



GIVE · GET · GROW

OUR VISION

THE LEADER IN INDIAN
AUTOMOBILE INDUSTRY,
CREATING CUSTOMER
DELIGHT, AND
SHAREHOLDER'S WEALTH;
A PRIDE OF INDIA.

OUR CORE VALUES

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

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GIVE GET GROW

WORKING FOR THE
SUSTAINABILITY OF FUTURE
GENERATIONS ENSURES OUR
OWN SUSTAINABILITY.

Every human action brings change, positive or negative, or a mix of both. While we acknowledge and celebrate positive outcomes, the temptation is to disregard the negative. These negatives, accumulated over time, destabilise the system, forcing us to think what went wrong and why. Our own survival comes under question and we see no option other than to transform the way we conduct ourselves.

A corporation is akin to a human being. An important difference perhaps being that it can survive beyond a normal human life span. For long, corporations have been lauded for contributing to prosperity and well-being. A reversal of sorts came a few years back, when concerns for climate change and global warming surfaced, mighty economies crumbled, large corporations abruptly became vulnerable and people suffered in large numbers.

These developments taught many lessons and brought the concept of 'Sustainability' to the forefront. We have learnt that singular focus on financial performance is not good enough. Environmental and social performances are as important. Responsible organisations have realised that working for the sustainability of future generations ensures own sustainability. There is now widespread acknowledgement that every stakeholder is important and there are business benefits in becoming environmentally and socially responsible.

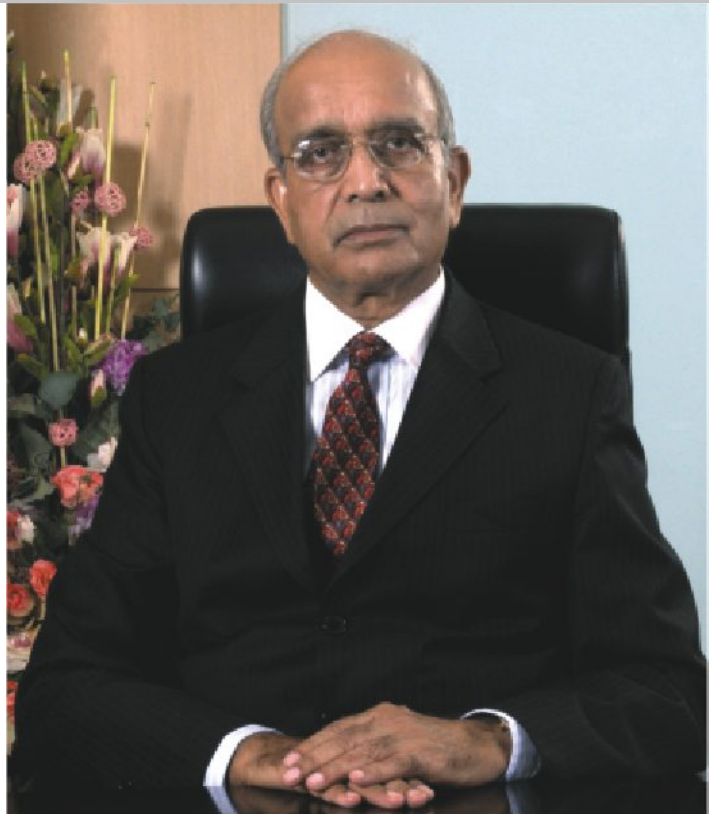
Continuing Maruti Suzuki's sustainability mantra of 'Give, Get and Grow', we have enhanced our focus on environment friendly manufacturing, products and supply chain.

As an example of our multiple endeavours, the K-series engine technology, launched a year ago, set a veritable trend for fuel efficient engines in the country.

Together with our suppliers, we have embarked on a journey to promote people friendly practices and create a healthy industrial environment. Our aim is to give people a motivating work environment, to achieve the best quality and productivity levels and thus, to ensure long term sustained and profitable growth for all.



CHAIRMAN'S MESSAGE



THE SUSTAINED GROWTH ACHIEVED BY MARUTI SUZUKI OVER ITS 26-YEAR JOURNEY IS THE RESULT OF STAKEHOLDER CENTRIC POLICIES ADOPTED FROM OUR FORMATIVE YEARS, WHICH HAVE ALSO KEPT IN VIEW THE INTERESTS OF SOCIETY AND THE COMPANY'S ABILITY TO RESPOND TO CHANGING MARKET REQUIREMENTS. THE LARGE NETWORK OF SUPPLIERS AND DEALERS SET UP OVER THE YEARS CONTINUES TO GIVE COMPETITIVE ADVANTAGE TO THE COMPANY.

I am delighted to present our second sustainability report to all our stakeholders.

The Indian automobile industry staged a strong comeback last year after experiencing a brief slowdown. This was made possible by the stimulus package provided by the Government and effective measures taken by vehicle manufacturers. Maruti Suzuki showed significant improvement in its overall performance and achieved a landmark of producing over one million cars in the last financial year. Our efforts to reach out to rural India and government employees have helped us in this turnaround.

The sustained growth achieved by Maruti Suzuki over its 26-year journey is the result of stakeholder centric policies adopted from our formative years, which have also kept in view the interests of society and the Company's ability to respond to the changing market requirements. The large network of suppliers and dealers set up over the years continues to give a competitive advantage to the Company. Our employees are our biggest strength and they see their interests aligned to the Company's growth.



Our endeavour has always been to provide sustainable mobility to people. We have been launching cars that are fuel efficient, less polluting, relevant to customers and easy to service anywhere in the country. These cars are produced in environment friendly manufacturing facilities. We use environment friendly natural gas for generating captive power, recycle and reuse 100% of the waste water and keep factory emissions well below the prescribed limits.

I believe that sustainability has to begin at the time of product planning itself. As a first step, our engineers designed the A-star car to meet European End of Life Vehicle (ELV) norms, which means nearly 85% of the car is recyclable. Even though ELV norms are not mandated in India, Maruti Suzuki nevertheless has made most of its cars ELV compliant.

Maruti Suzuki has always endeavoured to remain ahead of regulatory requirements. This required the Company to work closely with suppliers to proactively embrace the latest technologies and manufacturing facilities. While many Tier 1 suppliers displayed foresightedness in upgrading their capabilities, the Tier 2 and Tier 3 suppliers lagged behind. The time has come to facilitate them in upgradation of technologies, and adoption of best practices in people

management and corporate governance. Tier 1 suppliers are in the best position to take up this task.

Another important dimension of sustainable mobility is auto fuel. Realising that India needs clean and cost effective fuel options, we embarked on a journey to develop alternate fuel vehicles. Out of the various alternate fuel options, CNG seems to be the most suitable option for India. It is less expensive, environment friendly and well accepted by Indian consumers. Furthermore, in recent years, significant gas discoveries have been made in the country. With these factors in mind, we have offered a superior CNG technology and launched five models with this fuel option. Going forward, we expect the number of cities with CNG filling stations to increase as the distribution infrastructure expands.

India's dismal performance in road safety is a matter of concern. All efforts to provide sustainable mobility are incomplete unless drivers are trained to drive safely and road infrastructure is improved. Maruti Suzuki is trying to create facilities for quality driving training in the form of Maruti Driving Schools (MDS) and Institutes of Driving and Traffic Research (IDTR) across the country. These facilities will enable first-time drivers to be properly trained before they hit the road. The IDTRs are in collaboration with state

OUT OF THE VARIOUS ALTERNATE FUEL OPTIONS, CNG SEEMS TO BE THE MOST SUITABLE OPTION FOR INDIA. CNG IS LESS EXPENSIVE, ENVIRONMENT FRIENDLY AND WELL ACCEPTED BY INDIAN CONSUMERS.

governments while for the MDS, our dealers have partnered with us.

The Company will continue to keep track of material issues concerning stakeholders and work diligently to address them. Our underlying objective is to create shared value for all our stakeholders. This report will cover such initiatives taken recently.

I look forward to your continued support and feedback.

R C Bhargava
Chairman

MARUTI SUZUKI'S CNG FLEET



MANAGING DIRECTOR'S STATEMENT



IN TODAY'S COMPETITIVE SCENARIO, MERELY RESPONDING TO CHANGE IS NOT ADEQUATE, WE HAVE TO ANTICIPATE AND PREPARE WELL IN ADVANCE. IT IS OUR RESPONSIBILITY TO GROW BUSINESS DESPITE TOUGH CHALLENGES SO AS TO ENHANCE SHAREHOLDERS' VALUE AND TO ENSURE LONG TERM PROSPERITY OF OUR VALUED STAKEHOLDERS.

I am delighted to present Maruti Suzuki's second Sustainability Report.

SUSTAINABILITY APPROACH

The world business environment is changing at an unprecedented pace, posing multiple challenges to corporate sustainability. In today's competitive scenario, merely responding to change is not adequate, we have to anticipate and prepare well in advance. It is our responsibility to grow business despite tough challenges so as to enhance shareholders' value and to ensure long term prosperity of our valued stakeholders.

Our approach of treating direct stakeholders as partners has given rich dividends to the Company and its stakeholders during our shared journey spanning 26 years. Our stakeholders including employees, suppliers, dealers, customers and business associates have extended unstinted support to the Company in facing various challenges. Over a decade ago, the Company faced tough competition for the first time and its leadership position was threatened. With the valuable contribution of our stakeholders, the Company could retain its leadership position. I take this opportunity to convey my thanks to all stakeholders.

With growth saturating in the developed and mature economies, the focus of major global automobile players has shifted to India and China. In India, particularly, every player is eyeing a share of the compact car segment for growth.



The Company seeks to strengthen its leadership on the basis of its wide product portfolio, lower cost of ownership, customer faith and its vast sales and service network. Together with our suppliers, we are relentlessly working to further improve product quality and expand capacities.

BUSINESS PERFORMANCE IN 2009-10

The year 2009-10 started in the backdrop of a slowdown year 2008-09. The growth projections for passenger vehicle industry were cautious, ranging from -5% to +10%. Thankfully, the calibrated stimulus package given by the Indian government proved effective in reviving consumption. The improved availability of car finance, resilient demand from rural areas, new model launches and manufacturers' marketing efforts helped improve consumer sentiments and footfalls at showrooms.

The year 2009-10 was a landmark year for Maruti Suzuki and the Indian passenger vehicle industry. The Company became the first car company in India to produce and sell over one million cars in a single year. The domestic and export sales grew by 21% and 111% respectively. This growth has been much better than initial projections and our early targets. So much so that we had to ramp up production of certain models using in-house kaizen activities to meet demand. During the year, Maruti Suzuki was ranked No.1 in Sales Satisfaction Index (SSI) and Customer Satisfaction Index (CSI) Surveys conducted by JD Power Asia Pacific.

We launched a new model 'Ritz', refreshed four existing models and introduced next generation K-series engine in four models. The Ritz clocked 50,000 unit sales in nine months, the fastest for any new model ever in India. For the first time, we exported more than 100,000 cars, owing to the positive response to the newly launched A-star and supportive short-term measures by governments in Europe. A-star is being sold in Europe as 'Alto' and in other export markets as 'Celerio'.

In 2009-10, we proactively recalled nearly 100,000 units of A-star after our engineers observed a design abnormality in the fuel pump gasket. We were able to do this before there were any customer complaints. The recall was undertaken for domestic and overseas markets and vehicles were rectified within a record time.

FUTURE BUSINESS OUTLOOK

The economic growth projections of India are encouraging for the automobile industry. In order to capitalise on the growth opportunities, we will be launching new models, refreshing the existing ones, further strengthening our R&D capabilities, enhancing manufacturing capacities and sales and service network.

We have already started work at Manesar on building an additional capacity of 250,000 cars per year and 700 acres of land has been procured at Rohtak, Haryana for setting up a world class test course.

ENVIRONMENT SUSTAINABILITY

We are sensitive to the fact that issues concerning the environment can potentially impact our business. With growing concerns of climate change and rising fuel prices, customer preferences are gradually shifting towards environment friendly and fuel efficient cars. We see our responsibility, as well as a business opportunity in addressing these issues.

The introduction of fuel efficient K-series engines a year ago and the development of intelligent Gas Port Injection 'iGPI' engine technology are key measures taken to minimise environmental impacts. Maruti Suzuki has introduced a superior 'iGPI' technology in five cars that run on environment friendly Compressed Natural Gas 'CNG'. With the factory fitted dual fuel engine, customers have an option that is safe, is duly covered under warranty and better performing compared to CNG kits retrofitted in the after market.

WE SEE OUR RESPONSIBILITY, AS WELL AS A BUSINESS OPPORTUNITY, IN ADDRESSING ENVIRONMENTAL ISSUES.

SOCIAL SUSTAINABILITY

In a small way, we are contributing to the inclusive growth agenda of the Government of India. Upgradation of government ITIs, National Road Safety Mission and our village development programme are some of the social initiatives undertaken by the Company in this direction.

Last year, there were instances of labour unrest at some of our suppliers, causing temporary disruption in supplies. Our experience has been that a motivated and involved workforce can help achieve significantly higher quality and productivity levels. In 2009-10, we launched a project named 'Shikhar' to enhance competitiveness of our suppliers. One of the focus areas of this project is to facilitate suppliers in implementation of people-friendly practices and maintain cordial industrial relations.

GIVE GET AND GROW

We see Sustainability Reporting as a means to identify gaps and achieve higher levels of business excellence. I am happy to report that last year, this exercise led to the formulation of anti-child labour, anti-forced labour and anti-sexual harassment policies.

We look forward to feedback from all stakeholders that will help us improve further and serve as a responsible organisation.

S. Nakanishi
Managing Director and CEO

MANAGEMENT SPEAK ON SUSTAINABILITY



“ Sustainability lies in ensuring safety of people, quality improvement, eliminating wastage and increasing use of renewable energy.”

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

“ The scope of innovation for improvement in productivity, quality, cost and environmental performance is immense in manufacturing. Involvement of employees especially shop floor workers in such activities is the key to long term sustainability of the Company.”

Mr. M. M. Singh
Managing Executive Officer (Production)



“ Sustainability has multiple facets: corporate governance, long term business growth with reasonable profits, balanced with the well-being of employees and other key stakeholders. This has been the approach of Maruti Suzuki since inception. We have to ensure that sustainability remains central to our strategy and of our partners and reflects as an integral part of our work culture.”

Mr. S.Y. Siddiqui
Managing Executive Officer (Administration-HR, IT, Finance & COSL)

“ We consider suppliers an integral part of the Maruti Suzuki family. It is our collective responsibility to understand sustainability impacts of our supply chain operations and work towards minimizing them with our concerted efforts.”

Mr. S. Maitra
Managing Executive Officer (Supply Chain)



“ Implementation of environment friendly processes, adoption of people friendly policies, minimisation of wastage and adherence to quality systems will ensure long term sustainability of our suppliers and in-turn, our own sustainability.”

Mr. Kazuhiko Ayabe
Executive Officer (Supply Chain)



“ The safety and emission norms are getting increasingly stringent, customers expectations of quality are mounting and new technologies have to be introduced at a much faster rate. This is an opportunity as well as a threat to us. R&D capabilities will play a pivotal role in keeping the Company relevant in the long run.”

Mr. Keiichi Asai

Director & Managing Executive Officer (Engineering)



“ Our focus is on developing vehicles that harmonise the customer's desire for global design and features, and the “Indian” attributes of fuel efficiency, reliability and low cost of ownership. We have been and we have to remain ahead of regulations and industry in minimising environmental impacts and for a sustainable future ”

Mr. I. V. Rao

Managing Executive Officer (Engineering)



“ The motivation and skill level of dealership and service workshop staff contribute significantly in strengthening long-term relationship with customers. We are focused on dealer viability, superior management and systems at dealerships and people training so that our network is better able to serve customers and fulfill the commitment of brand Maruti Suzuki.”

Mr. Shuji Oishi

Director & Managing Executive Officer
(Marketing & Sales)



“ The purchasing power and customer aspirations are changing much faster than in the past. Understanding stated and unstated aspirations of the customers - especially as India gets younger - and fulfilling them through our products and services will determine our market share in future. Customer satisfaction is our top priority.”

Mr. Mayank Pareek

Managing Executive Officer (Marketing & Sales)



ORGANISATIONAL PROFILE

COMPANY PROFILE

Maruti Suzuki India Limited (MSIL), a subsidiary of Suzuki Motor Corporation (SMC), Japan, is the leader in passenger cars (PCs) and multipurpose vehicles (MPVs) in India, accounting for nearly 50 percent of the total industry sales.

The Company formerly known as Maruti Udyog Limited, was incorporated as a joint venture (JV) between Government of India and SMC, Japan on 24th February, 1981. The first car was rolled out from its Gurgaon facility on 14th December, 1983.

In 2009-10, the Company sold 1,018,365 vehicles. This comprised 870,790 vehicles in the domestic market and 147,575 vehicles in export markets. Cumulatively, it has produced and sold over 8 million cars.

The total income of the Company for 2009-10 stood at Rs. 301,198 billion. Maruti Suzuki has a strong balance sheet with reserves and surplus of Rs. 116.9 billion and debt equity ratio of 0.07 as on 31st March, 2010.

NATURE OF THE COMPANY OWNERSHIP

MSIL is a public limited company and is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. SMC is the majority shareholder with 54.21% equity stake in the Company. For shareholding pattern of the Company please refer page 50 in the Corporate Governance section of Annual Report at <http://marutisuzuki.com/cars-images/image/pdf/CGR-10.pdf>

ORGANISATIONAL STRUCTURE

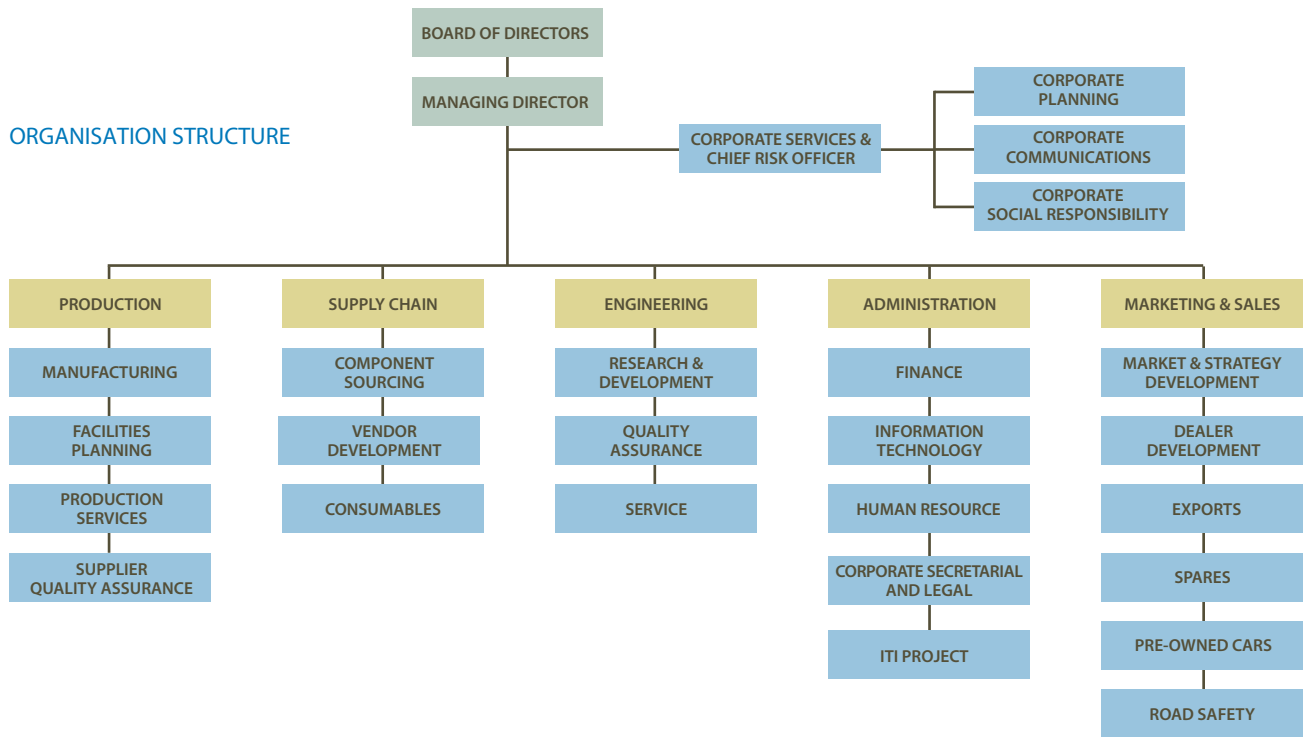
The Company has a multi-tier management structure, comprising the board of directors at the top followed by five business vertical heads reporting to the Managing Director. These business verticals are Marketing & Sales, Engineering, Production, Administration and Supply Chain. For more information on organisation structure please refer diagram on page 9. For details on leadership team, please refer to page 28 of the report.

MANUFACTURING FACILITIES

MSIL has two manufacturing facilities in Gurgaon and Manesar, Haryana, India, with a combined manufacturing capacity of over 1 million cars per annum. In terms of number of cars produced and sold worldwide, the Company is the largest subsidiary of SMC, Japan.



ORGANISATION STRUCTURE



Gurgaon Plant

The Gurgaon facility houses three fully integrated plants having a combined manufacturing capacity of over 700,000 vehicles per annum and a state-of-the-art K-series casting engine plant with a capacity to produce over 500,000 engines per annum. Spread over an area of 20,300 square meters, K-series engine plant employs global manufacturing best practices to ensure high quality standards.

Manesar Plant

The plant at Manesar is the Company's latest car assembly plant which was

started in February, 2007 and has a capacity to produce over 300,000 units per annum. In 2009-10, the Company started work on building additional capacity of 250,000 cars per annum.

R & D Centre and Test Course

In 2009-10, the Company procured 700 acres of land in Rohtak, Haryana for setting a world-class test course for R&D.

STRONG SUPPLIERS BASE

The Company works jointly with its suppliers to develop new products, achieve high localisation levels, and

reduce cost. It has a strong base of 252 suppliers (as on 31st March, 2010) including 17 joint venture companies where the Company has strategic equity stake.

CORPORATE OFFICE AND BRAND CENTRE

1, Nelson Mandela Road, Vasant Kunj
New Delhi, India

CORPORATE WEBSITE

www.marutisuzuki.com



ORGANISATIONAL PROFILE



Map is only indicative, not to the scale.
Some states have more than one Regional Office and Area Office

2740

◆ TOTAL SERVICE NETWORK

802

★ TOTAL SALES NETWORK

16

● REGIONAL OFFICES

18

■ AREA OFFICES

04

▲ ZONAL OFFICES

■ DELHI CORPORATE OFFICE

■ GURGAON PLANT
MANESAR PLANT

DOMESTIC SALES AND SERVICE NETWORK

The Company has the largest sales and service network amongst car manufacturers in India. It had 802 sales outlets in 555 cities and 2740 service workshops in 1335 cities as on 31st March, 2010. The service network of the Company includes Dealer Workshops, Maruti Authorised Service Stations (MASSs), Maruti Service Masters (MSM) and Maruti Service Zones (MSZ).

Besides selling and servicing vehicles, the Company provides its customers with "one-stop-shop" experience such as Automobile Finance, Automobile Insurance, Maruti Genuine Parts and Accessories, Extended Warranty and Maruti Certified pre-owned cars. The Company had 341 pre-owned car outlets in 198 cities as on 31st March, 2010.





TOP 10 EXPORT MARKETS FOR MARUTI SUZUKI

(As on 31st March, 2010)

EXPORTS

MSIL exported the first lot of 500 cars to Hungary in September, 1987. Presently we are exporting to 98 countries in Europe, Asia, Latin America, Africa and Oceania. The A-star launched in 2008-09, received overwhelming response from overseas markets.

In 2009-10, the Company clocked export sales of 147,575 units, its highest ever. This is a 111% growth over the previous year's total of 70,023 units. Europe has accounted for over 77% of the sales. On a cumulative basis, our exports crossed 700,000 units.

Netherlands	Algeria	Italy	United Kingdom	Chile
78,514	68,506	52,250	48,641	45,029
Germany	Srilanka	Hungary	Nepal	Egypt
38,423	30,078	22,924	22,368	18,523



ORGANISATIONAL PROFILE

OUR PRODUCTS

THE COMPANY OFFERS A PORTFOLIO OF 13 BRANDS, RANGING FROM THE PEOPLE'S CAR Maruti 800 TO THE STYLISH HATCH-BACK SWIFT, SX4 SEDAN AND LUXURY SPORTS UTILITY VEHICLE (SUV) GRAND VITARA.

