

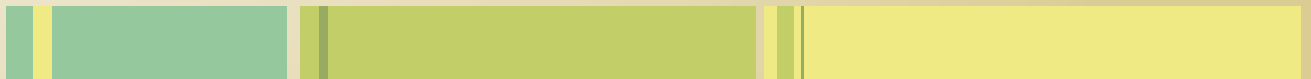
strengthening self
supporting partners
spreading sustainability



social performance



On the social front, in 2010-11, the Company's focus was on employee training, occupation health and safety and developmental programmes such as road safety, vocational training and community development programmes at Manesar villages.



social performance > labour practices and decent work place



Employees enjoying lunch at the common canteen

LABOUR PRACTICES AND DECENT WORKPLACE

Since inception, Maruti Suzuki has instituted common practices for all its employees. All employees right from shop floor associates to the top management wear the same uniform, eat together in the canteen, and are entitled to similar medical facilities. The open office system of the Company ensures transparency, aids faster communication and creates the physical structure for a boundary-less organisation besides strengthening the 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 training sessions and visual displays.

The Company's employees are actively involved in the improvement activities and extend their best possible contribution towards the growth of 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. The Company observes two maintenance shutdowns during the year and these coincide with the school holidays to facilitate work-life balance for the employees.

Innovation and Creativity

The Company fosters a culture of innovation and creativity through activities such as Nav Nirmaan and Agni. Nav Nirmaan Month is observed every April and is marked as the Innovation and Creativity month. In 2009-10, a strategy forum was set up to develop innovative ideas. The forum, called Agni, has cross-functional and multi-level representation that allows convergence of diverse perspectives and ideas. Agni is working on new ideas such as resource optimisation and key sustainability initiatives to take Maruti Suzuki to the next level of sustainability. The ideas generated by Agni are presented to the top management for approval.

Diversity, Equal Opportunity and Non-Discrimination

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

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

The Company makes all efforts to include employees from different ages, backgrounds and gender in various committees and governing bodies.

No substantiated or unresolved incidence of discrimination was reported in 2010-11.

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. The Company has a committee for the prevention of sexual harassment at the workplace which has been constituted in line with the directives of the Supreme Court.

No incidence of sexual harassment was reported in 2010-11.

Non-Discrimination of HIV/AIDS at the Workplace

The Company has instituted a policy to ensure non-discrimination of employees infected or affected by



HIV/AIDS and offers every support to such employees. This policy relates to all employees and contract workers and covers all aspects of work, formal and informal.

No incidence of HIV/AIDS discrimination was reported in 2010-11.

Bribery and Corruption

The Company's Code of Business Conduct and Ethics lays down guiding principles for all employees to follow while dealing with their stakeholders. The Code 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 the Company.

No incidence of corruption was reported in 2010-11.

Forced and Child Labour

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

No incidence of forced or child labour was reported in any of the Company's units in 2010-11.

Maruti Suzuki's policies on Anti-Child Labour and Anti-Sexual Harassment were shared with all its suppliers. The suppliers were encouraged to implement these policies at their end. Further, the Company is in the process of making these policies an integral part of the purchase agreement with the suppliers.

Freedom of Association and Collective Bargaining

The Company has a mature and non-affiliated internal labour union. 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 their feasibility, and statutory requirements. All such changes are communicated to workmen directly and through union representatives. The certified standing order with regard to the minimum notice period for operational changes is followed.

No incidence of violation of freedom of association was reported in 2010-11. There was no incidence of unrest in the Company during the year.

Communication of the Company Vision, Core Values and Policies

Sensitisation about the Company vision, its core values and various policies is a part of the induction programme. This information is reinforced through visual displays on the shop floor, in offices and meeting places. The Company's policies are also available on the internal portal.

Local Hiring

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

Human Resource Development

Maruti Suzuki believes that competent and committed manpower is its biggest competitive advantage. To maintain this advantage, continuous learning and innovation are essential. At Maruti Suzuki, the employee development process begins on the day of joining. A warm welcome, a detailed induction programme and mentoring by seniors helps new employees adjust to the new work culture quickly.

Training needs identification, 360-degree feedback and development centre exercises are carried out every year; inputs thus received are used in preparing the annual training calendar. To ensure all round development of employees, the calendar includes behavioural, functional and safety training. The training calendar covers classroom, on-the-job and outbound training.

The Company has a robust Performance Management System and all regular employees are covered under this system.

Employees are also sent abroad on Association for Overseas Technical Scholarship and Overseas Vocational Training Association training to further improve their job specific skills. Employees are also sent to SMC, Japan, to work on live projects and to learn from experienced SMC engineers. SMC is helping Maruti Suzuki in a concerted way in establishing R&D facilities and developing the skills of R&D engineers.

social performance > labour practices and decent work place



Employees at the Technical Training Centre

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

Leadership Training Initiatives

A series of leadership development interventions were carried out to further enhance the competencies of middle, senior and top management. In 2010-11, the Company took its leadership development exercises to a new level with a slew of activities such as:

- A two-day workshop on leadership and culture of innovation for department heads.
- Department Heads Roundtable: a forum that facilitated dialogue between department heads and top/senior management of the Company on key business challenges and resource planning.
- A two-day workshop organised for divisional heads on strategic leadership, sustainable innovation and culture of developing people.
- Top Management Retreat: Two days of reflection and discussion on cutting edge business strategy and managing expectations of key stakeholders.
- Guest Lecture Series: inviting management gurus, successful sports persons and eminent entrepreneurs to give talks.

Higher Education Scheme

The Higher Education Scheme was introduced in 2008-09 to meet the higher education needs of young managers. This scheme helps not only in grooming and retaining high potential managers but also in fulfilling their career enhancement aspirations. The scheme includes full time

executive MBA and part time MBA programmes. The scheme is applicable for cadres from assistant manager to senior manager and has a defined eligibility and selection criteria.

Mentoring Scheme

All new joiners are covered under this scheme wherein seniors play the role of mentors. This helps the new entrants to settle into the organisation smoothly. A mentor provides support not only on the professional front but also on the personal front, such as help in finding accommodation and adjusting to the Company's culture.

Training intervention in the organisation at all levels has led to:

- Better management of the workforce.
- A multi-skilled, diverse workforce.
- Identification of future leaders.
- A workforce trained to meet future challenges and the organisation's expansion plans.

Reward and Recognition

Maruti Suzuki has a robust Reward and Recognition Policy. Remarkable performance by the employees entitles them to low cost awards, quarterly awards and annual appreciation awards. The annual appreciation award includes a paid trip for two nights and three days for the employee and her/his family at any tourist place (cost upto Rs. 30,000), an appreciation certificate and a trophy.



