company – Local / State / National / International	Domestic: Across India International: Africa, Asia, Oceania and Latin America		

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (₹ million)	1,510
2. Total turnover (₹ million)	882,956
3. Total profit after taxes (₹ million)	37,663
4. Total Corporate Social Responsibility (CSR) spend (₹ million)	1,007
5. Total spending on CSR as percentage of profit after tax (%)	2.67
6. Total spending on CSR as percentage of average net profit of the previous three years as per Companies Act 2013 (%)	2.00
7. List of activities in which expenditure in 4 above has been incurred	Community development, skill development and road safety

## SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company / companies?	Yes
2. Do the subsidiary company / companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	No
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	The Company collaborates with suppliers, joint ventures, and dealerships for carrying out business activities in a responsible manner. Further details are available in Sustainable Supply Chain (Page 100) and Operational Eco-Efficiency (Page 112)

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

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

#### (i) Details of the Director / Director responsible for implementation of the BR policy / policies

S. No. Particulars	Details
1. DIN Number (if applicable)	07806180
2. Name	Mr. Hisashi Takeuchi
3. Designation	Managing Director and CEO

#### (ii) Details of the BR head

S. No. Particulars	Details
1. DIN Number (if applicable)	NA
2. Name	Mr. G P Chadha
3. Designation	Vice President - Sustainability
4. Telephone number	011-46781000
5. E-mail id	gp.chadha@maruti.co.in

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

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

## (i) Details of compliance

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

± The policies conform to standards such as ISO 9000, ISO 14000, ISO 45000, UNGC guidelines, ILO principles and National Guidelines for Responsible Business Conduct, among others

\* Policies are available on Company website [www.marutisuzuki.com](http://www.marutisuzuki.com) and / or internal portal

## (ii) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

No. Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1 The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2 The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3 The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4 It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5 It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6 Any other reason (please specify)	-	-	-	-	-	-	*	-	-

\* The Company does not have a standalone advocacy policy. For advocacy on policies related to the automobile industry, the Company engages with industry associations and expert agencies.

## 3. Governance related to BR

(i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.

The Company's top management along with the Managing Director reviews its financial and non-financial performance on a monthly basis through Business Review Meetings (BRM).

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

The Company publishes an Annual Integrated Report, which is prepared in alignment with the <IR> Framework and Global Reporting Initiative (GRI) standards. This report contains description of the sustainability performance of the Company.

## SECTION E: PRINCIPLE WISE PERFORMANCE

National Voluntary Guidelines Principles	Response / Section mapping	Page No.
<b>Principle 1:</b>		
1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the group / joint ventures / suppliers / contractors / NGOs / others?	Code of business conduct and conflicts of interest	85
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	Prevention of sexual harassment; Whistle blower mechanism	85;
<b>Principle 2:</b>		
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	Product stewardship and innovation	88
2. For each such product, provide the following details in respect of resource use per unit of product:	Monitoring and control of hazardous substances in products;	93;
(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain	Green initiatives in supply chain;	102;
(b) Reduction during usage by consumers achieved since the previous year	Operational eco-efficiency	112
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs were sourced sustainably?	Sustainable supply chain	100
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Sustainable supply chain	100
5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste.	End-of-life vehicle management; Waste management	94; 115
<b>Principle 3:</b>		
1. Please indicate the total number of employees.	Diversity of workforce	107
2. Please indicate the total number of employees hired on temporary / contractual / casual basis.	Diversity of workforce	107
3. Please indicate the number of permanent women employees.	Diversity of workforce	107
4. Please indicate the number of permanent employees with disabilities	Diversity of workforce	107
5. Do you have an employee association that is recognised by management?	Industrial relations	109
6. What percentage of your permanent employees are member of this recognised employee association?	Industrial relations	109
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Prevention of sexual harassment	85
8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	Safety communication and training; Learning and development	105; 110
(a) Permanent employees		
(b) Permanent women employees		
(c) Casual / temporary / contractual employees		
(d) Employees with disabilities		

National Voluntary Guidelines Principles	Response / Section mapping	Page No.
<b>Principle 4:</b>		
1. Has the Company mapped its internal and external stakeholders?	Stakeholder engagement	64
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	Corporate social responsibility	118
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	Corporate social responsibility	118
<b>Principle 5:</b>		
1. Does the policy of the Company on human rights cover only the Company or extend to the group / joint ventures / suppliers / contractors / NGOs / others?	Code of business conduct and conflicts of interest; Suppliers' human resource development	85; 103
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Prevention of sexual harassment	85
<b>Principle 6:</b>		
1. Does the policy related to Principle 6 cover only the Company or extend to the group / joint ventures / suppliers / contractors / NGOs / others?	Operational eco-efficiency; Green initiatives in supply chain	112; 102
2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?	Product stewardship and innovation; Operational eco-efficiency	88; 112
3. Does the Company identify and assess potential environmental risks?	Operational eco-efficiency	112
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Two Clean Development Mechanism projects are registered with the UNFCCC:  1. Shifting a part of vehicle transportation from roadways to railways with specially designed railway wagons  2. Waste heat recovery from gas turbines by installing steam turbine generator in Gurugram facility	-
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc?	Product stewardship and innovation; Operational eco-efficiency; Green initiatives in supply chain	88; 112; 102
6. Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Status of compliances during FY 2021-22	86
7. Number of show cause / legal notices received from CPCB / SPCB which are pending as on end of financial year.	Status of compliances during FY 2021-22	86

National Voluntary Guidelines Principles	Response / Section mapping	Page No.
<b>Principle 7:</b>		
1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	Policy advocacy practices	86
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.	Policy advocacy practices	86
<b>Principle 8:</b>		
1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, please provide the details thereof.	Corporate social responsibility	118
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	Corporate social responsibility	118
3. Have you done any impact assessment of your initiative?	Board's report	134
4. What is your Company's direct contribution to community development projects?	Board's Report	134
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Corporate social responsibility	118
<b>Principle 9:</b>		
1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?	Status of compliances during FY 2021-22	86
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?	An Owner's Manual and Service Booklet is provided to every customer on purchase of a vehicle. The booklet contains information related to safety, operation and maintenance of the vehicle. Critical information on product usage (e.g., AC gas, tyre pressure, brake fluid) is displayed as labels.	-
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?	Status of compliances during FY 2021-22	86
4. Did your Company carry out any consumer survey / consumer satisfaction trends?	Customer satisfaction	99



# FINANCIAL STATEMENTS

Standalone Financial Statements

**210**

Consolidated Financial Statements

**286**

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARUTI SUZUKI INDIA LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **MARUTI SUZUKI INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India,

of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Evaluation of uncertain tax positions relating to Income taxes and Excise duty	<p><b>Principal audit procedures performed:</b></p> <p>a) We evaluated the design and implementation of internal controls and tested the operating effectiveness of controls for estimation of the amount of financial impact and outcome of Income Tax and Excise duty litigations and claims and consequent recording /disclosure in the financial statements.</p> <p>b) We obtained details of Income tax and Excise duty assessment orders and management's evaluation of those assessment orders and performed the following procedures:</p> <ul style="list-style-type: none"> <li>- We verified the arithmetical accuracy of the computation prepared by management based on Income Tax and Excise Orders received to determine the financial impact of the matters under dispute and consequent recording/disclosure in the financial statements.</li> <li>- We involved our tax specialists to challenge the management's underlying assumptions in estimating the financial impact and the possible outcome of the litigations and disputes after considering the legal precedence and other rulings.</li> </ul> <p>We assessed the accounting principles applied by the Company to measure and disclose the financial impact of these litigations in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer to note 37 to standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer to Note 16 to the standalone financial statements.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity, including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in note 14.4 to the standalone financial statements
  - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)  
(UDIN: 22087104AIBDDX3715)

Place: New Delhi  
Date: April 29, 2022

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **MARUTI SUZUKI INDIA LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)  
(UDIN: 22087104AIBDDX3715)

Place: New Delhi  
Date: 29 April 2022

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of Company's Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment and right-of-use assets except furniture and fixtures, office appliances and certain other Property, Plant and Equipment having a carrying value of ₹ 2,575 million, were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties disclosed in the financial statements included in Property, Plant and Equipment, according to the information and explanations given to us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of Property	As at Balance Sheet date (₹ in million)		Held in the name of Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of Company
	Gross carrying value	Net Carrying value			
4 residential flats located at Mundra Port	12	10	Adani Ports and Special Economic Zone Limited (APSEZL)	No	08-Jun-2011 The Company is in possession and occupant of the flats but conveyance deed has not been executed by the APSEZL. The Company is in discussion with APSEZL to register the flats in its name.
3 residential flats in Ranchi	12	10	Excel Venture Construction Private Limited/Jharkhand State Housing Board	No	01-Apr-2012 There is an ongoing litigation between Excel Venture Construction Pvt. Ltd. (Builder) and Jharkhand Housing Board (JHB) regarding the percentage ownership of the project as land is owned by JHB and construction was done by the Builder. As informed to us by the management, the registration can be done after settlement of the litigation and they are in continuous discussion with the Builder for early resolution.
51.59 acres Land at Gujarat	113	113	State Government of Gujarat	No	18-Nov-13 As informed to us by the management, Title of the Land acquired by the Company got reversed in the name of Government of Gujarat as per the order passed by the District Collector and the Company is in discussion for early resolution

- In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right-of-use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company, except for the following lease deed which is under dispute:

Description of Property	As at Balance Sheet date (₹ in million)		Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of Company
Particulars	Advances in the nature of loans (₹ in million)					
A. Aggregate amount granted/ provided during the year: Employees	479					
B. Balance outstanding as at balance sheet date in respect of above	306					
	The Company has not provided any loan or stood guarantee or provided security to any other entity during the year.					
(b)	The investments made and the terms and conditions of the above-mentioned advances in the nature of loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.					
(c)	In respect of advances in the nature of loans, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation.					
(d)	In respect of advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.					
(e)	No advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.					
(f)	The Company has not granted any loan or advance in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.					

(iv) The Company has not granted any loan, or provided any guarantee or security as specified under Sections 185 and 186 of the Companies Act, 2013. In respect of investments made by the Company during the year, the Company has complied with the provisions of 186 of the Companies Act, 2013.

(v) The Company has not accepted or is not holding any deposit or amounts which are deemed to be deposits during the year. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for "Manufacturing of Engines" and "Generation of Power". We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made

a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2022 on account of disputes are given below:

**The following matters have been decided in favour of the Company, but department has preferred appeals before higher authorities.**

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (Financial year)	Amount (₹ in million) <sup>#</sup>	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income Tax	Supreme Court	1993-94 to 2000-01, 2003-04 to 2005-06	5,904	5,904
		High Court	1996-97 to 1999-00, 2003-04 to 2004-05, 2006-07 to 2008-09	7,725	7,725
		Income Tax Appellate Tribunal (ITAT)	2002-03, 2010-11	5,641	5,641
		Supreme Court	2000-01 to 2007-08	395	395
The Central Excise Act, 1944	Excise Duty	High court	1986-87, 1988-89 to 1993-94	517	517
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2015-16	222	222
		Supreme Court	2003-04 to 2012-13	256	256
		CESTAT	2002-03, 2004-05 to 2010-11	17	17

#amount as per demand orders including interest and penalty wherever quantified in the Order.

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (Financial year)	Amount (₹ in million)*	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income Tax	High Court	1991-92, 1994-95 to 1995-96, 1997-98, 2003-04 to 2004-05, 2007-08	903	-
		Income Tax Appellate Tribunal (ITAT)	2002-03, 2008-09 to 2015-16	101,863	94,777
		Up to Commissioner (Appeals)	2006-07 to 2020-21	69	63
Wealth tax Act, 1957	Wealth tax	High Court	1996-97-1997-98	1	-
The Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2002-03 to 2017-18	16,580	14,353
The Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-06 to 2017-18	4,719	4,628
Customs Act, 1962	Customs Duty	Commissioner (Appeals)	2012-13 to 2020-21	2,077	2,077
Sales Tax Laws	Haryana General Sales Tax Act	Assessing Authority, Gurgaon by Sales Tax Tribunal.	1983-84 to 1984-85, 1987-88, 2016-17	24	23
	Central Sales Tax (Gujarat)	Appeal pending with Dy Commissioner (appeal)	2012-13 to 2013-14	6	6
Goods and Service Tax	Goods and Service Tax	Rajasthan High Court	2019-20	10	10

\*amount as per demand orders including interest and penalty wherever quantified in the Order.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.
- (e) On overall examination of the financial statements of the Company, the Company has not taken any funds from any entity, person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and draft of the internal audit reports issued after the balance sheet date, for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transaction with any of its directors or directors of its holding company, subsidiary companies, associate companies or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.

- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal

Partner

Place: New Delhi

(Membership No. 87104)

Date: April 29, 2022

(UDIN: 22087104AIBDDX3715)

## STANDALONE BALANCE SHEET

As at March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	As at 31.03.2022	As at 31.03.2021
<strong>ASSETS</strong>				
<strong>Non-current assets</strong>				
Property, plant and equipment	4	236-239	127,995	141,511
Capital work-in-progress	4	236-239	26,391	11,923
Intangible assets	5	239-240	3,499	2,242
Intangible assets under development	5	239-240	2,903	2,975
Right-of-use Assets	35	278-280	5,679	5,817
Financial assets				
Investments	6	241-244	366,632	333,710
Loans	7	244	2	2
Other financial assets	9	245	370	363
Non-current tax assets (net)	21	255	5,429	5,396
Deferred tax assets	18	252-253	2,027	-
Other non-current assets	12	247	25,204	16,864
<strong>Total non-current assets</strong>			<strong>566,131</strong>	<strong>520,803</strong>
<strong>Current assets</strong>				
Inventories	10	246	35,331	30,500
Financial assets				
Investments	6	241-244	41,001	84,157
Trade receivables	8	244-245	20,301	12,766
Cash and cash equivalents	11.1	246	320	323
Other bank balances	11.2	246	30,042	30,041
Loans	7	244	305	230
Other financial assets	9	245	25,892	13,226
Other current assets	12	247	14,620	9,562
<strong>Total current assets</strong>			<strong>167,812</strong>	<strong>180,805</strong>
<strong>Total assets</strong>			<strong>733,943</strong>	<strong>701,608</strong>
<strong>EQUITY AND LIABILITIES</strong>				
<strong>Equity</strong>				
Equity share capital	13	247-248	1,510	1,510
Other equity	14	248-250	539,350	512,158
<strong>Total equity</strong>			<strong>540,860</strong>	<strong>513,668</strong>
<strong>Liabilities</strong>				
<strong>Non-current liabilities</strong>				
Financial liabilities				
Lease liabilities	35	278-280	302	353
Provisions	17	251-252	833	447
Deferred tax liabilities (net)	18	252-253	-	3,847
Other non-current liabilities	19	254	21,811	21,292
<strong>Total non-current liabilities</strong>			<strong>22,946</strong>	<strong>25,939</strong>
<strong>Current liabilities</strong>				
Financial liabilities				
Borrowings	15	250-251	3,819	4,888
Trade payables				
Total outstanding dues of micro and small enterprises	20	254-255	1,081	691
Total outstanding dues of creditors other than micro and small enterprises	20	254-255	96,529	100,926
Lease liabilities	35	278-280	68	65
Other financial liabilities	16	251	20,244	12,693
Provisions	17	251-252	8,613	7,416
Current tax liabilities (net)	21	255	11,104	8,539
Other current liabilities	19	254	28,679	26,783
<strong>Total current liabilities</strong>			<strong>170,137</strong>	<strong>162,001</strong>
<strong>Total liabilities</strong>			<strong>193,083</strong>	<strong>187,940</strong>
<strong>Total equity and liabilities</strong>			<strong>733,943</strong>	<strong>701,608</strong>

The accompanying notes are forming part of these standalone financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

JITENDRA AGARWAL  
Partner

Place: New Delhi  
Date: April 29, 2022

HISASHI TAKEUCHI  
Managing Director & CEO  
DIN: 07806180

AJAY SETH  
Chief Financial Officer

KENICHI AYUKAWA  
Executive Vice Chairman  
DIN: 02262755

SANJEEV GROVER  
Executive Vice President  
& Company Secretary  
ICSI Membership No: F3788

For and on behalf of the Board of Directors

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I Revenue from operations	22	255-256	882,956	703,325
II Other income	23	256	17,935	29,464
<b>III Total Income (I+II)</b>			<b>900,891</b>	<b>732,789</b>
<b>IV Expenses</b>				
Cost of materials consumed	24.1	256	397,387	332,969
Purchases of stock-in-trade			263,905	172,472
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.2	257	(919)	2,731
Employee benefits expenses	25	257	40,222	34,029
Finance costs	26	257	1,259	1,008
Depreciation and amortisation expense	27	258	27,865	30,315
Other expenses	28	258-259	126,794	108,399
Vehicles/dies for own use			(1,445)	(728)
<b>Total expenses (IV)</b>			<b>855,068</b>	<b>681,195</b>
<b>V Profit before tax (III - IV)</b>			<b>45,823</b>	<b>51,594</b>
<b>VI Tax expense</b>				
Current tax	29	259-260	14,301	11,556
Deferred tax	29	259-260	(6,141)	(2,259)
			8,160	9,297
<b>VII Profit for the year (V - VI)</b>			<b>37,663</b>	<b>42,297</b>
<b>VIII Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss				
(a) gain/(loss) of defined benefit obligation	14.4	249	220	545
(b) gain/(loss) on change in fair value of equity instruments	14.5	250	3,170	4,704
			<b>3,390</b>	<b>5,249</b>
(ii) Income tax relating to items that will not be reclassified to profit or loss	29	259	(267)	(123)
<b>Total Other Comprehensive Income (i+ii)</b>			<b>3,123</b>	<b>5,126</b>
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>			<b>40,786</b>	<b>47,423</b>
Earnings per equity share (₹)	31	261	124.68	140.02
Basic			124.68	140.02
Diluted			124.68	140.02

The accompanying notes are forming part of these standalone financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

**JITENDRA AGARWAL**  
Partner

Place: New Delhi  
Date: April 29, 2022

**HISASHI TAKEUCHI**  
Managing Director & CEO  
DIN: 07806180

**AJAY SETH**  
Chief Financial Officer

For and on behalf of the Board of Directors  
**KENICHI AYUKAWA**  
Executive Vice Chairman  
DIN: 02262755

**SANJEEV GROVER**  
Executive Vice President  
& Company Secretary  
ICSI Membership No: F3788

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

## a) Equity share capital

	Amount
<b>Balance as at April 01, 2020</b>	1,510
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>1,510</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2022</b>	<b>1,510</b>

## b) Other equity

	Reserves and Surplus						Items of other comprehensive income	Total
	Reserves created on amalgamation	Securities premium	General reserve	Retained earnings	Employee Welfare Fund	Scientific Research Fund		
<b>Balance as at April 01, 2020</b>	9,153	4,241	29,309	432,385	1,543	1,522	4,707	<b>482,860</b>
Profit for the year	-	-	-	42,297	-	-	-	42,297
Other comprehensive income for the year, net of income tax	-	-	-	408	-	-	4,718	5,126
<b>Total comprehensive income for the year</b>	-	-	-	<b>42,705</b>	-	-	<b>4,718</b>	<b>47,423</b>
Payment of dividend	-	-	-	(18,125)	-	-	-	(18,125)
Employee welfare fund	-	-	-	(565)	565	-	-	-
Scientific research fund	-	-	-	(565)	-	565	-	-
Income from Employee welfare fund	-	-	-	(108)	108	-	-	-
Expense on Employee welfare fund	-	-	-	14	(14)	-	-	-
<b>Balance as at March 31, 2021</b>	<b>9,153</b>	<b>4,241</b>	<b>29,309</b>	<b>455,741</b>	<b>2,202</b>	<b>2,087</b>	<b>9,425</b>	<b>512,158</b>
Profit for the year	-	-	-	37,663	-	-	-	37,663
Other comprehensive income for the year, net of income tax	-	-	-	208	-	-	2,915	3,123
<b>Total comprehensive income for the year</b>	-	-	-	<b>37,871</b>	-	-	<b>2,915</b>	<b>40,786</b>
Payment of dividend	-	-	-	(13,594)	-	-	-	(13,594)
Income from Employee welfare fund	-	-	-	(106)	106	-	-	-
Expense on Employee welfare fund	-	-	-	74	(74)	-	-	-
<b>Balance as at March 31 2022</b>	<b>9,153</b>	<b>4,241</b>	<b>29,309</b>	<b>479,986</b>	<b>2,234</b>	<b>2,087</b>	<b>12,340</b>	<b>539,350</b>

The accompanying notes are forming part of these standalone financial statements.

For and on behalf of the Board of Directors

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

**JITENDRA AGARWAL**  
Partner

Place: New Delhi  
Date: April 29, 2022

**HISASHI TAKEUCHI**  
Managing Director & CEO  
DIN: 07806180

**AJAY SETH**  
Chief Financial Officer

**KENICHI AYUKAWA**  
Executive Vice Chairman  
DIN: 02262755

**SANJEEV GROVER**  
Executive Vice President  
& Company Secretary  
ICSI Membership No: F3788

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>A. Cash flow from operating activities:</b>				
Profit before tax			45,823	51,594
<b>Adjustments for:</b>				
Depreciation and amortisation expense	27	258	27,865	30,315
Finance costs	26	257	1,259	1,008
Interest income	23	256	(1,745)	(725)
Dividend income	23	256	(519)	(136)
Net loss on sale/discard of property, plant and equipment	28	258-259	458	590
Net gain on sale of investments in debt mutual funds	23	256	(2,046)	(411)
Fair valuation gain on investment in debt mutual funds	23	256	(13,625)	(27,713)
Unrealised foreign exchange (gain)/loss			309	621
<b>Operating Profit before working capital changes</b>			<b>57,779</b>	<b>55,143</b>
<b>Adjustments for changes in working capital:</b>				
- (Increase)/decrease in other financial assets (non-current)	9	245	(7)	(5)
- (Increase)/decrease in other non-current assets	12	247	(1,564)	(131)
- (Increase)/decrease in inventories	10	246	(4,831)	1,649
- (Increase)/decrease in trade receivables	8	244-245	(7,629)	6,970
- (Increase)/decrease in loans (current)	7	244	(75)	(61)
- (Increase)/decrease in other financial assets (current)	9	245	(12,730)	(6,742)
- (Increase)/decrease in other current assets	12	247	(5,058)	(1,619)
- Increase/(decrease) in non-current provisions	17	251-252	386	(69)
- Increase/(decrease) in other non-current liabilities	19	254	519	139
- Increase/(decrease) in trade payables	20	254	(3,937)	26,783
- Increase/(decrease) in other financial liabilities (current)	16	251	3,735	3,110
- Increase/(decrease) in current provisions	17	251-252	1,197	620
- Increase/(decrease) in other current liabilities	19	254	1,896	12,708
<b>Cash generated from operating activities</b>			<b>29,681</b>	<b>98,495</b>
- Income taxes paid (net)			(11,769)	(10,107)
<b>Net Cash from operating activities</b>			<b>17,912</b>	<b>88,388</b>
<b>B. Cash flow from investing activities:</b>				
Payments for purchase of property, plant and equipment and capital work-in-progress	4	236-239	(32,057)	(21,316)
Payments for purchase of intangible assets & intangible assets under development	5	239-240	(2,530)	(2,383)
Proceeds from sale of property, plant and equipment	4	236-239	1,360	420
Payments for purchase of investment in equity shares of associate/ joint venture/ subsidiary company	6	241-244	(1,459)	(871)
Proceeds from sale of debt mutual funds	6	241-244	635,787	429,195
Payments for purchase of debt mutual funds	6	241-244	(604,954)	(448,687)
Payments for purchase of unquoted investments	6.4	243	(300)	-
Investment in fixed deposits with bank	11.2	246	(30,000)	(30,000)
Proceeds from fixed deposits with bank	11.2	246	30,000	-
Interest received	23	256	1,744	667
Dividend received	23	256	519	136
<b>Net Cash (used in) investing activities</b>			<b>(1,890)</b>	<b>(72,839)</b>

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>C. Cash flow from financing activities:</b>				
Movement in short-term borrowings (net)	15	250-251	(1,069)	3,825
Principal elements of lease payments	35	278-280	(71)	(102)
Finance cost paid	26	257	(1,291)	(1,006)
Payment of dividend on equity shares	14.4	249	(13,594)	(18,125)
<b>Net Cash (used in) financing activities</b>			<b>(16,025)</b>	<b>(15,408)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>(3)</b>	<b>141</b>
<b>Cash and cash equivalents at the beginning of the year</b>			<b>323</b>	<b>182</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>320</b>	<b>323</b>
<b>Cash and cash equivalents comprises:</b>				
Cash and cheques in hand	11.1	246	6	4
Balance with Banks	11.1	246	314	319
<b>Other bank balances:</b>				
Deposits*	11.2	246	30,000	30,000
Unclaimed dividend accounts	11.2	246	42	41
<b>30,042</b>			<b>30,041</b>	

\*Original maturity period is more than twelve months but less than twelve months from balance sheet date.

The accompanying notes are forming part of these standalone financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

**HISASHI TAKEUCHI**

Managing Director & CEO  
DIN: 07806180

**JITENDRA AGARWAL**

Partner

**AJAY SETH**

Chief Financial Officer

For and on behalf of the Board of Directors

**KENICHI AYUKAWA**

Executive Vice Chairman  
DIN: 02262755

**SANJEEV GROVER**

Executive Vice President  
& Company Secretary  
ICSI Membership No: F3788

Place: New Delhi  
Date: April 29, 2022

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 1 General Information

Maruti Suzuki India Limited (“The Company”) is a public limited company incorporated and domiciled in India, listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is #1, Nelson Mandela Road, Vasant Kunj, New Delhi – 110070. The Company is a subsidiary of Suzuki Motor Corporation, Japan. The principal activities of the Company are manufacturing, purchase and sale of motor vehicles, components and spare parts. The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing.

## 2 Significant Accounting Policies

### 2.1 Statement of Compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

### 2.2 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Company’s operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

The principal accounting policies are set out below.

### 2.3 Going Concern

The board of directors have considered the financial position of the Company as at March 31, 2022 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company’s operations.

### 2.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

### Note 32: Provision for Employee Benefits

Provision for employee benefits requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Company’s retirement benefit obligations.

### Note 17 & 37: Provision for Litigations

Income Tax: The Company’s tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Other litigations: Litigations often involve complex legal/regulatory issues and are connected with a high degree of uncertainty. Accordingly, the assessment of whether an obligation exists on the balance sheet date as a result of an event in the past, and whether a future cash outflow is likely and the obligation can be reliably estimated, largely depends on estimations by the management.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Note 17: Provision for warranty and product recall

The Company creates provision based on historical warranty claim experience. In addition, assumptions on the amounts of potential costs are also included while creating the provisions. The provisions are regularly adjusted to reflect new information.

### Note 4: Property, Plant and Equipment – Useful economic life

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company’s assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

### Note 35: Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### Estimation of Uncertainties Relating to the Global Health Pandemic from COVID-19:

The Company has considered possible effects that may result from pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements.

### 2.5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net

of returns, discounts, sales incentives, goods & service tax and value added taxes.

The Company recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for each of the Company’s activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

### 2.5.1 Sale of Goods

Revenue is recognised for domestic and export sales of vehicles, spare parts, and accessories when the Company transfers control over such products to the customer on dispatch from the factory and the port respectively.

### 2.5.2 Income from Services

Revenue from engineering services are recognised as the related services are performed. Revenue from extended warranty is recognised on time proportion basis. Income from other services are accounted over the period of rendering of services. Invoicing in excess of revenues are classified as contract liabilities. Contract liabilities pertain to advance consideration received towards sale of extended warranty and other services by the Company.

### 2.5.3 Income from Royalty

Revenue from royalty is recognised on an accrual basis in accordance with the substance of the relevant arrangements.

### 2.6 Other Income

Dividend income from investments is recognised when the shareholders’ right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### 2.7 Leases

#### 2.7.1 The Company as Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company’s net investment outstanding in respect of the leases. When the Company is an intermediate lessor, it accounts for

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Company did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

## 2.7.2 The Company as Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Company recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the statement of profit and loss in the period in which the condition that triggers those payments that occur.

## 2.8 Foreign Currencies

### 2.8.1 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

### 2.8.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Defined Contribution Plans

The Company has defined contribution plans for post-employment benefit namely the superannuation fund which is recognised by the income tax authorities. This fund is administered through a trust set up by the Company and the Company's contribution thereto is charged to profit or loss every year. The Company has no further payment obligations once the contributions have been paid.

The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a defined contribution plan. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the statement of profit and loss every year.

### Termination Benefits

A liability for the termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

### 2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 2.11.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### 2.11.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 2.11.3 Current and Deferred Tax for the Year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

### 2.12 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and recognised in profit or loss.

### Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Building	3-60 years
Plant and machinery other than Dies and Jigs	8 years
Dies and jigs	5 years
Electronic data processing equipment	3 years
Furniture and fixtures	10 years
Office appliances	5 years
Vehicles	8 years

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited/ debited to profit or loss.