A1 Segment (upto 3400 mm)*	Maruti 800
A2 Segment (3400mm to 4000mm)*	Alto, Estilo, WagonR, A-star, Ritz, Swift
A3 Segment (4000mm to 4500mm)*	DZire & SX4
Multi Utility Vehicle (MUV) Segment	Gypsy & Grand Vitara
Multi Purpose Vehicle (MPV) Segment	Omni & Eeco

*Vehicle classification as per SIAM
Vehicle length



Maruti 800 - Change your life

Maruti 800 has gone beyond just being a car; it has transformed the lives of countless people, by bringing the joy of motoring to millions across the length and breadth of the country.



Alto - Let's Go

Alto is a great combination of economy, practicality and styling. It exemplifies the benchmark in build, quality and reliability in a compact car. These attributes make it the largest selling car in Indian automobile market. This is testified by the 24 hour endurance record set by covering 3082 kms in 24 hours at an average speed of 128 kmph.



Estilo - Take a fresh view of life

The all new Estilo is a new landmark in terms of design and technology. With its all new aerodynamic design, Estilo sets the benchmark and makes each drive a fresh new experience. Complementing its stylish looks are new, classy and elegant interiors that redefine comfort. What's more, the all new Estilo with its advanced K-series engine gives you incredible power each time you turn on the ignition.



New WagonR* - For the smarter race

Drive with complete peace of mind. The world class safety features of the WagonR keep you safe and secure, always. Wearing new vibrant colours, the new WagonR is full of freshness and energy to keep you charged up and always ready to go. Now it comes with the revolutionary K-series engine and improved fuel efficiency.

* Launched in April, 2010

A Star - Stop @ Nothing

Designed to perfection, driven only to succeed, A-star has taken over the world. Made in India to meet European standards, the car symbolises the beginning of a revolution with its unique aerodynamic styling. A-star is powered by the latest state-of-the-art, light weight K-series petrol engine.

It is exported to many European and Non-European countries under the brand name of Suzuki Alto and Suzuki Celerio respectively.



Ritz - Live the moment

The Ritz combines modern European design, the latest in engine technology and Suzuki's globally acclaimed expertise in compact cars. Ritz is an exceptional blend of modern design and practicality. The interiors of the car are smartly styled providing a very comfortable space to all the people in the cabin. The K12M petrol engine and 1.3 litre DDiS diesel engine powering the Ritz are supremely refined and silent with best-in-class fuel efficiency.



Swift - You are the fuel

A new kind of compact car, one that's based on a fresh approach to design and development, Swift delivers the kind of driver and passenger experience that places it in a class of its own and has true worldwide appeal. Swift now comes with the revolutionary K-series engine, which has further enhanced its performance and fuel efficiency.



A-star-DZire-The heart car

A car that has everything one can desire; striking looks, luxurious interiors and enough power to capture hearts. Just slide in the DZire and take it for a spin, it's sure to steal many a heart.



SX4 - Men are back

Revolutionary European design, world class "drive by wire" technology, most spacious in its class, steering mounted audio controls, maximum ground clearance in its class, high on safety with dual airbags, Anti-Lock Brake System (ABS) and Electronic Brake Force Distribution (EBD) features. The recently added VVT technology further adds feather to the crown.



New Grand Vitara 2.4 - Reloaded

Distinctively styled, the third generation Grand Vitara takes three decades of Suzuki SUV heritage to the next level. The Vitara model first hit the roads in Japan in 1988 as a 3-door part-time Four Wheel Drive (4WD). In its second avatar, the Vitara came armed with a stylish design, superior engineering and a new name, the Grand Vitara.



ORGANISATIONAL PROFILE

OUR PRODUCTS



Omni - Ab kamyabi se hai sirf Omni bhar ka faasla

Omni is truly India's original MPV. Today it is available in five variants 5 seater, 8 seater, Cargo, Ambulance and Liquefied Petroleum Gas (LPG). It meets diverse needs across different user segments and can double up both as a people carrier and a goods carrier. It is easy on the pocket, yet tough on the job.



Eeco - Happiness family size

Be it a short trip, a picnic or a drive to the market, things are always best enjoyed when done with the family. EECO has a perfect mix of power, style, space, comfort and safety that ensures you and your family have an enjoyable experience every time. Go ahead, experience happiness family size.



Gypsy King - There is a Gypsy in everyone

With superb maneuverability, smooth handling and raw energy, packed into a sleek yet rugged frame, the Gypsy King is the real adventure MUV whether ploughing through dirt tracks, climbing formidable terrain or making way through the city traffic. Maruti Suzuki is proud to support the operations of our country's defense services with the tailor made Gypsy King. Gypsy has proved its mettle during defense operations in the Himalayas and the Thar desert.

Advantages of Maruti Suzuki's CNG Technology

- A unique 'i-GPI' technology designed to deliver new levels of performance, safety and reliability
- Factory assembled specially engineered advanced CNG technology. Not a retro-fitted kit
- Body specially designed for extra load of CNG system
- Driving pleasure similar to petrol driven car
- New materials for inner parts (engine valves/valve seats) ensure longer engine life
- All CNG pipes and joints are made of stainless steel
- The CNG cylinder frame's design aids easy removal of the spare wheel



Mr. Jairam Ramesh, Hon'able Minister of Environment and Forest, launching CNG Models



**CNG technology that's one generation ahead.
Because the next generation deserves a better world.**



WagonR

With Next Generation CNG technology, it's the smart way to stay ahead. Fully compliant with BS IV norms, powerful and fuel-efficient. Stylish new look with high levels of reliability and convenience.

18*
km/litre
PETROL

26.2*
km/kg
CNG



EECO

Available in 5-Seater AC, 5-Seater Standard and Flexi (Cargo) variants. Spacious interiors and a powerful AC. Go Green, family size.

14.1*
km/litre
PETROL

20*
km/kg
CNG



ESTILO

It's the stylish new way to experience the eco-friendly way of life. Smoother transmission. Elegant interiors. And a shape that gets the world talking.

18.1*
km/litre
PETROL

26.3*
km/kg
CNG



ALTO

The car with amazing fuel-efficiency now adds even more economy. Best-Selling. Best performance. The trust of millions. It's the greener way to say 'Lets Go'.

18.4*
km/litre
PETROL

26.8*
km/kg
CNG



SX4

With the awesome SX4, green gets the premium edge. Now muscle, style and sophistication also care for nature.

14.8*
km/litre
PETROL

21.4*
km/kg
CNG

A **Green**
RANGE
OF CARS 
TO CHOOSE FROM.



MARUTI SUZUKI INTRODUCES
REVOLUTIONARY
i-GPI CNG TECHNOLOGY.

*Figures as per Test Results of Rule 115 of CMVR

ORGANISATIONAL PROFILE

COMPANY MILESTONES

1982
OCTOBER
Signed License and JV agreement with SMC Japan

1983
DECEMBER
Launched Maruti 800

1984
NOVEMBER
Launched Omni

1985
DECEMBER
Launched Gypsy

1986
AUGUST
Produced 100,000 vehicles

1987
SEPTEMBER
Exported first lot of 500 cars to Hungary

1990
OCTOBER
Launched India's first sedan, Maruti 1000

1992
JUNE
SMC increased its stake in Maruti to 50%

1993
OCTOBER
Launched Zen

1994
MARCH
Produced 1 million cars
NOVEMBER
Launched Esteem

1996
MAY
Launched 24-hour Maruti On Road Service (MOS)



2000

MARCH

Launched IDTR jointly with the Delhi government to promote safe driving (A CSR Initiative)

SEPTEMBER

Launched Alto

2002

FEBRUARY

Inaugurated Children's park in Delhi (A CSR Initiative)

MAY

SMC increased its stake in Maruti to 54.2%

2005

MAY

Launched Swift

2007

JANUARY

Launched Swift Diesel

FEBRUARY

Inaugurated the fourth assembly line and diesel engine plant at Manesar

APRIL

Launched Rural Scheme - "Ghar Ghar Mein Maruti; Mera Sapna Meri Maruti"

MAY

Launched SX4

First Citizen, Dr. A.P.J. Abdul Kalam visited Maruti's facilities

JULY

Maruti Udyog Limited renamed "Maruti Suzuki India Limited"

SEPTEMBER

Signed MoU with the Gujarat government to set up Driving and Technical Training Institute for tribal youth in Gujarat (A CSR Initiative)

DECEMBER

Adopted four villages in Manesar (A CSR Initiative)

2009

JANUARY

First Shipment of A-star for overseas markets, from Mundra Port

Signed MoU with Uttarakhand government to set up IDTR at Uttarakhand (A CSR Initiative)

Laid the foundation stone of two IDTRs in Haryana (A CSR Initiative)



1997

OCTOBER

Produced 2 million cars

DECEMBER

Launched Baleno
Launched WagonR

2001

OCTOBER

Launched Versa

Launched Maruti True Value (Pre-owned car business)

APRIL

Launched Grand Vitara

Produced 4 million cars

JULY

Listed on Bombay Stock Exchange and National Stock Exchange

2003

JANUARY

Signed MoU with Haryana government for adoption of ITIs (A CSR Initiative)

JULY

Launched 'Dil Se', a special programme facilitating Indians living abroad to gift Maruti cars online to friends and relatives

NOVEMBER

Inaugurated second IDTR in Delhi (A CSR Initiative)

DECEMBER

Produced 6 million cars

2006

MARCH

Launched Swift DZire

OCTOBER

Inaugurated the K-series engine plant at Gurgaon

NOVEMBER

Launched A-star

DECEMBER

Completed 25 years of operations in India

Launched National Road Safety Mission (A CSR Initiative)

2008

Launched Mitz

JUNE

Produced 8 millionth car

AUGUST

Haryana government allotted 700 acres land for R&D centre

Launched Estilo

NOVEMBER

Launched IDTRs at Gujarat and Uttarakhand (A CSR Initiative)

JANUARY

Launched Ecco

MARCH

Achieved landmark of producing one million cars in one year

2010



AWARDS, ACCOLADES AND CERTIFICATIONS



AWARDS & ACCOLADES TO MARUTI SUZUKI

1. Ranked No.1 in JD Power Asia Pacific Customer Satisfaction Index (CSI) Survey 2009, tenth time in a row
2. Ranked No.1 in JD Power Asia Pacific Sales Satisfaction Index (SSI) Survey 2009
3. Won the Most Preferred Car Brand Award at CNBC AWAAZ Consumer Award 2009
4. Ranked **third** globally in the passenger car sector among the **World's 200 Most Reputed Companies** in the 2009 Global Reputation Pulse Study by the Reputation Institute
5. Won **Golden Peacock Eco-Innovation Award 2009**
6. Won **Gold-Award** by **India Manufacturing Excellence Awards (IMEA) 2009**, organised by The Economic Times in partnership with Frost & Sullivan.
7. Honored with **ICSI National Award for Excellence in Corporate Governance 2009**
8. Won **CNBC-TV18 Overdrive Manufacturer of the Year Award 2010**
9. Won **Autocar Manufacturer of the Year Award 2010**
10. '**Certificate for Strong Commitment to Sustainability**' by CII ITC Center of Excellence for Sustainable Development



AWARDS & ACCOLADES TO MARUTI SUZUKI PRODUCTS

1. Wagon R, Ritz, Dzire & SX4 Ranked No. 1 in their respective categories in JD Power Asia Pacific APEAL Study 2009
2. Maruti 800, A-star, Swift Diesel and Omni LPG ranked No.1 in their respective categories in TNS Automotive Total Customer Satisfaction (TCS) Study 2009
3. Ritz Ranked No. 1 in JD Power Asia Pacific, Initial Quality Survey (IQS) Study 2009
4. Zen Estilo Ranked No.1 in JD Power Asia Pacific, India Vehicle Dependability Study 2009
5. Ritz rated as Car Of the Year, 2009 by Business Standard Motoring
6. Ritz rated as Hatchback of the Year Award 2010 by Autocar magazine
7. Won CMO Asia Award for Brand Excellence for innovative marketing communications of the Eeco



CERTIFICATIONS



EN ISO 9001:2008

Quality Management System Certificate for Gurgaon and Manesar Plants



ISO 14001:2004

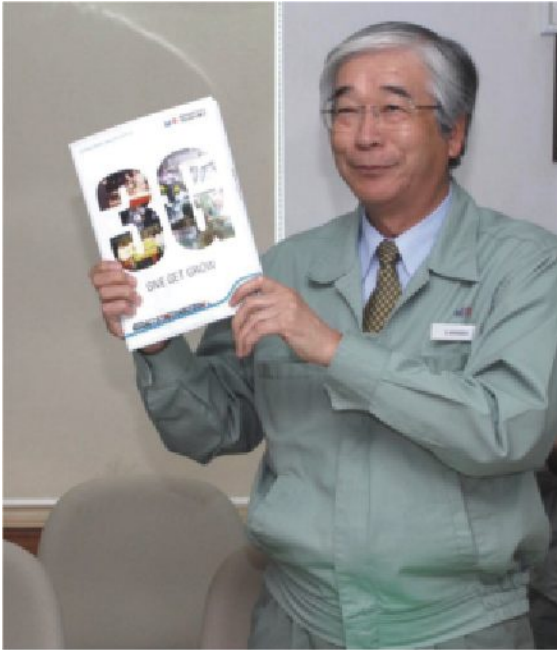
Environment Management System Certificate for Gurgaon and Manesar Plants



ISO/IEC 27001:2005

Information Security Management System Certificate for the Organisation

SCOPE AND BOUNDARY



Mr. S. Nakanishi, MD MSIL, unveiling Sustainability Report 2008-09

MARUTI SUZUKI INDIA LIMITED HAS PREPARED ITS SECOND SUSTAINABILITY REPORT FOR THE PERIOD 1ST APRIL, 2009 TO 31ST MARCH, 2010. THIS REPORT IS PREPARED IN ACCORDANCE WITH LEVEL A REQUIREMENTS OF GLOBAL REPORTING INITIATIVE G3 2006 (GRI G 3) SUSTAINABILITY REPORTING GUIDELINES.

Maruti Suzuki's second Sustainability Report for 2009-10 is prepared in accordance with Global Reporting Initiative (GRI G 3) Guidelines.

In this report, besides covering core and applicable additional indicators for application level A of GRI G3 Guidelines, we have also covered significant issues that emerged out of the Materiality Analysis.

Maruti Suzuki's most recent Sustainability Report was for the fiscal year 2008-09. The Company reports its sustainability performance based on triple bottom line performance on an annual basis.

There are no significant changes to the scope and boundary of the report with respect to economic, environmental and social aspects, and the Company operations. The details of the Company operations and the geographical reach are given in the Organisation Profile section of this report.

SCOPE OF THE SUSTAINABILITY REPORT (1st April, 2009 to 31st March, 2010)

Section	Company Operations	Exclusions
Economic	All MSIL Operations	-
Environment	Gurgaon and Manesar Manufacturing Locations	Head Office, Regional/Area Offices and MSSD Naraina, Delhi
		Scope 3 of the WBCSD/WRI Protocol
Social		
Human Resource	All MSIL Operations	-
Occupational Health and Safety	Gurgaon and Manesar Manufacturing Locations	Head Office, Regional/Area Offices and MSSD Naraina, Delhi
Community and Employee Volunteering	Gurgaon, Manesar and Delhi	Regional/Area Offices
Road Safety and ITI Project	Across various states in India	-

Notes:

1. All operations include manufacturing facilities at Gurgaon and Manesar, Head Office in Delhi, Regional/Area Offices across India and MSSD - Maruti Service Station fully owned and operated by the Company in Delhi.
2. The JVs of the Company are not covered in this report as the involvement of the Company in their day to day operations and decision making is not significant.
3. We will try to cover exclusions going forward



Maruti Suzuki's sustainability report for 2009-10 has been verified for meeting the application level A+ as per GRI G3 guidelines. We have engaged Det Norske Veritas AS (DNV) for providing independent assurance for this report as per AA 1000 AS (2008).

REPORT APPLICATION LEVELS

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		Report Externally Assured		
	Third Party Checked							
Optional	GRI Checked							

Continuing with our approach of company-wide participation in the reporting process, a Cross Functional Team (CFT) was set up. The members of this team were drawn from various departments and levels. After undergoing training on Sustainability Reporting, the CFT prepared content for the report as per the GRI G3 Guidelines.

Sustainability Report 2009-10 Cross Functional Team



STAKEHOLDER ENGAGEMENT



“WHILE WORKING TO ENHANCE SHAREHOLDER WEALTH, MARUTI SUZUKI WILL REGULARLY ENGAGE WITH ALL STAKEHOLDERS TO ASSESS THEIR NEEDS AND THROUGH ITS PRODUCTS, SERVICES, CONDUCT AND MANAGEMENT INITIATIVES, PROMOTE THEIR SUSTAINED GROWTH AND WELL-BEING”

CSR POLICY STATEMENT

MSIL considers all organisations and individuals as its stakeholders who are impacted by the operations of the Company and who can potentially impact its long term sustainability. CSR policy enumerates approach of the Company towards its stakeholders.

EMPLOYEES

Activity	Activity Details	Frequency
Divisional Communication Champions and Meetings	Uniform and structured communication flow to employees and vice-versa	Monthly
Human Resources Initiatives Development Committee	Ensure employees' participation in framing people policies	Once in two months
Employee Counselling, Coaching and Mentoring	Initial handholding of new recruits and facilitate individual development	Ongoing*
Parivar Milan (for associates)	Develop a bond between the families of associates and the Company	Monthly
Family Connect Programme (for executives & above)	Connect with the families of employees and improve interpersonal skills of spouses	Quarterly
Inter-Divisional Sports Tournaments	Provide opportunity to pursue one's hobby and showcase talent besides developing team spirit among employees	Annual
Motor Sports Events	Provide opportunity to employees for participating in Motor Sports Events	Annual
Family Day Function	Facilitates a feeling of togetherness among employee families and the Company	Annual
Suggestion Schemes and Quality Circles	Empowering employees to participate and contribute in improvement activities	Ongoing
360 Degree Feedback	To improve leadership capability of Top and Senior Management Team.	Annual
Stay Interviews	To provide structured platform for employees to share their concerns	Ongoing
Employee Relations Development Committee	To ensure constructive discussions between the workers' union and the Company officials	Monthly

* Ongoing refers to programme /events conducted more than once in a month



CUSTOMERS

Activity	Activity Details	Frequency
Brand Track	To gauge customers' perception of corporate brand and product brands	Ongoing
Customer Meets	To gauge customer satisfaction level	Ongoing
Customer Satisfaction Feedback	Analyse customer feedback to take suitable measures for upgrading products and services	Ongoing
Mega Service Camps	To get first hand customer feedback and to resolve their complaints on the spot	Ongoing
Customer Care Cell	Customers can register their complaints on a 24X7 Toll Free No 18001800180	Ongoing
Product Clinics	To get product specific feedback from customers	Before launch of every product



SHAREHOLDERS AND INVESTORS

A dedicated Investor Relations team engages with the shareholders and investors. Investors can contact the IR team through a dedicated email "msilinvestorrelations@maruti.co.in" and land line numbers (011-46781126, 011-46781122).

Activity	Activity Details	Frequency
Annual General Meeting (AGM)	The Company convenes AGM in accordance with the Companies Act	Annual
Press Releases and Emails	Dissemination of information to investors such as financial results, new model launches, price changes etc	Ongoing
Investor Meets	To update investors on the current business environment and the Company's strategy to meet challenges	5-6 meets every year
One-to-One Meetings and Conference Calls	To address investor specific queries	Ongoing



STAKEHOLDER ENGAGEMENT



SUPPLIERS

Activity	Activity Details	Frequency
Maruti Centre for Excellence (MACE)	To upgrade suppliers and share own best practices	Ongoing
Suppliers' Club	It provides opportunity to select suppliers to discuss critical issues with the Company's top management.	Ongoing
Value Analysis and Value Engineering (VA-VE) Month	A joint activity with suppliers to achieve cost competitiveness	Annual
Quality Circle (QC) Competition	To promote QC culture among suppliers with an objective to involve employees in improvement activities	Annual
Joint Venture HR Meeting	To jointly review HR and IR issues and take necessary countermeasures	Once in two months
Vendor Conference	MSIL's top management and Suppliers' CEO share their thoughts and best practices.	Annual
Project Shikhar	To facilitate suppliers' upgradation in quality, shop floor and people practices	Ongoing

DEALERS

Activity	Activity Details	Frequency
Balanced Score Card (BSC)	A potent tool for sustained performance improvement of dealers in areas such as operations, sales, service, spares etc	Quarterly
Dealer Management Systems (DMS)	DMS enables dealerships across India to have seamless business transactions and helps build lasting relationships with customers.	Ongoing
Dealer Conference	A platform to share best practices, give future direction to dealers, and get their feedback	Annual
Guidance on Business and Financial Matters	Territory Sales and Territory Service Managers guide dealers on business processes, manpower development and fund management. They identify opportunities for growth, and organise events for customer interface.	Ongoing



LOCAL COMMUNITY AND SOCIETY

Activity	Activity Details	Frequency
Community development		
Regular Meetings with Community Leaders and People	To implement social projects as per the community needs and to gauge impact of MSIL's social initiatives	Ongoing
ITI Project		
Institute Management Committee (IMC) Meeting	To review institute development programmes and decide on future projects	Quarterly
Students and Staff visits to MSIL Plants	Industry exposure for their overall development	Monthly
Road Safety		
IDTR Society AGM	AGM is convened in accordance with the Societies Act	Annual
Dealer Review Meeting	Maruti Driving School performance review	Quarterly
Evaluation of Trainees	To assess effectiveness of driving training	Ongoing
School Visits	To spread road safety awareness among school children	Ongoing



ENVIRONMENT AND REGULATORY AUTHORITIES

Activity	Activity Details	Frequency
Community Feedback	To gauge environmental impacts of the Company on the neighbouring community	Annual
Interaction with Regulatory Authorities	Environment team remains in touch with Centre and State Pollution Control Boards and Ministry of Environment and Forests officials to discuss issues impacting environment	Ongoing
Advocacy on Future Environmental Regulations and Policies	MSIL officials from Engineering business vertical and Corporate Planning participate in the committees set up by the automobile industry body 'SIAM' and the Government to decide on future environment regulations, policies and implementation plans	As per the agenda requirements



GOVERNANCE, COMMITMENT AND ENGAGEMENT



THE COMPANY BELIEVES THAT GOOD CORPORATE GOVERNANCE IS ESSENTIAL FOR BUILDING TRUST BETWEEN STAKEHOLDERS, MANAGEMENT AND THE BOARD OF DIRECTORS. THEREFORE, THE COMPANY HAS IMPLEMENTED ROBUST GOVERNANCE PRACTICES AT ALL LEVELS OF THE ORGANISATION.

CORPORATE GOVERNANCE PHILOSOPHY

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

The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosures 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 fulfill its overall responsibilities, and to provide the management with the strategic direction needed to create long-term shareholder value.

BOARD OF DIRECTORS AND COMMITTEES

The board of directors is the highest governing body. An optimum combination of executive, non-executive and independent directors has been adopted in accordance with the provisions of clause 49 of the listing agreement executed with the stock exchanges where the Company's shares are listed. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring best interest of stakeholders and the Company. The vision, mission and values of the Company steer the decisions of the board of directors. The board members are appointed on the basis of their experience and skill. The board meets at least once in a quarter with a gap of not more than four months between any two meetings. However, additional meetings are held, whenever necessary. The composition of the board is given in Table I.