Discussions during the Department Heads Roundtable

MANPOWER BREAKUP AS ON 31ST MARCH, 2011

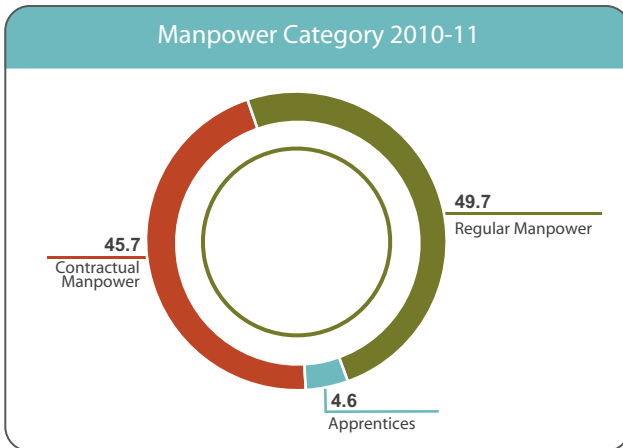
MANPOWER CATEGORY	2008-09	2009-10	2010-11
Regular manpower			
Assistant Supervisor & above	2,903	3,334	3,814
Associates/technicians	1,758	2,160	2,991
Trainees	2,498	2,138	1,812
Total regular manpower	7,159	7,632	8,617
Apprentices	548	509	799
Contractual manpower	5,145	6,556	7,909
Total manpower	12,852	14,697	17,325

FEMALE TO MALE RATIO OF REGULAR EMPLOYEES

	2008-09	2009-10	2010-11
Total regular	7,159	7,632	8,617
Male	6,952	7,407	8,361
Female	207	225	256
Female to male ratio	2.97	3.04	3.06

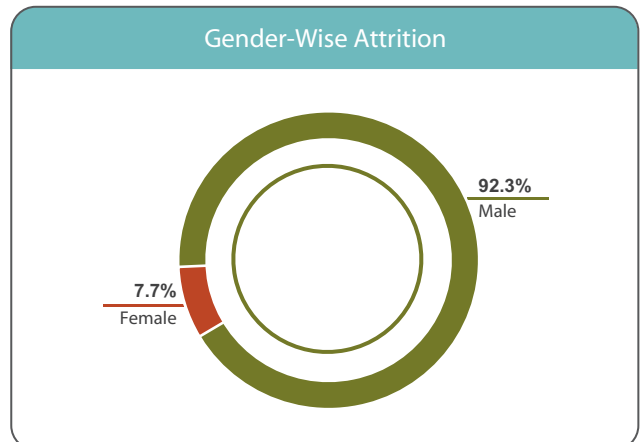
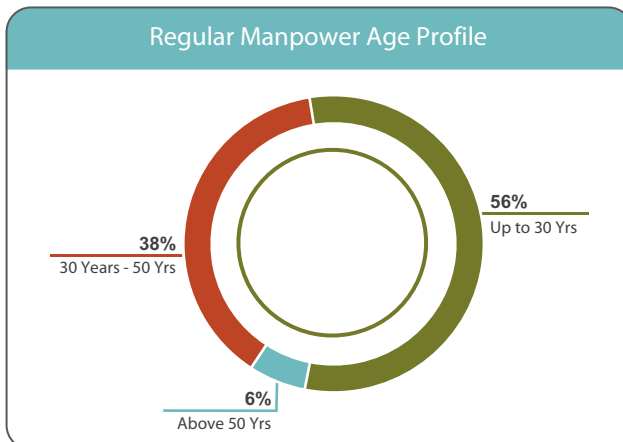
ATTRITION: APRIL 2010-MARCH 2011

LEVEL CATEGORY	RESIGNATIONS	MANPOWER AS ON 31 ST MARCH 2011	ATTRITION PERCENTAGE
Resignations			
1. Assistant Supervisors and above	332	3,814	8.7%
2. Technicians	19	2,991	0.6%
3. Trainees	71	1,812	3.9%
Total resignations	422	8,617	4.9%
Other separations: death, retirement, termination	102	-	1.2%
Grand total	524	8,617	6.1%

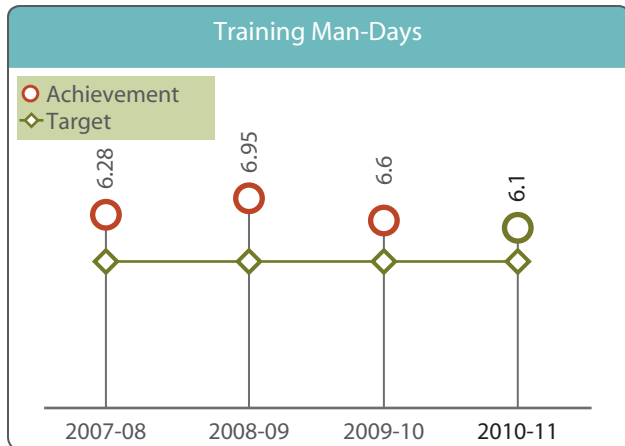


ATTRITION: AGE-WISE BREAKUP

AGE GROUP	PERCENTAGE (% OF TOTAL RESIGNATIONS)	NUMBER
Upto 30 years	76.8%	324
30-50 years	23.0%	97
Above 50 years	0.2%	1
Total (excluding other separations)		422



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Note: Reduction in training man-days in 2010-11 is because additional manpower was added towards the second half of the year

The Company has set an average training target of 5 man-days per employee and has been exceeding this target for the last four years.

OCCUPATIONAL HEALTH

Maruti Suzuki strongly believes that a healthy and safe work environment is essential to maintain optimal manpower productivity and to keep employee motivation high. Its manufacturing facilities and offices are designed to ensure safety and comfort of employees. The Company pays attention to ergonomics at the workplace, especially for its workmen. Manufacturing processes are modified and automation introduced to minimise fatigue caused by activities such as bending, heavy lifting and excessive carrying of loads. Training programmes on ergonomics for workers are organised by the Safety and Welfare Department.

The Company has a team of qualified medical officers and paramedics and a well-equipped medical centre to provide medical assistance to employees in both shifts. Regular medical surveillance of hazardous and high-noise areas in the manufacturing facilities is conducted to monitor parameters that can potentially impact employees' health, and to ensure that they are within the permissible limits. In hazardous working areas, counter-measures are taken proactively to minimise any negative impact on employees' health. A health check of all workers operating in hazardous areas is carried out twice a year.

In the reporting year, the focus of occupational health was on awareness generation among employees. Importance was given to identification and prevention of diseases at the initial stage. Through the year, the Chief Medical Officer issues advisories on prevention of seasonal and infectious diseases and organises health talks by specialists. Medical talks on hypertension and diabetes, eye care and refraction, hepatitis, breathing disorders, kidney diseases and posture and back pain were organised in the reporting year.

Health awareness and check-up camps were organised routinely at the plant in association with reputed hospitals. Vaccinations are also provided to employees at discounted prices. Further, yoga classes were held every day at the plant and the corporate office in the evenings.

As a policy, Maruti Suzuki entitles all its employees over 40 years of age for a free annual health check-up. This is done through tie-ups with reputed hospitals. These annual check-ups have led to timely diagnoses of diseases and lifestyle changes for many employees.