Freehold land and Leasehold land in the nature of perpetual lease is not amortised.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

### 2.13 Intangible Assets

#### 2.13.1 Intangible Assets Acquired Separately

Lump sum royalty, computer software and engineering support fee are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortisation methods and useful lives are reviewed periodically including at each financial year end..

#### 2.13.2 Amortisation Methods and Useful Lives

Intangible assets are amortised on a Straight-Line basis over the estimated useful economic life in the Statement of Profit and loss. The estimated useful life of intangible assets i.e. Software, Lump sum royalty and Engineering support fee has been estimated as of five years. The amortisation period and the amortisation method for an intangible asset is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate. An intangible asset is derecognised when no future economic benefits are expected from use.

### 2.14 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

### 2.15 Inventories

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

The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

### 2.18 Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## 2.18.1 Classification of Financial Assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test: the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

## 2.18.2 Investments in Equity Instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains/losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has equity investments in certain entities which are not held for trading. The Company has elected the fair value through other comprehensive income irrevocable option for all such investments. Dividend on these investments are recognised in profit or loss.

## 2.18.3 Equity Investment in Subsidiaries, Associates and Joint Ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

## 2.18.4 Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit or loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

any gains or losses arising on remeasurement recognised in profit or loss.

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## 2.18.5 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

## 2.18.6 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

## 2.18.7 Impairment of Financial Assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

## 2.18.8 Derecognition of Financial Assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## 2.18.9 Foreign Exchange Gains and Losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

## 2.19 Financial Liabilities and Equity Instruments

### 2.19.1 Classification of Debt or Equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 2.19.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### 2.19.3 Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

#### 2.19.3.1 Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

#### 2.19.3.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

assets transferred or liabilities assumed, is recognised in profit or loss.

## 2.19.3.3 Foreign Exchange Gains or Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

## 2.19.3.4 Lease Liabilities

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

## 2.19.3.5 Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

## 2.20 Derivative Financial Instruments

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Further details of derivative financial instruments are disclosed in note 33.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

## 2.20.1 Embedded Derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

## 2.21 Hedge Accounting

The Company designates certain hedging instruments, in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the ineffective portion is recognised immediately in the profit or loss. Amount accumulated in equity are reclassified to the profit or loss in the periods in which the forecasted transaction occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in other equity is retained there until the forecast transaction occurs.

Note 33 sets out details of the fair values of the derivative instruments used for hedging purposes.

## 2.22 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.23 Government Grant

Government grants are recognised where there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expense the related cost for which the grants are intended to compensate.

## 2.24 Earning Per Share

Basic earning per share has been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earning per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

## 2.25 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

## 2.26 Royalty

The Company pays/accrues for royalty in accordance with the relevant licence agreements.

## 2.27 Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard. Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve.

## Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately

controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

## 2.28 Rounding of Amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

## 3 APPLICABILITY OF NEW AND REVISED IND AS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company is evaluating the impact of Ind AS 16 and its effect on the financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company is evaluating the impact of Ind AS 37 and its effect on the financial statements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at 31.03.2022		As at 31.03.2021				
Carrying amount of							
Freehold Land	40,382		40,033				
Buildings	19,421		19,651				
Plant and Machinery	63,765		77,850				
Electronic Data Processing (EDP) Equipment	797		873				
Furniture, Fixtures and Office Appliances	1,860		1,980				
Vehicles	1,770		1,124				
	<b>127,995</b>		<b>141,511</b>				
Capital work-in-progress	26,391		11,923				
	<b>154,386</b>		<b>153,434</b>				
	Freehold Land <sup>a</sup>	Buildings	Plant and Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
<b>Gross Carrying amount</b>							
<b>Balance at March 31, 2020</b>	<b>39,974</b>	<b>26,237</b>	<b>207,682</b>	<b>2,369</b>	<b>3,458</b>	<b>2,047</b>	<b>281,767</b>
Addition	73	1,797	20,157	808	583	190	<b>23,608</b>
Disposal/adjustments*	(14)	(226)	(5,285)	(260)	(23)	(505)	<b>(6,313)</b>
<b>Balance at March 31, 2021</b>	<b>40,033</b>	<b>27,808</b>	<b>222,554</b>	<b>2,917</b>	<b>4,018</b>	<b>1,732</b>	<b>299,062</b>
Addition	355	1,426	10,496	520	435	1,166	<b>14,398</b>
Disposal/adjustments*	(6)	(126)	(6,007)	(206)	(20)	(421)	<b>(6,786)</b>
<b>Balance at March 31, 2022</b>	<b>40,382</b>	<b>29,108</b>	<b>227,043</b>	<b>3,231</b>	<b>4,433</b>	<b>2,477</b>	<b>306,674</b>
<b>Accumulated depreciation and impairment</b>							
<b>Balance at March 31, 2020</b>	-	6,310	124,028	1,754	1,550	507	<b>134,149</b>
Depreciation expenses	-	1,962	25,450	548	510	235	<b>28,705</b>
Disposal/adjustments*	-	(115)	(4,774)	(258)	(22)	(134)	<b>(5,303)</b>
<b>Balance at March 31, 2021</b>	-	<b>8,157</b>	<b>144,704</b>	<b>2,044</b>	<b>2,038</b>	<b>608</b>	<b>157,551</b>
Depreciation expenses	-	1,595	23,088	594	548	271	<b>26,096</b>
Disposal/adjustments*	-	(65)	(4,514)	(204)	(13)	(172)	<b>(4,968)</b>
<b>Balance at March 31, 2022</b>	-	<b>9,687</b>	<b>163,278</b>	<b>2,434</b>	<b>2,573</b>	<b>707</b>	<b>178,679</b>
<b>Carrying amount</b>							
<b>Balance at March 31, 2020</b>	<b>39,974</b>	<b>19,927</b>	<b>83,654</b>	<b>615</b>	<b>1,908</b>	<b>1,540</b>	<b>147,618</b>
Addition	73	1,797	20,157	808	583	190	<b>23,608</b>
Disposal/adjustments*	(14)	(111)	(511)	(2)	(1)	(371)	<b>(1,010)</b>
Depreciation expenses	-	(1,962)	(25,450)	(548)	(510)	(235)	<b>(28,705)</b>
<b>Balance at March 31, 2021</b>	<b>40,033</b>	<b>19,651</b>	<b>77,850</b>	<b>873</b>	<b>1,980</b>	<b>1,124</b>	<b>141,511</b>
Addition	355	1,426	10,496	520	435	1,166	<b>14,398</b>
Disposal/adjustments*	(6)	(61)	(1,493)	(2)	(7)	(249)	<b>(1,818)</b>
Depreciation expenses	-	(1,595)	(23,088)	(594)	(548)	(271)	<b>(26,096)</b>
<b>Balance at March 31, 2022</b>	<b>40,382</b>	<b>19,421</b>	<b>63,765</b>	<b>797</b>	<b>1,860</b>	<b>1,770</b>	<b>127,995</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 4.1 Notes on Property, Plant And Equipment

- Plant and Machinery includes a Gas Turbine jointly owned by the Company with its group companies and other companies having carrying amount as at 31.03.2022 is Nil (as at 31.03.2021 is Nil).
- A part of freehold land of the Company situated at Gurugram, Manesar and Gujarat has been made available to its group companies/fellow subsidiary for their business purpose.

<sup>a</sup> Above includes 69.19 acres of vacant land parcels in the State of Gujarat amounting to ₹ 174 million acquired by the Company for expansion activities, which are under litigation/title disputes.

\* Adjustment includes the intra-head re-grouping of amounts.

### 4.2 List of immovable properties not yet registered in the name of the Company

Below items are part of Property, Plant and equipment as at March 31, 2022

Description of Item of Property	Carrying Value as at 31 <sup>st</sup> March 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company	Whether disputed
Land	113	Government of Gujarat	No	18-11-13	Title of the land got reversed in the name of Government of Gujarat as per the order passed by District Collector, Ahmedabad.	Yes
	12	Adani Ports and Special Economic Zone Limited	No	08-06-11	The Company is in possession and occupant of the flats but conveyance deed are yet to be executed by Adani Ports and Special Economic Zone Limited. The Company is in discussion with Adani Ports and Special Economic Zone Limited to register the flats in its name.	No
Building	12	Excel Venture construction Pvt. Ltd./ Jharkhand State Housing Board	No	01-04-12	There is a ongoing litigation between M/s. Excel Venture Construction Pvt. Ltd. and Jharkhand Housing Board (Government authority) regarding the percentage ownership of the project as the land belongs to Jharkhand Housing Board and Construction was done by M/s. Excel Venture Construction Private Limited.	Yes
					The Company is in discussion with M/s. Excel Venture Construction Private Limited for registration of flats. The registration of flats can be undertaken after settlement of litigation.	
Total	137					

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Below items are part of Property, plant and equipment as at March 31, 2021

Description of Item of Property	Carrying Value as at 31 <sup>st</sup> March 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company	Whether disputed
Land	113	Government of Gujarat	No	18-11-13	Title of the land got reversed in the name of Government of Gujarat as per the order passed by District Collector, Ahmedabad.	Yes
Building	12	Adani Ports and Special Economic Zone Limited	No	08-06-11	The Company is in possession and occupant of the flats but conveyance deed are yet to be executed by Adani Ports and Special Economic Zone Limited. The Company is in discussion with Adani Ports and Special Economic Zone Limited to register the flats in its name.	No
	12	Excel Venture construction Pvt. Ltd./ Jharkhand State Housing Board	No	01-04-12	There is a ongoing litigation between M/s. Excel Venture Construction Pvt. Ltd. and Jharkhand Housing Board (Government authority) regarding the percentage ownership of the project as the land belongs to Jharkhand Housing Board and Construction was done by M/s. Excel Venture Construction Private Limited.  The Company is in discussion with M/s. Excel Venture Construction Private Limited for registration of flats. The registration of flats can be undertaken after settlement of litigation.	Yes
Total	137					

### 4.3 Capital work-in-progress ageing schedule as at March 31, 2022

#### (a) Capital work-in-progress

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	22,223	3,545	305	199	26,272
Project temporarily suspended	-	-	3	116	119
<b>Total</b>	<b>22,223</b>	<b>3,545</b>	<b>308</b>	<b>315</b>	<b>26,391</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

#### (b) For capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	501	-	-	-	501
Project temporarily suspended	12,917	1,362	-	-	14,279
<b>Total</b>	<b>13,418</b>	<b>1,362</b>	<b>-</b>	<b>-</b>	<b>14,780</b>

Project temporarily suspended

Buildings	119	-	-	-	119
-----------	-----	---	---	---	-----

### Capital work-in-progress ageing schedule as at March 31, 2021

#### (a) Capital work-in-progress

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	9,561	1,602	120	521	11,804
Project temporarily suspended	-	3	4	112	119
<b>Total</b>	<b>9,561</b>	<b>1,605</b>	<b>124</b>	<b>633</b>	<b>11,923</b>

#### (b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Plant and Machinery	3,986	735	-	-	4,721
Project temporarily suspended	-	119	-	-	119
<b>Total</b>	<b>-</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>119</b>

## 5 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31.03.2022	As at 31.03.2021
<b>Carrying amount of</b>		
Lumpsum royalty and engineering support fee	3,302	2,242
Software	197	-
<b>Total Intangible assets</b>	<b>3,499</b>	<b>2,242</b>
Intangible assets under development	2,903	2,975
	6,402	5,217

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	Software	Lumpsum royalty and engineering support fee	Total
<b>Gross Carrying amount</b>			
<b>Balance at April 1, 2020</b>	-	9,366	9,366
Addition	-	308	308
<b>Balance at March 31, 2021</b>	-	<b>9,674</b>	<b>9,674</b>
Addition/transfer	216	2,649	2,865
<b>Balance at March 31, 2022</b>	<b>216</b>	<b>12,323</b>	<b>12,539</b>
<b>Accumulated amortisation and impairment</b>			
<b>Balance at April 01, 2020</b>	-	6,008	6,008
Amortisation expenses	-	1,424	1,424
<b>Balance at March 31, 2021</b>	-	<b>7,432</b>	<b>7,432</b>
Amortisation expenses	19	1,589	1,608
<b>Balance at March 31, 2022</b>	<b>19</b>	<b>9,021</b>	<b>9,040</b>
<b>Carrying amount</b>			
<b>Balance at April 1, 2020</b>	-	3,358	3,358
Addition	-	308	308
Amortisation expenses	-	(1,424)	(1,424)
<b>Balance at March 31, 2021</b>	-	<b>2,242</b>	<b>2,242</b>
Addition/transfer	216	2,649	2,865
Amortisation expenses	(19)	(1,589)	(1,608)
<b>Balance at March 31, 2022</b>	<b>197</b>	<b>3,302</b>	<b>3,499</b>

### 5.1 Intangible assets under development ageing schedule as at March 31, 2022

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	1,909	994	-	-	2,903

### Intangible assets under development ageing schedule as at March 31, 2021

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	2,574	401	-	-	2,975

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 6 INVESTMENTS

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Investments in equity instruments		
- Subsidiary companies	295	295
- Associate companies	3,126	1,667
- Joint venture companies	373	373
- Others	13,296	9,827
Investments in preference shares	-	-
Investments in debt mutual funds	349,542	321,548
	<b>366,632</b>	<b>333,710</b>
<b>Current</b>		
Investments in debt mutual funds	41,001	84,157
	<b>41,001</b>	<b>84,157</b>
Aggregate value of unquoted investments	395,021	408,381
Aggregate value of quoted investments	12,662	9,536
Market value of quoted investments	14,841	11,323
Aggregate provision for diminution in value of investments	50	50

#### 6.1 Investments in subsidiaries

##### Break-up of investment in subsidiaries (carrying amount at cost)

	As at 31.03.2022	As at 31.03.2021
	Number	Amount
	Number	Amount
<b>Unquoted investments (fully paid up)</b>		
J.J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited) (Face value of ₹ 10 each)	8,800,000	294
True Value Solutions Limited (Face value of ₹ 10 each)	50,000	1
<b>Total aggregate unquoted investments</b>	<b>295</b>	<b>295</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 6.2 Investments in associates

#### Break-up of investment in associates (carrying amount at cost)

	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
<b>Quoted investments (fully paid up)</b>				
Bharat Seats Limited (Face value of ₹ 2 each)	4,650,000	5	4,650,000	5
Jay Bharat Maruti Limited (Face value of ₹ 5 each)	12,680,000	16	6,340,000	16
Machino Plastics Limited (Face value of ₹ 10 each)	941,700	5	941,700	5
<b>Total aggregate quoted investments (A)</b>	<b>26</b>	<b>26</b>		
<b>Aggregate market value of quoted investments</b>	<b>2,205</b>	<b>1,813</b>		

	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
<b>Unquoted investments (fully paid up)</b>				
Caparo Maruti Limited (Face value of ₹ 10 each)	2,500,000	25	2,500,000	25
Hanon Climate Systems India Private Limited (Face value of ₹ 100 each)	518,700	52	518,700	52
Krishna Maruti Limited (Face value of ₹ 10 each)	670,000	7	670,000	7
SKH Metals Limited (Face value of ₹ 10 each)	2,645,000	49	2,645,000	49
Nippon Thermostat (India) Limited (Face value of ₹ 10 each)	125,000	1	125,000	1
Mark Exhaust Systems Limited (Face value of ₹ 10 each)	4,437,465	57	4,437,465	57
Bellsonica Auto Component India Private Limited (Face value of ₹ 100 each)	3,540,000	354	3,540,000	354
FMI Automotive Components Private Limited (Face value of ₹ 10 each)	44,100,000	441	44,100,000	441
Manesar Steel Processing India Private Limited (Face value of ₹ 10 each)	6,840,000	68	6,840,000	68
Maruti Suzuki Insurance Broking Private Limited (Face value of ₹ 10 each)	751,643	2	751,643	2
Bahucharaji Rail Corporation Limited (Face value of ₹ 10 each)	204,417,200	2,044	58,500,000	585
<b>Total aggregate unquoted investments (B)</b>	<b>3,100</b>	<b>1,641</b>		
<b>Total investments carrying value (A) + (B)</b>	<b>3,126</b>	<b>1,667</b>		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 6.3 Investments in joint ventures

#### Break-up of investment in joint ventures (carrying amount at cost)

Unquoted investments (fully paid up)	As at 31.03.2022	As at 31.03.2021		
	Number	Amount	Number	Amount
Plastic Omnium Auto Inergy Manufacturing India Private Limited (Face value of ₹ 10 each)	6,656,000	67	6,656,000	67
Marelli Powertrain India Private Limited (Face value of ₹ 10 each)	8,550,000	85	8,550,000	85
Maruti Suzuki Toyotsu India Private Limited (Face value of ₹ 10 each)	22,050,000	221	22,050,000	221
<b>Total aggregate unquoted investments</b>	<b>373</b>	<b>373</b>		

### 6.4 Other equity instruments

#### Investments in equity instruments at fair value through other comprehensive income

Quoted investments (fully paid up)	As at 31.03.2022	As at 31.03.2021		
	Number	Amount	Number	Amount
Asahi India Glass Limited (Face value of ₹ 1 each)	26,995,200	11,612	26,995,200	8,348
JTEKT India Limited (Formerly known as Sona Koyo Steering Systems Limited) (Face value of ₹ 1 each)	13,800,000	1,024	13,800,000	1,162
<b>Total aggregate quoted investments (i)</b>	<b>12,636</b>	<b>9,510</b>		
Unquoted investments (fully paid up)	As at 31.03.2022	As at 31.03.2021		
	Number	Amount	Number	Amount
Denso India Private Limited (Face value of ₹ 10 each)	2,862,758	359	2,862,758	316
Haryana Orbital Rail Corporation Limited (Face value of ₹ 10 each)	30,000,000	300	15,000	0
<b>Total aggregate unquoted investments (ii)</b>	<b>659</b>	<b>316</b>		
<b>Investment in equity shares of Section 8 Company</b>				
International Automobile Centre of Excellence (Face value of ₹ 10 each)	100,000	1	100,000	1
<b>Investment in equity shares of Section 8 Company (iii)</b>	<b>1</b>	<b>1</b>		
<b>Investments in other equity instruments [i+ii+iii]</b>	<b>13,296</b>	<b>9,827</b>		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 6.5 Investment in unquoted preference shares

	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
Western Paques (India) Limited (Face value of ₹ 100 each)	500,000	50	500,000	50
Less: allowance for diminution in value		(50)		(50)
<b>Total investment in unquoted preference shares</b>		-		-

### 6.6 Investments in unquoted debt mutual funds\*

	As at 31.03.2022		As at 31.03.2021	
	Current	Non Current	Current	Non Current
Fixed term debt maturity plans	16,389	3,411	20,909	15,723
Open ended debt schemes	24,612	346,131	63,248	305,825
<b>Total investments in unquoted debt mutual funds</b>	<b>41,001</b>	<b>349,542</b>	<b>84,157</b>	<b>321,548</b>

\* Includes debt mutual funds for Employee Welfare Fund as at 31.03.2022: ₹ 2,484 million (as at 31.03.2021: ₹ 1,777 million).

## 7 LOANS (unsecured and considered good, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
<b>Non-Current</b>		
Employee related loans and advances	1	1
Inter corporate deposits – unsecured considered doubtful	125	125
Allowance for doubtful Intercorporate deposits	(125)	(125)
Others	1	1
<b>Current</b>	<b>2</b>	<b>2</b>
Employee related loans and advances	305	230
	<b>305</b>	<b>230</b>

## 8 TRADE RECEIVABLES

	As at 31.03.2022	As at 31.03.2021
<b>Unsecured – considered good</b>		
– significant increase in credit risk	20,301	12,766
Allowance for doubtful debts	27	27
	<b>20,301</b>	<b>12,766</b>

8.1 The credit risk to the Company is limited since most of the sales are made against advances or letter of credit/bank guarantees from banks of national standing. The credit period generally allowed on domestic sales varies from 30 to 45 days (excluding transit period). The credit period on export sales varies on case to case basis, based on market conditions.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 8.2 Trade Receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	19,922	329	31	14	1	4	20,301
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	1	26	27
Less: allowance for doubtful debts	-	-	-	-	(1)	(26)	(27)
<b>Total</b>	<b>19,922</b>	<b>329</b>	<b>31</b>	<b>14</b>	<b>1</b>	<b>4</b>	<b>20,301</b>

### Trade Receivables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	10,992	1,718	28	14	1	13	12,766
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	1	4	22	27
Less: allowance for doubtful debts	-	-	-	(1)	(4)	(22)	(27)
<b>Total</b>	<b>10,992</b>	<b>1,718</b>	<b>28</b>	<b>14</b>	<b>1</b>	<b>13</b>	<b>12,766</b>

## 9 OTHER FINANCIAL ASSETS (unsecured and considered good, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
<b>Financial assets carried at amortised cost</b>		
Security deposits	242	236
Others	128	127
	<b>370</b>	<b>363</b>
<b>Current</b>		
<b>Financial assets carried at amortised cost</b>		
Interest accrued – unsecured	87	86
Recoverable from related parties (Refer to note 34)	25,410	12,540
Others – considered good	387	302
– considered doubtful	28	28
Less: provision for doubtful assets	(28)	(28)
Financial assets carried at fair value		
Foreign currency and commodity forward contract not qualifying or not designated in hedge accounting relationships	8	298
	<b>25,892</b>	<b>13,226</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 10 INVENTORIES

	As at 31.03.2022	As at 31.03.2021
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials	18,080	14,747
Work-in-progress	2,299	1,483
Finished goods		
Vehicle	5,509	5,376
Vehicle spares and components	344	364
Traded goods		
Vehicle	909	1,439
Vehicle spares and components	4,069	3,549
Stores and spares	3,064	2,706
Loose Tools	1,057	836
	<b>35,331</b>	<b>30,500</b>
<b>Inventory includes in transit inventory of:</b>		
Raw materials	6,383	5,191
Stock-in-trade	82	113

**10.1** The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 732,397 million (previous year ₹ 561,714 million).

The cost of inventories recognised as an expense includes ₹ 55 million (previous year ₹ 59 million) in respect of write-downs of inventory to net realisable value.

The mode of valuation of inventories has been stated in note 2.15.

### 11 CASH AND BANK BALANCES

	As at 31.03.2022	As at 31.03.2021
Balances with Banks	314	319
Cheques, drafts in hand	6	4
	<b>320</b>	<b>323</b>
<b>11.2 Other bank balances:</b>		
Deposits*	30,000	30,000
Unclaimed dividend accounts	42	41
	<b>30,042</b>	<b>30,041</b>

\*Original maturity period is more than twelve months but less than 12 months from the balance sheet date.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 12 OTHER ASSETS (unsecured and considered good, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Capital advances – considered good	10,650	3,874
Prepaid expenses	3,250	3,156
Amount paid under protest/dispute	11,232	9,774
Claims – unsecured considered good	42	34
– unsecured: significant increase in credit risk	7	7
Less: allowance for doubtful claims	(7)	(7)
Others	30	26
	<b>25,204</b>	<b>16,864</b>
<b>Current</b>		
Balance with customs, port trust and other Government authorities	9,558	5,527
Claims	1,097	785
Prepaid expenses	1,297	1,213
Balance with related parties (Refer to note 34)	1,814	163
Others – considered good	854	1,874
– considered doubtful	269	281
Less: allowance for doubtful balances	(269)	(281)
	<b>14,620</b>	<b>9,562</b>

### 13 EQUITY SHARE CAPITAL

	As at 31.03.2022	As at 31.03.2021
<b>Authorised share capital:</b>		
3,751,000,000 equity shares of ₹ 5 each (as at 31.03.2021: 3,751,000,000 equity shares of ₹ 5 each)	18,755	18,755
<b>Issued, subscribed and fully paid up share capital comprises:</b>		
302,080,060 equity shares of ₹ 5 each (as at 31.03.2021: 302,080,060 equity shares of ₹ 5 each)	1,510	1,510
	<b>1,510</b>	<b>1,510</b>

#### 13.1 Rights, preference and restriction attached to shares

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 13.2 Reconciliation of number of shares

	As at 31.03.2022		As at 31.03.2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of year	302,080,060	1,510	302,080,060	1,510
Add/Less: Movement during the year	-	-	-	-
<b>Balance as at the end of year</b>	<b>302,080,060</b>	<b>1,510</b>	<b>302,080,060</b>	<b>1,510</b>

### 13.3 Details of shares held by the holding company

	As at 31.03.2022		As at 31.03.2021	
	Number of shares	Amount	Number of shares	Amount
Suzuki Motor Corporation, Japan	170,283,762	851	170,283,762	851
<b>170,283,762</b>	<b>851</b>	<b>170,283,762</b>	<b>851</b>	

### 13.4 Details of shares held by each shareholder holding more than 5% shares

	As at 31.03.2022		As at 31.03.2021	
	Number of shares	% holding	Number of shares	% holding
Suzuki Motor Corporation (the holding company)	170,283,762	56.37	170,283,762	56.37
Life Insurance Corporation of India	16,107,297	5.33	14,944,012	4.95

## 14 OTHER EQUITY

	As at 31.03.2022	As at 31.03.2021
General reserve	29,309	29,309
Securities premium	4,241	4,241
Reserve created on amalgamation	9,153	9,153
Retained earnings	479,986	455,741
Employee welfare fund	2,234	2,202
Scientific research fund	2,087	2,087
Reserve for equity instruments through other comprehensive income	12,340	9,425
	<b>539,350</b>	<b>512,158</b>

### 14.1 General reserve

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	29,309	29,309
Add/Less: Movement during the year	-	-
<b>Balance at the end of year</b>	<b>29,309</b>	<b>29,309</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

The general reserve is free reserve which is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

### 14.2 Securities premium

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	4,241	4,241
Add/Less: Movement during the year	-	-
<b>Balance at the end of year</b>	<b>4,241</b>	<b>4,241</b>

Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 ("the Act") for specified purposes.

### 14.3 Reserve created on amalgamation

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	9,153	9,153
Add/Less: Movement during the year	-	-
<b>Balance at the end of year</b>	<b>9,153</b>	<b>9,153</b>

This reserve was created on the basis of the scheme of amalgamation of erstwhile Suzuki Powertrain India Limited (SPIL) with the Company as approved by the High Court of Delhi in the year ended 31<sup>st</sup> March 2013.

### 14.4 Retained earnings

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	455,741	432,385
Profit for the year	37,663	42,297
Other comprehensive income arising from remeasurement of defined benefit obligation*	208	408
Amount transferred to Employee welfare fund	-	(565)
Income on funds	(106)	(108)
Expenses on funds	74	14
Amount transferred to Scientific research fund	-	(565)
Payment of dividend on equity shares	(13,594)	(18,125)
<b>Balance at the end of year</b>	<b>479,986</b>	<b>455,741</b>

During the year, a dividend of ₹ 45 per share, total dividend ₹ 13,594 million (previous year: ₹ 60 per share, total dividend ₹ 18,125 million) was paid to equity shareholders.

The Board of Directors recommended a final dividend of ₹ 60 per share (nominal value of ₹ 5 per share) for the financial year 2021-22. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total expected amount of cash outflow is ₹ 18,125 million.

\* net of deferred tax liabilities of ₹ 12 million (previous year deferred tax liabilities ₹ 137 million)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 14.5 Reserve for equity instruments through other comprehensive income

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	9,425	4,707
Net fair value gain/(loss) on investment in equity instruments at FVTOCI	3,170	4,704
Income tax on net fair value gain/(loss) on investments in equity instruments at FVTOCI	(255)	14
<b>Balance at the end of year</b>	<b>12,340</b>	<b>9,425</b>

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

### 14.6 Employee Welfare Fund

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	2,202	1,543
Addition during the year	-	565
Income during the year	106	108
Expenses/adjustment during the year	(74)	(14)
<b>Balance at the end of year</b>	<b>2,234</b>	<b>2,202</b>

This reserve was created for undertaking welfare activities such as housing, education and health for the employees of the Company by appropriating 1% of profit after tax in previous years.

### 14.7 Scientific Research Fund

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	2,087	1,522
Addition during the year	-	565
<b>Balance at the end of year</b>	<b>2,087</b>	<b>2,087</b>

This reserve was created for promotion of scientific research and technology in India by appropriating 1% of profit after tax in previous years. No expenditure has been done from this fund during the current year.

## 15 BORROWINGS

	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>Unsecured</b>		
Loans repayable on demand from banks - cash credit and overdraft	3,819	4,888
	<b>3,819</b>	<b>4,888</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 15.1 Summary of borrowing arrangements

Loan repayable on demand from banks (cash credit and overdraft) at an interest rate of 4.95% to 5.0%, repayable within 0-10 days (as at 31.03.2021: interest rate of 5.25% to 5.95%, repayable within 0-10 days w.r.t. cash credit, overdraft and term loan)

### 15.2 Breach of loan agreement

There has been no breach of covenants mentioned in the loan agreements during the reporting years.

