



A new car design under discussion with the top management at the R&D centre, Gurgaon.

Management Discussion & Analysis

OVERVIEW

The Indian economy continued on its growth trajectory in FY2010-11. The GDP grew at 8.5 per cent, aided by recovery in agriculture and good performance in the industry and services sector. As a consequence, the domestic car market remained buoyant and posted a healthy growth rate of 29 per cent, higher than 26 per cent achieved in the previous year (FY2009-10), which was substantially higher than what was anticipated at the beginning of the year.

Despite the unexpected demand for cars and the capacity limitations in the Company, we could produce and sell 1,271,005 units, a growth of 24.8 per cent over the previous year. This became possible due to higher levels of productivity and many innovative practices at the shop floor level. The vendors, despite being taken by surprise, also managed to support the Company in its efforts to increase production. As a consequence, the Company was able to marginally improve its market share.

Exports to the European markets fell due to a decline in demand following the withdrawal of scrappage incentives in many countries. However, overall there was only a small decline in exports as sales to other non-European markets increased.

The profit margins came under pressure due to adverse movements of the Yen, Euro and the Dollar; volatile commodity markets and higher royalty payments. Costs also increased due to introduction of Bharat-IV norms, and higher spending on research and development. At the same time, competition continued to grow stronger. Several India-specific cars were launched by competitors. These were priced aggressively. As a consequence, the ability to pass on the rising costs was constrained to an extent. Nevertheless, the EBITDA remained above 10 per cent thanks to higher volumes, productivity and cost cutting measures.

During FY2010-11, the Company achieved Net Sales of ₹ 361,282 million (Net of Excise), a growth of 24.8 per cent over the previous year. Earnings before interest, depreciation, tax and amortisation (EBITDA) stood at ₹ 41,467 million while Profit after Tax (PAT) was ₹ 22,886 million.

Customers continued to rate the Company best in sales and service satisfaction, as measured by JD Power surveys. The Company has now been rated best in service satisfaction for eleven years in a row.

The Company has instituted projects to further strengthen its market position and profitability and to build R&D capability and capacity for the future. Production capacity is being enhanced with two more plants at Manesar. Each of these plants will have an installed annual capacity of 250,000 cars.

SUSTAINABILITY

The foundation of Company's sustainability rests on its robust stakeholder engagement process. The Company has identified six key stakeholder groups (employees and their families, local community and society, environment and regulatory authorities, customers and their families, shareholders and investors, dealers, suppliers, and other business partners) and has developed ways to engage with them in a systematic and periodic manner.

On the environmental front, in FY2010-11 the Company made improvements on its energy and water consumption at its manufacturing sites at Gurgaon and Manesar. Emission levels at both sites were strictly monitored. To reduce emissions due to transportation, the Company is working on a project to transport cars by rail.

The Company continued to implement its flagship driving training programme through Institutes of Driving and Traffic Research (IDTR) and Maruti Driving Schools (MDS). During the year, driving training was imparted to 187,000 people across the country. The Company has 166 functional MDS set up in partnership with dealers and 4 IDTRs set up with state governments. The Company also focused on generating awareness on road safety through sessions for school children and worked on advocacy with industry bodies, SIAM and CII.

For vocational training, the Company worked with seven Industrial Training Institutes (ITIs) across states for their overall upgradation. This included improvement in infrastructure, teacher training, repair and maintenance of machines and tools and industry exposure for students and faculty.

In the four villages neighbouring the Manesar plant, the Company worked on healthcare, education, infrastructure development and vocational training. Here too, the Company adopted a partnership approach and worked closely with villagers and select local NGOs to implement projects.

The Company publishes its sustainability report every year as per GRI G3 reporting guidelines. This report is

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externally verified by an independent assurance agency. It covers environment and social performance of the Company in detail and is available on the Company's website www.marutisuzuki.com

BUSINESS PERFORMANCE

Domestic Market

Sales remained buoyant in the rural and the semi-urban markets. The focus of the Company to build infrastructure to sell and service cars in these markets paid good dividends. The top-10 cities, where sales had been sluggish during the previous year, also came back strongly. Overall, growth was evident across markets, geographies, sectors and consumer segments.

