

## SCHEDULE

	As at 31.03.09	(Rs. in Million) As at 31.03.08
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
744,000,000 Equity Shares of Rs. 5 each (Previous year 744,000,000 equity shares of Rs. 5 each)	3,720	3,720
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
288,910,060 Equity Shares of Rs. 5 each (Previous year 288,910,060 equity shares of Rs. 5 each) fully paid up	1,445	1,445
Of the above -		
- 8,840,000 Equity Shares of Rs. 5 each (Previous year 8,840,000 equity shares of Rs. 5 each) were issued for consideration other than cash.		
- 156,618,440 Equity Shares of Rs. 5 each (Previous year 156,618,440 equity shares of Rs. 5 each) are held by Suzuki Motor Corporation, the Holding Company and its nominees		
	1,445	1,445

	Balance as at 1st April, 2008	Additions during the Year	Transfer / Adjustment during the year	Balance as at 31st March 2009
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>				
Capital Reserve on consolidation (includes Joint Venture share of Rs. 3 Million, Previous Year Rs. 3 million)	31	-	-	31
Share Premium Account (Includes Joint Venture Share of Rs. 5 Million Previous Year Rs. 5 Million)	4,246	-	-	4,246
Hedge Reserve Account (Note 12 on Schedule 23)	0	(1,709)	-	(1,709)
General Reserve	8,211	1,219	-	9,430
Balance as per Profit and Loss Account (Includes Joint Venture share of Rs (187) Million , Previous Year Rs.27 Million)	72,338	9,872	-	82,210
	84,826	9,382	-	94,208

	As at 31.03.09	As at 31.03.08
<b>SCHEDULE 3 - SECURED LOANS</b>		
<b>LONG TERM LOANS</b>		
<b>FROM OTHERS</b>		
Loan from Sundaram Finance Limited (Secured against vehicles taken on finance lease)	-	1
<b>SHORT TERM LOANS</b>		
<b>FROM OTHERS</b>		
Loan from Sundaram Finance Limited (Secured against vehicles taken on finance lease) (Payable within 1 Year Rs. 0 million - Previous year Rs. 0 million)	1	-
Share in Joint Venture	118	125
	119	126

## SCHEDULE



### SCHEDULE 4 - UNSECURED LOANS

	As at 31.03.09	As at 31.03.08
<b>SHORT TERM LOANS - FROM BANKS</b>		
Export Credit	660	3,999
<b>LONG TERM LOANS - FROM BANKS</b>		
Foreign Currency Loans *	6,328	5,002
Loan from Japan Bank for International Cooperation and Bank of Tokyo Mitsubishi	6,988	9,001
Share in Joint Venture	481	268
	<b>7,469</b>	<b>9,269</b>
*(Guaranteed by Suzuki Motor Corporation, Japan, the Holding Company) (Payable within one year Rs. 1582 million (Previous Year Rs. Nil))		

### SCHEDULE 5 - FIXED ASSETS

(Note 11 on Schedule 23)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	AS AT 01.04.08	Additions/ Adjustments	Deductions/ Adjustments	AS AT 31.03.09	AS AT 01.04.08	For the year	Deductions/ Adjustments	AS AT 31.03.09	AS AT 31.03.09	AS AT 01.04.08
Freehold land (Note 1 & 4)	1,283	-	-	1,283	-	-	-	-	1,283	1,283
Leasehold land	589	-	-	589	5	-	-	5	584	584
Building	5,581	1,184	(8)	6,757	996	188	(3)	1,181	5,576	4,585
Plant and Machinery (Note 2)	63,904	14,434	(440)	77,898	37,974	6,650	(360)	44,264	33,634	25,930
Electronic Data Processing Equipment	1,238	187	(57)	1,368	872	246	(56)	1,062	306	366
Furniture, Fixtures and Office Appliances	427	159	(1)	585	178	31	(1)	208	377	249
Vehicles:										
- Owned	536	168	(146)	558	141	50	(36)	155	403	395
- Leased	3	-	-	3	2	1	-	3	-	1
<b>Total</b>	<b>73,561</b>	<b>16,132</b>	<b>(652)</b>	<b>89,041</b>	<b>40,168</b>	<b>7,166</b>	<b>(456)</b>	<b>46,878</b>	<b>42,163</b>	<b>33,393</b>
Previous Year Figures	62,102	12,218	(759)	73,561	35,106	5,727	(665)	40,168	33,393	
Share in Joint Venture (Note 3)	707	1,089	-	1,796	280	99	-	379	1,417	
Previous Year Figures	661	46	-	707	235	46	(1)	280	427	

- (1) Land costing Rs. 4 million (Previous year Rs. 4 million) is not yet registered in the name of the Maruti Suzuki India Ltd. A part of this land has been made available to group companies.
- (2) Plant and Machinery includes pro-rata cost amounting to Rs. 374 million (Previous year Rs. 374 million) of a Gas Turbine jointly owned by the group companies and other companies.
- (3) The Joint Ventures' share is included in the above schedule.
- (4) Freehold Land includes 600 acres of land allotted to the company by Haryana State Industrial Development Corporation, a part of which has been made available to group companies.