No significant occupational disease was reported to the health centre in 2010-11.

OCCUPATIONAL SAFETY

Maruti Suzuki follows the Safety First approach across the organisation; it has built a robust institutional framework for safety and has demonstrated a strong safety culture.

A dedicated Safety and Welfare Department takes care of occupational safety, supported by 120 safety coordinators from all functional areas of the Company. The department ensures work place safety, undertakes various awareness and training programmes and executes a safety activity plan. Additionally, strong employee involvement is encouraged in occupational safety through participatory approaches such as suggestion schemes and theme based safety events. Shop floor workmen participate in the plant level safety committees. Besides this, there is a Central Safety Leadership Council (CSLC) comprising top management from all business verticals. The council reviews safety performance on a quarterly basis and provides functional teams with appropriate guidance.

Maruti Suzuki has formulated a Health and Safety Policy and Safety Management Principles. These principles aim at achieving high standards in safety through

implementation of well-defined procedures, risk assessment, audits, training, awareness programmes, safety promotion activities and a suggestion scheme.

Safety Initiatives

Maruti Suzuki strives to achieve zero accident and injury. Various initiatives have been undertaken towards this goal, such as issuing of work permits and an online reporting system called Work Safe Online, through which incidents, including near-misses, are reported. These initiatives help in tracking all incidents, accidents, near misses and collating information for analysis. It also provides a source of learning to avoid occurrence of similar situations in the future.

To implement the Safety Management System in the Company's sphere of influence, Safety Health and Environment (SHE) Conditions of Contract were introduced for all contractors and service providers in 2010-11. In addition, the Company began working on the OHSAS certification process.

Safety Performance

Maruti Suzuki's performance on key safety parameters such as injuries and lost days is mentioned below:

SAFETY PERFORMANCE ON KEY PARAMETERS

	PARAMETER	2008-09	2009-10	2010-11
1	Injuries (nos.)	19	10	9
2	Injury rate (per 100 employees)	0.13936	0.049	0.043
3	Lost days (nos.)*	6,004	2	2
4	Lost days rate* (per 100 employees)	44.04	0.0098	0.0095
5	Fatalities (no.)*	1	0	0
6	Man-hours worked (million hours)	28.83	44.42	45.63

Note:*Accident data as per IS 3786. Accident data for 2008-09 is for the Gurgaon plant only.

Safety Promotion Activities

At Maruti Suzuki, safety training is an integral part of the induction process. For mass safety awareness, various training programmes are organised periodically for employees as well as for contract workers. Special care is taken for the safety of visitors entering the factory premises. Safety Guidelines for Visitors were developed in the reporting year and are shared with visitors entering the factory premises.

Maruti Suzuki has adopted best safety practices from SMC, such as Kikken Yochi Training (KYT) and Hiyari Hatto Training (HHT). These practices have been institutionalised across the production function of the organisation. In order to conduct these activities, the production line is stopped for 30 minutes every alternate month in both working shifts, to identify the potential risks and devise mitigation plans with the involvement of workmen.

Safety Month is observed every year in the Company, starting from National Safety Day on 4th March. Safety Month activities are launched with the Managing Director taking the safety oath. Various activities are organised during the month to promote safety, such as poster-making and slogan-writing competitions, safety training workshops, occupational health check-ups and street plays for awareness generation.

Emergency Preparedness

Maruti Suzuki has developed an on-site emergency plan for handling emergencies. Hazard identification and risk assessment have been carried out in a structured manner and are reviewed periodically. The Company is well equipped with fire fighting vehicles, safety and rescue equipment, and has trained staff for tackling emergencies. Periodical mock drills are conducted at various locations to assess emergency preparedness. The Company also provides support to joint venture companies in its Suppliers' Park in case of fire emergencies.

Compliance

There have been no significant fines or non-monetary sanctions levied against the Company for non-compliance of laws and regulations in 2010-11.



Employees undergoing mandatory safety training

social performance > social initiatives

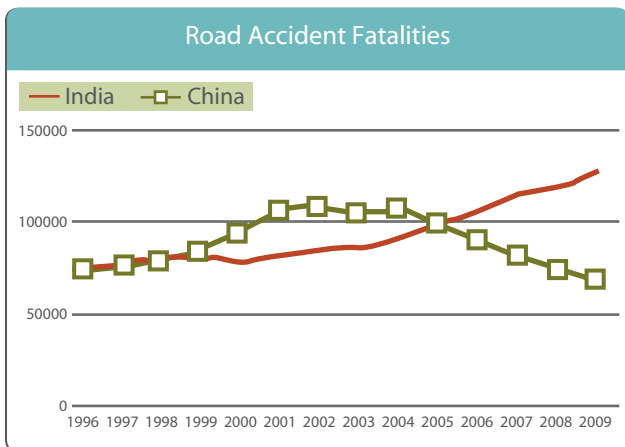
Maruti Suzuki’s social initiatives focus on three primary areas, namely road safety, vocational training and community development. The Company also runs an employee volunteering programme called e-Parivartan and operates two schools. To guide its social initiatives, the Company has formulated a CSR Policy. Stakeholder engagement is central to this policy.

“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.”

ROAD SAFETY

Road safety is a major concern in India considering the scale of injuries and fatalities due to road accidents. As per the Ministry of Road Transport and Highways (MoRTH), 125,660 people were killed and over 500,000 injured in around 490,000 accidents in 2009, which means that one road accident occurs in India every second and one road accident fatality every four minutes.

While India and China started with similar figures for road accident fatalities in 1996, China has been able to reverse its road accident fatalities trend from 2005 onwards; whereas in India, the trend has been rising unabated. This can be gauged from the graph given below.



Source: National Crime Records Bureau, India, Ministry of Road Transport and Highways, India and Ministry of Public Security, China

As per the study conducted by the MoRTH, drivers’ fault is the single largest factor responsible for accidents, fatalities and injuries. In 2009, drivers’ faults accounted for 78.5% of the total accidents. Therefore it is imperative to train people to drive correctly and safely. In the absence of a proper driving training infrastructure in the country, people drive without proper training, leading to road accidents and fatalities.



Classroom instruction on safe driving

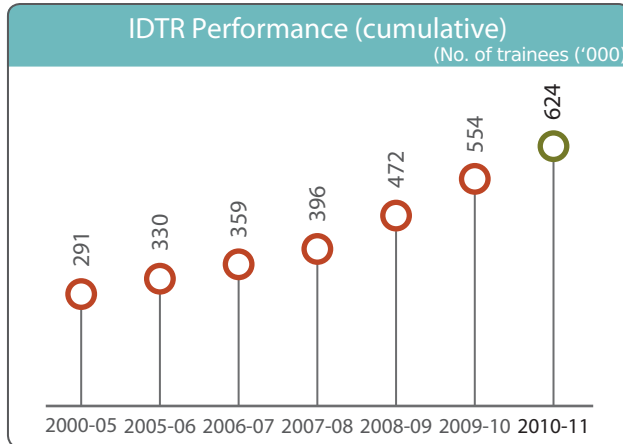
Road Safety Initiatives

Realising the gravity of the problem and the need for an efficient and effective driving training infrastructure in the country, Maruti Suzuki began its road safety initiatives in 2000, offering a well structured and scientifically designed driving training programme to the public.