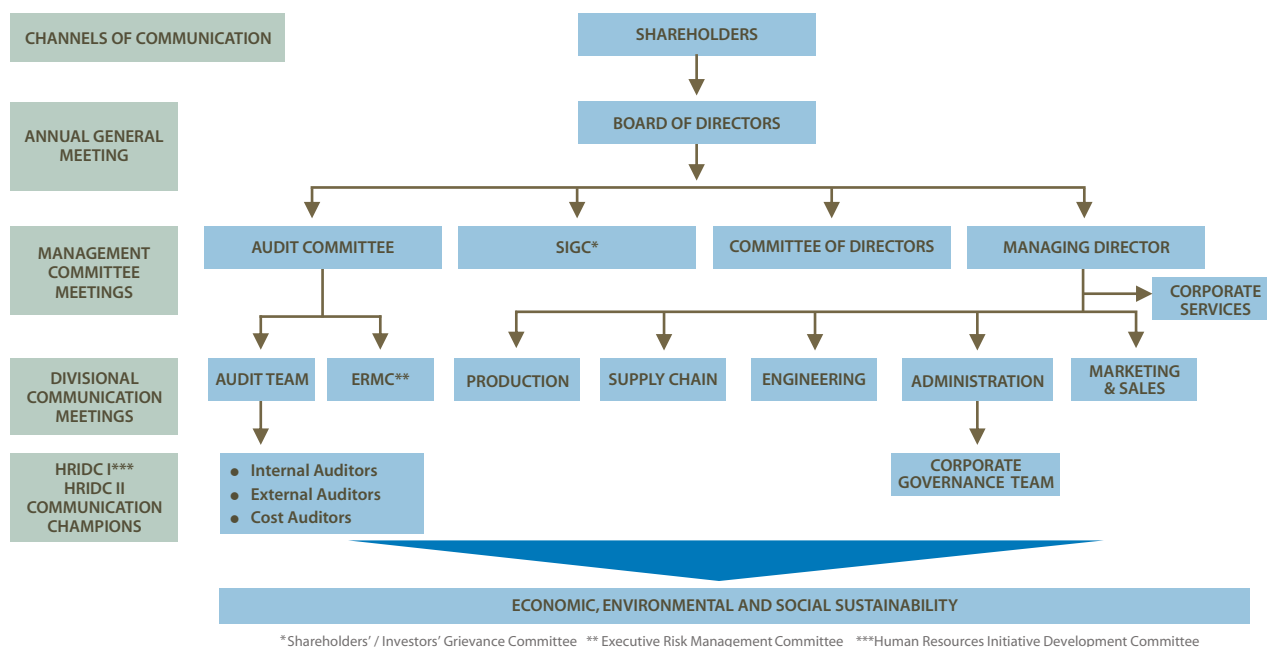
Independent Director

The Company defines 'Independent Director' as a non-executive director who apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect his independence. Also, he is not related to promoters or persons occupying management positions at the board level or at one level below the board and has not been an executive of the Company in the immediately preceding three financial years.

Besides, he is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the statutory audit firm or the internal audit firm that is associated with the Company, and the legal firm(s) and consulting firm(s) that have a material association with the Company.

He is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect his independence. He is not a substantial shareholder of the Company i.e. owning two percent or

CORPORATE GOVERNANCE STRUCTURE



more of the block of voting shares and is not less than 21 years of age

Audit Committee

The Company has constituted an audit committee. The composition of the audit committee is given in Table-1. All its members are financially literate. Mr. Amal Ganguli, its Chairman, has expertise in accounting and financial management. He is a fellow member of the Institute of Chartered Accountants of India (ICAI) and the Institute of Chartered Accountants in England and Wales and a member of the New Delhi chapter of the Institute of Internal Auditors, Florida, U.S.A.

The CFO, the head of internal audit and the representative of the statutory auditors, internal auditors and cost auditors are permanent invitees to the meetings of the audit committee. Other directors and members of management are also invited from time to time, as appropriate.

Shareholders' / Investors' Grievance Committee (SIGC)

The Company has a committee of directors called SIGC which oversees redressal of shareholders'/investors' grievances, transfer of shares, non-receipt of balance sheet, non-receipt of dividend

and related matters. It also oversees the performance of the registrar and transfer agents, recommends measures for overall improvement in the quality of investors' services, approves issue of duplicate/split/consolidation of share certificates and reviews all matters connected thereto. The composition of SIGC is given in Table-1.

Committee of directors for borrowing

The board has constituted a committee of directors comprising Managing Director, Director (in-charge of Finance) and Director (Marketing and Sales) to approve the terms and conditions of total existing borrowing limits by way of cash-credit, overdraft and working capital loans from banks/financial institutions under Section 292 of the Companies Act, 1956.

Table I: BOARD AND COMMITTEES OF DIRECTORS (As on 31st March, 2010)

Names	Designation/Category	Audit Committee	Shareholders'/Investors' Grievance Committee
Mr. R. C. Bhargava	Chairman/Non-Executive	-	Chairman
Mr. Shinzo Nakanishi	Managing Director & CEO/Executive	Member	Member
Mr. Tsuneo Ohashi	Director & Managing Executive Officer (Production)/Executive	-	-
Mr. Shuji Oishi	Director & Managing Executive Officer (Marketing & Sales)/Executive	-	-
Mr. Keiichi Asai	Director & Managing Executive Officer (Engineering)/Executive	-	-
Mr. Osamu Suzuki	Director/Non-Executive	-	-
Mr. Kenichi Ayukawa	Director/Non-Executive	-	Member
Mr. Amal Ganguli	Director/Independent	Chairman	-
Ms. Pallavi Shroff	Director/Independent	Member	-
Mr. Manvinder Singh Banga	Director/Independent	-	-
Mr. Davinder Singh Brar	Director/Independent	Member	Member

GOVERNANCE, COMMITMENT AND ENGAGEMENT

For information on the board member's other directorships/committee memberships and attendance at board meetings, please refer Corporate Governance section of Annual Report at <http://www.marutisuzuki.com/cars-images/image/pdf/CGR-10.pdf>.

MECHANISM FOR PROVIDING INFORMATION/RECOMMENDATION TO THE BOARD

Shared Leadership

The Company has five business verticals viz. Administration, Production, Engineering, Supply Chain and Marketing & Sales. The top level management of these verticals is headed by a team of two persons, one of whom is a Japanese manager and the other, an Indian manager. The Indian managers at the top management level are designated as 'Managing Executive Officer' (MEO). The board meetings of the Company mark the compulsory presence of all the MEO's, as they act as a channel between the board and the employees working under them and also communicate their suggestions to the board. This structure not only allows easy and quick communication of field information to the board members but also gives them the opportunity to give recommendations relevant to their business operations. Table II gives information on five business verticals and Indian managers.

Table II: BUSINESS VERTICALS AND INDIAN MANAGERS

Business Vertical	Indian Manager	Designation*
Administration (HR, IT, Finance and COSL)	Mr. S. Y. Siddiqui	Managing Executive Officer
Production	Mr. M. M. Singh	Managing Executive Officer
Engineering	Mr. I. V. Rao	Managing Executive Officer
Supply Chain	Mr. S. Maitra	Managing Executive Officer
Marketing & Sales	Mr. Mayank Pareek	Managing Executive Officer

* Position is just below the board level

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

Table III: INFORMATION PROVIDED TO THE BOARD OF DIRECTORS

Economic	Environmental / Social	Compliance
Annual operating plans, capital and revenue budgets and updates	Fatal or serious accidents and dangerous occurrences	Materially important show cause, demand, prosecution and penalty notices
Financial results, details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement	Significant labour problems and their proposed solutions	Non-compliance of any regulatory/statutory nature
Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company	Any significant development in the human resources, industrial relations fronts and social issues	Issues involving possible public or product liability claims of a substantial nature
Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business	Any materially significant effluent or pollution problems	Minutes of meetings of audit committee and other committees of the board
Status of funds invested by the company, details of any JV or collaboration agreement		Recruitment and remuneration of senior officers just below the board level including appointment or removal of CFO and company secretary

In addition to the above structure, the Company has a group of top management team namely "Management Committee" consisting of full-time directors and divisional heads.

Management Committee meets every week to review operational performance of the Company.

The Company has a dedicated email id msilinvestorrelations@maruti.co.in through which the investors can also give their recommendations.

In accordance with the provisions of the Companies Act, 1956, the Company, every year, convenes Annual General Meeting (AGM). The board, along with the chairman of audit committee and SIGC, attends the meeting. The board takes note of the shareholder's suggestions and accordingly responds to their queries.

REMUNERATION OF BOARD OF DIRECTORS

Besides salary and other perquisites received, the Managing Director and Whole time Directors are paid bonus which is directly linked to their performance. The performance criteria for the payment of performance linked bonus are defined by the board for the Managing Director and Whole-time Directors. These performance criteria include financial performance and parameters related to the growth of the Company.

MANAGING CONFLICT OF INTEREST AND EQUAL OPPORTUNITY

The Company has laid down a "Code of Business Conduct & Ethics" which is applicable to all its senior management personnel including its directors, top management personnel & functional heads (including management personnel with direct functional reporting to directors & top management personnel) who affirm compliance with the Code of Conduct on an annual basis. For Code of Conduct, please refer our Company's website at <http://www.marutisuzuki.com/code-of-conduct.aspx>



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

None of the transactions with any of the related parties was in conflict with the interest of the Company. All related party transactions are negotiated on an arm's length basis and are in the interests of the Company.

ENSURING LEGAL COMPLIANCE

The board reviews the report on compliances by the Company with all laws applicable to it as well as steps taken by it to rectify instances of non-compliances, if any. A comprehensive legal compliance scheduling and management software is being used which enables to delegate and monitor all compliances across the Company. Reports are

generated through the software for each department/location providing a snap-shot of all compliances.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company has a comprehensive 'Code of Conduct for prevention of Insider Trading' under SEBI (Prohibition of Insider Trading) Regulations, 1992. It is applicable to its directors, officers (Company Secretary), designated employees and their respective dependent family members. It lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing with shares of the Company and which cautions on the consequences of non-compliances.

WHISTLE BLOWER POLICY

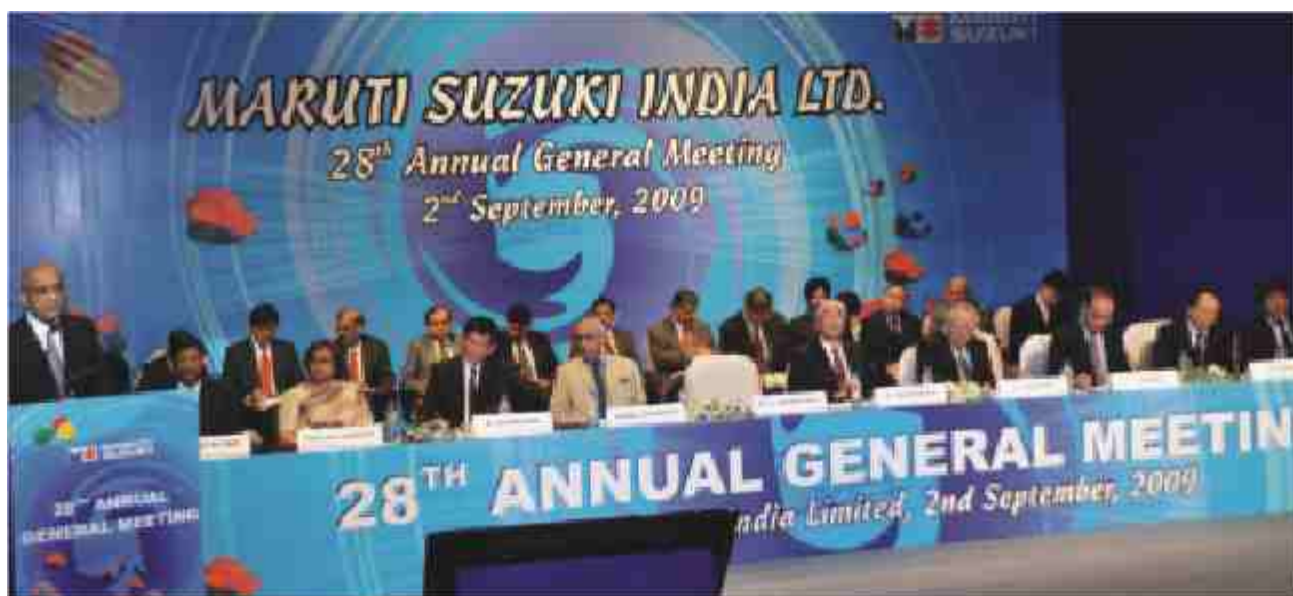
The Company has in place a Whistle Blower Policy, which provides a framework for whistle blowing by employees across all levels. It safeguards employees by helping them raise concerns about serious irregularities, unethical behaviour and actual or suspected fraud within the Company. Mr. Amal Ganguli, Chairman, Audit

Committee, is the ombudsperson under the policy. The policy has been widely communicated to all the employees who have been provided the e-mail id, postal address and telephone numbers of the ombudsperson for reporting any matter directly.

CEO/CFO CERTIFICATION

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

For more information on Governance, Commitment and Engagement, please refer Corporate Governance section of Annual Report at <http://www.marutisuzuki.com/cars-images/image/pdf/CGR-10.pdf>.



SUSTAINABILITY APPROACH: RISKS, IMPACTS AND OPPORTUNITIES

The leadership position sustained by MSIL in its journey of 26 years can be attributed to its commitment to fulfill changing aspiration of various stakeholders. The stated and unstated impacts of the Company's operations, products and services on the stakeholders are assessed through a robust stakeholder engagement process. Similarly, the Company also keeps track of risks and opportunities arising out of the changing externalities to maintain competitive advantages for its long term sustainability and profitable growth. All risks, impacts and opportunities are reviewed by the management in light of the overall vision of the Company.

MANAGEMENT SYSTEMS FOR SUSTAINABILITY

On the strategic level, the Board of Directors guides the Company towards its long term sustainability, whereas, on the operations level, the Management Committee monitors the implementation of the various sustainability initiatives.

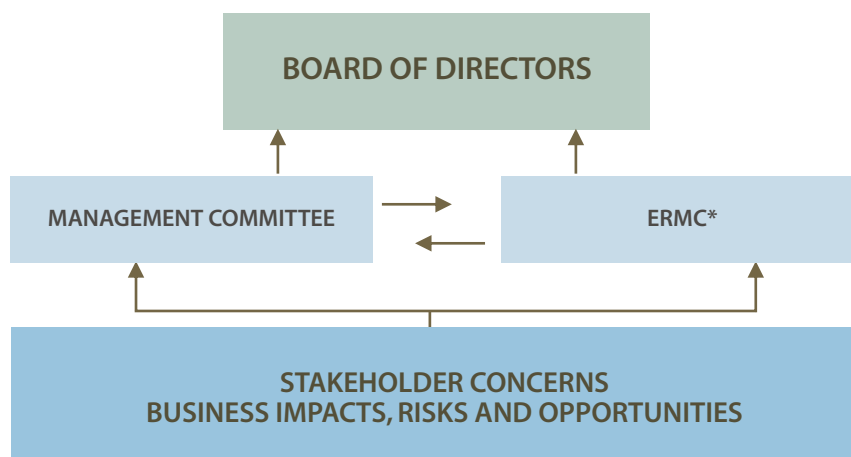
The Management Committee consists of all full time Directors, Managing Executive Officers, Executive Officers and heads of various divisions. The Management Committee members meet every week to review operational parameters. The overall performance of the Company is reviewed in the monthly Management Committee Meeting (MCM). The Chairman of the Board also attends all monthly MCMs.

The detailed stakeholder engagement process to capture concerns, perceptions and suggestions of stakeholders has been explained in the 'Stakeholder Engagement' section of the Report. The concerns of the stakeholders captured through stakeholder engagement process are raised by the respective divisional heads in the MCM. Besides reviewing key business performance parameters, the

MCM also reviews environmental and social parameters. The actionable points are recorded and reviewed periodically to ensure implementation. The MCM process is part of ISO 9001:2008 framework and it is audited by external auditors every six months. Once in every quarter, performance against key environmental and social parameters is submitted to the Board.

The Company has a separate team at the corporate level to promote sustainability initiatives in the organization. The risk management process of the Company is spearheaded by the Chief Risk Officer (CRO) through an Executive Risk Management Committee (ERMC). The composition of the Committee includes the Managing Director and all full time Directors. The risks are categorised based on the severity and the level at which these are to be addressed and monitored.

SUSTAINABILITY PERFORMANCE REVIEW PROCESS



*ERMC: Executive Risk Management Committee





MATERIALITY ANALYSIS

The material issues and their significance for the Company and its stakeholders can vary with changing external environment and the Company's priorities. Therefore, it warrants periodic reviews. We have reviewed material issues presented in the materiality analysis matrix of our last Sustainability Report in view of the present business scenario, stakeholders' expectations, business risks and GRI G3 Reporting Guidelines.

The revised materiality analysis matrix is given alongside. This report covers material issues presented in this matrix besides responding to core and some material non-core GRI indicators.

There are certain issues which impact the Company's business and the stakeholders however, the Company has no influence on them - for example issues such as political risks, social unrest, natural calamities are not covered in this report.

SIGNIFICANCE FOR STAKEHOLDERS	HIGH	<ul style="list-style-type: none"> Road Accident Fatalities Lack of Driving Training Infrastructure 	<ul style="list-style-type: none"> Local Community Development Availability of Skilled Manpower Vocational Training 	<ul style="list-style-type: none"> Product quality and Customer Satisfaction Environmental Impacts of Products, Manufacturing & Supply Chain Corporate Governance
	MEDIUM	<ul style="list-style-type: none"> Vehicle recycling Political Risks, Social Unrest, Natural Calamities etc 	<ul style="list-style-type: none"> Public Policy and Regulatory framework 	<ul style="list-style-type: none"> Suppliers' Quality & Industrial Relations Employee Satisfaction Occupational Health & Safety
	LOW	<ul style="list-style-type: none"> E-waste 		<ul style="list-style-type: none"> Business Growth & Profitability R&D Capabilities Brand Image & Market Share
		LOW	MEDIUM	HIGH
		INFLUENCE ON MARUTI SUZUKI'S BUSINESS		

SUSTAINABILITY APPROACH: RISKS, IMPACTS AND OPPORTUNITIES

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

The sustainability parameters are derived from the materiality assessment matrix and categorised into economic, environmental and social dimensions. The progress against these parameters is monitored at the operational levels by respective divisional heads and at strategic level by the Management Committee and the Board of Directors.



ECONOMIC PERFORMANCE HIGHLIGHTS

The economic performance of an organisation depends upon a combination of internal and external factors and can vary substantially with the changes in these factors. MSIL has a sizeable portfolio of relevant products, strong customer equity, R&D capability, cost leadership, and a profitable business model with healthy practices for its vendors, dealers and itself. On the strength of these competitive advantages, the Company makes all efforts to grow profitably and retain market leadership position with nearly 50% market share.

Economic Dimensions	Achievements 2008-09	Achievements 2009-10	Change
Domestic Sales (Nos.)	722,144	870,790	21%
Export Sales (Nos.)	70,023	147,575	111%
Total Sales (Nos.)	792,167	1,018,365	28.6%
Gross Sales (Rs. in Mn)	230,583	318,073	38%
Profit After Tax (Rs. in Mn)	12,187	24,976	105%
Reserves and Surplus (Rs. in Mn)	92,004	116,906	27%
Market Share (A+B+C)*	46.5%	44.7%	-1.8
Contribution to National Exchequer (Rs. in Mn)	45,382	54,613	20.3%
Expenditure on R&D (Rs. in Mn)	910	1730	90.1%
Expenditure on CSR (Rs. in Mn)	76.7	113	47%

* Vehicle Categories as per SIAM
(A: Passenger cars, B: Multi-Utility Vehicles, C: Multi-Purpose Vehicles)





ENVIRONMENTAL PERFORMANCE HIGHLIGHTS

MSIL works in four dimensions to minimise its environmental impacts. These dimensions are manufacturing, supply chain, products and information technology. The Company implemented EMS in 1999 and worked towards bettering its performance on year-on-year basis.

Environmental Dimensions	Key Areas	Achievements 2009-10	Targets 2010-11
Green Manufacturing	CO ₂ Emission	<ul style="list-style-type: none"> Commencement of environment friendly natural gas supply to Manesar plant for captive power generation and process requirements for a cleaner environment Plantation of 20,000 trees carried out Reduction of CO₂ emission during manufacturing by energy efficient processes 	<ul style="list-style-type: none"> Installation of Solar Panels for power generation LED lights for Street lights and meeting rooms Further promote reduction of CO₂ emission during manufacturing by energy efficiency. Tree plantation target of 20,000 trees
	Reduction of Landfill Waste	Trials for co-processing of hazardous waste in cement plant undertaken	Co-processing of hazardous waste in cement plant to commence.
	Reduction of Ground Water Consumption	Canal water supply commenced to Manesar plant	Promote reduction of water consumption
Products	Improvement in Fuel Efficiency	<ul style="list-style-type: none"> Introduction of K-series engine in new and some existing models Fuel efficiency of Estilo, New WagonR and Swift models improved by 9.8%, 11.1% & 12.6% respectively ** 	<ul style="list-style-type: none"> Alto K10 fuel efficiency target of 20.2 kmpl 5 new models with factory fitted CNG (i-GPI) technology for CO₂ reduction and improvement in fuel efficiency Development work to introduce diesel /CNG variant for CO₂ reduction, improvement in fuel efficiency
	Development of ELV Compliant Products	Nine models made ELV compliant	All new/minor/facelift models to be ELV compliant from introduction
	Development of Alternate Fuel Vehicles	Developed i-GPI Compact Natural Gas (CNG) engine technology	<ul style="list-style-type: none"> Introduce models with i-GPI CNG engine technology Concept demonstration for hybrid and electric vehicle
	Adherence to Emission Norms	Modified models to comply with Bharat Stage III and IV norms	<ul style="list-style-type: none"> Development work on models to meet Bharat OBD-II norms Preparation to meet future emission norms
Supply Chain	Facilitation of EMS Implementation at Suppliers	ISO 14001 certified suppliers increased to 58.4% in 2009-10 from 55.7% a year ago	Further promote implementation of EMS at suppliers
	Reduction of Packaging Material	Reduction of carton boxes used for transit packaging by 44 Tons	Further make efforts to reduce amount of packaging material used by suppliers
Information Technology	Reduction of Energy Consumption	<ul style="list-style-type: none"> 625 old desktops replaced with energy efficient models 43 small size printers replaced with 19 multi-functional printers 	<ul style="list-style-type: none"> 250 old desktops/laptops will be replaced with new energy efficient models Old servers will also be considered for replacement with new energy efficient server models

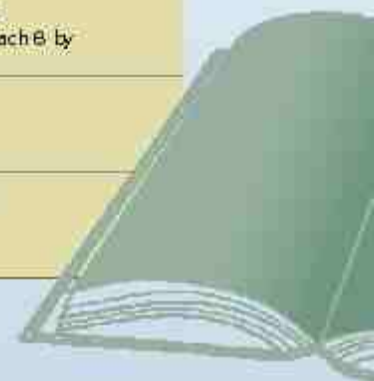
** As per SIAM data

SUSTAINABILITY APPROACH: RISKS, IMPACTS AND OPPORTUNITIES

SOCIAL PERFORMANCE HIGHLIGHTS

People are central to the success of any organisation. The Company makes all efforts to make sure that customers are delighted, employees are motivated and local community is taken care of.