	As at 31.03.09	As at 31.03.08
<b>SCHEDULE 6 - CAPITAL WORK-IN-PROGRESS</b>		
Plant and Machinery	5,851	3,653
Civil Work-in-progress	873	576
Capital Advances	1,930	3,134
	<b>8,654</b>	<b>7,363</b>
Share in Joint Venture	20	383
	<b>8,674</b>	<b>7,746</b>



## SCHEDULE

	(Rs. in Million)	
	As at 31.03.09	As at 31.03.08
<b>SCHEDULE 7 - INVESTMENTS</b>		
<b>TRADE INVESTMENT:</b>		
Long Term:		
Investment in Associates		
[Includes Rs. 28 Million of capital reserves on acquisition of certain Associates (Previous year Rs. 28 million)]	4,205	3,580
Other Investments:		
Long Term (Unquoted):		
Mutual funds	18,663	38,123
Current (Unquoted):		
Mutual funds	9,904	10,946
	32,772	52,649
Share in Joint Venture	0	0
	32,772	52,649

<b>SCHEDULE 8 - INVENTORIES</b>		
<b>Components and Raw Materials</b>		
In transit	2,075	1,053
With vendors	159	120
At factory	3,286	5,520
Stores and Spares		
Vehicles	1,038	872
Machinery	31	20
Consumables	86	67
In transit	34	1,189
Tools at factory	152	147
In transit		
Dies and Moulds	6	0
Work-in-Progress	490	459
Finished Goods	1,661	5,408
	9,018	10,375
Share in Joint Venture	195	108
	9,213	10,483

## SCHEDULE



(Rs. in Million)

	As at 31.03.09		As at 31.03.08	
<b>SCHEDULE 9 - SUNDRY DEBTORS</b>				
Debts Outstanding for more than six months				
Unsecured - Considered Good	1,014		1,128	
- Considered Doubtful	266		266	
	1,280		1,394	
Less: Provision for Doubtful Debts	(266)	1,014	(266)	1,128
Other Debts:				
Unsecured - Considered Good		8,250		5,555
		9,264		6,683
Share in Joint Venture		335		115
		9,599		6,798

<b>SCHEDULE 10 - CASH AND BANK BALANCES</b>				
Cash in hand		2		4
Cheques in hand		2,164		1,335
Bank balances with Scheduled Banks in :				
Current Accounts		295		2,003
Dividend Accounts		4		3
Deposit Accounts:		17,302		2
		19,767		3,347
Share in Joint Venture		101		554
		19,868		3,901

<b>SCHEDULE 11 - OTHER CURRENT ASSETS</b>				
Interest accrued on Deposits, Loans and Advances				
Secured - Considered Good	37		40	
- Considered Doubtful	6		6	
	43		46	
Less: Provision for Doubtful Interest	6	37	6	40
Unsecured - Considered Good	530		119	
- Considered Doubtful	1		1	
	531		120	
Less: Provision for Doubtful Interest	1	530	1	119
Claims - Unsecured				
- Considered Good	416		172	
- Considered Doubtful	31		43	
	447		215	
Less: Provision for Doubtful Claims	31	416	43	172
		983		331
Share in Joint Venture		5		7
		988		338



## SCHEDULE

			(Rs. in Million)	
	As at		As at	
	31.03.09		31.03.08	
<b>SCHEDULE 12 - LOANS AND ADVANCES</b>				
<b>Loans</b>				
Secured - Considered Good	36		45	
- Considered Doubtful	8		9	
	44		54	
Less: Provision for Doubtful Loans	8	36	9	45
Unsecured - Considered Good				
- to Subsidiary Companies				
- to Others	3,988		1,594	
- Considered Doubtful	1		1	
	3,989		1,595	
Less: Provision for Doubtful Loans	1	3,988	1	1,594
Advances recoverable in cash or in kind or for value to be received:				
Unsecured - Considered Good	6,555		2,868	
- Considered Doubtful	110		72	
	6,665		2,940	
Less: Provision for Doubtful Advances	110	6,555	72	2,868
Deposits - Considered Good unless otherwise stated				
Balance with Customs, Port Trust and other				
Government Authorities		5,683		5,914
Inter Corporate Deposits Considered Doubtful	140		140	
Less :Provision for Doubtful Deposits	140	-	140	-
Other Deposits		76		58
		16,338		10,479
Share in Joint Venture		210		92
		16,548		10,571

<b>SCHEDULE 13 - CURRENT LIABILITIES</b>				
Sundry Creditors		25,972		17,080
Advances from Customers/Dealers		1,504		737
Book Overdraft		545		3,590
Unclaimed Dividend *		4		3
Other Liabilities		823		1,759
Deposits from Dealers, Contractors and Others		1,622		1,443
Interest Accrued but not due on :				
- Loans	24		93	
- Others	3	27	3	96
		30,497		24,708
Share in Joint Venture		934		331
		31,431		25,039

\*Not due to be credited to the Investor Education and Protection Fund

## SCHEDULE



	(Rs. in Million)	
	As at 31.03.09	As at 31.03.08
<b>SCHEDULE 14 - PROVISIONS (Note 14 on Schedule 23)</b>		
Litigation Related Provisions	611	596
Leave Encashment	550	457
Warranty & Product Recall	432	253
Proposed Dividend	1,011	1,445
Corporate Dividend Tax	172	246
Others Provisions	195	273
Taxation (Net of Advance-Tax)	581	156
	3,552	3,426
Share in Joint Venture	3	4
	3,555	3,430

	(Rs. in Million)	
	For the year ended 31.03.09	For the year ended 31.03.08
<b>SCHEDULE 15 - SALES</b>		
Vehicles	216,589	197,990
Spare Parts / Dies and Moulds / Components	14,262	11,503
	230,851	209,493
Share in Joint Venture	2,225	1,840
	233,076	211,333