The Company adopted two models in partnership mode for imparting driving training skills to existing as well as new drivers. These are the Institute of Driving and Traffic Research (IDTR) and Maruti Driving Schools (MDS’s).

Institute of Driving and Traffic Research (IDTR)

The IDTR is a state-of-the-art driving training facility set up in partnership with the state governments. It caters to the drivers of both commercial and passenger vehicles. The driving training at IDTR includes theoretical training in the class room, practical training on simulators and actual driving training on scientifically designed tracks. The first IDTR was set up in 2000 at Loni, Wazirabad, New Delhi. Today, Maruti Suzuki manages 4 IDTRs – two in Delhi and one each in Gujarat and Uttarakhand.



In 2010-11, a new initiative, Professional Light Motor Vehicle Driving Training Programme, was initiated for students of Industrial Training Institutes (ITIs). This programme is aimed at improving the employment prospects of ITI students. The IDTR at Gujarat, established in collaboration with the Tribal Development Department of Gujarat, continued to work in a focused manner to develop the driving skills of tribal youth to make them suitable for the job market. Professional Light Motor Vehicle Driving Training Programme was also initiated for the students at MDS's/IDTRs and over 2,000 students were trained in 2010-11. Besides driving, the youth are also taught spoken English and soft skills.



Passenger car driving training at IDTR



Driving towards a new future; IDTR, Gujarat

Twenty-four year old Natwarbhai Mansinghbhai Damor was sometimes amazed at the way his life had turned out. Just a few years back, he was at his wits end trying to solve his family's financial problems. Today he was gainfully employed and making a decent living.

A tribal from Mander village Dahod district, Gujarat, Natwarbhai graduated from school and couldn't study further due to his family's financial struggles. His father was the only earning member of his family and his 3 younger siblings were in school. Making ends meet was so hard for the family that Natwarbhai felt compelled to find a solution.

He heard about IDTR through his village Sarpanch, who informed him that training at the institute was free and help was also offered to find placements. Natwarbhai discussed this opportunity with his father who encouraged him to join the institute. The training wasn't of a long duration. This would allow Natwarbhai to join the work force soon. Besides the driving training other components of training such as personality development, spoken English and general knowledge would benefit him. The placement service would be an added advantage.

Natwarbhai joined the institute and completed the training successfully. Right after he joined Manan Auto Cab at Ahmedabad at a salary that allowed him to send Rs. 3000 home each month. With the financial support provided by Natwarbhai, the family's financial troubles have eased considerably and his siblings have been able to continue their education uninterrupted.

social performance > social initiatives

The IDTR at Uttarakhand, established in collaboration with the Transport Department of Uttarakhand, focused on refresher training of contractual drivers of the Uttarakhand Road Transport Corporation and drivers of school and college buses and ambulance services in the year.

Maruti Driving Schools (MDS's)

MDS's have been set up in partnership with dealers. These schools require lesser infrastructure and lower investment as compared to IDTRs. MDS's impart training for driving passenger vehicles. The training components at MDS's are the same as those at IDTRs except that the practical driving training is imparted on the road instead of on test tracks. Maruti Suzuki has set up 166 MDS's in 118 cities across various states as on 31st March, 2011, of which 83 were added in 2010-11.

IDTRs and MDS's together have trained over 8,50,000 people in safe driving as on 31st March, 2011.

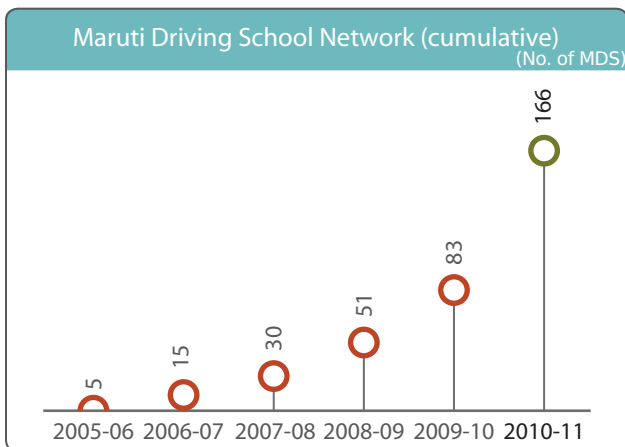
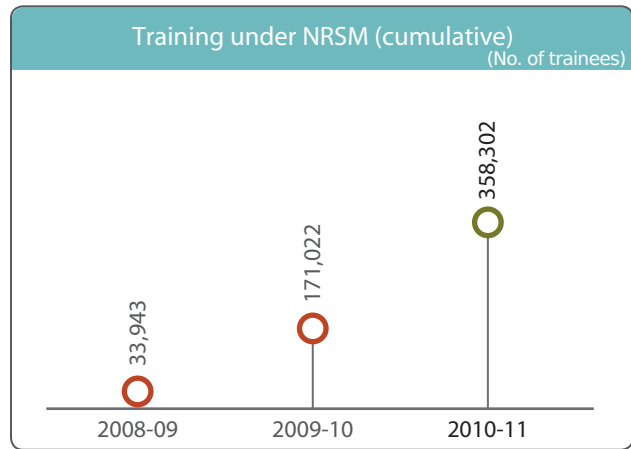
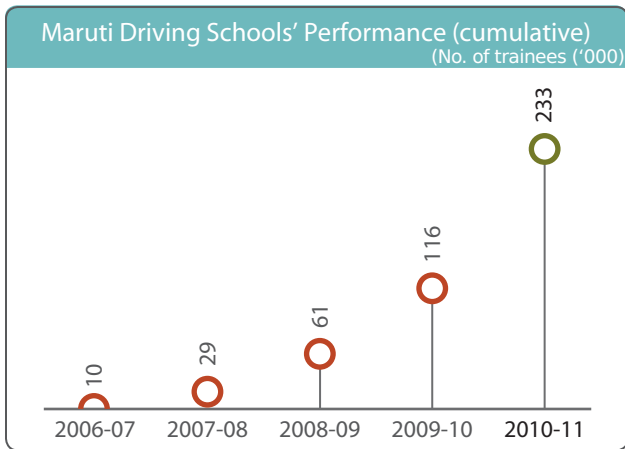
National Road Safety Mission

On completion of 25 years of sustained operations, Maruti Suzuki launched the National Road Safety Mission (NRSM) in December, 2008 with the following commitments:

- a) **Training:** To train 5,00,000 persons in safe driving in three years; at least 1,00,000 of them should come from the underprivileged sections of society
- b) **Awareness:** To generate road safety awareness amongst school children, young adults and the general public.
- c) **Advocacy:** To undertake joint projects with the traffic police and industry bodies.