The Indian passenger vehicle market reached a size of approximately 2.5 million unit sales in the year. This puts India amongst the top seven markets in the world. Global car manufacturers are continuously enhancing their efforts in India. Competition intensified in the high volume segments, including compact cars and entry sedans. The new models created excitement in the market and kept consumer interest alive.

The Company marginally increased its share from 44.6 per cent to 44.9 per cent in passenger vehicles. Some of the Company's models continue to be on waitlist despite production being increased very substantially.

The philosophy of the Company is to provide best value to the customer over the lifecycle of the car. The selection of product technology is aligned to deliver this.

In keeping with this approach, the K-series gasoline engines were introduced in FY2008-09. These are compact, light-weight, low-friction, more fuel efficient engines. Although there is normally a trade-off between performance (acceleration) and fuel efficiency, the K-series engine is able to strike a balance and deliver on both parameters. This has been appreciated by the customers and cars with K-series engines are selling very well.

During the year, these engines were made available in more models. The K-series engines are now mounted on Alto, A-star, WagonR, Estilo, Swift, Ritz and Dzire. These engines are manufactured at the state-of-the-art, fully integrated manufacturing facility at the Gurgaon plant. During FY2010-11, the Company commissioned phase-3 of the machining and casting facility for the K-series engines, taking the total manufacturing capacity for these engines to more than 780,000 per annum.

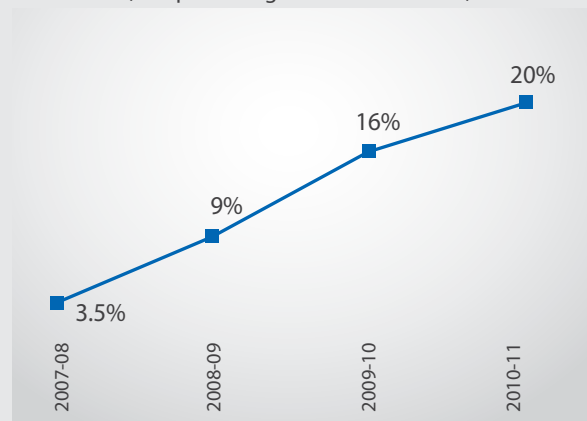
During the year, the Company launched refreshed variants of WagonR and Alto with the new K-series engines. SX4 was offered with a Super Turbo Diesel engine. The Company launched the Suzuki Kizashi, India's first sports luxury sedan. It sports a 2.4 litre engine and is endowed with best-in-class features.

The Company developed in-house i-GPI (Integrated Gas Port Injection) Technology and launched factory-fitted CNG variants for five of its models: Alto, WagonR, Eco, Estilo and SX4. This i-GPI technology delivers higher fuel efficiency compared to conventional CNG cars. Besides, the loss of power compared to gasoline engine cars, a shortcoming of conventional CNG technology, is negligible in the case of i-GPI. The Company believes that once CNG availability improves across the country, it could become a popular option owing to its low cost and environment friendliness.

Apart from launching new products, the Company added 131 new sales outlets to reach 933 outlets in 668 cities and increased its service reach to 1,395 cities with 2,946 outlets. The Company's network is now servicing about 1.2 million vehicles every month. With increasing service load, the importance of training has taken priority. The Company has initiated tie-ups with 28 ITIs (Industrial Training Institutes) to enhance availability of technical manpower at workshops.

The Company benefited from sales in both the top cities and the rural hinterland with the help of its network reach. In the last four years, rural sales have grown to contribute 20 per cent of total domestic sales. About 40 per cent of the Company's sales outlets are in the rural format, with a scaled down investment that enables viability on lower volumes.

Rural Sales (as a percentage of domestic sales)



With shortening car ownership cycle, the residual value of the car is becoming an important determinant of the total cost of ownership. The Company's pre-owned car business sold 212,640 cars in the year, a growth of 30 per cent over the previous year.

