



where

# ALTERNATIVE is NATIVE



Alternative Thinking has grown from strength to strength in Mahindra and rethinking the regular has become a regular.

In a world where standard, legacy approaches are fast leading to economic, social and environmental deadends, at Mahindra, Alternative Thinking is driving sustainability to the heart of every business decision. It is not only helping us cater to the exponentially rising societal and environmental demands, but also equipping us to harness emerging economic opportunities.

Alternative Thinking is the strong foundation on which we are building global sustainable businesses which contribute towards a progressive sustainable society.

alternative  
THINKING

# 01

## EXECUTIVE SPEAK

### Chairman's Address

Three years ago, the Mahindra Group set out on a sustainability journey, using “Alternative Thinking” as the guiding principle. This principle has taken firm root and has helped us in our quest for creating an environment of business growth while being sensitive to the environment as well as communities in which we operate. It gives me great pleasure to present the 3rd Group Sustainability report to all our stakeholders, based on the GRI reporting framework. The focus in this report is on strategic initiatives taken at the Business level as well as the unit level towards achievement of the Goals set in our Group Sustainability review last year. The progress charted under all commitments has been encouraging and we are on target to achieve all of them.



**At the Mahindra Group, we recognize the significance of Climate Change and the two biggest challenges it poses - poverty and natural resource constraints.**

There is also the challenge of constant and inevitable change in the business and the political environment, and we may not have immediate answers to all these issues. However, However, we are clear about one thing - if India wins, we win. Hence our strategies will primarily be towards societal prosperity and bridging our urban-rural divide.

For Mahindra, 'Sustainable Development' is a newly articulated ancient wisdom. All businesses which have survived the trials of business cycles over decades would bear this out. We are indeed proud to be one from that genre of Companies. We have grown from an assembly unit for Willis jeeps in 1945, to a multi product, global player only because we followed the principles of sound corporate governance, transparency, accountability and adopted practices that could bring about an all-round growth.

We are committed to the cause of our people, our country and our planet. We will continue to live by the ethos and principles of responsible business practices and look upon all our stakeholders to support us in this endeavour.

**We are committed to the cause of our People, our Country and our Planet**

Yours sincerely,



Keshub Mahindra  
Chairman,  
Mahindra & Mahindra Limited

01 EXECUTIVE SPEAK

**Message from VC and MD**

The year 2009-2010 has been yet another year of growth in our existing businesses and diversification into new territories for the Mahindra Group, with positive results under the economic, social as well as the environmental performance. Moreover, after 3 years, our triple bottom line reporting process has become more robust and has moved from intention, to commitment, to well-established roadmaps.

Across the Group, sustainability as a concept has gained considerable momentum at the strategic, managerial and operational levels, which has enabled us to further widen the breadth and depth of our reporting this year. Besides enhancing the scope of the report to cover 93.8 % of the Group's gross annual turnover from Indian operations, an in-depth analysis of key stakeholders and materiality issues was carried out. This has helped in further aligning business practices with social needs and expectations and thereby helped in driving long-term sustainability and shareholder value. To further enhance the quality of our report, an exercise for capturing data of the environmental footprint caused by our products, processes and people was undertaken during the year, and this report details the direct as well as indirect emissions from our manufacturing as well as non-manufacturing businesses scoped in the report.



**As this third Sustainability Review of the Mahindra Group highlights, our commitment to technology and societal development are the two important drivers not just of our Group's growth but also our country's prosperity.**

At Mahindra we strongly believe that improved environmental performance in the long-run will lead to improved financial performance on a sustained basis - and a long-term business view requires investment in R&D, as well as new technology. Our new manufacturing plant at Chakan in Western India and our new research facility at Chennai in South India are manifestations of this philosophy. With an investment of around 1 billion USD and a capacity to produce 300,000 vehicles, this facility is an answer to smart and sustainable engineering. Our 100 million USD investment in the "Mahindra Research Valley" (MRV) - which is a fully integrated R&D facility, will focus on constant upgrading of fuel efficiency and alternative fuel technologies in all our future offerings.

Our commitment to society is integral to our corporate culture. Hence, besides the structured support we offer in areas of Education, Health and Green Cover, by setting aside a portion of our profits, social commitment is also integrated in our business offerings. While all our businesses foster growth among the communities around which they operate in terms of employment generation and improved quality of life, two of our verticals have created business models with a direct linkage to societal development. The Farm Sector has moved from tractor manufacturing to providing agri-solutions to the farming community. With a vision of "Impacting lives and delivering 'Farm Tech Prosperity' to 10 million farmers by 2020," a unique business model has been created to improve the quality of life through technology. The Financial Services sector complements this initiative in a big way by offering loans to over a million customers in rural India. These efforts would hopefully make a small but meaningful contribution to India's challenge of rural development.

**Our commitment to society is integral to our corporate culture. Hence, besides the structured support we offer in areas of Education, Health and Green Cover, by setting aside a portion of our profits, social commitment is also integrated in our business offerings.**

Yours sincerely,



**Anand Mahindra**  
Vice Chairman & CEO, Mahindra & Mahindra Limited  
Chairman, Group Management Board

# 02

## REPORTING PROCESS

### Materiality

As materiality is the fountainhead of all our sustainability initiatives, we periodically revisit our material issues and continuously enhance the process of defining them.

**This year we conducted an internal value chain analysis to help us explore and communicate shared priorities - areas where broader societal opportunities and challenges align with our business strategy.**

The exercise helped identify the material issues across different nodes of the value chain, informing our discussions with stakeholders and performance reporting in this year's report.

#### Enhanced Materiality Definition Process

The list of stakeholders and material issues identified by the sectors last year were paired with sector specific global industry issues. These were then, in consultation with the business head of the location, mapped against the sector's most important nodes (stages) in the business value chain. The outcome of this exercise was the mapping of stakeholders and material issues at each node for each sector.



The analysis of material issues mapped against identified nodes revealed two levels of material issues.

**1** Set of material issues which are non-negotiable for Mahindra Group and will always be significant to us:

**Statutory Requirements**

**Business Ethics, Corporate Governance & Transparency**

**Legal Compliance**



**2** Set of key material issues common to Mahindra Group:

**Shareholder Returns**

**Employee Satisfaction and Talent Management**

**Environmental Sustainability:**

- Water & Energy Management
- Air & Land Pollution • Climate Change
- Crude Oil prices • E-waste Management and all other waste disposal • Disaster Management

**Product Responsibility:**

- Product Safety • Fuel Efficiency
- Vehicle Emissions • End of Life Disposal
- Less Energy Intensive Design

## 02 REPORTING PROCESS

### Material Issues Across M&M

N O D E S					
R&D	Inbound Logistics	Manufacturing	Outbound Logistics	Disposal	Others*
Statutory requirements	Statutory requirements	Legal compliance	Route optimization	E-waste management	Shareholder returns
Innovation	Human rights	Pollution control	Vehicle emissions	Statutory requirements	Revenue
Fuel efficiency	Local supplier development	Employee satisfaction	Dealer development	Cost effectiveness	Promoting product safety
End of life disposal	Waste disposal	Disaster management	Human Rights	Minimize environmental impacts	Crude oil prices
Value for money	Business ethics	Safety & health	Business ethics		Competitor behavior & synergy
Less energy intensive design	Cost effectiveness	IR	Job opportunities		Data privacy
Ride pleasure	Optimization	Wages	Safety & stockyard management		Training
	Part quality	Water & energy management	Cost effectiveness		Community goodwill
	Transparency & trust	Bio diversity			Diversification
		Knowledge enhancement			
		Talent management			
M A T E R I A L I S S U E S					

\*Others category includes - Marketing & Sales, Internal operations, Asset creation, Warehousing

## Report Boundary

The reporting period for Mahindra's third sustainability report is April 2009 to March 2010. The previous web-based Corporate Sustainability Report was uploaded in the public domain in October 2009. We remain committed to report on an annual basis, as mentioned in our first Sustainability report in 2007-08.

This year we have enhanced the scope of the report to

cover 93.8% of our Group's gross annual turnover from Indian Operations. We have attempted to account the triple bottom-line over an enlarged scope, by adding businesses which are under management control of M&M Limited.

The reporting methodology is based on the internationally recognised Global Reporting Initiative (GRI) Sustainability Reporting G3 Guidelines (2006).


The report includes:



**Automotive Sector**  
• Mahindra & Mahindra Ltd. *Automotive Division*




**Mahindra Partner Division**  
• Mahindra Intertrade Ltd. (MIL)  
• Mahindra Steel Service Centre Ltd. (MSSCL)  
• Mahindra Logistics Ltd. (MLL)



**Farm Equipment Sector**  
• Mahindra & Mahindra Ltd. *Farm Equipment Division*  
• Mahindra & Mahindra Ltd. *Swaraj Division*



**Information Technology Sector**  
• Tech Mahindra Ltd.



**Two Wheeler Sector**  
• Mahindra Two Wheelers Ltd. (MTWL)\*

## 02 REPORTING PROCESS

**Infrastructure Development Sector**

- Mahindra Lifespace Developers Ltd. (MLDL)
- Mahindra Holidays & Resorts India Ltd. (MHRIL)
- Mahindra World City Developers Ltd. (MWCDL)
- Mahindra World City Jaipur Ltd. (MWCJL)

**Financial Services Sector**

- Mahindra & Mahindra Financial Services Ltd. (MMFSL)

*\*Companies added in the scope this year*

**Systems & Technologies Sector (Systech)**

- Mahindra UGINE Steel Company Ltd. (MUSCO)
- Mahindra Forgings Ltd. (MFL)
- Mahindra Castings Ltd.
- Mahindra Composites Ltd. (MCL)
- Mahindra Gears & Transmissions Pvt. Ltd. (MSAR)

This report has been externally assured by Ernst & Young (India) Private Limited.

This report is based on GRI-G3 Guidelines (2006) and is a 'GRI Checked' Application Level A+ report.

## Report Scope Limitations

This report is India centric and excludes:

- **International operations**
- **Businesses which were acquired in or commenced operations in the financial year 2009-10.**
- **Retail business**
- **Insurance Business**
- **Mahindra Satyam**
- **Aftermarket sector (comprising of 3 verticals: purchase & sale of pre-owned vehicle, multi brand car service chain, and sale of auto spare parts)**
- **Speciality business like media & entertainment, defense services & special services group**
- **Office buildings, out station depots and dealerships**
- **Following companies / plants of manufacturing sectors:**
  - Mahindra Vehicle Manufacturing Ltd. *Chakan (Auto Sector)*
  - Mahindra Navistar Automotives Ltd.
  - Mahindra Navistar Engines Pvt. Ltd.
  - Swaraj Engines Ltd. *(Farm Equipment Sector)*
  - Mahindra Gujarat Tractor Ltd. *(MGTL)*
  - Mahindra Shubhlabh
  - Mahindra Powerol
  - Mahindra Steel Service Centre Ltd., *Bhopal*
  - Mahindra Steel Service Centre Ltd., *Vadodara*

### Feedback

We encourage feedback from all our internal and external stakeholders. Your suggestions are vital and will help us improve not only the quality of our reporting but also the quality of our products and services.



Please email your suggestions / views / opinions to  
[sustainability@mahindra.com](mailto:sustainability@mahindra.com)

or call our toll free number:

Location of the organization's headquarters  
**Mahindra & Mahindra Ltd.,**  
Gateway Building, Apollo Bunder,  
Mumbai 400 001

## 02 REPORTING PROCESS

### Independent Assurance



The Management and Board of Directors  
Mahindra Group  
Mumbai, India

#### Our engagement

The Mahindra Group ("Group") retained Ernst & Young Pvt. Ltd. ("EY") to provide an independent assurance on its Corporate Sustainability Report for the financial year 2009-10 ("Report").

The Group's management is responsible for the contents of the Report, its presentation, identification of key issues, engagement with stakeholders and its presentation. EY's responsibility is to provide independent assurance on the report content as described in the scope of assurance.

Our responsibility in performing our assurance activities is to the management of the Group only and in accordance with the terms of reference agreed with the Group. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Group's overall performance, except for the aspects mentioned in the scope below.

#### Level of assurance and criteria used

The assurance engagement was planned and performed in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures have been designed to obtain a limited level of assurance (as set out in ISAE 3000) on which to base our conclusions. Moreover, for sustainability performance indicators our work employed the criteria of the reporting principles and indicators of GRI 2006 guidelines (GRI-G3) while for Scope 1, 2 and 3 GHG emissions the Greenhouse Gas Protocol (Revised Edition) developed by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) was used.

#### What we did to form our conclusions

Within the scope of our engagement, we requested evidence on a sample basis based on risk and materiality criteria to obtain a limited level of assurance on the contents of the Report.

The performance of our engagement mainly involved the following key steps:

- Interviews at the Group's corporate office to understand the sustainability commitment, management of key sustainability issues and review of stakeholders' engagement process;
- Interviews and analytical considerations with employees from select departments at the Group's corporate office, at sector level and at the sites visited as well as review of relevant documents and systems for gathering, analyzing and aggregating sustainability performance data in the reporting period;
- Review of material qualitative statements in the Report with regard to consistency and plausibility and review of select underlying documents;
- Appropriate evidences to support the conclusions in this assurance report were obtained. Most of the information and data reviewed were supported with documentary evidence; wherever such documentary evidence could not be collected on account of confidential information, our team physically reviewed the documents.

#### Scope and Exclusions of our engagement

The scope of assurance covers the following aspects of the Report:

- Data and information related to the Group's sustainability performance for the period 1st April 2009 to 31st March 2010.

## 02 REPORTING PROCESS

- Sustainability specific data and information related to energy, water and waste management, workforce and safety;
- Review of the GRI specific core performance indicators and information reported from the following business sectors, companies and locations:

### **Automotive Sector**

Mahindra & Mahindra Limited - Kandivili, Igatpuri, Zaheerabad, Nasik, Haridwar;

### **Farm Equipment Sector**

Mahindra & Mahindra Limited - Kandivili, Jaipur, Nagpur, Rudrapur, Swaraj division;

### **Systems and Technologies Sector**

Mahindra Ugine Steel Company Limited - Steel division -Khopoli, MUSCO Stampings division - Kanhe, Nasik, Rudrapur, Mahindra Forgings Limited (MFL) - Chakan, Mahindra Castings Limited (Hinoday) - Bhosari, Urse, Mahindra Composites- Pune, Mangoan, Mahindra Gears & Transmissions Private Limited - Rajkot;

### **Infrastructure Development Sector**

Mahindra Lifespace Developers Limited - Splendour Mumbai, Eminent Mumbai, Royale Pune, Chloris Faridabad, Sylvan County Chennai, Mahindra World City Developers Limited - Chennai (MWC-C), Mahindra World City Jaipur Limited (MWC-J), Mahindra Holidays & Resorts India Limited - Coorg, Goa, Munnar)

### **Mahindra Partners Division**

Mahindra Intertrade Ltd. - Nasik, Worli, Mahindra Steel Service Centre Ltd.- Kanhe, Mahindra Logistics Limited- Chennai, Delhi, Kolkata, Mumbai;

### **Information Technology Sector**

Tech Mahindra Limited

### **Financial Services Sector**

Mahindra & Mahindra Financial Services Limited

### **Two Wheeler Sector**

Mahindra Two Wheelers Limited - Pithampur

- Visits to 17 sample sites across 8 sectors amongst those listed above where our work comprised review of the above mentioned indicators for these locations.

## Exclusions

The assurance scope excludes:

- Operations of the Group outside India;
- Aspects of the Report other than those mentioned above;
- Data and information outside the defined reporting period (1 April 2009 to 31 March 2010);
- The Group's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Group;
- Data and information on economic and financial performance of the Group.

## Observations and opportunities for improvement

Our observations and opportunities for improvements were raised in a report to the Mahindra Group management. Selected observations have been provided below:

- The Report covers the most significant business sectors of the Group. The reporting scope for FY 2009-10, compared to that of FY 2008-09, has been expanded with the inclusion of a new sector, namely, Mahindra Two Wheelers Limited as well as new businesses within the previously reporting sectors;
- The Group has identified key material issues across the value chain of its sectors;



## 02 REPORTING PROCESS

- The progress against 7 commitments as articulated in the Group's 'Sustainability Roadmap' has been reported for the Group;
- Coverage of certain indicators such as workforce and waste has increased across the sectors;
- A Group-wide exercise was conducted to determine the corporate carbon footprint involving both assessment of the carbon footprint for new sectors and update of the footprint of sectors that had previously established their respective baselines. While the current systems provides an appropriate basis for the disclosure of CO<sub>2</sub> emissions data for Scope 1 and 2 emissions, systems to capture data relating to Scope 3 emissions need to be further strengthened. We were informed by the management that robust systems for capturing reliable data for Scope 3 emissions are in the process of being established, and that the data quality would improve in future reports.
- Data pertaining to a few environment indicators was found to have been reported on the basis of certain assumptions. The management has stated that the monitoring systems for the same are in the process of being established and would be effective from future reporting cycles.

### Our conclusions

Based on our work, nothing has come to our attention that causes us not to believe that the Report contents are presented fairly, in material respects, in keeping with the GRI-G3 reporting principles and criteria.

### Our assurance team

Our assurance team, comprising of multidisciplinary professionals, was drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses.

### for Ernst & Young Private Limited



**Sudipta Das**  
Partner

Dated: 10 October 2010  
Kolkata

# 03

## GROUP PROFILE

### The Mahindra Group

Mahindra embarked on its journey in 1945 by assembling the Willys Jeep in India and is now a USD 7.1 billion Indian multinational. It is a conglomerate of 105 companies in varied businesses and employs over 1,00,000 people across the globe. It is today a full-range player with a presence in almost every segment of the automobile industry, from two-wheelers to CVs, UVs, SUVs and sedan.

**Mahindra is the only Indian company among the top tractor brands in the world. It has a significant and growing presence in financial services, IT, tourism, infrastructure development and trade & logistics.**

After its dominance in certain categories of automobiles and two wheeler segments, its latest foray is in the aeronautic space with 2 strategic acquisitions - Gippsland Aeronautics and Aerostaff Australia in FY 09-10.

Renewable energy is critical to the future growth of the Group as well as the country. This imperative has led Mahindra to foray into the exploration of renewable power options, under the Mahindra Cleantech Ventures initiative. The first step has been taken in the solar space, with an aim to be at the forefront of the solar revolution in India. Powered by advanced technologies, innovative solutions, proven engineering and project development expertise, Mahindra Solar will provide an entire portfolio of both on-grid and off-grid power solutions.

The Mahindra Group today enjoys a strong brand image with operations in diverse businesses having global presence, with plants in China, UK, and USA, partnerships with international companies like Renault SA, France and International Truck and Engine Corporation, USA, subsidiaries in Italy, USA, China and South Africa and its products exported the world over.

A list of Mahindra's subsidiaries and Joint Ventures can be found in Mahindra's 2009-2010 Annual Report.

*The above is a brief write-up of the entire Mahindra Group and not just the companies included in report scope.*

### Shareholding Pattern

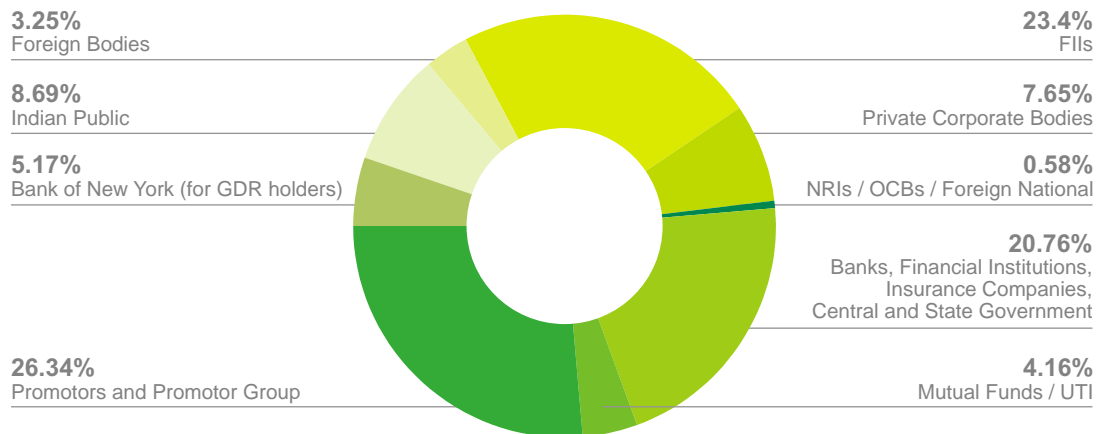


Figure-1 Shareholding pattern as on 31st March, 2010.

*\*All figures are as on 31st March, 2010.*

*\*FIIs do not include shareholding aggregating 13.52 million shares representing 2.34% of the paid-up capital of the Company held by a FII as the same is included under the category of Promoters and Promoter Group.*

### Changes in share capital structure during the reporting period

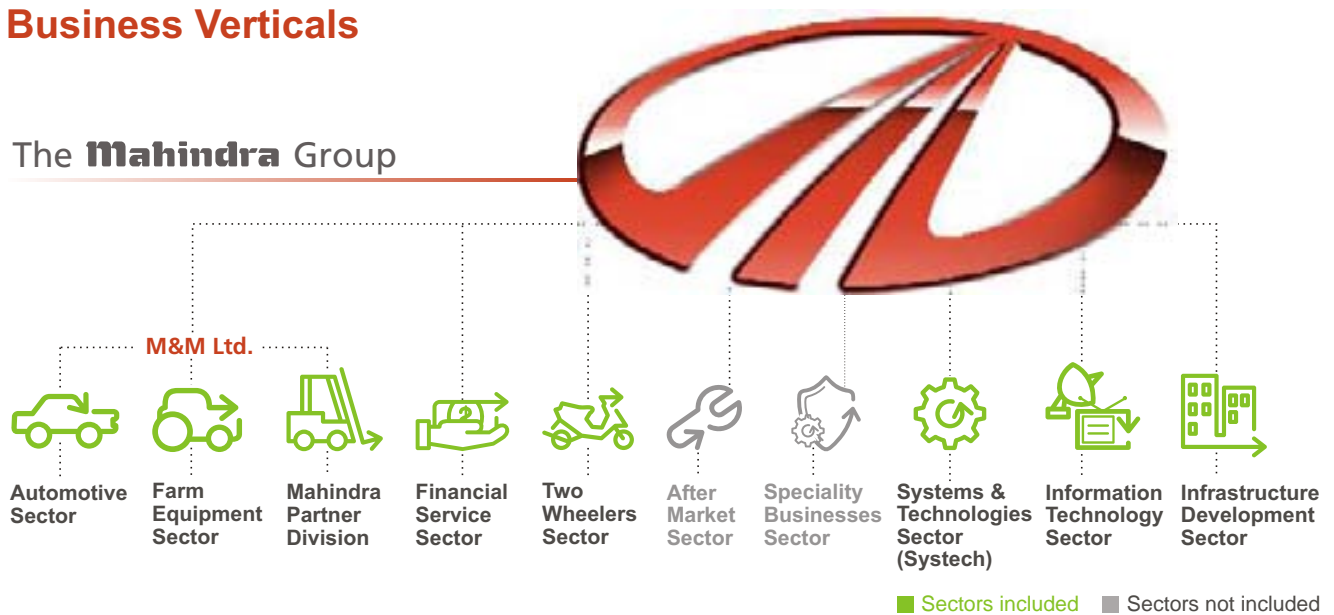
Upon sub-division of the face value of Ordinary (Equity) Shares, the authorised share capital of the Company is INR 6250 million divided into 120,00,00,000 Ordinary (Equity) Shares of INR 5 each and 25,00,000 unclassified shares of INR 100 each. The issued, subscribed and paid-up share capital of the Company as on 31st March, 2010 is INR 2892.2 million comprising of 57,84,34,478 Equity Shares of INR 5 each.

*Note: Information on the shareholding pattern and Share Capital structure pertains to M&M Limited. Similar details of the other Group Companies covered in this Sustainability Report are available in the M&M Limited Annual Report.*

03 GROUP PROFILE

**Business Verticals**

The **Mahindra** Group



**Automotive Sector**



The Mahindra Group's Automotive Sector is in the business of manufacturing and marketing utility vehicles and light commercial vehicles, including three-wheelers. It is the market leader in utility vehicles in India since inception, and currently accounts for about half of India's market for utility vehicles. We also have the distinction of designing India's first hydrogen three-wheeler and India's first hybrid vehicle.

The Automotive Sector has developed a large product portfolio which caters to diverse customer segments such as rural, semi-urban, urban and defence. Our product development prowess in this sector has been acknowledged internationally and we have an active alternative propulsion technology development program. Mahindra vehicles are exported throughout Europe, Africa, South America, South Asia and the Middle East.

Mahindra also has a presence in the passenger car space through a joint venture with Renault that manufactures and markets the Logan in India. The Automotive Sector continues to be a leader in the utility vehicle segment with a diverse portfolio that includes mass transport as well as new generation vehicles like Scorpio, Bolero and the recently launched Xylo.

The Scorpio, Bolero and Xylo continued to lead the Indian market, increasing Mahindra's already dominant market share. The Bolero occupied the numero uno slot for the reporting year, selling more than 70,000 vehicles during the year. It was ranked No. 1 in the SUV/MPV category in TNS and was the 9th largest selling passenger vehicle in the country. All other vehicles but one, on the list of top10 selling vehicles were small cars.

The Scorpio on the other hand, won the 'Auto Build Technology Award' for the micro-hybrid technology. The Xylo too won three important awards - MUV of the Year from the NDTV Profit Car and Bike Awards 2009; UV of the Year in the CNBC TV 18 Overdrive Awards 2009; and MPV of the year from the ZigWheels Car and Bike Awards 2009.

**The Automotive Sector can trace its origins back to 1945. The iconic jeep that led American GIs to victory in World War II is the very same vehicle that drove the Mahindra Group to success in the Automotive Sector. Mahindra & Mahindra Limited obtained a franchise for assembling general purpose utility vehicles from Willys, USA.**



During the year, three new products were launched - GIO, Maxximo and Bolero Maxi-Truck (BMT). Going forward Mahindra Navistar Automotives Ltd. (MNAL), a joint venture between Mahindra & Mahindra Limited and International Truck and Engine Corporation, will manufacture trucks and buses for India and export markets. Mahindra Navistar Engines Private Limited (MNEPL) a second joint venture agreement with Mahindra & Mahindra, Ltd. focuses on producing diesel engines for Medium and heavy Commercial vehicles in India. (MNAL, MVML and MNEPL are not in the scope of this report)

For more information visit: [www.mahindra.com/OurBusinesses/automobile-manufacturer.html](http://www.mahindra.com/OurBusinesses/automobile-manufacturer.html)

## 03 GROUP PROFILE

### Farm Equipment Sector



The Mahindra group's Farm Equipment Sector (FES) is amongst the top tractor brands in the world. Today, the domestic market share of FES is around 42%. (Mahindra brand: 30% and Swaraj brand: 12%).

FES has 6 state-of-the-art manufacturing plants (including two plants of Swaraj) in India, two plants in China, three assembly plants in USA and one assembly plant in Australia. FES has its presence in around 25 countries across six continents with more than 1000 dealers world-wide. FES also has a subsidiary agricultural tractor manufacturing company in India known as Mahindra Gujarat Tractor Limited (MGTL), which is not in the scope this report. This year the domestic market inspired a range of new launches like the Yuvraj 215, a revolutionary 15 HP Tractor for the small and marginal farmer; the 843 XM which is the first Tractor to be launched under the Swaraj brand after the merger of the erstwhile Punjab Tractors Limited with the Company and the upgraded versions of Arjun, Sarpanch and Bhoomiputra range which greatly enhance customer value.

On the international front too FES introduced many firsts. These included the first hi-tech integrated cabin tractor with both air-conditioning and heating in the US, the first from a tractor that is 'Made in India'. The compact series of Tractors, another first from an Indian Tractor Company, was launched nation-wide and have been very well received.

In China, the inauguration of the Mahindra Yeuda (Yancheng) Tractor Company Limited ("MYTCL") Joint Venture was accompanied by the launch of the 125HP tractor, thus expanding your Company's product portfolio range up to 125HP.

Apart from the tractor business the sector also includes Mahindra Agribusiness (known as Mahindra Shubhlabh Services Limited). Mahindra Agribusiness integrates the food chain by providing quality inputs such as seed & agrochemicals, farm solutions and post-harvest management of high-value farm produce. Its core business is to provide fresh produce supply chain services to organised retail in India as well as overseas. Mahindra Shubhlabh is the leading Indian exporter of fresh grapes to the EU. (Mahindra Shubhlabh is not in the scope of this report).

Beside being the leading tractor maker for close to three decades now, the Company has diversified in power generators and is now a leading player in the powergen space under the brand, 'Mahindra Powerol'. (Mahindra Powerol, Mahindra Shubhlabh & MGTL are not in the scope of the report.)

For more information visit: [www.mahindractorworld.com](http://www.mahindractorworld.com)



**Mahindra is the only tractor manufacturing company in the world to win both the Deming Application Prize and the Japan Quality Medal, two of the highest quality accolades that can be won by any company.**

**Mahindra Powerol is the largest manufacturer of gensets in the country and retained its leadership position in the Powergen space for telecom, with a nearly 42% market share.**

### Swaraj Division

The Swaraj division is one of the leading tractor manufacturers in India and is totally indigenous with nearly 600,000 Swaraj tractors operating in the field.