<b>SCHEDULE 16 - OTHER INCOME</b>		
Interest on:		
a) Fixed Deposits / Securities (Gross) [Includes Tax Deducted at source of Rs. 150 million [Previous year Rs. 146 million]]	662	645
b) Receivables from Dealers (Gross) [Includes Tax Deducted at source of Rs. 78 million (Previous year Rs. 35 million)]	474	423
c) Advances to Vendors (Gross) [Includes Tax Deducted at source of Rs. 132 million (Previous year Rs. 65 million)]	670	317
d) Income tax refund	627	15
d) Others	21	13
	2,454	1,413
Sale of Scrap (Net of Excise)	1,923	1,616
Sales Tax Benefit	70	136
Miscellaneous Receipts (Gross) [Tax Deducted at source of Rs. 243 Million (previous year Rs.223 million)]	1,466	1,265
Cash Discount	918	859
Profit on Sale of Investments		
Long Term Investments	849	849
Short Term Investments	1,308	49
	2,157	898



## SCHEDULE

			(Rs. in Million)	
	For the year ended 31.03.09		For the year ended 31.03.08	
<b>SCHEDULE 16 - OTHER INCOME</b>				
Dividend:				
Trade Investments - Long Term	41		31	
Others	1,437	1,478	1,645	1,676
Provisions/ Liabilities no longer required Written Back		379		858
Recovery of Service Charges	369		346	
Less: Repair Cost of Damaged Vehicles	77	292	44	302
Exchange Variation		-		305
		11,137		9,328
Share in Joint Venture		36		35
		11,173		9,363

<b>SCHEDULE 17 - EMPLOYEES REMUNERATION AND BENEFITS</b>				
Salaries ,Wages ,Allowances and Other Benefits [Net of Staff cost recovered Rs 73 million (Previous year Rs 64 million)]		4,166		3,135
Contribution to Provident and Other Funds		229		181
Staff Welfare Expenses		308		242
Group Insurance		8		5
		4,711		3,563
Share in Joint Venture		102		81
		4,813		3,644

<b>SCHEDULE 18 - MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES</b>				
Power and Fuel (Net of amount recovered Rs 909 million, - previous year Rs 574 million)		1,936		1,473
Rent		218		72
Rates, Taxes and Fees		325		233
Insurance		67		73
Repairs and Maintenance :				
Plant and Machinery	370		281	
Building	82		137	
Others	117	569	90	508
Royalty		6,791		4,952
Tools / Machinery Spares Charged Off		729		774
Net Loss on Sale/discarding of Fixed Assets		125		24
Provision for Doubtful Debts, Claims, Loans and Advances		50		-
Exchange Variation		1,843		-
Other Miscellaneous Expenses		3,037		2,662
		15,690		10,771
Share in Joint Venture		334		152
		16,024		10,923

## SCHEDULE



	(Rs. in Million)	
	For the year ended 31.03.09	For the year ended 31.03.08
<b>SCHEDULE 19 - SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement and Sales Promotion	4,638	4,251
Warranty Claims	472	254
Transportation and Distribution Expenses	2,922	1,619
	8,032	6,124
Share in Joint Venture	12	11
	8,044	6,135

<b>SCHEDULE 20 - INTEREST</b>		
Interest		
Fixed:		
Foreign Currency Loans	249	425
Debentures	-      249	21      446
Others	261	150
	510	596
Share in Joint Venture	35	29
	545	625

<b>SCHEDULE 21 - (INCREASE)/ DECREASE IN WORK-IN-PROGRESS, FINISHED GOODS &amp; SPARE PARTS</b>		
Work-in-Progress		
Opening Stock	459	309
Less: Closing Stock	489      (30)	459      (150)
Finished Goods		
Opening Stock	5,408	2,247
Less: Closing Stock	1,661	5,408
	3,747	(3,161)
Less: Excise Duty on (Increase)/Decrease of Finished Stock	748      2,999	(446)      (2,715)
Spare Parts-Traded		
Opening Stock	743	691
Less: Closing Stock	893      (150)	742      (51)
	2,819	(2,916)
Share in Joint Venture	(9)	7
	2,810	(2,909)



## SCHEDULE

### SCHEDULE 22 - SIGNIFICANT ACCOUNTING POLICIES

#### 1) GROUP COMPANIES

Maruti Suzuki India Limited (Formerly Maruti Udyog Limited) (The Company) has seven wholly owned subsidiaries, four joint venture companies and fifteen associate companies (The Group), as given in the following table.