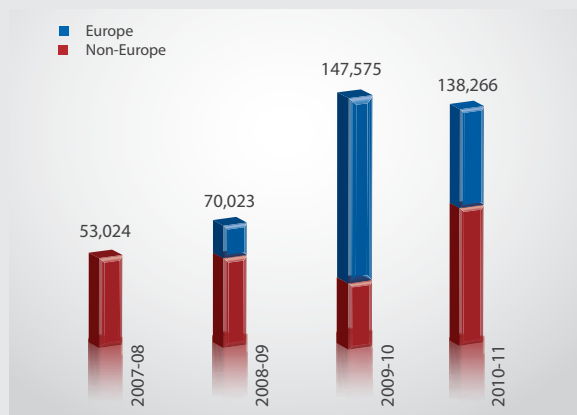
The Company is in the process of restructuring its insurance initiative to align it to regulatory requirements and make it more customer-friendly.

Exports

FY2009-10 saw a huge jump in export sales to European markets, driven by the scrappage incentive schemes. Since these schemes were not permanent in nature, the Company kept its focus on developing markets outside Europe.

While sales to Europe dropped in FY2010-11, the proportion of sales to non-European markets increased from about 20 per cent in FY2009-10 to 55 per cent in 2010-11.

Exports (number of units)



In all, the Company sold 138,266 units in the export markets as compared to 147,575 units in the previous year. This is a decline of 6.3 per cent.

In 2010-11, the Company crossed 800,000 units of cumulative export sales. The cumulative export of A-star, the flagship export model, crossed 200,000 units in 24 months of exports.

Algeria, Chile, Netherlands, Indonesia and Sri Lanka emerged as the top export markets during the year. The Company explored new markets like Hungary, Malaysia, Laos and Lebanon. The exports team also worked closely with export distributors to implement sales enablers and shared best practices from the domestic market. This helped increase export volumes in many markets.

In FY2010-11, the Company introduced Alto K10 in some of the export markets. It has received good response. With rising oil prices, demand for fuel efficient vehicles will remain strong.

Parts & Accessories

The Company continues to focus on lowest cost of ownership and hassle-free vehicle service by ensuring wide availability of parts at competitive prices.

This year, the Company's parts and accessories business grew 34 per cent. During the year, key initiatives were taken to promote use of genuine parts among customers to enhance vehicle safety and performance. The Company worked on standardisation of parts infrastructure at sales and service outlets to ensure better availability and faster vehicle service. Dealer parts inventory was brought down, releasing working capital for the vehicle sales business. The Company is also expanding its range of accessories in line with changing consumer lifestyle and market trends.

ENGINEERING, RESEARCH & DEVELOPMENT

The purpose of technology is to meet the needs and wants of society while being sensitive to people's health, happiness, safety and well being. Increasingly, the focus of technology is to use minimum natural resources.

It is important to understand the stated and the unstated needs of the consumer for every segment and evolve technologies accordingly. In line with this, the Company does a very careful selection of technologies and features for each segment of cars. The starting point is the consumer. The Company has termed this approach as Techno_Logical™.

The miniaturisation philosophy in design, pioneered by parent company Suzuki Motor Corporation, Japan (SMC), helps in providing driveability, comfort, fuel economy and passenger space, all in a compact car at optimal cost.

This is in line with the preferences of the Indian customer.



A print - ad from the nationwide campaign to promote use of Maruti Genuine Parts.

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While customers have always been sensitive to fuel economy, they are also seeking power and liveliness. Increasingly, they also want their drive to be silent and smooth, which implies that NVH (Noise Vibration Harshness) has to be kept to a minimum.

As mentioned in the Business Performance section, the new K-series engine has been designed the techno_logical way to meet these triple objectives. Similarly, for comfort, the Company has introduced technologies like cruise control, auto air-conditioning, electrically operated outside rear view mirror and glass antenna in select models.