A dynamic and growing group, it focuses on generating economic prosperity while growing harmoniously with the community and the environment and provides good quality, durable machines to the farming community of India.

With over 600 dealers across the country, Swaraj has achieved ISO 14001:2004 & OHSAS 18001:2007 Certifications. (Swaraj Engines Limited is not in the scope of the report.)

### Mahindra Partner Division



#### Mahindra Intertrade Ltd. (MIL)

Mahindra Intertrade is the trading arm of the Mahindra Group primarily focussed on steel and steel related services. It has specialised domain knowledge in imports and exports of commodities, domestic trading, marketing and distribution. Apart from steel, its portfolio includes steel raw materials, ferro alloys, technical and applications-oriented products, non-destructive testing instruments, analytical and diagnostic systems, compressors for special applications and even consumer products such as toys and apparel. It is also the only independent automotive facility for blanked skin panels in India and has an international reach of over 300 customers with principals in over 15 countries.



## 03 GROUP PROFILE

### Mahindra Steel Service Centre Ltd. (MSSCL)

Mahindra Intertrade Limited pioneered the setting up of India's first Steel Service Centre in collaboration with its Japanese partners Mitsubishi Corporation and Nissho Iwai Corporation (now Metal One Corporation). The Company seeks to provide high quality raw material and just-in-time deliveries for the Mahindra Group's Automotive Sector. It has diversified its product portfolio to include home appliances, electronic and transformer industries. Recently it expanded its electrical steel service network to Sharjah in the Middle East.

For more information please visit: [www.mahindrasteelservicecenter.com](http://www.mahindrasteelservicecenter.com)



### Mahindra Logistics Ltd. (MLL)

In 2000, the Mahindra Group established Mahindra Logistics to take care of its complex transportation needs. Initially it focused only on logistics of M&M business, but later it extended its services for external clients across the world. MLL is now a complete logistics service provider with end-to-end supply chain solutions. Mahindra Logistics holds a leadership position in the BPO / ITES segment due to its unique offerings in people logistics. With the best-in-class supply chain offerings it has acquired a dominant position in key segments like Auto, Retail, Pharma and telecom in domestic & international markets. (This report covers 6 locations viz. Mumbai, Delhi, Bengaluru, Kolkata, Chennai & Hyderabad.)

For more information please visit: [www.mahindra.com](http://www.mahindra.com)



## Financial Services Sector



### Mahindra & Mahindra Financial Services Limited (MMFSL)

Established in 1991, Mahindra Finance is all set to change the face of rural India. Mahindra Finance is one of the leading non-banking finance companies focused on providing personalized finance for utility vehicles, tractors and cars focusing on the rural and semi-urban sector. The Company has recently entered into Rural Housing Finance, thereby further enhancing its commitment to the progress of rural and semi-urban India. Mahindra Finance currently has a significantly large network of over 450 branches, 71 out of which are located in low-populated or economically disadvantaged areas. It has entered into more than 600,000 customer contracts, accounting for disbursements of around INR 210,000 million since inception.

Mahindra Finance has now also ventured into the business of Insurance Broking - a fully owned subsidiary of Mahindra Finance. (This business vertical is not included in this report.)

MMFSL has been recently recognised by the World HRD Congress and the Employer Branding awards for various best practices in talent management, training etc.

For more information please visit: [www.mahindrafinance.com](http://www.mahindrafinance.com)



## Mahindra Two Wheelers Sector



### Mahindra Two Wheelers Ltd.

The Mahindra Group's foray into the two-wheeler segment began with the acquisition of the business assets of Kinetic Motor Company Ltd. (KMCL), extending Mahindra's heritage and pedigree into the two-wheeler space. The Two Wheeler Sector of Mahindra will design and market a full range of scooters and motorcycles for the Indian and global markets. Thus, establishing a robust and end-to-end two-wheeler business in every segment of the industry. The company has a state-of-the-art manufacturing facility at Pithampur, near Indore in Madhya Pradesh. The plant, products and processes are all ISO 9001-2000 certified.

On 10th Sept 2009, Mahindra Two Wheelers Ltd. unveiled two new Power Scooters - the Mahindra Rodeo and the Mahindra Duro. With their contemporary styling and attractive features, these Power Scooters come packed with a host of features which make riding them a sheer pleasure. Mahindra kick-started its two-wheeler foray with the introduction of the Flyte as its first product offering across India.



## 03 GROUP PROFILE

Although a recent entrant in the two wheeler Industry, Mahindra DURO was awarded The Best Scooter of the year by NDTV Car & Bike Awards.

For more information please visit: [www.mahindra2wheelers.com](http://www.mahindra2wheelers.com)

### Systems & Technologies Sector (Systech)



Mahindra Systech is a fully integrated 'Art to Part' manufacturer with capabilities ranging from design, sourcing, manufacturing to engineering components and full assembly. Its strategy entails building a global network of partners to create comprehensive capability and thereby catering to a global customer base. Systech consists of a range of businesses which together ensure full service supply from design to delivery.



The sector comprises:

#### Mahindra Ugine Steel Co. Ltd. (MUSCO)

MUSCO has two business verticals - Steel Business and Stamping Business

##### Steel Business

MUSCO is one of the leading manufacturers of alloy steel and specialty steels in India, catering to the automotive, engineering, bearing and various capital goods industries. It has the distinction of being a single source supplier to numerous power generation, rail and defence organisations

##### Stamping Business

The core strength of the Stamping Division lies in tool maintenance and providing value-added services to its customers. It has a wide range of presses (both hydraulic and mechanical category) under one roof and supplies components in an assembled form in a powder coated / painted condition.

This Division is a leading manufacturer of stamping components for the automotive, defence, railways, consumer durables and general engineering sectors. The company currently has three manufacturing facilities which are strategically located in close proximity of the automotive and auto-component manufacturing hubs, facilitating just-in-time supplies.

For more information visit: [www.muscoindia.com](http://www.muscoindia.com)

#### Mahindra Composites Ltd. (Formerly Siro Plast Ltd.)

Mahindra Composites is a leading engineering composite solutions provider specialising in the manufacture of sheet moulding and dough moulding compounds. It manufactures highly complex and intricate components for the electrical, automobile, medical, defence and construction industries. Additional areas of expertise include handling specialised products in resin transfer moulding and hand lay-up reinforced plastics.

For more information please visit: [www.mahindracomposites.com](http://www.mahindracomposites.com)

#### Mahindra Castings Ltd. (Formerly Mahindra Hinoday Private Ltd. (MHPL))

Mahindra (Mahindra Castings Ltd.) specialises in ductile iron castings and ferrites. Mahindra (MCL) offers a wide range of castings to the global automotive market, including turbo charger and axle components for commercial vehicles and motor magnets for cars and motorcycles. It also manufactures magnetic cores for industrial and automotive applications.

For more information visit: [www.hinoday.com](http://www.hinoday.com)

#### Mahindra Forgings Ltd. (MFL)

Mahindra Forgings Ltd., Chakan, the Indian unit of Systech's forging business manufactures components ranging from 0.5 kg to 45 kg. A market leader in forging, it accounts for over 40% of the steering knuckle and crankshaft market.

Mahindra's latest acquisition is a company with a history of over 140 years in forging. Schöneweiss GmbH is one of the hallowed institutions in forging - it is one of five companies in the world that can produce front axle beams. Through this acquisition, Mahindra has created the fifth largest forging company in the world in two years.

For more information visit: [www.mahindraforgings.com](http://www.mahindraforgings.com)

## 03 GROUP PROFILE

### **Mahindra Gears & Transmissions Pvt. Ltd.** (Formerly Mahindra SAR Transmission Pvt. Ltd. (MSAR))

Mahindra Gears is a leading manufacturer of quality gears and other transmission components in India. Set up in 1987, its products conform to German specification DIN 8 to DIN 9 class of accuracy. It obtained ISO/TS 16949:2002 Certification from TUV Sueddeutschland, in the year 2001.

For more information visit: [www.mahindragears.com](http://www.mahindragears.com)

### Information Technology Sector



#### **Tech Mahindra Ltd.**

Tech Mahindra is a global systems integrator and business transformation consulting firm focused on the communications industry. With annual revenues (FY 10) in excess of INR 44,001.8 million, Tech Mahindra is the largest telecom-focused solutions provider and 5th largest software exporter and serves telecom service providers, equipment manufacturers, software vendors and system integrators.

Tech Mahindra helps companies innovate and transform by leveraging its unique insights, differentiated services and flexible partnering models. This has helped customers reduce operating costs, generate new revenue streams and gain competitive advantage.

For over two decades, Tech Mahindra has been the chosen transformation partner for wireline, wireless and broadband operators around the world. Tech Mahindra's capabilities span across Business Support Systems (BSS), Operations Support Systems (OSS), Network Design & Engineering, Next Generation Networks, Mobility, Security Consulting, Testing, and other areas.

Tech Mahindra serves clients across the telecom eco-system, from a global network of development centers and sales offices across America, Europe, Middle-east, Africa and Asia-Pacific.

Tech Mahindra solutions enable clients to maximise returns on IT investment by accelerating time-to-market and reducing total cost of ownership.

Recently AT&T, a premier global communications company, awarded Tech Mahindra the '2010 AT&T Supplier Award' for its superior products and services, enhanced cost structures and best-in-class approaches that contributed to their overall success during the past year. Besides that, Tech Mahindra has won B/OSS Excellence Award, Leap-Vault Change Leadership, Innovation in Services to Telecom by Aegis, and many others.

Tech Mahindra has a global footprint through operations in more than 25 countries with 17 sales offices and 13 delivery centers. Assessed at SEI CMMi Level 5, the company's track record for value delivery is supported by over 35,000 professionals who provide a unique blend of culture, domain expertise and in depth technology skill sets. Its development centers are ISO 9001:2008 & BS7799 certified.

For more information please visit: [www.techmahindra.com](http://www.techmahindra.com)



**Tech Mahindra expanded its IT portfolio with the acquisition of the leading global business and information technology services company, Satyam Computer Services Ltd. The company is now known as Mahindra Satyam.**

### Infrastructure Development Sector



#### **Mahindra Holidays & Resorts India Ltd. (MHRIL)**

Mahindra Holidays & Resorts India Limited, one of the leading players in the leisure hospitality industry, offers quality family holidays primarily through "Vacation Ownership" membership. Club Mahindra Holidays is MHRIL's flagship brand. Other brands by the company are Zest, Club Mahindra Fundays, Mahindra Homestays and Mahindra Travel. The company has innovated its product offerings by creating new destinations not situated at the usual tourist map and developing them into eco-friendly yet comfortable holiday retreats. One important outcome of this strategy has been job opportunities for the locals.

In keeping with its brand promise of 'changing the way India holidays' the Company has now entered into very innovative products like "Jungle Tourism" at new locations and introduced offerings like, 'floating cottages' and Log huts at certain existing prime properties.

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All these initiatives have earned the Company the Business Super Brand awarded by the Brand Council of India, and the flagship brand "Club Mahindra Holidays" was selected as the Consumer Superbrand, in 2009.



This is besides the various awards and recognitions conferred upon its various resorts:

- |  |  |
|--|--|
| <p>1 The Company's resorts at Goa, Munnar, Coorg, Binsar, Dharamshala and Kumbalgarh retained their RCI (Resort Condominium International) Gold Crown status. Goa received a special "10 Year RCI Gold Crown Award" as it retained the Gold Crown for a period of ten consecutive years. Munnar, retain its Gold Crown status for the 11th time after receiving the 10 year Gold Crown Award in the previous year.</p> |  |
| <p>2 The resorts at Thekkady and Yercaud got affiliated to RCI</p>   | <p>3 Thekaddy and Kumbalgarh received Branch Hygiene Code (BHC) certification while the resorts at Goa, Munnar, Coorg, Binsar, Manali, Dharamshala, Ooty and Kodaikanal continue to retain their BHC certification.</p>  |
| <p>4 The Puducherry resort received the Food Hygiene Certification of International Standard from "Branch Hygiene Code" of Netherlands.</p>  | <p>5 Wanderlust, a highly regarded global travel publication in United Kingdom (UK), accorded Mahindra Homestays with the Wanderlust Eureka Award (UK) for Travel Innovation. Mahindra Homestays was listed as one of the top 100 hotel experiences by Sunday Times Travels, UK.</p> |

During the year, MHRIL successfully undertook an Initial Public Offer of 92.65 lakh shares which was oversubscribed 9 times, reflecting strong investor confidence. This report covers 3 locations viz. Goa, Munnar and Coorg.

For more information please visit: [www.clubmahindra.com](http://www.clubmahindra.com)

**Mahindra Lifespace Developers Ltd. (MLDL)**

Mahindra Lifespace Developers Limited (MLDL), the real estate development arm of the Mahindra Group, is a subsidiary of Mahindra & Mahindra Limited. Formerly known as Mahindra Gesco Developers Ltd., the new name reflects the company's vision of creating spaces for healthy living in both residential and commercial segments.



Today, the Company has become synonymous with high-quality accommodation and has earned the first place amongst the fastest growing construction companies in India, according to a Construction World-National Institute of Construction Management & Research (NICMAR) study.

MLDL has constantly been innovating through its landmark creations. This has seen the company introduce green residential buildings, adhering to international USGBC - LEED - CS guidelines. These developments not only set the benchmark for refined living, but also ensure that the environment at large is protected and preserved for the future generations.

MLDL is also involved in the business of creating industrial facilities, technology & software facilities, Special Economic Zones (SEZ) and special purpose developments under two subsidiaries, Mahindra World City Developers Limited and Mahindra World City (Jaipur) Limited. Moreover, MLDL is also involved in water and sanitation segments through a separate subsidiary. Mahindra Lifespace Developers Limited is an active member of the Maharashtra Chamber of Housing Industry.

This report covers 5 projects viz. Mahindra Splendour, Mahindra Royale, Mahindra Chloris, Mahindra Eminente, Mahindra Sylvan County.

For more information please visit: [www.mahindralifespaces.com](http://www.mahindralifespaces.com)



### 03 GROUP PROFILE

#### Mahindra World City Developers Ltd. (MWCDL)

Mahindra World City has the distinction of creating India's first Integrated Business City and also Corporate India's first operational Special Economic Zone. Mahindra World City offers a one-stop solution for global companies - Indian and International - looking to expand their presence in India. The Mahindra World City concept promises to deliver an "Island of Excellence", complete with plug-n-play infrastructure, these Cities are well planned and divided into zones for business and lifestyle.

The Business Zones further offer the convenience of a Special Economic Zone and a Domestic Tariff Area. The Lifestyle Zone, located in close proximity, offers a work - live - learn - play format. A typical Lifestyle Zone in a Mahindra World City would offer residential units, schools, medical centers, retail, recreation and leisure facilities set amidst green dappled avenues and a clean, healthy environment.



**Mahindra World City has 48 customers from the US, Europe and Asia, including such corporate giants as BMW, B Braun, Infosys, Wipro, Capgemini, Renault-Nissan, Timken Bearings, TVS Group of Companies, Lincoln Electric, Parker Hannifin, Tesa Tapes, among others.**

#### Chennai

Mahindra World City, New Chennai, is India's first integrated business city and corporate India's first operational Special Economic Zone (SEZ). Mahindra World City, New Chennai is promoted in a public- private partnership between Mahindra Group and TIDCO (A Govt of Tamil Nadu Undertaking).

Mahindra World City is spread over 1550 acres. It has clearly demarcated business zones - three sector-specific SEZs (IT and ITES, Auto Ancillary, Apparel and Fashion Accessories) and a Domestic Tariff Area. It also has a residential/ commercial zone which incorporates all modern conveniences as part of its social infrastructure.

#### Jaipur

Spread over an area of 3000 acres, Mahindra World City, Jaipur was inaugurated in December 2006. The Mahindra Group has joined hands with the Rajasthan State Development & Investment Corporation Limited to promote this business city. World City Jaipur is a multi-project Special Economic Zone designed on an 'integrated business city' format.

The SEZ includes exclusive zones for IT/ITeS Companies, Light Engineering companies including Auto and Auto Component manufacturers, Handicraft Companies, Gems & Jewellery Companies and Apparel companies.

Mahindra World City, Jaipur has one of the largest IT/ITeS centric SEZs under development in India. The total area spread over 750 acre is under development and has already attracted top companies such as Deutsche Bank, Infosys, Wipro, Nagarro, Truworth, Tech Mahindra besides Talbros and 4 other companies in the Light Engineering & Handicrafts SEZ. It will also have a dedicated Logistics and Warehousing Zone for the manufacturing companies in order to provide complete end-to-end solutions.

A Technology Park 'Evolve' promoted by Mahindra World City will also come up as part of the IT / ITeS SEZ. Set in a campus of 25 acres, the Technology Park will offer built-up space to IT/ITES companies on lease.

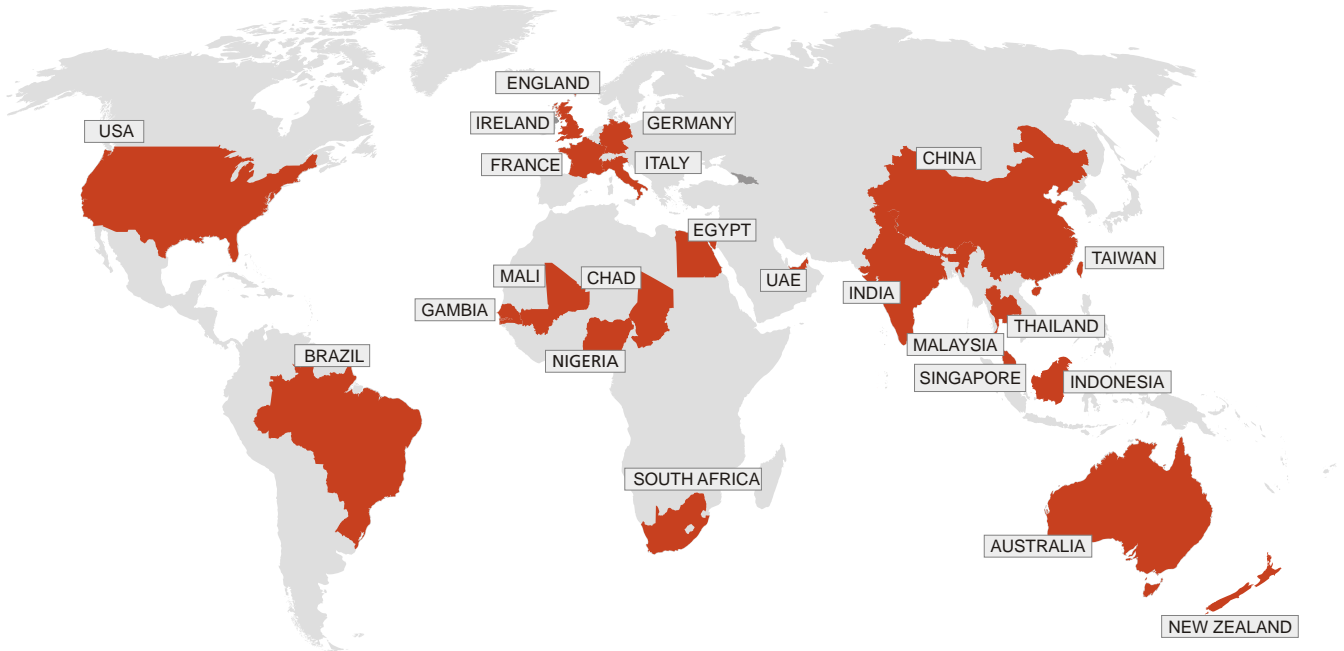
MWCJ, along with Clinton Foundation, has taken up the Clinton Climate Initiative to make a measurable difference in fighting the climate change in significant ways.

For more information please visit: [www.mahindraworldcity.com](http://www.mahindraworldcity.com)

03 GROUP PROFILE

**Global Footprint**

International



**Corporate Governance**

Overview

The goal of any system of governance is to achieve the best performance within the overall context of the prevalent economic environment, so as to secure maximum benefit for all stakeholders. For this to be achieved, governance cannot only be systems, processes and metrics. It also has to integrate within itself the beliefs, values, culture and ethics of an organization, ultimately leading to the cornerstones of transparency and accountability.

At Mahindra our Core values are sacrosanct and ethical business practices are central to whatever we do. We have always strived to go beyond compliance and have participated in voluntary reporting programs. The Company has formally enunciated its own governance practices by way of a Code of Corporate Governance. This Code seeks to serve as a reminder of the underlying principles governing the conduct of our businesses. They are a reiteration of the fundamental precept that good Corporate Governance must, and will, always be an integral part of the fabric that makes up our ethos.

But at Mahindra, good governance goes beyond just accountability and transparency. It allows us to recognize and act to fulfill our environmental and social responsibilities too, which in turn contributes to long-term, sustainable growth. It is indeed a matter of great pride that over the years different organisations have acknowledged and awarded the corporate governance systems and practices adhered by us. This year was no different:

**"M&M Limited received the Best Governed Company 2009 Award from the Indian Merchants Chamber and the Asian Centre for Corporate Governance and Sustainability.**

## 03 GROUP PROFILE

### Shareholder Value

At Mahindra, we believe that Good Corporate Governance is the backbone of excellent stakeholder returns, adds significant value to our operational performance, enhances market confidence, is the sign of a progressive business and a magnet for attracting employees, clients, shareholders, etc. This belief was reaffirmed for the third year in a row, when CRISIL gave the highest level rating (Level-1) for Governance and value creation to M&M Limited. This rating indicates our unfaltering capability to generate wealth for its stakeholders; while adopting strong Corporate Governance practices.

**CRISIL gave the highest level rating (Level-1) for Governance and value creation to M&M Limited.**

### Shareholder Interaction

The Chairman addresses and provides clarifications to shareholders at least once each year during the annual general meeting, which is the principal forum for face-to-face interaction. The event occurs in presence of the entire board.

The Chief Financial Officer (CFO) regularly reaches out to investors across the globe during IR road shows and analyst interactions (twice a year) along with senior management. In addition there is a dedicated Investor Relations Cell to meet visiting investors. Our corporate website [www.mahindra.com](http://www.mahindra.com) provides comprehensive information and an exclusive 'Investor Relations' section which informs and addresses shareholder needs. An exclusive email address has also been provided to shareholders for direct interaction.

### Governance Framework

The Mahindra Group has a robust corporate governance framework which extends across all its subsidiaries, Associates and Joint Ventures, engaged in various businesses and diverse geographies. Our governance framework provides the structure through which objectives of the Group are set, performance monitored and operational excellence achieved.

The Group is categorised into nine verticals. M&M Limited the flagship company directly runs two businesses: The Automotive Division and The Farm Equipment Division; and is the chief shareholder in all the other entities.

As required by law, companies in the Group have their own independent Boards of Directors, governance structure and policies which are in line with those of M&M Limited. If they do not have their own specifically defined policies, they are expected to follow the M&M Limited policies.

### Board of Directors

The Board of Directors of M&M Limited is the apex governing body and is headed by Non-Executive Chairman, Mr. Keshub Mahindra. The Board reviews and approves strategy and oversees management results to ensure that the long-term objective of enhancing stakeholder value is met.

The Vice Chairman /Managing Director and the two Executive Directors are whole-time Directors. The Chairman and the Vice Chairman & Managing Director, though professionals in their individual capacity, belong to the Company's Promoter Group. The remaining Non-executive Directors are Independent Directors with requisite qualifications and experience in general corporate management, finance, banking, insurance and allied fields, which enable them to contribute effectively to the working of the Company.

All Directors are appointed and reappointed with the approval of the shareholders.

As per the Articles of Association of the companies, one-third of the total number of directors, subject to a minimum of two directors, have to retire by rotation. These retiring directors are allowed to offer their candidature for re-appointment. This provides the shareholders an opportunity to vote against the candidature of a retiring Director if they are of the view that the incumbent has not added value to the working of the board. In 2008-09.

#### Board of Directors of M&M Ltd.

##### Promoter Directors

**Mr. Keshub Mahindra**  
Chairman  
(Non-Executive,  
Non-Independent Director)

**Mr. Anand G. Mahindra**  
Vice-Chairman &  
Managing Director

##### Independent Directors

Mr. Deepak S. Parekh  
Mr. Nadir B. Godrej  
Mr. M.M. Murugappan  
Mr. Narayanan Vaghul  
Dr. A.S. Ganguly  
Mr. R.K. Kulkarni  
Mr. Anupam Puri  
Mr. A.K. Dasgupta

##### Executive Directors

**Mr. Bharat N. Doshi**

**Mr. A.K. Nanda**  
(Resigned w.e.f. close  
of business hours on  
March 31st, 2010)

## 03 GROUP PROFILE

### Board Committees

The Board of Directors, as the governing body of the Company, meets on an average of six times a year depending on the exigencies to decide on crucial matters of policy and business. In order to facilitate operational independence, timely direction and supervision within the framework of the general policy of the Company, certain Committees of the Board have been constituted.

**Currently, the Board has the following Committees:**

- |   |  |
|---|--|
| <b>A</b> Audit Committee  | <b>D</b> Research & Development Committee<br>(a voluntary initiative of the Company) |
| <b>B</b> Remuneration / Compensation Committee                            | <b>E</b> Loans & Investment Committee<br>(a voluntary initiative of the Company)     |
| <b>C</b> Share Transfer and Shareholders/Investors<br>Grievance Committee |  |

### Group Management Board (GMB)

The Group Management Board is a centralised body which ensures that all companies grow in a cohesive manner and uniformly follow the Core Purpose and Core Values of the Group. Board of Directors and Group Management Board are our governance bodies. All the members of both these bodies are Males and age group is over 50 years. The Group Management Board comprises of Presidents of the Business Sectors as well as heads of certain key corporate functions and is chaired by the Vice Chairman & Managing Director of M&M Limited.

Name	Designation
Mr. Anand G. Mahindra	Vice Chairman & Managing Director
Mr. Bharat N. Doshi	Executive Director & Group CFO
Mr. Arun Kumar Nanda	Executive Director & President-Infrastructure Development Sector
Dr. Pawan Goenka	President (Automotive Sector)
Mr. Anjanikumar Choudhari	President - Farm Equipment Sector
Mr. Uday Phadke	President - Finance, Legal and Financial Services Sector
Mr. Rajeev Dubey	President - HR, After-Market & Corporate Services
Mr. Hemant Luthra	President - Systech Sector
Mr. Anup Mathur	President - Two Wheeler Sector
Mr. Ulhas N. Yargop	President - IT Sector

As at the close of business hours on March 31, 2010, Mr. Anjanikumar Choudhari, President - Farm Equipment sector retired and Mr. Arun K. Nanda, Executive Director - Infrastructure Development sector resigned, and they ceased to be members of the GMB from that day.

The GMB convenes generally every month and is a forum where cross-sector, synergistic advantages are explored, best practices of individual sectors are shared and through which the common values and goals of the Group are met across the various Business Units and Companies that make up the Mahindra Group. Also, common programmes having an impact on the business drivers of the entire group such as employee satisfaction, aspects of very senior level rewards and recognitions, customer centricity, sustainability, corporate social responsibility and quality, are routed through the GMB with clear mandates and with ownership of individual initiatives assigned to one or more Sector Presidents.

### 03 GROUP PROFILE

#### Special Purpose Councils and Committees

Apart from mandatory committees of the Board, other committees and councils have been formed to assist the GMB whenever deemed necessary for special focus and attention to critical issues. They currently include the following:

<b>Sustainability Council</b>	<b>CSR (Corporate Social Responsibility) Council</b>	<b>Corporate Risk Committee</b>	<b>Information Security Apex Committee</b>	<b>Corporate Governance Cell</b>
<b>Complaints Committee on Sexual Harassment</b>	<b>Alternate Fuel Committee</b>	<b>Central Safety Council</b>	<b>Apex Talent Council</b> (Supported by the Sector Talent Councils and Functional Talent Councils)	

Additionally, wherever necessary, dedicated departments are set up to handle specific issues. For example, a corporate sustainability cell coordinates activities across Group companies and maintains participation in related programmes such as the UN Global Compact and the Carbon Disclosure Project. A corporate social responsibility team manages all CSR activities throughout the Group and oversees the Employee Social Options (Esops) programme.

#### Corporate Centre

The parent company continues to have a 'Corporate Centre' which creates broad frameworks and guidelines to ensure that all Group companies operate in a synergistic manner. The Corporate Centre has numerous departments including Corporate HR, the Office of Strategy Management, Corporate IT, Corporate Communications, Corporate Sustainability Cell, Corporate Legal, Corporate Finance, Corporate Affairs, Internal Audit and Corporate CSR.



#### Core Values

The Mahindra Group has a set of core values that are integral to all Group companies. Our Core Values are influenced by our past, tempered by our present and are designed to shape our future. They are an amalgam of what we have been, what we are and what we want to be.