## 16 OTHER FINANCIAL LIABILITIES

	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>Financial liabilities carried at amortised cost</b>		
Payables to capital creditors	8,008	4,160
Deposits from dealers, contractors and others	8,351	8,319
Claims payable	3,643	-
Interest accrued on security deposits	3	35
Unpaid dividend *	42	41
Book overdraft	187	136
Others	10	2
	<b>20,244</b>	<b>12,693</b>

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013.

## 17 PROVISIONS

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit plan	332	182
Other provisions		
Provision for warranty and product recall	501	265
	<b>833</b>	<b>447</b>
<b>Current</b>		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit plan	11	11
Provision for compensated absences	4,914	4,536
Other provisions		
Provision for litigation/disputes and others	2,444	1,997
Provision for warranty and product recall	1,244	872
	<b>8,613</b>	<b>7,416</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Details of other provisions

	Litigation/Dispute and Others		Warranty/Product recall	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Balance as at the beginning of year	1,997	1,981	1,137	1,014
Addition/adjustment during the year	447	19	2,050	1,427
Utilised during the year	-	-	1,442	1,304
Reversed during the year	-	3	-	-
<b>Balance as at the end of year</b>	<b>2,444</b>	<b>1,997</b>	<b>1,745</b>	<b>1,137</b>

	Litigation/Dispute and Others		Warranty/Product recall	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Classified as long-term	-	-	501	265
Classified as short-term	2,444	1,997	1,244	872
<b>Total</b>	<b>2,444</b>	<b>1,997</b>	<b>1,745</b>	<b>1,137</b>

### Provisions for employee benefits

The provision for employee benefits include compensated absences and retirement allowance.

### Provision for warranty and product recall

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as and when warranty claims will arise. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

### Provision for litigation/disputes

In the ordinary course of business, the Company faces claims by various parties. The Company assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claim where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable (also refer to note 37).

## 18 DEFERRED TAX ASSETS (NET)

	As at 31.03.2022	As at 31.03.2021
Deferred tax assets	6,467	4,884
Deferred tax liabilities	4,440	8,731
<b>Net deferred tax assets/(liabilities)</b>	<b>2,027</b>	<b>(3,847)</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Movement of deferred tax assets/(liabilities) for the year ended March 31, 2022.

	Opening Balance	Recognised in statement of profit and loss	Recognised in Other Comprehensive Income	Adjustments*	Closing Balance
<b>Deferred tax assets</b>					
Expenses deductible in future years	1,438	102	-	-	1,540
Provision for litigation/dispute	247	5	-	-	252
Allowance for doubtful debts/advances	124	(3)	-	-	121
Property, plant and equipment and Intangible assets	3,066	1,477	-	-	4,543
Others	9	14	(12)	-	11
	<b>4,884</b>	<b>1,595</b>	<b>(12)</b>	-	<b>6,467</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment and Intangible assets				-	-
Investment in debt mutual funds	7,690	(4,438)	-	-	3,252
Investment in equity instruments	19	-	255	-	274
Other current and non-current assets	1,040	(37)	-	-	1,003
Others	(18)	(71)	-	-	(89)
	<b>8,731</b>	<b>(4,546)</b>	<b>255</b>	-	<b>4,440</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(3,847)</b>	<b>6,141</b>	<b>(267)</b>	-	<b>2,027</b>
<b>Movement of deferred tax assets/(liabilities) for the year ended March 31, 2021</b>					
<b>Deferred tax assets</b>					
Expenses deductible in future years	1,323	115	-	-	1,438
Provision for litigation/dispute	242	5	-	-	247
Allowance for doubtful debts/advances	124	-	-	-	124
Property, plant and equipment and Intangible assets	1,206	1,860	-	-	3,066
Others	8	138	(137)	-	9
	<b>2,903</b>	<b>2,118</b>	<b>(137)</b>	-	<b>4,884</b>
<b>Deferred tax liabilities</b>					
Investment in debt mutual funds	7,733	(43)	-	-	7,690
Investment in equity instruments	33	-	(14)	-	19
Other current and non-current assets	982	58	-	-	1,040
Others	139	(156)	-	(1)	(18)
	<b>8,887</b>	<b>(141)</b>	<b>(14)</b>	<b>(1)</b>	<b>8,731</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(5,984)</b>	<b>2,259</b>	<b>(123)</b>	<b>1</b>	<b>(3,847)</b>

\* On account of reclassification to/from "Deferred Tax balances" from/to "Provision for Taxation" and intra movement within Deferred tax assets/Deferred tax liabilities

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 19 OTHER LIABILITIES

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Contract liabilities (Deferred revenue)	21,811	21,292
	<b>21,811</b>	<b>21,292</b>
<b>Current</b>		
Advance from customers	11,246	10,181
Contract liabilities (Deferred revenue)	8,585	7,716
Statutory dues	8,848	8,886
	<b>28,679</b>	<b>26,783</b>

Note: During the year, the Company has recognised revenue of ₹ 7,716 million which was included in the Contract liability balance as on April 01, 2021 (for the year ended March 31, 2021) ₹ 7,838 million which was included in the Contract liability balance as on April 01, 2020.

### 20 TRADE PAYABLES

	As at 31.03.2022	As at 31.03.2021
Total outstanding dues of micro and small enterprises	1,081	691
Total outstanding dues of creditors other than micro and small enterprises	96,529	100,926
	<b>97,610</b>	<b>101,617</b>

#### 20.1 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at 31.03.2022	As at 31.03.2021
a) Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	1,081	691
- Interest due thereon	4	1
b) Payments made to suppliers beyond the appointed day during the year		
- Principal	227	717
- Interest paid thereon	1	1
c) Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	-	7
d) Amount of interest accrued and remaining unpaid as at year end	4	8

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Trade Payables ageing schedule as at March 31, 2022

Particulars	Outstanding for the following periods from due date of payment				
	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years
MSME	1,000	78	2	-	1
Others	59,634	2,063	15	13	106
Disputed dues – Others	-	-	-	1	4
Unbilled	34,693	-	-	-	34,693
<b>Total</b>	<b>95,327</b>	<b>2,141</b>	<b>17</b>	<b>14</b>	<b>111</b>
					<b>97,610</b>

### Trade Payables ageing schedule as at March 31, 2021

Particulars	Outstanding for the following periods from due date of payment				
	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years
MSME	658	32	1	-	-
Others	69,121	2,229	53	35	75
Disputed dues – Others	-	-	1	-	4
Unbilled	29,408	-	-	-	29,408
<b>Total</b>	<b>99,187</b>	<b>2,261</b>	<b>55</b>	<b>35</b>	<b>79</b>
					<b>101,617</b>

### 21 TAX ASSETS / LIABILITIES

	As at 31.03.2022	As at 31.03.2021
<b>Non-Current tax assets</b>		
Taxes paid (Net)	5,429	5,396
<b>Current tax liabilities</b>		
Income tax payable (Net)	11,104	8,539

### 22 REVENUE FROM OPERATIONS

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Sale of products</b>		
Vehicles	737,912	590,059
Spare parts/ dies and moulds/ components	100,069	75,562
	<b>837,981</b>	<b>665,621</b>
<b>Other operating revenues</b>		
Income from services	13,381	11,886
Sale of scrap	6,411	4,202
Recovery of freight and service charges	21,475	19,096
Rental income	434	402
Others	3,274	2,118
	<b>44,975</b>	<b>37,704</b>
	<b>882,956</b>	<b>703,325</b>

Refer to note 8.1 for payment terms with customers.

Revenue from contract with customers is disaggregated by geographical region and presented in Note 30.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Reconciliation of revenue recognised with contract price:

	Year ended 31.03.2022	Year ended 31.03.2021
Contract price (Gross)	915,217	738,252
Adjustments for:		
Discount and Incentives as per contract/scheme bulletins	(32,261)	(34,927)
<b>Revenue from operations</b>	<b>882,956</b>	<b>703,325</b>

### 23 OTHER INCOME

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Interest income on</b>		
Bank deposits	1,282	94
Receivables from dealers	459	628
Others	4	3
	<b>1,745</b>	<b>725</b>
<b>Dividend income</b>		
Dividend from equity investments	519	136
	<b>519</b>	<b>136</b>
<b>Others</b>		
Net gain on sale of investments in debt mutual funds	2,046	411
Fair valuation gain on investment in debt mutual funds	13,625	27,713
Exchange variations on transactions and translation (net)	-	479
	<b>15,671</b>	<b>28,603</b>
	<b>17,935</b>	<b>29,464</b>

### 24 MATERIAL CONSUMED

#### 24.1 Cost of materials consumed

	Year ended 31.03.2022	Year ended 31.03.2021
Raw material inventory at the beginning of year	14,747	13,810
Add: Purchases during the year	400,720	333,906
Less: Raw material inventory at the end of year	18,080	14,747
	<b>397,387</b>	<b>332,969</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 24.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Opening balances</b>		
Work-in-progress	1,483	1,218
Finished goods manufactured		
Vehicle	5,376	9,236
Vehicle spares and components	364	376
Traded goods		
Vehicle	1,439	852
Vehicle spares and components	3,549	3,260
	<b>12,211</b>	<b>14,942</b>
<b>Closing balances</b>		
Work-in-progress	2,299	1,483
Finished goods manufactured		
Vehicle	5,509	5,376
Vehicle spares and components	344	364
Traded goods		
Vehicle	909	1,439
Vehicle spares and components	4,069	3,549
	<b>13,130</b>	<b>12,211</b>
	<b>(919)</b>	<b>2,731</b>

### 25 EMPLOYEE BENEFITS EXPENSES

	Year ended 31.03.2022	Year ended 31.03.2021
Salaries and wages	35,040	30,170
Contribution to provident and other funds	2,096	1,715
Staff welfare expenses	3,086	2,144
	<b>40,222</b>	<b>34,029</b>

### 26 FINANCE COSTS

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Interest costs:</b>		
Cash credit and overdrafts	118	248
Deposits from dealers, contractors and others	577	587
Others	564	173
	<b>1,259</b>	<b>1,008</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 27 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31.03.2022	Year ended 31.03.2021
Depreciation of property, plant and equipment	26,096	28,705
Amortisation of intangible assets	1,608	1,424
Depreciation of right-of-use assets (Refer to note 35)	161	186
	<b>27,865</b>	<b>30,315</b>

### 28 OTHER EXPENSES

	Year ended 31.03.2022	Year ended 31.03.2021
Consumption of stores (Refer to note 42)	2,089	1,674
Power and fuel [net of amount recovered ₹ 238 million (previous year ₹ 321 million)]	6,295	4,752
Rent (refer to note 35)	17,472	12,982
Repair and maintenance: plant and machinery	2,450	2,107
Repair and maintenance: building	417	245
Repair and maintenance: others	1,832	689
Insurance	528	452
Rates, taxes and fees	173	88
Royalty	30,054	32,218
Tools/machinery spares charged off	3,174	2,840
Exchange variations on transactions and translation (net)	630	-
Advertisement	6,679	5,610
Sales promotion	3,074	2,681
Warranty and product recall	2,050	1,427
Transportation and distribution expenses	31,119	23,742
Net loss on sale/discarding of property, plant and equipment	458	590
Corporate social responsibility expenses (refer note below)	1,007	1,409
Other miscellaneous expenses**	17,293	14,893
	<b>126,794</b>	<b>108,399</b>

\* Does not include any item of expenditure with a value of more than 1% of the revenue from operations

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Note on Corporate Social Responsibility

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
i) Amount required to be spent by the Company during the year	961	1,409
ii) Amount of expenditure incurred	1,007	1,409
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	Not Applicable	Not Applicable
vi) Nature of CSR activities	Community development, skill development and road safety	Community development, skill development and road safety
vii) Details of related party transactions*	20	-
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	10	-

\* (i) Represents purchasing of oxygen cylinders from Suzuki Motor Corporation to support Covid relief work.

(ii) Providing grant for procurement of tools, equipment and machineries for skill Development to International Automobile Centre of Excellence

### 29 INCOME TAXES

#### 29.1 Income tax recognised in profit or loss

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Current tax</b>		
In respect of the current year	14,392	11,665
In respect of prior years	(91)	(109)
	<b>14,301</b>	<b>11,556</b>
<b>Deferred tax</b>		
In respect of the current year	(6,230)	(2,373)
In respect of prior years	89	114
	<b>(6,141)</b>	<b>(2,259)</b>
<b>Total income tax expense recognised in the current year</b>	<b>8,160</b>	<b>9,297</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Profit before tax</b>	<b>45,823</b>	<b>51,594</b>
Tax at the Indian Tax Rate of 25.168% ( previous year 25.168%)	11,533	12,985
Differential tax rate on fair value gain on investments	898	(2,389)
Differential tax rate on capital gain on sale of investments	(4,642)	(1,767)
Effect of expenses that are not deductible in determining taxable profit	243	355
Others	130	108
	<b>8,162</b>	<b>9,292</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(2)	5
<b>Income tax expenses recognised in the statement of profit or loss</b>	<b>8,160</b>	<b>9,297</b>

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

### 29.2 Income tax recognised in other comprehensive income

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Deferred tax assets/(liabilities)</b>		
<b>Arising on income and expenses recognised in other comprehensive income</b>		
Net fair value gain on investment in equity shares at FVTOCI	(255)	14
Remeasurement of defined benefit obligation	(12)	(137)
<b>Total income tax recognised in other comprehensive income</b>	<b>(267)</b>	<b>(123)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	(267)	(123)
	<b>(267)</b>	<b>(123)</b>

### 30 SEGMENT INFORMATION

The Company is primarily in the business of manufacturing, purchase and sale of motor vehicles, components and spare parts ("automobiles"). The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing. The income from these activities is not material in financial terms but such activities contribute significantly in generating demand for the products of the Company.

The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 30.1 Entity wide disclosure

	Domestic	Overseas	Total
<b>Revenue from operations</b>			
2021-22	758,049	124,907	<b>882,956</b>
2020-21	654,900	48,425	<b>703,325</b>
<b>Non-current segment assets</b>			
As at 31.03.2022	177,117	-	<b>177,117</b>
As at 31.03.2021	168,342	-	<b>168,342</b>

- a) Domestic information includes sales and services to customers located in India.
- b) Overseas information includes sales and services rendered to customers located outside India.
- c) Non-current segment assets includes property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development, capital advances and right to use of assets.
- d) No customer individually accounted for more than 10% of the Company's revenue

### 31 EARNINGS PER SHARE

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Basic earnings per share (₹)</b>	124.68	140.02
<b>Diluted earnings per share (₹)</b>	124.68	140.02
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	37,663	42,297
Weighted average number of equity shares for the purpose of basic earning per share and diluted earning per share (numbers)	302,080,060	302,080,060

### 32 EMPLOYEE BENEFIT PLANS

The various benefits provided to employees by the Company are as under:

#### A. Defined contribution plans

- a) Superannuation fund
- b) Post employment medical assistance scheme
- c) Employers contribution to Employee State Insurance Act, 1948
- d) Employers contribution to Employee's Pension Scheme, 1995

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

	Year ended 31.03.2022	Year ended 31.03.2021
Employers contribution to Superannuation Fund *	163	127
Employers contribution on Post Employment Medical Assistance Scheme *	21	5
Employers contribution on Employee's Pension Scheme 1995 *	326	267

\* Included in contribution to provident and other funds

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### B. Defined benefit plans and other long-term benefits

- a) Contribution to Gratuity Funds - Employee's Gratuity Fund
- b) Leave encashment/compensated absence
- c) Retirement allowance
- d) Provident fund
- e) Post Retirement Medical Benefit Plan

**These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.**

#### Investment risk

The probability or likelihood of lower returns as compared to the expected return on any particular investment.

#### Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

#### Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

### The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Provident Fund*	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>As at 31.03.22</b>					
Discount rate(s)	NA	7.30%	7.30%	7.30%	7.30%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	23	23	23	23	5
<b>As at 31.03.21</b>					
Discount rate(s)	NA	6.85%	6.85%	6.85%	6.85%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	24	24	24	24	0

\* In respect of Provident Fund, Interest rate guarantee (per annum) is 8.10% (previous year 8.50%).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Components of expenses recognised in the statement of profit or loss in respect of:

	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>Year ended 31.03.22</b>					
Current service cost	995	424	425	14	51
Past service cost	-	-	-	-	124
Actuarial Loss/(gain)	-	462	-	-	-
Net interest cost/ (income) on the net defined benefit liability/ (asset)	-	300	(16)	6	7
<b>Expenses recognised in profit or loss</b>	<b>995</b>	<b>1,186</b>	<b>409</b>	<b>20</b>	<b>182</b>
<b>Year ended 31.03.21</b>					
Current service cost	861	507	389	13	1
Past service cost	-	-	-	-	-
Actuarial Loss/(gain)	-	324	-	-	-
Net interest cost/(income) on the net defined benefit liability/(asset)	-	271	56	6	9
<b>Expenses recognised in profit or loss</b>	<b>861</b>	<b>1,102</b>	<b>445</b>	<b>19</b>	<b>10</b>

### Components of expenses recognised in the other comprehensive income in respect of:

	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>Year ended 31.03.22</b>			
Actuarial (gains)/losses			
- changes in demographic assumptions	(6)	-	(15)
- changes in financial assumptions	(364)	(6)	(3)
- experience variance	217	(16)	(12)
Return on plan assets, excluding amount recognised in net interest expense	(15)	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>(168)</b>	<b>(22)</b>	<b>(30)</b>
<b>Year ended 31.03.21</b>			
Actuarial (gains)/losses			
- changes in demographic assumptions	-	-	(19)
- changes in financial assumptions	-	-	-
- experience variance	(59)	(15)	(23)
Return on plan assets, excluding amount recognised in net interest expense	(429)	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>(488)</b>	<b>(15)</b>	<b>(42)</b>
The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.			
The remeasurement of the net defined benefit liability is included in other comprehensive income			

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows

	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>As at 31.03.22</b>					
Present value of obligation	30,814	4,914	5,592	91	252
Fair value of plan assets	32,054	-	5,752	-	-
<b>Surplus/(deficit)</b>	<b>1,240</b>	<b>(4,914)</b>	<b>160</b>	<b>(91)</b>	<b>(252)</b>
Effects of asset ceiling, if any *	1,240	-	159	-	-
<b>Net asset/(liability)</b>	<b>-</b>	<b>(4,914)</b>	<b>1</b>	<b>(91)</b>	<b>(252)</b>
<b>As at 31.03.21</b>					
Present value of obligation	26,887	4,536	5,141	93	100
Fair value of plan assets	28,954	-	5,369	-	-
<b>Surplus/(deficit)</b>	<b>2,067</b>	<b>(4,536)</b>	<b>228</b>	<b>(93)</b>	<b>(100)</b>
Effects of asset ceiling, if any *	2,067	-	228	-	-
<b>Net asset/(liability)</b>	<b>-</b>	<b>(4,536)</b>	<b>-</b>	<b>(93)</b>	<b>(100)</b>

\* The Company has an obligation to make good the shortfall, if any.

Classification into long-term and short-term:

	Leave Encashment/ Compensated Absence	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>As at 31.03.22</b>			
Classified as long-term	-	88	244
Classified as short-term	4,914	3	8
<b>Total</b>	<b>4,914</b>	<b>91</b>	<b>252</b>
<b>As at 31.03.21</b>			
Classified as long-term	-	90	92
Classified as short-term	4,536	3	8
<b>Total</b>	<b>4,536</b>	<b>93</b>	<b>100</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Movement in the present value of the defined benefit obligation are as follows:

	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>Year ended 31.03.22</b>					
Present value of obligation as at the beginning	26,887	4,536	5,141	93	100
Current service cost	995	424	425	14	51
Interest expense or cost	1,887	300	352	6	7
Employees' contribution	2,611	-	-	-	-
Transfer in	492	-	-	-	-
Remeasurement (or actuarial) (gain)/loss arising from:					
- change in demographic assumptions	-	3	(6)	-	(15)
- change in financial assumptions	-	(149)	(364)	(6)	(3)
- experience variance	491	608	217	(16)	(12)
- others	-	-	-	-	-
Past service cost	-	-	-	-	124
Benefits paid	(2,549)	(808)	(173)	-	-
<b>Present value of obligation as at the end</b>	<b>30,814</b>	<b>4,914</b>	<b>5,592</b>	<b>91</b>	<b>100</b>

	Provident Fund	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>Year ended 31.03.21</b>					
Present value of obligation as at the beginning	23,048	4,096	4,676	89	132
Current service cost	861	507	389	13	1
Interest expense or cost	2,047	271	320	6	9
Employees' contribution	2,394	-	-	-	-
Transfer in	921	-	-	-	-
Remeasurement (or actuarial) (gain)/loss arising from:					
- change in demographic assumptions	-	-	-	-	(19)
- change in financial assumptions	-	-	-	-	-
- experience variance	-	324	(59)	(15)	(23)
- others	-	-	-	-	-
Past service cost	-	-	-	-	-
Benefits paid	(2,384)	(662)	(185)	-	-
<b>Present value of obligation as at the end</b>	<b>26,887</b>	<b>4,536</b>	<b>5,141</b>	<b>93</b>	<b>100</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Movement in the fair value of the plan assets are as follows:

	Provident Fund	Employees Gratuity Fund
<b>Year ended 31.03.22</b>		
<b>Fair value of plan assets at the beginning</b>	<b>28,954</b>	<b>5,369</b>
Interest income	2,030	368
Employer's contribution	995	173
Employee's contribution	2,611	-
Transfer in	492	-
Benefits paid	(2,549)	(173)
Actuarial Gain/(Loss) on Plan Assets	(479)	15
<b>Fair value of plan assets as at the end</b>	<b>32,054</b>	<b>5,752</b>
<b>Year ended 31.03.21</b>		
<b>Fair value of plan assets at the beginning</b>	<b>24,280</b>	<b>3,853</b>
Interest income	2,064	264
Employer's contribution	861	1,008
Employee's contribution	2,394	-
Transfer in	921	-
Benefits paid	(2,384)	(185)
Actuarial Gain/(Loss) on Plan Assets	818	429
<b>Fair value of plan assets as at the end</b>	<b>28,954</b>	<b>5,369</b>

### Major categories of plan assets (as percentage of total plan assets)

	Provident Fund	Employees Gratuity Fund
<b>As at 31.03.22</b>		
Government Securities (Central and State)	47%	0%
Property	1%	0%
Corporate bonds	44%	0%
Equity Mutual Funds	8%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	0%	0%
Cash and cash equivalents	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>As at 31.03.21</b>		
Government Securities (Central and State)	46%	0%
Corporate bonds	46%	0%
Equity Mutual Funds	7%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	1%	0%
Cash & cash equivalents	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The fair value of the above ULIP schemes are determined based on the Net Asset Value (NAV). Moreover, for other investments the fair value is taken as per the account statements of the insurance companies.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

The average duration of the defined benefit obligation of gratuity fund at 31.03.2022 is 14 years (as at 31.03.2021: 15 years).

The Company expects to make a contribution of ₹ 308 million (as at 31.03.2021: ₹ 200 million) to the defined benefit plans during the next financial year.

### Sensitivity analysis

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by ₹ 996 million (increase by ₹ 1,177 million) (As at 31.03.2021: decrease by ₹ 976 million (increase by ₹ 1,165 million)).

If the expected salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 1,074 million (decrease by ₹ 931 million) (As at 31.03.2021: increase by ₹ 1,079 million (decrease by ₹ 928 million)).

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## 33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 33.1 Financial instruments by category

	As at 31.03.2022				As at 31.03.2021			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
<b>Financial assets</b>								
Investments *								
- in equity instruments	-	13,296	-	13,296	-	9,827	-	9,827
- in debt mutual funds	390,543	-	-	390,543	405,705	-	-	405,705
Trade receivable	-	-	20,301	20,301	-	-	12,766	12,766
Cash and cash equivalents	-	-	320	320	-	-	323	323
Other bank balances	-	-	30,042	30,042	-	-	30,041	30,041
Loans	-	-	307	307	-	-	232	232
Security deposits	-	-	242	242	-	-	236	236
Foreign currency/commodity forward contracts	8	-	-	8	298	-	-	298
Interest accrued	-	-	87	87	-	-	86	86
Recoverable from related parties	-	-	25,410	25,410	-	-	12,540	12,540
Others	-	-	515	515	-	-	429	429
<b>Total financial assets</b>	<b>390,551</b>	<b>13,296</b>	<b>77,224</b>	<b>481,071</b>	<b>406,003</b>	<b>9,827</b>	<b>56,653</b>	<b>472,483</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2022				As at 31.03.2021			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
<b>Financial liabilities</b>								
Borrowings	-	-	3,819	3,819	-	-	4,888	4,888
Trade payables	-	-	97,610	97,610	-	-	101,617	101,617
Deposits from dealers, contractors and others	-	-	8,351	8,351	-	-	8,319	8,319
Payable to capital creditors	-	-	8,008	8,008	-	-	4,160	4,160
Interest accrued	-	-	3	3	-	-	35	35
Unpaid dividend	-	-	42	42	-	-	41	41
Book overdraft	-	-	187	187	-	-	136	136
Lease liabilities	-	-	370	370	-	-	418	418
Claims payable	-	-	3,643	3,643	-	-	-	-
Others	-	-	10	10	-	-	2	2
<b>Total financial liabilities</b>	-	-	<b>122,043</b>	<b>122,043</b>	-	-	<b>119,616</b>	<b>119,616</b>

\* Investment value excludes investment in subsidiaries of ₹ 295 million (as at 31.03.2021: ₹ 295 million); investment in joint ventures of ₹ 373 million (as at 31.03.2021: ₹ 373 million) and investment in associates of ₹ 3,126 million (as at 31.03.2021: ₹ 1,667 million) which are shown at cost in balance sheet as per Ind AS 27: Separate Financial Statements.

### Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31.03.2022	Notes No.	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	370,743	19,800	-	<b>390,543</b>
Foreign currency/commodity forward contracts	9	-	8	-	<b>8</b>
Financial instruments at FVTOCI					
Quoted equity instruments	6	12,636	-	-	<b>12,636</b>
Unquoted equity instruments	6	-	-	660	<b>660</b>
<b>Total financial assets</b>		<b>383,379</b>	<b>19,808</b>	<b>660</b>	<b>403,847</b>

As at 31.03.2021	Notes No.	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	369,073	36,632	-	<b>405,705</b>
Foreign currency/commodity forward contracts	9	-	298	-	<b>298</b>
Financial instruments at FVTOCI					
Quoted equity instruments	6	9,510	-	-	<b>9,510</b>
Unquoted equity instruments	6	-	-	317	<b>317</b>
<b>Total financial assets</b>		<b>378,583</b>	<b>36,930</b>	<b>317</b>	<b>415,830</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

**Level 1:** Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

**Level 2:** Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

**Level 3:** Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

### Reconciliation of Level 3 fair value measurement

	Unlisted equity instruments
<b>As at 01.04.2020</b>	<b>368</b>
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	(51)
<b>As at 31.03.2021</b>	<b>317</b>
Acquisition	300
Gains/(losses) recognised	
- in other comprehensive income	43
<b>As at 31.03.2022</b>	<b>660</b>

### 33.2 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Business commitment and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Foreign exchange derivatives
Market risk - security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

The financial risk management of the Company is carried out under the policies approved by the Board of Directors. Within these policies, the Board provides written principles for overall risk management including policies covering specific areas, such as foreign exchange risk management, commodity risk management and investment of funds.

### (A) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables, loans and advances and derivative instruments. None of the financial instruments of the Company results in material concentration of credit risks.

#### Financial assets for which loss allowance is measured:

	Notes No.	As at 31.03.2022	As at 31.03.2021
Loans – non-current	7	125	125
Trade receivables	8	27	27
Other financial assets – current	9	28	28

Other than financial assets mentioned above, none of the financial assets were impaired and there were no indications that defaults in payment obligations would occur.

### (B) Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

The Company operates with a low Debt Equity ratio. The Company raises short-term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Company has access to the borrowing facilities of INR 49,700 million as at 31.03.2022 (INR 43,450 million as at 31.03.2021) to honour any liquidity requirements arising for business needs. The Company has large investments in debt mutual funds which can be redeemed on a very short notice and hence carries negligible liquidity risk.

### (i) Financing arrangements

The Company had access to the following borrowing facilities at the end of the reporting period:

	As at 31.03.2022	As at 31.03.2021
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	49,700	43,450
- Expiring beyond one year (bank loans)	-	-
	49,700	43,450

### (ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2022</b>			
Borrowings	3,819	-	3,819
Trade payables	97,610	-	97,610
Lease Liabilities	68	302	370
Other financial liabilities	20,244	-	20,244
	121,741	302	122,043
<b>As at March 31, 2021</b>			
Borrowings	4,888	-	4,888
Trade payables	101,617	-	101,617
Lease Liabilities	65	353	418
Other financial liabilities	12,693	-	12,693
	119,263	353	119,616

### (C) Market risk

#### (i) Foreign currency risk

The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Company enters into derivative financial instruments to mitigate the foreign currency risk.