Social Dimensions	Key Areas	Achievements 2009-10	Targets 2010-11	
Customer Satisfaction	Sales and Service Satisfaction	No.1 position in J D Power Asia Pacific SSI and CSI Surveys	Retain No.1 position in customer satisfaction	
Employees Development and Welfare	Attrition	3.5%	Enhance employee engagement to maintain low attrition level	
	Training Man Days	6.6	Over 5 man days	
	Injury Rate per 100 Employee	0.049	0.044 (10% reduction)	
Social Welfare				
Road Safety	Persons trained in safe driving	137,000	171,000	
	Road Safety Awareness among school children	6,000	Expand this initiative to more schools	
	IDTRs	2 (Gujarat and Uttrakhand)	<ul style="list-style-type: none"> 2 new IDTRs in Haryana Total 6 IDTRs by 31st March, 2011 	
	MDS	<ul style="list-style-type: none"> 83 till 31st March, 2010 Developed low cost driving training simulator 	<ul style="list-style-type: none"> 92 new MDS to be activated to take the total to 175 	
Vocational Training	Adoption of ITIs	Training for ITI Faculty	166 mandays dedicated	250 mandays to be dedicated
		Training for ITI Students	4500 mandays dedicated	4900 mandays to be dedicated
		MSIL adopted ITIs	Three ITIs adopted including one ITI for women in Gurgaon adopted in 2009-10	<ul style="list-style-type: none"> 5 new ITIs to be adopted Total number of ITIs to reach 8 by 31st March, 2011
		Exposure visit for ITI students to MSIL plants	197 students	400 students
	Technical Tie-ups	Technical Tie-ups with ITIs	15 ITIs by 31st March, 2010 (Government ITIs: 7 and Private :8)	18 ITIs (Government ITIs: 16 and Private ITIs: 2)

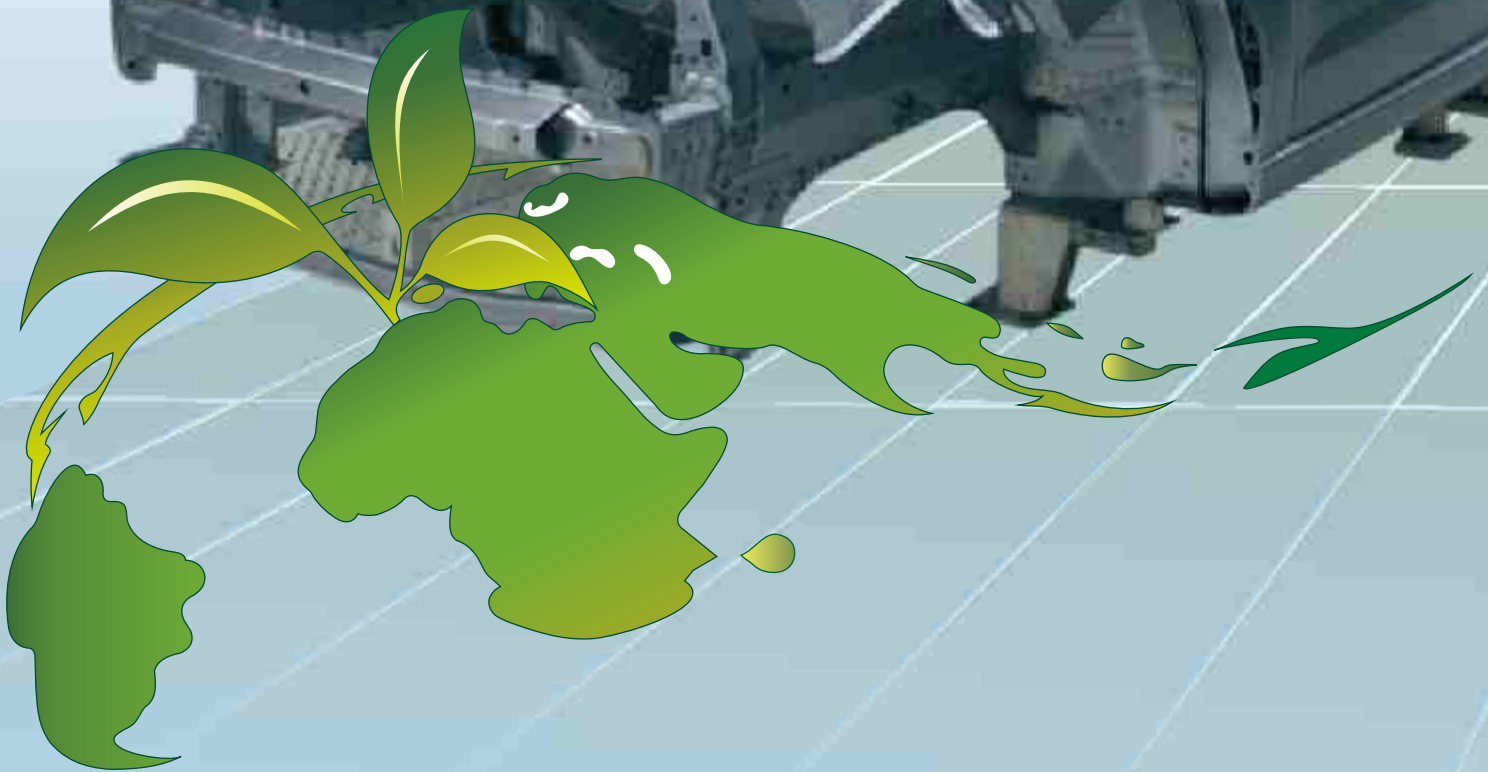




Social Dimensions	Key Areas	Achievements 2009-10	Targets 2010-11
Employee Volunteering Programme (EVP)	Volunteering hours contributed by employees for social work	<ul style="list-style-type: none"> • 3313 man hours in 2009-10 • 4304 man hours spend since programme launch in November, 2008 	To further promote the spirit of volunteering among employees
Community Development at four adopted villages at Manesar	Education: Group tuition for needy children (Nos)	<ul style="list-style-type: none"> • Opened two Tuition Centres • Covered 75 needy children. Their average score in final exam improved to 85% from 73% a year ago. 	<ul style="list-style-type: none"> • Third Tuition Centre in Bass Village to be opened • To reach out to 100 disadvantaged students
	Upgradation of School Infrastructure	Upgraded Alihar-Dhana Government High School	To upgrade Bass Village School
	Vocational training to unemployed village youth	Trained 50 unemployed youth to become professional drivers	To train 50 more unemployed youth in professional skills



ECONOMIC PERFORMANCE





“ The year 2009-10 was a landmark year for Maruti Suzuki and the Indian passenger vehicle industry. Maruti Suzuki became the first company in India to make and sell a million cars in a year. ”

S. Nakanishi, MD



THE COMPANY HAS INCULCATED A STRONG SENSE OF COST CONSCIOUSNESS WITHIN ITS EMPLOYEES. IN 2009-10, EMPLOYEES IMPLEMENTED 128,893 SUGGESTIONS RESULTING IN AN ANNUAL SAVING OF RS. 2,028 MILLION.

ECONOMIC PERFORMANCE

MANAGEMENT APPROACH

The management is sensitive to the sustainability of the Company and its various stakeholders. It makes far-reaching investment decisions that take into consideration the long-term view of the business. Even though they can be significant in size, the fund requirements of such investments are met through the Company's internal accruals.

Over the years, MSIL has built adequate flexibility and agility in its facilities to respond to the fluctuations in market demand. During 2009-10, the Company produced 33% more vehicles compared to the previous year, delivering well above the installed capacity of its plants.

The Company has inculcated a strong sense of cost consciousness within its employees. In 2009-10, employees implemented 128,893 suggestions resulting in an annual savings of Rs. 2,028 million. All possibilities of cost reductions are encouraged and explored. In-house die development for body parts of models

such as the Ritz, the Eeco and the Estilo have helped the Company save 20~50% in costs by substituting imported dies. During the year, special emphasis was laid on the localisation of parts imported by vendors, de-risking the Company from foreign exchange fluctuations to a great extent.

The Company has a well structured exchange risk management policy. It manages its exchange risk by using appropriate hedge instruments depending on the market conditions and a view on the currency. The Company implements an adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

The activity of risk management in the Company is reviewed by the Audit Committee through a management subcommittee, namely the Executive Risk Management Committee (ERMC).

It reviews the risk management activities on a regular basis in addition to scanning of any new risks that may emerge from the vagaries of a changing business environment.

FINANCIAL PERFORMANCE IN 2009-10

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

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

The Company registered its highest ever sales of 1,018,365 vehicles in the domestic and export markets during 2009-10. For the first time, the Company could make and sell more than a million vehicles in a year. Net Sales stood at Rs. 289,585 million, a growth of 42.2% over the previous year. Profit after taxes grew by 105% and stood at Rs. 24,976 million. The Company's average realization per car has increased by about 32% in this period. The Company's sales growth, coupled with continuous improvements in operational efficiencies has contributed to its financial performance for 2009-10.

The Company started work on building additional capacity of 250,000 cars per year at Manesar. As part of the efforts to continuously strengthen its R&D capability, 700 acres of land were procured at Rohtak for setting up a world-class proving ground.





DIRECT AND INDIRECT ECONOMIC IMPACTS OF THE COMPANY

The automobile industry is considered an engine for economic growth of the country. The Company added six new suppliers including one joint venture company in 2009-10, taking the total number of suppliers to 252 as on 31st March, 2010 from 246 in the previous year. The sales network added 121 outlets to reach 802. Similarly 127 more dealer service workshops and 34 pre-owned cars outlets were activated. The Company tied up with five more public sector banks to promote car loans. These upstream and downstream business expansion activities create employment opportunities besides contributing to the economic growth.

Please refer to the Annual Report of the Company for detailed presentation of economic value added at http://marutisuzuki.com/cars-images/image/pdf/09Businesshighlight_09-10.pdf (Business Highlights), <http://marutisuzuki.com/cars-images/image/pdf/Director-Report-10.pdf> (Directors' Report) and <http://marutisuzuki.com/cars-images/image/pdf/MD&A-10.pdf> (Management Discussion and Analysis).

THE MANAGEMENT IS SENSITIVE TO THE SUSTAINABILITY OF THE COMPANY AND ITS VARIOUS STAKEHOLDERS. THE COMPANY REGISTERED ITS HIGHEST EVER SALES IN DOMESTIC AND EXPORT MARKETS IN 2010 AND ADDED NEW SUPPLIERS, INCLUDING A JOINT VENTURE COMPANY, THUS EXPANDING ITS SALES NETWORK AND DEALER SERVICE WORKSHOPS.

ECONOMIC PERFORMANCE

CRISIL RATING

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

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANISATION'S ACTIVITIES DUE TO CLIMATE CHANGE

The Company is aware of the growing concerns of climate change and it is proactively working on sustainable products, manufacturing and supply chain. The introduction of the fuel efficient K-series gasoline engine and the development of intelligent gas port injection 'i-GPI' technology last year, are some of the steps taken to reduce environmental impacts during product usage.

The success of A-star in a highly competitive European markets can be credited to its environment friendly attributes. In 2009-10, environment friendly natural gas supply was introduced to the Manesar plant for captive power generation for process requirements. This has replaced diesel, the primary form of fuel used earlier for captive power generation and will result in a cleaner environment.

EMPLOYEE REMUNERATION AND BENEFITS

The employee remuneration and benefits at the Company increased by 15.8% to Rs 5,456 million in 2009-10, from

Rs 4,711 million in 2008-09. The increase was on account of annual increments and an increase in the number of employees.

As a policy, the Company keeps wages of its permanent and contract employees above the standard entry level minimum wages fixed by respective state governments from time to time.

The Company has the following defined benefit plan obligations for employees:

1. Employee's Gratuity fund
2. Leave Encashment
3. Retirement Allowance

MARUTI SUZUKI'S CONTRIBUTION TO EMPLOYEE BENEFIT PLAN OBLIGATION IN 2009-10

(Rs. million)

	Leave Encashment/ Compensated Absence	Employees Gratuity Fund	Retirement Allowance
Present value obligation as on 31st March, 2010	659	734	29



Mr. Ajay Seth, Executive Officer (Finance) & CFO receiving the CFO Award 2009 from Mr. K V Kamath, Chairman, ICICI Bank Ltd at the ICAI Awards 2009



FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT OF INDIA

During the year under review, the Company has not received any significant financial assistance from the Government of India.

EXPENDITURE ON SOCIAL INITIATIVES

The Company continues to expand its social activities. The expenditure on CSR activities increased to Rs.113 million in 2009-10 from 76.7 million in 2008-09. The CSR spend of 2009-10 includes expenditure of Rs.13.2 million on infrastructure projects implemented for public benefits.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

Maruti Suzuki makes significant contribution to National Exchequer through taxes and duties. Driven by large volume growth during the year 2009-10, the Company's gross contribution to the National Exchequer stood at Rs 54,613 million in 2009-10, as compared to Rs 45,382 million in 2008-09.



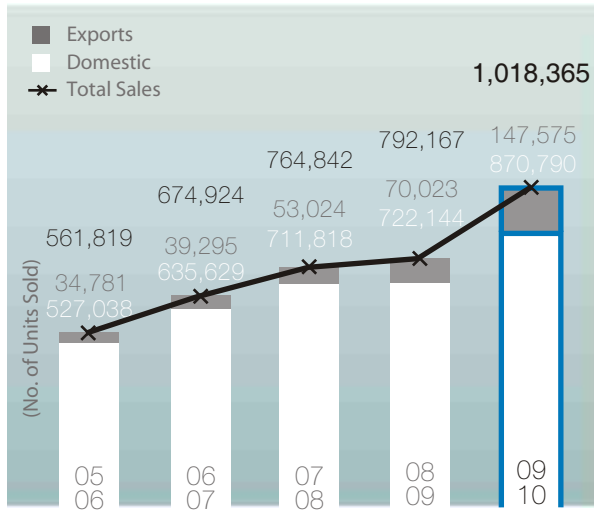
Mr. D. D. Goyal, Chief General Manager (Finance) receiving the CA Professional Achiever Award 2009 from Mr. U Venkatraman, Executive Director, Multi Commodity Stock Exchange of India Ltd at the ICAI Awards 2009

ECONOMIC PERFORMANCE

FINANCIAL HIGHLIGHTS 2009-10

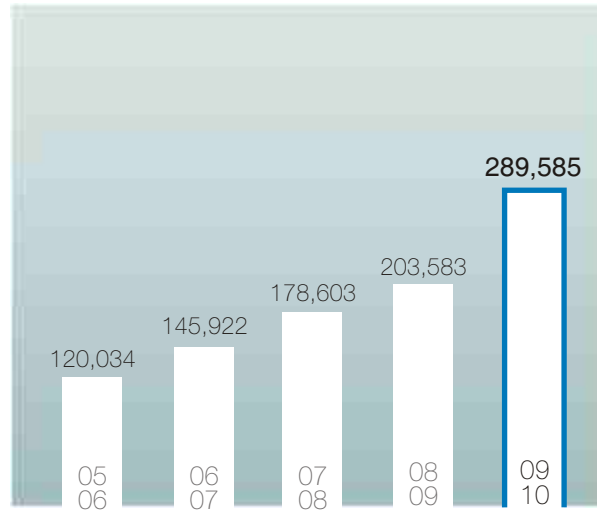
The financial information of the company shows sustained performance over the years.

Sales Volumes

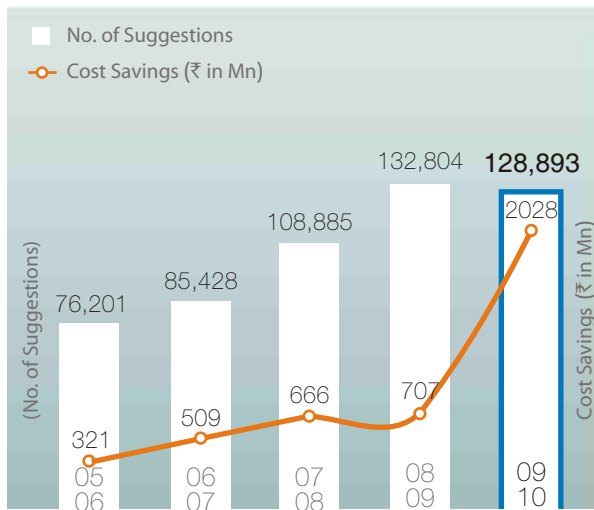


Net Sales

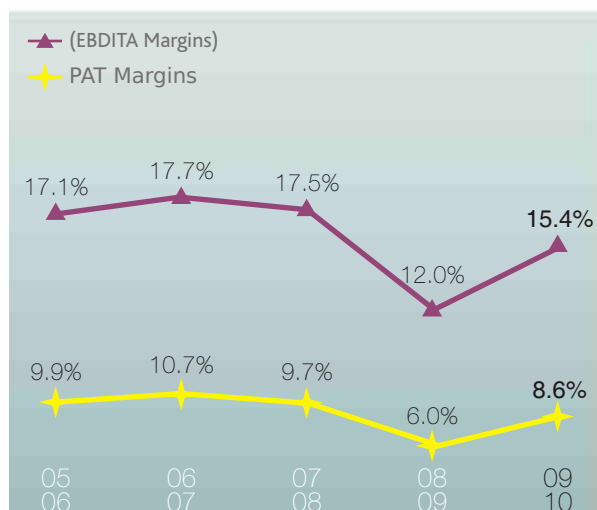
(₹ in Mn)



Employee Participation - Suggestion & Savings



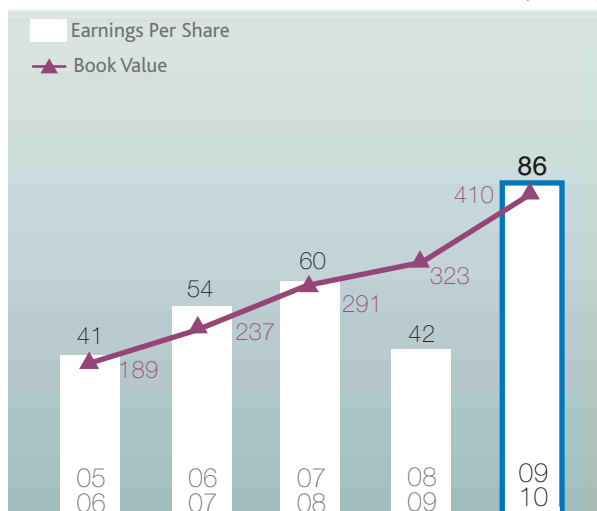
Margins





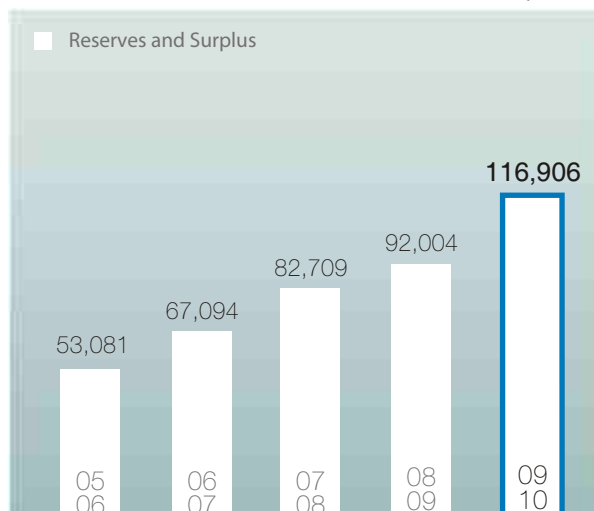
Earnings Per Share and Book Value

(₹ in Mn)



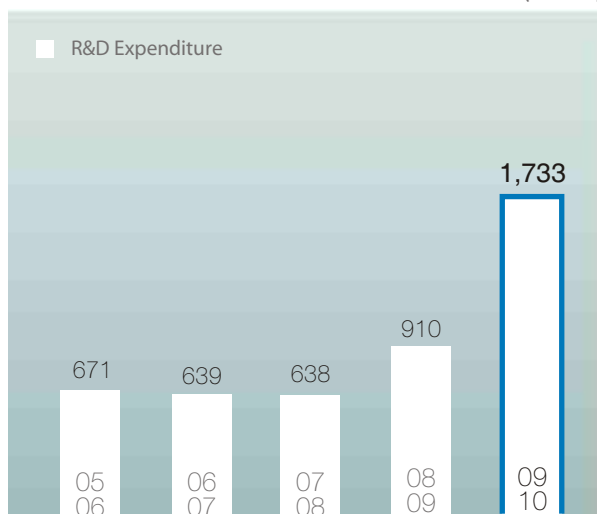
Reserves and Surplus

(₹ in Mn)



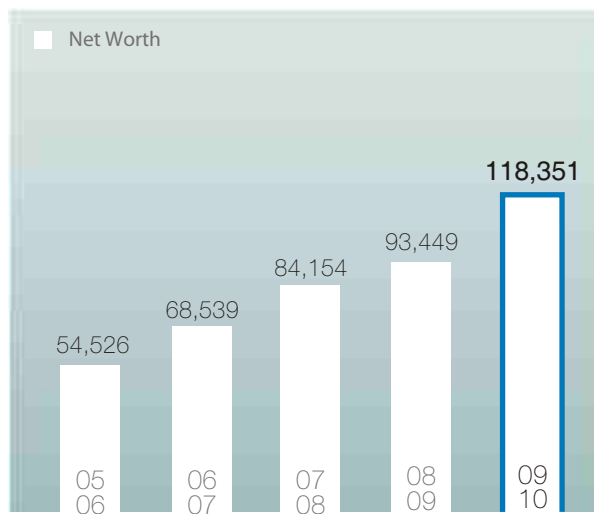
R&D Expenditure

(₹ in Mn)



Net Worth

(₹ in Mn)



FOR MORE DETAILS ON THE FINANCIAL INFORMATION OF THE COMPANY, PLEASE REFER TO THE ANNUAL REPORT FOR THE YEAR 2009-10, AVAILABLE ON THE COMPANY'S WEBSITE.

ENVIRONMENTAL PERFORMANCE





“ The introduction of K-series engine and the development of intelligent Gas Port injection (i-GPI) technology are key measures taken by Maruti Suzuki to minimise environmental impacts of its products. ”

S. Nakanishi, MD



THE K-SERIES ENGINE WAS INTRODUCED IN 2009-10 IN THE RITZ, THE ESTILO AND THE DZIRE. THE INTRODUCTION OF ADVANCED ENGINE TECHNOLOGY HAS RESULTED IN REDUCTION OF CO, THC AND NO_x EMISSIONS BY ALMOST 50%.

ENVIRONMENTAL PERFORMANCE



Rain water harvesting

Maruti Suzuki has since inception initiated steps to conserve and preserve the environment through its environment friendly products, manufacturing and supply chain processes. We believe that investment in environment friendly technologies makes sustainable business sense and caters to the needs of environment conscious customers.

The Environment Policy of the Company promotes energy conservation, 3R (Reduce, Reuse and Recycle), green procurement, environment friendly mobility and environment consciousness among its direct stakeholders. The Company also follows SMC's basic philosophy of "Smaller, Fewer, Lighter, Shorter and Neater" in its manufacturing facilities. As a result, Maruti Suzuki has been able to reduce per vehicle electricity consumption by 20%, fresh water consumption by 60% since the implementation of Environment Management System in its Gurgaon plant.

A dedicated environment department looks after the environmental performance of the Company. The department activities include tracking new regulations, legal compliance, implementation of EMS, energy monitoring, identification and implementation of CDM projects, training and performance reporting.

Every year, the Company celebrates June as 'Environment Month' to spread environmental awareness among employees and other stakeholders. In 2009-10, Environment Month activities included quiz for employees, visual displays on energy saving tips, energy audit by plant heads, tree plantations, carbon calculator etc.

Maruti Suzuki attempted to remain ahead of regulations and on many fronts, acted as a torchbearer for the rest of the industry, such as:

- Launched India's first fuel efficient and environment friendly car 'Maruti 800'

- 1st automobile company to use natural gas for captive power generation
- 1st automobile company in India certified for ISO 14001 in 1999
- 1st in India to introduce factory-fitted LPG and CNG cars
- 1st to launch cars complying with Bharat Stage-IV emission norms
- 1st to launch ELV compliant cars in India



Incinerator



GREEN MANUFACTURING

The Company has identified five areas in manufacturing to focus on with regards to the protection of environment and optimal utilisation of natural resources.

- Material Usage and Weight Reduction
- Energy conservation
- Water conservation
- Air emissions reduction
- Solid Waste Management

MATERIAL USAGE AND WEIGHT REDUCTION

The major raw materials used for manufacture of vehicles are steel coils, ferrous and non-ferrous castings, paints and thinners. The Company sources finished components used in vehicles from various suppliers.

In 2009-10, the Company consumed 242,713 MT of steel coils, 25,125 MT of ferrous casting, 14,525 MT of non ferrous casting and 5408 MT of paints. The Company has taken various initiatives to reduce consumption of raw material. The scrap generated from press operation is used for producing child parts for maximising steel sheet utilisation. In 2009-10, a total of 33,565 MT of metal scrap and 1833 MT of aluminium scrap have been sent to vendors for reuse for making small components and castings respectively. The Company also recycles left over sealer in paint shops.

The launch of "One-gram-one-component" weight reduction programme last year brought consciousness among employees and suppliers to reduce wastage on an ongoing basis.

ENERGY CONSERVATION

Direct and Indirect Energy Consumption

The natural gas based captive power plants provide for the power requirements of the Company and the suppliers located in Suppliers' Park. In 2009-10, natural gas supply was extended to Manesar plant for power generation and process requirements.

The total energy used for various processes in Gurgaon and Manesar plants was 5,729,835 GJ while the indirect energy consumption was 2476 GJ.