With high engine power and improving highways in India, comes the need for adequate safety features. The Company offers customers the option of advanced safety features like airbags, antilock braking (ABS) and electronic brakeforce distribution (EBD) in A-star, Ritz, Swift, DZire, SX4 and Kizashi.

Carbon Dioxide reduction and Energy Security through Techno_Logical Products

A fast emerging global trend is the sensitivity towards CO₂ reduction for environment friendliness and energy security. Auto companies are exploring options like hydrogen fuel cells, hybrid and electric vehicles, alternate fuels, besides IC (Internal Combustion) Engine improvement, to meet these challenges. The solutions have to take into account the type of fuel available, electric power scenario and other parameters specific to each market.

The Company has started a small research project on hybrid and electric vehicles, primarily to get some understanding of the technology involved. An electric EECO and a hybrid SX4 were built. The hybrid SX4 cars were made available for use during the Commonwealth games held in Delhi during the year.

About 75 per cent of the country's crude oil requirement is met through imports. On the other hand, India has rich reserves of natural gas which are expected to grow. Natural-gas powered cars emit about 20 per cent less CO₂ and are highly economical for the consumer even without government subsidies. A techno_logical approach was to develop CNG technology for energy, environment and economy friendliness (discussed in Business Performance section). The Company also launched an LPG version of WagonR with SET (Smart Efficient Technology) and a diesel

version of SX4 with a Super Turbo diesel engine.

The Company was adjudged the best in India in three passenger car segments, WagonR in the compact segment, Swift in premium compact and Swift Dzire in the entry mid-size segment in the JD Power Asia Pacific Survey 2010 on Automotive Performance, Execution and Layout (APEAL). Also, Swift Dzire took top honours in the entry mid-size category in the Initial Quality Survey by JD Power Asia Pacific.

During the year, the Company's R&D team started work in a unified way with SMC to design and develop models. The Company is in the process of building full body capability. This entails an integrated effort to induct and train design engineers, put up world class testing infrastructure, create shared IT infrastructure for computer-aided engineering and building live project experience. The Company's R&D engineers' strength crossed 1,000 and work is in progress towards building proving grounds at Rohtak in Haryana.

OPERATIONS

With market demand much beyond initial projections, and the Company already facing capacity constraints, the challenge during the year was to enhance productivity and efficiency to new levels. With consistent efforts on innovation, people development and process upgradation the Company was able to manufacture far beyond capacity.

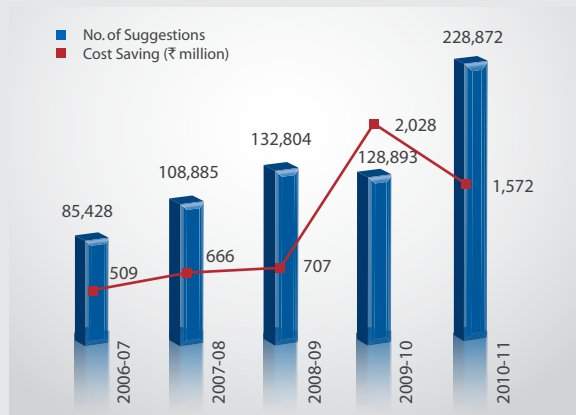
The Company increased manufacturing capability through better facility utilisation, higher plant-model flexibility, in-house automation initiatives and ultra-modern flexi-lines. By March 2011 production was at an annualised rate of 1.4 million units per annum. The ramp-up time of new models improved by 40 per cent, enabling the Company to meet spurts in demand.

The Company's Production Management System (PMS), which has enabled sharp improvement in efficiency and productivity in recent years, moved to the next phase. The core of PMS lies in involving people at all levels and generating ideas through a series of brainstorming sessions. The PMS strives to achieve manufacturing excellence in four areas: Safety, Quality, Productivity and Cost. The ideas generated are worked upon by cross-functional teams across verticals. This has led to significant improvement in process quality and productivity. An example is pre-delivery inspection, a parameter of production quality measured during tests at dealership. It has improved by 30 per cent owing to cross-functional efforts by Production, Quality Assurance and Service.