- forward foreign exchange and options contracts for foreign currency risk mitigation

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Foreign currency risk exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of year expressed in ₹, are as follows:

	JPY	USD	EURO	GBP	(in million) SGD
<b>As at March 31, 2022</b>					
<b>Financial assets</b>					
Trade receivables and other financial assets	11,872	3,981	369	-	-
Foreign exchange derivative contracts	-	-	-	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>11,872</b>	<b>3,981</b>	<b>369</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade payables and other financial liabilities	4,510	2,287	682	14	-
Foreign exchange derivative contracts	(2,509)	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>2,001</b>	<b>2,287</b>	<b>682</b>	<b>14</b>	<b>-</b>
<b>As at March 31, 2021</b>					
<b>Financial assets</b>					
Trade receivables and other financial assets	2,868	1,488	91	-	-
Foreign exchange derivative contracts	-	-	-	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>2,868</b>	<b>1,488</b>	<b>91</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade payables and other financial liabilities	12,390	2,875	1,535	11	1
Foreign exchange derivative contracts	(3,797)	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>8,593</b>	<b>2,875</b>	<b>1,535</b>	<b>11</b>	<b>1</b>

### Foreign currency sensitivity analysis

The Company is mainly exposed to JPY, USD and EURO.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

	Year ended 31.03.2022		Year ended 31.03.2021	
	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%
<b>Impact on profit or loss for the year</b>				
JPY impact	(736)	736	952	(952)
USD Impact	(169)	169	139	(139)
EURO Impact	31	(31)	144	(144)

### (ii) Security price risk

#### Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher/lower:

Other comprehensive income for the year ended 31<sup>st</sup> March 2022 would increase/decrease by INR 665 million (for the year ended 31<sup>st</sup> March 2021: increase/decrease by INR 491 million) as a result of the change in fair value of equity investment measured at FVTOCI.

### Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

#### Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period.

If NAV has been 1% higher/lower:

Profit for year ended 31.03.2022 would increase/decrease by ₹ 3,905 million (for the year ended 31.03.2021 by ₹ 4,057 million) as a result of the changes in fair value of mutual fund investments.

### 33.3 Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company has large investments in debt mutual fund schemes wherein underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings. The credit quality of the entire portfolio investments is monitored on a quarterly basis. The Company's overall strategy remains unchanged from previous year.

The following table provides detail of the debt and equity at the end of the reporting period:

	As at 31.03.2022	As at 31.03.2021
Borrowings	3,819	4,888
Cash and cash equivalents	(320)	(323)
Net debt	3,499	4,565
<b>Total equity</b>	<b>540,860</b>	<b>513,668</b>
Net debt to equity ratio	0.006	0.009

The Company is not subject to any externally imposed capital requirements.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 33.4 Foreign exchange derivative contracts

The Company follows a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Company may keep the exposures unhedged or hedged only as a part of the total exposure.

The Company does not enter into a foreign exchange derivative transactions for speculative purposes.

## 34 Related Party Transactions for the year ended 31<sup>st</sup> March, 2022

### 34.1 Description of related parties

Holding Company	Associates
Suzuki Motor Corporation, Japan (SMC)	Bharat Seats Limited
	Caparo Maruti Limited
	Jay Bharat Maruti Limited
	Krishna Maruti Limited
	Machino Plastics Limited
	SKH Metals Limited
	Nippon Thermostat (India) Limited
	Bellsonica Auto Component India Private Limited
	Marelli Powertrain India Private Limited (Formerly known as Magneti Marelli Powertrain India Private Limited)
	Plastic Omnium Auto Inergy Manufacturing India Private Limited
	Maruti Suzuki Toyotsu India Private Limited
<b>Contribution to Post Retirement Benefit Plans</b>	
Maruti Suzuki India Limited – Employees Group Gratuity Fund	Manesar Steel Processing India Private Limited
Maruti Suzuki India Limited – Employees Provident Fund Trust	Hanon Climate Systems India Private Limited
Maruti Suzuki India Limited – Employees Superannuation Fund	Bahucharaji Rail Corporation Limited
<b>Fellow Subsidiaries (only with whom the Company had transactions during the current period)</b>	
Magyar Suzuki Corporation Ltd.	Taiwan Suzuki Automobile Corporation
Suzuki Motor Gujarat Private Limited	Suzuki Motor (Thailand) Co., Ltd.
	Suzuki Thilawa Motor Co. Ltd.
Suzuki Motor de Mexico, S.A. de C.V.	Suzuki Motorcycle India Private Ltd.
Vietnam Suzuki Corporation	Thai Suzuki Motor Co., Ltd.
Suzuki International Europe G.m.b.H.	Suzuki (Myanmar) Motor Co., Ltd.
Suzuki Australia Pty. Ltd.	Suzuki New Zealand Ltd.
Suzuki GB PLC	PT. Suzuki Indomobil Motor
Suzuki Auto South Africa (Pty) Ltd.	TDS Lithium-Ion Battery Gujarat Private Limited (Formerly known as Automotive Electronics Power Private Limited)
Suzuki Philippines Inc.	
Suzuki Italia S.P.A.	
<b>Key Management Personnel (KMP)</b>	
Mr. R. C. Bhargava	Chairman
Mr. Kenichi Ayukawa	Managing Director & CEO (till March 31, 2022)
Mr. O. Suzuki	Director
Mr. T. Suzuki	Director
Mr. Takahiko Hashimoto	Director (till April 27, 2021)
Mr. Shigetoshi Torii	Director (w.e.f. April 28, 2021)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## Mr. Kenichiro Toyofuku

Director

## Mr. Hisashi Takeuchi

Director (w.e.f. April 28, 2021)

## Mr. K. Saito

Director

## Mr. Davinder Singh Brar

Independent Director

## Mr. Rajinder Pal Singh

Independent Director

## Ms. Lira Goswami

Independent Director

## Mr. Maheswar Sahu

Independent Director

## Mr. Ajay Seth

Chief Financial Officer

## Mr. Sanjeev Grover

Company Secretary

## 34.2 Transactions with related parties

	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Sale of goods to:</b>		
- Holding Company, Suzuki Motor Corporation	52,272	17,767
- Subsidiaries	304	237
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Ltd.	11,915	9,162
- Others	7,600	3,917
	<b>72,091</b>	<b>30,723</b>
<b>Investment in equity shares of joint venture/ associate/ subsidiary company</b>		
<b>Purchase of goods from:</b>		
- Holding Company, Suzuki Motor Corporation	21,068	13,214
- Associates	79,263	63,020
- Joint Ventures	2,659	3,238
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	212,100	139,738
- Others	488	287
	<b>315,578</b>	<b>219,497</b>
<b>Purchase of property, plant &amp; equipment and intangible assets &amp; intangible assets under development from:</b>		
- Holding Company, Suzuki Motor Corporation	2,880	5,034
- Associates	1,993	1,366
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	17	88
- Joint Ventures, Marelli Powertrain India Private Limited	-	43
	<b>4,890</b>	<b>6,531</b>
<b>Finance income/ commission/ dividend from:</b>		
- Associates		
- Hanon Climate Systems India Private Limited	80	81
- Krishna Maruti Limited	54	-
- Others	19	11
- Joint Ventures		
- Marelli Powertrain India Private Limited	317	-
- Plastic Omnium Auto Inergy Manufacturing India Private Limited	20	12
	<b>490</b>	<b>104</b>
<b>Other operating revenue/other income from:</b>		
- Holding Company, Suzuki Motor Corporation	4,574	3,121
- Associates	63	62
- Joint Ventures	10	10
- Fellow Subsidiaries	218	209
	<b>4,865</b>	<b>3,402</b>

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ million, unless otherwise stated)

	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Recovery of expenses from:</b>		
- Holding Company, Suzuki Motor Corporation	9,526	3,253
- Subsidiaries	1	2
- Associates	407	203
- Joint Ventures	51	34
- Fellow Subsidiaries		
-Suzuki Motor Gujarat Private Limited	8,907	9,746
- Others	34	31
	<b>18,926</b>	<b>13,269</b>
<b>Services received from:</b>		
- Holding Company, Suzuki Motor Corporation	2,875	2,046
- Associates	1	4
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	-	5
	<b>2,876</b>	<b>2,055</b>
<b>Dividend paid to:</b>		
- Holding Company, Suzuki Motor Corporation	7,663	10,200
	<b>7,663</b>	<b>10,200</b>
<b>Royalty expenses:</b>		
- Holding Company, Suzuki Motor Corporation	30,054	32,218
	<b>30,054</b>	<b>32,218</b>
<b>Other expenses:</b>		
- Holding Company, Suzuki Motor Corporation	260	426
- Subsidiaries	217	156
- Associates	17	24
- Joint Ventures	37	-
- Fellow Subsidiaries		
-Suzuki Motor Gujarat Private Limited	17,255	12,726
- Others	34	35
	<b>17,820</b>	<b>13,367</b>
<hr/>		
	As at 31.03.2022	As at 31.03.2021
<b>Trade Receivables:</b>		
- Holding Company, Suzuki Motor Corporation	4,162	1,311
- Subsidiaries	-	2
- Associates	-	58
- Fellow Subsidiaries		
-Suzuki Motorcycle India Private Ltd.	1,896	1,489
-Suzuki Motor Gujarat Private Limited	468	346
- Others	874	197
	<b>7,400</b>	<b>3,403</b>
<b>Other current assets:</b>		
- Holding Company, Suzuki Motor Corporation	-	71
- Associates	1	13
- Fellow Subsidiaries		
-Suzuki Motor Gujarat Private Limited	1,813	79
	<b>1,814</b>	<b>163</b>
<b>Other financial assets:</b>		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
- Holding Company, Suzuki Motor Corporation	18,529	2,618
- Associates	240	176
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	6,343	9,699
- Others	298	47
	<b>25,410</b>	<b>12,540</b>
<b>Other non-current assets:</b>		
- Subsidiaries	1	-
- Associates		
- Bellsonica Auto Component India Private Limited	548	344
- Jay Bharat Maruti Limited	374	250
- SKH Metals Limited	240	44
- Bharat Seats Limited	282	1
- Others	205	160
	<b>1,650</b>	<b>799</b>
<b>Goods in transit:</b>		
- Holding Company, Suzuki Motor Corporation	3,172	2,367
- Associates	1	2
- Fellow Subsidiaries	8	23
	<b>3,181</b>	<b>2,392</b>
<b>Trade payable:</b>		
- Holding Company, Suzuki Motor Corporation	18,003	18,855
- Subsidiaries	-	8
- Associates	6,250	10,443
- Joint Ventures	374	303
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	15,043	8,156
- Others	492	40
	<b>40,162</b>	<b>37,805</b>
<b>Other financial liabilities</b>		
- Holding Company, Suzuki Motor Corporation	496	197
- Associates		
- Jay Bharat Maruti Limited	75	25
- Krishna Maruti Limited	145	18
- SKH Metals Limited	150	2
- Caparo Maruti Limited	90	2
- Bahucharaji Rail Corporation Limited	137	-
- Others	101	17
- Joint Ventures, Marelli Powertrain India Private Limited	-	1
- Fellow Subsidiaries, Suzuki Motorcycle India Private Ltd.	-	21
	<b>1,194</b>	<b>283</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 34.3 Key management personnel compensation

	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Key management personnel compensation</b>		
Short-term benefits	227	171
Post-employment benefits	-	-
Other long-term benefits	-	-
<b>Total Compensation</b>	<b>227</b>	<b>171</b>
Mr. Kenichi Ayukawa	42	42
Mr. Ajay Seth	28	28
Mr. Sanjeev Grover	9	8
Mr. Shigetoshi Torii	40	-
Mr. Hisashi Takeuchi	40	-
Mr. Kenichiro Toyofuku	28	31
Mr. Takahiko Hashimoto	-	29
Others	42	33
<b>Total Compensation</b>	<b>227</b>	<b>171</b>
Contribution to Post Retirement Benefit Plans		
Maruti Suzuki India Limited – Employees Group Gratuity Fund	409	445
Maruti Suzuki India Limited – Employees Provident Fund Trust	996	861
Maruti Suzuki India Limited – Employees Superannuation Fund	163	127
	<b>1,568</b>	<b>1,433</b>

### 35 Leases

#### The Company as a Lessee

The Company's leases primarily consists of leases for land and buildings. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term. In a case where the Company has purchase option, the option is exercisable at nominal value and the Company's obligations are secured by the lessor's title to the leased assets for such leases.

#### (i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:

	As at 31.03.2022	As at 31.03.2021
<b>Right-of-use assets</b>		
Land*	5,370	5,458
Buildings	309	359
<b>Total</b>	<b>5,679</b>	<b>5,817</b>

There were additions of ₹ 24 million to the Right-of-use asset during the year.

\*Right-of-use assets includes leasehold land having carrying value of ₹ 7 million (as at 31.03.2021 ₹ 7 million) for which lease deed is yet to be executed in the name of the Company.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
<b>Lease liabilities</b>		
Current	68	65
Non-Current	302	353
<b>Total</b>	<b>370</b>	<b>418</b>
<b>Maturity analysis of lease liabilities</b>		
Within one year	68	65
Later than one year but less than five years	227	211
Later than five years	75	142
	<b>370</b>	<b>418</b>
<b>(ii) Amounts recognised in the Statement of Profit and Loss</b>		
The statement of profit and loss shows the following amounts relating to leases:		
<b>Depreciation charge of right-of-use assets</b>		
Land	27	93
Buildings	27	68
<b>Total</b>	<b>161</b>	<b>186</b>
<b>Interest expense on lease liabilities (included in finance cost)</b>	26	38
<b>Expense relating to short-term and low value leases (included in other expense)</b>	28	204
<b>Income from subleasing right-of-use assets (included in other operating revenue)</b>	22	-
		<b>38</b>
The total cash outflow for leases for the year ended 31 March, 2022 were ₹ 109 million (previous year ₹ 136 million).		
<b>(iii) Extension and termination option</b>		
Extension and termination options are included in various property and equipment leases executed by the Company. These are used to maximise operational flexibility in terms of managing the assets used in company's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.		
<b>The Company as a Lessor</b>		
<b>Leasing arrangements</b>		
The Company has entered into operating lease arrangements for various land and premises. These arrangements are cancellable in nature and range between three to fifteen years. Lease rental income earned by the Company is set out in Note 22 as 'Rental income'.		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 36 CAPITAL & OTHER COMMITMENTS

	As at 31.03.2022	As at 31.03.2021
Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for	35,606	32,132
Outstanding commitments under Letters of Credit established by the Company	472	1,700

### 37 CONTINGENT LIABILITIES

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

	As at 31.03.2022	As at 31.03.2021
<b>(i) Excise Duty</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals and show cause notices/orders on the same issues for other periods	1,635	1,631
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	15,482	14,954
<b>Total</b>	<b>17,117</b>	<b>16,585</b>
Amount deposited under protest	1,696	1,696
<b>(ii) Goods &amp; Services Tax</b>		
(a) Cases pending before High Court of Rajasthan in respect of which the Company has filed writ	10	10
<b>(iii) Service Tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals and show cause notices/orders on the same issues for other periods	1,769	1,138
(b) Cases pending before Appellate authorities in respect of which the Company has filed appeals and show cause notices for other periods	3,373	3,694
<b>Total</b>	<b>5,142</b>	<b>4,832</b>
Amount deposited under protest	93	92
<b>(iv) Income Tax</b>		
(a) Cases decided in the Company's favour by Appellate authorities and for which the department has filed further appeals	12,255	12,319
(b) Cases pertaining to issues decided in favour of the Company for an earlier year but the Income Tax Department have raised a demand for a similar issue for subsequent years and are pending before Appellate authorities/Dispute Resolution Panel pursuant to appeals filed by the Company	65,457	44,801
(c) Other cases pending before Appellate authorities/Dispute Resolution Panel in appeals filed by the Company	68,154	41,414
<b>Total</b>	<b>145,866</b>	<b>98,534</b>
Amount deposited under protest	8,287	7,279
<b>(v) Customs Duty</b>		
(a) Cases pending before Appellate authorities in respect of which the Company has filed appeals	1,987	1,265
(b) Others	90	81

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
<b>Total</b>		
Amount deposited under protest	-	-
<b>(vi) Sales Tax</b>		
Cases pending before Appellate authorities in respect of which the Company has filed appeals	31	31
Amount deposited under protest	1	1
<b>(vi) Claims</b>		
Claims against the Company lodged by various parties	1,372	1,289
Others	3,588	2,878

(vii) In respect of disputed Local Area Development Tax (LADT) (up to 15<sup>th</sup> April 2008)/Entry Tax, the amounts under dispute are ₹ 21 million (as at 31.03.2021: ₹ 21 million) for LADT and ₹ 20 million (as at 31.03.2021: ₹ 20 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from 16<sup>th</sup> April 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date. After implementation of Goods & Services Act in 2017, Entry Tax Act in Haryana was repealed.

(viii) (a) The Competition Commission of India ("CCI") had passed an order dated 25<sup>th</sup> August 2014 stating that the Company has violated certain sections of the Competition Act, 2002 for not making diagnostic tools and genuine spare parts freely available in the open market and has imposed a penalty of ₹ 4,712 million. The Delhi High Court, on 16<sup>th</sup> May 2019, disposed the Company's petition stating that the Company had alternative remedies available. Thereafter, Company filed a Special Leave Petition before the Supreme Court of India, wherein an interim stay on the CCI's order was granted on July 1, 2019 and the stay is continuing.

(ix) The Hon'ble Supreme Court in a ruling during the previous year, had passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company for the previous periods, if any, cannot be ascertained. Currently, the Company has started providing for the revised liability w.e.f. from 1 April, 2019.

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

38 The Company entered into a 'Contract Manufacturing Agreement' (CMA) with Suzuki Motor Gujarat Private Limited (SMG), a fellow subsidiary of Suzuki Motor Corporation (SMC) on December 17, 2015. In accordance with the contractual terms, SMG during the term of this agreement, shall manufacture and supply vehicles on an exclusive basis to MSIL. The consideration for the arrangement would be cost incurred by SMG to manufacture the cars which will be charged to the Company on no-profit-no-loss basis.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

The Company evaluated the CMA arrangement in accordance with guidance provided in Ind AS 116 and concluded that the specified assets and right to use the same are implied in the agreement. The Company also evaluated the contractual rights and obligations including relating to pricing, termination and renewal and concluded that a reasonable certainty, as defined by Ind AS 116, does not exist across the lease period. Accordingly no right-of-use assets or lease liability has been recognised on account of the given arrangement.

The payments made towards cost of purchase of vehicles recorded during the year includes ₹ 17,251 million (previous year ₹ 12,718 million) towards a component of lease payment for specified assets (Written Down value of specified assets as on March 31, 2022 is ₹ 111,841 million (Previous year ₹ 73,203 million)), as per the information provided by SMG.

### 39 AUDITORS' REMUNERATION \*

	As at 31.03.2022	As at 31.03.2021
Statutory audit	19	18
Taxation matters	10	8
Other audit services/certification	3	2

\* excluding GST.

### 40 DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31.03.2022	Year ended 31.03.2021
Revenue expenditure		
Employees remuneration and benefits	3,473	3,629
Other expenses of manufacturing and administration	3,014	3,013
Capital expenditure	2,232	2,701
Less: Contract research income	(4,486)	(3,084)
	<b>4,233</b>	<b>6,259</b>

### 41 CIF VALUE OF IMPORTS

	Year ended 31.03.2022	Year ended 31.03.2021
Raw materials and components	40,011	28,750
Capital goods	8,030	6,721
Stores and spares	749	913
Dies and moulds	120	132
Others	324	343

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 42 VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED

	Year ended 31.03.2022	Year ended 31.03.2021
<b>i) Raw material and components</b>		
Imported	29,713	20,960
Indigenous	367,674	312,009
	<b>397,387</b>	<b>332,969</b>
<b>Percentage of total consumption</b>		
Imported	7%	6%
Indigenous	93%	94%
<b>ii) Machinery spares</b>		
Imported	373	310
Indigenous	1,867	1,595
	<b>2,240</b>	<b>1,905</b>
<b>Percentage of total consumption</b>		
Imported	17%	16%
Indigenous	83%	84%
<b>iii) Consumption of stores</b>		
Imported	196	167
Indigenous	1,893	1,507
	<b>2,089</b>	<b>1,674</b>
<b>Percentage of total consumption</b>		
Imported	9%	10%
Indigenous	91%	90%

### 43 LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

Product	Units	Licensed Capacity	Installed Capacity **	Actual Production
Passenger Car and Light Duty Utility Vehicles	Nos.	-	1,300,000	1,116,908

#### Notes:

\* Licensed capacity is not applicable from 1993-94.

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

Previous year figures are in bracket.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 44 SALES, OPENING STOCK AND CLOSING STOCK

Product	Sales		Opening Stock		Closing Stock	
	Qty. (Nos.)	Value	Qty. (Nos.)	Value	Qty. (Nos.)	Value
Passenger Vehicles	1,652,653	737,912	15,423	6,815	14,050	6,418
	(1,457,861)	(590,059)	(29,710)	(10,088)	(15,423)	(6,815)
Spare Parts and Components	*	99,217	*	3,913	*	4,413
	*	(75,277)	*	(3,636)	*	(3,913)
Dies, Moulds and Others	*	852	*	-	*	-
	*	(285)	*	-	*	-
Work-in-progress	*	NA	*	1,483	*	2,299
	*	(NA)	*	(1,218)	*	(1,483)

**Notes:**

- Traded goods comprise vehicle, spares, components, dies and moulds. During the year 536,445 vehicle (previous year 368,526 vehicle) was purchased.
- Closing stock of vehicles is after adjustment of 74 vehicles (previous year 42 vehicles) totally damaged.
- Sales quantity excludes own use vehicles 1,978 Nos. (previous year 425 Nos.)
- Sales quantity excludes sample vehicles 21 Nos. (previous year 15 Nos.)
- Previous year figures are in bracket.

\* 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.

### 45 STATEMENT OF RAW MATERIAL AND COMPONENTS CONSUMED

Group of material	Unit	2021-22		2020-21	
		Qty.	Amount	Qty.	Amount
Steel coils	MT	202,668	16,601	182,112	10,392
Ferrous castings	MT	18,425	3,032	17,858	2,368
Non-ferrous castings	MT	35,685	7,193	33,052	4,917
Other components		*	367,519	*	312,532
Paints	K.LTR	9,753	9,036	8,208	2,760
	MT	8,788	3,042	8,208	2,760
		397,387		332,969	

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

### 46 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	Current year	Previous year	Variance
Current Ratio	Current Assets	Current Liabilities	1.0	1.1	-11.6%
Debt Service Coverage Ratio	Earnings available for Debt Service**	Debt Service**	50.6	66.9	-24.4%
Return on Equity Ratio	Net Profits After Taxes	Average Shareholder's Equity	7.2%	8.5%	-1.3%
Inventory Turnover Ratio	Sale of products	Average Inventory	25.5	21.2	19.8%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Particulars	Numerator	Denominator	Current year	Previous year	Variance
Trade Receivables Turnover Ratio	Sale of products	Average Trade Receivable	50.7	42.3	19.8%
Trade Payables Turnover Ratio	Purchases^	Average Trade Payables	6.7	5.7	16.3%
Net Capital Turnover Ratio #	Sale of products	Working Capital	(360.4)	35.4	-1118.2%
Net Profit Ratio	Net Profit	Sale of products	4.5%	6.4%	-1.9%
Return on Capital Employed	Earning before interest and taxes	Capital Employed^^	8.9%	10.4%	-1.5%
<b>Return on Investment on:</b>					
Investment in subsidiaries/ associates and joint ventures	Income generated from investments	Average value of investments (at cost)	20.6%	6.0%	14.6%
Quoted equity instruments ##	Income generated from investments	Average market value of investments	33.2%	101.0%	-67.8%
Unquoted equity instruments	Income generated from investments	Average fair market value of investments	7.0%	-13.9%	20.9%
Debt mutual funds	Income generated from investments	Average fair market value of investments	4.3%	7.6%	-3.3%

\*Net profit after taxes + non-cash operating expenses + interest + loss on sale of fixed assets.

\*\*Interest and lease payments.

^Purchases of raw materials and Stock-in-trade.

^^Total equity + borrowings - cash and cash equivalents + deferred tax liabilities.

**Reasons for variances**

# Higher investment in long-term open ended debt schemes which is in line with investment strategy of the Company.

## Lower appreciation on quoted equity instruments.

47 The figures of previous year have been re-grouped, wherever necessary, to conform to the current year classification.

48 The financial statements were approved by the Board of Directors and authorised for issue on April 29, 2022.

For and on behalf of the Board of Directors

**HISASHI TAKEUCHI**  
Managing Director & CEO  
DIN: 07806180

**KENICHI AYUKAWA**  
Executive Vice Chairman  
DIN: 02262755

**AJAY SETH**  
Chief Financial Officer

**SANJEEV GROVER**  
Executive Vice President & Company Secretary  
ICSI Membership No: F3788

Place: New Delhi  
Date: April 29, 2022

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARUTI SUZUKI INDIA LIMITED

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **MARUTI SUZUKI INDIA LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit, their consolidated total

comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Evaluation of uncertain tax positions relating to Income tax and Excise duty</b>  The Group has material uncertain tax positions including matters under disputes relating to Income tax. Further, the Group has matters under litigation relating to Excise duty. These matters involve significant management judgement to determine the possible outcome of disputes.  Refer note 2.5 and 39 (i) and (iv) of the financial statements	<b>Principal audit procedures performed:</b> a) We evaluated the design and implementation of internal controls and tested the operating effectiveness of controls for estimation of the amount of financial impact and outcome of Income Tax and Excise duty litigations and claims and consequent recording /disclosure in the financial statements.  b) We obtained details of Income tax and Excise duty assessment orders and management's evaluation of those assessment orders and performed the following procedures: - We verified the arithmetical accuracy of the computation prepared by management based on Income Tax and Excise Orders received to determine the financial impact of the matters under dispute and consequent recording/disclosure in the financial statements - We involved our tax specialists to challenge the management's underlying assumptions in estimating the financial impact and the possible outcome of the litigations and disputes after considering the legal precedence and other rulings.  We assessed the accounting principles applied by the Company to measure and disclose the financial impact of these litigations in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India.

## Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

(a) We did not audit the financial statements of 2 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 582 million as at 31<sup>st</sup> March, 2022, total revenues of ₹ 865 million and net cash outflows amounting to ₹ 54 million for the year ended on that date, as considered in the consolidated financial statements. The Consolidated financial statements also includes the Group's share of profit after tax of ₹ 710 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 1 associate whose financial statements has 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit of ₹ 909 million for the year ended 31<sup>st</sup> March 2022, as considered in the consolidated financial statements, in respect of 13 associates and 3 joint ventures, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

- As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information

of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and 1 associate company incorporated in India, none of the directors of the Group companies and 1 associate company incorporated in India is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the

remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer to note 39 to consolidated financial statements;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India – Refer to note 17 to consolidated financial statements.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) As stated in note 14.5 to the consolidated financial statements:
- The final dividend proposed in the previous year, declared and paid by the Parent/ Holding Company during the year is in accordance with section 123 of the Act, as applicable.
  - The Board of Directors of the Parent/ Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements. Further, in respect of the following companies included in the consolidated financial statements, whose audit under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those companies are not available and consequently have not been provided to us as on the date of this audit report:

Name of the Company	CIN	Nature of relation
Plastic Omnium Auto Inergy Manufacturing India Private Limited	U35914HR2010PTC040501	Joint Venture
Marelli Powertrain India Private Limited	U40300HR2007PTC046166	Joint Venture
Maruti Suzuki Toyotsu India Private Limited	U37100DL2019PTC356516	Joint Venture
Bharat Seats Limited	L34300DL1986PLC023540	Associate
Jay Bharat Maruti Limited	L29130DL1987PLC027342	Associate
Machino Plastics Limited	L25209HR2003PLC035034	Associate
Caparo Maruti Limited	U74899DL1994PLC058269	Associate
Hanon Climate Systems India Private Limited	U34300DL1991PTC046656	Associate
Krishna Maruti Limited	U34300HR1991PLC032012	Associate
SKH Metals Limited	U74130HR1986PLC023655	Associate
Nippon Thermostat (India) Limited	U29309TN1994PLC027555	Associate
Mark Exhaust Systems Limited	U32204DL1993PLC055905	Associate
Bellsonica Auto Component India Private Limited	U35923HR2006FTC036301	Associate
FMI Automotive Components Private Limited	U34201HR2007PTC056640	Associate
Manesar Steel Processing India Private Limited	U27205HR2010PTC041264	Associate
Bahucharaji Rail Corporation Limited	U45101GJ2018SGC105602	Associate

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

Jitendra Agarwal  
Partner  
(Membership No. 87104)  
(UDIN: 22087104AIBDVS2729)

Place: New Delhi  
Date: 29 April 2022

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2022, we have audited the internal financial controls over financial reporting of **MARUTI SUZUKI INDIA LIMITED** (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the criteria for internal financial control over financial reporting established by the respective companies

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

#### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies and 1 associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

Jitendra Agarwal  
Partner  
(Membership No. 87104)  
(UDIN: 22087104AIBDVS2729)

Place: New Delhi  
Date: 29 April 2022

## CONSOLIDATED BALANCE SHEET

As at March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	312-315	128,261	141,785
Capital work-in-progress	4	312-315	26,462	11,993
Intangible assets	5	316-317	3,499	2,242
Intangible assets under development	5	316-317	2,903	2,975
Right-of-use assets	37	362	5,712	5,860
Financial assets				
Investments	6	317-320	379,346	345,291
Loans	7	321	2	2
Other financial assets	9	322	375	369
Non-current tax assets (net)	22	335	5,446	5,407
Deferred tax assets	19	332-333	1,411	-
Other non-current assets	12	324	25,204	16,867
<b>Total non-current assets</b>			<b>578,621</b>	<b>532,791</b>
<b>Current assets</b>				
Inventories	10	323	35,323	30,490
Financial assets				
Investments	6	317-320	41,001	84,157
Trade receivables	8	321-322	20,345	12,799
Cash and cash equivalents	11.1	323	351	408
Other bank balances	11.2	324	30,071	30,063
Loans	7	321	305	230
Other financial assets	9	322	25,930	13,242
Other current assets	12	324	14,608	9,581
<b>Total current assets</b>			<b>167,934</b>	<b>180,970</b>
<b>Total Assets</b>			<b>746,555</b>	<b>713,761</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	325	1,510	1,510
Other equity	14	326-328	551,825	523,496
<b>Equity attributable to owners of the Company</b>			<b>553,335</b>	<b>525,006</b>
Non-controlling interest	15	328-329	-	-
<b>Total equity</b>			<b>553,335</b>	<b>525,006</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	16	330	-	28
Lease liabilities	37	362	329	392
Provisions	18	331-332	844	447
Deferred tax liabilities (net)	19	332-333	-	4,454
Other non-current liabilities	20	333	21,812	21,295
<b>Total non-current liabilities</b>			<b>22,985</b>	<b>26,616</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	16	330	3,819	4,888
Trade payables				
Total outstanding dues of micro and small enterprises	21	334-335	1,087	698
Total outstanding dues of creditors other than micro and small enterprises	21	334-335	96,565	100,983
Lease liabilities	37	362	80	74
Other financial liabilities	17	330	20,272	12,720
Provisions	18	331-332	8,613	7,428
Current tax liabilities (net)	22	335	11,113	8,547
Other current liabilities	20	333	28,686	26,801
<b>Total current liabilities</b>			<b>170,235</b>	<b>162,139</b>
<b>Total Liabilities</b>			<b>193,220</b>	<b>188,755</b>
<b>Total Equity and Liabilities</b>			<b>746,555</b>	<b>713,761</b>

The accompanying notes are forming part of these Consolidated financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

JITENDRA AGARWAL  
Partner

HISASHI TAKEUCHI  
Managing Director & CEO  
DIN : 07806180

AJAY SETH  
Chief Financial Officer

KENICHI AYUKAWA  
Executive Vice Chairman  
DIN : 02262755

SANJEEV GROVER  
Executive Vice President  
& Company Secretary  
ICSI Membership No : F3788

Place: New Delhi  
Date: April 29, 2022

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>I Revenue from operations</b>	23	335-336	<b>883,298</b>	<b>703,720</b>
<b>II Other income</b>	24	336	17,447	29,363
<b>III Total Income (I+II)</b>			<b>900,745</b>	<b>733,083</b>
<b>IV Expenses</b>				
Cost of materials consumed	25.1	336	397,396	332,964
Purchases of stock-in-trade			263,975	172,541
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25.2	337	(931)	2,736
Employee benefits expenses	26	337	40,514	34,316
Finance costs	27	337	1,266	1,018
Depreciation and amortisation expense	28	338	27,890	30,341
Other expenses	29	338-339	126,727	108,375
Vehicles / dies for own use			(1,445)	(728)
<b>Total expenses (IV)</b>			<b>855,392</b>	<b>681,563</b>
<b>V Share of profit of associates</b>			1,464	1,588
<b>VI Share of profit of joint ventures</b>			155	102
<b>VII Profit before tax (III - IV + V + VI)</b>			<b>46,972</b>	<b>53,210</b>
<b>VIII Tax expense</b>				
Current tax	30	339-340	14,310	11,562
Deferred tax	30	339-340	(6,133)	(2,243)
<b>XIX Profit for the year (VII - VIII)</b>			<b>38,795</b>	<b>43,891</b>
<b>X Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss				
(a) gain / (loss) of defined benefit obligation	14.5	327	223	545
(b) gain / (loss) on change in fair value of equity instruments	14.6	327	3,170	4,704
(c) gain / (loss) on share of other comprehensive income in associates and joint ventures			4	10
(ii) Income tax relating to items that will not be reclassified to profit or loss	30	339-340	(268)	(123)
<b>Total Other Comprehensive Income (i+ii)</b>			<b>3,129</b>	<b>5,136</b>
<b>XI Total Comprehensive Income for the year (IX + X)</b>			<b>41,924</b>	<b>49,027</b>
<b>Profit for the year attributed to:</b>				
Owners of the Company			38,795	43,891
Non-controlling interest			-	-
<b>Other comprehensive income for the year attributable to:</b>			<b>38,795</b>	<b>43,891</b>
Owners of the Company			3,129	5,136
Non-controlling interest			-	-
<b>Total comprehensive income for the year attributable to:</b>			<b>41,924</b>	<b>49,027</b>
Owners of the Company			41,924	49,027
Non-controlling interest			-	-
<b>Earnings per equity share (₹)</b>			32	
Basic			128.43	145.30
Diluted			128.43	145.30

The accompanying notes are forming part of these Consolidated financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

JITENDRA AGARWAL  
Partner

HISASHI TAKEUCHI  
Managing Director & CEO  
DIN : 07806180

AJAY SETH  
Chief Financial Officer

KENICHI AYUKAWA  
Executive Vice Chairman  
DIN : 02262755

SANJEEV GROVER  
Executive Vice President  
& Company Secretary  
ICSI Membership No : F3788

Place: New Delhi  
Date: April 29, 2022

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

## a. Equity share capital

Particulars	Amount
<b>Balance as at April 01, 2020</b>	1,510
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>1,510</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2022</b>	<b>1,510</b>

## b. Other equity

Particulars	Reserves and Surplus						Items of other comprehensive income			Total
	Reserves created on amalgamation	Securities premium	Capital reserves	General reserve	Retained earnings	Employee Welfare Fund	Scientific Research Fund	Equity instrument through other comprehensive income	Attributable to owners of the Company	
<b>Balance as at April 01, 2020</b>	9,153	4,241	2	29,309	442,143	1,543	1,522	4,707	492,620	192 <b>492,812</b>
Profit for the year	-	-	-	-	43,891	-	-	-	43,891	- 43,891
Other comprehensive income for the year, net of income tax	-	-	-	-	408	-	-	4,718	5,126	- 5,126
Share of other comprehensive income in associates and joint ventures	-	-	-	-	10	-	-	-	10	- 10
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>44,309</b>	-	-	<b>4,718</b>	<b>49,027</b>	- <b>49,027</b>
Payment of dividend	-	-	-	-	(18,125)	-	-	-	(18,125)	- (18,125)
Purchase of Non-Controlling Interest (Note 15)	-	-	-	-	(26)	-	-	-	(26)	- (192) (218)
Employee welfare fund	-	-	-	-	(565)	565	-	-	-	-
Scientific research fund	-	-	-	-	(565)	-	565	-	-	-
Income on funds for employee welfare fund	-	-	-	-	(108)	108	-	-	-	-
Expense on funds for employee welfare fund	-	-	-	-	14	(14)	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>9,153</b>	<b>4,241</b>	<b>2</b>	<b>29,309</b>	<b>467,077</b>	<b>2,202</b>	<b>2,087</b>	<b>9,425</b>	<b>523,496</b>	- <b>523,496</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

Particulars	Reserves and Surplus						Items of other comprehensive income			Total
	Reserves created on amalgamation	Securities premium	Capital reserves	General reserve	Retained earnings	Employee Welfare Fund	Scientific Research Fund	Equity instrument through other comprehensive income	Attributable to owners of the Company	
Profit for the year	-	-	-	-	-	-	-	38,795	-	- 38,795 - 38,795
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	209	-	- 2,915 3,124 - 3,124
Share of other comprehensive income in associates and joint ventures	-	-	-	-	-	-	-	4	-	- 4 - 4
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	<b>39,008</b>	-	<b>2,915 41,923 - 41,923</b>
Payment of dividend	-	-	-	-	-	-	-	(13,594)	-	- (13,594) - (13,594)
Income from Employee welfare fund	-	-	-	-	-	-	-	(106)	106	- - -
Expense on Employee welfare fund	-	-	-	-	-	-	-	74	(74)	- - -
<b>Balance as at March 31, 2022</b>	<b>9,153</b>	<b>4,241</b>	<b>2</b>	<b>29,309</b>	<b>492,459</b>	<b>2,234</b>	<b>2,087</b>	<b>12,340</b>	<b>551,825</b>	- <b>551,825</b>

The accompanying notes are forming part of these Consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

**HISASHI TAKEUCHI**

Managing Director & CEO  
DIN : 07806180

**JITENDRA AGARWAL**  
Partner

**AJAY SETH**  
Chief Financial Officer

**KENICHI AYUKAWA**  
Executive Vice Chairman  
DIN :02262755

**SANJEEV GROVER**  
Executive Vice President  
& Company Secretary  
ICSI Membership No : F3788

Place: New Delhi  
Date: April 29, 2022

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>A. Cash flow from operating activities:</b>				
Profit before tax			46,972	53,210
Adjustments for:				
Share of profit of associates			(1,464)	(1,588)
Share of profit of joint ventures			(155)	(102)
Share of dividend from Joint ventures and associates			490	104
Depreciation and amortisation expense	28	338	27,890	30,341
Finance costs	27	337	1,266	1,018
Interest income	24	336	(1,747)	(728)
Dividend income	24	336	(29)	(32)
Net loss on sale / discarding of property, plant and equipment	29	338-339	458	590
Net gain on sale of investments in debt mutual funds	24	336	(2,046)	(411)
Fair valuation gain on investments in debt mutual funds	24	336	(13,625)	(27,713)
Unrealised foreign exchange (gain)/ loss			309	621
<b>Operating Profit before working capital changes</b>			<b>58,319</b>	<b>55,310</b>
<b>Adjustments for changes in working capital :</b>				
- (Increase)/decrease in other financial assets (non-current)	9	322	(6)	(4)
- (Increase)/decrease in other non-current assets	12	324	(1,561)	(130)
- (Increase)/decrease in inventories	10	323	(4,833)	1,649
- (Increase)/decrease in trade receivables	8	321-322	(7,640)	6,965
- (Increase)/decrease in loans (current)	7	321	(75)	(60)
- (Increase)/decrease in other financial assets (current)	9	322	(12,748)	(6,758)
- (Increase)/decrease in other current assets	12	324	(5,027)	(1,607)
- Increase/(decrease) in non-current provisions	18	331-332	397	(69)
- Increase/(decrease) in other non-current liabilities	20	333	517	137
- Increase/(decrease) in trade payables	21	334-335	(3,959)	26,801
- Increase/(decrease) in other financial liabilities (current)	17	330	3,734	3,110
- Increase/(decrease) in current provisions	18	331-332	1,185	621
- Increase/(decrease) in other current liabilities	20	333	1,885	12,710
<b>Cash generated from operating activities</b>			<b>30,188</b>	<b>98,675</b>
- Income taxes paid (net)			(11,783)	(10,113)
<b>Net Cash from operating activities</b>			<b>18,405</b>	<b>88,562</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes No.	Page No.	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>B. Cash flow from investing activities:</b>				
Payments for purchase of property, plant and equipment and capital work in progress	4	312-315	(32,063)	(21,320)
Payments for purchase of intangible assets and intangible assets under development	5	316-317	(2,530)	(2,383)
Proceeds from sale of property, plant and equipment	4	312-315	1,360	420
Payment for purchase of investment in joint venture/associate company	6	317-320	(1,459)	(653)
Payment for purchase of Non-controlling interest	15	328-329	-	(218)
Proceeds from sale of debt mutual funds	6	317-320	635,787	429,195
Payments for purchase of debt mutual funds	6	317-320	(604,954)	(448,687)
Payments for purchase of unquoted investments	6	317-320	(300)	-
Investment in fixed deposits with bank	11	323-324	(30,044)	(30,087)
Proceeds from fixed deposits with bank	11	323-324	30,037	118
Interest received	24	336	1,745	670
Dividend received	24	336	29	32
<b>Net Cash (used in) investing activities</b>			<b>(2,392)</b>	<b>(72,913)</b>
<b>C. Cash flow from financing activities:</b>				
Movement in long term / short term borrowings (Net)	16	330	(1,097)	3,803
Principal elements of lease payments	37	362	(81)	(111)
Finance cost paid	27	337	(1,298)	(1,016)
Payment of dividend on equity shares	14.5	327	(13,594)	(18,125)
<b>Net Cash (used in) financing activities</b>			<b>(16,070)</b>	<b>(15,449)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>			<b>(57)</b>	<b>200</b>
<b>Cash and cash equivalents at the beginning of the year</b>			<b>408</b>	<b>208</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>351</b>	<b>408</b>
<b>Cash and cash equivalents comprises:</b>				
Cash and cheques in hand	11.1	323	7	6
Balance with Banks	11.1	323	344	402
			<b>351</b>	<b>408</b>
<b>Other bank balances:</b>				
Deposits*	11.2	324	30,029	30,022
Unclaimed dividend accounts	11.2	324	42	41
			<b>30,071</b>	<b>30,063</b>

\*Original maturity period is more than twelve months but less than twelve months from balance sheet date.

The accompanying notes are forming part of these Consolidated financial statements

For and on behalf of the Board of Directors

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

**JITENDRA AGARWAL**  
Partner

**HISASHI TAKEUCHI**  
Managing Director & CEO  
DIN : 07806180

**AJAY SETH**  
Chief Financial Officer

**KENICHI AYUKAWA**  
Executive Vice Chairman  
DIN :02262755

**SANJEEV GROVER**  
Executive Vice President  
& Company Secretary  
ICSI Membership No : F3788

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 1 General Information

Maruti Suzuki India Limited ("The Company") is a public limited company incorporated and domiciled in India, listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is #1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070. The Company is a subsidiary of Suzuki Motor Corporation, Japan. The principal activities of the Company and its subsidiaries are manufacturing, purchase and sale of motor vehicles, components and spare parts. The other activities of the Company comprise facilitation of pre-owned car sales, fleet management and car financing. The Company together with its subsidiaries is herein referred to as "the Group".

## 2 Significant Accounting Policies

### 2.1 Statement of Compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

### 2.2 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The principal accounting policies are set out below.

### 2.3 Basis of Consolidation and Equity Accounting

#### (i) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct

the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of change in equity and balance sheet respectively.

#### (ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iv) below), after initially being recognised at cost.

#### (iii) Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method of accounting (see note(iv) below), after initially being recognised at cost in the consolidated balance sheet.

#### (iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 2.4 Going Concern

The board of directors have considered the financial position of the Group as at March 31, 2021 and the projected cash flows and financial performance of the Group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Group's operations.

## 2.5 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

### Note 33 : Provision for Employee Benefits

Provision for employee benefits requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Group's retirement benefit obligations.

### Note 18 & 39 : Provision for Litigations

Income Tax: The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

**tax assessments.** A tax assessment can involve complex issues, which can only be resolved over extended time periods.

**Other litigations:** Litigations often involve complex legal/regulatory issues and are connected with a high degree of uncertainty. Accordingly, the assessment of whether an obligation exists on the balance sheet date as a result of an event in the past, and whether a future cash outflow is likely and the obligation can be reliably estimated, largely depends on estimations by the management.

## Note 18 : Provision for Warranty and Product Recall

The Group creates provision based on historical warranty claim experience. In addition, assumptions on the amounts of potential costs are also included while creating the provisions. The provisions are regularly adjusted to reflect new information.

## Note 4 : Property, Plant and Equipment - Useful Economic Life

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

## Note 37 : Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Group considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

## Estimation of Uncertainties Relating to the Global Health Pandemic from COVID-19:

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future

uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements

## 2.6 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, discounts, sales incentives, goods & service tax and value added taxes.

The Group recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

### 2.6.1 Sale of Goods

Revenue is recognised for domestic and export sales of vehicles, spare parts, and accessories when the Group transfers control over such products to the customer on dispatch from the factory and the port respectively.

### 2.6.2 Income from Services

Revenue from engineering services are recognised as the related services are performed. Revenue from extended warranty is recognised on time proportion basis. Income from other services are accounted over the period of rendering of services. Invoicing in excess of revenues are classified as contract liabilities. Contract liabilities pertain to advance consideration received towards sale of extended warranty and other services by the Group.

### 2.6.3 Income from Royalty

Revenue from royalty is recognised on an accrual basis in accordance with the substance of the relevant arrangements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 2.7 Other Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

## 2.8 Leases

### 2.8.1 The Group as Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Group did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

### 2.8.2 The Group as Lessee

The Group assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Group recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the Statement of profit and loss in the period in which the condition that triggers those payments that occur.

## 2.9 Foreign Currencies

### 2.9.1 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

### 2.9.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

## 2.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of surplus funds out of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of profit or loss in the period in which they are incurred.

## 2.11 Employee Benefits

### 2.11.1 Short-Term Obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

### 2.11.2 Other Long-Term Employee Benefit Obligations

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

### 2.11.3 Post-Employment Obligations

#### Defined Benefit Plans

The Group has defined benefit plans namely gratuity, provident fund and retirement allowance for employees. The gratuity fund and provident fund are recognised by the income tax authorities and are administered through trusts set up by the Group. Any shortfall in the size of the fund maintained by the trust is additionally provided for in profit or loss.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 2.12.3 Current and Deferred Tax for the Year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

## 2.13 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

### Termination Benefits

A liability for the termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

## 2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 2.12.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### 2.12.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and recognised in profit or loss.

## Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Building	3-60 years
Plant and machinery other than Dies and Jigs	8 years
Dies and jigs	5 years
Electronic data processing equipment	3 years
Furniture and fixtures	10 years
Office appliances	5 years
Vehicles	8 years

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

Freehold land and Leasehold land in the nature of perpetual lease is not amortised.

## 2.14 Intangible Assets

### 2.14.1 Intangible Assets Acquired Separately

Lump sum royalty, computer software and engineering support fee are stated at cost less accumulated amortisation and impairment. Intangible assets are amortized over their

respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically including at each financial year end..

### 2.14.2 Amortisation Methods and Useful Lives

Intangible assets are amortized on a Straight Line basis over the estimated useful economic life in the Statement of Profit and loss. The estimated useful life of intangible assets i.e. Software, Lump sum royalty and Engineering support fee has been estimated as of five years. The amortization period and the amortization method for an intangible asset is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate. An intangible asset is derecognised when no future economic benefits are expected from use.

## 2.15 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## 2.16 Inventories

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

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Machinery spares (other than those supplied along with main plant and machinery, which are capitalised and depreciated

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## 2.19.1 Classification of Financial Assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Group's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 2.19.2 Investments in Equity Instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Group has equity investments in certain entities which are not held for trading. The Group has elected the fair value through other comprehensive income irrevocable option for all such investments. Dividend on these investments are recognised in profit or loss.

## 2.19.3 Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit or loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

## 2.19.4 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

## 2.19.5 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

## 2.19.6 Impairment of Financial Assets

The Group assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

## 2.19.7 Derecognition of Financial Assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 2.19.8 Foreign Exchange Gains and Losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

## 2.20 Financial Liabilities and Equity Instruments

### 2.20.1 Classification of Debt or Equity

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 2.20.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### 2.20.3 Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

#### 2.20.3.1 Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid.

#### 2.20.3.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including

any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 2.20.3.3 Foreign Exchange Gains or Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

### 2.20.3.4 Lease Liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

### 2.20.3.5 Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

## 2.21 Derivative Financial Instruments

The Group enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Further details of derivative financial instruments are disclosed in note 34.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 2.21.1 Embedded Derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

## 2.22 Hedge Accounting

The Group designates certain hedging instruments, in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax) and the ineffective portion is recognised immediately in the profit or loss. Amount accumulated in equity are reclassified to the profit or loss in the periods in which the forecasted transaction occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in other equity is retained there until the forecast transaction occurs.

Note 34 sets out details of the fair values of the derivative instruments used for hedging purposes.

## 2.23 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally

enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## 2.24 Government Grant

Government grants are recognised where there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Group recognises as expense the related cost for which the grants are intended to compensate.

## 2.25 Earning Per Share

Basic earning per share has been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earning per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

## 2.26 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Group.

## 2.27 Royalty

The Group pays / accrues for royalty in accordance with the relevant licence agreements.

## 2.28 Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

## 2.29 Rounding of Amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest million as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

## 3 APPLICABILITY OF NEW AND REVISED IND AS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below"

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company is evaluating the impact of Ind AS 16 and its effect on the financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company is evaluating the impact of Ind AS 37 and its effect on the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at 31.03.2022	As at 31.03.2021					
<b>Carrying amount of</b>							
Freehold Land	40,554	40,205					
Buildings	19,477	19,713					
Plant and Machinery	63,796	77,881					
Electronic Data Processing (EDP) Equipment	798	874					
Furniture, Fixtures and Office Appliances	1,864	1,985					
Vehicles	1,772	1,127					
	<b>128,261</b>	<b>141,785</b>					
Capital work-in-progress	26,462	11,993					
	<b>154,723</b>	<b>153,778</b>					
	Freehold Land^	Buildings	Plant and Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
<b>Gross carrying amount</b>							
Balance at April 01, 2020	40,146	26,335	207,750	2,375	3,471	2,056	<b>282,133</b>
Addition	73	1,797	20,158	809	583	190	<b>23,610</b>
Disposal / adjustments*	(14)	(226)	(5,285)	(260)	(23)	(505)	<b>(6,313)</b>
<b>Balance at March 31, 2021</b>	<b>40,205</b>	<b>27,906</b>	<b>222,623</b>	<b>2,924</b>	<b>4,031</b>	<b>1,741</b>	<b>299,430</b>
Addition	355	1,427	10,500	520	436	1,166	<b>14,404</b>
Disposal / adjustments*	(6)	(126)	(6,007)	(206)	(20)	(422)	<b>(6,787)</b>
<b>Balance at March 31, 2022</b>	<b>40,554</b>	<b>29,207</b>	<b>227,116</b>	<b>3,238</b>	<b>4,447</b>	<b>2,485</b>	<b>307,047</b>
<b>Accumulated depreciation and impairment</b>							
Balance at April 01, 2020	-	6,338	124,062	1,758	1,558	512	<b>134,228</b>
Depreciation expenses	-	1,970	25,454	550	510	236	<b>28,720</b>
Disposal / adjustments*	-	(115)	(4,774)	(258)	(22)	(134)	<b>(5,303)</b>
<b>Balance at March 31, 2021</b>	<b>-</b>	<b>8,193</b>	<b>144,742</b>	<b>2,050</b>	<b>2,046</b>	<b>614</b>	<b>157,645</b>
Depreciation expenses	-	1,602	23,092	595	549	272	<b>26,110</b>
Disposal / adjustments*	-	(65)	(4,514)	(205)	(12)	(173)	<b>(4,969)</b>
<b>Balance at March 31, 2022</b>	<b>-</b>	<b>9,730</b>	<b>163,320</b>	<b>2,440</b>	<b>2,583</b>	<b>713</b>	<b>178,786</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	Freehold Land^	Buildings	Plant and Machinery	EDP Equipment	Furniture, Fixtures and Office Appliances	Vehicles	Total
<b>Carrying amount</b>							
<b>Balance at April 01, 2020</b>	<b>40,146</b>	<b>19,997</b>	<b>83,688</b>	<b>617</b>	<b>1,913</b>	<b>1,544</b>	<b>147,905</b>
Addition	73	1,797	20,158	809	583	190	<b>23,610</b>
Disposal / adjustments*	(14)	(111)	(511)	(2)	(1)	(371)	<b>(1,010)</b>
Depreciation expenses	-	(1,970)	(25,454)	(550)	(510)	(236)	<b>(28,720)</b>
<b>Balance at March 31, 2021</b>	<b>40,205</b>	<b>19,713</b>	<b>77,881</b>	<b>874</b>	<b>1,985</b>	<b>1,127</b>	<b>141,785</b>
Addition	355	1,427	10,500	520	436	1,166	<b>14,404</b>
Disposal / adjustments*	(6)	(61)	(1,493)	(1)	(8)	(249)	<b>(1,818)</b>
Depreciation expenses	-	(1,602)	(23,092)	(595)	(549)	(272)	<b>(26,110)</b>
<b>Balance at March 31, 2022</b>	<b>40,554</b>	<b>19,477</b>	<b>63,796</b>	<b>798</b>	<b>1,864</b>	<b>1,772</b>	<b>128,261</b>

### 4.1 Notes on property, plant and equipment

- 1 Plant and Machinery includes a Gas Turbine jointly owned by the Company with its group companies and other companies having carrying amount as at 31.03.2022 is Nil (as at 31.03.21 is Nil).
- 2 A part of freehold land of the Group situated at Gurugram, Manesar and Gujarat has been made available to its group companies / fellow subsidiary for their business purpose.

<sup>^</sup>Above includes 69.19 acres of vacant land parcels in the state of Gujarat amounting to ₹ 174 million acquired by the Company for expansion activities, which are under litigation / title disputes

\* Adjustment includes the intra-head re-grouping of amounts.