**These values are the compass that guides our actions, both personal and corporate:**

<p><b>Good Corporate Citizenship</b></p> <p>As in the past, we will continue to seek long-term success that is in alignment with our country's needs. We will do this without compromising on ethical business standards.</p>	<p><b>Professionalism</b></p> <p>We have always sought the best people and given them the freedom and opportunity to grow, will continue to do so. We will support innovation and well reasoned risk-taking, but will demand performance.</p>	<p><b>Customer First</b></p> <p>We exist and prosper only because of our customers. We will respond to their changing needs and expectations speedily, courteously and effectively.</p>
<p><b>Quality Focus</b></p> <p>Quality is the key to delivering value for money to our customers. We will make quality a driving value in our work, in our products and in our interactions with others. We will do it "first time right".</p>	<p><b>Dignity of the individual</b></p> <p>We value individual dignity, uphold the right to express disagreement and respect the time and efforts of others. Through our actions we nurture fairness, trust and transparency.</p>	

## 03 GROUP PROFILE

### Codes of Conduct

The Board has established two separate Codes of Conduct; one for board members and the other for senior management and employees of the Company. The Company has a comprehensive Code of Conduct related to insider trading, which lays down procedural guidelines on disclosures to be made while handling Company shares and details the full consequences of violations. These codes are in line with the requirements of SEBI.

At the corporate level, there is a Corporate Governance Cell (CGC) comprising of four members of the Group Management Board, who represent business sectors as well as the Corporate Centre. The CGC reports to the Board of Directors of M&M Limited. In order to see that the Code of Conduct is well understood and practiced within the organisation, a formal mechanism has been put in place in form of "Corporate Governance Coordinators" at the business level and "Corporate Governance Officers" at the plant level. These coordinators/officers are like 'listening posts' where employees can report irregularities noticed at the workplace or get clarification with regard to policy compliance etc. The irregularities reported are then conveyed by the coordinators / officers to the CGC who would take the matter forward as deemed fit.

The CGC oversees the adherence to both the Codes, and in order to ensure that these are followed in letter and spirit. Corporate Governance coordinators have been appointed at major locations. The codes of conduct are an integral part of the induction of new employees and have been posted on the Company's website. All board members and senior management personnel affirm compliance with these codes annually.

### Compliance

Mahindra is committed to compliance with all statutory norms. Mahindra has an active compliance committee to ensure adherence to all regulatory framework applicable to the group.

The company is in accordance with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets. We incurred no fines from any regulatory authority for non compliance of laws and regulation in year 2009-10.

### Regulatory Compliance

Regulatory Compliance is material to the sustainability of our business. We ensure adherence to all applicable regulations through regular audits. The audit committee is responsible to ensure 100% regulatory compliance across various sectors. Wherever related observations exist, they are immediately brought to the notice of the site senior management and corrective actions taken to resolve the issue. Regulatory compliance is periodically reviewed by the GMB.

### Corporate Governance Policies

Additionally M&M Limited has extensive Corporate Governance Policies that provide guidance on more specific matters. While these are not instituted across the entire Mahindra Group, all Group companies are expected to follow them in letter and spirit so as to foster a Mahindra 'culture' throughout the Group. Considering the global concern and impact of E-waste; Mahindra released the Green IT guidelines; for responsible disposal of E-waste. Being aware of the core labour conventions of ILO & Human Right issues of our supply chain; Mahindra has drafted a Policy on Human Rights in Economic Decision Making Process. All the policies are reviewed on an annual basis. These policies are released by M&M Limited and are adopted by other Group companies as they deem fit.

#### These policies are on:

- |   |                             |   |
|---|-----------------------------|---|
| 1 Corporate Communications                              | 8 E-business Security       | 16 Safety & Occupational Health                   |
| 2 Disaster Management                                   | 9 Environment and Pollution | 17 Sexual Harassment                              |
| 3 Employee Relations                                    | 10 Human Resources          | 18 Suppliers and Vendors of Services and Products |
| 4 Capital Budgeting                                     | 11 Insider Trading          | 19 Trade Marks                                    |
| 5 Corporate Representation in Trade and Industry Forums | 12 Intranet Usage           | 20 Green IT Guidelines.                           |
| 6 Corporate Finance                                     | 13 Investor Grievances      | 21 Green Supply Chain                             |
| 7 Dealing with Dealers and Customers                    | 14 Quality                  | 22 Management Policy                              |
|   | 15 Investor Relations       |   |

### 03 GROUP PROFILE

**Anti-corruption Policies and Procedures**

Corruption is non negotiable and strict action is taken against any form of unethical act. Ethical conduct is the integral part of our business ethics. Corporate Governance & Business Ethics are mandatory part of our induction process. We propose to develop a structured tracking mechanism for corruption instances.

### Public Policy Advocacy

We actively contribute to public policy by being corporate members/ signatories to several trade and industry associations and organisations such as CII, BCCI, FICCI and UNGC etc. A number of Directors and Senior Executives represent Mahindra on governing councils, executive committees and various other committees of these organizations.



Some of the major participations in public policy advocacy and industry fora by our top management are listed below:

- 1 **Mr. Keshubh Mahindra** is a member of the Prime Minister's Council on Trade & Industry, New Delhi.
- 2 **Mr. Anand Mahindra:** Board member of the National Stock Exchange of India Limited, Co-Chairman of the International Council of the Asia Society, New York.
- 3 **Mr. Arun K. Nanda:** Chairman - Confederation of Indian Industry (Western Region), Chairman Emeritus Indo-French Chamber of Commerce and a member of the Council of EU Chambers of Commerce in India.
- 4 **Mr. Rajiv Dubey:** President of the Mumbai Chapter of the National HRD Network, Member of the CII National Committee on Indian MNCs. Member of the CII Western Regional Council.
- 5 **Dr. Pawan Goenka:** Member of Executive Council of SIAM, and member of the National Hydrogen Board which framed the National Policy for Hydrogen development.
- 6 **Mr. Bharat N. Doshi:** Vice President of Bombay Chamber of Commerce & Industry (BCCI).
- 7 **Ms. Beroz Gazdar:** Member, Advisory Board on Supply Chain Sustainability of the United Nations Global Compact and Vice President Western Region Chapter of the Global Compact Network India.
- 8 **M&M Ltd. is an active partner in the various Consortium project on alternative fuel and fuel efficiency projects, both in India as well as at the international level e.g.**
  - H-CNG mixture project along with Tata, AL, Bajaj & Eicher jointly with IOC] sponsored by Ministry of New & renewable Energy (MNRE).
  - Neat Hydrogen project with UNIDO, IIT Delhi & Air product USA, Under the sponsorship of UNIDO/ICHET, Turkey for demo of 15 Hy Alfa three wheeler vehicles of M&M.
  - Bio Fuels blends for automotive & tractor with BIS to frame fuel specification.
  - IV.WP 29 committee (world Harmonization) for fuel, Emission cycle & hydrogen vehicle.

### Awards

Our business sectors have shown sustained excellence in setting new benchmarks in business performance, leading innovations, implementing smart business practices and marrying business goals with environmental aims.

These efforts, acknowledged as among the year's best efforts and achievements by some of the most recognized and respected businesses, media and government institutions applaud our innovative and ambitious spirit in business and sustainability. These accolades are an affirmation of our beliefs and resonates our ability to walk the talk. They are testimony to the unrelenting character of every Mahindra employee and celebrate their toil to create a better tomorrow.

Incredibly inspiring, these esteemed recognitions recharge our desire for distinction and inspire us to raise the bar higher.

**In the reporting year, individuals and companies of the Mahindra Group were honoured with a bouquet of awards.**

**Media and government institutions applaud our innovative and ambitious spirit in business and sustainability.**



## 03 GROUP PROFILE

### 2009

- Mr. Uday Phadke was honoured by CNBC with CFO of the Year Award - Mergers & Acquisitions.

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- Mahindra & Mahindra bagged the Gold Award for 'Brand Communicator of the Year' at the 9th Asia Pacific PR Awards held in Hong Kong.

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- KCMET's Project Nanhi Kali was honoured with the WISE (World Innovation Summit for Education) Award 2009 by the Qatar Foundation.

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- Mahindra AS, received the All India Award for Export Excellence instituted by the Engineering Export Promotion Council.

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- Economic Times announced the Lifetime Achievement Award 2008-09 for our Chairman, Mr. Keshub Mahindra. The award has been bestowed for 'decades of service to Corporate India'.

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- Mr. Anand Mahindra, VC & MD, Mahindra Group was declared as the Business Leader of the Year at the Economic Times Awards 2008-09.

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- AS Nashik won the 2nd prize in State level Award for Excellence in Energy Management.

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- Mahindra FES received the 'Golden Peacock Award for Occupational Health & Safety - 2009' for Excellence in Occupational Health and Safety practices.

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- Mahindra FES won gold as the Best New Tractor in the Lower Horse Power Category (upto 70 Hp) at the 76th International Novisad Fair.

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- Club Mahindra Snow Peaks Resort, Manali was recognized as the Best Socially Responsible Resort at Manali.

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- The Scorpio was the Best off-road Vehicle of the Year 2009 and Mahindra's unique start-stop technology was the Environment Initiative of the Year 2009 according to carwale.com

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- "Club Mahindra" was adjudged a Consumer Superbrand after passing a rigorous consumer validation process, which included a survey across 19,000+ respondents and scrutiny by the Brand Council Club. Mahindra falls within the top 10% of all the brands across all segments and categories.

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- Public Relations Society of India (PRCI) recognized the Mahindra Group with 5 corporate collateral awards in following categories: External Magazine - Hello, Corporate Brochure - Lifeline Express, PR Campaign - Launch of FuelSmart technology in Bolero & Scorpio, In-House Magazine - Mahindra Newsletter and Tabloid - Inside Information. The PRCI Annual Awards is the most prestigious event in the realm of corporate communications.

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- The Indian Institute of Materials Management awarded Mahindra the 'Excellence in Sourcing' (Corporate Award) 2009 for its exemplary sourcing initiatives, leading to cost reductions and mitigation of supply risks.

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- FES, Nagpur plant won the CII National Award for "Excellence in Water Management 2009".

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- Business Today ranked various companies of the Mahindra Group in the India's list of 500 most Valuable Companies in the private sector in terms of average market capitalization. Following is a list of companies followed by the rank conferred upon by Business Today: Mahindra & Mahindra Ltd. - Ranked 50, Mahindra Satyam - Ranked 65, Tech Mahindra - Ranked 69, MHRIL - Ranked 150, Mahindra Finance - 186, Mahindra Lifespaces - Ranked 295.



## 03 GROUP PROFILE

### 2010

- Roma Balwani, Vice-President & Head, Corporate Communications, was been honoured with the prestigious Hall of Fame 2010 award by the Public Relations Society of India (PRCI).

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- Public Relations Society of India (PRCI) recognized the Mahindra Group with the following awards: Overall Performance for the Year - Silver, Online Newsletter 'Mahindra Spectrum' - Gold, External Magazine 'Refresh' - Silver, Tabloid 'Inside Information' - Bronze, Table Calendar 'Mahindra Navistar' Bronze, Diary 2010 'Mahindra Navistar' - Appreciation, Multimedia Campaign 'Sustainability Campaign' - Silver, Corporate Advertisement 'Mahindra Navistar' - Bronze.

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- Anand Mahindra was honoured with the Businessman of the Year Award by NDTV. The awards honour outstanding Indians who have helped build Brand India through excellence in their fields.

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- Mr. Anand Mahindra was named the Ernst & Young Entrepreneur of the Year 2009 on February 16, 2010 for taking the M&M to the next level and creating a visible impact both in local and global markets.

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- Mr. Arun Nanda was honoured with 'Lifetime Achievement Award' at the 'Golden Star Awards 2010' in Food, Hospitality & Services category.

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- Mr. Rajeev Dubey was the first recipient of the 'Late Jagdeep Khandpur Award' for Outstanding HR Leadership at the Global HR Excellence Awards 2009-10.

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- Mr. Arun Nanda, Executive Director, Mahindra & Mahindra was honoured with the CA Business Achiever Award in the category - Corporate at the ICAI Award 2009.

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- Farm Equipment Sector received the prestigious 'Golden Peacock Innovative Product / Service Award - 2010' for YUVRAJ 215, the first of its kind in the Indian tractor industry.

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- Mahindra Xylo was conferred the 'UV of the year' award at the CNBC TV18 Overdrive awards.

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- Mahindra Duro was declared as the Best Scooter of the year by NDTV at its Car & Bike awards.

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- Mahindra Xylo was the 'MPV of the Year' at the NDTV Car & Bike awards.

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- M&M's path-breaking FuelSmart system with Micro Hybrid technology bagged the 'Auto Build India Golden Steering Wheel for Technology of the Year'.

# 04

## SUSTAINABILITY AND US

### Sustainability Context

Environmental limitations and societal expectations have ushered in new risks and new avenues for revenue. As a progressive company in step with changing times, Mahindra is strategically integrating sustainability in all businesses and making it intrinsic to its decision-making process.

Over the last three years our sustainability reporting process has traversed from intentions, to commitments to well established roadmaps. Through the integration of environmental and social factors into business and management we have been able to establish a fundamental connection between strategic direction, financial performance and sustainability impacts of our business.

**economic,  
social and  
environmental**








**From the trends seen so far and from our efforts towards improving our triple bottom line performances, we are confident that our businesses will soon reap visible competitive advantages, sparking a positive chain reaction among our investors, suppliers, vendors, customers, communities and other stakeholders.**

### Alternative Thinking

#### The Mahindra approach to Sustainability

We continued to look at emerging problems and opportunities through the prism of Alternative Thinking to turn them into sustainable businesses and thereby contribute to a sustainable world.

**Alternative Thinking is a value driver which is helping us...**

				
<b>Reinforce Reputation</b>	<b>Enhance Brand Equity</b>	<b>Strengthen Strategic Relationships</b>	<b>Grow Human &amp; Intellectual Capital</b>	<b>Propel Innovation</b>

Our consistent drive, over the past three years to enhance awareness among employees about the challenges of climate change and how these could be addressed both individually and collectively has started to yield results. Alternative Thinking has gained considerable momentum at the strategic, managerial as well as operational levels across our group businesses.

During the year, a beginning was also made to encompass other stakeholders like investors, suppliers, dealers and local communities in this awareness drive.

In a nutshell, Alternative Thinking is not just changing the way we look at the world around us, but also the way the world looks at us.

### The Roadmap. The Journey.

After successfully cascading sustainability awareness across the entire organisation and formulating a structured roadmap for each sector based on their individual materiality, the focus this year was on undertaking strategic initiatives at business and unit level towards the achievement of set goals.

The overarching group roadmap which was formulated along with the roadmaps of each of our scoped business verticals, articulates goals on a 3 year and 5 year timeline. The current year was the first year of the three year

## 04 SUSTAINABILITY AND US

verticals, articulates goals on a 3 year and 5 year timeline. The current year was the first year of the three year timeline and the progress charted out on all the goals has been very encouraging and we are on-target to achieve almost all of them.

Commitments	Target for 2011-12	Progress
<b>Reduction in energy Consumption</b>	<b>2%</b>	Various initiatives were undertaken by AS, FES, MHRIL, MLDL, Systech, Tech M and MTWL. The corporate sustainability cell conducted a detailed review with the teams of each sector and collaboratively arrived at specific actions to affect reductions in both energy and water consumption. AS and FES were even recognised by external institutes through various awards for energy and water conservation. (Please refer to Awards in Group Profile >> Corporate Governance)
<b>Reduction in resource consumption (Paper/water/waste)</b>	<b>2%</b>	
<b>Green IT &amp; Green Procurement policy</b>	<b>Draft / release &amp; implement</b>	AS/FES/ MHRIL/ and MMFSL have adopted Green IT policies. AS & FES have released a Green Procurement Policy. All other sectors are at various stages of adoption. The target of implementing these policies by 2011-12, is progressing as per schedule.
<b>Certifications (ISO / OHSAS / GRIHA / ECOTEL etc.)</b>	<b>10</b>	During the current year itself, 3 Systech plants, MIL Kanhe and Tech M between themselves have already accounted for 9 new certifications. With MHRIL, MLDL, the balance Systech plants & MTWL also having commenced work on certifications, this target will be more than adequately met.
<b>Sustainability awareness to significant stakeholders</b>	<b>50%</b>	Employees, shareholders & investors were and will continue to be the core target audience of our ongoing awareness drive. NGO partners & Media are being engaged through ongoing periodic interactions. Structured interactions with suppliers have just commenced. This target too will be met.
<b>Reduction in GHG /CO<sub>2</sub> emissions</b>	<b>2%</b>	During the year we undertook a group-wide exercise to determine the corporate carbon-foot print. This included both estimation for new sectors and update of the sectors that had previously established their baselines
<b>Enhance employee engagement in Esops</b>	<b>10% year on year</b>	Regular interactions were carried out with the CSR team to review and recommend various initiatives to ensure we meet/exceed this target

## Carbon Footprinting

This year we enhanced our depth of reporting to include scope 3 emissions and undertook a comprehensive review of our carbon footprint as per the GHG protocol developed by WBCSD/WRI and laid the foundation of our carbon strategy.

### We are now in a position to:

- Zero in on GHG intensive areas
- Identify opportunities for reducing Emissions & Costs
- Develop strategies whereby we would be prepared for impending new national and international regulations and be better placed to reap business benefits.



## 04 SUSTAINABILITY AND US

### Sustainability Structure

We continue to build on our successful 3 tier structure which lends a top-down approach to enable strategic context towards sustainability & a bottom -up approach to enable strategic action through data monitoring & analysis.

#### Top Tier

The top tier comprises of the "Corporate Sustainability Council"; which is a cross sector committee of senior executives chaired by a member of the Group Management Board. This committee is the apex body; which helps define the scope content, material issues and key stakeholders for the sustainability report.

#### Middle Tier

The middle tier is the "Corporate Sustainability Cell"; which is the backbone of the group sustainability initiatives. The responsibilities of Corporate Sustainability Cell are:

- To ensure approved strategies are in action
- To propose strategies, action plans, scoping of the report etc. to the Sustainability Council
- To develop & disseminate action plans to all the sectors of the group
- To share knowledge & capacity building of teams within each sector to ensure synergies in data collection & monitoring

#### Third Tier

The third tier consist of "Sustainability Champions" at each sector & company within the sectors. The Sustainability Champion is supported by a cross functional team of 8-10 members to enable data monitoring, collection & analysis for the GRI report.

The Sustainability Champions are responsible for:

- Disseminating information with regards to data collection to the core team within the sector
- Coordination between the sector and the sustainability cell
- Ensuring all companies comply w.r.t. all the Sustainability related initiatives including GRI framework

### Environmental Responsibility

Environmental degradation and climate change have moved from being inconvenient truths to incontrovertible facts that represent a potential danger to our societies and economies. If we hope to mitigate the impacts of climate change, we will need to take an inside out approach, one where we 'think carbon positive' at the design stage and adopt alternative technologies fast.

At Mahindra, environment responsibility forms the foundation of our sustainability roadmap, which will keep us focused on targets for improving the environment related performance.

Our initiatives on green buildings and alternative fuel front continued during the year as well. The Infrastructure Development sector continued with its commitment to develop projects as per the IGBC standards. Moreover all our other developments, be it the data centres of our IT Sector or manufacturing facilities, are following Green Building Standards and are focused on implementing energy efficiency & resource conservation initiatives.



**Environment responsibility forms the foundation of our sustainability roadmap, which will keep us focused on targets for improving the environment related performance.**

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The Automobile and Farm equipment too continued their pursuit for launching energy efficient products.



India's first compact truck 'GIO', offers high mileage & low maintenance cost



The technologically advanced compact truck 'MAXXIMO' offers the twin benefits of fuel efficiency and self employment to the semi-urban youth.



A 15 HP tractor 'YUVRAJ 215', focuses on fuel efficiency and affordability for the small farmer.

Needless to say, we continue to manufacture CNG passenger vehicles which will help reduce the load on conventional fuels and reduce particulate emission.

The Mahindra R&D team is progressively innovating conventional power train technologies to produce cleaner & fuel efficient diesel engines and low friction transmissions & drivelines. Vehicle augmentations like reduced drag, nominal weight reduction; lowering rolling resistance etc. have been adopted along with improved fuel efficiency & reduced emission.



**Social Responsibility**

At the Mahindra Group, we are partners in progress with local communities. We strongly believe that the organisation and its community are highly interdependent and thus executing our social responsibilities goes hand-in-hand with our everyday business responsibilities.

In consonance with the Company's core value of Good Corporate Citizenship, the Mahindra Group continues to direct 1% of its profit after tax ("PAT") to Corporate Social Responsibility ("CSR") initiatives which benefit the socially and economically disadvantaged sections of society. The areas of focus are Education, Health & Environment. Besides this, investments are made for promoting sports and fine arts which gives a platform for young talent to bloom.

With the aim to contribute beyond financial resources, we encourage and recognise our employees for volunteering through our bespoke program 'Esops' - Employee Social Options. It is driven by a CSR council and an on-ground ongoing focus is maintained throughout the year by the Esops committee under the CSR department of each company. Under the aegis of Esops, we regularly partner with the government, NGOs and other business associates to contribute positively towards the economic and human development of society.

Some of the major initiatives which we have invested human and financial resources in are livelihood and skills training to youth from socially disadvantaged communities, education of the disadvantaged girl child, mid-day meal kitchens in schools, gifting cochlear implants and flood relief.

**1%** of PAT to Corporate Social Responsibility initiatives



“ When you think of life – think of poverty, think of slums, think of hunger, think of deprivation, think of ignorance and when you dream, it is of India without the ailments above – a happy India through your sustainable effort. Persevere; your dream will come true. Good Luck. ”

**Keshub Mahindra**  
Mahindra & Mahindra Ltd.

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**Stakeholder Engagement**

In an increasingly complex and ever-changing business environment, stakeholder engagement provides opportunities to align business practices with societal needs and expectations and thereby helps drive long-term sustainability and shareholder value. We have created structured platforms to identify and interact with our stakeholders at regular frequency in a systematic manner.

Sustainability Champions of each business/sector in consultation with their respective departments and senior management identify and prioritize their key stakeholders.

The Corporate Sustainability Cell collates and analyses these lists to derive key stakeholders for the Group; which in turn are discussed and confirmed by the Sustainability Council.

Goal of engagement with each group, method of engagement and key results from interaction are all meticulously documented and then vetted by the top management of respective sectors to derive future business directions, plan initiatives and prioritise actions.

**Key Stakeholders**

Each sector/business ensures that their individual communication department engages in active dialogue with internal & external stakeholders.

**Employees**

Method of engagement	Frequency of engagement	Key Results
Blue Chip conference	Annual	Alignment of management approach and strategic direction across all Group Businesses.
Reach out / InSync	Quarterly	Alignment of management approach and strategic direction across all levels of the various businesses.
Gallop Survey	Once in two years	Understand the pulse of employees.
Rewards and recognition schemes	Annual	<ul style="list-style-type: none"> <li>Ensure a fair, transparent and growth oriented work culture.</li> <li>Be a preferred employer to attract new and retain existing talent.</li> </ul>
Voluntary CSR schemes (Esops)	As per the CSR calendar	Create a platform for employees to contribute their time and talent for community work and make them partners in the Company's social commitment.
Employee welfare-employee and family counseling (by Auto & Farm Sectors only)	On call	Employees' personal problems are immediately addressed, creating a happy and a committed work environment

**Customers**

Method of engagement	Frequency of engagement	Key Results
Customer satisfaction survey (CAPs index)	Annual	Retained customer loyalty & improved business
Planned service and sales events	As per service schedule	
Field visits by senior management	As per set calendar	
Direct marketing	On going	Provide product information and help purchase decision.
Voice of Customer (by Auto & FES sectors only)	Prior to new product development	Getting first hand inputs of customer expectations to enable better design of new product.

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### Dealers

Method of engagement	Frequency of engagement	Key Results
<b>Dealer advisory council</b> <b>Dealer meets</b> <b>Dealer performance, review &amp; rewards</b> <b>Systematic sales and service support</b>	<b>On call</b> <b>Annual</b> <b>Annual</b> <b>Continuous</b>	To forge sustainable partnerships for mutual benefit and improved business

### Suppliers

Method of engagement	Frequency of engagement	Key Results
<b>Supplier meet</b> <b>Supplier awards</b> <b>Supplier audits</b> <b>Quality and product development forums</b>	<b>Annual</b> <b>Annual</b> <b>As per audit schedule</b> <b>As per schedule and on call</b>	To share future plans and ensure alignment of expectations and the capabilities of individual suppliers. Reward best performers and motivate others to improve performance as to the quality and timeliness of delivery. To ensure quality standards. Provide Technical and business support whenever necessary and to maintain quality standards.

### Shareholders/Investors

Method of engagement	Frequency of engagement	Key Results
<b>General Body Meeting</b> <b>Investor Relation Road Shows</b> <b>Investor Relation Cell Investor Relation Section on the Mahindra web Site</b>	<b>Annual</b> <b>Twice a year</b> <b>Continuous</b>	Addressing investor concerns and enhancing their confidence.

### Local Community and Society

Method of engagement	Frequency of engagement	Key Results
<b>Esops activities</b> <b>Meetings with local bodies like the gram panchayat and interaction with representatives of local communities.</b> <b>Partnerships with NGOs at local as well as national level.</b>	<b>As per Esops calendar</b> <b>As and when required</b> <b>Ongoing</b>	Earn the goodwill of the community and society at large by upgrading their quality of life Understanding and addressing the concerns of the local communities and ensuring smoother business activities with societal support. Understanding the needs and aspirations of communities, identifying issues of national importance and follow a systematic approach for CSR.

## 04 SUSTAINABILITY AND US

### Regulatory Authorities

Method of engagement	Frequency of engagement	Key Results
Compliance with relevant legislations and all statutory requirements.	On going	Ensured adherence to statutory and regulatory norms which enhance the company's image among all stakeholders.
Engagement with various Ministries in the Government.	As required	Addresses matters of mutual concerns between the Government and Industry
Participation in Trade Bodies like CII, FICCI, BCCI, SIAM, SAE etc.	On going	

We are committed to strengthen our ongoing dialogue with our employees and stakeholders and create greater awareness among them on sustainability related issues. To accomplish this goal we flagged-off a host of initiatives round the year, across various sectors.

An illustrative glimpse of stakeholder engagement initiatives undertaken by three of our group companies.

#### Mahindra Holidays

- In-house capacity building workshops and seminars on various sustainability parameters.
- Celebration of special events like World Water Week, Environment Week, World Ozone Week, Non-conventional energy day, National Safety Day, Founders' Day with focus on sustainability, etc.
- Awareness drives across schools, Govt. agencies and our neighbouring communities
- Sustainability promotion through various collaterals like standees, e-mailers, posters etc.

**Munnar resort of Mahindra Holidays undertook a 'Say No to Plastics' drive that empowered self-help groups to manufacture paper bags. These bags were then bought by the resort and the neighbouring community. Not only did this help creating an awareness about the hazards of plastic, and make the area plastic free zone as mandated, but also ensured that physically challenged and economically backward people were provided much needed employment. This initiative was soon replicated by the MHRIL resorts at Thekkady and Ashtamudi.**

#### Tech Mahindra

A vibrant drive was undertaken whereby various events were organized to educate employees, build awareness and celebrate events related to sustainability. Some initiatives were structured in such a way that they also covered the local communities, an important stakeholder group for us.

- Pedal 2 Preserve (P2P)**  
P2P - Green Friday' is an initiative incubated by a group of employees at TechM wherein the 1st Friday of every month, is celebrated as Green Friday to promote a culture of environment friendly commuting. On this day, employees either cycle, car pool, use public transport or walk to workplace. The initiative kicked off on 4th December and completed its fifth round during April 2010.
- Walkathon and Cycle Rally**  
This was an event where 400 employees got together to spread awareness on Global Warming by participating in a walkathon and cycle rally.
- Green Marshals**  
Tech Mahindra's Corporate Sustainability Team has pioneered the idea of Green Marshals. Green Marshals are responsible for educating employees about energy, water, paper conservation; organizing awareness campaigns about Green initiatives; coordinating events for promoting environmental friendly ideas & activities and celebrating Earth day & environment day. In a short span Green Marshals have accomplished the following tasks:



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- Spread awareness among the employees in Hinjewadi canteen about wastage of food by displaying details of food wastage everyday.
- Invited 'Apna Bag' - an organization committed towards spreading awareness about how newspaper can be recycled to create paper bags to reduce use of plastic ones. Consequently a demonstration workshop was conducted on making paper bags for employees of Hinjewadi and Sharda Center, Pune.
- Earth Day celebrations - this included sale of cycles at discounted rates, NGO-Doorstep visit, Tree Plantation, Environment Quiz and many other competitions to promote Green ideas.

### **d Online Test**

An on-line Corporate Sustainability Test was conducted with the motive of educating the entire employee base on the pressing issue of sustainability. Employees booked the test online and were provided with the 25 slide comprehensive presentation on the matter - issues, effects, measures. 20,000 employees out of 25,000 cleared the exam.

### **e Recycling Employee mobiles**

Tech M also initiated a program to encourage employees to recycle the unused/damaged personal mobiles with help from a leading mobile phone manufacturer.

### **f Corporate Sustainability Website**

An interactive website was launched during 'Blue Chip Conference' in the reporting year to direct all the efforts of the employees towards the cause of sustainability in a single, focused direction.