People involvement is the key to process improvements

and cost reduction. With committed focus and special drives, employees continued to generate suggestions towards continuous improvement in systems & processes, productivity and in eliminating waste.

Suggestion Scheme



The Company undertook 29 major automation initiatives in-house, further reducing cost. An in-house Technical Training Centre maps and imparts right technical skills to people. It currently offers 36 modules. The Company also observes a theme-based safety day every month, involving almost all employees in the effort.

TOOL ROOM & DIE SHOP

In FY2008-09 the Company had started to design & develop dies for critical sheet metal parts and engine components. This development of inhouse dies for body parts helped the Company save cost (compared to imported dies). This initiative has grown to become the Company's major source for development of dies. It presently meets 30 per cent requirement of sheet metal dies for new models and 100 per cent requirement of engine parts like cylinder head. Significant cost saving, between 25-40 per cent, was achieved, compared to imported dies.

ENERGY AND ENVIRONMENT SENSITIVITY IN OPERATIONS

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

In the Gurgaon plant, electricity consumption per vehicle in the production process came down by 16 per cent during the year. Similarly, CO₂ emission per vehicle reduced 15 per cent. Water consumption per vehicle was down



5 per cent in the manufacturing process.

In the Manesar Plant, electricity consumption per vehicle came down 1 per cent, CO₂ emission was lower by 13 per cent while water consumption reduced 16 per cent compared to the previous year. This was helped by certain new initiatives taken during the year

Environment

- + Use of cleaner fuel (R-LNG) at Manesar plant
- + Use of canal water in Manesar plant
- + Channelising hazardous waste for use in cement industry
- + CDM for vehicle transportation
- + Use of fly-ash for construction
- + Green belt development

Energy Savings

- + LED Lights for street lights and meeting rooms
- + Solar lighting covering all street-lights in Gurgaon plant
- + Use of natural light in meeting rooms
- + Energy efficient air washers in Gurgaon plant

Water Conservation

- + Air cooled cooling towers in Gurgaon and Manesar plants
- + Air cooled air dryers in compressed air plant

Information Technology

The Company is refining its database of over 8 million customers. This will enable the Company to connect with customers in a more meaningful and relevant manner.

During the year, IT also played a critical role as the Company

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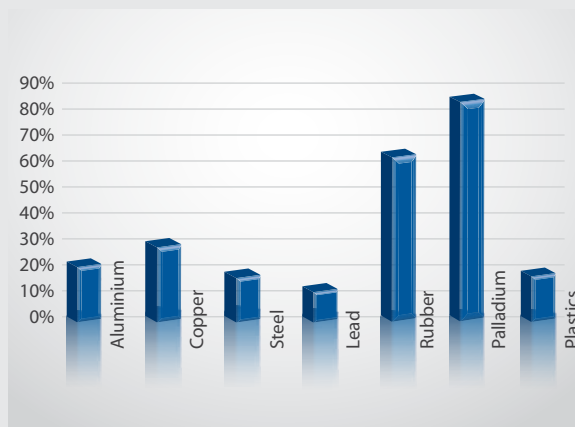
embarked on a unified approach to product development, with SMC. The Company continued to strengthen the information technology backbone end-to-end to support the value chain. This covered the dealer management system, niche technology solutions in the Parts business for better forecast and superior warehouse management to serve customers better.

Raw material and Component Procurement

The sharp growth in the market, beyond initial expectations, offered opportunity to suppliers. At the same time, there were challenges in terms of capacity constraints.

Commodity prices continued their upswing and the year closed with several commodities at their annual high.

Average increase in commodity price FY2010-11



As the year exposed the Company and the suppliers to currency fluctuations, including an appreciating Yen, the Company enhanced focus on localisation of components imported by vendors. This will reduce the risk of foreign

exchange exposure and bring down input cost. There is now a 3-year roadmap to bring down vendor imported content significantly from present levels.