Sl.No.	Name of Company	Relationship	Country of Incorporation	Percentage of ownership interest as on 31st March 2009
1	Maruti Insurance Business Agency Limited*	Subsidiary	India	100.00
2	Maruti Insurance Distribution Services Limited	Subsidiary	India	100.00
3	True Value Solutions Limited	Subsidiary	India	100.00
4	Maruti Insurance Agency Network Limited	Subsidiary	India	100.00
5	Maruti Insurance Agency Solutions Limited	Subsidiary	India	100.00
6	Maruti Insurance Agency Services Limited	Subsidiary	India	100.00
7	Maruti Insurance Logistic Limited	Subsidiary	India	100.00
8	J.J Impex (Delhi) Private Limited	Joint Venture	India	49.13
9	Mark Exhaust Systems Limited	Joint Venture	India	44.37
10	Bellsonica Auto Components India Limited	Joint Venture	India	30.00
11	FMI Automotive India Limited	Joint Venture	India	49.00
12	Suzuki Powertrain India Limited	Associate	India	30.00
13	Climate Systems India Limited	Associate	India	39.00
14	SKH Metals Limited	Associate	India	48.71
15	Jay Bharat Maruti Limited	Associate	India	29.28
16	Maruti Countrywide Auto Financial Services Limited	Associate	India	26.00
17	Citicorp Maruti Finance Limited	Associate	India	26.00
18	Caparo Maruti Limited	Associate	India	25.00**
19	Machino Plastics Limited	Associate	India	15.35
20	Bharat Seats Limited	Associate	India	14.81
21	Krishna Maruti Limited	Associate	India	15.80
22	Asahi India Glass Limited	Associate	India	11.11
23	Denso India Limited	Associate	India	10.27
24	Nippon Thermostat (India) Limited	Associate	India	10.00
25	Sona Koyo Steering Systems Limited	Associate	India	6.94***
26	Magneti Marelli Powertrain India Limited	Associate	India	19.00

\* Formerly known as Maruti Insurance Brokers Limited.

\*\* Percentage of ownership has changed from 20.00 % as at 31st March 2008.

\*\*\* Percentage of ownership has changed from 7.12 % as at 31st March 2008.

#### 2) BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of The Group have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified under section 211(3C) of the Companies Act, 1956 to the extent applicable.

Financial statements of the Company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions in full as per Accounting Standard 21 on Consolidated Financial Statements.

Investment in associates (entity over which the company exercises significant influence, which is neither a subsidiary nor a joint venture) are accounted for using the equity method as per Accounting Standard 23 on Accounting for Investments in Associates in Consolidated Financial Statements.

Investments in joint venture undertakings over which the company exercises joint control are accounted for using proportionate consolidation as per Accounting Standard 27 on Financial Reporting of Interests in Joint Ventures.

All unrealized surpluses and deficits on transactions between the group companies are eliminated.

Accounting policies between group companies are consistent to the extent practicable. Appropriate disclosure is made of significant deviations from the company accounting policies, which have not been adjusted.

### 3) REVENUE RECOGNITION

Domestic and export sales are recognised on transfer of significant risk and rewards to the customer which takes place on dispatch of goods from the factory / stockyard / storage area and port respectively.

Finance charges on hire purchase business/ lease rental income are recognized on the basis of implicit rate of return on the value of assets hired out/leased.

Agency Commission income from insurance companies and remuneration to dealers are recognised based on the insurance policies issued by the dealers.

### 4) FIXED ASSETS

Fixed assets (except freehold land which is carried at cost) are carried at cost of acquisition or construction or at manufacturing cost (in case of own manufactured assets) in the year of capitalisation less accumulated depreciation.

Assets acquired under finance lease are capitalized at the lower of their fair value and the present value of minimum lease payments.

### 5) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which each asset is put to use as part of the cost of that asset.

### 6) DEPRECIATION

a) Fixed assets except leasehold assets viz land and vehicles are depreciated on the straight line method on a pro-rata basis from the month in which each asset is put to use.

Depreciation has been provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for certain fixed assets where, based on the management's estimate of the useful life of the assets, higher depreciation has been provided on the straight line method over the following useful lives:

Plant and Machinery	8 - 11 Years
Dies and Jigs	4 Years
Electronic Data Processing Equipments	3 Years

Depreciation has been provided on Straight Line Method at rate higher than Schedule XIV for some associate companies as follows:

Assets	Depreciation rates
Electrical Fittings	3 Years
Plant & Machinery	5 - 13 Years
Furniture & Fittings	5 - 7 Years
Vehicles	5 Years
Electronic Data Processing Equipments	3 - 5 Years

In respect of assets whose useful life has been revised, the unamortised depreciable amount is charged over the revised remaining useful life of the assets.

b) Leasehold assets viz land & Vehicles are amortised over the period of lease.

c) All assets, the written down value of which at the beginning of the year is Rs. 5,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing Rs 5,000 or less are depreciated at the rate of 100%.

### 7) GOODWILL

Goodwill arising on consolidation is charged to profit and loss account.

#### INVENTORIES

a) Inventories are valued at lower of cost, determined on the weighted average basis, and net realisable value.

b) Tools are written off over a period of three years except for tools valuing Rs. 5,000 or less individually which are charged off to revenue in the year of purchase.

c) Machinery spares (other than those supplied alongwith main plant and machinery, which are capitalized and depreciated accordingly) are charged to revenue on consumption except those valuing Rs. 5,000 or less individually, which are charged to revenue in the year of purchase.

In case of certain associates inventory is valued at lower of cost, determined on the first in first out basis, and net realisable value.



## SCHEDULE

### 8) INVESTMENTS

Current investments are valued at the lower of cost and fair value. Long-term investments are valued at cost except in case of a permanent diminution in their value, in which case necessary provision is made.