Initiatives undertaken by the Company to reduce energy consumption

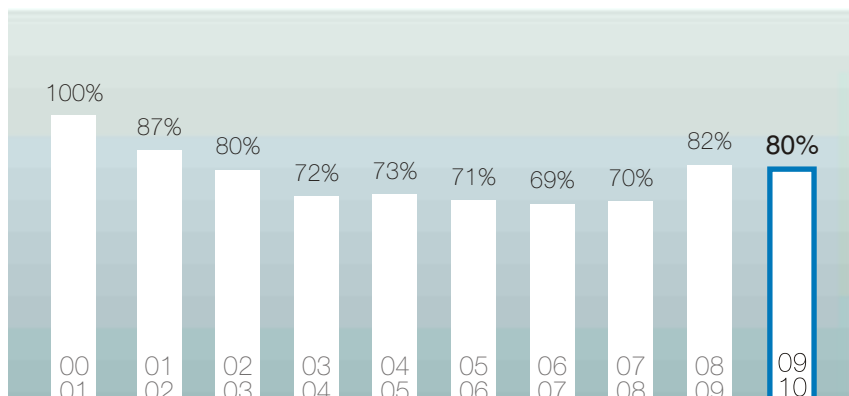
- Illumination of shop floor and meeting rooms by tapping natural light
- Introduction of energy efficient LED lights in place of CFL/HPSV lights
- Solar energy for water heating
- Installation of Variable Frequency Drive (VFD) in paint shops, gas turbine

pumps, water treatment plants and horticulture water pumps

- Replacement of hydraulic drive with energy efficient servo drives in weld shops
- Compressed air supply controlled by calendar timers to avoid wastage

The percentage of per vehicle electricity consumption reduction in the Gurgaon plant with respect to base year 2000-01 is depicted in the graph below.

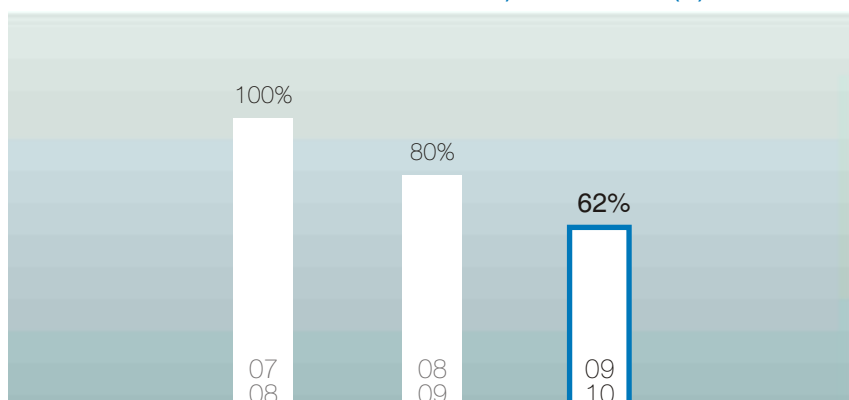
PER VEHICLE ELECTRICITY CONSUMPTION REDUCTION, GURGAON PLANT(%)



Note: The increase in the percentage energy consumption from 2007-08 is due to the introduction of additional processes of casting and engine assembly at Gurgaon plant. The energy consumption shown above is used for own requirements only (excluding supplies to JVs)

The percentage of per vehicle electricity consumption reduction in the Manesar plant with respect to base year 2007-08 is depicted in the graph below.

PER VEHICLE ELECTRICITY CONSUMPTION REDUCTION, MANESAR PLANT(%)



ENVIRONMENTAL PERFORMANCE

WATER CONSERVATION

Water conservation is an integral part of the Environment Management System. The Company has achieved zero waste water discharge status (out side factory premises) since 2003-04 at its Gurgaon facility. The main source of water for the Company is canal water supplied by Haryana Urban Development Authority (HUDA).

The total water consumption in 2009-10 for Gurgaon and Manesar plants is 1,740,827 m³ of which, 656,367 m³ is canal water, 1,081,443 m³ is tube well water and 3,017 m³ is rain water.

A total of 1,323,606.5 m³ of water was recycled and reused in 2009-10, which accounted for 43% of the total water requirement of Gurgaon and Manesar

plants. We used 557,378 m³ of treated effluent water for horticulture. No water was discharged outside the plant boundaries for both plants.

Initiatives undertaken by the Company for water conservation

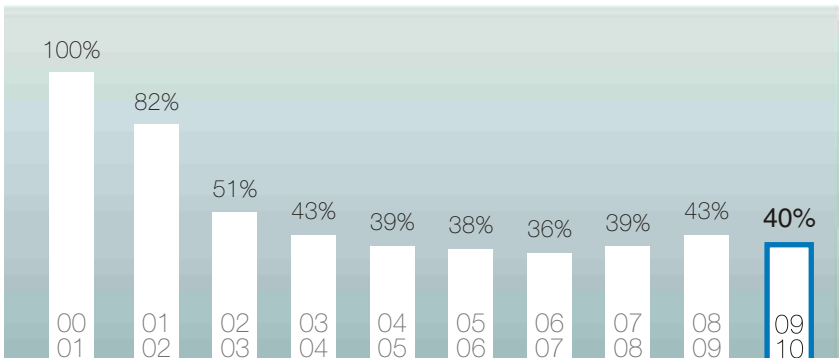
- Installation of closed cycle cooling towers to minimise water loss due to evaporation
- Rain water harvesting at both the manufacturing facilities. A portion of the rain water is recycled for use in manufacturing processes
- Canal water supply commenced in Manesar plant resulting in reduction of ground water consumption

The percentage of per vehicle fresh water consumption for Gurgaon is depicted in the graph below.



Water treatment plant

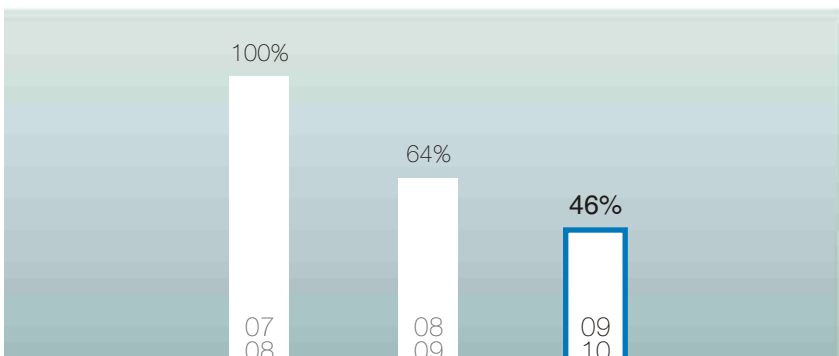
PER VEHICLE FRESH WATER CONSUMPTION REDUCTION, GURGAON (%)



Note: The increase in the percentage of per vehicle fresh water consumption from 2007-08 is due to introduction of additional processes of casting and engine assembly

The percentage of per vehicle fresh water consumption with respect to the base year 2007-08 for Manesar plant is depicted in the graph below.

PER VEHICLE FRESH WATER CONSUMPTION REDUCTION, MANESAR (%)



AIR EMISSIONS REDUCTION

Green House Gas (GHG) Emissions

The Company has taken various measures to reduce its green house gas (GHG) emissions. The major sources of GHG emissions in case of MSIL is burning of fuel for power generation and process requirements, which accounts for over 90% of the total GHG emission of the Company.

The total GHG emission of the Company (Gurgaon and Manesar plants) was 320,783 MT (CO₂) for 2009-10. The GHG reporting is as per Scope 1 and 2 of WBCSD/WRI protocol.

The quality of ambient air and stack emission parameters (SO_x, NO_x and SPM) are monitored by government approved external agency at regular frequency. The monitored values are well within the prescribed limits of the Pollution Control Board.

Initiatives undertaken by the Company to reduce air emissions

- Use of natural gas for captive power generation and process requirements
- Use of waste gas of the turbines for generation of steam and compressed air
- Installation of low NO_x burner to reduce NO_x emissions from power plants
- New incinerator with venturi scrubber and packed column installed to reduce incinerator emissions



- Bag filter connected to the exhaust of foundry furnaces to reduce air emissions
- Elimination of intermediate baking process at new paint shops to reduce Volatile Organic Compounds (VOC) emissions

WASTE MANAGEMENT

The hazardous wastes in the Company include paint sludge, phosphate sludge, effluent treatment plant (ETP) sludge, incinerator ash and used oil. The paint sludge is incinerated whereas the used oil is sold to authorised recyclers. The hazardous wastes are stored in secured landfill sites within the Company and salable solid wastes such as metal scrap, glass waste etc are sold to recyclers and re-users.

The landfill waste of the Company (Gurgaon and Manesar plants) in 2009-10 was 2,619 T.

Initiatives undertaken by the Company to reduce solid waste

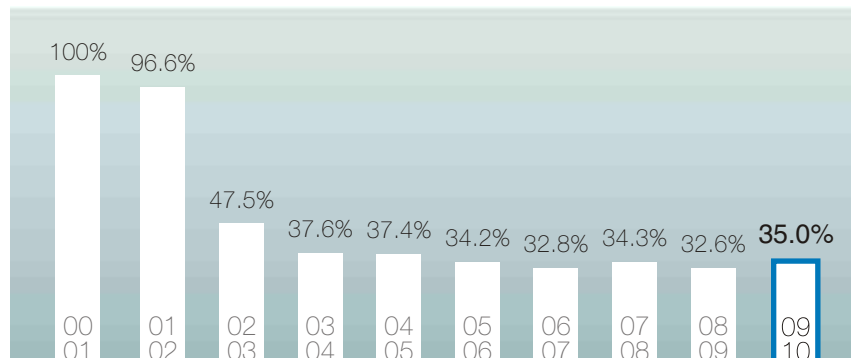
- A pilot project has been undertaken for co-processing of hazardous waste (paint sludge, ETP sludge and phosphate sludge) in cement manufacturing industry
- Painting robots and electro static guns installed in paint shops, bumper paint shops to reduce generation of paint sludge
- Ultra filtration and Reverse Osmosis (RO) system installed in paint shop for recovery of Electro-Deposition paint
- Use of pre-coated oil pump gaskets for engine assembly eliminated sealer wastage and spillage on floor
- Recycle and reuse of treated effluent and sewage for industrial water generation



Secured Landfill Pit

The per vehicle land fill waste reduction for Gurgaon and Manesar Plants with respect to the base year 2000-01 is depicted in the graph below.

PER VEHICLE LANDFILL WASTE REDUCTION, GURGAON AND MANESAR PLANT (%)



There has been no significant spill inside the plants because secondary containments have been provided wherever there are chances of spills.

USE OF ENVIRONMENT FRIENDLY REFRIGERANT

The Company is using environment friendly refrigerant gas R134a in all its products. The refrigerant gas is filled by advanced dispensing machines with automatic vehicle type selection and filling quantity to avoid gas leakage at the time of filling.

LEGAL COMPLIANCE

The Company has developed comprehensive legal compliance scheduling and management software. This software enables to plan and monitor all compliance activities within the Company.

There were no monetary fines paid by the Company to Environment Regulatory Authorities in 2009-10.

ENVIRONMENTAL PERFORMANCE



Senior officials of Maruti Suzuki auditing suppliers

GREEN SUPPLY CHAIN

The Company aspires to create a sustainable value chain for its business partners. The basic principles of reducing wastages, inconveniences and inconsistencies across the value chain are adopted from our parent company, SMC Japan.

The Company shares its best practices with business partners such as Just-in-Time (JIT), Kaizen (continuous improvements), Energy Conservation, Pika-Pika (fool proof operations), EMS, HR practices and quality systems. The best practices are replicated in the business processes of business partners to make their operations lean, error free and environment friendly.

Suppliers

MSIL sensitises its suppliers about environmental issues and encourages them to take proactive measures to minimise their environmental impacts. Periodic briefings and training programs are organized for suppliers on topics such as EMS, environmental laws/regulations and hazardous waste management. The activities carried out during Environment Month also cover suppliers among other stakeholders.

Encouraging Local Suppliers to Reduce Air Pollution

The Just-in-Time (JIT) and 'e-nagare' inventory management system introduced in 2003 have helped in reducing inventory level to less than a day.

We encourage our suppliers to shift their production facilities near our manufacturing facilities. Both Gurgaon and Manesar facilities have dedicated suppliers' park. Of the 17 joint venture companies, eight are located in the suppliers' park.

The Company has been able to source 86% supplies by value from suppliers situated within 100 kms radius from its manufacturing facilities. In 2009-10, seven suppliers started production in the local area and 19 local suppliers expanded operations. These are some of the initiatives to reduce environment pollution from transportation of supplies. Only trucks carrying valid Pollution Under Control (PUC) Certificate are allowed to enter inside the Company premises for supply of parts.

The Company also supplies high quality uninterrupted power produced from natural gas based captive power plants to suppliers located in the suppliers' park.

Environment Management System Facilitation

The Company facilitates its suppliers in implementation of EMS and ISO 14001 certification in a phased manner. As on 31st March, 2010, 58.4% suppliers were ISO 14001 certified, up from 55.7% a year ago.

Packaging Improvements

We encourage our suppliers to use recyclable and reusable packing for components supplies. The Company has made packing material an integral part of the new component approval procedure to ensure non usage of polythene and cardboards.

In 2009-10, we worked with distant suppliers for reducing transit packing (carton boxes) used for transporting parts from their production sites to the warehouses located near our manufacturing facilities. We engaged with an international company for custom-made recyclable packaging. As a pilot project, this initiative was implemented in 2009-10 at five Chennai based suppliers resulting in a paper/cardboard saving of 44 T per year.

BUSINESS EXCELLENCE THROUGH PEOPLE

In 2009-10, the Company initiated a unique programme "Business Excellence Through People". The basic objective of this programme was to guide suppliers on Human Resource (HR) and Industrial Relations (IR) issues. Under this programme the following activities were carried out in 2009-10:

- Screening of 12 suppliers for HR function maturity and work culture with special focus on blue collar and outsource employees
- Six HR sensitisation workshops were conducted for CEOs and senior management of 57 suppliers
- Eight JV HR meetings were conducted to discuss IR scenario and to undertake pro-active measures to mitigate IR risks



- HR manual was developed to implement Maruti Suzuki's best HR practices at JVs. Our officials review implementation of these practices every quarter along with the management of JVs

We intend to expand this initiative to more suppliers going forward.

PROJECT SHIKHAR

In 2008-09, the Company had invited over 500 CEOs and senior management of 100 suppliers to manufacturing facilities to showcase its best practices. In order to facilitate implementation of shop floor best practices by the suppliers, the Company launched Project "Shikhar" in 2009-10.

As part of the project, senior management teams from Maruti Suzuki visit shop floors of suppliers followed by a detailed audit covering 5S, visual control, process change management and Work-In-Progress (WIP) material handling. In 2009-10, under project "Shikhar", 77 suppliers were assessed and 51 reviews were carried out by MSIL officials.

Dealers

MSIL is promoting environment consciousness among its dealers by helping them in introduction of environment friendly systems at their service workshops. Besides, the Company is working to reduce environmental impacts of transporting finished vehicles.

Environment Friendly Workshops

In 2009-10, the Company started energy audits for dealer workshops through external agency M/s TUV India to identify areas of improvement for reduction in electricity consumptions at workshops. So far five workshops have been audited across India. Based on the findings from these audits, recommendations to all other workshops were sent through a service bulletin. We plan to audit 20 more workshops in 2010-11.

Some good practices under implementation include the following:

- Oil dispensing system implemented at 101 workshops to avoid oil spillage
- Wind ventilator system in place of electric ventilators implemented in 44 workshops
- Solar battery charger installed in place of electricity battery charging system at service workshop of our dealer 'Automotive Manufacturers' as a pilot project.

Vehicle Transportation through Railways

MSIL has been transporting finished vehicles mainly through trucks and trailers to various destinations across the country. In a major shift, the Company has started transporting export vehicles to port through railways, a low GHG emitting mode of transport. It facilitated development of special railway rakes along with Railways for transportation of cars. A railway loading yard is under construction at the Manesar plant.

GREEN PRODUCTS

Engineering Capabilities

The Company is gradually upgrading its R&D capabilities with a vision to make India a vehicle design hub of SMC outside Japan. The focus of the Company is to increase manpower strength in R&D and

train them in-house and at SMC Japan on live projects. Besides, the Company encourages R&D engineers to file patents and participate in national and international conferences. MSIL has a strong team of 958 R&D engineers as on 31st March 2010.

In 2009-10, MSIL engineers filed 22 patents for their innovative work in different design areas. They also presented six technical papers in International Mobility Engineering Congress and Exposition 2009 organized by SAE India at Chennai. Technical paper presented on "Reduction of Cabin Noise An Integrated Approach of Physical and CAE Techniques" was awarded 1st prize in Hyper Works Technology Conference 2009.

MSIL engineers also participated in SAE 2009 World Congress at Detroit, USA and presented technical paper on "Common Failures and Countermeasures in Instrument Panel Development".

Rohtak R&D facility and Test Track

The Company is setting up a new R&D test course at Rohtak, Haryana. This is a big step forward in building R&D capability of MSIL. This facility will enable the Company to offer superior and environment friendly products to customers.



i- GPI CNG Engine Technology

ENVIRONMENTAL PERFORMANCE

Bharat Stage IV (BSIV) Implementation

MSIL became the first mover among automobile manufacturers in India by launching BSIV compliant Ritz in May, 2009 and the Estilo in August, 2009 ahead of the stipulated implementation date of 1st April, 2010. The Company upgraded its entire fleet of vehicles (except Maruti 800) to meet BSIV emission norms. The BSIV norms are applicable only in thirteen cities.

Environment Friendly Engine Technology

The environment friendly K-series engine launched last year in the A-star was introduced in 2009-10 in the Ritz, the Estilo, the Swift and the DZire. The introduction of advanced engine technologies has resulted in reduction of CO, THC and NOx emission by almost 50%.

Enhancing Fuel Efficiency

Besides meeting BS-IV emission norms, we have recalibrated and tuned vehicles for achieving higher fuel efficiency. The percentage increase in fuel efficiency for the new models with K-series engine compared to their BS III predecessors is given in the table below.

Model	Fuel Economy Values*		% improvement
	BS III	BS IV	
Estilo	17.3	19	9.8 %
WagonR	17	18.9	11.1%
Swift petrol	15.9	17.9	12.6%
Swift DZire petrol	15.9	17.9	12.6%

Source: Society of Indian Automobile Manufacturers (SIAM)

MSIL has also upgraded models with existing engines to comply with BSIV emission norms and achieved significant increase in fuel economy e.g. Alto with existing F8D engine and EECO with G12 engine have been upgraded to BSIV emission norms. Alto with F8D engine has achieved fuel economy value of 19.7 kmpl with BSIV compliant engine compared to 18.1 kmpl with BS III compliant engine, thereby achieving 9% increase in fuel efficiency.

End of Life Vehicle (ELV): Design for Environment

End of Life Vehicle is a European Union (EU) regulation which aims at limiting the use of hazardous substances in vehicles for making vehicle recycling easier. The hazardous substances are Lead, Cadmium, Mercury and Hexavalent Chromium. There is no such regulation in India so far.

As a proactive measure, MSIL has voluntarily adopted ELV regulation with an aim to make most of its models free from hazardous substances (as per ELV directive) by 2010. So far, the Company has launched nine ELV complaint models. With this initiative, MSIL has not only reemphasised its trend setter status, but has also developed a large vendor base capable of making ELV compliant auto parts.

We are also working with SIAM to evolve a feasible vehicle scrappage system in the country.

Greener CNG vehicles with next Generation i-GPI system

MSIL envisioned a roadmap for delivering greener vehicles to the country and started with the introduction of LPG variants. In 2001, the Company introduced first OE vehicle OMNI CNG in commercial segment and in 2002, introduced first passenger mono fuel LPG vehicle OMNI LPG. This was followed by WagonR Duo (LPG) and M800 LPG with Gas Air Mixture technology. Striving towards promoting appropriate alternate fuel technologies, the Company has developed a new Intelligent Gas Port Injection (i-GPI) technology for CNG fuel.

The salient features of i-GPI technology

- Improved drivability and performance of vehicle in CNG mode
- Reduced running cost through improved fuel efficiency
- Reduction in CO₂ emissions
- Safe technology for extreme Indian conditions

The new i-GPI system complies with BSIV emission norms. This system enables direct injection of CNG into various ports near the combustion chamber resulting in uniform and complete combustion. The quantity and quality of CNG injected into the engine and the changeover from petrol to CNG is intelligently controlled.

This drastically reduces the un-burnt emissions which are harmful to the environment. Besides, the i-GPI ensures that there is practically no loss of power in CNG mode, inducing more customers to opt for environment friendly fuel. Overall, this is a major shift from carburetor type to injection system type CNG system.

MSIL has been working on this technology for the last two years and on 13th August, 2010, the Company launched this technology in five cars: the Eeco, the Alto 800, the Estilo, the SX4 and the WagonR.



Variable Valve Timing (VVT) Technology

In 2009-10, MSIL introduced VVT technology in SX4 to meet customer expectations and for environment protection. The VVT technology allows the timing of intake valve to be changed while the engine is in operation, thereby ensuring that there is never a shortage or wastage of power. This leads to improved engine efficiency, optimised fuel consumption and lesser carbon emissions. With VVT technology, the fuel efficiency of SX4 has improved by 3%.

Hybrid and Electric Vehicle

During Auto Expo 2010, MSIL showcased hybrid and electric vehicle technology. The Company displayed SX4 hybrid car and battery operated Eeco. These cars demonstrate the Company's commitment towards developing eco-friendly cars and its readiness for a greener tomorrow.

MSIL has also partnered with the Government of India under the National Hybrid Propulsion Program to develop electric and hybrid vehicles.

Asbestos Free Models

Major countries across the globe have imposed ban on asbestos in all forms. Asbestos is a hazardous substance when exposed to the outside environment, causing air contamination. Asbestos is used by automobile industry in vehicle sub-assemblies such as gasket, brake and clutch linings. The Government of India is contemplating to bring a regulation to eradicate use of asbestos. MSIL has taken a lead to voluntarily make all models eco-friendly by discontinuing use of asbestos.

One Gram One Component Weight Reduction Programme

Last year, we had launched an innovative 'one-gram-one-component weight reduction' programme. This is the mantra for lighter, fuel efficient and value for money products. Proposals are invited companywide to suggest areas of weight reduction. This programme has resulted in an average saving of 70 grams per vehicle with a cost saving of Rs.118 million.

GREEN IT

Information Technology plays a pivotal role in the Company's overall systems and processes. On the strength of its robust IT infrastructure, the Company has achieved benchmark levels of operational efficiencies, cost savings and faster information sharing. The Company has made concerted efforts to minimise undesirable impacts of IT operations on the environment.

As a policy, we evaluate IT infrastructure vendors for safe disposal of non-recyclable IT equipments before placing order. We prefer a buy-back policy for other IT assets and engage with reputed IT vendors and service providers. We have a defined process for scrapping and recycling of IT equipments.

An efficiently designed data centre can reduce energy consumption significantly. We have embraced virtualisation of servers. So far we have virtualised 28 physical servers.

Our IT data centre is designed to work on minimum energy. The cooling of servers is done through ducts in the floor, which helps in maintaining desired temperatures for longer duration.

MSIL is continuously striving to work towards a paperless office in compliance to its commitment towards Green IT. All

annexures related to suppliers are posted in electronic form on the extranet thus eliminating the paper usage.

Some more initiatives to reduce energy consumption are given below

- Replacement of 550 CRTs with TFT monitors
- Virtualisation of 28 physical servers
- Adopting energy efficient products such as blade servers
- Replacement of 625 old desktops with new energy efficient models
- Printers Consolidation: 43 small size printers replaced with 19 multi-functional printers

Public Policy Positions

MSIL participates actively in the committees set up by the automobile industry and the government to decide on future regulations, policies and implementation plan.

The Company is a member of the following organizations:

- Confederation of Indian Industry (CII)
- Society of Indian Automobile Manufacturers (SIAM)
- SIAM SAFE (Society for Automotive Fitness and Environment)
- Bureau of Indian Standards (BIS)
- Society of Automotive Engineers (SAE)
- Combat Climate Change (CCC), a Sweden based international NGO



Natural Gas Supply Pipelines

SOCIAL PERFORMANCE





“ In a small way, we are contributing to the inclusive growth agenda of the Government of India.”

S. Nakanishi, MD



WE CONSIDER LOCAL COMMUNITY AN IMPORTANT STAKEHOLDER OF THE COMPANY. WE BELIEVE THAT THE LOCAL COMMUNITY IS BENEFITED NATURALLY FROM THE ECONOMIC ACTIVITY, HOWEVER, WE CAN FURTHER ENHANCE THESE BENEFITS WITH ADDITIONAL SUPPORT.

SOCIAL PERFORMANCE

LABOUR PRACTICES AND DECENT WORK PLACE

MSIL persistently strives to create and sustain a positive, supportive and transparent culture.

Adoption of Japanese work culture during its formative years gave immense benefits to the Company in achieving higher levels of quality, productivity and discipline. This is aptly reflected in the relations between the Company and employees. All levels of employees including shop floor workmen are as committed to the long term sustainability of the Company as the top management.