Cost reduction efforts and continuous improvements helped minimise the impact of hardening commodity prices and adverse currency movements. Various projects at the Company, and at the suppliers, saw cost reduction via yield improvement, focused model cost down and alternate sourcing from more cost efficient sources. The Company is looking at opportunities from FTAs and similar arrangements for source substitution of technologically complex items, presently being imported from other locations.

Suppliers are investing in dedicated expansions to support the increase in production volumes, in-line with the Company's long term targets.

The Company is working with suppliers to undertake detailed study of financials to identify stress or any exposure to financial risk, and also gear up for growth opportunities in the medium term.

The Company has requested its vendor partners to enhance scalability and reliability given the huge growth opportunity in the Indian car market. A professional management and professional human resource practices are important prerequisites to scalability and reliability. Towards this end, the Company is working in a structured way with vendor companies in the area of people management and improving work environment. This will help improve speed, productivity and scalability, while contributing to sound industrial relations and reliability. The Company expects Tier-1 suppliers to cascade these efforts to Tier-2 and Tier-3 suppliers for a healthy value chain.

Financial Performance

Table 1: Abridged profit and loss account for 2010-11 (₹ million)

Parameters	2010-11	2009-10	Change
1 Volumes (Nos)			
Domestic	1,132,739	870,790	
Export	138,266	147,575	
Total	1,271,005	1,018,365	24.8%
2 Gross Sales	404,190	318,073	
Vehicles	380,057	298,534	
Spares, dies, moulds	24,133	19,539	
3 Excise duty	42,908	28,488	
4 Net sales (2-3)	361,282	289,585	
5 Income from services	1,715	1,404	
6 Total operating income	362,997	290,989	
7 Other income	12,227	10,243	
8 Total income	375,224	301,232	24.6%
9 Consumption of raw materials & components, stores & traded goods	287,943	224,134	
10 Employee costs	7,036	5,456	
11 Manufacturing, administrative and other costs	29,178	17,972	
12 Selling and distribution expenses	9,600	9,160	
13 Financial expenses	244	335	
14 Depreciation	10,135	8,250	
15 Total expenditure	344,136	265,307	29.7%
16 PBT (8-15)	31,088	35,925	
17 Current tax	8,101	11,230	
18 Deferred tax	101	(281)	
19 PAT (16-17-18)	22,886	24,976	-8.4%

Table 2: Financial Performance – Ratios (as a percentage of Net Sales)

Parameters	2010-11	2009-10	Change
Material cost	79.7%	77.4%	(2.3)
Employee cost	1.9%	1.9%	-
Manufacturing & Admin expenses	8.1%	6.2%	(1.9)
Selling and Distribution expenses	2.7%	3.2%	0.5
Depreciation	2.8%	2.8%	-
Profit before Tax	8.6%	12.4%	(3.8)
Profit after Tax	6.3%	8.6%	(2.3)

Working Capital Management

Around 75 per cent of the Company's components by value

are outsourced and manufacturing is undertaken based on Just-In-Time (JIT) inventory principles. Working capital management, therefore, plays a key role in the Company's operations. The inventory turnover ratio of the Company increased from 21.2 in FY2009-10 to 21.9 in FY2010-11 and average receivables decreased from 10 days in FY2009-10 to 7.7 days in FY2010-11.

Treasury Operations

The Company has efficiently managed its surplus funds through careful treasury operations. The guiding principle of the Company's treasury investments is safety and prudence. In view of this, the Company invested its surplus funds in debt schemes of mutual funds, corporate bonds

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and short-term bank fixed deposits. This has enabled the Company to earn reasonable and stable returns in a volatile interest rate scenario. Table-3 lists the different portfolios while Table-4 lists the return on these surplus funds.