### 9) RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets and depreciated accordingly.

### 10) FOREIGN CURRENCY TRANSLATIONS AND DERIVATIVE INSTRUMENTS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of transactions, are recognised as income or expense in the year in which they arise.
- b) At the balance sheet date, all monetary assets and liabilities denominated in foreign currency are reported at the exchange rates prevailing at the balance sheet date by recognizing the exchange difference in profit and loss account. However, the exchange difference arising on foreign currency monetary items that qualify and are designated as hedge instrument in a cash flow hedge is initially recognized in 'hedge reserve' and subsequently transferred to profit & loss account on occurrence of the underlying hedged transaction.
- c) Effective April 1, 2008, the Company adopted Accounting Standard -30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent that the adoption does not contradict with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and other regulatory requirements.
- d) Derivative contracts are fair valued at each reporting date. The Company records the gain or loss on effective hedges, if any, in a "Hedge Reserve", until the transaction is complete. On completion, the gain or loss is transferred to the profit and loss account of that period. Change in fair value relating to the ineffective portion of the hedges and derivatives not qualifying or not designated as hedge is recognized in the profit and loss account in the accounting period in which it arises.
- e) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

(Refer Note 12 on Schedule 23)

### 11) EMPLOYEE BENEFIT COSTS

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognised by the income tax authorities. These Funds are administered through Trusts and the Company's contributions thereto are charged to revenue every year. The Company also maintains an insurance policy to fund a post-employment medical assistance scheme, which is a Defined Contribution plan administered by The New India Insurance Company Limited. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to revenue every year.

The Company has Defined Benefit Plans namely leave encashment/ compensated absence, Gratuity, Interest on Provident Fund and Retirement Allowance for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Gratuity Fund is recognised by the income tax authorities and is administered through a Trust.

Termination benefits are recognised as an expense immediately.

Gains and losses arising out of actuarial valuations are recognised immediately in the Profit and Loss Account as income or expense.

In case of certain joint venture and associate companies, contributions towards gratuity are charged to Profit & Loss Account on the basis of premium paid to the Life Insurance Corporation of India.

### 12) CUSTOMS DUTY

Custom duty available as drawback is initially recognized as purchase cost and is credited to consumption on export of vehicles.

### 13) GOVERNMENT GRANTS

Government grants are recognised in the profit and loss account in accordance with the related scheme and in the period in which these are accrued.

### 14) TAXES

Tax expense for the period, comprising current tax, fringe benefit tax and deferred tax, is included in determining the net profit/(loss) for the year.

Current tax is recognised based on assessable profit computed in accordance with the Income Tax Act and at the prevailing tax rate.

Deferred tax is recognized for all the timing differences. Deferred tax assets are carried forward to the extent it is reasonably/ virtually certain that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down/ written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

#### 15) DIVIDEND INCOME

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

#### 16) INTEREST INCOME

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

#### 17) IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds the recoverable amount.

#### 18) PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

### SCHEDULE 23 - CONSOLIDATED NOTES TO ACCOUNTS

#### 1) Contingent Liabilities:

- a) Claims against the Group disputed and not acknowledged as debts
  - i. Sales-tax demands of Rs. 52 million (includes share of Joint Venture Rs. Nil) (Previous year Rs. 54 million, includes share of Joint Venture Rs. Nil million). Against this, the Group has deposited a sum of Rs. 2 million under protest (Previous year Rs. 2 million).
  - ii. Excise duty demands/show-cause notices of Rs. 4,920 million (Previous year Rs. 3,208 million). Against this, the Group has deposited a sum of Rs. 23 million (Previous year Rs. 27 million) under protest.
  - iii. Customs duty demands of Rs. 120 million (Previous year Rs. 118 million). Against this, the Group has deposited a sum of Rs. 22 million (Previous year Rs. 22 million) under protest.
  - iv. Income-tax demands of Rs. 4,486 million (Previous year Rs. 9,918 million). Against this, the Group has deposited a sum of Rs. 3,804 million under protest (Previous year Rs. 4,745 million).
  - v. Service-tax demands of Rs. 1,234 million (Previous Year Rs. 253 million).
  - vi. Claims against the Group for recovery of Rs. 624 million (includes share of Joint Venture Rs. 3 million) (Previous year Rs. 677 million) (includes share of Joint Venture Rs. 3 million) lodged by various parties.
- b) As co-lessee in agreements entered into between various vendors of the Company, as lessee, and banks as lessors for leasing of dies and moulds of certain models aggregating to Rs. 2 million (Previous year Rs. 2 million).
- c) A guarantee given to HDFC Bank Limited against Non-Fund based facilities granted by the bank to a group company Suzuki Powertrain India Limited of Rs. Nil (Previous year Rs. 2,000 million). Against this, the balance outstanding as at the year-end is Rs. Nil (Previous year Rs. 194 million).
- d) A guarantee given to HSBC Limited against Non-Fund based facilities granted by the bank to a group company Suzuki Powertrain India Limited of Rs. Nil (Previous year Rs. 3,000 million). Against this, the balance outstanding as at the year-end is Rs. Nil (Previous year Rs. 1,543 million).
- e) The amounts shown in the item (a) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The amount shown in items (b) to (d) represent guarantees given in the normal course of the Company's operations and are not expected to result in any loss to the company on the basis of the beneficiaries fulfilling their ordinary commercial obligations.