There is no differentiation in the approach towards employees on the basis of cadre/grade. The Company has instituted common practices for all such as uniform, canteen, medical facilities and gifts. All employees right from shop floor associates to the top management wear the same uniform, dine together in a common canteen, and are entitled to similar medical facilities. Open office system ensures transparency, helps in faster communications, and creates a boundary-less organisation besides strengthening feeling of oneness and team-work.

The Japanese work place basics such as Kaizen, cleanliness (5S), on the spot root-

cause analysis (3G) and strict adherence to systems (3K) are the backbone of the Company's culture. These are regularly reinforced through trainings and visual displays.

The motivation level of MSIL employees can be gauged from their high attendance level of over 95%. Two annual maintenance shutdowns of one week each coinciding with holidays of children help them plan their holidays well in advance and facilitates work-life balance.

The Company's employees are actively involved in the improvement activities and extend their best possible contribution towards the Company. There is a robust and well structured suggestion scheme. The Company allows stoppage of work for 30 minutes every month to conduct Quality Circle meetings. There are 361 Quality Circles registered as on 31st Match, 2010.

In 2009-10, employees gave 128,893 suggestions resulting in a cost saving of Rs. 2028 million. The employees contributed significantly in achieving over 100% capacity utilisation and production of over one million cars. This was possible by innovation, collaboration and team spirit displayed by employees, in terms of



Common canteen

capability as well as commitment. Employees are the biggest strength of the Company.

Innovation and Creativity

The Company fosters a culture of innovation and creativity through various activities such as Nav Nirmaan and AGNI. The sole motive is to provide a platform for tapping the vast potential of the employees.

Nav Nirmaan is no less than a celebration that happens in the month of April every year, marked as Innovation and Creativity month at MSIL. Employees are encouraged to give innovative ideas. This unique programme was launched in 2007-08 with encouraging response from employees. The Nav Nirmaan 2010 was hugely successful with participation of 6,530 employees in terms of contributing fresh ideas.

In 2009-10, a strategy forum was set up to develop out-of-the-box ideas that have the potential to give transformational growth to the Company. This strategy forum is called 'Agni' which means fire. This is a cross-functional, multi level forum to facilitate diverse perspectives. At this forum new ideas are generated, developed and presented to the top management for approval.

Nav Nirman Team 2010





Diversity, equal opportunity and non-discrimination

The Company ensures that there is no discrimination at the work place against any employee on the grounds of race, colour, religion, caste, sex, age, marital status, disability, national origin or any other factor under applicable laws and contemporary practices.

All activities such as recruitment, placement, promotion, transfer, compensation, training and other benefits are based on the merit and competencies of the individuals and business needs.

The Company makes all efforts to include employees from different age groups, backgrounds and genders in various committees and governing bodies.

There was no substantiated and unresolved incidence of discrimination reported in 2009-10.

Prevention of Sexual Harassment at Work

The Company has instituted an anti-sexual harassment policy. The responsibility of ensuring adherence to the policy lies with the top management, directors, divisional heads, members of senior management as well as all employees. This conveys the seriousness of the Company towards the policy and keeps the policy in focus.

There was no incidence of sexual harassment reported in 2009-10.

Non-Discrimination of HIV/AIDS in Work Place

The Company has instituted a policy to ensure non-discrimination of employees infected or affected by HIV/AIDS and supports the employees in every manner. This policy relates to all employees and contract workers and covers all aspects of work formal and informal.

There was no incidence of HIV/AIDS discrimination reported in 2009-10.



Bribery and Corruption

Our "Code of Business Conduct and Ethics" lays down guiding principles for all employees to follow while dealing with their stakeholders. This Code of Conduct provides guidelines on bribery and corruption among other elements. Employees are required to act in accordance with the highest standards of integrity, honesty, fairness and ethical conduct while representing the Company.

The Code of Conduct is signed by all Board members and senior management every year. All employees sign the Code of Conduct at the time of joining.

There was no incidence of corruption reported in 2009-10.

Forced and Child Labour

The Company abides by the Government of India legislations with regard to forced and child labour. Besides, the Company has also formulated an anti-Forced and Child Labour Policy, which covers its entire operations.

There was no incidence of forced and child labour reported in our units during 2009-10.

Freedom of Association and Collective Bargaining

The Company has a mature and non-affiliated internal labour union. The union-management relations are based on mutual trust, understanding and common objective of company growth. All regular associates are covered under the process of collective bargaining.

All major policy changes impacting workmen are discussed with the union representatives and their opinions are incorporated after examining the feasibility, as per the statutory requirements. All such changes are communicated to workmen directly and through union representatives. The certified standing order is followed with regard to the minimum notice period for operational changes.

All major policy changes impacting workmen are discussed with the union representatives and their opinions are incorporated after examining the feasibility and statutory requirements. All such changes are communicated to the workmen.

SOCIAL PERFORMANCE

LABOUR PRACTICES AND DECENT WORK PLACE



The Company reached a long term wage settlement with employees' union in April, 2009. This was made possible by our approach of partnering with union through proactive, fair, firm and transparent management of Industrial Relations.

No incidence of violation of freedom of association was reported in 2009-10. Also, there was no incident of unrest in the Company during the year.

Communication of the Company Vision, Core Values and Policies

The sensitisation about the Company vision, core values and its various policies is a part of the induction programme. These are further reinforced through visual displays at the shop floor, offices and meeting places. The Company policies are available on the internal portal as well.

Local Hiring

All appointments at senior level are made purely on the basis of the Company's need, vacancy and merit of individual. For hiring at workmen level (skilled, semi skilled, unskilled and apprentice) equal weightage is given to candidates from across the country.

HUMAN RESOURCES DEVELOPMENT

MSIL fosters a strong culture of people development. The development process starts from the day a new employee joins the Company. A warm welcome, fun-filled induction programme, guidance from senior management and hand holding by mentors leaves a lasting impression in the minds of the new employees and puts them on a journey of learning and growth.

The manpower requirement is assessed well in advance based on the medium term business plan of the Company. The fresh talent is sourced from campus route whereas experienced professionals are hired through lateral route, depending upon the identified position, work and skill required.

In 2009-10, our major focus had been to build R&D capability. We were able to increase strength of R&D engineers to 958 in 2009-10 from 730 in 2008-09. In order to strengthen our capability in critical design areas, for the first time, we went for global hiring and recruited expatriates from the UK, the USA and Japan.

In order to cater to the specific needs of manufacturing, R&D and, Marketing and Sales, the Company has decentralised HR

function and created separate HR departments named Plant HR, Engineering HR and Commercial HR. The Company has put in place a transparent and visible career growth model to address the career aspiration of all employees. The performance assessment is a two-way process based on mutually decided Key Result Areas (KRA). In 2009-10, we launched on-line KRA portal to make the KRA setting process hassle free. The Company engages with reputed HR consultancy firms for potential assessment and the development of competences required at senior positions. All regular employees are covered under the performance management system.

We believe that employee engagement, regular communication and feedback are necessary conditions for the people development process. The Company has implemented 360 degree feedback and stay-interview system. Besides, regular communication meetings are held to apprise employees of business scenario and to get their first-hand feedback and suggestions.

Employees are given cross functional experience through a well defined policy of job rotation and a system of establishing Cross Functional Team (CFT).

Rewards and Recognition

Rewards and recognition in MSIL are driven by the performance of the individual. Remarkable performance by the employees entitles them to low, medium and high cost rewards and recognition. High cost awards include paid trip for two nights and three days stay for employee and his or her family members at any of tourist places (Cost up to Rs. 30,000/-), an appreciation certificate and a trophy.



Manpower Training

High focus on training and development coupled with growth opportunities has created a committed workforce. We firmly believe that learning and development stimulate employee motivation, innovation and ultimately job satisfaction.

We prepare Annual Training Calendar after carrying out Training Needs Identification (TNI) exercise for each business area. Training programmes are designed after taking inputs of employees across all levels. Special focus is given to functional training that directly impacts business performance. We also give competency based training for the needs emerging out of Development Center process. Apart from behavioral and functional training across levels, we have started theme based trainings for our Marketing and Sales field staff and specific skill building programs for our young engineers in R&D. Training calendar also includes training programmes on safety. All union representatives undergo both in-house and out-bound training programmes.

Our parent company SMC contributes significantly to training and development of employees. As part of AOTS programme, employees get the opportunity to visit SMC, Japan for six months to two years to work on live projects under the guidance of SMC engineers.

To give opportunity to our high performance employees for further education, MSIL has a tie-up with Management Development Institute (MDI), Gurgaon for full time and part time MBA. Also for developing the technical capabilities of employees, the Company has a tie-up with IIT Delhi for specialised technical courses.

In order to cater to the training needs of the employees working in manufacturing areas and to adopt latest technologies, the

Company has set up a Technical Training Centre (TTC). This training centre is run by trained faculty and is equipped with the necessary modern training aids, class rooms and a library.

All security personnel are trained by the security agency on functional and behaviour aspects including non-discrimination in dealing with people.

LEADERSHIP CAPABILITY DEVELOPMENT

To sustain our leadership position and to meet future challenges, we have been constantly providing focused inputs to middle, senior and top management in the form of Department Managers' Convention, Divisional Heads' Training and Directors' Retreat

Once a year, Directors' Retreat is organized to sensitise all Japanese directors and Indian top management members about the latest business management practices and trends. To upgrade the managerial skills and get a stimulating learning experience, the Company sponsors

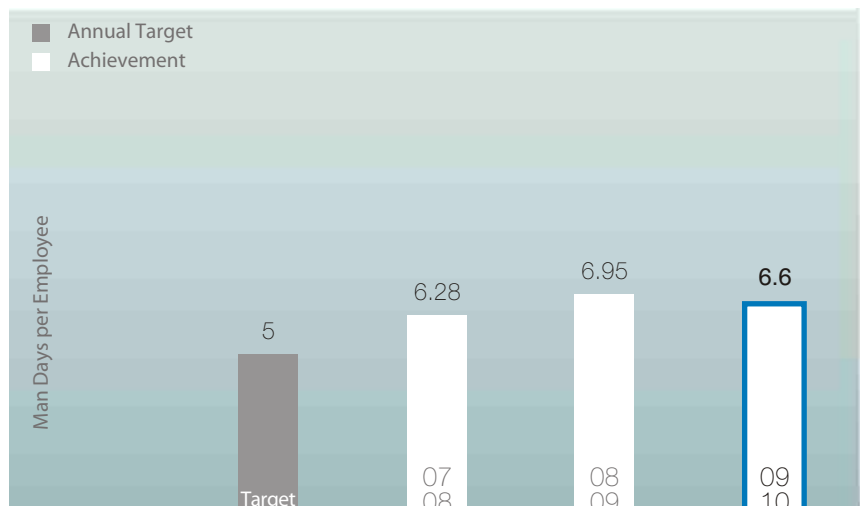


Technical Training Centre

Department Heads to attend Management Development Programs (MDP) to various reputed business schools.

The Company has set an average training target of 5 mandays per employee. The achievement has been far exceeding this target in the last three years.

TRAINING MAN DAYS ACHIEVEMENT



SOCIAL PERFORMANCE

LABOUR PRACTICES AND DECENT WORK PLACE



Attrition

In a growing economy, some level of attrition is inevitable. We make all efforts to retain key talent through our Key Talent Management Process. We have been able to maintain an attrition level within single digit percentages.

Beyond Self

As a pioneer and leader of Indian Automobile Industry, MSIL has always been conscious towards its responsibility to take the Industry to next level. In pursuit of our philosophy of putting people first, Suppliers HR functional maturity initiative was started in 2009-10.

This initiative is focused to create 'Business Excellence through People' in key suppliers. MSIL is aiming to create an environment of inclusive growth by strengthening this initiative.

We are confident that in-depth understanding of the sensitivities and nuances of the local context clubbed with the best management policies, systems and practices of Japan from SMC shall help us create new benchmarks. We will be consciously looking at strengthening our processes through high focus on quality in every aspect of our working.

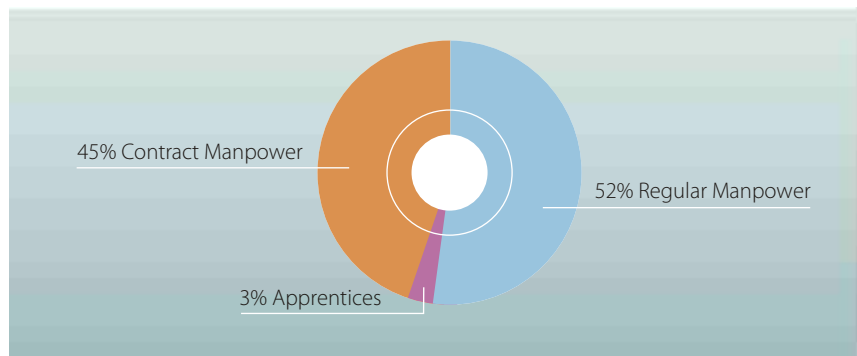


MANPOWER BREAKUP (As on 31st March, 2010)

Manpower Category	2008-09	2009-10
Regular Manpower		
Assistant Supervisors & Above	2,903	3,334
Associates/Technicians	1,758	2,160
Trainees	2,498	2,138
Total Regular Manpower	7,159	7,632
Apprentices	548	509
Contract Manpower	5,145	6,556
Total Manpower	12,852	14,697



MANPOWER CATEGORY 2009-10

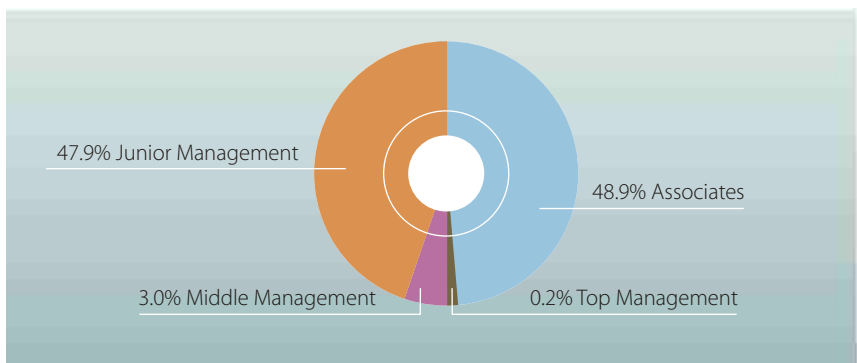




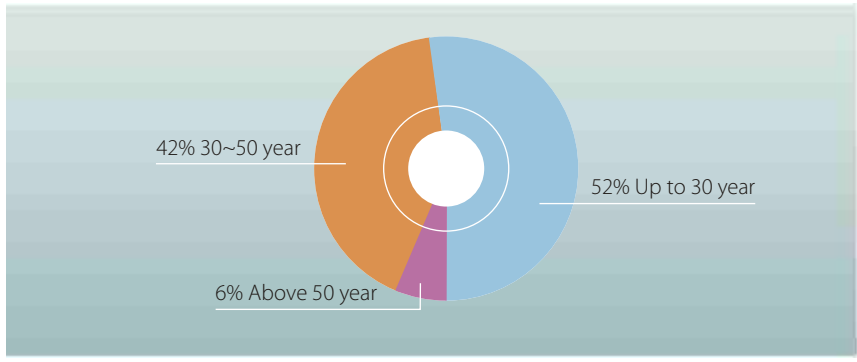
FEMALE TO MALE RATIO OF REGULAR EMPLOYEES (April 2009 to March 2010)

	2008-09	2009-10
Total Regular	7,159	7,632
Male	6,952	7,407
Female	207	225
Female to Male Ratio	2.97%	3.04%

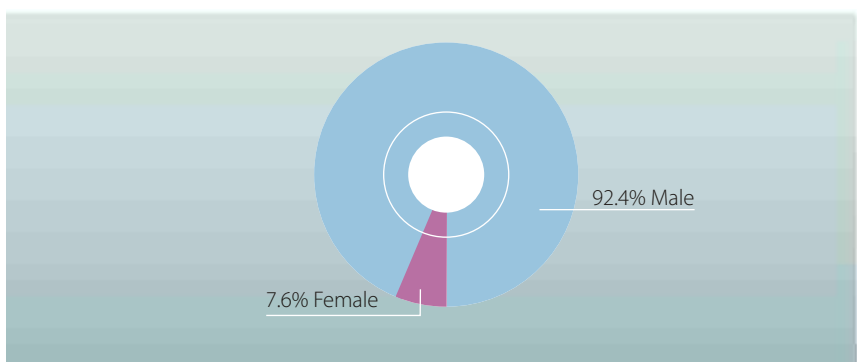
BREAK UP OF MANPOWER IN ASSOCIATE, JUNIOR, MIDDLE AND TOP MANAGEMENT



REGULAR MANPOWER AGE PROFILE



GENDER WISE ATTRITION



SOCIAL PERFORMANCE

LABOUR PRACTICES AND DECENT WORK PLACE

Employee Turnover

Employee turnover at MSIL has been around 4.8% for last three years, i.e. 2006-07, 2007-08 and 2008-09.

ATTRITION FOR APRIL, 2009 TO MARCH, 2010*

Level Category	Resignations	Manpower as on March 2010	Attrition percentage
Resignations			
Assistant Supervisors and Above	147	3334	4.7%
Technicians	3	2160	0.2%
Trainees	74	2138	3.2%
Total Resignations	224	7632	3.0%
Other Separations: Death, Retirements and Terminations	38	-	-
Grand Total	262	7632	3.5%

*Not including other separation of employees on account of death, retirement, termination: 39

AGE GROUP WISE BREAK UP OF ATTRITION FOR APRIL, 2009 TO MARCH, 2010*

Age Group	Percentage
Upto 30 years	3.9%
30 years - 50 years	1.7%
Above 50 years	0.0%
Total (Excluding other separations)	3.0%

*Not including other separation

OCCUPATIONAL HEALTH

The Company strives to imbibe a culture wherein employees enjoy a holistically healthy life. A team of qualified doctors and paramedics supported by well equipped dispensary/medical centre provide medical assistance to employees in both shifts. High importance is given to identification and prevention of disease at the initial and curable stages.

All employees over 40 years of age are entitled for a free annual health check up. We have tied up with major hospitals for the same. Many employees have benefited by undergoing these health checks with timely diagnosis of certain risk factors and pre-disease conditions and eliminating them by adopting healthier life style. Evening Yoga classes are held every day at the plant and the corporate office.

The Company doctors issue advisory from time to time on prevention of seasonal and infectious diseases. Regular theme based health awareness and check up camps are organised at the plant level in association with reputed hospitals. Vaccination is also provided to employees at discounted prices.

Effective countermeasures are taken in hazardous areas to minimise negative impacts on employees' health for example the installation of robots in critical areas of weld and paint shops. In assembly operations also, automation has been introduced at stations not appropriate from the operators' ergonomics point of view - for example the auto placement of spare wheel in car.

OCCUPATIONAL SAFETY

MSIL follows 'Safety First' approach and strives to achieve 'Zero Accident' at all its manufacturing facilities and offices. The Company has a well defined Health and Safety Policy.

The Company has put in place a robust safety structure. At the top management level, we have Central Safety Leadership Council (CSLC) comprising of members from top management and the five business verticals. CSLC reviews safety performance every quarter and imparts guidance to the functional safety team.

We also have 'Contractor Safety Committee' which includes contractors' safety coordinators. This committee meets every month to discuss safety issues and counter measures. The implementation of countermeasures is done by the contractors and the concerned department through safety coordinators.

At the functional level, a dedicated Safety and Welfare department supported by 84 safety coordinators from across the Company ensures safety training, execution of safety activity plan and compliance. Shop floor workmen participate in the plant level safety committees.



The Company has adopted Japanese work place safety practices such as Kikken Yochi Training (KYT) and Hiyari Hatto Training (HHT) to identify and manage safety risks. Production line is stopped for 30 minutes every alternate month in both shifts for the shop floor workmen to identify safety risks in their areas and take necessary countermeasures.

Regular Safety Audits are carried out by internal and external auditors to identify gaps against own standards and industry benchmarks. Training plays an important part in building a culture of safety in an organisation. Every year an annual Safety Training and Activity Calendar is prepared and implemented.

Maintenance shutdown of one week happening twice in a year is a major plant level activity at MSIL. This period is utilised for equipment maintenance, implementation of major kaizens and capacity expansions. This activity contributes significantly in improving quality, productivity and shop floor safety. There was no minor, major and fatal accident during shutdown period in 2009-10. We share benefits of maintenance shutdown with our suppliers and encourage them to institutionalise it in their facilities as well.

Safety Month is observed starting from 4th March every year to bring safety consciousness among employees. Managing Director kicks off Safety Month activities by taking safety oath. Employees also take safety oath and participate in poster/slogan competition, and safety training workshops. On-site safety activities are carried out for truck drivers of suppliers and civil project workmen. These activities include street plays, health check up and safety talk by experts.

All regular and contractual employees are reminded of safety through daily morning announcements on audio system, e-messages and displays. New recruits undergo a day long Safety Induction



Employees taking Safety Oath

Training Programme that covers operational safety risk management and emergency preparedness measures in case of fire. We have also brought our contractual workers into the fold of safety training. With the expanding company operations, a special focus is given on safe driving inside and outside the plants.

With the concerted efforts by all employees of the Company and the top management guidance, the Company has been able to achieve zero fatality in 2009-10.

PERFORMANCE AGAINST SAFETY PARAMETERS

	2007-08**	2008-09**	2009-10***
Injuries (Nos.)	12	19	10
Injury Rate (per 100 employees)	0.102	0.1393	0.049
Lost Days (Nos.)*	6,005	6,004	2
Lost days Rate* (Per 100 employees)	51.17	44.04	0.0098
Fatalities (Nos.)*	1	1*	0
Man Hours worked (Million hrs)	25.46	28.83	44.42

* Data as per IS 3786 Standard; 1 fatality= loss of 6000 man days
 ** Gurgaon Plants only
 *** All Gurgaon and Manesar Plants

SAFETY OF COMPANY'S AND CUSTOMER'S DATA/INFORMATION: DISASTER MANAGEMENT

The Company has adopted a Business Continuity and Disaster Recovery Management system for all critical IT resources to ensure minimal disruption in the business operations in case of non-availability of IT services. Business Impact Analysis (BIA) of all the application has been done to identify the business critical applications. Offsite Back-up and Disaster recovery site are located at different locations and mock drills are carried out to check the readiness of the contingency action plan.

COMPLIANCE

There have been no significant fines and non-monetary sanctions levied against the Company for non-compliance of laws and regulations in 2009-10.

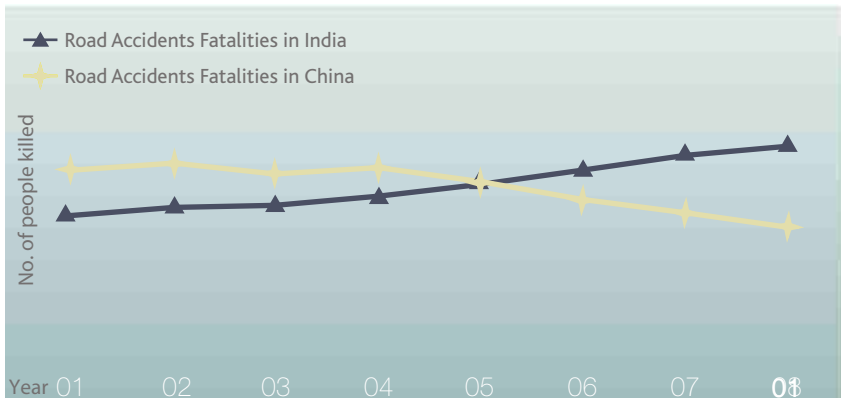
SOCIAL PERFORMANCE

SOCIAL INITIATIVES

ROAD SAFETY

Road accident is one of the most tragic causes of death. As per the latest WHO's Global Status Report on Road Safety, 1.2 million people die on roads every year across the world, and as many as 50 million are injured. India records highest number of road accident fatalities in the world. The road accident fatalities stand at 118,239 people for 2008 as per the National Crime Records Bureau (NCRB) Report. The road accident fatalities trend of India and China has been shown in the graph below.

ROAD ACCIDENT FATALITIES



Source: NCRB, MoRTH, Ministry of Public Security, China

It is possible to reverse this upward trend of road accident fatalities in Indian with efficient driving training infrastructure equipped with modern training aids, training of trainers, spreading road safety awareness, modernising licensing system and strict enforcement of traffic laws. Besides, new roads need to be designed and existing ones upgraded to facilitate safe driving in day time, night time and all weather conditions. Dedicated passages for pedestrians and non-motorised vehicles would further help in reducing fatal accidents. The encouraging fact is that many developed countries have registered a drop in road accidents and casualties by adopting these methods.