### 4.2 List of immovable properties not yet registered in the name of the Company

Below items are part of Property, plant and equipment as at March 31, 2022

Description of item of property	Carrying Value as at March 31, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	Whether disputed
Land	113	Government of Gujarat	No	18-11-13	Title of the land got reversed in the name of Government of Gujarat as per the order passed by District Collector, Ahmedabad.	Yes

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Description of item of property	Carrying Value as at March 31, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	Whether disputed
					The Company is in possession and occupant of the flats but conveyance deed are yet to be executed by Adani Ports and Special Economic Zone Limited. The Company is in discussion with Adani Ports and Special Economic Zone Limited to register the flats in its name.	No
	12	Adani Ports and Special Economic Zone Limited	No	08-06-11	There is an ongoing litigation between M/S Excel Venture Construction Pvt Ltd. and Jharkhand Housing Board (Government authority) regarding the percentage ownership of the project as the land belongs to Jharkhand Housing Board and Construction was done by M/S Excel Venture Construction Private Limited.	Yes
Building		Excel Venture construction Pvt. Ltd. / Jharkhand State Housing Board	No	01-04-12	The Company is in discussion with M/S Excel Venture Construction Private Limited for registration of flats. The registration of flats can be undertaken after settlement of litigation.	
<b>Total</b>	<b>137</b>					

Below items are part of Property, plant and equipment for the year ended March 31, 2021

Description of item of property	Carrying Value as at March 31, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	Whether disputed
Land	113	Government of Gujarat	No	18-11-13	Title of the land got reversed in the name of Government of Gujarat as per the order passed by District Collector, Ahmedabad.	Yes
	12	Adani Ports and Special Economic Zone Limited	No	08-06-11	The Company is in possession and occupant of the flats but conveyance deed are yet to be executed by Adani Ports and Special Economic Zone Limited. The Company is in discussion with Adani Ports and Special Economic Zone Limited to register the flats in its name.	No
Building		Excel Venture construction Pvt. Ltd. / Jharkhand State Housing Board	No	01-04-12	There is an ongoing litigation between M/S Excel Venture Construction Pvt Ltd. and Jharkhand Housing Board (Government authority) regarding the percentage ownership of the project as the land belongs to Jharkhand Housing Board and Construction was done by M/S Excel Venture Construction Private Limited.	Yes
<b>Total</b>	<b>137</b>					

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 4.3 Capital work-in-progress ageing schedule as at March 31, 2022

#### (a) Capital work-in-progress

Particulars	Amount in capital work-in-progress for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in progress	22,223	3,545	305	199
Project temporarily suspended	1	1	4	184
<b>Total</b>	<b>22,224</b>	<b>3,546</b>	<b>309</b>	<b>383</b>
				<b>26,462</b>

#### (b) For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Particulars	To be Completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Buildings	572	-	-	-
Plants & Machinery	12,917	1,362	-	-
<b>Total</b>	<b>13,489</b>	<b>1,362</b>	<b>-</b>	<b>14,851</b>
Project temporarily suspended				
Buildings	119	-	-	-
				<b>119</b>

### Capital work-in-progress ageing schedule as at March 31, 2021

#### (a) Capital work-in-progress

Particulars	Amount in capital work-in-progress for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in progress	9,561	1,602	120	521
Project temporarily suspended	1	4	10	174
<b>Total</b>	<b>9,562</b>	<b>1,606</b>	<b>130</b>	<b>695</b>
				<b>11,804</b>
				<b>189</b>
				<b>11,993</b>

#### (b) For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Particulars	To be Completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Buildings	70	-	-	-
Plants & Machinery	3,986	735	-	-
<b>Total</b>	<b>4,056</b>	<b>735</b>	<b>-</b>	<b>4,791</b>
Project temporarily suspended				
Buildings	119	-	-	-
				<b>119</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 5 INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31.03.2022	As at 31.03.2021
<b>Carrying amount of</b>		
Lumpsum royalty and engineering support fee	3,302	2,242
Software	197	-
<b>Total Intangible assets</b>	<b>3,499</b>	<b>2,242</b>
Intangible assets under development	2,903	2,975
	<b>6,205</b>	<b>5,217</b>
	Software	Lumpsum royalty and engineering support fee
		Total
<b>Gross carrying amount</b>	2,242	2,242
<b>Balance at April 01, 2020</b>	-	9,366
Addition	-	308
<b>Balance at March 31, 2021</b>	<b>-</b>	<b>9,674</b>
Addition	216	2,649
<b>Balance at March 31, 2022</b>	<b>216</b>	<b>12,323</b>
<b>Accumulated amortisation and impairment</b>	<b>12,323</b>	<b>12,539</b>
<b>Balance at April 01, 2020</b>	-	6,008
Amortisation expenses	-	1,424
<b>Balance at March 31, 2021</b>	<b>-</b>	<b>7,432</b>
Amortisation expenses	19	1,589
<b>Balance at March 31, 2022</b>	<b>19</b>	<b>9,021</b>
<b>Carrying amount</b>	<b>9,021</b>	<b>9,040</b>
<b>Balance at April 01, 2020</b>	-	3,358
Addition	-	308
Amortisation expenses	-	(1,424)
<b>Balance at March 31, 2021</b>	<b>-</b>	<b>2,242</b>
Addition	216	2,649
Amortisation expenses	(19)	(1,589)
<b>Balance at March 31, 2022</b>	<b>197</b>	<b>3,302</b>
		<b>3,499</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 5A Intangible assets under development ageing schedule as at March 31, 2022

	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in progress	1,909	994	-	-

### Intangible assets under development ageing schedule as at March 31, 2021

	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in progress	2,574	401	-	-

## 6 INVESTMENTS

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Investments in equity instruments		
- Associate companies	15,362	12,585
- Joint venture companies	1,146	1,331
- Others	13,296	9,827
Investment in preference shares	-	-
Investments in debt mutual funds	349,542	321,548
	<b>379,346</b>	<b>345,291</b>
<b>Current</b>		
Investments in debt mutual funds	41,001	84,157
	<b>41,001</b>	<b>84,157</b>
Aggregate value of unquoted investments	406,125	418,423
Aggregate value of quoted investments	14,272	11,075
Market value of quoted investments	14,841	11,323
Aggregate provision for diminution in value of investments	50	50

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 6.1 Investments in associates

Break-up of Investments in associates (carrying amount determined using the equity method of accounting)

	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
<b>Quoted investments (fully paid up)</b>				
Bharat Seats Limited (Face value of ₹ 2 each)	4,650,000	189	4,650,000	172
Jay Bharat Maruti Limited (Face value of ₹ 5 each)	12,680,000	1,371	6,340,000	1,313
Machino Plastics Limited (Face value of ₹ 10 each)	941,700	76	941,700	80
<b>Total aggregate quoted investments (A)</b>	<b>1,636</b>		<b>1,565</b>	
<b>Aggregate market value of quoted investments</b>		2,205		1,813
<b>Unquoted investments (fully paid up)</b>				
Caparo Maruti Limited (Face value of ₹ 10 each)	2,500,000	207	2,500,000	263
Hanon Climate Systems India Private Limited (Face value of ₹ 100 each)	518,700	1,005	518,700	938
Krishna Maruti Limited (Face value of ₹ 10 each)	670,000	1,513	670,000	1,263
SKH Metals Limited (Face value of ₹ 10 each)	2,645,000	601	2,645,000	524
Nippon Thermostat (India) Limited (Face value of ₹ 10 each)	125,000	-	125,000	(1)
Mark Exhaust Systems Limited (Face value of ₹ 10 each)	4,437,465	420	4,437,465	370
Bellsonica Auto Components India Private Limited (Face value of ₹ 100 each)	3,540,000	187	3,540,000	160
FMI Automotive Components Private Limited (Face value of ₹ 10 each)	44,100,000	931	44,100,000	822
Manesar Steel Processing India Private Limited (Face value of ₹ 10 each)	6,840,000	62	6,840,000	56
Maruti Suzuki Insurance Broking Private Limited (Face value of ₹ 10 each)	751,643	6,761	751,643	6,052
Bahucharaji Rail Corporation Limited (Face value of ₹ 10 each)	204,417,200	2,039	58,500,000	573
<b>Total aggregate unquoted investments (B)</b>	<b>13,726</b>		<b>11,020</b>	
<b>Total investments carrying value (A) + (B)</b>	<b>15,362</b>		<b>12,585</b>	

Investments in associates are accounted for using the equity method in these consolidated financial statements

Each of the fourteen associates is not individually material to the Group considering the contribution of these associates to the consolidated net assets of the Group.

## Financial information of associates that are not individually material

	Year ended 31.03.2022	Year ended 31.03.2021
The Group's share of profit or loss	1,464	1,588
The Group's share of other comprehensive income	6	12
<b>The Group's share of total comprehensive income</b>	<b>1,470</b>	<b>1,600</b>

	As at 31.03.2022	As at 31.03.2021
Aggregate carrying amount of the Group's interest in these joint ventures	15,362	12,585

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 6.2 Investments in joint ventures

Break-up of Investments in joint ventures (carrying amount determined using the equity method of accounting)

	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
<b>Unquoted Investments (fully paid up)</b>				
Plastic Omnium Auto Inergy Manufacturing India Private Limited (Face value of ₹ 10 each)	6,656,000	234	6,656,000	254
Marelli Powertrain India Private Limited (formerly Magneti Marelli Powertrain India Private Limited) (Face value of ₹ 10 each)	8,550,000	715	8,550,000	866
Maruti Suzuki Toyotsu India Private Limited (Face value of ₹ 10 each)	22,050,000	197	22,050,000	211
<b>Total aggregate unquoted investment</b>	<b>1,146</b>		<b>1,331</b>	

Investments in joint ventures are accounted for using the equity method in these consolidated financial statements.

Each of three joint ventures is not individually material to the Group considering the contribution of these joint ventures to the consolidated net asset of the Group.

## Financial information in respect of joint ventures that are not individually material

	Year ended 31.03.2022	Year ended 31.03.2021
The Group's share of profit or loss	155	102
The Group's share of other comprehensive income	(2)	(2)
<b>The Group's share of total comprehensive income</b>	<b>153</b>	<b>100</b>

	As at 31.03.2022	As at 31.03.2021
Aggregate carrying amount of the Group's interest in these joint ventures	1,146	1,331

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ million, unless otherwise stated)

### **6.3 Other equity instruments**

**Investments in equity instruments at fair value through other comprehensive income**

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
<b>Quoted Investments (fully paid up)</b>				
Asahi India Glass Limited (Face value of ₹ 1 each)	26,995,200	11,612	26,995,200	8,348
JTEKT India Limited (Formerly known as Sona Koyo Steering Systems Limited) (Face value of ₹ 1 each)	13,800,000	1,024	13,800,000	1,162
<b>Total aggregate quoted Investments (i)</b>		<b>12,636</b>		<b>9,510</b>
<b>Unquoted Investments (fully paid up)</b>				
Denso India Private Limited (Face value of ₹ 10 each)	2,862,758	359	2,862,758	316
Haryana Orbital Rail Corporation Limited (Face value of ₹ 10 each)	30,000,000	300	15,000	0
<b>Total aggregate unquoted Investments (ii)</b>		<b>659</b>		<b>316</b>
<b>Investment in equity shares of Section 8 Company</b>				
International Automobile Centre of Excellence (Face value of ₹ 10 each)	100,000	1	100,000	1
Investment in equity shares of Section 8 Company (iii)		1		1
<b>Investments in other equity instruments [i+ii+iii]</b>		<b>13,296</b>		<b>9,827</b>

#### **6.4 Investment in unquoted preference shares**

	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
Western Paques (India) Limited (Face value of ₹ 100 each)	500,000	50	500,000	50
Less: allowance for diminution in value		(50)	-	(50)

## **6.5 Investments in unquoted debt mutual funds\***

	As at 31.03.2022		As at 31.03.2021	
	Current	Non Current	Current	Non Current
Fixed term debt maturity plans	16,389	3,411	20,909	15,723
Open ended debt schemes	24,612	346,131	63,248	305,825
<b>Total Investments in unquoted debt mutual funds</b>	<b>41,001</b>	<b>349,542</b>	<b>84,157</b>	<b>321,548</b>

\* Includes debt mutual funds for employee welfare fund as at 31.03.2022 amounting to ₹ 2,484 million (as at 31.03.2021 : ₹ 1,777 million)

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ million, unless otherwise stated)

## **7 LOANS (unsecured and considered good, unless otherwise stated)**

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Employee related loans and advances	1	1
Inter corporate deposits- unsecured considered doubtful	125	125
Allowance for doubtful Intercorporate deposits	(125)	(125)
Others	1	1
	<b>2</b>	<b>2</b>
<b>Current</b>		
Employee related loans and advances	305	230
	<b>305</b>	<b>230</b>

**8.1** The credit risk to the Group is limited since most of the sales are made against advances or letter of credit/bank guarantees from banks of national standing. The credit period generally allowed on domestic sales varies from 30 to 45 days (excluding transit period). The credit period on export sales varies on case to case basis, based on market conditions.

## **8.2 Trade Receivables ageing schedule as at March 31, 2022**

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	19,924	365	34	16	1	4	20,344
Undisputed Trade Receivables – credit impaired	-	-	-	1	-	-	1
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	1	26	27
Less: allowance for doubtful debts	-	-	-	-	(1)	(26)	(27)
<b>Total</b>	<b>19,924</b>	<b>365</b>	<b>34</b>	<b>17</b>	<b>1</b>	<b>4</b>	<b>20,345</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Trade Receivables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	10,977	1,761	30	16	1	13	12,798
Undisputed Trade Receivables –credit impaired	-	-	-	-	1	-	1
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	1	4	22	27
Less: allowance for doubtful debts	-	-	-	(1)	(4)	(22)	(27)
<b>Total</b>	<b>10,977</b>	<b>1,761</b>	<b>30</b>	<b>16</b>	<b>2</b>	<b>13</b>	<b>12,799</b>

### 9 OTHER FINANCIAL ASSETS (unsecured and considered good, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Financial assets carried at amortised cost		
Security deposits	247	241
Others	128	128
	<b>375</b>	<b>369</b>
<b>Current</b>		
Financial assets carried at amortised cost		
Interest accrued - unsecured	88	86
Recoverable from related parties (Refer to note 36)	25,410	12,540
Others - considered good	424	318
- considered doubtful	28	28
Less: provision for doubtful assets	(28)	(28)
Financial assets carried at fair value		
Foreign currency and commodity forward contract not qualifying or not designated in hedge accounting relationships	8	298
	<b>25,930</b>	<b>13,242</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 10 INVENTORIES

	As at 31.03.2022	As at 31.03.2021
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials	18,027	14,703
Work-in-progress	2,299	1,483
Finished goods		
Vehicle	5,509	5,376
Vehicle spares and components	344	364
Traded goods		
Vehicle	909	1,439
Vehicle spares and components	4,111	3,579
Stores and spares	3,064	2,706
Loose Tools	1,060	840
	<b>35,323</b>	<b>30,490</b>
<b>Inventory includes in transit inventory of:</b>		
Raw materials	6,383	5,191
Stock in trade	82	113

**10.1** The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 732,475 million (previous year ₹ 561,783 million).

The cost of inventories recognised as an expense includes ₹ 57 million (previous year ₹ 60 million) in respect of write-downs of inventory to net realisable value.

The mode of valuation of inventories has been stated in note 2.16.

### 11 CASH AND BANK BALANCES

#### 11.1 Cash and cash equivalents:

	As at 31.03.2022	As at 31.03.2021
<b>Balances with Banks</b>		
Cheques, drafts in hand	344	402
Cash in hand	6	5
	<b>1</b>	<b>1</b>
	<b>351</b>	<b>408</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 11.2 Other bank balances:

	As at 31.03.2022	As at 31.03.2021
Deposits*	30,029	30,022
Unclaimed dividend accounts	42	41
	<b>30,071</b>	<b>30,063</b>

\*Original maturity period is more than twelve months but less than 12 months from balance sheet date.

### 12 OTHER ASSETS (unsecured and considered good, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Capital advances - considered good	10,651	3,875
Prepaid expenses	3,248	3,156
Amount paid under protest / dispute	11,234	9,776
Claims - unsecured considered good	42	34
- unsecured : significant increase in credit risk	7	7
Less : allowance for doubtful claims	(7)	(7)
Others	29	26
	<b>25,204</b>	<b>16,867</b>
<b>Current</b>		
Balance with customs, port trust and other government authorities	9,559	5,527
Claims	1,097	785
Prepaid expenses	1,299	1,216
Balance with related parties (Refer to note 36)	1,814	163
Others - considered good	839	1,890
- considered doubtful	269	281
Less: allowance for doubtful balances	(269)	(281)
	<b>14,608</b>	<b>9,581</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 13 EQUITY SHARE CAPITAL

	As at 31.03.2022	As at 31.03.2021
<b>Authorised share capital:</b>		
3,751,000,000 equity shares of ₹ 5 each (as at 31.03.21: 3,751,000,000 equity shares of ₹ 5 each)	<b>18,755</b>	<b>18,755</b>
<b>Issued, subscribed and fully paid up capital comprises:</b>		
302,080,060 equity shares of ₹ 5 each (as at 31.03.21: 302,080,060 equity shares of ₹ 5 each)	1,510	1,510
	<b>1,510</b>	<b>1,510</b>

#### 13.1 Rights, preference and restriction attached to shares

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

#### 13.2 Reconciliation of number of shares

	As at 31.03.2022	As at 31.03.2021
	Number of shares	Amount
	Number of shares	Amount
Balance as at the beginning of the year	302,080,060	1,510
Add / Less: Movement during the year	-	-
<b>Balance as at the end of the year</b>	<b>302,080,060</b>	<b>1,510</b>
	<b>302,080,060</b>	<b>1,510</b>

#### 13.3 Details of shares held by the holding company

	As at 31.03.2022	As at 31.03.2021
	Number of shares	Amount
	Number of shares	Amount
Suzuki Motor Corporation, Japan	170,283,762	851
	<b>170,283,762</b>	<b>851</b>
	<b>170,283,762</b>	<b>851</b>

#### 13.4 Details of shares held by each shareholder holding more than 5% shares

	As at 31.03.2022	As at 31.03.2021
	Number of shares	% holding
	Number of shares	% holding
Suzuki Motor Corporation (the holding company)	170,283,762	56.37
	<b>170,283,762</b>	<b>56.37</b>
Life Insurance Corporation of India	16,107,297	5.33
	<b>16,107,297</b>	<b>5.33</b>
	<b>170,283,762</b>	<b>56.37</b>
	<b>14,944,012</b>	<b>4.95</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 14 OTHER EQUITY

	As at 31.03.2022	As at 31.03.2021
Capital reserve	2	2
General reserve	29,309	29,309
Securities premium	4,241	4,241
Reserve created on amalgamation	9,153	9,153
Retained earnings	492,459	467,077
Employee welfare fund	2,234	2,202
Scientific research fund	2,087	2,087
Reserve for equity instruments through other comprehensive income	12,340	9,425
	<b>551,825</b>	<b>523,496</b>

#### 14.1 Capital reserves

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	2	2
Add / Less: Movement during the year	-	-
<b>Balance at the end of year</b>	<b>2</b>	<b>2</b>

#### 14.2 General reserve

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	29,309	29,309
Add / Less: Movement during the year	-	-
<b>Balance at the end of year</b>	<b>29,309</b>	<b>29,309</b>

The general reserve is free reserve which is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

#### 14.3 Securities premium

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	4,241	4,241
Add / Less: Movement during the year	-	-
<b>Balance at the end of year</b>	<b>4,241</b>	<b>4,241</b>

Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 ("the Act") for specified purposes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 14.4 Reserve created on amalgamation

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	9,153	9,153
Add / Less: Movement during the year	-	-
<b>Balance at the end of year</b>	<b>9,153</b>	<b>9,153</b>

This reserve is created on the basis of the scheme of amalgamation of erstwhile Suzuki Powertrain India Limited (SPIL) with the Company as approved by the High Court of Delhi in the year ended March 31, 2013.

### 14.5 Retained earnings

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	467,077	442,143
Profit attributable to owners of the Company	38,795	43,891
Share of other comprehensive income in associates and joint ventures	4	10
Other comprehensive income arising from remeasurement of defined benefit obligation attributable to owners of the Company *	209	408
Excess Amount Paid for Purchase of Non-Controlling Interest (Refer Note 15)	-	(26)
Amount transferred to Employee welfare fund	-	(565)
Income on funds for Employee welfare fund	(106)	(108)
Expenses on funds for Employee welfare fund	74	14
Amount transferred to Scientific research fund	-	(565)
Payment of dividend on equity shares	(13,594)	(18,125)
<b>Balance at the end of year</b>	<b>492,459</b>	<b>467,077</b>

During the year, a dividend of ₹ 45 per share, total dividend ₹ 13,594 million (previous year : ₹ 60 per share, total dividend ₹ 18,125 million) was paid to equity shareholders.

The Board of Directors recommended a final dividend of ₹ 60 per share (nominal value of ₹ 5 per share) for the financial year 2021-22. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total expected amount of cash outflow is ₹ 18,125 million.

\* net of deferred tax liabilities of ₹ 14 million (previous year deferred tax assets of ₹ 137 million)

### 14.6 Reserve for equity instruments through other comprehensive income

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	9,425	4,707
Net fair value gain on investment in equity instruments at FVTOCI	3,170	4,704
Income tax on net fair value gain on investments in equity instruments at FVTOCI	(255)	14
<b>Balance at the end of year</b>	<b>12,340</b>	<b>9,425</b>

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 14.7 Employee Welfare Fund

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	2,202	1,543
Addition during the year	-	565
Income during the year	106	108
Expenses/adjustment during the year	(74)	(14)
<b>Balance at the end of year</b>	<b>2,234</b>	<b>2,202</b>

This reserve was created till 31.03.2021 by appropriating 1% of profit after tax of the previous year and will be utilised for undertaking welfare activities such as housing, education and health for the employees of the Company.

### 14.8 Scientific Research Fund

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at the beginning of year	2,087	1,522
Addition during the year	-	565
<b>Balance at the end of year</b>	<b>2,087</b>	<b>2,087</b>

This reserve was created till 31.03.2021 by appropriating 1% of profit after tax of the previous year and will be utilised for promotion of scientific research and technology in India. No expenditure has been done from this fund during the current year.

### 15 NON-CONTROLLING INTEREST

	Year ended 31.03.2022	Year ended 31.03.2021
Balance at beginning of year	-	192
Share of total comprehensive income of the year	-	-
Purchase of Non-Controlling Interest: <sup>*</sup>	-	(192)
Cost of Acquisition (₹ 218 million)		
Less: Excess amount paid for purchase of Non-Controlling Interest (₹ 26 million)		
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

\*During the previous year, the Company has acquired remaining 49.13% shares from the shareholders of its subsidiary Company JJ Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited) for the purpose of expanding its operations.

Accordingly, JJ Impex (Delhi) Limited has become wholly owned subsidiary of the Company w.e.f. August 7, 2020.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Details of wholly owned subsidiary

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit (loss) allocated to non-controlling interest		Accumulated non- controlling interest	
		Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
J J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited)	India	0.00%	0.00%	-	-	-	-

### Summarised financial information of J J Impex (Delhi) Limited (before intragroup eliminations)

	As at 31.03.2022	As at 31.03.2021
Non current assets	387	401
Current assets	193	222
Non current liabilities	(40)	(70)
Current liabilities	(109)	(144)
Equity attributable to owners of the Company	431	409
<b>Non controlling interest</b>	<b>-</b>	<b>-</b>

	Year ended 31.03.2022	Year ended 31.03.2021
Revenue	865	787
Expenses (including tax)	845	769
Profit / (loss) for the year	20	18
Other comprehensive income	-	-
Total comprehensive income	20	18
Profit / (loss) for the year attributable to owners of the Company	20	18
Profit / (loss) for the year attributable to non controlling interest	-	-
<b>Profit (loss) for the year</b>	<b>20</b>	<b>18</b>
Other comprehensive income attributable to owners of the Company	2	-
Other comprehensive income attributable to non controlling interest	-	-
<b>Other comprehensive income for the year</b>	<b>2</b>	<b>-</b>
Total comprehensive income attributable to owners of the Company	22	18
Total comprehensive income attributable to non controlling interest	-	-
<b>Total comprehensive income for the year</b>	<b>22</b>	<b>18</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 16 BORROWINGS

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Unsecured		
Term loan from bank	-	28
	<b>-</b>	<b>28</b>
<b>Current</b>		
Unsecured		
<b>Loans repayable on demand from banks</b>		
Cash credit and overdraft	3,819	4,888
	<b>3,819</b>	<b>4,888</b>

#### 16.1 Summary of borrowing arrangements

##### 1. Loans from banks include:

Loan amounting to ₹ 28 million as at 31.03.21 was taken from Mizhuho Bank Ltd. at an interest rate of 6.50% repayable in 8 quarterly instalments. The above loan is secured by first pari passu charge on Group's plant & machinery excluding existing Chennai workshop and first pari passu charge on current assets of the Group

2. Loan repayable on demand from banks (cash credit and overdraft) at an interest rate of 4.95% to 5.0%, repayable within 0-10 days (as at 31.03.21: interest rate of 5.25% to 5.95%, repayable within 0-10 days w.r.t cash credit, overdraft and term loan)

#### 16.2 Breach of loan agreement

There have been no breach of covenants mentioned in the loan agreements during the reporting years.

### 17 OTHER FINANCIAL LIABILITIES

	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>Financial liabilities carried at amortised cost</b>		
Current maturities of long term debts (Refer to note 16)	27	27
Payables to capital creditors	8,009	4,160
Deposits from dealers, contractors and others	8,351	8,319
Claims payable	3,643	-
Interest accrued	3	35
Unpaid dividend *	42	41
Book overdraft	187	136
Others	10	2
	<b>20,272</b>	<b>12,720</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act 2013.

### 18 PROVISIONS

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit Plan	343	182
Other provisions		
Provision for warranty and product recall	501	265
	<b>844</b>	<b>447</b>
<b>Current</b>		
Provisions for employee benefits		
Provision for retirement allowance and post retirement medical benefit Plan	11	11
Provision for compensated absences	4,914	4,548
Other provisions		
Provision for litigation / disputes and others	2,444	1,997
Provision for warranty and product recall	1,244	872
	<b>8,613</b>	<b>7,428</b>

#### Details of other provisions

Particulars	Litigation / Dispute and others		Warranty / Product recall	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Balance as at the beginning of the year	1,997	1,981	1,137	1,014
Addition / adjustment during the year	447	19	2,050	1,427
Utilised during the year	-	-	1,442	1,304
Reversed during the year	-	3	-	-
<b>Balance as at the end of the year</b>	<b>2,444</b>	<b>1,997</b>	<b>1,745</b>	<b>1,137</b>
<b>Particulars</b>	<b>Litigation / Dispute and others</b>		<b>Warranty / Product recall</b>	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Classified as long term	-	-	501	265
Classified as short term	2,444	1,997	1,244	872
<b>Total</b>	<b>2,444</b>	<b>1,997</b>	<b>1,745</b>	<b>1,137</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## Provisions for Employee Benefits

The provision for employee benefits include compensated absences and retirement allowance.

## Provision for Warranty and Product Recall

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as and when warranty claims will arise. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

## Provision for Litigation / Disputes and Others

In the ordinary course of business, the Group faces claims by various parties. The Group assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claim where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. (Refer to note 39)

## 19 DEFERRED TAX ASSETS (NET)

	As at 31.03.2022	As at 31.03.2021
Deferred tax assets	6,474	4,891
Deferred tax liabilities	5,063	9,345
<b>Net deferred tax assets / (liabilities)</b>	<b>1,411</b>	<b>(4,454)</b>

## Movement of deferred tax assets / (liabilities) for the year ended March 31, 2022

	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Adjustments*	Closing Balance
<b>2021-2022</b>					
<b>Deferred tax assets</b>					
Expenses deductible in future years	1,437	102	-	-	1,539
Provision for litigation / dispute	247	5	-	-	252
Allowance for doubtful debts / advances	125	(2)	-	-	123
Property, plant and equipment and Intangible assets	3,066	1,477	-	-	4,543
Others	16	14	(13)	-	17
	<b>4,891</b>	<b>1,596</b>	<b>(13)</b>	-	<b>6,474</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment and Intangible assets	4	(1)	-	-	3
Investment in debt mutual funds	7,691	(4,438)	-	-	3,253
Investment in equity instruments	19	-	255	-	274
Other current and non-current asset	1,040	(37)	-	-	1,003
Undistributed profit of joint ventures and associates	609	10	-	-	619
Others	(18)	(71)	-	-	(89)
	<b>9,345</b>	<b>(4,537)</b>	<b>255</b>	-	<b>5,063</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>(4,454)</b>	<b>6,133</b>	<b>(268)</b>	-	<b>1,411</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## Movement of deferred tax assets / (liabilities) for the year ended March 31, 2021

	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Adjustments*	Closing Balance
<b>2020-2021</b>					
<b>Deferred tax assets</b>					
Expenses deductible in future years	1,325	112	-	-	1,437
Provision for litigation / dispute	242	5	-	-	247
Allowance for doubtful debts / advances	125	-	-	-	125
Property, plant and equipment and Intangible assets	1,206	1,860	-	-	3,066
Others	13	140	(137)	-	16
	<b>2,911</b>	<b>2,117</b>	<b>(137)</b>	-	<b>4,891</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment and Intangible assets	5	(1)	-	-	4
Investment in debt mutual funds	7,734	(43)	-	-	7,691
Investment in equity instruments	33	-	(14)	-	19
Other current and non-current asset	982	58	-	-	1,040
Undistributed profit of joint ventures and associates	593	16	-	-	609
Others	139	(156)	(1)	-	(18)
	<b>9,486</b>	<b>(126)</b>	<b>(14)</b>	<b>(1)</b>	<b>9,345</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>(6,575)</b>	<b>2,243</b>	<b>(123)</b>	<b>1</b>	<b>(4,454)</b>

\* On account of reclassification to/from "Deferred Tax" from/to "Provision for Taxation" and intra movement within deferred tax assets/deferred tax liabilities

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

## 20 OTHER LIABILITIES

	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Contract liabilities (Deferred revenue)		
	21,812	21,295
	<b>21,812</b>	<b>21,295</b>
<b>Current</b>		
Advance from customers	11,244	10,189
Contract liabilities (Deferred revenue)	8,585	7,716
Statutory dues	8,857	8,896
	<b>28,686</b>	<b>26,801</b>

Note: During the year the Group has recognised revenue of ₹ 7,716 million which was included in the contract liability balance as on April 1, 2021 (for the year ended March 31, 2021 ₹ 7,838 million which was included in the contract liability balance as on April 1, 2020)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 21 TRADE PAYABLES

	As at 31.03.2022	As at 31.03.2021
Total outstanding dues of micro and small enterprises	1,087	698
Total outstanding dues of creditors other than micro and small enterprises	96,565	100,983
	<b>97,652</b>	<b>101,681</b>

#### 21.1 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at 31.03.2022	As at 31.03.2021
a. Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	1,087	698
- Interest due thereon	4	1
b. Payments made to suppliers beyond the appointed day during the year		
- Principal	227	717
- Interest paid	1	1
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	-	7
d. Amount of interest accrued and remaining unpaid as at year end	4	8

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

### Trade Payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	1,000	84	2	-	1	1,087
Others	59,648	2,084	16	13	106	61,867
Disputed dues - Others	-	-	-	1	4	5
Unbilled	34,693	-	-	-	-	34,693
<b>Total</b>	<b>95,341</b>	<b>2,168</b>	<b>18</b>	<b>14</b>	<b>111</b>	<b>97,652</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Trade Payables ageing schedule as at March 31, 2021

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	658	39	1	-	-	698
Others	69,137	2,248	55	36	75	71,551
Disputed dues - Others	-	-	1	-	4	5
Unbilled	29,427	-	-	-	-	29,427
<b>Total</b>	<b>99,222</b>	<b>2,287</b>	<b>57</b>	<b>36</b>	<b>79</b>	<b>101,681</b>

### 22 TAX ASSETS / LIABILITIES

	As at 31.03.2022	As at 31.03.2021
<b>Non-Current tax assets</b>		
Taxes Paid (Net)	5,446	5,407
<b>Current tax liabilities</b>		
Income tax payable (Net)	11,113	8,547

### 23 REVENUE FROM OPERATIONS

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Sale of products</b>		
Vehicles	737,912	590,059
Spare parts / dies and moulds / components	100,086	75,659
	<b>837,998</b>	<b>665,718</b>
<b>Other operating revenues</b>		
Income from services	13,690	12,171
Sale of scrap	6,419	4,208
Recovery of freight & service charges	21,475	19,096
Rental Income	437	405
Others	3,279	2,122
	<b>45,300</b>	<b>38,002</b>
	<b>883,298</b>	<b>703,720</b>

Refer to note 8.1 for payment terms with customers.