## Mahindra Farm Equipment Sector

### FES conducted various events and initiatives to actively engage suppliers, customers, employees and their families.

#### **a Sustainability Meet**

With an aim to engage in a focused dialogue with suppliers on sustainability, a meet was organised on the theme of 'sustainability'. To encourage and accelerate adoption of sustainable practices across the supply chain, Sustainability awards were instituted.

#### **b Swasth Chalak Swasth Tractor (SCST) Camp for Farmers**

Camps were conducted for Farmers at Loni Dealership near Pune, where about 200 farmers visited the event, more than 125 farmers were given a free health checkup by qualified doctors while 62 tractors were serviced by our service team. Also 9 farmers were given free insurance of INR 200,000 under the Castrol Sanjeevani program.

#### **c Aadhar**

The employee and family support centre initiative of FES organised counselling sessions for employees and their families along with home visits, visits to hospitals/ NGOs in coordination with the Govt. Social Welfare Department. The families were also rendered the services of psychologists, psychiatrists, vocational and career consultants, investment and insurance consultants, counsellors from family court and adoption agencies & other related experts.

#### **d Kisan No.1**

Mahindra 'Samridhhi Samman', a pioneering customer centric initiative for the farming community was held for the first time ever at Jamnagar, Gujarat. The award felicitates farmers who work together with Mahindra's Samridhhi centres to achieve productivity increase through use of innovative farming technologies.

#### **e FES Shadow board**

The FES shadow board has been actively percolating and institutionalizing the culture of sustainability at FES through a host of initiatives. These included a 'sustainability week' to reach to cell members on the shop floor, employees and the neighbouring community; launch of the first Mahindra car pool website; awarding green champions; launching a carbon footprint calculator and forming the Mahindra Green Club among others.

#### **f Enhancing Employee Satisfaction**

Stemming from the belief that employee engagement is key to employee satisfaction, a host of initiatives have been conducted consistently over the years to 're-boot', re-invent' and 're-ignite employee engagement. These initiatives were born out of dipping employee satisfaction index scores which revealed that communication

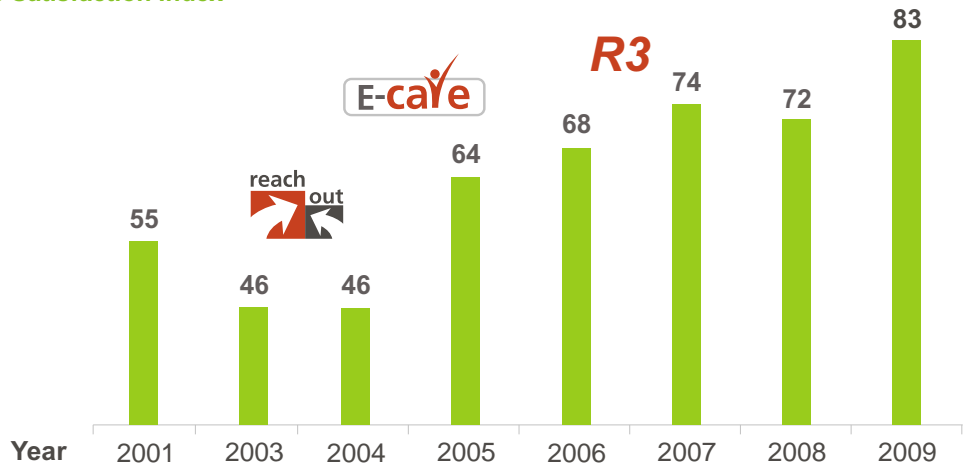
## 04 SUSTAINABILITY AND US

have been conducted consistently over the years to 're-boot', re-invent' and 're-ignite employee engagement. These initiatives were born out of dipping employee satisfaction index scores which revealed that communication was significantly missing in the system. They included:

- The 'Reach Out' initiative to ensure good top down and bottom up communication with the senior management.
- 'E-care' initiative which ensured that the sector shifted its approach from administration to care.
- R3 - Respect, Regard and Recognition, was born out of an effort to be less mechanical while dealing with each other and engage the hearts of our people.
- The 'Deep Dive' initiative went beyond scores to understand the deeper issues for apparently low scoring categories. This qualitative intervention, branded as 'Tell Me More', brought about the biggest ever jump in ESI scores.

The key objective of these initiatives was to listen and act on what we heard from employees, take the engagement process to a deeper level while raising the bar in achieving employee satisfaction. The results are for all to see:

### Employee Satisfaction Index



Source: Gallup Survey

## Management Approach

### Labour Practices

People are our prized assets and their productivity is the key to our success. We practice & endorse equal opportunity employment and do not discriminate on the basis of caste, religion, gender or handicap. We are committed to provide a safe & healthy work environment and ensure adherence to all labour legislations. Hence Human Resource Development is the key to our growth. To ensure that all business entities of our Group are aligned to a common approach which fosters a transparent, fair & growth oriented work culture, we have a 'Corporate HR Cell' which sets out norms, policies and initiatives for all to imbibe. This cell also looks at standardised Industrial Relations policies.

Occupational Health & Safety of our employees is given prime importance and all our manufacturing units in Automotive, Farm Equipment, Systech sector & Mahindra Intertrade are either OHSAS 18001:2007 certified or in the process on obtaining the certification. Training and education of our employees is a part of our structured employee up-gradation process. We support the right of collective bargaining by our employees.

**We are committed to operate in line with the UN Global Compact principles on labour standards as mentioned below:**

#### Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

#### Principle 4

The elimination of all forms of forced and compulsory labour

## 04 SUSTAINABILITY AND US

**In 2001; Mahindra was one of the first Indian companies to be a signatory to the United Nations Global Compact (UNGC). As a participant we strive to uphold the ten principles of the Global Compact in the areas of Labour standards, Human Rights, Environment & Anti-Corruption.**



**Principle 5**

The effective abolition of child labour

**Principle 6**

The elimination of discrimination in respect of employment and occupation

**In addition, we have also incorporated the following ILO core labour conventions into our policies since 2009:**

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>● Freedom of Association and the right to collective bargaining</li> <li>● Right to organize and collective bargaining convention</li> </ul> | <ul style="list-style-type: none"> <li>● Forced labour convention</li> <li>● Abolition of forced labour convention</li> <li>● Minimum Age convention</li> </ul> | <ul style="list-style-type: none"> <li>● Worst forms of child labour convention</li> <li>● Equal remuneration convention</li> <li>● Discrimination (Employment and Occupation) Convention</li> </ul> |
|---|---|--|

### Human Rights

At Mahindra human rights are indivisible and non-negotiable. "Dignity of the Individual" is one of our 5 core values. Discrimination, forced & compulsory labour & child labour are strictly prohibited. We also denounce bribery or corruption in any form and our processes ensure that such negative practices are strictly discouraged. Our Human Rights policy released in May 2009, formally adopted the 10th Principle of UNGC.



**We adhere to the following UN Global Compact principles on human rights which state:**

**Principle 1**

Businesses should support and respect the protection of internationally proclaimed human rights

**Principle 2**

Ensure that businesses are not complicit in human rights abuses

**Principle 10**

Businesses should work against corruption in all its forms, including extortion and bribery

### Economic Performance

During 2009-10, as the global economies were still reeling from the aftereffects of the financial meltdown in the previous year, India's economic growth steadily gained momentum. This was led by a very encouraging rebound in the industrial activity. It was heartening to see the sharp increase in consumer durables and capital goods production, reflecting a healthy consumer and business confidence in the country.

The agricultural GDP however, took a hit due to severe drought conditions and the resultant inflation in food prices.

As a company with a presence in multiple sectors and operating across multiple geographies, a combination of positives and negatives arose and posed obvious challenges. Therefore, while the Group's performance across segments registered an improvement with a strong sales performance translating into healthy growth in both revenues and profits of the Group; the Systech segment faced challenges on account of the situation prevailing in the European countries which are yet to return to normalcy post the global meltdown of 2009. This global downturn also had a domino effect on the auto-components industry, which were severely impacted the world over.

**The Group's performance across segments registered an improvement with a strong sales performance translating into healthy growth in both revenues and profits of the Group**



Economic challenges notwithstanding, the Group made forays into new sectors like the Aerospace sector and acquired two companies in Australia, and entered into a joint venture agreement with a premier global defence, security & aerospace company. A JV company for manufacture of 125HP tractors was also inaugurated in China. The year also marked our entry in the renewable power space.

## 04 SUSTAINABILITY AND US

### Environmental Performance

At Mahindra we strongly believe that improved environmental performance leads to improved financial performance. It is our constant endeavour to integrate environmental constructs into management decision making including products costing, product pricing, product development, capital investment, and performance evaluation decisions. Compliance of all laws and regulations relating to environment has always been ensured in letter & spirit. The commitment has always been to go "Beyond Compliance" and ensure that we stay ahead of local laws and pollution norms. This approach is practised by all group companies; especially those having significant environmental impacts like Auto, Farm Equipment, Two wheelers, Systech and Infrastructure Development Sector.

This approach is underlined by our actions in terms of new product development, and creating new facilities.

A new manufacturing site inaugurated during the year in Chakan-Maharashtra, has state of the art production lines and over 147 small and large initiatives addressing, energy and water conservation, use of renewable energy and responsible waste management practices. This has been elaborated later in this report.

"Mahindra Research Valley" (MRV) - a brand new R&D centre has been set up at Chennai. This centre will work on constant up gradation of fuel efficiency and alternative fuel technologies in all our future offerings.

**Our new Chakan plant has over 147 small and large initiatives addressing, energy and water conservation, use of renewable energy and responsible waste management practices.**



**Our environmental policy ensures commitment to continual improvement in minimizing negative impacts, achieving long term sustainability & enhancing the local environment of the communities in which we function.**



**Giving a thrust to our alternative power and technology forays, we have introduced the Clean-Tech Ventures Initiative. Starting with solar power, it will focus on growth avenues in the renewable energy sector.**



All our manufacturing plants in Automotive, Farm Equipment, Systech, Two Wheelers & Mahindra Intertrade are either ISO 14001:2004 certified; or in the process of obtaining certification. Environmental Impacts of our products & services has always been an important criterion for our Research & Development. Mahindra has always been conscious of its environmental impacts and the GRI framework has helped us to consolidate and articulate our environmental performance.

**We adhere to the UN Global Compact principles on environment:**

#### Principle 7

Businesses should support a precautionary approach to environmental challenges

#### Principle 8

Undertake initiatives to promote greater environmental responsibility

#### Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

We have incorporated Green IT guidelines in 2008-09 for the environment-friendly use, management and disposal of IT equipment. All Mahindra Group IT agencies and users need to adhere to these guidelines

### Society

Along with climate change, the world is also grappling with social change. As affluence rises, so does the gap between the 'haves' and the 'have-nots'. Fissures between aspirations and opportunity are widening, especially among the lower strata of society. Corporate need to play an active role in correcting these imbalances. The privatization and deregulation of economies and the liberalization of trade have enhanced the corporate's influence on daily economic lives of people. Globalization has erased borders between economies and societies around the world and enhanced the sphere of influence of corporate.

**As of March 2010 we had a total of 35,316 Esops volunteers. Esops coordinates with local CSR departments to engage in social initiatives relating to environmental protection, education and health issues.**

## 04 SUSTAINABILITY AND US

**Corporate Social Responsibility (CSR) has been integral to the Mahindra Group's philosophy since 1945. For the Mahindra Group, CSR encompasses designing socially responsible products, engaging in socially responsible employee relations and being sensitive to and making responsible investments in the communities it serves. For over six decades now, good Corporate Citizenship, Professionalism, Focus on Human Resources, Quality and a Belief in the Dignity of the Individual have formed the bedrock on which the company has been built.**

The Corporate Social Responsibility Council and the CSR department are responsible for all the company's social initiatives. At Mahindra we have empowered our employees to be the change agents through the Employee Social Options (Esops) program. As of March 2010 we had a total of 35,316 Esops volunteers. Esops coordinates with local CSR departments to engage in social initiatives relating to environmental protection, education and health issues. We actively engage with our other stakeholders and encourage our suppliers and dealers to participate in some of our programs.

The Corporate level CSR department further coordinates the activities of the CSR departments in each of our business sectors with the support of Esops champions.



Mahindra values sports & theatre equally. Over and above its continuing involvement with sports through the Mahindra United Football Team, this year in March, Mahindra in partnership with The National Basketball Association (NBA) launched a multi-city community-based recreational basketball league.

Mahindra encourages excellence in theatre and the performing arts through Mahindra Excellence in Theatre Awards (META).



We partner with local communities, schools and NGOs in all possible activities.



### Product Responsibility

At Mahindra our unrelenting desire to make quality an intuitive part of our daily processes gives us our spotless reputation among stakeholders. As manufacturers who design and develop a product it is our prime responsibility to ensure that our products contribute to sustainable development across bottom lines.

**Since our products are part of everyday lives of millions of people, our focus is on ensuring that responsibility is built into products and carried beyond factory premises. That means adhering to environmentally and socially responsible product development and ensuring compliance with regulations and voluntary codes concerning health and safety throughout the product lifecycle.**

The Mahindra Quality Way ensures that this is done by integrating management technology, process technology and product technology in manufacturing, vendor management & product development and marketing.

We provide accurate and appropriate information through strict compliance with required disclosures and product labeling warranted by procedures including product & service labeling, marketing & communication requirements and laws inclusive of promotions, sponsorships and advertising. We are committed to comply with all applicable products & service regulations.

**A part of the Mahindra & Mahindra Quality Policy states that we shall:**

- Deliver innovative products and services offering high value in terms of fit and function, performance and life, costs, quality, safety and environmental performance throughout the product life cycle.
- Improve the quality and timing of product and process information throughout the development cycle.
- Strive towards creating global benchmarks in process technology through use of innovative and ingenious engineering tools and techniques.
- Offer excellent products and services by anticipating diverse needs and keep our focus on customer satisfaction and loyalty.

## 04 SUSTAINABILITY AND US

This policy is deployed through the Mahindra Quality Systems and the sector president is responsible for adherence to all quality principles.

This focus on quality has helped Mahindra Group companies come up with quality products and services that help generate value for customers. At Mahindra, the Company undertakes research to identify the needs of both its existing and potential customers in order to fulfill their aspirations. During the year, our sectors have taken many steps to improve the lives of its customers.

### Auto Sector

The Mahindra Auto Sector is manufacturing products that are technologically advanced, high on fuel efficiency and provide self-employment opportunities to rural and semi-urban youth. This includes launching India's first compact truck, the Gio, with car-like interiors and an attractive price point and the Maxximo, a technologically-advanced compact truck which features the world's first 2-cylinder 4-valve common rail engine and is much superior to what was hitherto available in the market.

**Mahindra is also the first Company to introduce micro-hybrid technology in the LCV segment in the Bolero Maxi-truck (BMT), which now accounts for more than 30% of BMT volumes.**



### Farm Equipment Sector

**FES has consciously aspired to go beyond Farm Equipment manufacture and achieve 'Farm Prosperity'. by making a difference in the lives of farmers through technology. This has been done through a series of product and service offerings,:**

The 'Yuvraj' tractor has been specifically developed for the small and marginalised farmer.

**The Samridhhi Initiative offers farmers a wide range of agri-related services under one roof.**

**AppliTrac** is an initiative which aims to help the farmer increase his level of mechanization by offering him total farming solutions which would enhance the efficacy of his tractor, thereby increasing farm productivity. This would be achieved through use of farming implements such as rice transplanters, sugarcane cutters, rotavators, etc., and specific use implements like loaders, dozers, backhoes, etc.



### Mahindra Finance

Mahindra Finance is designing its product offerings focused on the betterment of Rural India. These are in the form of farm equipment financing, vehicle financing for small entrepreneurs, as well as those aspiring to be fleet owners. This imparts security through Insurance and fulfils home ownership aspirations for the rural and semi urban Indians.



### Mahindra Lifespaces

Mahindra Life spaces has executed its intent of introducing high quality and value added products and regularly interacts with technical institutes of repute for testing new innovations in building materials etc. Mahindra Splendour won the Cityscape Awards 2009 in Best Developer - Green Development (Future) category.



### Mahindra Holidays

Mahindra Holidays is truly 'changing the way India holidays'. Its Homestay product signed with state governments, allows vacationers to live with local people thereby bringing income streams in rural communities. This also promotes cross culture interactions both within the country as well as with foreigners.



04 SUSTAINABILITY AND US

**Social Impacts**

At Mahindra we ensure that all new projects and locations comply with social, environmental and legal regulations. A thorough impact assessment before commencement of any project is part of our standard operating procedure. This respect for environmental concerns creates a positive impact on society. All of our group companies work in a spirit of cooperation with the neighbouring communities and ensure job creation at the local level. We also make sure that we fulfill our direct social commitments to Health & Education.

We are also proactive in our commitment to upgrade the knowledge skills of our suppliers/dealers by sharing our best practices and thus playing a role in their growth and prosperity.

**Alternative Power**


**POWER** 

Shining skyscrapers, centrally air-conditioned malls, energy-guzzling industries. Behind the bright side, often the generators belch pitch-black, diesel smoke to gain power.

**As the urban empires face electricity cut-offs, millions in the rural spheres continue to remain off the electric grid.**

In light of an ever-increasing electricity demand, the future of power supply hardly seems brighter.



alternative  
**POWER** 

Where lighting accounts for 20% of all electrical energy usage, the millions energy-efficient bulbs in use can add up to a substantial amount of electricity conservation.

**At Mahindra, team Hinoday set a shining example to follow by making a switch to smarter lighting technology.**



**ADVANCED TECHNOLOGY FOR ENERGY EFFICIENCY- MAGNET MAGIC LAMP**

Mahindra Hinoday, in its endeavour to incorporate reliable, low-cost, energy efficient solutions, has installed magnetic induction lamps and fixtures within its premises.



Induction lamp technology provides the same vibrant light output as fluorescent lamps, with instant on and off performance and does not use a filament that can fail. They are amongst the most efficient light sources commercially available and offer energy savings, long lifespan and high scotopic output & colour rendering index.

This new technology also solves the electrode-aging related problems, thereby resulting in maintenance free lamps that are ideal for industrial lighting, outdoor flood lighting, street lighting and tunnel lighting among others.

04 SUSTAINABILITY AND US

**ADVANTAGES**

- Long lifespan due to lack of electrodes - between 65,000 and 100,000 hours depending on the lamp model.
- Very high energy conversion efficiency of between 62 and 90 Lumens/watt [higher wattage lamps are more energy efficient].
- Increased power factor due to the low loss in high frequency electronic ballasts, which are between 95% and 98% efficient.
- Minimal Lumen depreciation (declining light output with age) compared to other lamp types as filament evaporation and depletion is absent.
- "Instant-on" and hot re-strike, unlike most conventional lamps used in commercial / industrial lighting applications (Sodium vapour and Metal Halides).
- Environment friendly as induction lamps use less energy, and generally use less mercury per hour of operation than conventional lighting due to their long lifespan. The mercury is in a solid form and can be easily recovered if the lamp is broken, or recycled at end-of-life.

**BRIGHT SAVINGS**

These lamps offer considerable cost savings in energy and maintenance costs compared to other types of lamps that they replace. This was evident at the Ferrite Core Group (FCG) shop floor where Metal Halide and High Pressure Sodium lamps were replaced by magnetic induction lamps.

	
<b>FCG SHOP - Before</b>	<b>FCG SHOP - After</b>
<b>250 W MHL + HPS</b>	<b>150 W MML</b>
<b>Avg Lumen in the workshop</b>	<b>Avg Lumen in the workshop</b>
<b>200</b>	<b>400</b>

The Induction lamps accrued savings of Rs. 10,300 per month with a 16 month payback period for differential costs. When considering the replacement cost over a lifetime of 50,000 hours, the saving per 50,000 hours shot up to Rs. 5,13,000 and the payback period plummeted to only one month.

**Alternative Innovation**

**INNOVATION**

Innovation is nothing but a new idea put into action.

And most of such innovations that have the power to empower corporate growth aren't discovered in the lab, or in the isolation of the executive suite.

They come from the people who daily fight the company's battles, who serve the customers, explore new markets and fend off the competition. Unfortunately, many a time organisations that aspire to lead by innovation fail to explore a diverse array of new ideas.



alternative  
**INNOVATION**

The only way to get great ideas is to get lots of ideas from lots of people.



At Mahindra therefore an emerging trend is that of converging minds - right from the shop floor to board room - to generate ideas that can expedite innovation and enhance business performance.

We do this, because we believe that no idea is too small to be left unheard. Through the implementation of Ingenious Drive, we encourage workmen to ignite ideas and increase their involvement in improvement projects.





04 SUSTAINABILITY AND US

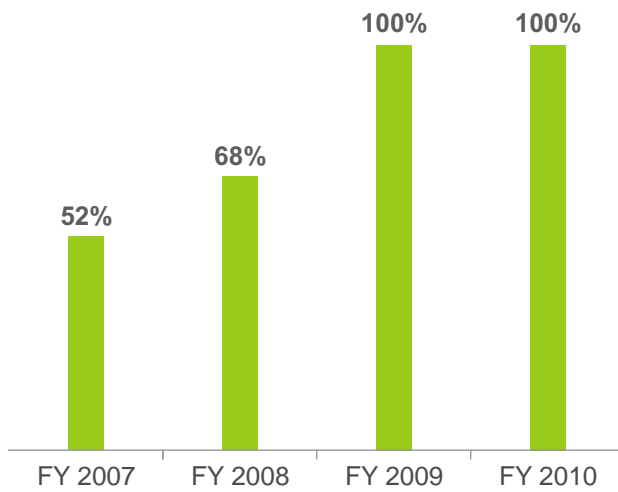
**WORKMEN INVOLVEMENT IN IMPROVEMENT PROJECTS THROUGH I4 TEAMS**



Mahindra and Mahindra - Limited Automotive Sector rolled out 'Ingenious Drive' in 2004 to further enhance the Customer Centricity. The Promise Statement was also unveiled aiming at unleashing the passion of its people to surpass the latent desires of customers. In first phase, only executives were made aware about the Ingenious Drive and Promise. In phase - II the workmen were also made aware of the same. This drive was focused on making the organization, an idea-led organization, where everyone - from the board room to the shop floor - were involved in generating ideas.

To tap immense potential of its workmen and to increase the employee involvement in improving the plant performance, improvement teams had been formed across Auto Sector production units as a part of Ingenious Drive. These teams, christened as "i<sup>4</sup> teams" are natural working groups led by an officer and generate ingenious ideas to make differences at their own level, to bring improvements in areas of productivity (P), quality (Q), cost (C), delivery (D), safety (S), morale (M) and product features. Today, all workmen across the Auto Sector are members of i<sup>4</sup> teams.

**WORKMEN INVOLVEMENT**



Financial Year - April to March

**The ideas generated revolve around efforts to:**

- Increase production & productivity
- Conserve energy
- Reduce cost by better methods
- Eliminate waste or cost control
- Improve quality
- Remove bottlenecks
- Increase safety & prevent accidents
- Better housekeeping
- Improve the environment



04 SUSTAINABILITY AND US

**THE IDEATION PROCESS**

The i4 teams, formed mostly from the group of workers on the same line, are led by an officer. During the meet held at least once every month:

- Each team brainstorms for an hour
- PQCDSM related ideas are recorded on the i<sup>4</sup> Suggestion form
- Accepted ideas are implemented with help of concerned dept / team.
- Action plan for pending ideas are discussed.



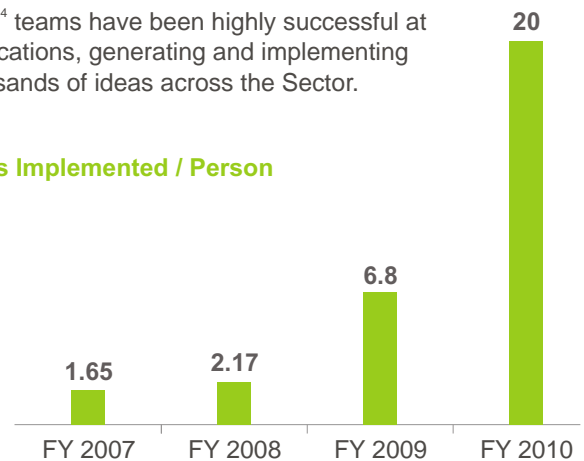
Annual competitions are held where winning teams are recognised and awarded. The team members are also awarded different i-Points for ideas submitted, feasible ideas and ideas implemented.

Each point is equal to INR 1, and can be redeemed by workmen every quarter for attractive gift vouchers.



The i<sup>4</sup> teams have been highly successful at all locations, generating and implementing thousands of ideas across the Sector.

Ideas Implemented / Person



**RESULTS**

These ideas are increasing productivity across plants, improving quality, delivering safety, improving morale and generating savings.

Another interesting facet of the i<sup>4</sup> concept is the active sharing among plants, whereby teams from each plant visit each other to share insights and offer suggestions. This cross learning created by the i<sup>4</sup> concept is fertile ground for new ideas.



04 SUSTAINABILITY AND US

**Alternative Engagement**

**ENGAGEMENT**

For a large part of business history, companies dealt with suppliers/vendors as external agencies. Their concerns were restricted to on-time and cost efficient deliveries.

Soon the carbon footprint of the supplier started to stain end products, poor working conditions at the vendor end impacted businesses and malpractices caused companies who did business with them to face consequences.

What ensued was unsustainable relationships.



alternative  
**ENGAGEMENT**

A company is only as green as the supplier it engages with. The automotive global supply chain touches nearly every other industry, including steel, plastics, textiles, electronics, and more.

**At Mahindra around 90% of the assemblies required for the manufacture of our vehicles are procured from suppliers.**

Hence, there is a compelling business case for us to engage with suppliers in jointly developing products and services which are commercially viable, preserve our environmental resources and look after our workforce and communities.



**SUSTAINABLE SUPPLY CHAIN**



As one of the forerunners in following sustainable business practices, conscious efforts were made to extend our sustainable practices to our suppliers. Our Auto Sector (Nashik) and Farm Equipment Sector took up the challenge on this front.

**The emphasis has shifted from the 'green consumer' to the 'responsible retailer' whereby the supplier/service provider and the brand owner assume responsibility for ensuring that consumers can buy products and services with confidence in their source and manufacture.**

**AUTO SECTOR | Nashik**

A challenge it indeed was since the suppliers at AS, Nashik were not very receptive to the idea of changing the way they worked, their main apprehension being increased cost in bringing about any change.

AS, Nashik realized that this was a sensitive issue and dealing with it would require engaging at a deeper level with suppliers. They therefore initiated a supplier partnership drive called 'Partnership with suppliers for continuous improvement'.

Gains were made by working closely with suppliers to identify focus areas of improvement in labour standards and environmental performance.

## 04 SUSTAINABILITY AND US

The drive began with a program on 'Knowledge and best practice sharing with suppliers for fostering an environment for sustainable development'.

The following were key components of this program:

### Groundwork

As part of the groundwork, a detailed questionnaire for understanding the current process, and level of understanding of the environmental challenges, such as effects of irresponsible waste disposal etc. was sent to all suppliers.

### Prioritization

The groundwork helped them prioritize suppliers in the following categories:

- |  |   |
|--|---|
| <p><b>A</b> Supplier with Hazardous process &amp; dangerous operations with no EMS/OHSAS Certification</p> | <p><b>C</b> Supplier with Non-Hazardous process or/and Non-dangerous operations with no EMS/OHSAS Certification</p> |
| <p><b>B</b> Supplier with Hazardous process or/and dangerous operations with EMS/OHSAS Certification</p>   | <p><b>D</b> Supplier with Non-Hazardous process or/and Non-dangerous operations with EMS/OHSAS Certification</p>    |

Suppliers under categories A and B were taken on priority for the continuous improvement program.

### Awareness

Focused awareness sessions on environment, health & safety issues and the importance of green supply chain was first undertaken for the identified suppliers.

### Training

Programs on importance of green supply chain and EHS Management system development were conducted. Realizing that cost was indeed an issue with small suppliers, Green SCM Clusters were formed and one consultant was appointed to guide the cluster to adopt sustainable practices. Training facilities/infrastructure was provided by M&M. This made the initiative affordable for these small scale units.

### Audit

The company's Auditors were trained to conduct environment/EHS related audits at these supplier facilities and audit check sheet prepared to ensure comprehensive audits. Physical audits were also conducted at suppliers' facilities and legal audits conducted at 35 tier 2 suppliers through consultants.

### Corrective Action

Plans arising out of the above audit reports were drawn and corrective action plans executed.

### Impact

- Eight suppliers got themselves certified for EMS/OHSAS, and another six are in the process. These initiatives resulted in reduced accident rates at the supplier facilities and soon appreciation letters followed from suppliers.
- Reusable packaging concepts have been implemented at certain supplier locations which in the first few months have resulted into waste reduction of 1,402 tons of corrugated & 1,643 tons of wooden box. This translates into 4,448 trees.
- The suppliers could meet 100% compliance of regulations. The Directorate of Industrial Health & Safety has commended the initiative in writing.
- Some Suppliers have undertaken tree plantation initiatives at their premises due to improved consciousness about the environment.