Training

Under the training component of the NRSM, Maruti Suzuki has trained 358,302 persons as on 31st March, 2011. Of these 97,724 persons were from underprivileged backgrounds. The Company is on course to achieve its NRSM target well before the timeline of December 2011.



Awareness

Besides training people in safe driving, MDS instructors undertake road safety awareness workshops for school children. In 2010-11, 21,000 school children were covered in cities across the country. Through these specially designed short training sessions, an effort is made to familiarise children with the basics of road safety.

In 2010-11, refresher driving training was also imparted to executives and drivers of leading corporates such as Johnson and Johnson, HCL, IBM and Gujarat Gas Ltd. in addition to Government Ministries and Police departments. Customised training modules were developed and awareness seminars were held for corporates as per their requirements.

Over 55,000 existing drivers from the unorganised sector, including taxi and auto rickshaw drivers belonging to underprivileged sections of society, underwent a one-day awareness workshop on defensive driving at MDS's/ IDTRs across India. In addition, refresher driving training was imparted to over 1,700 school and college bus drivers in the reporting year. As a part of its annual calendar, Maruti Suzuki also organised the Young Drivers' Contest to promote safe driving amongst the youth.

Advocacy

Maruti Suzuki is an active participant in SIAM SAFE activities to promote road safety. Maruti Suzuki's MEO (Engineering) is the current SAFE president. Maruti Suzuki and SAFE organised a seminar in association with the Transport Department, Delhi State Government, MoRTH, on 16th February 2011, at IDTR, Wazirabad Road, Delhi. The theme of the seminar was Road Safety Adds to the Quality of Life.

Maruti Suzuki and SAFE jointly supported the Delhi Traffic Police in implementing Traffic Volunteer Programme - CWG 2010, to ensure smooth traffic flow during the Commonwealth Games (CWG) with the help of 1,500 volunteers.

VOCATIONAL TRAINING

Skilled manpower is an essential requirement to drive economic growth. In India, while there is a large pool of workmen, their skill levels are far from the industry requirements. To address this issue, the government has launched a programme to transform ITIs into centres of excellence in partnership with industry.

Maruti Suzuki has become a part of this effort by undertaking to upgrade select ITIs across the country. The Company is presently working with seven ITIs, one each at Elathur (Kerala), Thirukkuvalai (Tamil Nadu), Hinganghat (Maharashtra) and four in Haryana at Jhajjar, Gurgaon and Rohtak. Of these seven partnerships, four were forged in the reporting year. As part of affirmative action, Maruti Suzuki has deliberately chosen to work with the ITI at Elathur that specifically caters to the Scheduled Caste and Scheduled Tribe (SC/ST) community. The ITIs at Gurgaon and Jhajjar are exclusively for women.

Maruti Suzuki has set up a dedicated department to undertake this initiative. Senior Company officials serve as chairmen on the Institute Management Committees of the adopted ITIs.



A young girl undergoing training at ITI, Gurgaon

Details of ITI partnerships are given in the table below.

SR. NO.	INSTITUTE	STATE	YEAR OF SIGNING MOU	ANNUAL CAPACITY (NO. OF STUDENTS)
1	ITI Gurgaon	Haryana	2006-07	885
2	ITI Rohtak	Haryana	2006-07	1,100
3	ITI for Women, Gurgaon	Haryana	2009-10	105
4	ITI for Women, Jhajjar	Haryana	2010-11	42
5	ITI Hinganghat	Maharashtra	2010-11	137
6	ITI Elathur	Kerala	2010-11	84
7	ITI Thirukkuvalai	Tamil Nadu	2010-11	156
Total number of student beneficiaries (Annual)				2,509

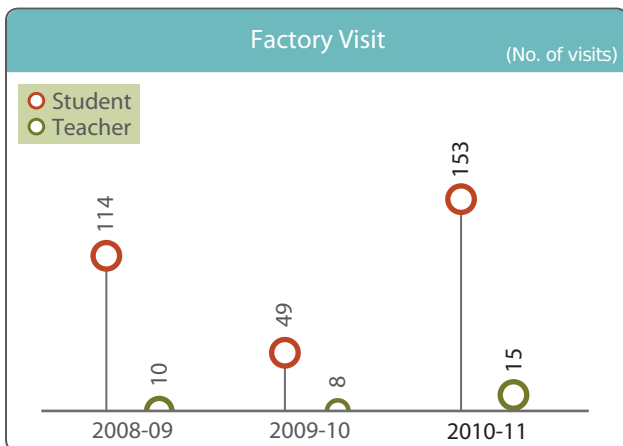
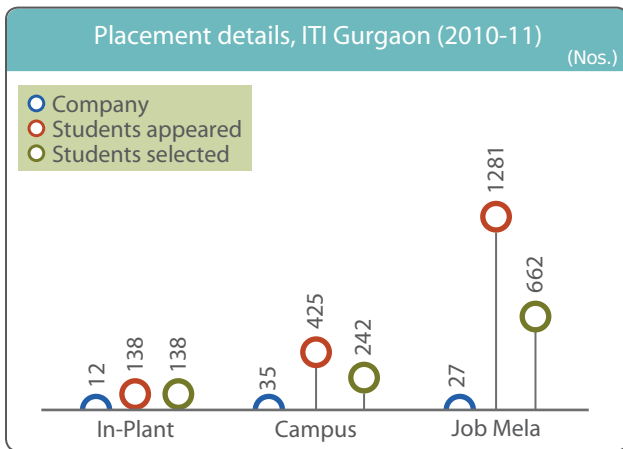
Maruti Suzuki partners with the ITIs for their overall upgradation. The upgradation programme includes:

1. Basic infrastructure development:
 - a. Class room furniture.
 - b. Workshops.
 - c. Maintenance of green areas.
 - d. Rain water harvesting.
2. Repair and maintenance of machines.
3. Provision of teaching aids.
4. Industry exposure to students and faculty through:
 - a. Factory visits.
 - b. Internships.

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5. Development of an Institute Development Plan.
6. Additional training sessions for overall development of students:
 - a. Employability skills: spoken English, interpersonal skills, work ethics.
 - b. Computer education: MS Office, internet.
 - c. Technical: Shop floor practices, CNC machines, advanced technologies, automobile systems, safety, quality.
7. Training of teachers:
 - a. Motivational and behavioural.
 - b. Communication skills and personality development.
 - c. Technical knowledge & skills on current technologies.

Details of training and exposure visits organised for the ITI's are mentioned in the chart below.



Making change, one step at a time: ITI for women

When MSIL began working with the women's ITI in Gurgaon, it didn't know where to start. The building was in a terrible condition, training equipments were obsolete and the students and teachers de-motivated. Overhauling the institute appeared to be an uphill task.