## SCHEDULE

- 2) Outstanding commitments under Letters of Credit established by the Group aggregate to Rs. 2,583 million (includes share of Joint Venture Rs. 46 million) (Previous year Rs. 3,344 million) (includes share of Joint Venture Rs. 17 million).
- 3) Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amounts to Rs. 12,715 million (includes share of Joint Venture Rs. 4 million) (Previous year Rs. 14,743 million) (includes share of Joint Venture Rs. 155 million).
- 4) a) Consumption of raw materials and components has been computed by adding purchases to the opening stock and deducting closing stock verified physically by the management.  
b) Consumption of raw material and components includes a provision of Rs.9 million (Previous year Rs. 26 million) on account of estimated reversal of tax benefit on quantity differences on inputs.
- 5) The Company was granted sales tax benefit in accordance with the provisions of Rule 28C of Haryana General sales Tax Rules, 1975 for the period from 1st August, 2001 to 31st July, 2015. The ceiling amount of concession to be availed of during entitlement period is Rs.5,644 million. Till 31st March 2009, the Company has availed of sales tax benefit amounting to Rs. 1,675 million (Previous year Rs. 1,605 million).
- 6) The Group is primarily in the business of manufacture, purchase and sale of motor vehicles and spare parts ("automobiles"). The other activities of the Company comprise facilitation of Pre-Owned Car sales, Fleet Management and Car Financing. The income from these activities, which are incidental to the Company's business, is not material in the financial terms but contribute significantly in generating the demand for the products of the Company. Accordingly segment information has not been disclosed.
- 7) Differences between accounting policies of the Company and other group companies, the impact of which is not going to be material.
  - a) In case of certain associate and joint venture companies, contributions towards gratuity are charged to Profit & Loss Account on the basis of premium paid to the Life Insurance Corporation of India.
  - b) Deferred Revenue Expenditure of Joint Venture and Associate Companies have been charged to Profit & Loss Account in the year of incurrence.
  - c) In case of certain associate companies, First In First Out method of inventory valuation is followed.
  - d) In case of a joint venture company, fair value (mark to market) of a derivative instrument i.e. an interest rate swap has not been computed as at March 31, 2009.
  - e) In case of certain associates, written down value method of depreciation is followed.
- 8) a) The Profit after tax of Denso India Limited, Machino Plastics Limited, Sona Koyo Steering Systems Limited & Asahi India Glass Limited has been annualised based on unaudited financial statements of nine months ended 31st December 2008. It is unlikely that the audited results would be materially different from annualised results.  
b) The Profit after tax of Climate Systems India Limited, Krishna Maruti Limited, SKH Metals Limited, Suzuki Powertrain India Limited, Jay Bharat Maruti Limited, Nippon Thermostat (India) Limited, Magneti Marelli Powertrain India Limited and FMI Automotive India Limited has been taken on the basis of unaudited financial statements for financial year ended 31st March 2009. It is unlikely that the audited results would be materially different from un audited results.

### 9) STATEMENT OF EARNING PER SHARE

	2008-09	2007-08
Net Profit after tax attributable to shareholders		
	12,274	17,899
(in Million Rupees)		
Weighted Average Number of Equity Shares Outstanding during the year	288,910,060	288,910,060
Nominal value per share (In Rupees)	5.00	5.00
Basic/Diluted Earnings Per Share (In Rupees)	42.48	61.95

10) DEFERRED TAX

Major Components of Deferred Tax arising on account of temporary timing differences along with their movement as at March 31, 2009 are:

(Rs. in Million)

	31.03.08	Movement During the year	31.03.09
<b>Assets</b>			
Provision for Doubtful debts / advances	162	21	183
Contingent Provisions	495	(311)	184
Others	339	82	421
	996	(208)	788
Share in Joint Ventures	2	1	3
<b>Total (A)</b>	<b>998</b>	<b>(207)</b>	<b>791</b>
<b>Liabilities</b>			
Depreciation on Fixed Assets	1,989	156	2,145
Exchange variation on Capital Account	228	(258)	(30)
Allowances under Income Tax Act, 1961	468	(243)	225
Deferred Revenue Expenditure	12	(12)	0
	2,697	(357)	2,340
Share in Joint Ventures	45	4	49
<b>Total (B)</b>	<b>2,742</b>	<b>(353)</b>	<b>2,389</b>
<b>Net Deferred Tax Liability* (B) - (A)</b>	<b>1,744</b>	<b>(146)</b>	<b>1,598</b>
Previous Year	1,712	32	1,744

\* Includes adjustment of Rs. 32 million on account of reclassification of Deferred Tax Liabilities to Provision for Taxation.

11) The Company normally acquires vehicles under Finance Leases with the respective underlying assets as security. Minimum lease payments outstanding as of 31st March 09 in respect of these assets are as follows.

Due	Total Minimum Lease Payment	Interest not due	Present Value of Minimum Lease
Within One Year	1	0	1
Later than one Year but less than five Years	-	-	-
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>

Minimum Lease payments outstanding as on 31st March 09 in respect of assets taken on operating leases are as follows.



## SCHEDULE

Due	Total Minimum Lease Payment Outstanding as on 31st March 09	Contingent Rent
Within One Year	58	49
Later than one Year but less than five Years	308	299
later than five years	1,055	1118

	Minimum Lease Payment	Contingent Rent
Paid During the year	1	1
Charged to Profit and Loss Account	-	-

12) With effect from April 1, 2008, the company has adopted Accounting Standard 30 - Financial Instruments - Recognition and Measurement issued by The Institute of Chartered Accountants of India to the extent it does not contradict with any other Accounting Standard notified u/s 211(3C) of The Companies Act. Accordingly, during the current year, in respect of derivative instruments which qualify for hedge accounting, the net unrealised loss aggregating Rs. 1,709 Millions. has been accounted for as a Hedging Reserve to be ultimately recognized in the profit and loss account when the underlying transaction arises, as against the earlier practice of recognizing the same in the profit and loss account, on valuation at the end of each period. Other derivative instruments that do not qualify for hedge accounting have been recorded at fair value at the reporting date and the resultant loss/ gain has been accounted in the profit and loss account.