As a responsible corporate citizen, MSIL has been focusing on setting up state-of-the-art driving training infrastructure in the form of Institutes of Driving and Traffic Research (IDTR) and Maruti Driving Schools (MDS). These IDTRs and MDS are set up in partnership with state governments and dealers respectively. Trained and certified trainers impart driving training at IDTR and MDS.

We offer mainly two types of standard driving training courses at IDTR and MDS. New drivers undergo minimum 21 hours of theory and practical training whereas existing drivers undergo 16 hours of refresher training that covers health check and HIV/AIDS awareness as well.

National Road Safety Mission (NRSM)

Taking forward its commitment to road safety, MSIL took another leap by launching National Road Safety Mission in December, 2008. The three key pillars of this mission are training, awareness and advocacy. A target was taken to train 500,000 people in safe driving in three years. Of this, the training of 100,000 people from economically weaker and underprivileged sections is being sponsored by MSIL. The Company works with over

40 NGOs from across the country to source underprivileged people for training.

The endeavor of the Company through this mission is to expand professional driving training infrastructure in the country, work with the government to set up and benchmark driving training schools and train instructors for imparting driving training in large numbers. NRSM also aims to spread road safety consciousness among students, drivers and general public through awareness campaigns.

In 2009-10, 137,000 people have been trained under NRSM, out of which 25,515 people were from economically weaker sections of the society. NRSM provides an excellent platform to sensitise existing drivers of three wheelers, cabs, light commercial vehicles, heavy commercial vehicles on safe driving practices through a refresher training programme.

Institute of Driving and Traffic Research (IDTR)

In 2009-10, the Company set up two new IDTRs, one each in Gujarat and Uttarakhand. With the addition of these new IDTRs, MSIL has four operational IDTRs. Two more IDTRs in Haryana state are nearing completion.

The first IDTR was set up in partnership with Delhi state government in 2000. MSIL introduced driving training facilities at par with the best in the world. Besides driving training, IDTR also imparts training on soft skills, health and hygiene. Buoyed by the success of this IDTR in 2006, another IDTR was set up in Delhi.



IDTR Driving Track

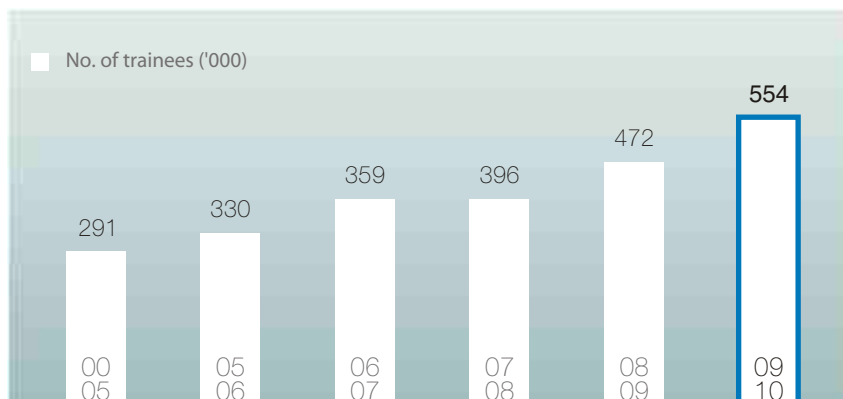
Key objectives of IDTR

- Promote quality education in driving training using modern teaching aids
- Support government in framing policies related to road safety activities and establishing framework of professionally managed, modern driving training infrastructure.
- Train the trainers of driving training schools
- Spread road safety consciousness among all stakeholders.

IDTR facilities and infrastructure

- Well equipped classrooms with modern teaching aids
- Simulators for training of heavy and light motor vehicles driving
- Well maintained vehicles for on-road training
- Scientifically engineered and designed training & test tracks consisting of 'S' bends, 'V' bends, 'U' turns, reverse boxes, parking slots and a hill track
- Training on all categories of vehicles and certification of drivers
- Electronic display boards to explain electrical and mechanical systems of vehicle
- Medical room for eye check up and blood test

IDTR PERFORMANCE (CUMULATIVE)



Environmental Focus

MSIL has adopted environment friendly practices and technologies while setting up IDTR infrastructure. These include solar operated traffic signalling devices on training tracks, rainwater harvesting, lush green landscaping and use of simulators. Use of simulators reduces actual on road vehicle driving for training.

IDTR at Vadodara, Gujarat

The Company has set up this IDTR in partnership with the Tribal Development Department, Government of Gujarat. This IDTR is located in tribal areas of Vadodara and caters mainly to enhance employability of tribal youth. The institute is spread over 25 acres of land, which houses modern energy efficient institute building, separate hostels for boys and girls, advanced training tracks. Besides driving training, Gujarat IDTR has separate courses on imparting soft skills and technical skills to the tribal youth.

SOCIAL PERFORMANCE

SOCIAL INITIATIVES

Maruti Driving Schools

In 2009-10, the Company set up 32 new Maruti Driving Schools (MDS). With the addition of these MDS, MSIL has 83 MDS across the country as on 31st March, 2010. MDS is a one-of-its-kind partnership between an OEM and its dealers in the area of CSR. MDS model is self-sustaining and replicable. Dealers make investments for setting up these schools and manage them, whereas MSIL provides systems required for training and initial handholding.

MDS are equipped with state-of-the-art driving training simulators, air conditioned class rooms, well maintained cars and certified instructors. Trainees get an opportunity to learn driving in a modern environment, which includes theory, simulator and practical training. One distinguishing feature of MDS is lady instructors for training females. That is why nearly 50% of the total learners at MDS are females.

MDS a new career option for women

MDS is offering excellent career opportunities to women as driving instructors, front desk receptionists and IT executives. Currently, 84 lady instructors are employed at MDS across the country. They undergo regular training at IDTR, Delhi for 10 days. On successful completion, they are certified for instructional abilities and impart training to women trainees in safe driving on simulators, theory content and practical training on cars.

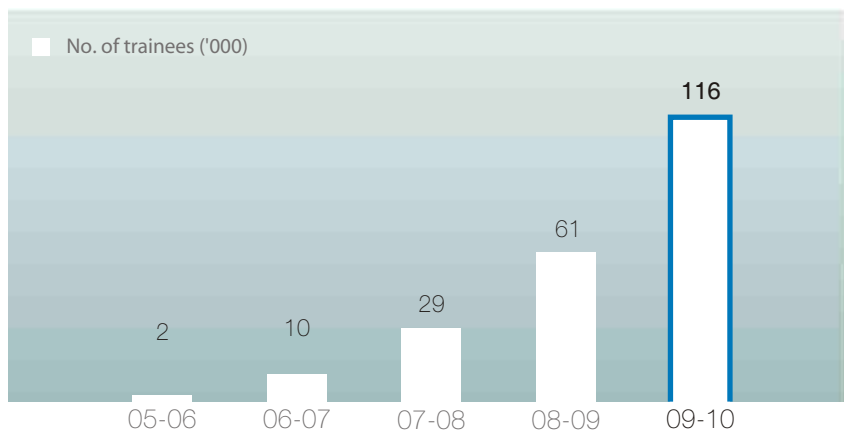
Low Cost Simulator: A new milestone

In order to expand network of Maruti Driving Schools (MDS) at a faster pace, simulator cost reduction was identified as one of the measures to expand the reach of superior driving training across the country. The earlier simulator had many imported parts including software. A dedicated team was set up to analyse existing model of simulator for possible cost reduction. This team identified and supported an Indian vendor. MSIL provided this vendor indigenised parts, developed software locally, and thereby succeed in bringing down simulator cost by 60%. The Company hopes that this will induce driving schools in the unorganised sector to deploy simulators and thereby enhance the quality of driving training in the country

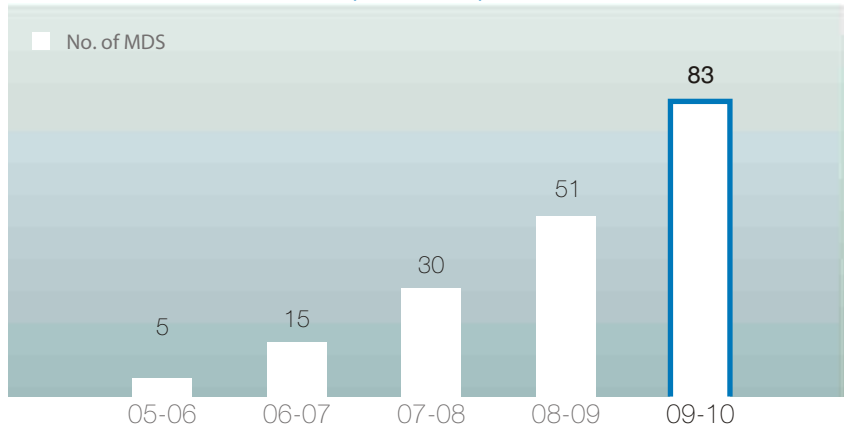
Feedback Monitoring System

At MSIL, feedback is used as one of the tools for continuous improvements in products and services. In 2009-10, the same feedback system was implemented at all MDS. The feedback taken from trainees is captured at MDS level and monitored directly by MSIL team at the corporate level. This feedback is then used to improve training quality, course content and instructors' skill level. The Customer Satisfaction Index (CSI) for each MDS is monitored separately and audits are carried out to monitor training quality.

MARUTI DRIVING SCHOOLS' PERFORMANCE (CUMULATIVE)



MARUTI DRIVING SCHOOL NETWORK (CUMULATIVE)





Driving Training Simulator

Road Safety Awareness

India is a country of young people with 60% of the population below 30 years of age. Sensitising them on road safety will make them a good road user for a life time. As part of National Road Safety Mission, MSIL initiated a road safety sensitisation programme in 2009-10. The key features of this programme include presentations in schools, screening of short films on road safety, awareness through banners, road safety rallies and Young Drivers' Contest.

MSIL has developed an interactive presentation and small films targeting students from fifth standard onwards. MDS instructors visit schools in their respective cities and make presentations and show films. This initiative received overwhelming response with requests coming from several school principals for repeat programmes. In 2009-10, we were able to cover nearly 6000 children. Besides, school children are also invited for road safety rallies. Such rallies were conducted during Road Safety Week in January, 2010 in association with SIAM-SAFE at India Gate and at Auto-Expo venue in Pragati Maidan, New Delhi. Nearly 1800 students participated in these rallies.

MSIL participates in National Road Safety Week in the month of January every year. Besides road safety seminars in schools, the Company imparts training to drivers of school buses. In 2009-10, such activities were conducted in 56 cities across 18 states.

In 2009-10, a national level event 'Young Drivers' Contest' was organised to promote safe driving amongst youth. Over 6000 youngsters participated in this contest and the winner was awarded with A-star.

Road Safety Advocacy

MSIL supports industry bodies such as SIAM-SAFE in their efforts to sensitise the stakeholders on road safety, and regularly interacts with state transport authorities for matters related to road safety.

MSIL was invited by Ministry of Road Transport and Highways to discuss setting up of model Driving Training Schools in states and union territories in the 11th Five Year Plan. MSIL was also invited to make recommendations for amendments in the provisions of the Motor Vehicle Act to make it an appropriate Act.

We regularly host visits of Transport Secretaries and Commissioners to IDTR, Delhi to showcase driving training infrastructure and to build a case to set up similar training facilities in their states. These visits have resulted in various states governments considering to set up similar driving training infrastructure in the near future.



SOCIAL PERFORMANCE

SOCIAL INITIATIVES



VOCATIONAL TRAINING

Adoption of Industrial Training Institutes (ITIs)

India has over 6800 Industrial Training Institutes (ITI) catering to the skilled manpower requirement of the industry. While these institutes train adequate number of persons, the quality of training often had gaps when compared with industry requirements. Sensing the need to bridge these gaps, the government decided to upgrade existing ITIs in Public-Private-Partnership mode. MSIL is supporting this government initiative along with its suppliers.

In 2006, the Company, along with two of its suppliers partnered with the state government to upgrade four ITIs in Haryana. While the Company adopted ITIs at Gurgaon and Rohtak, the ITIs at Nagina and Faridabad were adopted by MSIL's JV partners, Sona Koyo Limited and Jai Bharat Maruti Limited, respectively.

In 2009-10, the Company took this initiative forward by adopting a Women's ITI at Gurgaon, Haryana. An Institute Development Plan (IDP) has been prepared to upgrade this ITI into 'Centre of Excellence' for Apparel.

A dedicated team headed by a technical expert work full time on upgradation of ITIs. Besides, the Company has nominated three senior management members as Co-chairmen of the Institute Management Committee (IMC) at each ITI. Key initiatives undertaken to upgrade ITIs are shared below.

Culture

The starting point towards bringing excellence was introduction of basic industrial practices adopted at MSIL such as punctuality, morning exercise, safety and environment consciousness among students.

Infrastructure Development

As per the Institute Development Plan, all workshops, office areas and other facilities including playgrounds and parks are being overhauled to improve functionality and aesthetics.

The Company donated engines and vehicle systems for practical training. A centralised library has been created at ITI, Gurgaon to inculcate the habit of reading books other than course curriculum. A new computer lab has been set up in 2009-10 at ITI, Gurgaon. ITI Gurgaon has now four computer labs.

To promote environment consciousness among students and staff, the Company introduced horticulture, rain water harvesting and encouraged students to plant trees.

Training Activities

For the first time training calendar was prepared for soft skill training. This training is being imparted by MSIL experts and it is in addition to the standard ITI course curriculum. These training programmes include topics such as safety, 5S, Kaizen, spoken English and driving skills.

In order to inculcate quality consciousness among ITI students, a year-long programme 'Q-Vidyarpan' has been initiated starting from our Quality Month in November, 2009. Under this programme, regular training sessions are conducted at ITI by senior experts from our Quality Assurance Division.

Besides, students and faculty members visit MSIL facilities in batches for industry exposure. In 2009-10, five such visits were organised. We also facilitate two months



industrial training of students at our suppliers and neighbouring industries.

Modern audio-visual teaching aids have been introduced to teach complex technical aspects such as vehicle brake system and fuel injection systems.

Over 300 students from various trades have undergone 50 hours training program per student on basic computer skills which is designed and tested by MSIL. A student of computer trade from ITI, Gurgaon came first in the state level Final Trade Test.

MSIL has provided 166 mandays of training to ITI teachers and 4500 mandays of training to students on relevant topics. This training is in addition to the course curriculum.



Employability initiative

A pilot project consisting of 60 Students from 3 trades has been launched to improve the employability of students. The course content has been designed based on assessment of students' aptitudes, abilities and preparedness to meet the skill-sets expected by potential employers. Regular classes are held at ITI in addition to the existing course curriculum. The students have responded enthusiastically to this program and we expect good placements at the end of this course.

MSIL has also developed and launched a website of ITI, Gurgaon for the benefit of the students as well as prospective employers.



Technical Support to ITIs (Public and Private)

Apart from upgradation of adopted ITIs in Haryana state, we also extend technical assistance in automobile trade to private and public ITIs across the country. We sign Memorandum of Understanding (MoU) with these ITIs while making the tie-ups, which covers various assistance and support such as.

- a) Training to faculty on basic and advance courses at MSIL Service Training Centres
- b) MSIL provides training handbooks, service manuals, assemblies and sub-assemblies of vehicle parts
- c) Technical inputs on merging syllabus of MSIL with the institute's curriculum and regular updation
- d) On-the-job training of students at MSIL service network
- e) Assistance in placement of students at MSIL service network

We have tied-up with 15 Industrial Training Institutes as on 31st March 2010, of which, seven are government and eight are private institutes. We have been able to place nearly 400 students of automobile trade passed out of these institutes in our service network.

SOCIAL PERFORMANCE

SOCIAL INITIATIVES



COMMUNITY DEVELOPMENT INITIATIVES

We consider local community an important stakeholder of the Company. We believe that the local community is benefited naturally from the economic activity, however, we can further enhance these benefits with additional support. An efficient engagement mechanism with community plays critical role in understanding local needs, and to sort out issues that can potentially impact relations and corporate sustainability.

MSIL has adopted four villages surrounding its Manesar plant. A dedicated CSR team along with partner NGO "Shikhar" engages with the community on an ongoing basis. Health Care, Education, Employability and Infrastructure are the areas identified for overall development of these villages.

Education

A need was felt by the village school teachers to help first generation students in completing their home work as their parents could not help. In 2009-10, we started evening remedial classes in two villages as a pilot project. These classes were attended by 75 disadvantaged students from adopted villages. Their average score in final exam improved from 73% to 85%.

We also create opportunities for children to develop their latent talent. They are trained in theatre, arts & crafts, writing and singing. A group of talented children from these villages performed in front of a large audience in Jamia University, New Delhi last year. We organise for them sight seeing trips, picnics at Children's Park near India Gate, New Delhi, and arrange interactive sessions with youth icons.





Employability

The Company trains unemployed youth from adopted villages to enhance their employability. A programme named "Naukari Ki Pathshala" was started in 2008-09 and so far we have trained 97 unemployed youth in safe driving skills at Maruti Driving School, Gurgaon and IDTR, New Delhi.

Health

We organise regular health camps in the adopted villages in order to provide curative and preventive health care services to women, children and the elderly. Special health awareness and immunisation camps are organised for school children. Through our health programme, we are able to impact the lives of around 9,200 people of adopted villages. We involve Primary Health Care Centre (PHC) in these camps and also support PHC in implementing the Government run Pulse Polio programme.

Together, we could reach over 10,000 children for administering Polio drops. So far, we have distributed nearly 1000 vision glasses to elderly people free of cost.

Infrastructural development

Rural infrastructure is lacking and MSIL is doing its bit to bring about an improvement. Our focus so far has been on improving school infrastructure to make it more comfortable and conducive to learning. To achieve this objective we provide basic facilities such as modern toilets, safe drinking water system, landscaping, greenery, playground, swings etc at the village government schools. We believe that these basic amenities at schools act as catalyst for all round development of students. In 2009-10, we upgraded government school of Dhana village. The most encouraging aspect of this initiative was the active participation of the village community and the school staff.



SOCIAL PERFORMANCE

SOCIAL INITIATIVES



“The real world pulsates beyond professional milestones. I believe I can make a difference in people's lives and help actualise their dreams. I have learnt to be more patient and considerate through my experience of volunteering.”

Tanweer Anwar (Production)

EMPLOYEE VOLUNTEERING

The year 2009-10 was the first full year of Employee Volunteering Program “e-Parivartan” after its launch on 23rd November, 2008. Under this programme, MSIL employees ranging from shop floor associates to the business vertical heads and their families contribute their time and knowledge for the benefit of underprivileged people on Sundays and holidays. Some employees also support educational programmes for children financially. The CSR team along with partner NGOs facilitates the employee volunteering programme.

The volunteering activities include mentoring and teaching underprivileged children, spending time with elderly people at old age homes, celebrating birthdays, festivals and national events. These activities are carried out at dedicated volunteering centres. Besides, some employees visit MSIL adopted ITI, Gurgaon and share technical know-how with the students.





“ Volunteering has been a great experience for me. Initially I was confused and little hesitant about how to approach kids as they were so young and I was so inexperienced. I am more confident now. ”

Shachi Singhal (Machine Engineering)



“ India can march ahead on the path of development only if the potential of its future-the children, is explored. I see education as the only means of achieving this, and teaching children is my contribution towards this end. ”

D. Sushil Kumar (Product Engineering)



With three new centres added in 2009-10, the total number of volunteering centres reached 19 in Delhi, Gurgaon and Manesar. Since the launch of the programme, our employees contributed 4300 volunteering man hours impacting over 1200 underprivileged children and elderly people. Besides, employees contributed over 1000 books as part of a week long Book Donation Campaign. These books were distributed to various volunteering centres. MSIL employees also participated in the “Joy of Giving” week and “Delhi Half Marathon”.



SCHOOLS

MSIL is running two schools in Gurgaon for children of its employees and local community. These are modern English medium schools being run by Maruti Employee Education Trust (MEET), a trust set up by MSIL to promote quality education.

The school at Bhonsi, Gurgaon runs a special programme 'Maruti Shiksha Kendra' for the children of BPL families from nearby villages. Besides, social activities such as blood donation camps and health awareness programmes are also carried out periodically by the school.

SOCIAL PERFORMANCE

PRODUCT RESPONSIBILITY



MSIL is committed to enhance safety and overall comfort of customers during vehicle usage. These features are incorporated at the design stage based on local market research and global experience of our parent company, SMC. After the product launch, we take customer feedback and if required, further modifications are also carried out.

CUSTOMER HEALTH AND SAFETY

Safety Assurance

All MSIL vehicles meet prevailing safety regulations of the country. Safety assurance gives the customers mental peace. The active and passive safety devices provided in the vehicles ensure driver and vehicle safety in the event of unavoidable accidents.

Customer Safety in CNG Vehicles

The CNG vehicles require additional reinforcements to support heavy CNG cylinder. This aspect is ignored in case of

retro-fitting of CNG kits in the after-market. MSIL's CNG cars come with specially designed reinforcements needed to support heavy CNG cylinder besides meeting all safety and performance requirements.

To ensure safety during refilling operation, all MSIL CNG models are equipped with micro-switch, which automatically cuts off the fuel supply and prevents engine starting. Vehicles are also equipped with NGV type filling point nozzles which have three times higher filling rate than existing NZS type of filling nozzle available in after-market thus saving customer's time significantly. The Company uses stainless steel pipes and joints for additional safety against vibration, corrosion and leakage.

Tubeless Tyres

We have introduced tubeless tyres in all models except the M800, the Gypsy and the Omni. The tubeless tyres are much

safer as compared to tube tyres. Additionally, they are preferred because of better ride comfort, lighter weight, low maintenance and enhanced safety.

Keyless entry and security system

MSIL became the first mover in offering high end features such as security system and keyless entry in small cars. All MSIL cars except the Gypsy, are equipped with intelligent Computerised Anti-theft (iCAT) System, which makes car theft nearly impossible. Keyless entry feature provides convenient way of operating the doors.

Ergonomically Enhanced Utility Space (Small Car - BIG Space)

MSIL has always focused on the ergonomics for usability and functionality. Our cars have adequate seating and storage space to make family travelling an enjoyable experience. Newly launched WagonR is an example of neatly packaged utility space such as two utility boxes



below luggage carpet, storage bucket below co-driver seat and detachable modular shopping tray. These features have been incorporated based on customer feedback.

Easy Gear Shifting

A section of customers had given feedback that they found gear shift hard in their cars. Based on this customer feedback, the Company changed gear shifting mechanisms from rod-type to cable-type. All new models the Swift, the A-star, the Ritz, the Estilo and the WagonR have been equipped with this new technology. The cable type gear shifting offers high transmission efficiency, less gear shifting effort and smooth gear shifting.

Automatic Transmission

MSIL launched A-star and SX4 vehicles with new generation 4-speed automatic transmission to provide customer an option to have a comfortable and easy drive. Also the Company is working on future technologies for automatic transmission.

CONSUMER PRIVACY AND SHARING OF CONSUMER INFORMATION

MSIL exercises utmost care in handling customer data. The Company has installed a dealer management system (DMS) across its sales and service network to centrally store and control data. It has an agreement with dealers, Maruti Service Zones and Authorized Service Stations for maintaining privacy of customer data base.

The Company has a well laid out business continuity and disaster recovery plan for critical data security including customer information, wherein all major and critical systems are mapped and a detailed contingency action plan is chalked out.

There have been no complaints regarding breach of customer privacy and loss of customer data in 2009-10.

Product Information disclosure and labeling

The 'Owner's manual and service booklet' provided to each customer contains all information relating to safety, operation and maintenance of vehicle. At the time of vehicle delivery, technical features of the vehicle are explained to the customer. Product related information is also available on the Company's website www.marutisuzuki.com. Critical information on the product usage (e.g. engine oil grade, tyre pressure etc) is put on labels and provided on products for information and educational purpose.

Customers Awareness

MSIL is concerned about the customer safety. In 2009-10, customer safety awareness bulletins were shared with dealers for educating customers on safety tips on seat belt usage and driving during extreme weather conditions.

We promote use of genuine spare parts and accessories, and run campaigns to spread awareness among customers to avoid use of spurious parts.