MSIL decided to take up upgradation of stitching and cutting centre first. A popular course amongst girls, once improved, the course would benefit many. It would also provide a source of income generation for the institute, which would enable the institute to pay back a part of soft loan provided to it by the government.

MSIL brought in two apparel makers on board of the Institute Management Committee. Both apparel makers, Givo and Orient Craft, were willing to employ the girls in their industry, if trained properly. They were also willing to give MSIL suggestions on upgrading the training centre, based on their expertise.

The sewing machines being used at the Institute were outdated. There was no way the students could learn on these machines and adapt to the real industry outside. The most pressing need of the trade was then to procure the latest machines. MSIL took its industry partners' help and identified the right kind of machines and 22 units of sewing machines were imported from Japan and installed in the refurbished classrooms.

Today the stitching and tailoring centre wears a brand new look. The improved infrastructure has infused the staff and students with new energy that has taken the teaching-learning experience to a new level.

The Service Division of the Company also engages with ITIs all over the country. The focus is specifically on the upgradation of the automobile trade at the institute. Currently, the division is actively working with 28 government and private ITIs. So far 500 students from these ITIs have been absorbed in the Maruti Suzuki service network.

COMMUNITY DEVELOPMENT

Maruti Suzuki is actively involved in community development of four villages surrounding its Manesar plant. Healthcare, education, infrastructure development and skill training are the focus areas for intervention.

Health camps were held periodically around the year to make curative health care services available to the villagers. Based on community requirements, speciality camps such as eye camps and camps for women and young girls were held with the help of professional doctors. Nukkad natakas were organised to spread awareness about the negative impact of drug addiction. To spread health awareness among school children, healthy habits display boards were placed in all village schools.

First generation school goers often lack family support in completing their home work and help in preparing



Students learning basic computer skills at the computer centre at Aliyar village, Manesar

Driving towards a new future

Krishna Kumar lived in a joint family and did odd jobs to keep his family afloat. But the guilt of not contributing enough towards his family's upkeep often ate at him. He had changed several jobs, being unsatisfied in each of them. His family often worried if he would ever hold a job consistently.

Krishna's friends informed him of the driving training MSIL was offering village youth under Naukri Ki Pathshala programme. He enrolled albeit a little unsure of what he would do after the training. Attending classes at Maruti Driving School, Gurgaon, Krishna learnt theoretical concepts, tried his hand out at driving at the simulator and finally got to drive a car under the guidance of a trained instructor. On finishing his training, the CSR field coordinator, engaged him in a discussion about what he could do after the training. The discussion made him realise that it made good sense to utilise his skills as a driver to earn a living. The field coordinator put him in touch with the vehicle dispatch department of MSIL in Manesar, where he was interviewed and found suitable for a position of a driver. He landed the job, much to his surprise, and was asked to join at the earliest.

A consistent, diligent worker, Krishna is liked by his seniors and peer. He speaks of the change he has personally undergone, "Earlier my family wasn't happy with the work I did. I also had a short temper. But today I am an entirely different person." A happy man today, Krishan appreciates the transformation his life has undergone that wouldn't have been possible without the training he took.



social performance > social initiatives



Health camp at Manesar village

for their exams. Knowing that education opens vistas of opportunities for people, Maruti Suzuki runs evening classes to support children in these areas. Currently the Company is running three education support centres in the villages. These are run by teachers identified from the community. About 140 children from classes II to VII derive benefit from these classes.

On the request of the villagers, a computer literacy centre has been set up at village Aliyar. In an example of community participation, the space for the centre was provided by the village panchayat and the selection of teachers was also undertaken by them. The centre became operational in March 2011 with a batch of 60 students.

In 2010-11, the Company undertook repair and maintenance of the government school at Baas village, which included construction of a boundary wall, toilets, two classrooms, pavements and landscaping.

The focus of vocational training in Manesar has been on imparting driving training to unemployed youth. In 2010-11, Maruti Suzuki trained 50 unemployed youth from the villages in driving skills. So far 134 unemployed youth have been trained and of this, 65% have found employment, either in an existing enterprise or have started their own taxi/auto service. Some have also found employment at Maruti Suzuki's vehicle dispatch operations at the Manesar plant.

EMPLOYEE VOLUNTEERING

Maruti Suzuki's employee volunteering programme, e-Parivartan took a step forward in the year 2010-11, with employees preparing centre development plans and carrying out various improvement activities in a planned and structured manner. Employee participation and contribution increased in 2010-11; 97 employees joined e-Parivartan, taking the total number of volunteers to 304. They contributed 2,792 volunteer hours during the year. Cumulatively, employees have spent 7,095 hours in volunteering since the launch of the programme in November, 2008. In 2010-11 there were 24 active volunteering centres as compared to 19 in the previous year.

The Company has tied up with several local NGOs for this programme. Employees visit the NGO centres on Sundays and holidays and contribute towards a social cause of their interest. Many of them are joined by their families.

The efforts of the volunteers are well appreciated by the NGO partners.

Ms. Richa Mohan, Director of Empowering Minds, mentions, *"The volunteers are the backbone of an organisation that is still in its nascent stage and requires benevolent individuals to come forward and assist in the day-to-day functioning."*



Exuberant children at an e-Parivartan volunteering centre

Mrs. Jolly Geevarghese, Senior Programme Manager at Asharan Orphanage, feels that *“The attitude of the volunteers towards the children of Asharan is greatly appreciable. They bring in a lot of energy, happiness and knowledge.”*

The volunteers too derive great benefit from this activity. Driven by a sense of purpose, they feel happy to be able to make a small contribution to the lives of those less privileged.

“Volunteering is a means to serve others; I try to contribute in a small way to help disadvantaged children realize their dreams”, feels Piyush Manocha from Machine Engineering.

“Volunteering for a good cause requires commitment but at the same time it gives us enormous happiness”, says Manjushri Arya from the IT department.

SCHOOLS

Maruti Suzuki runs two schools for the children of its employees and local community in partnership with the Delhi Public School Society. The Company has set up the Maruti Employee Education Trust (MEET) to promote education.



Mr. Siddiqui, MEO (Administration - HR, IT, Finance & COSL) spending time with young children



Spreading the message of 5S

A group of employees from Maruti Suzuki’s Gurgaon facility regularly volunteer at the Bal Vihar centre in New Delhi. Their main objective is to make a positive change in the lives of the destitute children residing there.

After familiarising themselves with the Centre, the volunteers felt a definite need to transfer some of MSIL’s management skills and practices to the children and staff. To drive home the importance of cleanliness and to inspire the home residents to keep their premises clean, the volunteers undertook a massive cleaning drive.