**13) STATEMENT OF TRANSACTIONS WITH RELATED PARTIES**

NAME OF PARTIES (Only with whom the company had a transaction during the year)

Holding Company	Key Management Personnel	Associates	Fellow Subsidiaries	Key Management Personnel
Suzuki Motor Corporation	Mr. Shinzo Nakanishi	Asahi India Glass Limited	Jay Bharat Maruti Limited	
Joint Ventures	Mr. Hirofumi Nagao (Resigned on 10th July 2008)	Bharat Seats Limited	Caparo Maruti Limited	
J.J. Impex (Delhi) Private Limited	Mr. Shuji Oishi	Climate Systems India Limited	Denso India Limited	
Mark Exhaust Systems Limited	Mr. Tsuneo Ohashi	Jay Bharat Maruti Limited	Krishna Maruti Limited	
Bellsonica Auto Component India Pvt Ltd	Mr. Keiichi Asai	Machino Plastics Limited	SKH Metals Limited	
FMI Automotive Components Ltd.		Nippon Thermostat (India) Limited	Sona Koyo Steering Systems Limited	
		Citicorp Maruti Finance Limited	Maruti Countrywide Auto Financial Services Limited	
		Magneti Marelli Powertrain India Pvt. Ltd.	Suzuki Powertrain India Limited *	

	2008-09					2007-08						
	Joint Ventures	Associates	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total	Joint Venture	Associates	Holding Company	Fellow subsidiaries	Key Management Personnel	Total
<b>Outstanding at year end</b>												
Loans and advances recoverable	-	4,781	-	-	-	4,781	-	472	-	-	-	472
Suzuki PowerTrain India Limited	-	711	-	-	-	711	-	104	-	-	-	104
Krishna Maruti Limited	127	1,123	4	1	-	1,255	72	165	3	3	-	243
Others	127	6,615	4	1	-	6,747	72	741	3	3	-	819
<b>Amounts payable</b>												
Suzuki Motor Corporation	-	-	3,932	-	-	3,932	-	-	3,045	-	-	3,045
Suzuki PowerTrain India Limited	-	1,983	-	-	-	1,983	-	560	-	-	-	560
Others	438	2,905	-	21	-	3,364	90	1,224	-	14	-	1,328
Total	438	4,888	3,932	21	-	9,279	90	1,784	3,045	14	-	4,933
<b>Guarantees given to third parties by the Company</b>												
Suzuki PowerTrain India Limited	-	-	-	-	-	-	-	1,814	-	-	-	1,814
Others	-	-	-	-	-	-	-	1,814	-	-	-	1,814
Total	-	-	-	-	-	-	-	1,814	-	-	-	1,814
<b>Guarantees given by the Company</b>												
Suzuki Motor Corporation	-	-	6,328	-	-	6,328	-	-	5,002	-	-	5,002
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	6,328	-	-	6,328	-	-	5,002	-	-	5,002
<b>Finances (Equity &amp; Loans)</b>												
Suzuki PowerTrain India Limited	-	600	-	-	-	600	-	966	-	-	-	966
Magneti Marelli Powertrain	-	68	-	-	-	68	759	17	-	-	-	776
Others	-	668	-	-	-	668	759	983	-	-	-	1,742
Total	-	1,333	64	107	-	2,504	1,518	1,966	17	12	-	3,513
<b>Amount recoverable</b>												
SKH Metals Limited	-	314	-	-	-	314	-	137	-	-	-	137
Suzuki France SA	-	-	-	296	-	296	-	-	-	4	-	4
Suzuki GB PLC	-	-	-	286	-	286	-	-	-	10	-	10
Suzuki International Europe GmbH	-	-	-	274	-	274	-	-	-	19	-	19
Suzuki PowerTrain India Limited	-	325	-	-	-	325	-	407	-	-	-	407
Others	245	684	64	107	-	1,100	35	747	17	12	-	811
Total	245	1,323	64	963	-	2,595	35	1,291	17	45	-	1,388
<b>Transaction during the year</b>												
Purchases of Capital Items	-	-	3,571	-	-	3,571	-	-	2,211	-	-	2,211
Suzuki Motor Corporation	-	-	-	1	-	1	409	3	-	85	-	497
Others	-	-	-	1	-	1	409	3	2,211	85	-	2,708
Total	-	-	3,571	1	-	3,572	-	-	2,211	85	-	2,708