Table 3: Investment of surplus funds (₹ million)

	31-03-11	% of total	31-03-10	% of total
Corporate Bonds	7,000	10%	-	-
Bank Fixed Deposits	24,130	34%	-	-
Debt Mutual Funds	40,106	56%	67,930	100%
Total	71,236	100%	67,930	100%

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

	2010-11	2009-10
Interest on Corporate Bonds	298	-
Interest on Fixed Deposits	681	1,156
Dividend from Debt Mutual Funds	2,066	1,531
Net Profit from sale of Investments	630	1,291
Total	3,675	3,978

Foreign exchange risk management

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

Internal controls and adequacy

The Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and that all transactions are authorized, recorded and reported correctly. The internal control system is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. The internal control system is supplemented by an extensive program of internal audits, reviews by management, and documented policies, guidelines and procedures.

HUMAN RESOURCES

The driving force behind the Company's performance

has been its people. Their passion, commitment, sense of ownership and team work has enabled the Company to sustain its leadership position.

The Company is bringing in new HR initiatives in line with the medium and long term business strategy. Keeping in mind the expanding scale of business operations, the Company has created a decentralised HR organisation. This has taken HR closer to individual business verticals. Now, Plant-HR, Engineering-HR, Commercial-HR and Supply Chain-HR have a more targeted focus on manpower planning & recruitment, people development and HR policies & compensation management.

People development across functions and levels remains a key focus area. A well defined training policy and training needs identification process and an annual training calendar helps map the requirement of employees and formulate the annual training calendar. A total of 52,908 training man-days, with 6 man-days per employee, were achieved in FY2010-11.

In developing phase-1 of the R&D test course at Rohtak, the Company is building its R&D talent pool through local as well as global hiring of engineers with specific skills in the areas of advanced automotive technologies, clay modelling and interior designs. Capability building is being planned and executed at different levels. In addition to internal and external training on specific competencies, this is being done through overseas on-the-job training at SMC.

Positive steps are taken towards strengthening internal communication and connect with the employees. Employees are kept updated on the latest business and industry developments through the in-house online portal and division specific communication meetings. The Company has created a number of avenues for employees to share their views and opinions with the top management. These Initiatives help map expectations of employees. The Company works on the feedback and keeps re-looking at the existing policies, systems & processes.

This year, employees' remuneration package was restructured in line with market trends, and the annual increase was paid out as a lump-sum during the year.

In the Company's journey towards business excellence, development of channel partners is equally critical. The Company took significant efforts in advocating professional HR practices at dealers and vendors to

achieve excellence in the entire value chain.

RISK FACTORS

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

- + Macroeconomic Factors
- + Preparedness of value chain partners
- + Inappropriate product portfolio
- + Competition product launches
- + Talent acquisition & retention
- + Geographic concentration
- + Changes in government policy and legislation

OUTLOOK

The market for passenger vehicles in India is estimated to grow to 4.5 million to 5 million units by 2015-16. Although rising inflation, interest rates and crude oil prices are concerns in the short term, the Company is optimistic about the medium and long term. The Company is gearing up for growth.

Initiatives to expand manufacturing capacity are underway. The Company's products are well received by customers. SMC's design philosophy of aggressive and sporty cars, K-series technology and the popularity of the Company's diesel car offerings augur well for the future. To supplement this, the Company is stepping up its R&D capability to work in a unified way with SMC and offer a regular pipeline of new and refreshed models.

The Company's network of sales and service outlets continues to be its strength. Network is set to expand in the future, and will help tap opportunity as economic prosperity widens and deepens in the country.

High commodity prices and adverse currency movements continue to be the challenges. Besides existing efforts



to boost productivity, reduce waste and enhance value, the Company is working on new initiatives like higher localisation and hedging to reduce the impact of commodity prices and currency.

The Company is conscious that talent will be key to achieving the goals envisaged for the medium term. Specific initiatives are being taken in the area of recruitment and development.

The Company is working closely with suppliers and dealers to prepare them for growth as well as higher competitive intensity.

Disclaimer

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations are categorised as 'forward looking statements' within the meaning of applicable laws and regulations.

Actual results may differ substantially or materially from those expressed or implied.

Important developments that could affect the Company's operations include an onward trend in the domestic auto industry, competition, rise in input costs, exchange rate fluctuations, and significant changes in the political and economic environment in India, environmental standards, tax laws, litigation and labour relations.