These impacts were seen within 12-15 months of initiating the Supplier partnership drive. Some initiatives with the 2nd tier suppliers have also been started. Due to the positive results it is proposed to strengthen the process and initiate further interventions with primary suppliers as well as the 2nd tier suppliers.

04 SUSTAINABILITY AND US

**Lessons Learned**

AS, Nashik realised that they needed to be sensitive to the financial and non financial constraints of their suppliers and needed to structure programs keeping these sensitivities in mind. This initiative has resulted in a marked improvement in its supplier relationship.

**FARM EQUIPMENT SECTOR**

FES has its presence in around 25 countries across six continents with more than 1000 dealers world-wide. In this challenging environment it was necessary to upgrade supplier competencies so as to be able to consistently provide quality products at competitive cost to customers.

Two years ago FES had established the Mahindra Yellow Belt (MYB) QC approach to problem solving as a proven methodology, employing QC Tools to solve chronic quality problems. This approach has now been extended to suppliers as well and was introduced in a program on 'Awareness and capacity building for enabling suppliers to build a Sustainable enterprise'.



This year, 13 Business Partners showed keen interest in implementing this methodology in their respective organization. 15 Participants were nominated for the MYB - Business Partners Training Program - an action oriented training program, wherein the participants undergo two days of training, followed by an objective test, and thereafter apply the learning in a Project Problem selected by them and approved by Mahindra & Mahindra.

During the year, two MYB- Business Partners Training programs have already been organized. The response for MYB from the participants was very encouraging; and the overall rating of the Training program was 4.45 on the scale of 5.

**Impact**

- Better integration of Sustainability strategy in the FES supply chain.
- Sustainability is no longer limited to Mahindra & Mahindra and has percolated to external stakeholders as well.

**Lessons Learned**

Suppliers are keen on improving their work standards irrespective of their economic status, as they see great value in such engagements. Moreover, these initiatives are actually perceived as incentives by the suppliers and negates the myth that all suppliers work only for financial incentives.

Such alternative engagements will help enhance Mahindra's brand reputation, provide operational benefits, help enhance profitability, ensure environmental protection and mitigate potential social risks.

04 SUSTAINABILITY AND US

**Alternative Prosperity**

**PROSPERITY**

Since the last decade, India's prosperity is on an ascent and so is farmers' suicide trend.

India - the land of diversity is also the land of disparity, where on one hand urban heartlands share the credit of being the growth engines while on the other rural hinterlands continue to remain in debt.

Inadequate irrigation infrastructure, inorganic seeds & fertilizers, illiteracy and indebtedness is pushing farm productivity to its breaking point.



alternative  
**PROSPERITY**

To achieve prosperity in totality is deep rooted in the Mahindra ethos.



**We are therefore sowing the seeds of "Samriddhi" an alternative for the prosperity of rural India, which is home to 2/3rd of its population.**

Through 'Mahindra Samriddhi' initiative, we aim to nurture India's rural prosperity; inside out. It is a milestone in the Mahindra journey towards increasing farm productivity and enhancing rural prosperity.



**MAHINDRA SAMRIDDHI**

**During the year, 75 Samriddhi centres were operational across the country.**

**45 more centres are now identified for transformation in FY 2011.**

Conceptualized by Mahindra Tractors in 2007, the aim of Mahindra Samriddhi is to drive positive change in rural society by moving beyond tractors to agri solutions.

This initiative aims to bring about a paradigm shift in the agriculture industry by empowering an Indian farmer with various facilities like farmer soil and water testing labs, productivity demo farms, agri-clinics and counselling centres. It brings the best of agricultural know-how within reach of the farmer and helps him increase farm productivity. The initiative of ours is in line with UN's Millennium Development Goal to "End Poverty and Hunger".



	Upto March, '08	April, '08 to March, '09	April, '09 to March, '10	April, '10 to June, '10	Total
Farmers Impacted	2,124	10,800	26,132	11,383	<b>50,439</b>

04 SUSTAINABILITY AND US



### The Need for Samridhi

Stress factors identified among the farmers were

- Lack of technical know-how on crop production & protection.
- Availability of affordable financial products at the right time.
- Ability to sell produce at right price and at right time to have increased net realization.

The environment scanning and analysis revealed a huge difference between the dependence on agriculture for livelihood in the country and the sale of tractors.

Thus the preliminary study underscored the need for synergy between engineering and agronomy.



### Kisan no. 1 - Mahindra Samridhi Samman

a pioneering customer-centric initiative for the farming community was launched in FY 2009 - 10. The award felicitates farmers who work together with Mahindra's Samridhi centers to achieve productivity increase through use of innovative farming technologies.

### Samridhi Services in Action

In order to provide real time information and support to farmers, a 24x7 toll free help line and a multi lingual website: [www.mahindrakisanmitra.com](http://www.mahindrakisanmitra.com) has been set up. Problems which are usually faced by farmers are addressed on a special programme on a local TV channel.

The break-up of the services and the number of farmers impacted by them, since the inception of this initiative till the quarter ended June 2010 is given in the table below:

	Upto March, '08	April, '08 to March, '09	April, '09 to March, '10	April, '10 to June, '10	Total
Recommendations based on soil test	575	3,255	10,638	4,867	19,335
Agri counselling	18	127	335	259	739
Result & method demonstration	3	39	138	235	415
Agri institution visits	0	8	31	3	42
Mahindra Samridhi Samman launch	0	9	30	30	69



### Key Impacts of Samridhi

96% farmers experienced more than 10% increase in productivity

Highest productivity recorded: Cotton 52% • Rice 42%

Average productivity increase 15 -18%

04 SUSTAINABILITY AND US

**Samridhi Stories**

**1** Farmer:  
Ramesh Gordhan Chovatia  
Jamnagar

**Crop Production: Cotton**



Parameter	FY 09	FY 10	Variance
Yield/Acre	1,052 Kg	1,575 Kg	+ 523 Kg
Cost of Cultivation per Acre	INR 12,885	INR 15,665	+ 2,270
Product Price per Kg	INR 26	INR 32	+ INR 6
Productivity	2.12	3.22	52%

**2** Farmer:  
Ravi Sudhan Patel  
Raipur

**Crop Production: Rice**



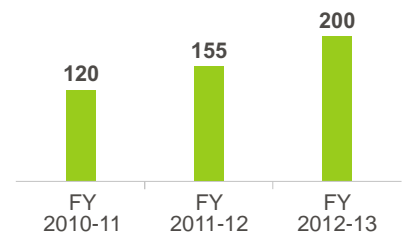
Parameter	FY 09	FY 10	Variance
Yield/Acre	2,250 Kg	2,600 Kg	+ 350 Kg
Cost of Cultivation per Acre	INR 9,650	INR 9,315	-335
Product Price per Kg	INR 8	INR 9.50	+ INR 1.50
Productivity	1.87	2.65	42%

**Future Roadmap**

Since development of Samridhi Centers with the requisite capabilities and infrastructure is the main enabler for this initiative, the adjoining figure shows the plan for a sustained growth trajectory.

Mahindra has always been at the forefront of customer centric initiatives and Samridhi Centres are bringing us a step closer to our objective of providing affordable value added services to farmers under one roof.

**No. of Samridhi Centres**





# 05

## DRIVEN BY OUR PEOPLE

### Alternative Energy

At Mahindra, it is our people where the power lies. Be it the people working in our back office, on our reception desks or our top management; we rely on each others knowledge, imagination, skill, innovation and integrity, to scale greater global heights.

Our people are our assets and are our integral responsibility to invest in their professional development and sustainable growth. We stimulate personal and professional growth, provide flexibility on the job and share the opportunities of development, with an aim to maximize individual and business performance. We appreciate and acknowledge their efforts, reward their commitment and talent, and take care of not only their needs but also the needs of their family.

At Mahindra our business success is directly proportional to the satisfaction of our employees which is one of the material issues for our business. **Two of our five Core Values address employee care, focusing on 'Professionalism' and 'Dignity of the Individual'.**



**Through our actions we create a safe, healthy and creative work environment where each employee is valued and has the freedom to grow as an individual and as a professional.**

It is our continued endeavour to make working at Mahindra a rewarding experience through a host of initiatives like:



<p><b>ENHANCED WORK ENVIRONMENT</b></p> <p>CAFETERIA</p>	<p><b>IMPROVED PERFORMANCE MANAGEMENT SYSTEMS</b></p>
<p><b>COMFORTABLE COMMUTATION</b></p> <p>FLEXI-TIMINGS</p>	<p><b>ENHANCED OUTREACH BY SENIOR MANAGEMENT</b></p>
<p><b>LES CONCIERGE DESK SERVICE</b></p>	<p><b>ON-THE-SPOT APPRECIATION</b></p>

A constant focus is maintained on enhancing the quality of work and work life across all strata through significant improvements in infrastructure, work ambience, talent management, work culture, and employee engagement. Through our actions we create a safe, healthy and creative work environment where each employee is valued and has the freedom to grow as an individual and as a professional. We have nurtured fairness, trust and transparency amongst our employees.

We impart training to empower our employees with a clear understanding of their skills, how best to add value, and how to succeed and flourish. We propel career growth and development through a rigorous and comprehensive talent management and leadership development process supported by state-of-the-art management development centres like Bodhi Vriksha & Mahindra Institute of Quality.

We comply with all local laws and our entry level wages in most cases are greater than the applicable minimum wages.

**At Mahindra, we are dedicated to fostering an empowered workforce that works with passion and creativity and a warm and welcoming work environment that supports innovation and productivity**

We are approaching this effort with the same sense of purpose and focus we bring to everything we do.

### Talent Management

#### Overview

A company is as good as the talent it keeps. The key role that employees play in organisational excellence has become even more vital in a fast growing economy coupled with fast changing technologies and even faster evolving global paradigms.

**05 DRIVEN BY OUR PEOPLE**

Mahindra has a business footprint across 5 continents in 25 countries and offers global exposure to talented individuals and needs a seamless global leadership pool. Talent Management is one of the material issues for Mahindra and we follow an efficient 'Integrated Talent Development Process' to attract, nurture, revitalise and retain some of the finest talent from across the globe as reported in the previous year.



Our 'Integrated Talent Development Process' helps employees perform at their peak. Through this process we continuously identify and review our short-term and long-term requirements for business leaders in critical positions at various levels, in the context of our strategic business plans. We then prefer to fill up these critical positions by recruiting in-house personnel and if not, find ways to address the identified gaps.

In the reporting year, we carried out planning and implementation of 9 cross-sector rotations in L1 to L5 DH Band which are the senior positions in the Group. Succession planning also continued to be an important aspect of the process. Four more rotations have been planned for the year 2010-11.

We periodically review the reward and recognition architecture to ensure our competitiveness in the job market for these critical positions and solicit 360° feedback to focus on person specific talent management.

During the reporting year:

**54%** of our positions were filled through **internal talent pool**

Successors for **66%** of positions in all sectors were **identified and designated**

**Developing Leadership**

Year-round programs are conducted at "**Bodhi Vriksha**", the Mahindra & Mahindra Development Centre in Nasik by international faculty through partnerships with world-class business schools and institutes such as University of Michigan - Ross School of Business, Centre for Creative Leadership, etc.

## 05 DRIVEN BY OUR PEOPLE

These global programs on leadership development include:

### Senior Leaders Program

Organized by domestic consortium of companies, the 'Senior Leaders Program' is a platform for the Senior Managers of the respective companies wherein they learn from eminent faculty from around the world and through interacting with each other. This interface thus equips them with multiple business perspectives to meet the global business challenges.

The program comprised of two modules, scheduled for six days each after a gap of about 3 months for the participants to put in to practice the learning of the module.

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### Global Leaders Program

Global Leaders Program is organized by an International consortium of companies. The target audience of the program is Senior Executives who are on the threshold of taking up strategic roles. The focus of this program is to enhance the global perspective, develop appropriate frameworks or maps for crafting global growth strategies, explore current global organizational capability to achieve business objectives, reflect on individual leadership roles and contribution of the consortium companies in a broader context, identify common challenges and opportunities across the member companies and their various businesses, staff functions and operating practices.

The goal of the program is three-fold:

- 1 Develop an analysis framework for understanding complex systems like global markets and organizations.
- 2 Apply the analysis towards a strategy building process to create breakthrough performance.
- 3 Examine effective leadership strategies to support global operational excellence.

### Leadership Lifecycle Programs

We have taken a strategic long-term view, to strengthen leadership capabilities within the Group. In partnership with the Centre for Creative Leadership, we conduct a 3-tiered program for leadership development. This program is specially customized for the Mahindra Group to meet its needs, purpose, culture and values, and ensure consistency across leadership levels to achieve coherent long-term impacts.

At the Leadership Lifecycle Program, international faculty offer expert knowledge on leadership and behaviours.

Three tiered program

- 1 | Early Leaders    2 | Emerging Leaders    3 | Senior Leaders

### Harvard Manage Mentor

Harvard Manage Mentor is a group-wide initiative offered in partnership with Harvard Business Publishing. Under this program, various e-modules are designed that can help new as well as experienced managers to address a spectrum of challenges. These modules are practical and engaging resources that foster management skills. Being interactive in nature, it helps garner attentive participation. The participants can also practice new skills with ease and privately assess personal understanding of the concepts presented.

Other unique features of Harvard Manage Mentor are various tools & models coupled in each module, HBR cases, resources and videos of Harvard Professors.

## 05 DRIVEN BY OUR PEOPLE

### Unnati - HR Upskilling Program

The HR Upskilling program 'Unnati' was initiated in FY 2008-09 with an objective to sharpen the skill sets of HR management professionals and to keep up with the global trends in HR management. Encouraged by the success of this program organized last year, we rolled out a second batch of employees, training them in different aspects and activities of HR, enhancing their knowledge and competence.

The program is designed to provide exposure of the fundamentals of Human Resource Management from a strategic perspective for the middle and senior managers. The emphasis of the program is on application of concepts and principles to help HR functionaries to improve their contribution to the business thus adding value.

The program includes seven modules and is spread over a period of one year.

### Pragati - F&A Upskilling Program

At Mahindra, we realize that the function of Finance and Accounts (F&A) plays a vital role in today's fast-changing and complex business environment. Towards this, we instituted 'F&A Pragati', an initiative that focused on providing specific functional training for Finance and Accounts professionals over and above the generic behavioral programs.

The aim is to not only upskill employees but also create a second tier of talent within the function, encourage job rotation and enrichment, address attrition issues and reduce the ratio of professionals vis-à-vis graduates.

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### Aligning HR to Business Strategy

Held under the aegis of Professor Wayne Brockbank, the program was instituted to usher in the next rung of HR Leadership in the organization. It inculcated a strategic need for the integration and alignment of organizational HR strategy with business strategy.

### Global Program of Management Development

Conducted in association with the University of Michigan, the Global Program of Management Development (GPMD) has been specifically designed to develop the perspective and skills which are imperative to excel in the global market. It aims to enhance the knowledge and management skills among senior management executives and particularly valuable for those who are involved in globalizing their business.

The focus areas of the program comprises of creating global strategies, organizing for outsourcing, developing global products, as well as managing joint ventures and alliances.

#### The program enables participants to:

Create more powerful business and corporate strategies

Understand foundational and state-of-the-art practices of major business functional areas such as finance, marketing, information systems and human resource management.

Adapt and leverage global and local best practices and move quickly to "Next Practices"

Develop integrated action plans that move your company to the next level of success

In the reporting year, the illustrious panel of faculty of the program included various international experts such as Late Prof. C. K. Prahalad, Prof. Wayne Brockbank and Prof. Gautam Ahuja.

## 05 DRIVEN BY OUR PEOPLE

### Employing Best Practices

#### Parivartan - Project Harmony

The Mahindra Group embarked on a mission named "Project Harmony" to automate and streamline various critical business processes using SAP as the platform. A cross-functional team of more than 150 HR, business and IT professionals worked together for harnessing the power of IT through Parivartan - Project Harmony, to create a One Mahindra experience by synergizing and creating best practices in 24 HR processes across the Group.

This project is set to automate the HR processes in 2 phases:

##### PHASE I

will focus on channelizing various transactional processes for 17,000 employees in 29 Group companies spread over 156 locations. **These processes include: personnel administration, time-management, travel etc.**

##### PHASE II

will automate more HR processes covering performance management, talent management, e-recruitment etc.

This is one of the **largest 'Big Bang' projects in the world covering 42 Mahindra Group companies.**

The project envisages a host of benefits in the areas of integrated IT landscape, common processes, integrated information, integrated processes and user satisfaction.

Project Harmony will establish common processes on a common IT platform across the Mahindra Group. It will help individual Group companies take advantage of **group synergy, enable growth, reduce costs, and also affect improved efficiency.**

#### HR Best Practice Award

This year we instituted a HR Best Practice Award to encourage and exhibit HR best practices across various businesses.

This first ever HR award established at the Mahindra Group is branded as 'ASPIRE' connoting 'Alignment to business', 'Scope & coverage', 'Sustainability & consistency', 'Process & technology centric', 'Innovation', 'Return on investment' and 'Engagement with employee'.

**The four winners were awarded the HR Excellence Trophy after a rigorous 2-tier assessment process, wherein the internal and external panel of jury scrutinized a total of 27 applications. The awardees were conferred upon a cash prize of Rs. 40,000.**

The awards were given away in 4 categories for the year 2010:

CATAGORY	WINNERS
1 MATURE BUSINESS	<b>FARM EQUIPMENT SECTOR</b> for the Integration of Punjab Tractor Ltd. with M&M
2 NEW EMERGING BUSINESS	<b>MAHINDRA RETAILS PVT. LTD.</b> for Culture and Employee Engagement
3 PEOPLE INTENSIVE BUSINESS	<b>MAHINDRA FINANCE</b> for "Chanakya" - Management Development
4 GROUP STRATEGIC HR INITIATIVE	<b>GROUP HR</b> for Mahindra Talent Management Process



## 05 DRIVEN BY OUR PEOPLE

### Nurturing Existing Talent

Various training programs were organised across our Plants for developing personal, interpersonal and technical skills of the workmen. These training programs covered a wide range of topics e.g. Positive Attitude, Stress Management, Creativity, Team Effectiveness, Safety and Environment, Quality Tools, TPM, Dexterity and Technical training. The workmen wholeheartedly participated in all training programs, many a time also on a holiday or after working hours.



#### Development Centres

As a part of Integrated Talent Development Process; 'Development Centre' was conducted, with the help of SHL Ltd., for 16 executives in E band across the Group. The positive response is evident from the fact that it received a feedback rating of 4.4 on a scale of 5. It also resulted in cost savings of over INR 900 thousand.

#### Pravartana - The Mahindra Group Inter Company Mobility Guideline

The Mahindra Group has forayed into various innovative businesses and created successful business models. Since a few years, our focus has been on strengthening talent management. In the reporting year, we took a step ahead in this direction as we developed internal talent for potential senior level positions.

**In Sanskrit "Pravartana" means 'Forward Movement'. At Mahindra, 'Pravartana' happens when a full-time executive on the payroll of one Mahindra Group Company moves to the payroll of another Mahindra Group Company with continuity of service which protects the overall tenure of employment of the executive.**

'Pravartana' takes place within senior management through internal announcement. The process is highly scrutinized depending upon the profile, background, motive and exposure attained under the Talent Management process.

### Attracting Future Talent

#### The War Room

We continued with our initiative of employer branding through "The War Room", an event which witnessed participation from the country's leading Business Schools. There was a marked increase in the number of participating teams this year and so was the impact. The jury comprised of the Group Management Board members. The winning team was awarded a prize worth INR 125,000/- where as the runners up team received INR 75,000/- prize. This unique event was aired on CNBC TV Channel and received a feedback rating of 4.3 on a scale of 5.

#### Prefer 2 Refer

We launched a unique referral program called 'Prefer 2 Refer' wherein the Mahindra employees were provided incentives to refer their friends and acquaintances to work at Mahindra and thus attract talent. To spread the word, a website was created on M-Connect, our intranet site. The objective was to provide necessary boost to recruitment as 55% of all positions have been recruited through employee referrals.

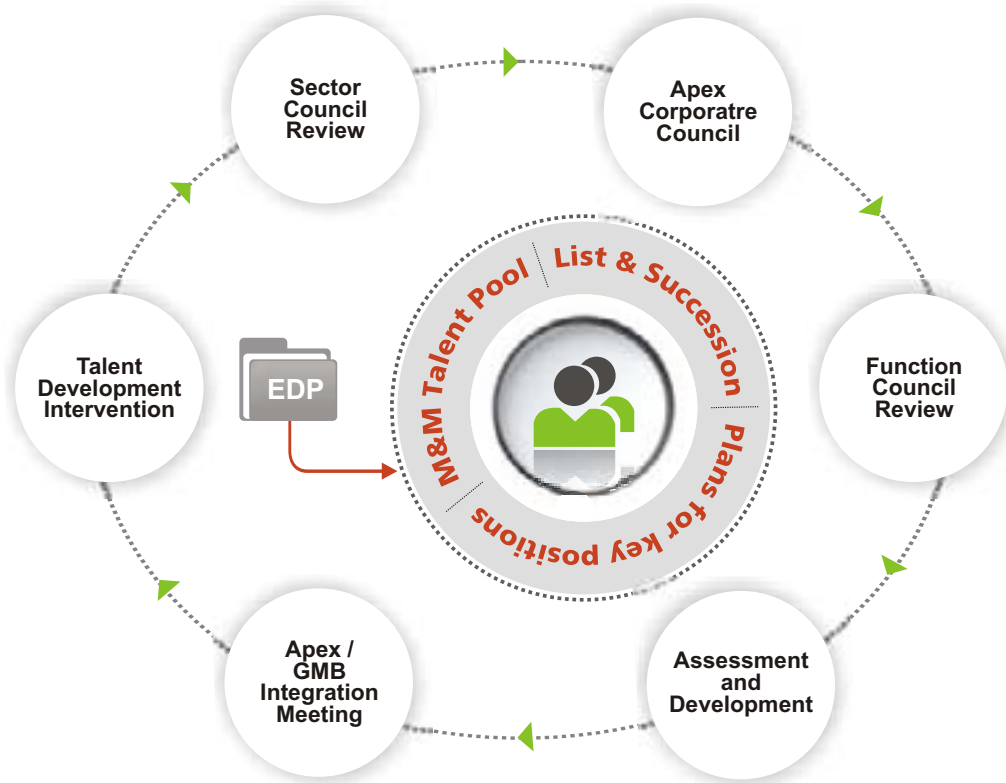
### Implementation Structure

This year, HR in the Mahindra Group continued on its strategic purpose of leveraging individual and team strengths to create significant value for the organization. The focus was on leadership development, succession planning and employee engagement.

Each business has a Sector Talent Council (STC) to identify the talent pool within their sector. In the reporting year, three new sectors were included in the Talent Management Process namely Mahindra Two Wheelers Ltd., After Market and Mahindra Partners.

At the Group level there are Functional Talent Councils (FTC) to consider functional roles such as International Operations, R&D, Quality, Finance and Human Resources. The FTCs evaluate the breadth and depth of talent in each sector with an objective to play an active role both in terms of helping the business develop functional talent and in facilitating cross-sector employee transfers. In FY 2009-10; three Functional Talent Review sessions were conducted in line with the Talent Management Calendar followed by an integration meeting with the GMB.

05 DRIVEN BY OUR PEOPLE



The outcomes were:

Initiation of up-skilling programs	Forming career paths for technical and managerial talent	Certifications that need to be explored for developing the functional talent pool	Coaching and mentoring through internal coaches
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At the top is the Apex Council to give strategic direction and guidance, benchmark processes against international practices, ensure synergy and consistency across the councils and consider cross-sector movements.

Finally, to further strengthen the Talent Management process, an integrated approach is used in which the Apex Council and sector president review talent in each sector to provide a wide array of career choice to high potential managers.

**Developmental Objectives and Initiatives**





- 1 Long & short-term overseas assignments to enable global outlook.
- 2 Empowerment of young managers to contribute in setting strategic direction for future growth.
- 3 Develop among potential leaders the capacity to see the big picture, and better understand the interconnected nuances of the business.
- 4 Strengthen the overall leadership bench strength
- 5 Provide the talent pool with relevant experiences which will help them hone their leadership skills.
- 6 Provide them with challenging assignment in order to keep them engaged.
- 7 Fireside Chats to enhance engagement and communication between the Top Management and younger managers within the Group

**Talent Management Metrics**

Permanent Officer Training Mandays as on 31st March 2010

AS	31,513	FES	12,084	MIL	381	MLL	1,058
MLDL	150	MHRIL	924	MMFSL	884	MWC	72.5
TECHM	183,367	SYSTECH	3,094	MTWL	439		

05 DRIVEN BY OUR PEOPLE

<p>Apart from receiving the <b>in-house HR Best Practice Award Group in the category of strategic HR initiative</b>, the talent management process received huge external recognition</p>	<p><b>Ranked 33rd as preferred recruiter</b> in 2009 AC Nielson Campus Track Survey, from being rank 48th in 2008 and 56th in 2007</p> 	<p><b>Ranked 8 in top 20 dream companies</b> to work in a survey conducted by Business World at top 20 Indian B- Schools</p> 
	<p><b>Featured in "Tomorrow's Company"</b> Global Talent Publication</p> 	<p><b>Circulated globally in CII Compodium</b> of Corporate Case studies</p> 

**Transformational Work Culture**

At Mahindra, we value diversity - in our workfolio, in our people and in our point of views. We have access to a rich range of talent as the Mahindra Group is a team of more than 1 Lac individuals.

Mahindra strives to foster a work culture that respects diversity of values and ideas among its employees. In line with our belief, 'equity of respect' for all employees, we ensure fair and equal opportunities and do not engage in direct or indirect discrimination in recruitment based on religion, caste, sex or any non-job related handicap.

We are dedicated to fostering our employees' confidence in their ability to take on new roles and grow with the company. The Mahindra workforce is entitled to equal consideration for internal appointments. All employees are assigned jobs that best suit their capabilities and are



empowered to function at an optimal level. The employees can also avail of various opportunities to upgrade their skills.

The "Transformational I.R. Initiative" embarked upon in 2004 continues to promote self-realization and encourage all employees, regardless of their cadre or rank, to proactively engage in achieving organizational goals. The basic aim is to unleash human potential, and create a sense of ownership for one and all in the organization. Cross-functional teams across business and locations work on this initiative.

**Policies**

The procedures, policies & systems developed at Mahindra ensure that work remains a pleasant and enriching experience.

A central HR council composed of business sector HR heads is responsible for handling all matters concerning labour practices and various policies.

**HR & Administration Policy**

This policy ensures that our Human Resources perform at peak potential. For this purpose we have set up the following training and development programs, services and mechanisms:

- 1 Employee development (productivity training) to enhance skill and update employees' technical knowledge and provide opportunities to utilise multiple skills
- 2 An effective grievance redressal mechanism
- 3 Employee counseling services
- 4 Sexual Harassment Committee to ensure that any cases of sexual harassment are resolved effectively and quickly





## 05 DRIVEN BY OUR PEOPLE

### Employee Relations Policy

- 1 Achieve organisational goals with the active involvement of employees
- 2 Focus on attracting, retaining and nurturing people with relevant skill-sets and competencies
- 3 Create a mutually beneficial and productive industrial climate
- 4 Manage employees fairly and transparently
- 5 The Sector President is responsible for comprehensive implementation of the ER policy in their sector
- 6 The Heads of P&IR (Personnel and Industrial Relations) at each manufacturing location are responsible for ensuring that the Employee Relations Policy is being followed



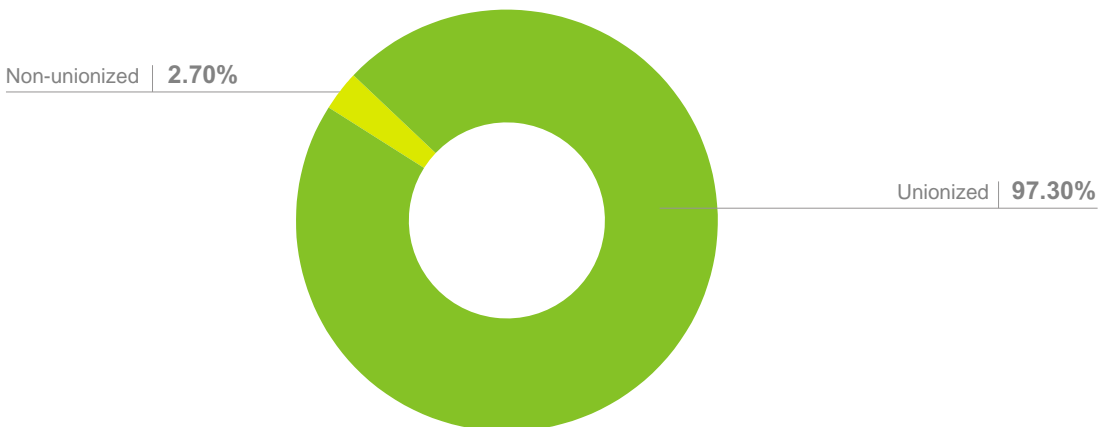
### Employee Unions

Our employee relations policy promotes non-interference with employees' rights to form unions and encourages collective bargaining. Most of our employees are unionised and we do not in any way discriminate against these employees.