# SCHEDULE

	2008-09					2007-08						
	Joint Ventures	Associates	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total	Joint Ventures Personnel	Associates	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
<b>Goods in Transit - Comp Etc:</b>												
Suzuki Motor Corporation	-	-	834	-	-	834	-	-	972	-	-	972
Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>834</b>	-	-	<b>834</b>	-	-	<b>972</b>	-	-	<b>972</b>
<b>Sale of goods</b>												
Suzuki France SA	-	-	-	879	-	879	-	-	-	3	-	3
Suzuki GB PLC	-	-	-	935	-	935	-	-	-	25	-	25
Suzuki International Europe GmbH	-	-	-	1,043	-	1,043	-	-	-	46	-	46
PT Indomobil Suzuki International	-	-	-	691	-	691	-	-	-	1,199	-	1,199
Others	596	1,189	317	545	-	2,647	215	637	119	207	-	1,178
<b>Total</b>	<b>596</b>	<b>1,189</b>	<b>317</b>	<b>4,093</b>	-	<b>6,195</b>	<b>215</b>	<b>637</b>	<b>119</b>	<b>1,480</b>	-	<b>2,451</b>
<b>Other Income</b>												
<b>Finance income/commission/Dividend</b>												
Krishna Maruti Limited	-	86	-	-	-	86	-	65	-	-	-	65
Suzuki PowerTrain India Limited	-	450	-	-	-	450	-	189	-	-	-	189
Others	21	294	-	-	-	315	22	238	-	-	-	260
<b>Total</b>	<b>21</b>	<b>830</b>	-	-	-	<b>851</b>	<b>22</b>	<b>492</b>	-	-	-	<b>514</b>
<b>Other Misc Income</b>												
Suzuki PowerTrain India Limited	-	671	-	-	-	671	-	278	-	-	-	278
Others	81	210	-	-	-	291	6	226	1	4	-	237
<b>Total</b>	<b>81</b>	<b>881</b>	-	-	-	<b>962</b>	<b>6</b>	<b>504</b>	<b>1</b>	<b>4</b>	-	<b>515</b>
<b>Expenditure</b>												
<b>Purchases of goods</b>												
Suzuki Motor Corporation	-	-	11,294	-	-	11,294	-	-	10,202	-	-	10,202
Suzuki Powertrain India Ltd.	-	19,291	-	-	-	19,291	-	13,616	-	-	-	13,616
Others	2,976	30,646	-	4	-	33,626	1,919	26,670	-	2	-	28,591
<b>Total</b>	<b>2,976</b>	<b>49,937</b>	<b>11,294</b>	<b>4</b>	-	<b>64,211</b>	<b>1,919</b>	<b>40,286</b>	<b>10,202</b>	<b>2</b>	-	<b>52,409</b>
<b>Proposed Dividend</b>												
Suzuki Motor Corporation	-	-	548	-	-	548	-	-	783	-	-	783
<b>Total</b>	-	-	<b>548</b>	-	-	<b>548</b>	-	-	<b>783</b>	-	-	<b>783</b>
<b>Royalty</b>												
Suzuki Motor Corporation	-	-	6,777	-	-	6,777	-	-	4,931	-	-	4,931
<b>Total</b>	-	-	<b>6,777</b>	-	-	<b>6,777</b>	-	-	<b>4,931</b>	-	-	<b>4,931</b>
<b>Receiving of services</b>												
Suzuki Motor Corporation	-	-	736	-	-	736	-	-	554	-	-	554
Others	-	-	-	-	-	-	-	38	-	2	-	40
<b>Total</b>	-	-	<b>736</b>	-	-	<b>736</b>	-	<b>38</b>	<b>554</b>	<b>2</b>	-	<b>594</b>
<b>Other-expenditure</b>												
Suzuki GB PLC	-	-	-	22	-	22	-	-	-	3	-	3
Suzuki International Europe GmbH	-	-	-	8	-	8	-	-	-	2	-	2
Magyar Suzuki Corporation Ltd.	-	-	-	5	-	5	-	-	-	-	-	-
Others	-	1	-	5	-	6	4	1	-	-	-	5
<b>Total</b>	-	<b>1</b>	-	<b>40</b>	-	<b>41</b>	<b>4</b>	<b>1</b>	-	<b>5</b>	-	<b>10</b>
<b>Managerial Remuneration</b>												
Mr. Shinzo Nakanishi	-	-	-	-	20	20	-	-	-	-	5	5
Mr. Hirofumi Nagao (Resigned on 10th July, 2008)	-	-	-	-	5	5	-	-	-	-	14	14
Mr. Tsuneo Ohashi	-	-	-	-	15	15	-	-	-	-	3	3
Mr. Keiichi Asai	-	-	-	-	15	15	-	-	-	-	2	2
Mr. Shuji Oishi	-	-	-	-	15	15	-	-	-	-	13	13
<b>Total</b>	-	-	-	-	<b>70</b>	<b>70</b>	-	-	-	-	<b>37</b>	<b>37</b>

Note:

\* Suzuki Powertrain India Limited is also a Fellow Subsidiary

## 14) THE COMPANY HAS THE FOLLOWING PROVISIONS IN THE BOOKS OF ACCOUNT AS ON 31.03.200:

(Rs. in Million)

Description	Balance as on 31.03.08	Additions during the year	Utilized/Reversed during the year	Balance as on 31.03.09
a) Litigation Related Provisions	596	37	22	611
b) Warranty / Product Recall Provisions	253	418	239	432
c) Others Provisions	273	38	116	195

- a) Litigation related provisions pertain to the estimated outflow in respect of disputes with various government authorities .The information required by AS 29, Provisions, Contingent Liabilities and Contingent Assets' has not been disclosed on the grounds that it can be expected to prejudice the interest of the Company.
- b) Warranty and product recall provisions relate to the estimated outflow in respect of warranty and recall cost for products sold during the year. Due to the very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as the expected reimbursements from such estimates.
- c) Other provisions relate to excise duty, export obligation and guarantees, etc. given. Due to the very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as the expected reimbursements from such estimates.

15) Previous Year's figures have been recasted / regrouped where considered necessary to make them comparable with the current year's figures.

ANUPAM DHAWAN  
Membership Number - F 084451  
Partner  
For and on behalf of  
PRICE WATERHOUSE  
Chartered Accountants  
New Delhi  
April 24, 2009

SHINZO NAKANISHI  
Managing Director & CEO

S. OISHI  
Director

AJAY SETH  
Chief Financial Officer

S. RAVI AIYAR  
Company Secretary  
& Chief Legal Officer