RESPONSIBLE ADVERTISEMENT AND ANTI-COMPETITIVE BEHAVIOUR

MSIL is a member of the Advertising Standards Council of India (ASCI) and follows its 'Code for Self Regulation in Advertising' in marketing communications. We make sure that the advertisement content does not depict anti-competitive behaviour and intentions. We abstain from any kind of sexually explicit, offensive or anti social content in all marketing communications at mass and local levels.

The advertisements which contain performance stunts required for the brand image of the car are always shown with clear disclaimer and caution statements. We also release communications in the public interest to promote safe driving. We are open to reviewing our marketing communications based on specific feedback.

No notice for investigation under Section 19 of the Competition Act, 2002 was received in 2009-10.

POSTER TO PROMOTE USE OF GENUINE SPARE PARTS



SOCIAL PERFORMANCE

PRODUCT RESPONSIBILITY

Compliance

All vehicles launched by the Company comply with the applicable regulatory requirements and are tested and certified by ARAI/ICATS/VRDE for road worthiness. There was no incident of significant fine to the Company for non-compliance with laws and regulations concerning the use of products and services in 2009-10.

CUSTOMER SATISFACTION

The customer satisfaction philosophy is well defined in the Quality Policy of the Company. The customer satisfaction level is measured both at the time of vehicle sale and servicing and it is an important parameter in dealer evaluation process and Balanced Score Card.

The Company has created efficient service infrastructure, equipped with world class service facilities, standardised processes and skilled manpower of nearly 24,000 service technicians to delight over eight million customers with ultimate vehicle servicing experience. A robust service network of 2,740 service outlets is spread across India covering 1,335 cities.

A dedicated Customer Care Department looks into all customer complaints received through letters, e-mails, website, national toll-free call centre and feedback cards. Besides, consumer feedback surveys are conducted internally as well as through external reputed agencies such as JD Power Asia Pacific to assess customer satisfaction level. Customer complaints and Customer Satisfaction Index (CSI) are among the key monitoring parameters of Management Committee Meeting held every week.

Customers have rated MSIL No.1 in Customer Satisfaction Index ten times in a row in JD Power Asia Pacific Customer Satisfaction Index (CSI) Survey.

“CUSTOMER SATISFACTION THROUGH CONTINUOUS IMPROVEMENTS OF OUR PRODUCTS AND SERVICES BY FOLLOWING PDCA (PLAN, DO, CHECK AND ACT) IN ALL FUNCTIONS AND LEVELS OF OUR ORGANISATION”

QUALITY POLICY STATEMENT

Service workshops undergo ISO audit for process stabilisation. One of the important audit areas is customer complaint handling system. The Company organises ISO 9001:2008 audits and certification of dealer workshops, Maruti Service Zones, and Maruti Authorised Service Stations (MASSs). MSIL also organises training of workshop staff on ISO procedures and systems. As on 31st March, 2010, 448 dealer workshops/MSMs/MSZs and 276 MASSs were ISO 9001:2008 certified.

Maruti Trained Technicians (MTT)

In order to reach out to customers in remote locations of rural India, the Company has undertaken a new initiative

in 2009-10 to train local garages. As a pilot project, 25 local garages were identified and their people trained to service MSIL cars. Besides, a tool kit worth Rs 16,500/- and training handbooks were given to each garage technician. These garages were also linked with the Company's parts distribution system to promote use of genuine spare parts.

Work Shops on National Highways

MSIL has 915 service workshops on 86 national and state highways covering a road length of 28,939 kms. Besides, MSIL assures customers of vehicle servicing facility on all major 131 express highways at an average distance of 32 kms.

Maruti-on-Road Service (MOS)

MSIL provides 24 hours assistance to customers in case of vehicle break down through Maruti-on-Road Service. This facility is available in 47 cities across the country. MOS vehicle is equipped with tools and equipments to carry out minor repairs at the breakdown site. For major repairs, vehicle is towed to Maruti authorised workshops. The MOS toll free number is given to customers at the time of car sale.





Maruti Mobile Service Workshop

The Company provides door step vehicle service facility to customers using mobile vehicle, which is equipped with tools required to carry out regular service and minor repairs. A total of 132 Mobile Service Workshops are in operation as on 31st March, 2010.

Night Shift Service Facility

The Company also services vehicles at night at select workshops for the convenience of customers who find it hard to spare their cars during the day. This facility is currently available at eight workshops and the Company will be expanding to other workshops based on customer demand. No additional cost is charged from the customers for nightshift service and repair.

Faster service through Express Service and 2-Tech bays

In the current fast paced life, time is always short. MSIL has improved workshop productivity significantly by adopting 'Express Service' and '2-Tech' bays vehicle servicing techniques. Cars that have done up to 20,000 kilometers, and require only minor repair jobs, are serviced and handed over to customer within 2 to 3 hours. The Company has activated 903 'Express Service' bays and 1701 '2-Tech' bays' across India as on 31st March, 2010.

The Company has also introduced 'Express Body Repair' concept at body shops for cars involved in mishaps. This is to improve customer experience, while increasing productivity.

Workshop staff capability building

MSIL has set up Regional Training Centers (RTCs) at 15 places across India and a Central Service training center (CSTC) at Gurgaon to provide training and upgrade technical skills of workshop staff. Apart from basic, advanced and diagnostic vehicle servicing training, service advisors are also imparted soft skill training for better customer interaction,

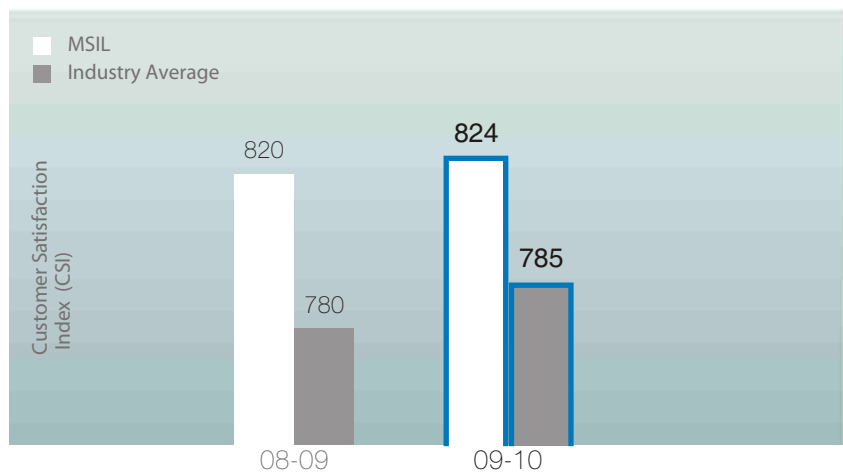
understanding and fulfilling customer requirements. The Company has put in place a robust 'Master Certification Program' to test and certify skill level of workshop technical staff.

Overseas Service Support

MSIL supports its overseas distributors spread over 77 countries for after sales activities by way of providing support through technical feedback analysis and countermeasures. Export service section collects customers' feedback on product quality from overseas markets, shares with senior management and concerned departments for product improvements besides keeping overseas distributors updated with necessary technical information through service bulletins.

The Company ensures service readiness to support new products in new and existing overseas markets by providing product trainings, equipping distributors with necessary service literature such as service and body repair manuals.

CUSTOMER SATISFACTION INDEX (JD POWER ASIA PACIFIC CSI SURVEY)



CLOSING REMARKS

The journey towards sustainability is an ever-evolving one. While we are happy to share some key achievements through this report, there still is a large scope of work we need to do to bridge gaps. It will be our endeavour to improve our performance on all critical indicators.

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	Governance			
4.1	Governance structure of the organisation, including committees	R	26-27	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	R	27	
4.3	State the number of members of the highest governance body that are independent and/or non-executive members	R	27	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	R	28	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organisation's performance	R	28	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	R	28-29	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body	R	26-27	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	R	Inside cover page 22, 57, 76	For policies not covered in this report, please refer to the company website at www.marutisuzuki.com
4.9	Procedures of the highest governance body for overseeing the organisation's economic, environmental, and social performance	R	30	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	R	28	
	Commitments to External Initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	R	52-53, 76-77	
4.12	Externally developed voluntary economic, environmental, and social charters, principles, or other initiatives to which organisation subscribes or endorses	R	19	
4.13	Memberships in associations and/or national/international advocacy organisations	R	53	
	Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organisation	R	23	
4.15	Basis for identification and selection of stakeholders with whom to engage	R	22	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	R	22-25	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded	R	32-35, 49-53 64-77	



PROFILE INDICATORS	DESCRIPTION OF PROFILE INDICATORS	REPORTING STATUS	PAGE	REMARKS
	ECONOMIC PERFORMANCE INDICATORS			
	Economic Performance			
EC1 C	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community and governments	R	32, 39-43	
EC2 C	Financial implications and other risks and opportunities for the organisation's activities due to climate change	R	40	
EC3 C	Coverage of the organisation's defined benefit plan obligations	R	40	
EC4 C	Significant financial assistance received from government	R	41	
	Market Presence			
EC5 A	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	R	40	
EC6 C	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	R	50	
EC7 C	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	R	58	
	Indirect Economic Impacts			
EC8 C	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	R	41, 64-73	
EC9 A	Understanding and describing significant indirect economic impacts, including the extent of impacts	R	39	
	ENVIRONMENTAL PERFORMANCE INDICATORS			
	Materials			
EN1 C	Materials used by weight or volume	R	47	
EN2 C	Percentage of materials used that are recycled input materials	R	47	
	Energy			
EN3 C	Direct energy consumption by primary energy source	R	47	
EN4 C	Indirect energy consumption by primary source	R	47	
EN5 A	Energy saved due to conservation and efficiency improvements	R	47	
EN6 A	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	R	47, 51-53	
EN7 A	Initiatives to reduce indirect energy consumption and reductions achieved	R	47	
	Water			
EN8 C	Total water withdrawal by source	R	48	
EN9 A	Water sources significantly affected by withdrawal of water	NR		Our operations are not water intensive and minimal ground water is used for our processes
EN10 A	Percentage and total volume of water recycled and reused	R	48	
	Biodiversity			
EN11 C	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NA		Our manufacturing facilities are not close to any protected or sensitive area of high biodiversity value
EN12 C	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	NA		
EN13 A	Habitats protected or restored.	NA		
EN14 A	Strategies, current actions, and future plans for managing impacts on biodiversity	NA		
EN15 A	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	NA		
	Emissions, Effluents and Waste			
EN16 C	Total direct and indirect greenhouse gas emissions by weight	R	48	
EN17 C	Other relevant indirect greenhouse gas emissions by weight	R	48	
EN18 A	Initiatives to reduce greenhouse gas emissions and reductions achieved	R	48-49	
EN19 C	Emissions of ozone-depleting substances by weight	R	49	
EN20 C	NO, SO, and other significant air emissions by type and weight	R	48	
EN21 C	Total water discharge by quality and destination	R	48	
EN22 C	Total weight of waste by type and disposal method	R	49	
EN23 C	Total number and volume of significant spills	R	49	
EN24 A	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	NA		No transboundary transportation of waste is carried out by Maruti Suzuki
EN25 A	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	NA		

GRI CONTENT INDEX

PROFILE INDICATORS	DESCRIPTION OF PROFILE INDICATORS	REPORTING STATUS	PAGE	REMARKS
	Products and Services			
EN26 C	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	R	50-53	
EN27 C	Percentage of products sold and their packaging materials that are reclaimed by category	R	50	
	Compliance			
EN28 C	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	R	49	
	Transport			
EN29 A	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	NR		Scope 3 of the WBCSD/WRI Protocol has not been covered in the report
	Overall			
EN30 A	Total environmental protection expenditures and investments by type	R	46-49	
	SOCIAL PERFORMANCE INDICATORS			
	Labour Practices and Decent Work			
	Employment			
LA1 C	Total workforce by employment type, employment contract and region	R	60-61	
LA2 C	Total number and rate of employee turnover by age group, gender, and region	R	61-62	
LA3 A	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	NR		
	Labour/Management Relations			
LA4 C	Percentage of employees covered by collective bargaining agreements	R	57-58	
LA5 C	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	R	57	
	Occupational Health and Safety			
LA6 A	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	R	62	
LA7 C	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	R	63	
LA8 C	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	R	62-63	
LA9 A	Health and safety topics covered in formal agreements with trade unions	R	62-63	
	Training and Education			
LA10 C	Average hours of training per year per employee by employee category	R	59	
LA11 A	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	R	59	
LA12 A	Percentage of employees receiving regular performance and career development reviews	R	58	
	Diversity and Equal Opportunity			
LA13 C	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	R	57	
LA14 C	Ratio of basic salary of men to women by employee category	R	57	
	Human Rights			
	Investment and Procurement Practices			
HR1 C	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	NA		No significant investments were made outside own business operations in 2009-10
HR2 C	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	R	50-51	
HR3 A	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	R	58	
	Non-Discrimination			
HR4 C	Total number of incidents of discrimination and actions taken	R	57	
	Freedom of Association and Collective Bargaining			
HR5 C	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	R	57-58	
	Child Labour			
HR6 C	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	R	57	
	Forced and Compulsory Labour			
HR7 C	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	R	57	



PROFILE INDICATORS	DESCRIPTION OF PROFILE INDICATORS	REPORTING STATUS	PAGE	REMARKS
	Security Practices			
HR8 A	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	R	59	
	Indigenous Rights			
HR9 A	Total number of incidents of violations involving rights of indigenous peoples and actions taken	NA		Our operations are not carried out in locations that inhabit indigenous people
	Society Community			
SO1 C	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	R	64-73	
	Corruption			
SO2 C	Percentage and total number of business units analysed for risks related to corruption	R	57	
SO3 C	Percentage of employees trained in organisation's anti-corruption policies and procedures	R	57	
SO4 C	Actions taken in response to incidents of corruption	R	57	
	Public Policy			
SO5 C	Public policy positions and participation in public policy development and lobbying	R	53	
SO6 A	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	NA		No donations are given to political parties, politicians and related institutions
	Anti-Competitive Behaviour			
SO7 A	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes	R	75-76	
	Compliance			
SO8 C	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	R	75-76	
	Product Responsibility Customer Health and Safety			
PR1 C	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	R	74-75	
PR2 A	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	R	74-75	
	Product and Service Labelling			
PR3 C	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	R	75	
PR4 A	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	R	75-76	
PR5 A	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	R	76-77	
	Marketing Communications			
PR6 C	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	R	75	
PR7 A	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	R	75	
	Customer Privacy			
PR8 A	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	R	75	
	Compliance			
PR9 C	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	R	76	

R: Reported/Responded

NR: Not Reported

NA: Not Applicable

C: Core Indicators

A: Additional Indicators



ASSURANCE STATEMENT

Introduction

Det Norske Veritas AS ('DNV') has been commissioned by the management of Maruti Suzuki India Limited ('MSIL' or 'the Company') to carry out an assurance engagement on the Company's 2009-10 Sustainability Report ('the Report') in its printed format, against the Global Reporting Initiative (GRI) 2006 Sustainability Reporting Guidelines Version 3.0 (G3) and AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS 2008).

The intended users of this assurance statement are the readers of MSIL's 2009-10 Sustainability Report. The Management of MSIL is responsible for all information provided in the Report as well as the processes for collecting, analyzing and reporting that information. DNV's responsibility regarding this verification is to MSIL only, in accordance with the agreed scope of work. The assurance engagement is based on the assumption that the data and information provided to us is complete and true.

Scope of Assurance

The scope of work agreed upon with MSIL includes verification of following:

- The content of MSIL 2009-10 Sustainability Report i.e. reporting of economic, environmental, and social indicators, except EC-1 which is reproduced from MSIL's Annual Report;
- The year of activities covered in the Report is 1st April 2009 to 31st March 2010;
- Evaluation of the AccountAbility principles and specified performance information (Type 2) with a Moderate Level of assurance, according to AA1000AS (2008); hereunder:
 - Information relating to MSIL's issues, responses, performance data, case studies and underlying

- systems to manage such information and data;
- Information relating to the Company's own materiality assessment and stakeholder engagements;
- GRI G3 Application Level A;
- The boundary of the Report is as stated in the Report. The verification was conducted during August 2010.

Verification Methodology

This assurance engagement was planned and carried out in accordance with the AA1000 AS (2008) and the DNV Protocol for Verification of Sustainability Reporting¹. The report has been evaluated against the following criteria:

- Adherence to the principles of Inclusivity, Materiality and Responsiveness, as well as Reliability of specified sustainability performance information, as set out in the AA1000AS (2008),
- Adherence to additional principles of Completeness and Neutrality, as set out in DNV's Protocol, and
- The GRI G3 and its Application Level A.

As part of the engagement, DNV has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. For example, we have:

- Examined and reviewed documents, data and other information made available to DNV by MSIL;
- Visited the manufacturing units of MSIL at Gurgaon and Manesar to conduct on-site verification;
- Conducted interviews with key representatives and senior managers in various functions;
- Performed sample-based reviews of the mechanisms for implementing the Company's sustainability related

- policies, as described in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report.

Conclusions

In our opinion, MSIL's 2009-10 Sustainability Report provides a fair representation of the level of implementation of the Company's sustainability policies, objectives, management approach and performance during the reporting year. Also, in our opinion the Report meets the requirements of the GRI Application Level A in that the core indicators are reported either fully or partially, or their omission is explained, with due regard to the Materiality principle.

We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

AA1000AS (2008) principles

Inclusivity:

Good. The Company engaged in dialogue with selected stakeholders during the year through different channels. The material issues emerging from the stakeholder engagement were collected and prioritised, and the results are reflected in the Report. We recommend that the issue-based stakeholder engagement process may further be formalised and structured to ensure frontier expectations are also mapped for a range of stakeholders and to develop a long-term sustainable business strategy.

Materiality:

Acceptable. The Company has improved its materiality determination process to bring out issues of significance, of which

¹www.dnv.com/services/assessment/corporate_responsibility/services_solutions/sustainabilityreporting/order/



the majority are addressed in the Report.

Responsiveness:

Acceptable. We consider that the Company's response to key stakeholder concerns, through its policies and management systems, is fairly reflected in the Report.

Reliability:

Acceptable. In accordance with Type 2, Moderate Level assurance requirements, we conclude that the specified sustainability data and information presented in the Report is generally reliable. The Report contains data that is measured and captured from the Enterprise Resource Planning software system.

Additional principles

Completeness:

Good. The Report covers performance against the GRI G3 core indicators that are material within the Company's reporting boundary, and the reasons for exclusions of core indicators which are not applicable are explained.

Neutrality:

Good. The Company has reported its

sustainability issues and performance in a balanced manner, in terms of content and tone. Challenges and limitations are fairly presented with commitments to future improvements.

The Company has self-declared that it meets the requirements for GRI Application Level A, and we confirm that the GRI Application Level A has been met.

Opportunities for Improvement

The following is an excerpt from the observations and further opportunities for improvement reported to the management of MSIL, however, these do not affect our conclusions on the Report.

- Expanding the materiality assessment approach to identify issues which go beyond the GRI indicators (including the Pilot GRI automotive Sector Supplement) and developing performance metrics for material issues will enable benchmarking with sector peers.
- Evolve an issue-based multi-stakeholder engagement process to fully map expectations and needs and incorporate these as inputs into the strategic planning process.
- To progressively extend the

boundary of the Report to include the joint ventures and supply chain, and to develop a process to identify risks (if any) due to human rights issues in its extended scope, to stay in line with international best practice.

- The expanding scope and quantity of sustainability performance data may be captured at source through the existing Enterprise Resource Planning software to further improve the reliability of reporting.
- Implementing a systematic quality assurance procedure for data management will help improve the reporting process.

Statement of DNV's Competence and Independence

DNV is a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward any people interviewed. DNV expressly disclaims any liability or co-responsibility for any decision a person or entity would make

For Det Norske Veritas AS

Signed:

Vadakepathth Nandkumar

Lead verifier
Det Norske Veritas AS, India.

Bangalore, India, 27th September 2010

Signed:

Dr Helena Barton

Global Manager, Corporate Responsibility Services
Det Norske Veritas AS, Norway



AA1000

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000-10

ACRONYMS

3G	Give, Get and Grow	JIT	Just In Time
3R	Reduce, Reuse and Recycle	JV	Joint Venture
4WD	Four Wheel Drive	Kmph	Kilometre per hour
ABS	Anti - lock Brake System	Kmpl	Kilometre per litre
AGM	Annual General Meeting	Kms	Kilometres
AIDS	Acquired Immune Deficiency Syndrome	KRAS	Key Result Areas
AOTS	The Association for Overseas Technical Scholarship	KYT	Kiken Yochi Training
APEAL	Automotive Performance, Execution and Layout	LPG	Liquefied Petroleum Gas
AR	Annual Report	MACE	Maruti Centre for Excellence
ARAI	Automotive Research Association of India	MASSs	Maruti Authorised Service Stations
ASCI	Advertising Standards Council of India	MCM	Management Committee Meeting
BIS	Bureau of Indian Standards	MD	Managing Director
BOD	Biochemical Oxygen Demand	MDS	Maruti Driving School
BSC	Balanced Score Card	MEO	Managing Executive Officer
BVSLC	Business Vertical Safety Leadership Committee	MoRTH	Ministry of Road Transport and Highways
CAE	Computer Aided Engineering	MOS	Maruti On Road Service
CCC	Combat Climate Change	MoU	Memorandum of Understanding
CDM	Clean Development Mechanism	MPV	Multi Purpose Vehicle
CEO	Chief Executive Officer	MRTP Act	Monopolies and Restrictive Trade Practices Act
CFL	Compact Fluorescent Lamp	MSM	Maruti Service Masters
CFO	Chief Financial Officer	MSSD	Maruti Sales & Service (Delhi)
CFT	Cross Functional Team	MSZ	Maruti Service Zone
CII	Confederation of India Industry	MSIL	Maruti Suzuki India Ltd.
CLO	Chief Legal Officer	MT	Metric Tonne
CNG	Compressed Natural Gas	MUV	Multi Utility Vehicle
CO	Carbon Monoxide	NA	Not Applicable
CO ₂	Carbon Dioxide	NATRIP	National Automotive Testing and Research and Development Infrastructure Project
COD	Chemical Oxygen Demand	NGO	Non-Governmental Organisation
CRO	Chief Risk Officer	NOx	Oxides of Nitrogen
CSI	Customer Satisfaction Index	NR	Not Reported
CSLC	Central Safety Leadership Council	NRI	Non Resident Indian
CSR	Corporate Social Responsibility	NRSM	National Road Safety Mission
DCM	Divisional Communication Meeting	NSDL	National Securities Depository Limited
DDIS	Direct Diesel Injection System	PC	Passenger Car
DGM	Deputy General Manager	PDCA	Plan, Do, Check and Act
DMS	Dealer Management System	PDI	Pre - Delivery Inspection
DNV	Det Norske Veritas AS	PHC	Primary Health Centre
E10	10% Ethanol blended in fuel	QC	Quality Circle
EBD	Electronic Brake force Distribution	R	Reported
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation	R&D	Research and Development
ELV	End of Life Vehicle	RDSE	Rural Resident Dealer Sales Executives
EMS	Environment Management System	RO	Reverse Osmosis
EO	Executive Officer	RTC	Regional Training Centre
ERMC	Executive Risk Management Committee	SAE	Society of Automotive Engineers
ESI	Employees' State Insurance	SEBI	Securities and Exchange Board of India
ETP	Effluent Treatment Plant	SEZ	Special Economic Zone
GAIL	Gas Authority of India Limited	SIAM	Society of Indian Automobile Manufacturers
GHG	Green House Gas	SIGC	Shareholders'/Investors' Grievance Committee
GJ	Gigajoules	SMC	Suzuki Motor Corporation
GM	General Manager	SOx	Oxides of Sulphur
GRI	Global Reporting Initiative	SPM	Suspended Particulate Matter
HFC	Hydrofluorocarbon	SSI	Sales Satisfaction Index
HHT	Hiyari Hatto Training	STC	Service Training Centre
HO	Head Office	TFT	Thin Film Transistor
HR	Human Resources	THC	Total Hydrocarbon
HRIDC	Human Resources Initiatives Development Committee	VA - VE	Value Analysis - Value Engineering
HUDA	Haryana Urban Development Authority	VFD	Variable Frequency Drive
ICAI	Institute of Chartered Accountants of India	VOC	Volatile Organic Compound
iCAT	Intelligent Computerised Anti-Theft System	WBCSD	World Business Council for Sustainable Development
IDTR	Institute of Driving Training and Research	WRI	World Resources Institute
IMC	Institute Management Committee		
IQS	Initial Quality Survey		
IR	Investor Relations		
ISO	International Organisation for Standardisation		
ITI	Industrial Training Institute		

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