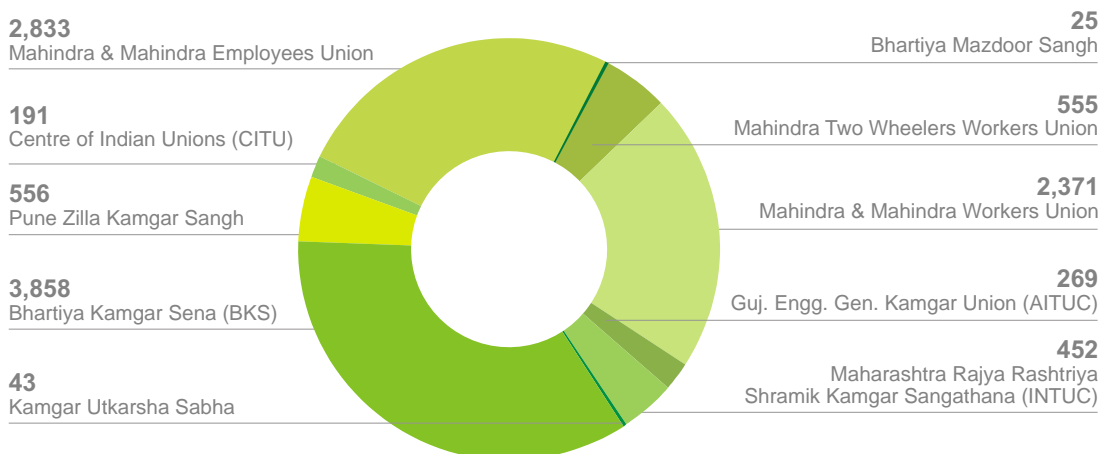
Within our various business units, our employees are primarily members of the following organizations:

<b>BHARTIYA KAMGAR SENA (BKS)</b>	<b>MAHINDRA &amp; MAHINDRA WORKERS UNION</b>	<b>MAHINDRA &amp; MAHINDRA EMPLOYEES UNION</b>	<b>CENTRE OF INDIAN TRADE UNIONS (CITU)</b>
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### Employees covered under Collective Bargaining Agreements for FY 2009-10



### Break up of Unionised Employees for FY 2009-10



### Industrial Disputes Act

During the reporting period all our companies, which employ unionized labour followed all pertinent regulations in letter and intent. The Industrial Disputes Act, 1947 is one such statute that applies to labour relations. It specifically mentions a three-week notice period for all operational changes. There are consultation and negotiation opportunities during the notice period. If consent is given, only then can the agreement be signed to reflect the changes.

## 05 DRIVEN BY OUR PEOPLE

The types of changes covered under this policy include:

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1 Wages including the period and mode of payment</li> <li>2 Contribution paid, or payable by the employer to any provident fund or pension fund or for the benefit of the workmen under any law for the time being in force</li> <li>3 Compensatory or other allowances</li> <li>4 Hours of work and rest intervals</li> <li>5 Starting, alteration or discontinuance of shift-working other than in accordance with standing orders</li> </ol> | <ol style="list-style-type: none"> <li>6 Leaves with wages and holidays</li> <li>7 Classification by grades</li> <li>8 Withdrawal of customary concessions or privilege, or change in usage</li> <li>9 Introduction of new rules of discipline or alteration in existing rules, except when they are provided for in standing orders</li> <li>10 Rationalisation, standardisation or improvement of plant or technique which is likely to lead to retrenchment</li> </ol> |
|--|---|

Any increase or reduction (other than casual) in the number of persons employed or to be employed in any occupation or process or department or shift (not occasioned by circumstances over which the employer has no control).

AS, FES, MHRIL & Systech adhere to the Industrial Disputes Act and give a notice period of minimum 21 days in case of an operational change.

### Occupational Health & Safety (OHS)

Ensuring employee safety and health is a universal value that is unaffected by the time. **At Mahindra, we have articulated a Health and Safety Policy in accordance with the provisions of the Factories Act - 1948 and Maharashtra Factories Rule 73-L.** The policy outlines Mahindra's commitment to strengthen a safety & health-oriented culture that is conducive to the mental and physical well-being of employees.

We have developed a comprehensive process, to carry out the policy and review its effectiveness, periodically. Necessary corrective measures have also been charted to improve the safety performance.

#### Policy highlights

- Covers all our manufacturing facilities
- Ensures process safety, use of protective equipment
- Promotes occupational health in order to maintain a safe working environment
- The sector president has the overall responsibility for employee safety and plant managers have specific responsibility for their respective plants.



#### The Health & Safety Policy strictly adheres to the following objectives

- To provide and maintain equipment and systems that ensures a safe and healthy working environment for all employees.
- To provide necessary information, training and supervision as required for this purpose.
- To comply with all relevant statutory provisions pertaining to safety, health and the environment.
- To regularly conduct safety audits and risk analysis in order to assess the status of safety and health at the work environment.
- To integrate safety and health issues into all decisions concerning purchase of equipment, machinery, materials and also into the selection, placement and training of personnel.



## 05 DRIVEN BY OUR PEOPLE

### Additional Health & Safety Topics Covered with Unions

As reported previously; we engage in constructive dialogue with our employees on issues regarding occupational health, workplace and general plant safety. We proactively work to rectify the issues. Specific issues such as the use of personal protective equipment, sanitation, equipment safety and education measures are outlined in formal agreements with our worker unions. We have a grievance redressal mechanism for health and safety topics in some of our operations. We have dedicated EHS officers, who follow a comprehensive Environmental Health & Safety policy applicable at all our manufacturing operations, to handle day-to-day issues.



All the health & safety topics are covered in the Memorandum of Settlement / Wage Agreements. Safety PPE usage is addressed in the wage settlement and most workmen can now avail of the benefits of Mediclaim scheme.

#### AIDS Awareness

In continuation with our efforts last year; this year too employees in the Auto and Farm Equipment Sectors received basic AIDS awareness training along with development programs. Within the various sectors, additional education, training and counseling on HIV / AIDS is given to varying degrees. In some units of the Auto and Farm Equipment Sectors this coverage is extended to employees' family members as well as the surrounding community. Furthermore, in certain FES units, employees, their families and community members also receive preventive measures and treatment in relation to HIV / AIDS.

#### Swine Flu

In the reporting year, prevention and control of Swine flu was a priority for most of the sectors. Various sectors are located in areas such as Pune, Nashik etc, where the severity of the disease was high. Apart from the above, a few other units too were afflicted by this epidemic to some extent.

We made sure that enough education, training and counseling on Swine Flu was provided to the employees, their family members and neighbouring communities of the affected areas. Protection gear including masks and disinfectant solutions were also distributed in a few sectors. In some units these preventive measures were also extended to the employee's family.

### Human Rights

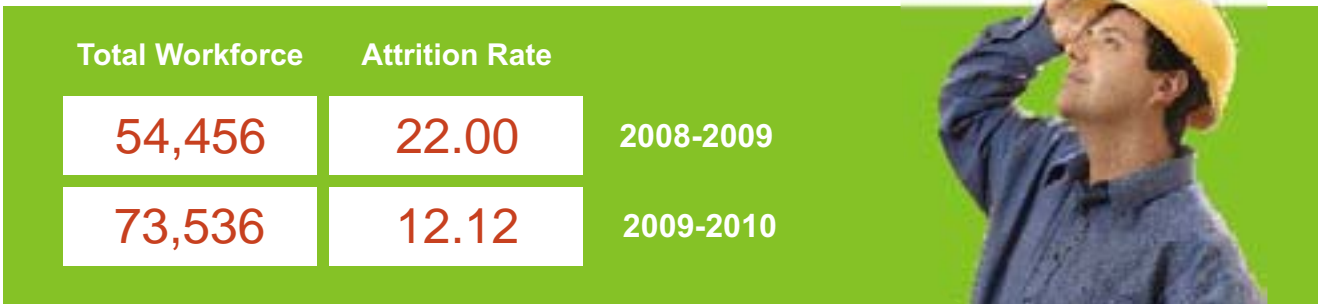
- 1 "In May 2009, Mahindra released a human rights policy to guide economic decision making. The same is being integrated in our system. Some of our operations have begun to incorporate human rights clauses in investment agreements.
- 2 "Young children, especially those from a poor background, tend to be weak and vulnerable to exploitation. At Mahindra, discrimination, child labour and forced labour is completely unacceptable. We do not employ any child labour and have made it mandatory to submit a proof of age at the time of recruitment.

**We have an active Grievance Cell to address any such issues. During the year no instance of grievance was reported.**

05 DRIVEN BY OUR PEOPLE

**Workforce Snapshot**

During the reporting year we have refined tracking of data related to workforce. Whilst earlier we used to track only permanent and contract employees, from this year onwards we have started a more detailed categorisation which includes permanent, contract, fixed term contracts (FTC) and others (trainees and apprentices). In view of the significantly enhanced scope of this report the workforce covered is 73,536 as against 54,456 covered last year.

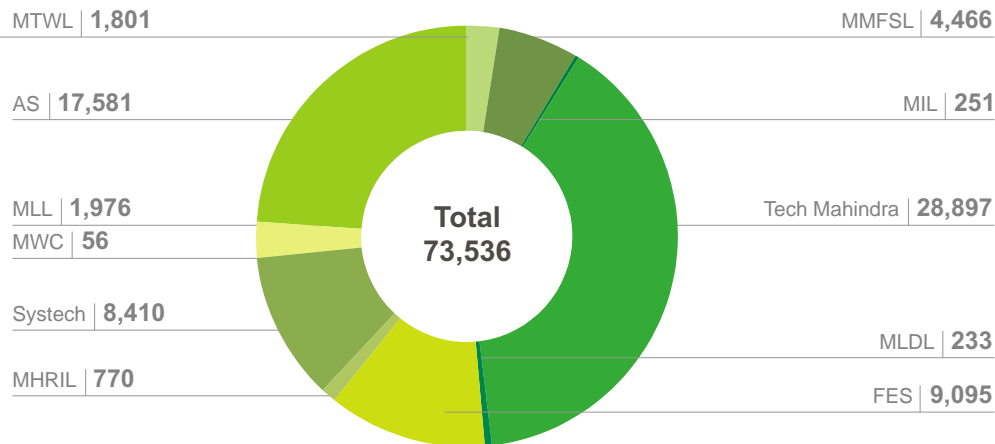


Note: All figures as on March 31st, 2010

The following category-wise graphical representation substantiates the diversity of our employees and employment opportunities.

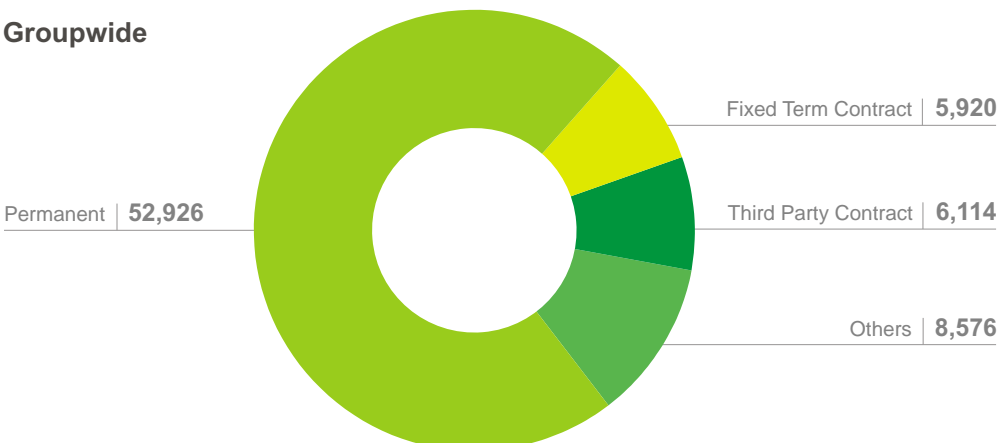
**Employment Distribution**

**Groupwide**



**Employment Type**

**Groupwide**



05 DRIVEN BY OUR PEOPLE

Sectorwise

■ Permanent 
 ■ Fixed Term Contract 
 ■ Third Party Contract 
 ■ Others



Employment Category

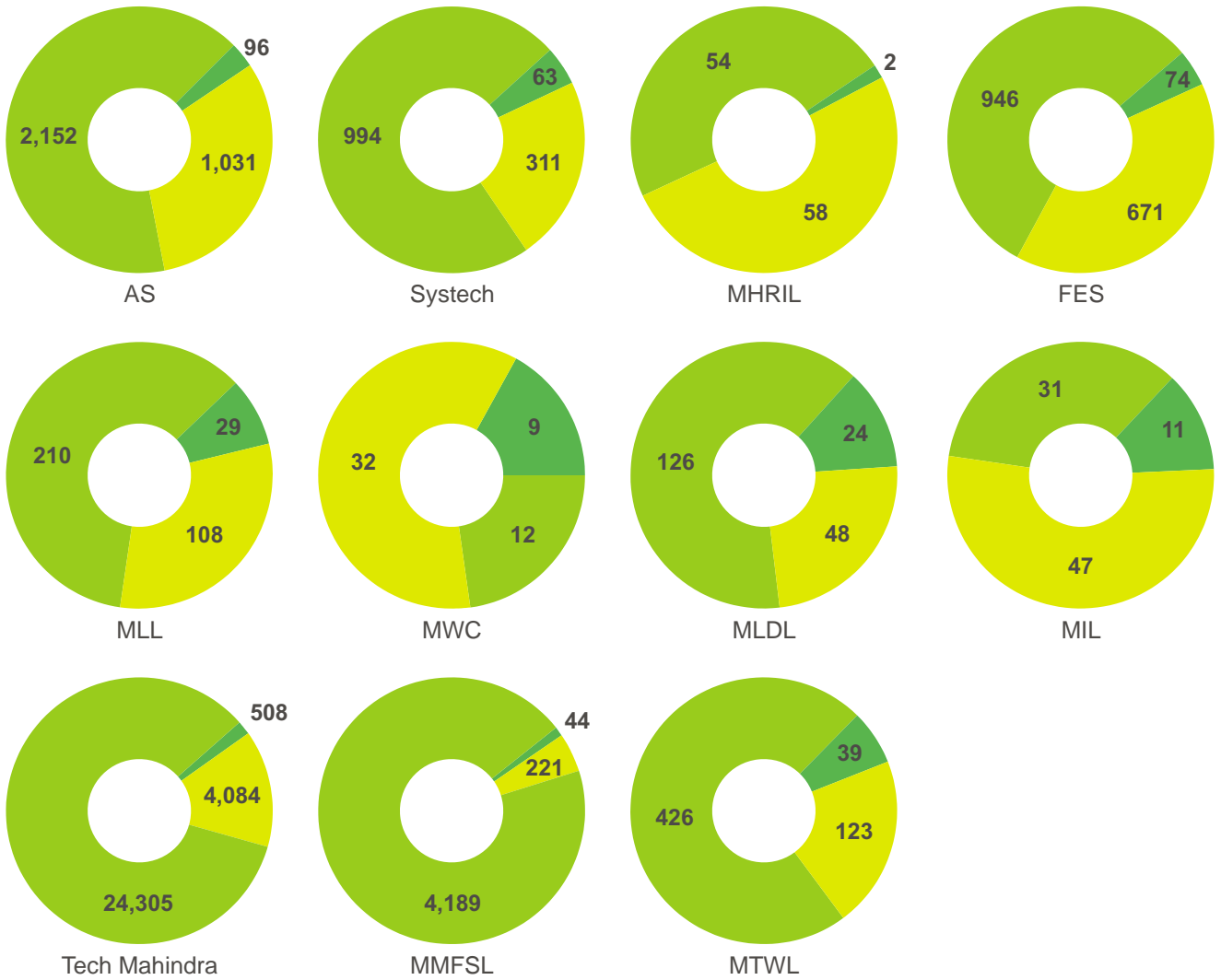
Groupwide



05 DRIVEN BY OUR PEOPLE

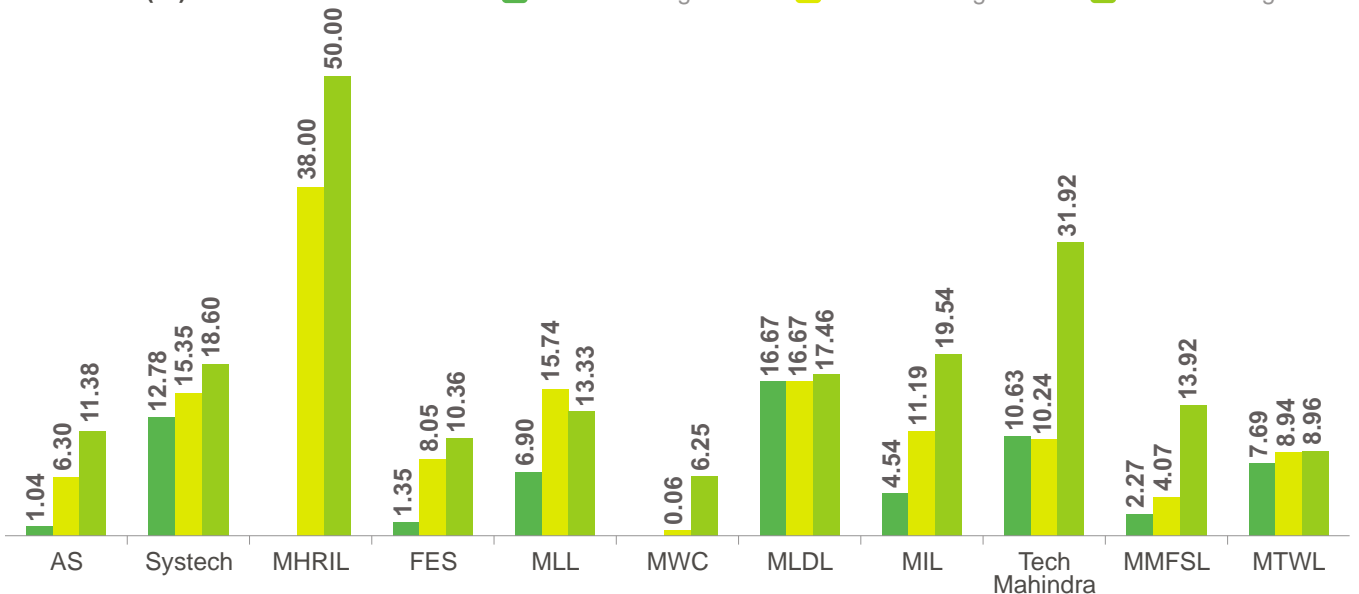
Sectorwise

Senior Management Middle Management Junior Management



Turnover (%)

Senior Management Middle Management Junior Management



05 DRIVEN BY OUR PEOPLE

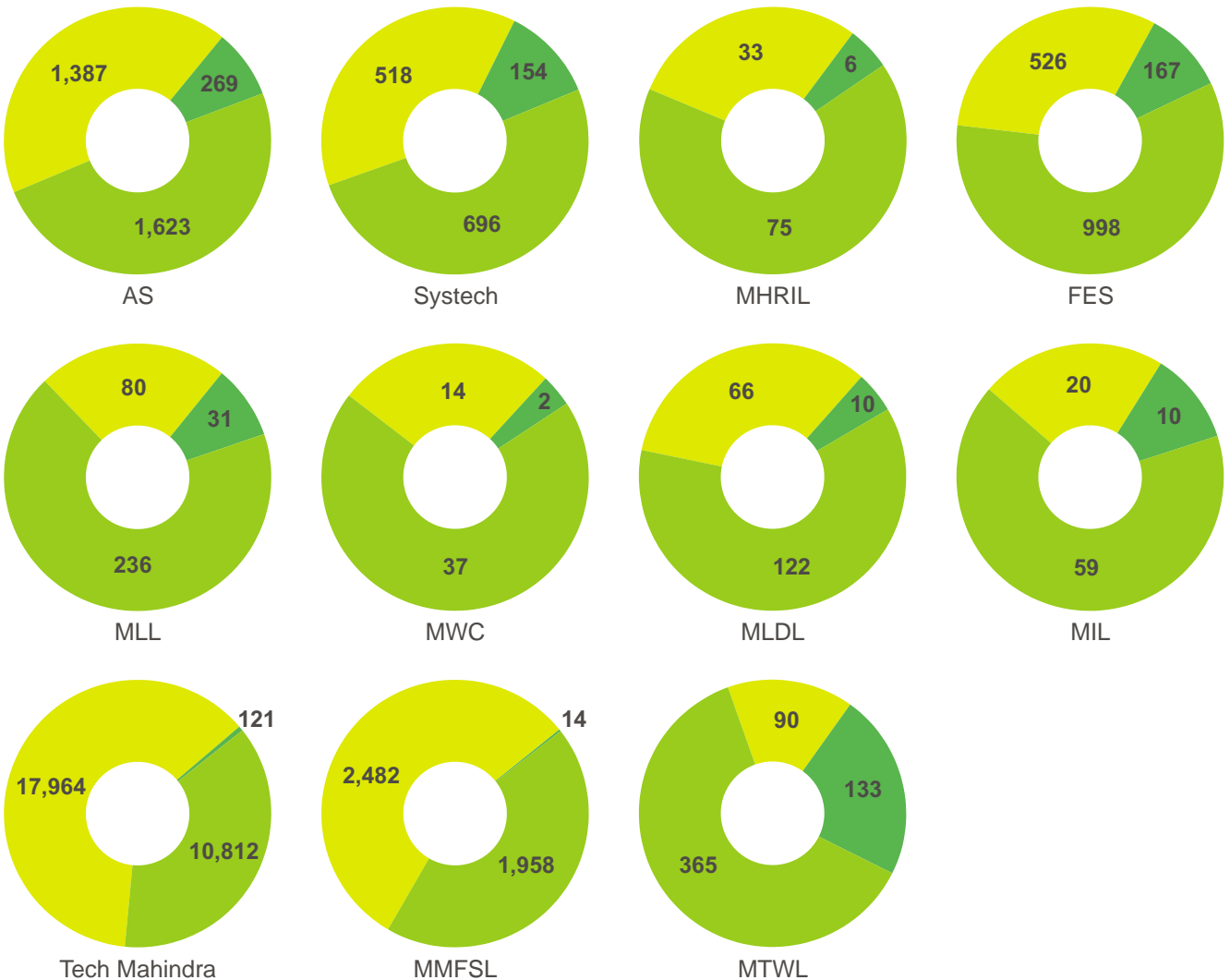
Age Composition

Groupwide



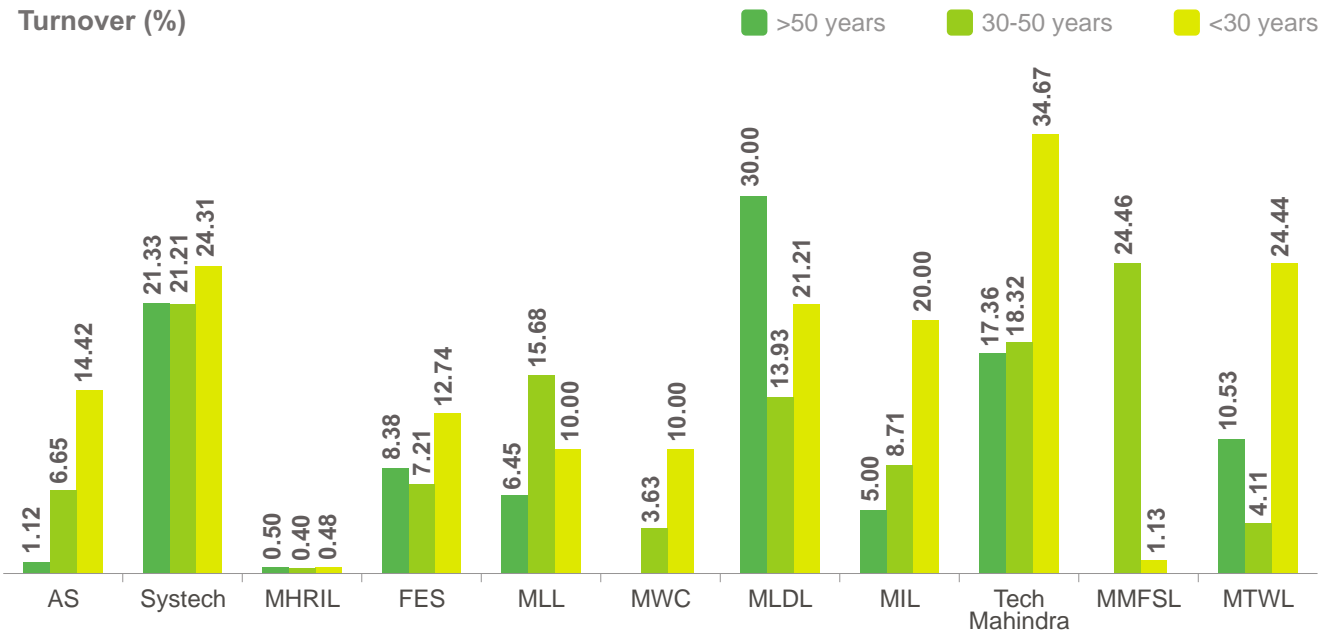
Sectorwise

■ >50 years   
 ■ 30-50 years   
 ■ <30 years



05 DRIVEN BY OUR PEOPLE

Turnover (%)

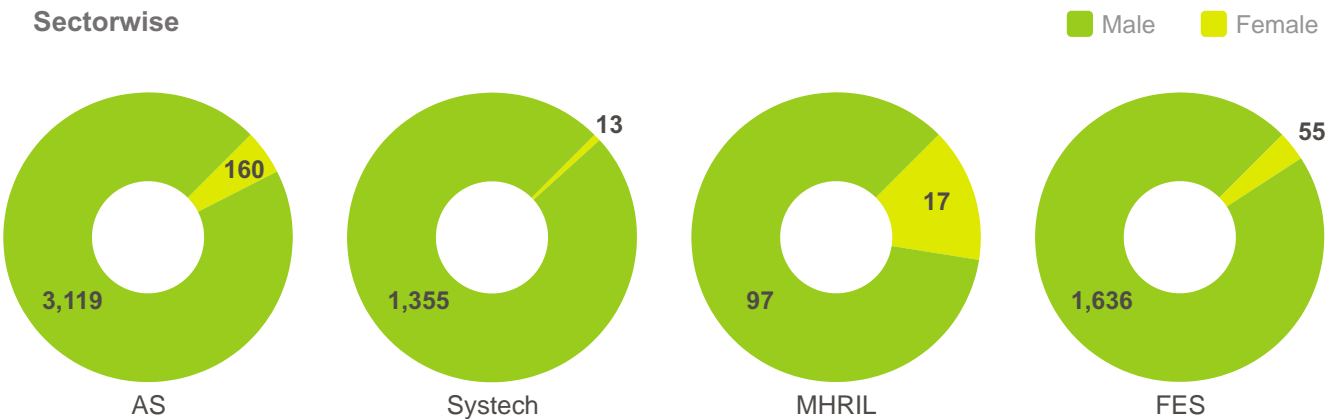


Gender Composition

Groupwide

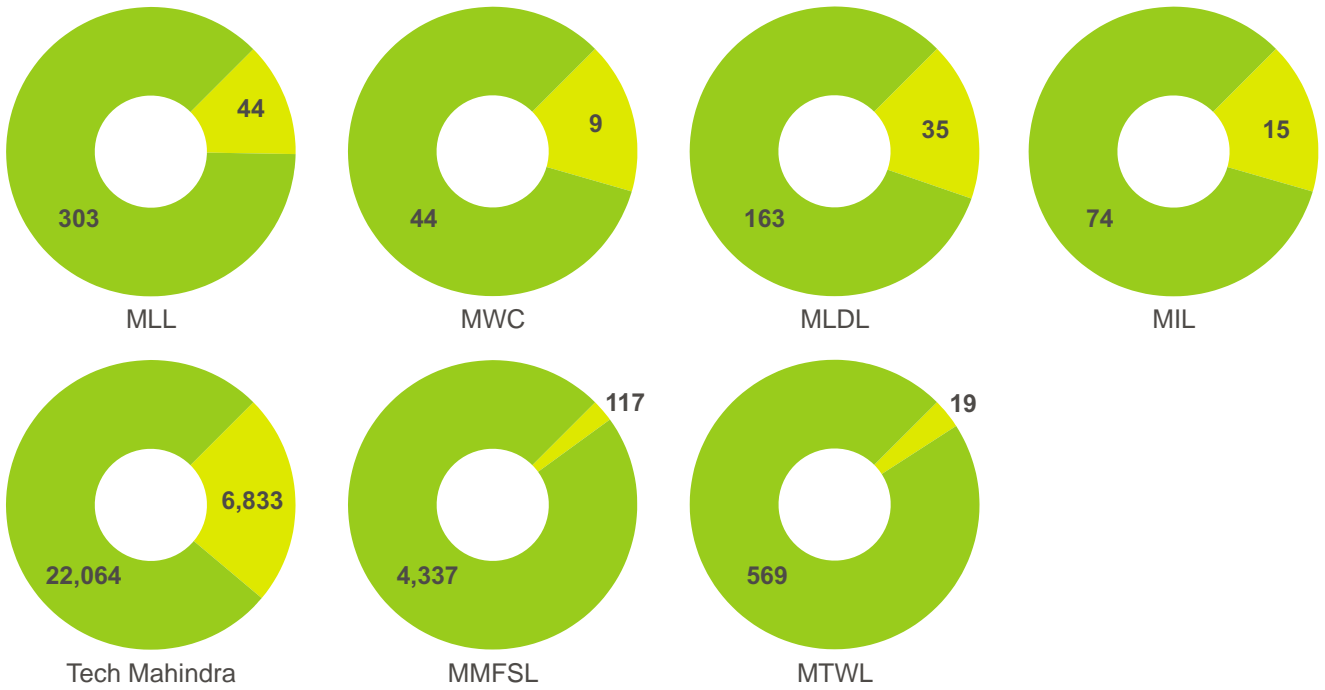


Sectorwise



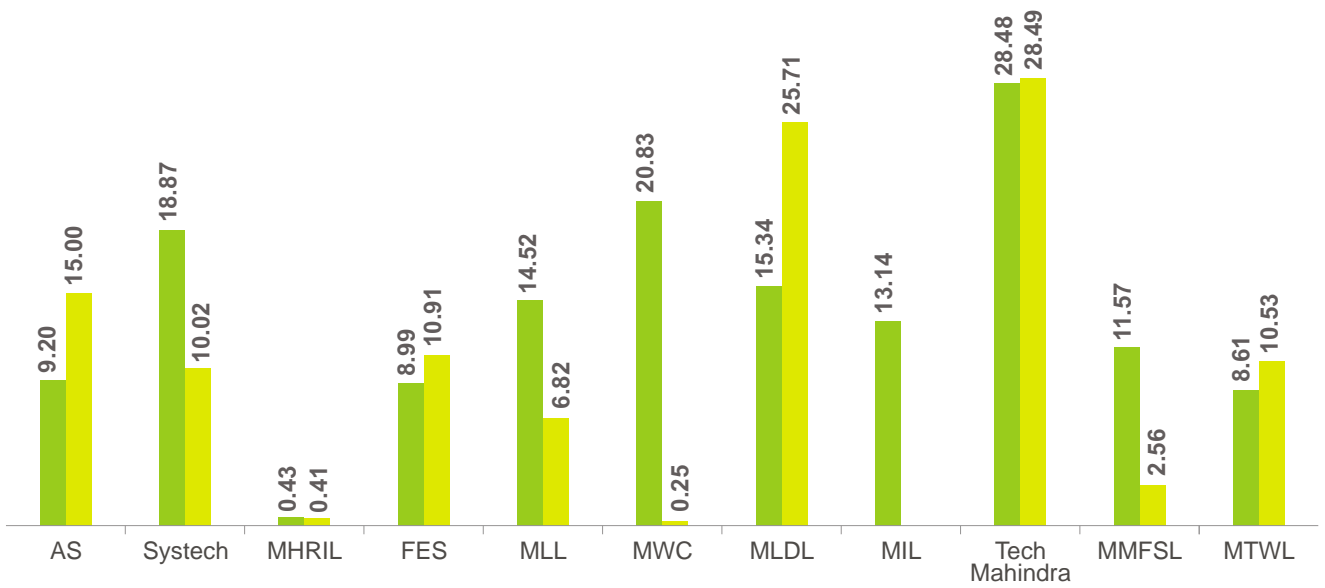


05 DRIVEN BY OUR PEOPLE



Turnover (%)