In an operation that lasted almost the entire day, the entire home was set in order. The volunteers were joined by the children and staff. Waste material that the centre had been collecting over the years was separated out, scrap sold off to scrap dealers, and all usable material re-organised and rearranged. Cleaning material such as brooms, floor disinfectants, mops were provided to the home and several posters on clean living were put up at several locations. At the end of the exhausting exercise, the home was squeaky clean, much to the delight of the residents and volunteers and as an example, the volunteers could demonstrate to the residents the importance of 5S, a practice deeply engrained in every Maruti Suzuki employee.

social performance > product responsibility

CUSTOMER HEALTH AND SAFETY

All Maruti Suzuki vehicles meet the prevailing safety regulations of the country. The active and passive safety devices provided in the vehicles ensure driver and vehicle safety in the event of an unavoidable accident.

Customer Convenience and Safety of LPG and CNG Vehicles

The compact toroidal LPG tank fitted in the WagonR Duo maximises the fuel filling capacity and minimises the luggage space occupied by the fuel tank. An LPG malfunction indication lamp is fitted to warn the driver in the event of any malfunction for enhanced safety.

Maruti Suzuki is a first mover in offering factory fitted CNG cars in India. Maruti Suzuki's CNG cars meet stringent global safety standards. The efficient NGV receptacle fitted in Maruti Suzuki vehicles reduces the average CNG filling time to two-third, thereby providing convenience to customers. Pre-formed stainless steel pipes and joints provide additional safety to the customers. The vehicle can be driven for longer distances with a 250 km range in one CNG filling. The Company is also working on dedicated CNG projects where the vehicle will run only on CNG.

Asbestos Free Vehicles

The use of asbestos in any product is not considered good for health. Therefore, as a responsible corporate, Maruti Suzuki decided not to use asbestos in its vehicles, although there is no regulation in India for this. This changeover was implemented in December, 2010. All new Maruti Suzuki models and spare parts have been made asbestos-free. Asbestos is banned in European Union countries.

Transmission and Safety Technologies in Kizashi

In 2010-11, Maruti Suzuki entered the premier segment by launching India's first luxury sport sedan, Kizashi. Kizashi is fitted with continuously variable transmission (CVT) technology, which can change seamlessly through an infinite number of effective gear ratios between maximum and minimum values, increasing fuel efficiency substantially compared to that of manual transmission.

Kizashi offers advanced safety features such as ESP (Electronic Stability Programme) and HHC (Hill Hold Control), which enable the customer to drive uphill from a standing start without rolling backward, thus ensuring absolute safety of the passenger. Kizashi's suspension has

been specially tuned to tackle Indian road conditions and provide comfort to customers.

New Automatic Transmission in A-star

A unique "A-shift" of A-star AT allows easy down-shift and effortless up-shift to ensure a smooth and sporty drive. The instrument cluster incorporates a display to highlight the engaged gear. Customers can experience the smoothness of automatic transmission and glide through traffic automatically without changing gears even through bumper-to-bumper traffic conditions.

Product Recall

As a responsible automobile manufacturer, the Company proactively recalled 13,157 diesel cars produced in 2010-11 to inspect the connecting rod bolt of Swift, DZire and Ritz Diesel variants and to replace the defective parts with new parts free of cost. The activity was undertaken at a rapid pace for the affected vehicles in the domestic market to ensure that our esteemed customers continue driving the vehicles with absolute peace of mind.

CONSUMER PRIVACY AND SHARING OF CONSUMER INFORMATION

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

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 2010-11.

RESPONSIBLE ADVERTISING AND ANTI-COMPETITIVE BEHAVIOUR

Maruti Suzuki is a member of the Advertising Standards Council of India (ASCI) and follows its Code for Self Regulation in Advertising and Marketing Communications. Maruti Suzuki makes sure that the advertisement content does not depict anti-competitive behaviour and intentions; and abstains from any kind of sexually explicit,

malicious alignment, offensive or anti-social content in all its marketing communications at the mass and local levels.

Advertisements which contain performance stunts required for the brand image of the car are always shown with clear disclaimer and caution statements. Maruti Suzuki also releases communications in the public interest to promote safe driving and is open to reviewing its marketing communications based on specific feedback.

No notice for investigation under Section 19 of the Companies Act, 2001, was received in 2010-11.

Compliance

All vehicles launched by the Company comply with 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 its products and services in 2010-11.

CUSTOMER SATISFACTION

The customer satisfaction philosophy is well defined in the Quality Policy of the Company. Customer satisfaction is measured at the time of sale as well as service and forms an important part of the dealer evaluation process and balanced score card.

Product Information Disclosure and Labelling

The Owner's Manual and Service Booklet is provided to each customer with the purchase of a car and contains all information relating to safety, operation and maintenance of the vehicle. At the time of vehicle delivery, technical features of the vehicle are explained to the customer. Product related information is also available on the Company's website. Critical information on product usage (e.g. AC gas, tire pressure, brake fluid etc) is displayed on the labels and provided on the products for information and educational purposes. In addition, periodic customer meets are conducted at dealer workshops for customer education and awareness on product usage.

Customer Awareness

Maruti Suzuki is concerned about customer safety. In 2010-11, customer safety awareness bulletins were shared with dealers for educating customers with safety tips on seat belt usage and driving during extreme weather conditions. To emphasise on road safety, Maruti Suzuki-authorized



Steering durability test



Airbags for customer safety

workshops displayed road safety banners and distributed information pamphlets to customers during Road Safety Week.

The Company promotes the use of genuine spare parts and accessories, and runs campaigns to spread awareness among customers to avoid the use of spurious parts.

Customer Relationship Management

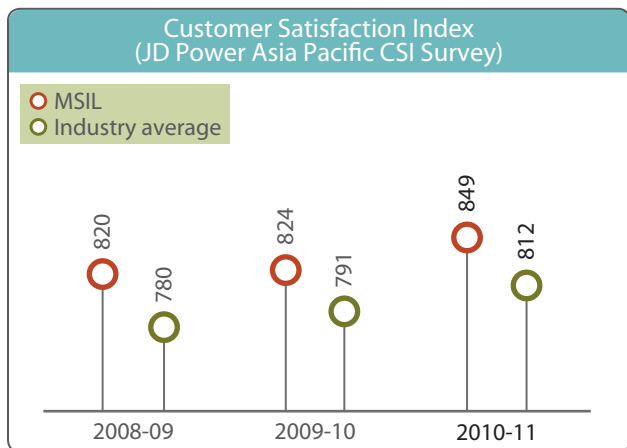
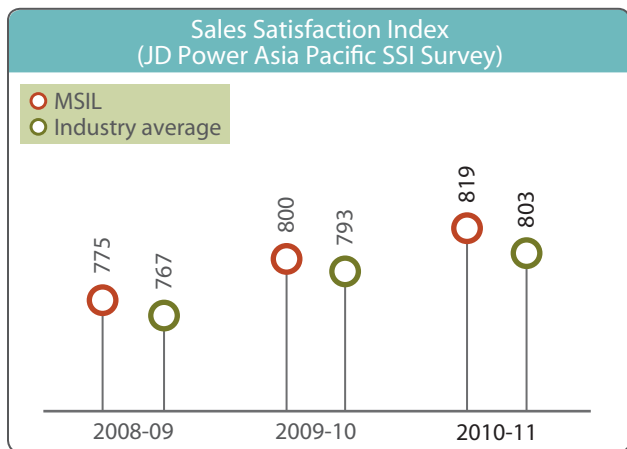
Maruti Suzuki has instituted a robust customer complaints and grievances redressal management system. Feedback on customers' experience of the services availed at the workshops is frequently collected. Telephonic surveys and e-feedback card systems have been implemented to improve existing processes and systems.