Revenue from contract with customers is disaggregated by geographical region and presented. (Refer to note 31)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Reconciliation of revenue recognised with contract price:

	Year ended 31.03.2022	Year ended 31.03.2021
Contract price (Gross)	915,559	738,647
Adjustments for:		
Discount & Incentives as per contract/scheme bulletins	(32,261)	(34,927)
Revenue From Operations	883,298	703,720

### 24 OTHER INCOME

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Interest income on</b>		
Bank deposits	1,283	96
Receivables from dealers	459	628
Others	5	4
	<b>1,747</b>	<b>728</b>
<b>Dividend income</b>		
Dividend from equity investments	29	32
	<b>29</b>	<b>32</b>
<b>Others</b>		
Net gain on sale of investments in debt mutual funds	2,046	411
Fair valuation gain on investment in debt mutual funds	13,625	27,713
Exchange variations on transactions and translation (net)	-	479
	<b>15,671</b>	<b>28,603</b>
	<b>17,447</b>	<b>29,363</b>

### 25 MATERIAL CONSUMED

#### 25.1 Cost of materials consumed

	Year ended 31.03.2022	Year ended 31.03.2021
Raw material Inventory at the beginning of year	14,703	13,761
Add: Purchases during the year	400,720	333,906
Less: Raw material at the end of year	18,027	14,703
	<b>397,396</b>	<b>332,964</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 25.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Opening balances</b>		
Work in progress	1,483	1,218
Finished goods manufactured		
Vehicle	5,376	9,236
Vehicle spares and components	364	376
Traded goods		
Vehicle	1,439	852
Vehicle spares and components	3,579	3,295
	<b>12,241</b>	<b>14,977</b>
<b>Closing balances</b>		
Work in progress	2,299	1,483
Finished goods manufactured		
Vehicle	5,509	5,376
Vehicle spares and components	344	364
Traded goods		
Vehicle	909	1,439
Vehicle spares and components	4,111	3,579
	<b>13,172</b>	<b>12,241</b>
	<b>(931)</b>	<b>2,736</b>

### 26 EMPLOYEE BENEFITS EXPENSES

	Year ended 31.03.2022	Year ended 31.03.2021
Salaries and wages	35,297	30,424
Contribution to provident and other funds	2,122	1,741
Staff welfare expenses	3,095	2,151
	<b>40,514</b>	<b>34,316</b>

### 27 FINANCE COSTS

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Interest costs:</b>		
Cash credit and overdrafts	120	253
Deposits from dealers, contractors and others	577	587
Others	569	178
	<b>1,266</b>	<b>1,018</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 28 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31.03.2022	Year ended 31.03.2021
Depreciation of property, plant and equipment	26,110	28,720
Amortisation of intangible assets	1,608	1,424
Depreciation of right-of-use assets (Refer to note 37)	172	197
	<b>27,890</b>	<b>30,341</b>

### 29 OTHER EXPENSES

	Year ended 31.03.2022	Year ended 31.03.2021
Consumption of stores	2,089	1,674
Power and fuel [net of amount recovered ₹ 238 million] (previous year ₹ 321 million)	6,309	4,766
Rent (Refer to note 40)	17,472	12,982
Repair and maintenance: plant and machinery	2,456	2,111
Repair and maintenance: building	418	246
Repair and maintenance: others	1,832	689
Insurance	530	453
Rates, taxes and fees	175	90
Royalty	30,054	32,218
Tools / machinery spares charged off	3,175	2,841
Advertisement	6,679	5,610
Sales promotion	3,080	2,689
Warranty and product recall	2,050	1,427
Transportation and distribution expenses	31,119	23,742
Net loss on sale / discarding of property, plant and equipment	458	590
Corporate social responsibility expenses (Refer note below)	1,007	1,409
Other miscellaneous expenses *	17,194	14,838
	<b>126,727</b>	<b>108,375</b>

\* Does not include any item of expenditure with a value of more than 1% of the revenue from operations

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Note on Corporate Social Responsibility

Particulars	As at 31.03.2022	As at 31.03.2021
i) Amount required to be spent by the company during the year	961	1,409
ii) Amount of expenditure incurred	1,007	1,409
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	Not Applicable	Not Applicable
vi) Nature of CSR activities	Community development, skill development and road safety	Community development, skill development and road safety
vii) Details of related party transactions*	20	-
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	10	-

\* (i) Represents purchasing of oxygen cylinders from Suzuki Motor Corporation to support Covid relief work.

(ii) Providing grant for procurement of tools, equipment and machineries for skill development to International Automobile Centre of Excellence.

### 30 INCOME TAXES

#### 30.1 Income tax recognised in profit or loss

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Current tax</b>		
In respect of the current year	14,401	11,673
In respect of prior years	(91)	(111)
	<b>14,310</b>	<b>11,562</b>
<b>Deferred tax</b>		
In respect of the current year	(6,222)	(2,357)
In respect of prior years	89	114
	<b>(6,133)</b>	<b>(2,243)</b>
<b>Total income tax expense recognised in the current year</b>	<b>8,177</b>	<b>9,319</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## The income tax expense for the year can be reconciled to the accounting profit as follows

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Profit before tax</b>	46,972	53,210
Tax at the Indian Tax Rate of 25.168% ( previous year 25.168%)	11,822	13,392
Differential tax rate on fair value gain on investment	898	(2,389)
Differential tax rate on capital gain on sale of investments	(4,642)	(1,767)
Effect of expenses that are not deductible in determining taxable profit	243	355
Share of profit in associates and joint ventures after adjustment of dividend received from them	(284)	(399)
Deferred tax on undistributed profit	10	15
Others	132	109
	<b>8,179</b>	<b>9,316</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(2)	3
<b>Income tax expenses recognized in profit or loss</b>	<b>8,177</b>	<b>9,319</b>

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (previous year 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

## 30.2 Income tax recognised in other comprehensive income

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Deferred tax assets / (liabilities)</b>		
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	(255)	14
Remeasurement of defined benefit obligation	(14)	(137)
<b>Total income tax recognised in other comprehensive income</b>	<b>(269)</b>	<b>(123)</b>
Bifurcation of the income tax recognised in other comprehensive income into :-		
Items that will not be reclassified to profit or loss	(269)	(123)
	<b>(269)</b>	<b>(123)</b>

## 31 SEGMENT INFORMATION

The Group is primarily in the business of manufacturing, purchase and sale of motor vehicles, components and spare parts ("automobiles"). The other activities of the Group comprise facilitation of pre-owned car sales, fleet management, car financing and servicing of the car manufactured by the Group. The income from these activities is not material in financial terms but such activities contribute significantly in generating demand for the products of the Group.

The Board of Directors, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore there is no reportable segment for the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 31.1 Group wide disclosure

	Domestic	Overseas	Total
<b>Revenue from operations</b>			
2021-22	758,391	124,907	<b>883,298</b>
2020-21	655,295	48,425	<b>703,720</b>
<b>Non current segment assets</b>			
As at 31.03.2022	177,488	-	<b>177,488</b>
As at 31.03.2021	168,730	-	<b>168,730</b>

- a) Domestic information includes sales and services rendered to customers located in India.
- b) Overseas information includes sales and services rendered to customers located outside India.
- c) Non-current segment assets includes property, plant and equipment, capital work in progress, intangible assets, intangible assets under development, capital advances and Right-of-use assets.
- d) No customer individually accounted for more than 10% of the company's revenue

## 32 EARNINGS PER SHARE

	Year ended 31.03.2022	Year ended 31.03.2021
<b>Basic earnings per share (₹)</b>	128.43	145.30
<b>Diluted earnings per share (₹)</b>	128.43	145.30
Profit attributable to the equity holders of the Group used in calculating basic earnings per share and diluted earnings per share	38,795	43,891
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (numbers)	<b>302,080,060</b>	<b>302,080,060</b>

## 33 EMPLOYEE BENEFIT PLANS

The various benefits provided to employees by the Group are as under:

### A. Defined contribution plans

- a) Superannuation fund
- b) Post employment medical assistance scheme
- c) Employers contribution to Employee State Insurance Act 1948
- d) Employers contribution to Employee's Pension Scheme 1995

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

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Employers contribution to Superannuation Fund *	163	127
Employers contribution on Post Employment Medical Assistance Scheme *	21	5
Employers contribution to Employee State Insurance *	3	3
Employers contribution on Employee's Pension Scheme 1995 *	326	267
Employers contribution to Government Provident Fund *	19	19

\* Included in 'Contribution to provident and other funds'

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### B. Defined benefit plans and other long term benefits

- a) Contribution to Gratuity Funds - Employee's Gratuity Fund
- b) Leave encashment / compensated absence
- c) Retirement allowance
- d) Provident fund
- e) Post retirement medical benefit plan

**These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.**

#### Investment risk

The probability or likelihood of lower returns as compared to the expected return on any particular investment.

#### Interest risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

#### Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

### The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Provident Fund*	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>As at 31.03.22</b>					
Discount rate(s)	NA	7.30%	7.30%	7.30%	7.30%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	23	23	23	23	5
<b>As at 31.03.21</b>					
Discount rate(s)	NA	6.85%	6.85%	6.85%	6.85%
Rate of increase in compensation level	NA	7.00%	7.00%	NA	NA
Expected average remaining working lives of employees (years)	24	24	24	24	0

\* In respect of Provident Fund, Interest rate guarantee (per annum) is 8.10% (Previous year 8.50%)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Components of expenses recognised in the statement of profit or loss in respect of:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>Year ended 31.03.22</b>					
Current service cost	995	426	430	14	51
Past service cost	-	-	-	-	124
Actuarial Loss / (gain)	-	463	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	301	(17)	6	7
<b>Expenses recognised in profit or loss</b>	<b>995</b>	<b>1,190</b>	<b>413</b>	<b>20</b>	<b>182</b>
<b>Year ended 31.03.21</b>					
Current service cost	861	509	394	13	1
Past service cost	-	-	-	-	-
Actuarial Loss / (gain)	-	327	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	-	272	55	6	9
<b>Expenses recognised in profit or loss</b>	<b>861</b>	<b>1,108</b>	<b>449</b>	<b>19</b>	<b>10</b>

### Components of expenses recognised in the other comprehensive income in respect of:

	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>Year ended 31.03.22</b>			
Actuarial (gains) / losses			
- changes in demographic assumptions	(6)	-	(15)
- changes in financial assumptions	(367)	(6)	(3)
- experience variance	217	(16)	(12)
- others	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	(15)	-	-
Remeasurement (or actuarial) (gain) / loss arising because of change in effect of asset ceiling	-	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>(171)</b>	<b>(22)</b>	<b>(30)</b>
<b>Year ended 31.03.21</b>			
Actuarial (gains) / losses			
- changes in demographic assumptions	-	-	(19)
- changes in financial assumptions	-	-	-
- experience variance	(59)	(15)	(23)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
- others	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	(429)	-	-
Remeasurement (or actuarial) (gain) / loss arising because of change in effect of asset ceiling	-	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	(488)	(15)	(42)

The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>As at 31.03.22</b>					
Present value of obligation	30,814	4,926	5,644	91	252
Fair value of plan assets	32,054	-	5,821	-	-
<b>Surplus / (deficit)</b>	<b>1,240</b>	<b>(4,926)</b>	<b>177</b>	<b>(91)</b>	<b>(252)</b>
Effects of asset ceiling, if any *	1,240	-	177	-	-
<b>Net asset / (liability)</b>	<b>-</b>	<b>(4,926)</b>	<b>-</b>	<b>(91)</b>	<b>(252)</b>
<b>As at 31.03.21</b>					
Present value of obligation	26,887	4,548	5,189	93	100
Fair value of plan assets	28,954	-	5,434	-	-
<b>Surplus / (deficit)</b>	<b>2,067</b>	<b>(4,548)</b>	<b>245</b>	<b>(93)</b>	<b>(100)</b>
Effects of asset ceiling, if any *	2,067	-	245	-	-
<b>Net asset / (liability)</b>	<b>-</b>	<b>(4,548)</b>	<b>-</b>	<b>(93)</b>	<b>(100)</b>

\* The Group has an obligation to make good the shortfall, if any

### Classification into long term and short term:

	Leave Encashment / Compensated Absence	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>As at 31.03.22</b>			
Classified as long term	-	88	244
Classified as short term	4,926	3	8
<b>Total</b>	<b>4,926</b>	<b>91</b>	<b>252</b>
<b>As at 31.03.21</b>			
Classified as long term	-	90	92
Classified as short term	4,548	3	8
<b>Total</b>	<b>4,548</b>	<b>93</b>	<b>100</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Movement in the present value of the defined benefit obligation are as follows:

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>Year ended 31.03.22</b>					
Present value of obligation as at the beginning	26,887	4,548	5,189	93	100
Current service cost	995	426	430	14	51
Interest expense or cost	1,887	301	355	6	7
Employees' contribution	2,611	-	-	-	-
Transfer in	492	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:	-	-	-	-	-
- change in demographic assumptions	-	3	(6)	-	(15)
- change in financial assumptions	-	(148)	(367)	(6)	(3)
- experience variance	491	608	217	(16)	(12)
- others	-	-	-	-	-
Past service cost	-	-	-	-	124
Benefits paid	(2,549)	(812)	(175)	-	-
<b>Present value of obligation as at the end</b>	<b>30,814</b>	<b>4,926</b>	<b>5,644</b>	<b>91</b>	<b>252</b>

	Provident Fund	Leave Encashment / Compensated Absence	Employees Gratuity Fund	Retirement Allowance	Post Retirement Medical Benefit Plan
<b>Year ended 31.03.21</b>					
Present value of obligation as at the beginning	23,048	4,107	4,719	89	132
Current service cost	861	509	394	13	1
Interest expense or cost	2,047	272	323	6	9
Employees' contribution	2,394	-	-	-	-
Transfer in	921	-	-	-	-
Remeasurement (or actuarial) (gain) / loss arising from:	-	-	-	-	-
- change in demographic assumptions	-	-	-	-	(19)
- change in financial assumptions	-	3	(1)	-	-
- experience variance	-	324	(59)	(15)	(23)
- others	-	-	-	-	-
Past service cost	-	-	-	-	-
Benefits paid	(2,384)	(667)	(188)	-	-
<b>Present value of obligation as at the end</b>	<b>26,887</b>	<b>4,548</b>	<b>5,189</b>	<b>93</b>	<b>100</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Movement in the fair value of the plan assets are as follows:

	Provident Fund	Employees Gratuity Fund
<b>Year ended 31.03.22</b>		
Fair value of plan assets at the beginning	28,954	5,434
Interest income	2,030	372
Employer's contribution	995	176
Employee's contribution	2,611	-
Transfer in	492	-
Benefits paid	(2,549)	(175)
Actuarial Gain/(Loss) on Plan Assets	(479)	15
<b>Fair value of plan assets as at the end</b>	<b>32,054</b>	<b>5,821</b>
<b>Year ended 31.03.21</b>		
Fair value of plan assets at the beginning	24,280	3,911
Interest income	2,064	268
Employer's contribution	861	1,014
Employee's contribution	2,394	-
Transfer in	921	-
Benefits paid	(2,384)	(188)
Actuarial Gain/(Loss) on Plan Assets	818	429
<b>Fair value of plan assets as at the end</b>	<b>28,954</b>	<b>5,434</b>

### Major categories of plan assets (as percentage of total plan assets)

	Provident Fund	Employees Gratuity Fund
<b>As at 31.03.22</b>		
Government Securities (Central & State)	47%	0%
Property	1%	0%
Corporate bonds	44%	0%
Equity Mutual Funds	8%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	0%	0%
Cash & cash equivalents	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>As at 31.03.21</b>		
Government Securities (Central & State)	46%	0%
Corporate bonds	46%	0%
Equity Mutual Funds	7%	0%
Fund managed by insurer (including ULIP)	0%	100%
Special deposit scheme	1%	0%
Cash & cash equivalents	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

The fair value of the above ULIP schemes are determined based on the Net Asset Value (NAV). Moreover, for other investments the fair value is taken as per the account statements of the insurance companies.

The average duration of the defined benefit obligation of gratuity fund at 31.03.22 is 14 years (as at 31.03.21: 15 years).

The Group expects to make a contribution of ₹ 312 million (as at 31.03.21: ₹ 205 million) to the defined benefit plans during the next financial year.

### Sensitivity analysis

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by ₹ 996 million (increase by ₹ 1,177 million) (As at 31.03.21: decrease by ₹ 976 million (increase by ₹ 1,165 million).

If the expected salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 1,074 million (decrease by ₹ 931 million) (As at 31.03.21: increase by ₹ 1,079 million (decrease by ₹ 928 million).

The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## 34 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 34.1 Financial instruments by category

	As at 31.03.2022				As at 31.03.2021			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
<b>Financial assets</b>								
Investments*								
- in equity instruments	-	13,296	-	13,296	-	9,827	-	9,827
- in debt mutual funds	390,543	-	-	390,543	405,705	-	-	405,705
Trade Receivable	-	-	20,345	20,345	-	-	12,799	12,799
Cash and cash equivalents	-	-	351	351	-	-	408	408
Other bank balances	-	-	30,071	30,071	-	-	30,063	30,063
Loans	-	-	307	307	-	-	232	232
Security deposits	-	-	247	247	-	-	241	241
Foreign currency / commodity forward contracts	8	-	-	8	298	-	-	298
Interest accrued	-	-	88	88	-	-	86	86
Recoverable from related parties	-	-	25,410	25,410	-	-	12,540	12,540
Others	-	-	552	552	-	-	446	446
<b>Total financial assets</b>	<b>390,551</b>	<b>13,296</b>	<b>77,371</b>	<b>481,218</b>	<b>406,003</b>	<b>9,827</b>	<b>56,815</b>	<b>472,645</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2022				As at 31.03.2021			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
<b>Financial liabilities</b>								
Borrowings	-	-	3,819	3,819	-	-	4,916	4,916
Current maturities of long term debts	-	-	27	27	-	-	27	27
Trade payables	-	-	97,652	97,652	-	-	101,681	101,681
Deposits from dealers, contractors and others	-	-	8,351	8,351	-	-	8,319	8,319
Payable to capital creditors	-	-	8,009	8,009	-	-	4,160	4,160
Interest accrued	-	-	3	3	-	-	35	35
Unpaid dividend	-	-	42	42	-	-	41	41
Book overdraft	-	-	187	187	-	-	136	136
Lease liabilities	-	-	409	409	-	-	466	466
Claims payable	-	-	3,643	3,643	-	-	-	-
Others	-	-	10	10	-	-	2	2
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>122,152</b>	<b>122,152</b>	<b>-</b>	<b>-</b>	<b>119,783</b>	<b>119,783</b>

\* Investment value excludes carrying value of equity accounted investment in joint ventures and investment in associates of ₹ 16,508 million (as at 31.03.2021 : ₹ 13,916 million).

### Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31.03.2022	Notes No	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	370,743	19,800	-	390,543
Foreign currency / commodity forward contracts	9	-	8	-	8
Financial instruments at FVTOCI					
Quoted equity instruments	6	12,636	-	-	12,636
Unquoted equity instruments	6	-	-	660	660
<b>Total financial assets</b>		<b>383,379</b>	<b>19,808</b>	<b>660</b>	<b>403,847</b>

As at 31.03.2021	Notes No	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial instruments at FVTPL					
Investments in debt mutual funds	6	369,073	36,632	-	405,705
Foreign currency / commodity forward contracts	9	-	298	-	298
Financial instruments at FVTOCI					
Quoted equity instruments	6	9,510	-	-	9,510
Unquoted equity instruments	6	-	-	317	317
<b>Total financial assets</b>		<b>378,583</b>	<b>36,930</b>	<b>317</b>	<b>415,830</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Derivative contracts: The Group has entered into variety of foreign currency and commodity forward contracts and swaps to manage its exposure to fluctuations in foreign exchange rates and commodity price risk. These financial exposures are managed in accordance with the Group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

### Reconciliation of Level 3 fair value measurement

Particulars	Unlisted equity instruments
As at 01.04.2020	368
Acquisition	-
Gains/(losses) recognised	
- in other comprehensive income	(51)
As at 31.03.2021	317
Acquisition	300
Gains/(losses) recognised	
- in other comprehensive income	43
As at 31.03.2022	660

### 34.2 Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Business commitment and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Foreign exchange derivatives
Market risk - security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

The financial risk management of the Group is carried out under the policies approved by the Board of Directors. Within these policies, the Board provides written principles for overall risk management including policies covering specific areas, such as foreign exchange risk management, commodity risk management and investment of funds.

### (A) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade receivables, loans and advances and derivative instruments. None of the financial instruments of the Group results in material concentration of credit risks.

Financial assets for which loss allowance is measured:

Particulars	Notes No	As at 31.03.2022	As at 31.03.2021
Loans - non current	7	125	125
Trade receivables	8	29	29
Other financial assets - current	9	28	28

Financial assets other than mentioned above, none of the financial assets were impaired and there were no indications that defaults in payment obligations would occur.

### (B) Liquidity risk

Liquidity risk refers to the risk that the Group can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

The Group operates with a low Debt Equity ratio. The Group raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Group has access to the borrowing facilities of ₹ 49,853 million as at 31.03.2022 (₹ 43,590 million as at 31.03.2021) to honour any liquidity requirements arising for business needs. The Group has large investments in debt mutual funds which can be redeemed on a very short notice and hence carries negligible liquidity risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### (i) Financing arrangements

The Group had access to the following borrowing facilities at the end of the reporting period:

	As at 31.03.2022	As at 31.03.2021
<b>Floating rate</b>		
- Expiring within one year (bank overdraft and other facilities)	49,853	43,590
- Expiring beyond one year (bank loans)	-	-
	<b>49,853</b>	<b>43,590</b>

### (ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
<b>As at 31st March 2022</b>			
Borrowings	3,846	-	3,846
Trade payables	97,652	-	97,652
Lease Liabilities	80	329	409
Other financial liabilities	20,245	-	20,245
	<b>121,823</b>	<b>329</b>	<b>122,152</b>
<b>As at 31st March 2021</b>			
Borrowings	4,915	28	4,943
Trade payables	101,681	-	101,681
Lease Liabilities	74	392	466
Other financial liabilities	12,693	-	12,693
	<b>119,363</b>	<b>420</b>	<b>119,783</b>

### (C) Market risk

#### (i) Foreign currency risk

The Group has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the foreign currency risk management policy approved by the board of directors. The Group enters into derivative financial instruments to mitigate the foreign currency risk.

- forward foreign exchange and options contracts for foreign currency risk mitigation

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### Foreign currency risk exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year expressed in INR, are as follows:

	(In millions)				
	JPY	USD	EURO	GBP	SGD
<b>As at 31st March 2022</b>					
<b>Financial assets</b>					
Trade Receivables	11,872	3,981	369	-	-
Foreign Exchange Derivative Contracts	-	-	-	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>11,872</b>	<b>3,981</b>	<b>369</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade payables and other financial liabilities	4,510	2,287	682	14	-
Foreign Exchange Derivative Contracts	(2,509)	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>2,001</b>	<b>2,287</b>	<b>682</b>	<b>14</b>	<b>-</b>

	(In millions)				
	JPY	USD	EURO	GBP	SGD
<b>As at 31st March 2021</b>					
<b>Financial assets</b>					
Trade Receivables	2,868	1,488	91	-	-
Foreign Exchange Derivative Contracts	-	-	-	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>2,868</b>	<b>1,488</b>	<b>91</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade payables and other financial liabilities	12,390	2,875	1,535	11	1
Foreign Exchange Derivative Contracts	(3,797)	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>8,593</b>	<b>2,875</b>	<b>1,535</b>	<b>11</b>	<b>1</b>

### Foreign currency sensitivity analysis

The Group is mainly exposed to JPY, USD and EURO.

The following table details the Group's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	Year ended 31.03.2022	Year ended 31.03.2021
	₹ strengthens by 10%	₹ weakening by 10%
	₹ strengthens by 10%	₹ weakening by 10%
<b>Impact on profit or loss for the year</b>		
JPY impact	(736)	736
USD Impact	(169)	169
EURO Impact	31	(31)

### (ii) Security price risk

#### Exposure in equity

The Group is exposed to equity price risks arising from equity investments held by the Group and classified in the balance sheet as fair value through OCI.

#### Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended 31<sup>st</sup> March 2022 would increase / decrease by ₹ 665 million (for the year ended 31<sup>st</sup> March 2021: increase / decrease by ₹ 491 million) as a result of the change in fair value of equity investment measured at FVTOCI.

#### Exposure in mutual funds

The Group manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such investments.

#### Mutual fund price sensitivity analysis

The sensitivity analyses below have been determined based on Mutual Fund Investment at the end of the reporting period.

If NAV has been 1% higher / lower:

Profit for year ended 31.03.2022 would increase / decrease by ₹ 3,905 million (for the year ended 31.03.2021 by ₹ 4,057 million) as a result of the changes in fair value of mutual fund investments.

### 34.3 Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group has large investments in debt mutual fund schemes where the underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings. The credit quality of the entire portfolio investments is monitored on a quarterly basis. The Group's overall strategy remains unchanged from previous year.

The following table details the debt and equity at the end of the reporting period:

Particulars	As at 31.03.2022	As at 31.03.2021
Borrowings	3,846	4,943
Cash and cash equivalents	(351)	(408)
Net debt	3,495	4,535
Total equity	553,335	525,006
<b>Net debt to equity ratio</b>	<b>0.006</b>	<b>0.009</b>

The Group is not subject to any externally imposed capital requirements.

### 34.4 Foreign exchange derivative contracts

The Group follows a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Group may keep the exposures unhedged or hedged only as a part of the total exposure.

The Company does not enter into a foreign exchange derivative transactions for speculative purposes.