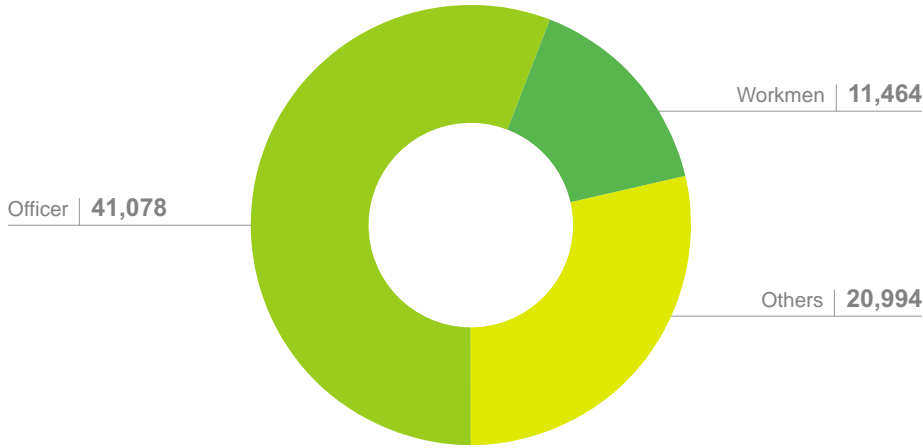
Male Female



05 DRIVEN BY OUR PEOPLE

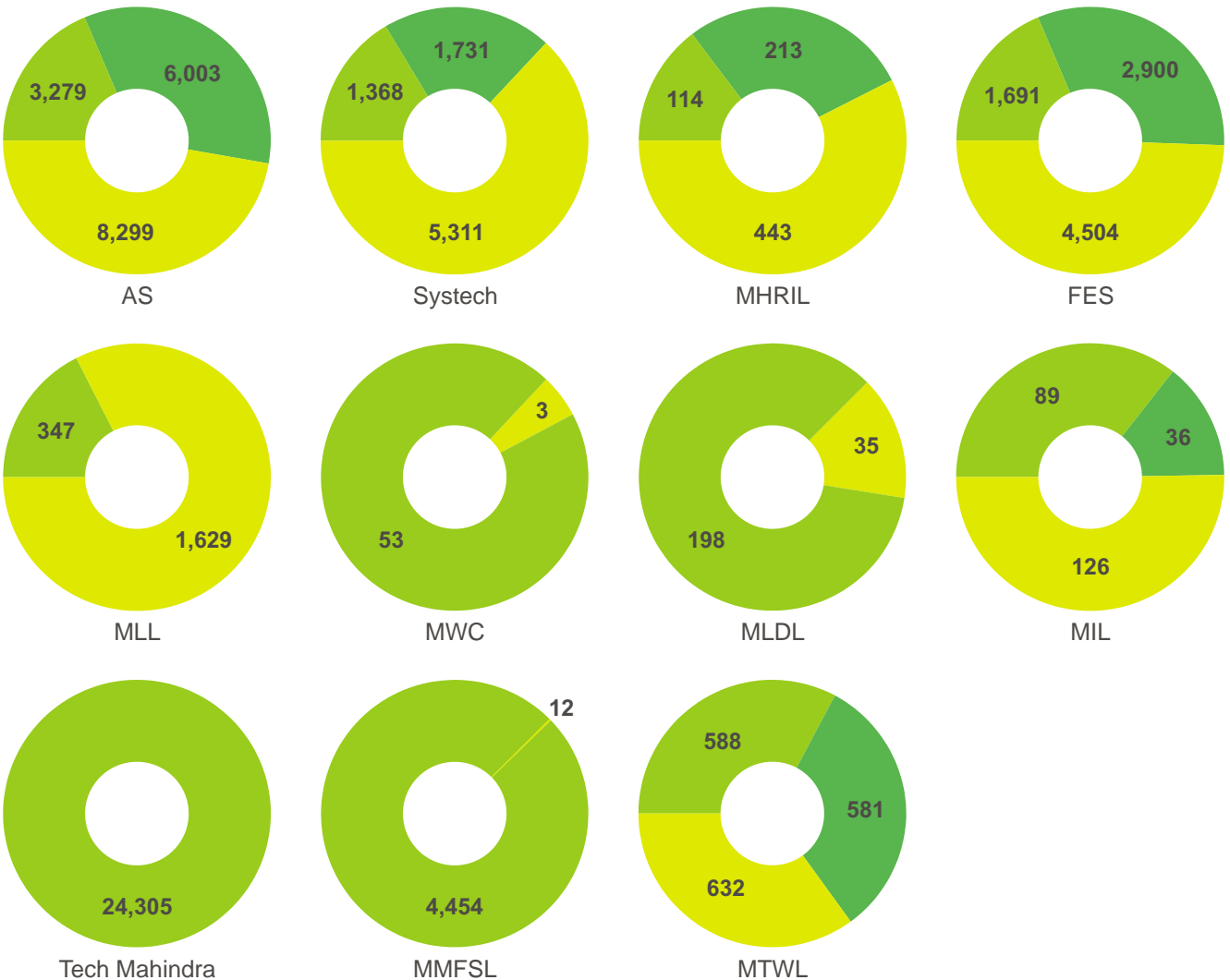
Employment Grade

Groupwide



Sectorwise

Officer Workmen Others



05 DRIVEN BY OUR PEOPLE

**Health & Safety**

**At Mahindra, achieving an accident-free work environment is of prime importance. We foster a safety culture, maintain systems and processes that align safety objectives and proactively strive to optimise the health & safety of every employee.**

During the reporting period there were no lost time injuries in sectors like MWC, MLL, MIL, MHRIL and Tech Mahindra. Companies such as MMFSL are part of industries that generally have low injury rates; therefore they currently do not track health & safety figures. The performances for our other manufacturing businesses are as follows:

Sector	Lost Time Injury Rate	Lost day rate
AS	0.41	12.77
FES	1.97	24.79
MMFSL	0.00	0.00
MWC	0.00	0.00
MTWL	0.90	14.88
MHRIL	0.00	0.00
MLL	0.00	0.00
MIL	0.00	0.00
SYSTECH	5.18	97.96
MLDL	3.08	20.99



**To further ensure the safety of our employees, all our plants are equipped with a state-of-the-art fire fighting system and as part of ongoing activities we provide fire safety awareness and training to our employees.**



Mahindra FES was honoured with the 'Golden Peacock Award for Occupational Health & Safety - 2009' for **Excellence in Occupational Health & Safety practices.**

Lost time injuries considered whereas defined in the Factories Act, 1948. The factor of 200,000 used in calculation of above rates is derived from 50 working weeks @ 40 hours per 100 employees to ensure that the resulting rate is related to the number of employees and not the number of hours.

# 06

## PRODUCT PERFORMANCE

### Product Responsibility

**"Through design and innovation it is possible to simultaneously improve product performance and sustainability."**



At Mahindra, we are committed to find alternatives for improving efficiency and reducing environmental impacts across the entire lifecycle of our products. We are pursuing a more integrated design process, continuously assimilating new tools into our design practice and adding new parameters. We have begun to view our products through the triple bottom-line prism.

Our Research & Development and strategy departments work in cohesion with our execution team to meet customer expectations. Sustainable mobility, alternative propulsion technology, green homes, environmentally responsible world cities, green data centres, rural finance, etc. are examples of our continuing endeavour towards sustainable product & service performance.

At Mahindra, our reputation is built into every single process and product. The aim is to enhance product performance through: prioritized, systematic & scientific improvement on a continual basis. Our ultimate goal is to achieve high levels of customer satisfaction whereby a customer feels confident about the safety and performance of each and every product and service.

### Environmental Impacts

#### Environmental Impacts of Products & Services

At Mahindra, we pursue an integrated preventive environmental strategy applied to processes, products and services, as per the UNEP framework, to increase eco-efficiency and reduce risks for humans and the environment.

**production processes**  
conserving raw materials and energy, eliminating toxic raw materials and reducing the quantity and toxicity of all emissions and wastes

**products**  
reducing negative impacts along the life cycle of a product from raw materials extraction to its ultimate disposal

**services**  
incorporating environmental concerns into designing and delivering services

**Mahindra was the first Company to introduce micro-hybrid technology in the LCV segment through the Bolero maxi truck.**



Combating Climate change and mitigating emissions represent a major challenge. Our approach to mitigating CO<sub>2</sub> emissions is continuous research and development to improve conventional power-train technologies and produce fuel efficient engines, low friction transmissions and drivelines. The ongoing commitment is to be future ready by downsizing engines, using light weight materials to cut CO<sub>2</sub> emissions and meet emission norms in India, as well as the EU well before they are legally binding.

## 06 PRODUCT PERFORMANCE

Use of alternative fuel continues to be a thrust area for mitigating CO<sub>2</sub> emissions. We have re-launched Bolero Pickup, Bolero Maxx Maxi Pickup and Champion three wheeler with superior technologies that reduce CO<sub>2</sub> emissions, to meet Bharat Stage IV emission norms.



### Superior technologies that reduce CO<sub>2</sub> emissions.

Utilizing domestic and international strategic partnerships, Mahindra's 1200 strong R&D team works to bring the most advanced and futuristic technologies to India. Mahindra is working on different platforms of full hybrid vehicles, micro (start/stop) hybrid vehicles, bio-fuel vehicles, an electric passenger vehicle, a hydrogen combustion engine vehicle and many recyclable materials and reusable technologies. Vehicles operating on the HCNG (Hydrogen + CNG mixture) platform which will further bring down CO<sub>2</sub> emissions as compared to CNG vehicles, are now ready for demo trials.

The Mahindra Two Wheelers R&D team has successfully tested improvements in fuel consumption and emission on Flyte and Rodeo vehicles. Changing the engine operating conditions e.g. Vehicle Speed, Oil temp. Spark temp. etc. resulted in an improved fuel economy of 5 Km/lit. Further work is underway to implement the same.

The commitment to sustainable leadership through our products is demonstrated across sectors. Deeply committed to the health of residents in its buildings Mahindra Lifespaces has applied for



### Green building development to ensure healthy living spaces.

The commitment to sustainable leadership through our products is demonstrated across sectors. Deeply committed to the health of residents in its buildings Mahindra Lifespaces has applied for pre-certification for Green Residential building rating for its projects. The company has already implemented a number of green building initiatives, both as a mandatory part of Green Building development and to ensure healthy living spaces for our residents. These include:

- Use of low VOC (Volatile Organic Compound) paints, adhesives and insulations inside the apartments for improved moisture management and control of contaminants.
- High-albedo-insulating material on the terrace roof, with a SRI (Solar Reflectance Index) value of over 78, to reduce heat absorption and the resultant energy demands for air-conditioning.
- Installation of high energy efficient low emissivity glass in all fenestrations. This glass has a high light transmission ratio with low shading coefficient and in turn induces more daylight effect than normal glass. Due to low SHGC, the energy requirement for indoor air-conditioning is substantially reduced.

## 06 PRODUCT PERFORMANCE

- Use of flyash based concrete bricks/blocks of low energy density for internal as well as external walls.
- Plastering the walls with cement mortar incorporating Polypropylene fibers and waterproofing admixtures. This kind of 'Building Envelope' protects the building from water leakage. It also promotes better insulation, thus reducing the energy demand for air-conditioning systems.
- Installation of highly water efficient fixtures with aerators in each apartment to minimize wastage and reduce water demand by minimum of 30% w.r.t normal water fixtures.
- Development of an innovative erosion and sedimentation control management system outside the building, with a rainwater harvesting system and storm water management to recharge the ground water.
- Installation of an in-house STP (Sewerage Treatment Plan) to reuse wastewater generated from the building, to further reduce demand for water.

Presently our upcoming residential projects namely Mahindra Splendour (Mumbai), Mahindra Royale (Pune), Mahindra Chloris (Faridabad) are Platinum rated pre-certified, while Aqualily (Chennai) has been recognised as a Gold Rated Pre-certified Green Building by the Indian Green Building Council.



During the year, **Mahindra Splendour** emerged as a **Winner in the Cityscape Awards, 2009 under the Best Developer, Green Development (Future) category.**

The winners were chosen from over 150 entries by a jury composed of experts in the industry.



## End-of-Life Vehicle Recycling

### CASE STUDY



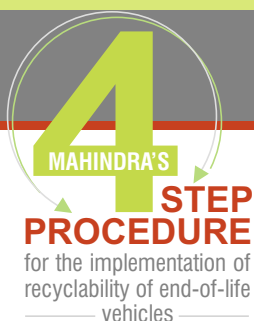
The world has become a 'throwaway' society in recent decades. As car ownership continues to increase it is important that the proportion of each end-of-life vehicle (ELV) being recycled is maximised, so that the environmental impact is reduced.

At Mahindra, we aim to make vehicle dismantling and recycling more environment friendly, by setting clear quantified targets for reuse, recycling and recovery of vehicles.

Towards this, Mahindra is committed to comply with European Union Directive 2005/64/EC, a landmark legislation to develop a frame work for sustainable use of materials and to reduce the content of heavy elements used in manufacturing vehicles. The legislation mandates an environment friendly treatment of vehicles reached to the end of their useful life.

Compliance with this end-of-life vehicles directive is in line with Mahindra & Mahindra Ltd.'s commitment towards environmental responsibility and government legislations. Also the end of life disposal of a product is a material issue for Mahindra.

To adhere to the Directive in letter and spirit we have chalked out a strategic process.



### RRR-Procedure

To calculate the recyclability of end-of life vehicles, we adhere to standard ISO 22628: 2002. M&M Limited has adopted a 4-step procedure for the implementation of the same:

## 06 PRODUCT PERFORMANCE

- **Defining Standard Material Classifications**

We have characterized various material grades used in vehicle as per their recyclability potential. Based on the recyclability potential and position in vehicle, the masses of materials are used for calculating performing recyclability & recoverability rates of complete vehicle as per ISO 22628:2002. M&M have defined a list of proven recycling technologies to ease recycling of plastics used in vehicle.

- **Material breakdown - Data Collection From Full Supply Chain**

For collection of complete material breakdown from suppliers, we have adopted proven data collection format. Suppliers are instructed to compile complete material breakdown details in this format and submit to M&M Limited during Production Part Approval Process stage. Format and its user manual have been uploaded on the FTP site.

- **Managing material breakdown details of parts in Mahindra Systems**

The data uploaded in FTP site is automatically uploaded in Mahindra's Software systems used for evaluation of the compliance with ELV directive. Compliance data is crosschecked for weight details, material breakdown, polymeric part marking, and hazardous content status of parts. The compliance manager for this site has provision to cross check all details provided by supplier, prior to saving in system.

- **Reporting Recyclability & Recoverability Levels against vehicle Bills of Materials as per ISO 22628: 2002.**

M&M Limited has customized its systems to generate report as per calculation method prescribed in Annex B of ISO 22628:2002. Through this, the weight and material data (received from suppliers) of complete vehicle; is analyzed as per their recyclability potential to evaluate final recyclability (Rcyc) & recoverability (Rcov) level. For analysis purpose M&M systems gives the recyclability level of each part. This can be used to enhance recyclability level for complete vehicle.

### Worst Case Scenarios

For purpose of calculation, M&M Ltd. has devised worst case scenarios for Parts used in vehicle. These scenarios are based on least recyclability level of individual parts.

#### Marking of Polymeric Parts as per Commission Decision 2003/138/EC of 27 February 2003

M&M Limited has released two polymeric part marking standards; G000422 & G000457 for marking Plastic and Rubber parts. These standards are followed during designing stage of vehicle and are part of drawing template for future developments. To understand the marking status for actual parts, marking information is received during compliance data collection and analyzed. In case parts are not coded then drawing changes are made to mark components as per legislative requirements. This process is a strategic step towards addressing the End-of-Life Vehicle Recycling. We continually seek to stay abreast with international standards and monitor these systems for any update in the legislation.

### Health & Safety Impacts

Customer safety is of prime importance to us. Therefore health and safety impacts of our products and services are addressed during the preliminary stages of product conception through prototype testing and virtual validation. This allows us to pre-empt health and safety issues and eradicate potential hazards.



### Auto and Farm Equipment Sector

At Mahindra, sectors like Automotive, Farm equipment and Two wheelers define the development of the product concept, research & development and product certification as key stages for assessing and augmenting the health and safety of our vehicles.

For domestic market, Automotive and Farm Equipment divisions closely monitor compliance with applicable Indian regulations viz. Central Motor Vehicle Rules (CMVR)), including those relating to seatbelt anchorage, head impact, steering impact, pendulum impact, emission, noise & safety. We are on track with our mission to bring 13 mega cities of the country under the Bharat Stage IV emission norms and rest of the cities with Bharat Stage III norms.

## 06 PRODUCT PERFORMANCE



Additionally, 40% of our vehicles, meant for the export market, are designed in accordance with major European, Australian, South African & South American motor vehicle safety standards and regulations such as front, offset, side and rear impact with dummy injury criteria. Compliance is monitored with applicable OECD & country specific regulations including those for emission, noise and safety. EURO IV emission norms have been achieved for all export vehicles.

All safety instructions of the product are conveyed through a user's manual. Moreover dealers are also trained to provide a better understanding of safety to the customers.

### Mahindra Two Wheelers

Mahindra Two Wheelers has come up with a unique safety feature in the 'Flyte' model in addition to being in line with vehicle safety laws and CMVR Rules for ARAI certification. Its fuel cut-off valve ensures zero fuel leakage as this valve creates requisite pressure in fuel tank to maintain correct flow of fuel and releases pressure to stop fuel flow to avoid leakage and fire hazard when vehicle falls on ground. It also cuts-off engine to ensure further safety.



### Systech

Systech companies, specialising in casting, forging, composite manufacture and steel processing, have different approaches to health and safety issues.

Our steel and composite companies focus mainly on manufacturing and production processes to ensure that applicable health and safety requirements are met.



Our MUSCO Steel Plant is EMS ISO 14001:2004 certified and in the continual improvement cycle. Areas of product safety and new developments in micro alloys are taken into consideration using learning's from ISO 14062 standard.

Mahindra composite conducts Computer Aided Engineering (CAE) analysis to determine the break point of their product. In addition to this the material is also checked through 3rd party laboratory to ensure product endurance. This is followed by software modelling of the product to ensure that the product delivers its designed output.

Our casting division investigates health and safety issues early in the product lifecycle, with special emphasis during concept development and research & development. They follow directives on the restriction of hazardous substances and on the use of perfluoro-octanesulfonates (PFOS) and persistent organic chlorinated compounds that are considered toxic.

### MLDL

At Mahindra Lifespaces Developers Ltd (MLDL) we develop our buildings, as per the National Building Code (NBC), Government of India and relevant IS codes. Our residential and commercial buildings are designed developed and factored for safety. The design & development stage, incorporates the following elements to ensure complete health and safety for the end users;

- 1 An earthquake resistant structure
- 2 Fire exits and fire extinguishing facilities
- 3 Building material specifications that meet required fire rating
- 4 Proper lighting and ventilation as per requirement of NBC Part 8. Ample window space to floor ratio is provided for better comfort.





## 06 PRODUCT PERFORMANCE

- 5** Designed for maximum use of natural light
- 6** Better exhaust systems for kitchens & bathrooms

All our project locations ensure safe working conditions and are OHSAS 18001:2007 (Occupation Health & Safety Assessment Series) certified.

Service sectors like Mahindra Finance, Mahindra Logistics & Tech-Mahindra have also adopted adequate measures to address the health and safety impacts of their respective sectors.



## Social Impacts

At Mahindra we see our products as extensions of our commitment to create opportunities for the local population. As partners in progress of our neighbouring communities we ensure that both product and service innovation is designed around their needs and serve as bridges to close social gaps.

### MMFSL

As one of India's leading non-banking finance companies, Mahindra and Mahindra Financial Services Limited, provides personalized finance for the widest range of utility vehicles, tractors and cars, to the rural and semi-urban sector.

We offer loans to over 10,00,000 customers who are at the bottom of the income or social pyramids. Moreover our continuous endeavour to develop skill sets at the local level, has ensured that we currently provide employment to over 6,200 people belonging to the areas in which we serve. This ensures that our employees truly understand their customers.

Our unique business model helps customers to grow by providing them loans based on their future earning capacities. Currently the monetary value of our products and services for social welfare is INR 891,536. This has proved to be a catalyst in helping rural India surge ahead in a big way through poverty reduction, rural development and inclusive growth.

A case in point is Mahindra's launch of India's first compact truck, Gio. This launch has been clubbed by offering attractive finance schemes, so as to provide self-employment opportunities to rural and semi-urban youth.

**We offer loans to over**  
**10,00,000**  
customers who are at the bottom of the social pyramid



## Compliance

### Health and Safety Regulations

Mahindra ensures compliance with regulations and voluntary codes concerning health and safety throughout the product life cycle. Our goal is zero non-compliance, and we work with all our potential to reach this goal.

There were no reported incidents of product & service non-compliance during the current year.

### Product and Service Information

Accurate and appropriate information is another significant characteristic of a quality product. We endeavour to comply with required disclosures and product labelling warranted by procedures. Our product brochures and other marketing information stated on our products and services evidently list out the known potential utility risks and mention ways to diffuse or eradicate those risks.

Throughout our businesses there are various procedures in place to collect and furnish product and service information:

## 06 PRODUCT PERFORMANCE

- 1 The sourcing of components
- 2 Content, in particular with regard to substances that might pose an environmental or social impact
- 3 Safe use of the product or service
- 4 Disposal of the product and its environmental and social impact

Those in the Farm Equipment Sector relate to safe use of tractors, while those in Mahindra Forgings and Composites are related to sourcing and disposal.



At Mahindra Lifespaces, we maintain a checklist for use and reuse of various construction materials. This checklist shows the quantity of material reused within site or recycled/reused through an approved vender. Environmental parameters are constantly measured to maintain pollution levels within the prescribed limits specified by the State Pollution Control Board.

As committed, all Green Building projects, come with a "Green Home User Guide" for occupants. This guideline includes the summary of all sustainable features incorporated in the design, construction and commissioning of the building.

MUSCO Steel furnishes test certificates with all their products. These certificates describe the composition and chemistry of the product, which ensures safe disposal with minimal environmental and social impact.



Service sectors like Mahindra Finance, Tech Mahindra & Mahindra Logistics have all their service information on their respective websites and specific business agreements. Customer centricity, information security, high quality & timely delivery are the key aspects of the service information.

Mahindra World City Developers Ltd. provides information on their products & services in their website & Product brochures. World City customer friendly community portal "myworldcity" also provides product & service information.



Mahindra Holidays & Resorts Ltd's IATA certified customer friendly portal provides all information on their services including documentation, accommodation, air tickets, international packages, cruises etc.

### Marketing Communications and Product Information

As a company guided by ethics, we have systems in place to ensure that we adhere to all the statutory laws and standards related to marketing communications, advertising, promotion and sponsorship.

We believe that effective communication is vital to avoid any kind of misrepresentation, incorrect statements or misleading impressions. Our strength is quick response, low documentation, well established market relations and a very well accepted brand image which helps in improving business volumes & sell products even in the rural markets. We also ensure that all communication material is backed by adequate support documentation.

For us transparency is the key to long term organizational success. Thus we provide consistent, reliable and meaningful information about our products, services, operating procedures, shareholding structure and other activities to our stakeholders voluntarily and as may be required by law. Apart from our regular engagements we also maintain regular enquiries and complaints from our stakeholders through dedicated hotlines and e-mail communications.

Our Auto, Farm Equipment & Infrastructure Development Sectors strictly adhere to the code of conduct defined by Advertising Standards Council of India. Mahindra Holidays in addition to this also complies with the statutes of the Advertising Agencies Association of India.



# 07

## ECONOMIC PERFORMANCE

Economics is a measure of efficient utilisation of resources to harness opportunities, expressed in monetary terms. Year over year, Mahindra has been posting excellent results on the economic front and this year too was no different.

As the Indian economic juggernaut, contradicted the global slowdown and kept gaining momentum, Mahindra continued to accelerate the nation's growth story by significantly outperforming average industry growth rates.

Domestic MUV sales volumes grew by 39.4% as against the industry MUV sales growth of 26%. We registered a staggering 46.3% growth of in vehicles sales. Domestic tractor sales outperformed the industry by recording a growth of 46.9%. Even when exports from India continued to be under strain, our tractor exports grew by 27.5 %.

The cumulative impact of superior economic performance by most of our key revenue contributors saw the Group's gross revenues and other income for the year ended 31st March 2010 grow by 16.6 % to INR 337901 million (USD 7.1 billion) from INR 289920 million (USD 6.1 billion). The consolidated group profit for the year after exceptional items, prior-period adjustments and tax and after deducting minority interests rose to INR 24786 million (USD 521.7 million) as compared to INR 14054 million (USD 295.8 million) in the previous year – translating into a record growth of 76.4 %.

These impressive bottom line growth is a manifestation of our rigorous cost restructuring exercises, efficiency improvements, value engineering, optimisation of plant capacity utilisation and commitment to cost competitiveness in all areas.

**We have thereby enabled the Company to take full advantage of the recovery in the economy.**

### Gross revenues

grew by **16.6%** to INR 337901 million from INR 289920 million



### Domestic MUV sales

grew by **39.4%**

### Vehicle sales

grew by **46.3%**

### Tractor exports

grew by **27.5%**



## Key Highlights

Amount in INR million

PARTICULARS	FY 2008 - 09	FY 2009 - 10
Revenues of companies	231,028.30	299,131.50
Net turnover	110,440.70	127,545.60
Profit after tax	21,315.50	32,100.70
Foreign exchange earnings*	6,912.50	7,614.40
Amount spent on R&D*	5,156.50	6,648.60

\*For M&M Limited only  
The values of revenues, Net Turnover and Profit After Tax are on standalone basis and before elimination of intergroup transactions

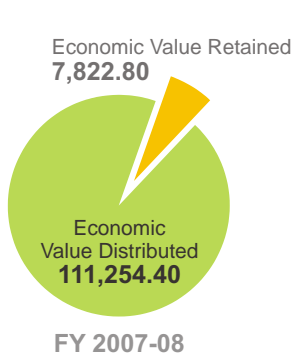
Note: The above comparison should be viewed in the light of the fact that MTWL has been added to the scope in 2009-10.