Customer Relationship Building

Customer relationship building activities like mega check-up camps are organised at different locations to strengthen the Company's bond with its customers. In 2010-11, 398 mega camps were organised across 260 cities and were attended by over 3,00,000 customers.

social performance > product responsibility

In the reporting year, customers rated Maruti Suzuki no.1 in the JD Power Asia Pacific Customer Satisfaction Index (CSI) Survey; the Company was rated no.1 in the Sales Satisfaction Index (SSI) three times in a row.



Service Network

The Company has created an efficient service infrastructure, equipped with world class service facilities, standardised processes and skilled manpower of nearly 32,800, to provide service to over 1.2 million customers every month. The Company has a strong service network of 2,946 service outlets spread across the country, covering 1,395 cities.

Work Shops on National Highways

Maruti Suzuki has 1,027 service workshops on 97 national and state highways, covering a road length of 32,308 km. Besides this, Maruti Suzuki assures customers of vehicle

servicing facilities on all the major 144 express highways at an average distance of 32 km.

Faster Service through Express Service and 2-Tech Bays

Cars that have covered up to 20,000 kilometres and require only minor repair jobs are serviced and handed over to the customer within 2 to 3 hours. As on 31st March, 2011; 1,051 express service bays have been activated. The express body repair concept has been introduced in 129 body shops to provide faster service.

Maruti-on-Road Service (MOS)

Maruti Suzuki provides 24 hour-assistance to customers in case of vehicle break downs through MOS's in 49 cities across the country. The MOS toll free number is given to customers at the time of sale. In 2010-11, more than 100,000 customers were provided with assistance through this service.

Maruti Mobile Service Workshop

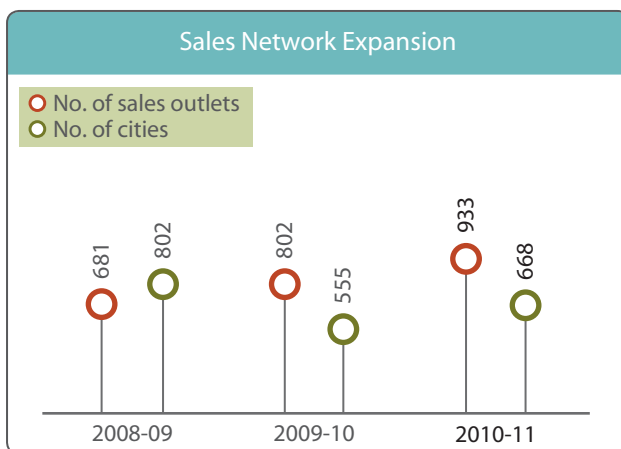
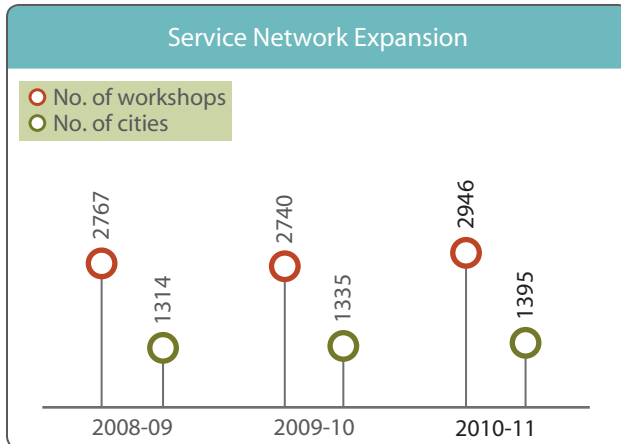
Maruti Suzuki provides a vehicle servicing facility at the doorstep of the customer with a mobile vehicle equipped with tools required for regular service and minor repairs. A total of 127 mobile service workshops were in operation in 89 cities as on 31st March, 2011.



Technicians at a service workshop

Extended Shift Operations of Workshops

For the convenience of customers, the Company operates its workshops in extended shifts and even during the night. There are 69 workshops operating at extended shifts (12 to 16-hour operations per day), and 6 workshops operating during the night shift (more than 16-hour operations per day). No additional charges are levied on customers for availing this service.



ISO Certification

Maruti Suzuki facilitates ISO 9001:2008 audits and certification for dealer workshops, Maruti Service Zones (MSZ's) and Maruti Authorised Service Stations (MASS's). The Company also organises training of workshop staff on ISO procedures and systems. As on 31st March, 2011; 496 dealer workshops/MSM's/MSZ's and 295 MASS's were ISO 9001:2008 certified.

Workshop Staff Skill Enhancement

Maruti Suzuki has set up Regional Training Centres at 15 locations across the country and a Central Service Training Centre (CSTC) at Gurgaon, Haryana, to provide training and upgrade the technical skills of workshop staff.

Maruti Suzuki provides technical and soft skill training to service advisors for better customer interaction, understanding and fulfilling customer requirements.

A Special Diagnostic Course Module has been developed to improve the diagnostic skills of workshop personnel. This course provides the right approach to trainees to diagnose and resolve field complaints in the first attempt. Around 178 dealer service technicians were trained during 2010-11. Computer Based Training modules have also been developed and included in the dealer in-house course module; 915 persons have been trained through 205 dealer outlets.

Overseas Service Support

Maruti Suzuki supports its overseas distributors in 83 countries in after sales activities through technical feedback analysis and counter-measures. The Export Service section collects customers' feedback on product quality from overseas markets, shares it with the concerned departments and the senior management for product improvements; the section also keeps overseas distributors updated about the latest technical information through service bulletins.

Ten training sessions were conducted for 32 overseas distributors in Bhutan, Bangladesh, Nepal, Sri Lanka, Mauritius, Seychelles, Tanzania, Malaysia, Vietnam and Hong Kong; 63 participants were trained through these sessions.

Oil Management System

Maruti Suzuki also initiated the use of an automated oil management system for its dealer workshops. This is done in order to minimize the oil spillage in the workshops and to reduce the time and effort required to issue the oil, thereby improving the overall productivity of the workshops. It provides control and monitoring on oil quantities so that wastages can be identified and controlled. The oil management system was implemented in 175 workshops till March, 2011.

> closing remarks

Maruti Suzuki's walk on the path of sustainability is one that is constantly evolving. This path of improvement pushes the Company to continuously improve its performance on its triple bottom line. The participation and contribution of the partners has been an important contributor to this improvement. The Company looks forward to further improve its performance on key sustainability parameters in the coming year.