## 35 DETAILS OF SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

### 35.1 Maruti Suzuki India Limited has two subsidiaries, three joint venture companies and fourteen associate companies, as given in the following table:

SI No	Name of Company	Relationship	Country of Incorporation	Percentage of ownership interest	
				As on 31st March 2022	As on 31st March 2021
1	True Value Solutions Limited	Subsidiary	India	100.00	100.00
2	J.J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited)	Subsidiary	India	100.00	100.00
3	Plastic Omnium Auto Inergy Manufacturing India Private Limited	Joint Venture	India	26.00	26.00
4	Marelli Powertrain India Private Limited (formerly Magneti Marelli Powertrain India Private Limited)	Joint Venture	India	19.00	19.00
5	Maruti Suzuki Toyotsu India Private Limited	Joint Venture	India	50.00	50.00
6	Bharat Seats Limited	Associates	India	14.81	14.81
7	Jay Bharat Maruti Limited	Associates	India	29.28	29.28
8	Machino Plastics Limited	Associates	India	15.35	15.35
9	Caparo Maruti Limited	Associates	India	25.00	25.00
10	Hanon Climate Systems India Private Limited	Associates	India	39.00	39.00
11	Krishna Maruti Limited	Associates	India	15.80	15.80
12	SKH Metals Limited	Associates	India	37.03	37.03

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

SI No	Name of Company	Relationship	Country of Incorporation	Percentage of ownership interest	
				As on 31st March 2022	As on 31st March 2021
13	Nippon Thermostat (India) Limited	Associates	India	10.00	10.00
14	Mark Exhaust Systems Limited	Associates	India	44.37	44.37
15	Bellsonica Auto Component India Private Limited	Associates	India	30.00	30.00
16	FMI Automotive Components Private Limited	Associates	India	49.00	49.00
17	Manesar Steel Processing India Private Limited	Associates	India	11.83	11.83
18	Maruti Suzuki Insurance Broking Private Limited	Associates	India	46.26	46.26
19	Bahucharaji Rail Corporation Limited	Associates	India	41.14	30.41

### 35.2 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/Associates/Joint Ventures

Parent Company	Net Assets (Total Assets less Total liability)				Share in Profit & Loss	
	As at 31.03.2022		As at 31.03.2021		FY 21-22	FY 20-21
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	As a % of Consolidated Total Comprehensive Income
1 Maruti Suzuki India Limited	97.75%	540,860	97.85%	513,668	97.28%	40,786
<b>Subsidiaries</b>						
1 True Value Solutions Limited	0.00%	2	0.00%	2	0.00%	-
2 J.J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited)	0.08%	431	0.08%	409	0.05%	22
Adjustments arising out of consolidation	-0.05%	(298)	-0.07%	(297)	0.00%	(1)
<b>Total of Subsidiaries</b>	<b>0.02%</b>	<b>135</b>	<b>0.01%</b>	<b>114</b>	<b>0.05%</b>	<b>21</b>
<b>Minority Interests in all subsidiaries</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>
<b>Joint Ventures</b>						
1 Plastic Omnium Auto Inergy Manufacturing India Private Limited	0.04%	234	0.05%	254	-0.05%	(20)
2 Marelli Powertrain India Private Limited (formerly Magneti Marelli Powertrain India Private Limited)	0.13%	715	0.16%	866	-0.36%	(151)
3 Maruti Suzuki Toyotsu India Private Limited	0.04%	197	0.04%	211	-0.03%	(14)
<b>Total of Joint Ventures</b>	<b>0.21%</b>	<b>1,146</b>	<b>0.25%</b>	<b>1,331</b>	<b>-0.44%</b>	<b>(185)</b>
					<b>0.32%</b>	<b>159</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	Net Assets (Total Assets less Total liability)		Share in Profit & Loss					
	As at 31.03.2022		As at 31.03.2021		FY 21-22		FY 20-21	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
<b>Adjustments arising out of consolidation</b>	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Less: Investment in Joint Ventures</b>	-0.07%	(373)	-0.07%	(373)	0.00%	-	-0.14%	(71)
<b>Associates</b>								
1 Bharat Seats Limited	0.03%	189	0.03%	172	0.04%	17	0.01%	4
2 Jay Bharat Maruti Limited	0.25%	1,371	0.25%	1,313	0.14%	58	0.16%	80
3 Machino Plastics Limited	0.01%	76	0.02%	80	-0.01%	(4)	-0.01%	(6)
4 Caparo Maruti Limited	0.04%	207	0.05%	263	-0.13%	(56)	-0.10%	(47)
5 Hanon Climate Systems India Private Limited	0.18%	1,005	0.18%	938	0.16%	67	0.08%	39
6 Krishna Maruti Limited	0.27%	1,513	0.24%	1,263	0.60%	250	0.44%	216
7 SKH Metals Limited	0.11%	601	0.10%	524	0.18%	77	0.00%	1
8 Nippon Thermostat (India) Limited	0.00%	-	0.00%	(1)	0.00%	1	0.00%	(2)
9 Mark Exhaust Systems Limited	0.08%	420	0.07%	370	0.12%	50	0.07%	33
10 Bellsonica Auto Component India Private Limited	0.03%	187	0.03%	160	0.06%	27	-0.04%	(21)
11 FMI Automotive Components Private Limited	0.17%	931	0.16%	822	0.26%	109	0.31%	151
12 Manesar Steel Processing India Private Limited	0.01%	62	0.01%	56	0.01%	6	0.00%	-
13 Maruti Suzuki Insurance Broking Private Limited	1.22%	6,761	1.15%	6,052	1.69%	709	2.16%	1,059
14 Bahucharaji Rail Corporation Limited	0.37%	2,039	0.11%	573	3.50%	1,466	1.19%	582
<b>Total of Associates</b>	<b>2.78%</b>	<b>15,362</b>	<b>2.40%</b>	<b>12,585</b>	<b>6.62%</b>	<b>2,777</b>	<b>4.27%</b>	<b>2,089</b>
<b>Adjustments arising out of consolidation</b>	-0.01%	(50)	-0.01%	(43)	-0.01%	(6)	0.01%	5
<b>Less: Investment in Associates</b>	-0.56%	(3,126)	-0.32%	(1,667)	-3.48%	(1,459)	-1.19%	(582)
<b>Deferred Tax Liabilities on Undistributed Profits of associates and joint ventures</b>	-0.11%	(619)	-0.12%	(609)	-0.02%	(10)	-0.03%	(16)
<b>Total</b>	<b>100.00%</b>	<b>553,335</b>	<b>100.00%</b>	<b>525,006</b>	<b>100.00%</b>	<b>41,924</b>	<b>100.00%</b>	<b>49,027</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 36 Related Party Transactions for the year ended 31<sup>st</sup> March, 2022

### 36.1 Description of related parties

Holding Company	Associates
Suzuki Motor Corporation, Japan (SMC)	Bharat Seats Limited
	Caparo Maruti Limited
<b>Joint Ventures</b>	Jay Bharat Maruti Limited
Marelli Powertrain India Private Limited (Formerly known as Magneti Marelli Powertrain India Private Limited)	Krishna Maruti Limited
	Machino Plastics Limited
	SKH Metals Limited
Plastic Omnium Auto Inergy Manufacturing India Private Limited	Nippon Thermostat (India) Limited
Maruti Suzuki Toyotsu India Private Limited	Bellsonica Auto Component India Private Limited
	Mark Exhaust Systems Limited
<b>Contribution to Post Retirement Benefit Plans</b>	FMI Automotive Components Private Limited
Maruti Suzuki India Limited - Employees Group Gratuity Fund	Maruti Suzuki Insurance Broking Private Limited (Formerly Maruti Insurance Broking Private Limited)
Maruti Suzuki India Limited - Employees Provident Fund Trust	Manesar Steel Processing India Private Limited
Maruti Suzuki India Limited - Employees Superannuation Fund	Hanon Climate Systems India Private Limited
	Bahucharaji Rail Corporation Limited
<b>Fellow Subsidiaries (only with whom the Company had transactions during the current period)</b>	
Magyar Suzuki Corporation Ltd.	Taiwan Suzuki Automobile Corporation
Suzuki Motor Gujarat Private Limited	Suzuki Motor (Thailand) Co., Ltd.
Suzuki Motor de Mexico, S.A. de C.V.	Suzuki Thilawa Motor Co. Ltd
Vietnam Suzuki Corporation	Suzuki Motorcycle India Private Ltd.
Suzuki International Europe G.m.b.H.	Thai Suzuki Motor Co., Ltd.
Suzuki Australia Pty. Ltd.	Suzuki (Myanmar) Motor Co., Ltd.
Suzuki GB PLC	Suzuki New Zealand Ltd.
Suzuki Auto South Africa (Pty) Ltd	PT. Suzuki Indomobil Motor
Suzuki Philippines Inc.	TDS Lithium-Ion Battery Gujarat Private Limited (Formerly known as Automotive Electronics Power Private Limited)
Suzuki Italia S.P.A.	
<b>Key Management Personnel (KMP)</b>	
Mr. R. C. Bhargava	Chairman
Mr. Kenichi Ayukawa	Managing Director & CEO (till March 31, 2022)
Mr. O. Suzuki	Director
Mr. T. Suzuki	Director
Mr. Takahiko Hashimoto	Director (till April 27, 2021)
Mr. Shigetoshi Torii	Director (w.e.f April 28, 2021)
Mr. Kenichiro Toyofuku	Director
Mr. Hisashi Takeuchi	Director (w.e.f April 28, 2021)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Mr. K. Saito	Director
Mr. Davinder Singh Brar	Independent Director
Mr. Rajinder Pal Singh	Independent Director
Ms. Lira Goswami	Independent Director
Mr. Maheswar Sahu	Independent Director
Mr. Ajay Seth	Chief Financial Officer
Mr. Sanjeev Grover	Company Secretary

### 36.2 Transactions with related parties

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Sale of goods to:</b>		
- Holding Company, Suzuki Motor Corporation	52,272	17,767
- Fellow Subsidiaries	11,915	9,162
- Suzuki Motorcycle India Private Ltd.	7,600	3,917
- Others	71,787	30,486
Investment in equity shares of joint venture/associate company	1,459	653
<b>Purchase of goods from:</b>		
- Holding Company, Suzuki Motor Corporation	21,068	13,214
- Associates	79,263	63,020
- Joint Ventures	2,659	3,238
- Fellow Subsidiaries	212,100	139,738
- Suzuki Motor Gujarat Private Limited	488	287
- Others	315,578	219,497
<b>Purchase of property, plant &amp; equipment and intangible assets &amp; intangible assets under development from:</b>		
- Holding Company, Suzuki Motor Corporation	2,880	5,034
- Associates	1,993	1,366
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	17	88
- Joint Ventures, Marelli Powertrain India Private Limited	-	43
	4,890	6,531
<b>Finance income / commission / dividend from:</b>		
- Associates	80	81
- Hanon Climate Systems India Private Limited	54	-
- Krishna Maruti Limited	19	11

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Joint Ventures</b>		
- Marelli Powertrain India Private Limited	317	-
- Plastic Omnium Auto Inergy Manufacturing India Private Limited	20	12
<b>Other operating revenue / other income from:</b>	<b>490</b>	<b>104</b>
- Holding Company, Suzuki Motor Corporation	4,574	3,121
- Associates	63	62
- Joint Ventures	10	10
- Fellow Subsidiaries	218	209
	<b>4,865</b>	<b>3,402</b>
<b>Recovery of expenses from:</b>		
- Holding Company, Suzuki Motor Corporation	9,526	3,253
- Associates	407	203
- Joint Ventures	51	34
- Fellow Subsidiaries	8,907	9,746
- Suzuki Motor Gujarat Private Limited	34	31
	<b>18,925</b>	<b>13,267</b>
<b>Services received from:</b>		
- Holding Company, Suzuki Motor Corporation	2,875	2,046
- Associates	1	4
- Fellow Subsidiaries, Suzuki Motor Gujarat Private Limited	-	5
	<b>2,876</b>	<b>2,055</b>
<b>Dividend paid to:</b>		
- Holding Company, Suzuki Motor Corporation	7,663	10,200
	<b>7,663</b>	<b>10,200</b>
<b>Royalty expenses:</b>		
- Holding Company, Suzuki Motor Corporation	30,054	32,218
	<b>30,054</b>	<b>32,218</b>
<b>Other expenses:</b>		
- Holding Company, Suzuki Motor Corporation	260	426
- Associates	17	24
- Joint Ventures	37	-
- Fellow Subsidiaries	17,255	12,726
- Suzuki Motor Gujarat Private Limited	34	35
- Others	17,603	13,211

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Trade Receivables:</b>		
- Holding Company, Suzuki Motor Corporation	4,162	1,311
- Associates	-	58
- Fellow Subsidiaries		
- Suzuki Motorcycle India Private Ltd.	1,896	1,489
- Suzuki Motor Gujarat Private Limited	468	346
- Others	874	197
	<b>7,400</b>	<b>3,401</b>
<b>Other current assets:</b>		
- Holding Company, Suzuki Motor Corporation	-	71
- Associates	1	13
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	1,813	79
	<b>1,814</b>	<b>163</b>
<b>Other financial assets:</b>		
- Holding Company, Suzuki Motor Corporation	18,529	2,618
- Associates	240	176
- Fellow Subsidiaries		
- Suzuki Motor Gujarat Private Limited	6,343	9,699
- Others	298	47
	<b>25,410</b>	<b>12,540</b>
<b>Other non current assets:</b>		
- Associates		
-Bellsonica Auto Component India Private Limited	548	344
-Jay Bharat Maruti Limited	374	250
-SKH Metals Limited	240	44
-Bharat Seats Limited	282	1
- Others	205	160
	<b>1,649</b>	<b>799</b>
<b>Goods in transit:</b>		
- Holding Company, Suzuki Motor Corporation	3,172	2,367
- Associates	1	2
- Fellow Subsidiaries	8	23
	<b>3,181</b>	<b>2,392</b>
<b>Trade payable:</b>		
- Holding Company, Suzuki Motor Corporation	18,003	18,855
- Associates	6,250	10,443
- Joint Ventures	374	303

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>- Fellow Subsidiaries</b>		
- Suzuki Motor Gujarat Private Limited	15,043	8,156
- Others	492	40
	<b>40,162</b>	<b>37,797</b>
<b>Other financial liabilities</b>		
- Holding Company, Suzuki Motor Corporation	496	197
- Associates		
- Jay Bharat Maruti Limited	75	25
- Krishna Maruti Limited	145	18
- SKH Metals Limited	150	2
- Caparo Maruti Limited	90	2
- Bahucharaji Rail Corporation Limited	137	-
- Others	101	17
- Joint Ventures, Marelli Powertrain India Private Limited	-	1
- Fellow Subsidiaries, Suzuki Motorcycle India Private Ltd.	-	21
	<b>1,194</b>	<b>283</b>
<b>36.3 Key management personnel compensation</b>		
Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Short-term benefits	227	171
Post-employment benefits	-	-
Other long-term benefits	-	-
<b>Total Compensation</b>	<b>227</b>	<b>171</b>
Mr. Kenichi Ayukawa	42	42
Mr. Ajay Seth	28	28
Mr. Sanjeev Grover	9	8
Mr. Shigetoshi Torii	40	-
Mr. Hisashi Takeuchi	40	-
Mr. Kenichiro Toyofuku	28	31
Mr. Takahiko Hashimoto	-	29
Others	42	33
<b>Total Compensation</b>	<b>227</b>	<b>171</b>
<b>Contribution to Post Retirement Benefit Plans</b>		
Maruti Suzuki India Limited - Employees Group Gratuity Fund	409	445
Maruti Suzuki India Limited - Employees Provident Fund Trust	996	861
Maruti Suzuki India Limited - Employees Superannuation Fund	163	127
	<b>1,568</b>	<b>1,433</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

### 37 Leases

#### The Group as a Lessee

The Group's leases primarily consists of leases for land and buildings. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term. In a case where the Group has purchase option, the option is exercisable at nominal value and the Group's obligations are secured by the lessor's title to the leased assets for such leases.

#### (i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:

	As at 31.03.2022	As at 31.03.2021
<b>Right-of-use assets</b>		
Land	5,371	5,458
Buildings	341	402
<b>Total</b>	<b>5,712</b>	<b>5,860</b>

There were additions of ₹ 24 million to the Right-of-use asset during the year.

\*Right-of-use assets includes leasehold land having carrying value of ₹ 7 million (as at 31.03.21 ₹ 7 million) for which lease deed is yet to be executed in the name of the Group.

	As at 31.03.2022	As at 31.03.2021
<b>Lease liabilities</b>		
Current	80	74
Non-Current	329	392
<b>Total</b>	<b>409</b>	<b>466</b>

	As at 31.03.2022	As at 31.03.2021
<b>Maturity analysis of lease liabilities</b>		
Within one year	80	74
Later than one year but less than five years	254	250
Later than five years	75	142
<b>Total</b>	<b>409</b>	<b>466</b>

#### (ii) Amounts recognised in the Statement of Profit and Loss

The statement of profit and loss shows the following amounts relating to leases:

	Notes	As at 31.03.2022	As at 31.03.2021
<b>Depreciation charge of Right-of-use assets</b>			
Land	28	93	96
Buildings	28	79	101
<b>Total</b>		<b>172</b>	<b>197</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	Notes	As at 31.03.2022	As at 31.03.2021
Interest expense on lease liabilities (included in finance cost)	27	42	39
Expense relating to short term and low value leases (included in other expense)	29	204	249
Income from subleasing right-of-use assets (included in other operating revenue)	23	-	38

The total cash outflow for leases for the year ended 31 March, 2022 were ₹ 123 million (previous year ₹ 150 million)

### 38 CAPITAL & OTHER COMMITMENTS

	As at 31.03.2022	As at 31.03.2021
Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for	35,606	32,132
Outstanding commitments under Letters of Credit established by the Group	472	1,700

### 39 CONTINGENT LIABILITIES

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

	As at 31.03.2022	As at 31.03.2021
<b>(i) Excise Duty</b>		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,635	1,631
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	15,482	14,954
<b>Total</b>	<b>17,117</b>	<b>16,585</b>
Amount deposited under protest	1,696	1,696
<b>(ii) Goods &amp; Services Tax</b>		
(a) Cases pending before High Court of Rajasthan in respect of which the Company has filed writ	10	10
<b>(iii) Service Tax</b>		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals and show cause notices / orders on the same issues for other periods	1,769	1,138
(b) Cases pending before Appellate authorities in respect of which the Group has filed appeals and show cause notices for other periods	3,373	3,694
<b>Total</b>	<b>5,142</b>	<b>4,832</b>
Amount deposited under protest	93	92
<b>(iv) Income Tax</b>		
(a) Cases decided in the Group's favour by Appellate authorities and for which the department has filed further appeals	12,255	12,319

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

	As at 31.03.2022	As at 31.03.2021
Cases pertaining to issues decided in favour of the Group for an earlier year but the Income (b) Tax Department have raised a demand for a similar issue for subsequent years and are pending before Appellate authorities / Dispute Resolution Panel pursuant to appeals filed by the Group	65,457	44,801
(c) Other cases pending before Appellate authorities / Dispute Resolution Panel in appeals filed by the Group	68,154	41,414
<b>Total</b>	<b>145,866</b>	<b>98,534</b>
Amount deposited under protest	8,287	7,279
<b>(v) Custom Duty</b>		
(a) Cases pending before Appellate authorities in respect of which the Group has filed appeals	1,987	1,265
(b) Others	90	81
<b>Total</b>	<b>2,077</b>	<b>1,346</b>
Amount deposited under protest	-	-
<b>(vi) Sales Tax</b>		
Cases pending before Appellate authorities in respect of which the Group has filed appeals	55	55
Amount deposited under protest	3	3
<b>(vii) Claims</b>		
Claims against the Group lodged by various parties	1,374	1,292
Others	3,588	2,878
<b>(viii) Group's share in Associate's and Joint Venture's Contingent Liabilities</b>		
Contingent liabilities incurred by the Group arising from its interest in joint venture (a)	83	82
Contingent liabilities incurred by the Group arising from its interest in associates (a)	1,598	1,423
Group's share of joint ventures' contingent liabilities (b)	22	21
Group's share of associates' contingent liabilities (b)	541	490

(a) A number of contingent liabilities have arisen as a result of the Group's interest in its joint venture and associates. The amount disclosed represents the aggregate amount of such contingent liabilities for which the Group as an investor is liable. The extent to which an outflow of funds will be required is dependent on the future operations of the joint venture. The Group is not contingently liable for the liabilities of other ventures in the joint ventures.

(b) The amount disclosed represents the Group's share of contingent liabilities of joint ventures and associates. The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.

(ix) In respect of disputed Local Area Development Tax (LADT) (upto April 15, 2008) / Entry Tax, the amounts under dispute are ₹ 21 million (as at 31.03.2021: ₹ 21 million) for LADT and ₹ 20 million (as at 31.03.2021: ₹ 20 million) for Entry Tax. The State Government of Haryana has repealed the LADT effective from April 16, 2008 and introduced the Haryana Tax on Entry of Goods into Local Area Act, 2008 with effect from the same date. After implementation of Goods & Services Act in 2017, Entry Tax Act in Haryana was repealed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

- (x) (a) The Competition Commission of India ("CCI") had passed an order dated August 25, 2014 stating that the Company has violated certain sections of the Competition Act, 2002 for not making diagnostic tools and genuine spare parts freely available in the open market and has imposed a penalty of ₹ 4,712 million. The Delhi High Court, on 16<sup>th</sup> May 2019, disposed the Company's petition stating that the Company had alternative remedies available. Thereafter, Company filed a Special Leave Petition before the Supreme Court of India, wherein an interim stay on the CCI's order was granted on July 1, 2019 and the stay is continuing.
  - (b) The Competition Commission of India ("CCI") had initiated suo-moto proceedings in the month of February 2019 alleging that the Company has violated certain sections of the Competition Act, 2002 relating to resale price maintenance. The Company filed its response to the Director General's investigation report against the Company before the CCI on 9<sup>th</sup> April 2021 and placed its final arguments during the virtual hearing on 15<sup>th</sup> April 2021. The Company has received the order from CCI dated August 23, 2021, whereby the Commission has arrived at a decision against the Company and a penalty of ₹ 2,000 million was imposed on the Company for imposing a discount control policy. The Company is of the view that the CCI has failed to consider voluminous evidence that it has submitted in its defense. The Company has been legally advised that there are fair and reasonable grounds to contest the case. The Company has filed an appeal before the National Company Law Appellate Tribunal ("NCLAT") to vigorously defend its position against the CCI order. The NCLAT has stayed the operation of the CCI order including the cease and desist direction and penalty subject to the Company depositing 10% of the penalty imposed i.e. ₹ 200 million. The Company has deposited the ₹ 200 million and will contest the CCI order.
  - (xi) The Hon'ble Supreme Court in a ruling during the previous year, had passed a judgment on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Group for the previous periods, if any, cannot be ascertained. Currently, the Group has started providing for the revised liability w.e.f from 1 April, 2019.
  - B) The amounts shown in the item (A) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.
  - 40 The Group entered into a 'Contract Manufacturing Agreement' (CMA) with Suzuki Motor Gujarat Private Limited (SMG), a fellow subsidiary of Suzuki Motor Corporation (SMC) on December 17, 2015. In accordance with the contractual terms, SMG during the term of this agreement, shall manufacture and supply vehicles on an exclusive basis to MSIL. The consideration for the arrangement would be cost incurred by SMG to manufacture the cars which will be charged to the Group on no-profit-no-loss basis.
- The Group evaluated the CMA arrangement in accordance with guidance provided in Ind AS 116 and concluded that the specified assets and right to use the same are implied in the agreement. The Group also evaluated the contractual rights and obligations including relating to pricing, termination and renewal and concluded that a reasonable certainty, as defined by Ind AS 116, does not exist across the lease period. Accordingly no right-of-use asset or lease liability has been recognised on account of the given arrangement.
- The payments made towards cost of purchase of vehicles recorded during the year includes ₹ 17,251 million (previous year ₹ 12,718 million) towards a component of lease payment for specified assets (Written Down value of specified assets as on March 31, 2021 is ₹ 111,841 million (Previous year ₹ 73,203 millions)), as per the information provided by SMG.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

## 41 AUDITORS' REMUNERATION \*

	Year ended 31.03.2022	Year ended 31.03.2021
Statutory audit	19	19
Taxation matters	10	8
Other audit services / certification	3	2

\* excluding GST

42 The figures of previous year have been re-grouped, wherever necessary, to conform to the current year classification.

43 The Consolidated financial statements were approved by the Board of Directors and authorised for issue on April 29, 2022.

For and on behalf of the Board of Directors

**HISASHI TAKEUCHI**  
Managing Director & CEO  
DIN : 07806180

**KENICHI AYUKAWA**  
Executive Vice Chairman  
DIN : 02262755

**AJAY SETH**  
Chief Financial Officer

Place: New Delhi  
Date: April 29, 2022

**SANJEEV GROVER**  
Executive Vice President &  
Company Secretary  
ICSI Membership No : F3788

# AOC-1

## PART "A" - Subsidiaries

1	Sl. No.	2	Name of the Subsidiary	1	J J Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited)	2	True Value Solutions Limited
3	The date since when Subsidiary was acquired	20-Apr-12	14-Jan-02				
4	Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period	NA	NA				
5	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	NA	NA				
6	Share Capital (in Millions)	88	1				
7	Reserves & Surplus (in Millions)	343	1				
8	Total Assets (in Millions)	580	2				
9	Total Liabilities (in Millions)	149	0				
10	Investments (in Millions)	-	-				
11	Turnover (in Millions)	865	-				
12	Profit before taxation (in Millions)	27	(0)				
13	Provision for taxation (in Millions)	7	-				
14	Profit after taxation (in Millions)	20	(0)				
15	Proposed Dividend	-	-				
16	% of shareholding	100%	100%				

**Note:**

1 No subsidiaries are yet to commence operations.

2 During the previous year, the Company acquired remaining 49.13% shares from the shareholders of its subsidiary Company JJ Impex (Delhi) Limited (formerly JJ Impex (Delhi) Private Limited) for the purpose of expanding its operations. Accordingly, JJ Impex (Delhi) Limited became wholly owned subsidiary of the Company w.e.f. August 7, 2020.

## PART "B" - Associates and Joint Ventures

### I. Associates

Sl. No.	Name of Associate/ Joint Ventures	Hanon Climate Systems India Private Limited	SKH Jay Bharat Maruti Metals Limited	Caparo Maruti Limited	Machino Maruti Plastics Limited	Bharat Seats Limited	Krishna Maruti Limited	Nippon Thermostat Systems (India) Limited	Mark Exhaust Systems India Private Limited	Bellsonica Auto Components India Private Limited	FMI Component Private Limited	Manesar Steel India Private Limited	Maruti Suzuki Insurance Broking Private Limited	Bahucharaji Rail Corporation Limited	
1	Latest Audited Balance Sheet Date	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-22	31-Mar-21	
2	Date on which the Associate /Joint Venture was associated or acquired	21-Oct-92	07-Nov-86	30-Nov-88	01-Mar-95	15-Mar-89	17-Oct-88	30-Jul-93	20-Jun-95	09-Feb-01	21-Aug-06	01-Nov-07	23-Sep-10	24-Nov-10	13-Dec-18

## AOC-1

Sl. No.	Name of Associates/Joint Ventures	Hanon Climate Systems	SKH Metals Limited	Jay Bharat Maruti Limited	Caparo Maruti Limited	Machino Plastics Limited	Bharat Seats Limited	Krishna Mantri Limited	Nippon Thermostat Limited (India) Limited	Mark Exhaust Systems Limited	Bellsonica Component Systems India Private Limited	FMI Auto Components India Private Limited	Manesar Steel Processing Private Limited	Maruti Suzuki Insurance Broking Private Limited	Bahucharaji Rail Corporation Limited
3	Shares of Associate/Joint Ventures held by the company on the year end														
No.	Amount of Investment in Associates/Joint Venture (in Millions)	518,700	2,645,000	12,880,000	2,500,000	941,700	4,650,000	670,000	125,000	4,437,465	3,540,000	44,100,000	6,840,000	441	68
No.	Extent of Holding %	39.00%	37.03%	29.28%	25.00%	15.35%	14.81%	15.80%	10.00%	44.37%	30.00%	49.00%	11.83%	46.26%	41.14%
4	Description of how there is significant influence	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions	Power to participate in the financial and/or operating policy decisions
5	Reason why the associate/joint venture is not consolidated	NA													
i.	Considered in Consolidation (in Millions)	67	77	58	(56)	(4)	17	250	1	50	27	109	6	709	7
6	Networth attributable to shareholding as per latest audited Balance sheet (in Millions)	964	526	1,317	235	80	173	1,279	0	369	160	818	61	6,761	777
7	Profit/Loss for the year														
i.	Considered in Consolidation (in Millions)														
ii.	Not Considered in Consolidation	NA													

## II. Joint Ventures

Sl. No.	Name of Associates/Joint Ventures
1	Latest Audited Balance Sheet Date

1	Latest Audited Balance Sheet Date	31-Mar-21	31-Dec-21	31-Mar-21
2	Date on which the Associate/Joint Venture was associated or acquired	07-May-10	09-Feb-01	22-Oct-19
3	Shares of Associate/Joint Ventures held by the company on the year end No.			
	Amount of Investment in Associates/Joint Venture (in Millions)	6,656,000	8,550,000	22,050,000
	Extent of Holding %	67	85	221
4	Description of how there is significant influence	26.00%	19.00%	50.00%
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA
6	Networth attributable to shareholding as per latest audited Balance sheet (in Millions)			
a)	Share Capital (in Millions)	67	85	221
b)	Reserves & Surplus (in Millions)	187	915	(10)
7	Profit/Loss for the year			
i.	Considered in Consolidation (in Millions)	(20)	(151)	(14)
ii.	Not Considered in Consolidation	NA	NA	NA

Note:

1 No associates or joint ventures are yet to commence operations.

2 The Profit after tax of all JV/Associates except Maruti Suzuki Insurance Broking Private Limited have been taken on the basis of unaudited financial statements for financial year ended 31st March 2022.

## AOC-1



**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](http://www.marutisuzuki.com)  
[investor@maruti.co.in](mailto:investor@maruti.co.in)

**Registrar and Transfer Agent**

KFin Technologies Limited  
Tower- B, Plot 31-32, Selenium Building,  
Financial District, Nanakramguda,  
Gachibowli, Hyderabad - 500 032,  
Telangana, India  
Ph. no.: 040-67162222  
Fax no.: 040-23001153  
Toll free No.: 1800-309-4001

© 2022 Maruti Suzuki India Limited



Investor Relations  
Maruti Suzuki India Limited  
**[www.marutisuzuki.com](http://www.marutisuzuki.com)**