## 07 ECONOMIC PERFORMANCE

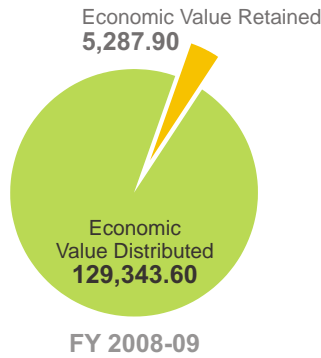
### Direct economic value generated (revenues)

INR Million



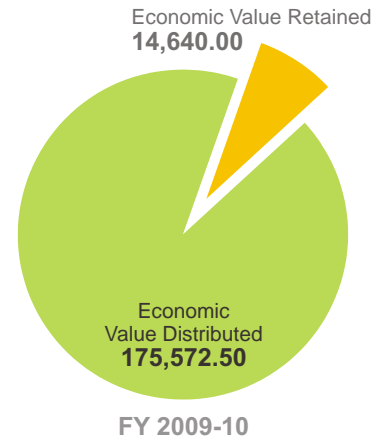
FY 2007-08

Total: INR 119,077.20 million



FY 2008-09

Total: INR 134,631.50 million



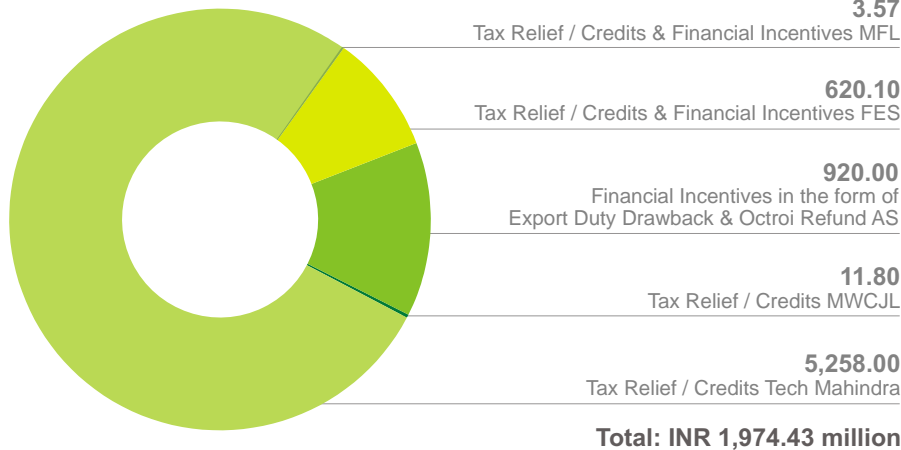
FY 2009-10

Total: INR 190,212.50 million

The economic value retained for M&M, Limited. is calculated as economic value generated less economic value distributed and represented in INR (million).

### Financial Assistance received from the government

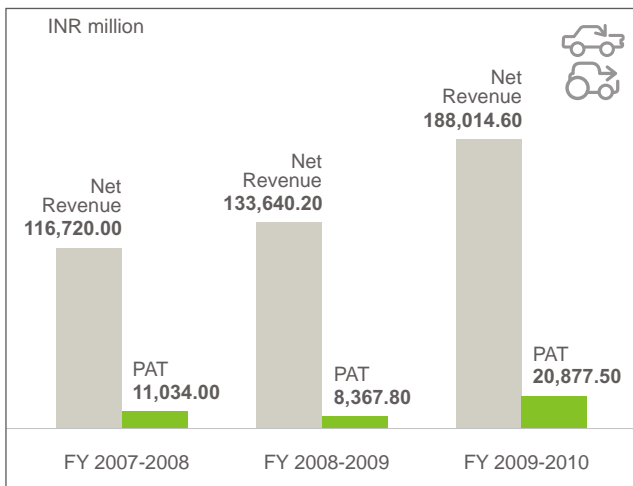
INR Million



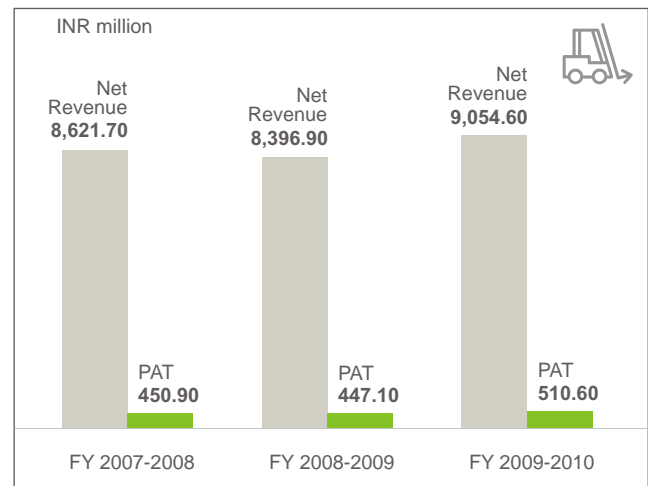
## Business Highlights

### Mahindra & Mahindra Limited (M&M Ltd.)

[Includes Automotive Division (AS) & Farm Equipment Division (FES)]

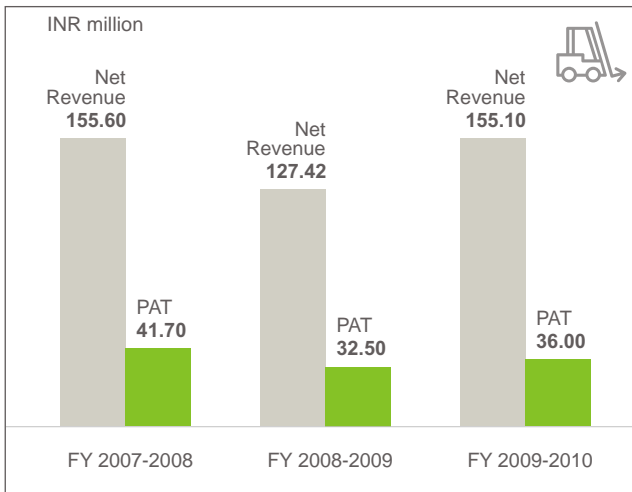


### Mahindra Intertrade Limited (MIL)

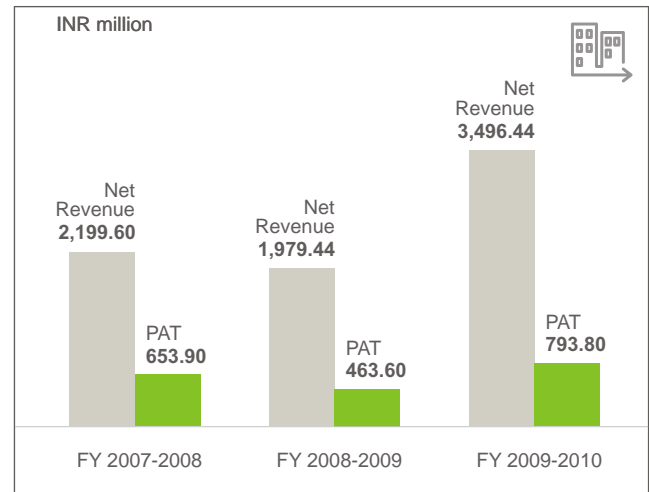


07 ECONOMIC PERFORMANCE

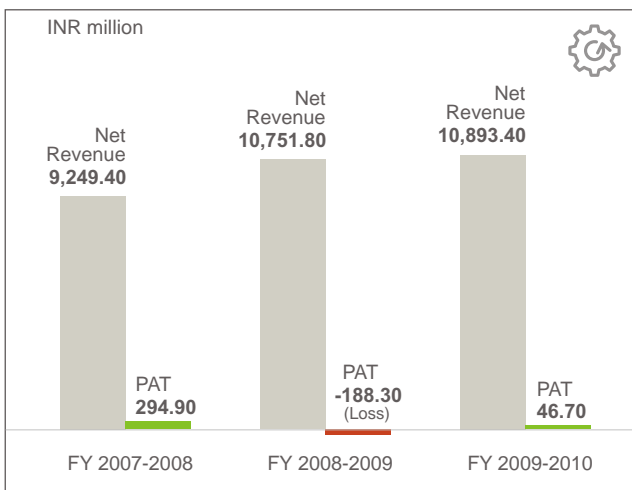
**Mahindra Steel Service Center Limited (MSSCL)**



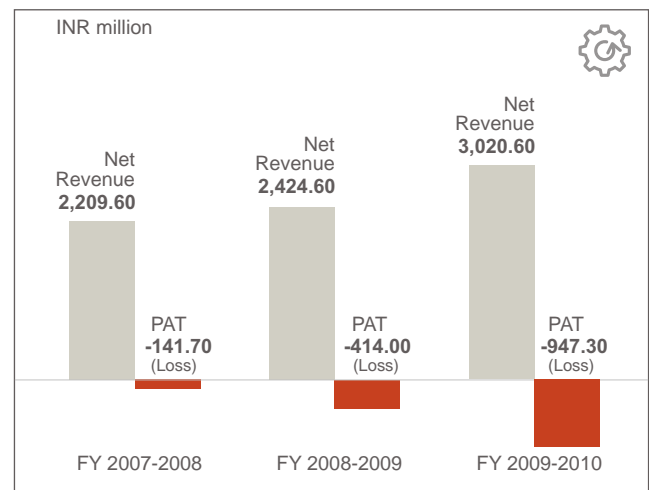
**Mahindra Lifespace Developers Limited (MLDL)**



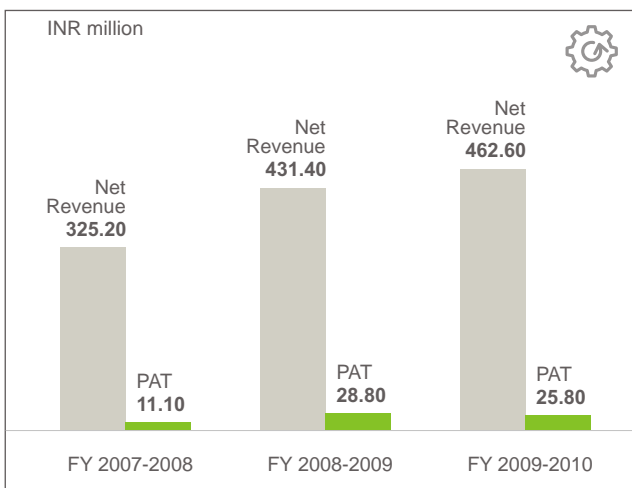
**Mahindra Ugine Steel Company Limited (MUSCO)**



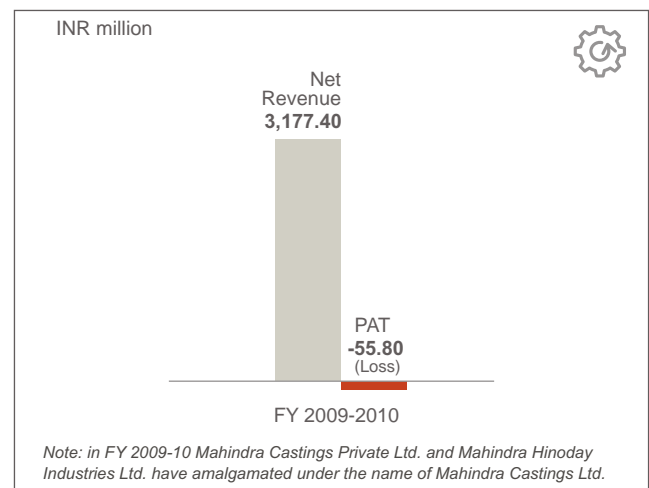
**Mahindra Forgings Limited (MFL)**



**Mahindra Composites Limited**

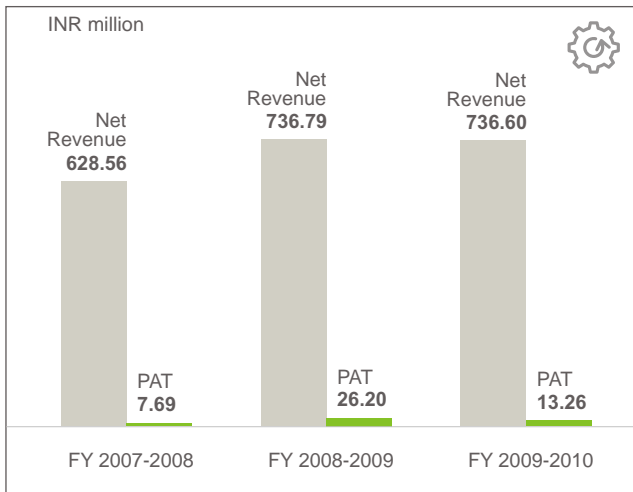


**Mahindra Castings Limited**

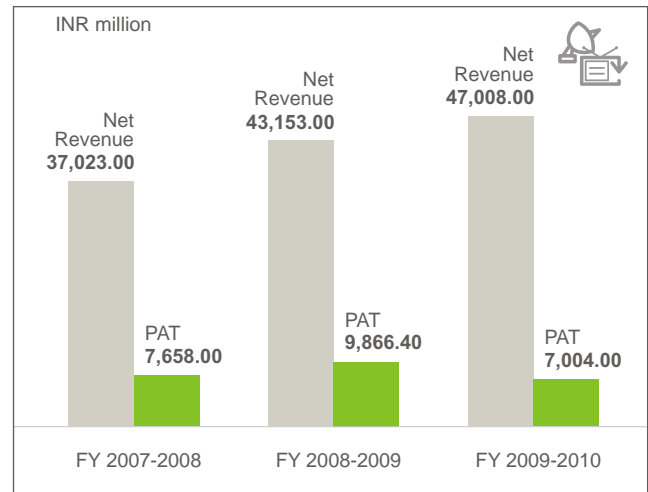


07 ECONOMIC PERFORMANCE

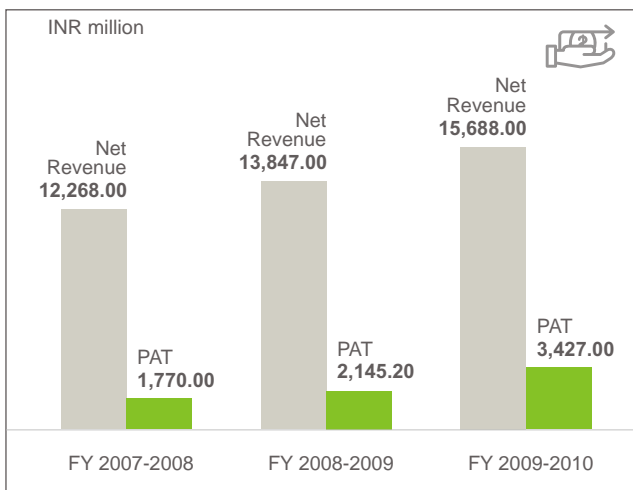
**Mahindra Gears & Transmissions Private Limited (MSAR)**



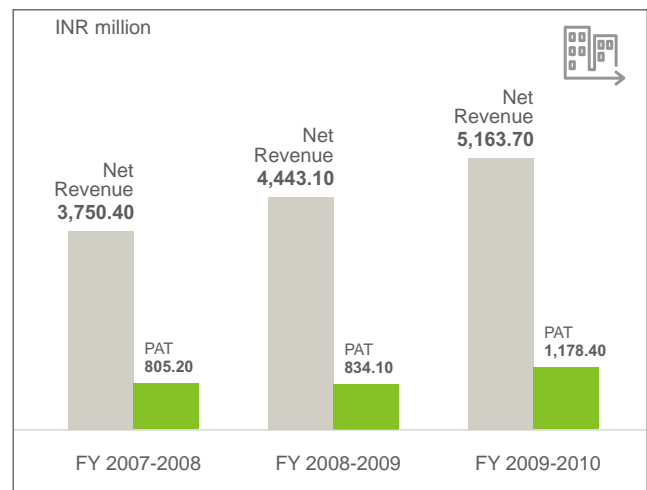
**Tech Mahindra Limited**



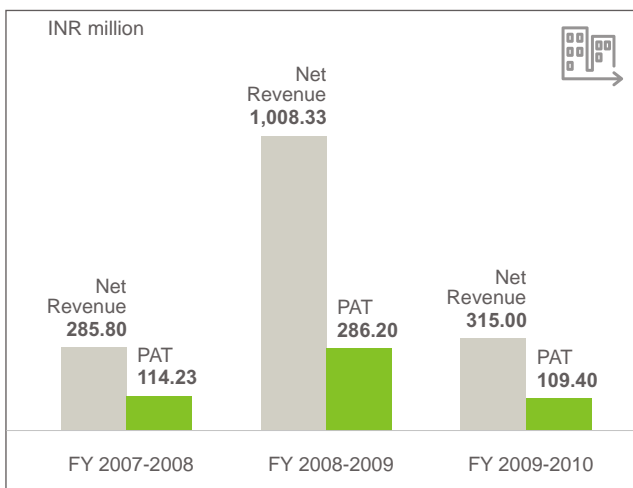
**Mahindra & Mahindra Financial Services Limited (MMFSL)**



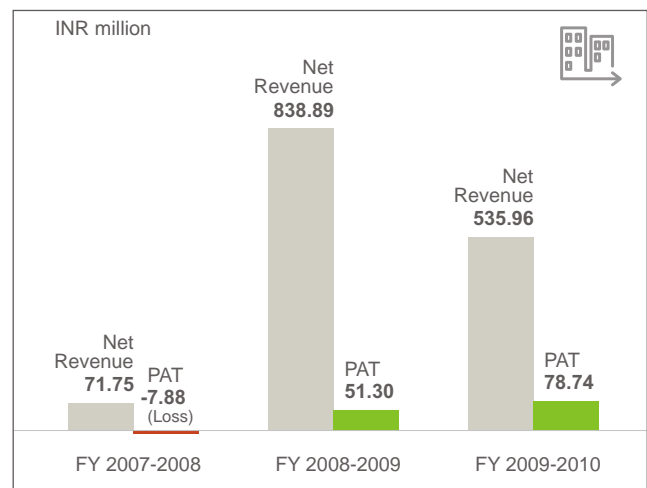
**Mahindra Holidays & Resorts India Limited (MHRIL)**



**Mahindra World City Limited - Chennai (MWC-C)**

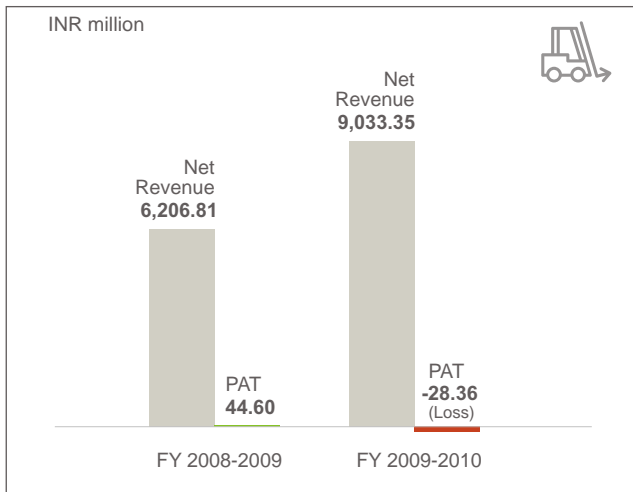


**Mahindra World City Limited - Jaipur (MWC-J)**

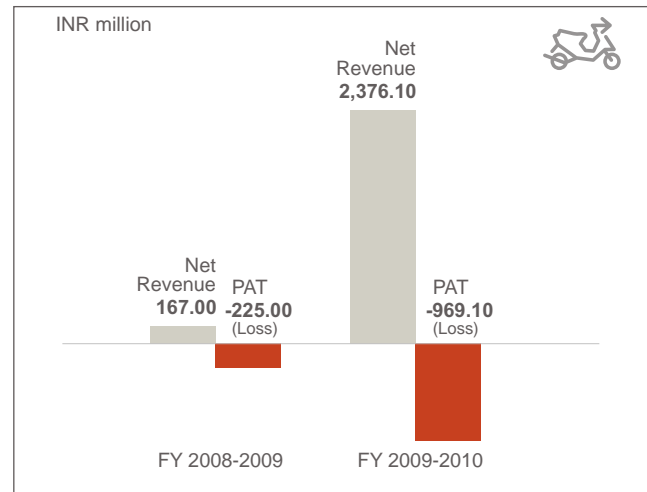


07 ECONOMIC PERFORMANCE

**Mahindra Logistics Limited (MLL)**



**Mahindra Two Wheelers Limited (MTWL)**



**Financial implications of climate change**

**Climate change is changing business economics.**

Free and abundant availability of natural resources is coming under jeopardy. Cost of raw materials specially those derived from natural sources is expected to escalate. At Mahindra, we are constantly pursuing optimal utilisation processes and recycling programs to reduce our dependency on fresh natural resource such as water.



The Government of India has constituted 8 missions under the National Action Plan for Climate Change. Policy refinements and new legislation emerging from these missions wield the potential to impact cost of conducting business. We are closely monitoring proposed initiatives and initiating proactive steps to be policy ready even before these policies come into implementation.

We are also keeping a keen watch on the ongoing Carbon tax debate between developed nations - US and the European Union, and the BASIC countries. We identified the risks and opportunities related to Climate change as enumerated below:

Risks
<ul style="list-style-type: none"> <li>Stringent regulatory norms introduced to safeguard the environment</li> <li>Fuel availability and prices</li> <li>Volatility in the financial market</li> <li>Escalation of raw material prices</li> <li>Effects of the above on our supply chains</li> <li>Climate change induced natural disasters and its effects on our people and assets</li> </ul>

Opportunities
<ul style="list-style-type: none"> <li>Emergence of a more environment conscious customers segment</li> <li>Environment friendly product innovations to satisfy the above</li> <li>Derive first mover advantage of creating environment friendly products which satisfy new regulatory norms as well as the new customer segment</li> <li>Ability to tap markets in developed economies having stringent regulatory norms</li> <li>Access to green funds from government in particular and financial markets in general</li> <li>New partnerships/JVs with overseas / Indian companies to leverage technology and market</li> </ul>

## 07 ECONOMIC PERFORMANCE

We have initiated the development of a sustainable-value framework that replaces the conventional economic strategy. This framework aims to link sustainability challenges to the creation of shareholder value through the realignment and reorganisation of our various businesses to combat the implications of climate change.

In line with these objectives an entirely new division, Mahindra Partners, has been formed to explore and analyse new business opportunities for the group and determine whether there is enough potential and synergy to enter them or not. The division incubates new projects and start-ups of the group, like Solar Power, Aerospace business etc and also advises on exit strategies for companies within the Group.



We realise that as the pace of business change increases so does the importance of research and development. Mahindra's commitment to technology-driven innovation is reflected in the ongoing investment in the Mahindra Research Valley, a facility that houses the Company's engineering research and product development wings, under one roof.

**On-ground initiatives to climate-proof our business are reported along with their results in the environment performance section.**

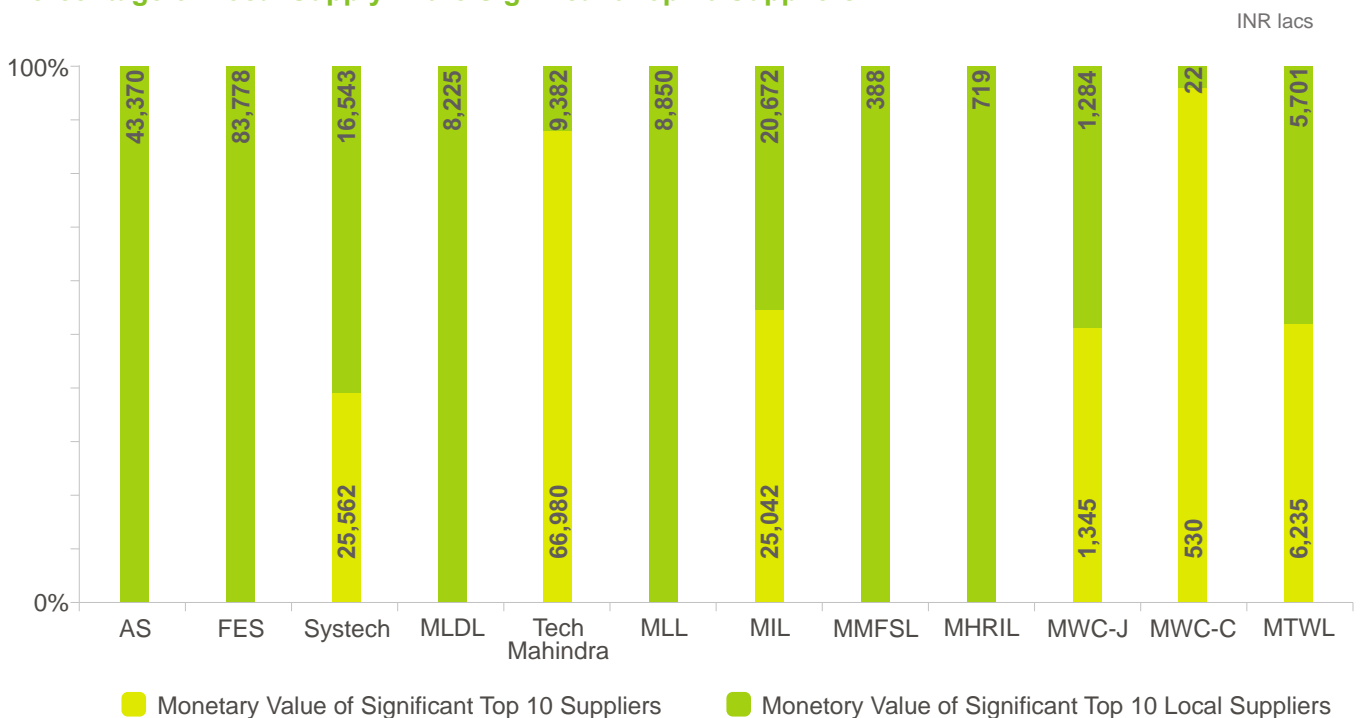
### Local Supply

Our businesses are spread across various states of India and we have therefore always defined local as "within India." This helps us leverage economies of scale with our vendors, motivate them to undertake customised development and negotiate with them for discounts on bulk orders. It also allows us a higher degree of control and auditing of vendor's operation to strengthen our reputation management.

Proximity to the final usage destination' remains a key priority in supplier selection especially when transportation cost, travel time and the velocity of inventory movement are governing factors.

Other significant selection factors include quality, delivery performance, reputation and past performance, pace of procurement, logistic advantages, ISO certifications, factory visits, reports, history and past relationship. Analysing the Top 10 suppliers as per monetary value for each business, we find that on an aggregate basis 99.826% of the group's supply is from local suppliers.

#### Percentage of Local Supply in the Significant Top 10 Suppliers





07 ECONOMIC PERFORMANCE

**Alternative Service**

**SERVICE**

Thousands of cutting edge innovations, hundreds of exciting new product launches; yet companies are finding it ever more difficult to retain customer loyalty.

The point being missed is this - what a customer really carries back is not so much a 'great product' but a 'great service experience'.

But the gnawing void of quality service is turning customers away. And with lip service on offer, reputations are ruined faster.



alternative  
**SERVICE**

The best way to service this problem, is to offer the best service.



**At Mahindra Finance, constantly improving the service quality is an obsession.**

We have been able to build a level of enthusiasm among our customers because we have created a great service experience.



**HAND HELD DEVICE**

Developed with a 'Customer Centric' approach, the HDD ensures that we can provide sustainable financial services even to rural customers.

Custom designed for Mahindra at the cost of INR 11,000, the Hand Held Device (HDD) has accrued staggering savings of INR 11.85 crores per annum.

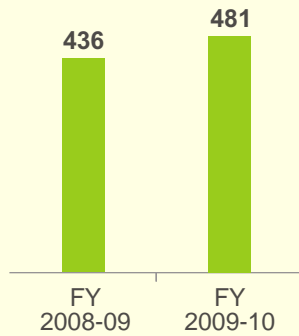
Launched in July 2007 as a pilot with 100 devices, Project MF Connect 3000 through development and implementation of a ", is a thriving example of our customer service focus.

The implementation of this project improved customer service while ensuring a safe and secure transaction. Today, 100% of the collection for both Mahindra & Mahindra Financial Services Limited (MMFSL) & Mahindra Rural Housing Finance Limited (MRHFL) is done through this device.

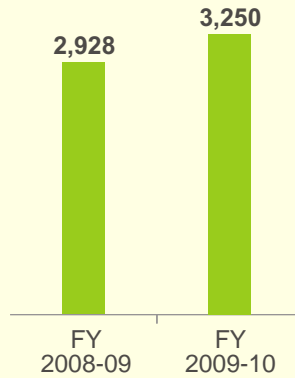
07 ECONOMIC PERFORMANCE

**PROGRESS REPORT**

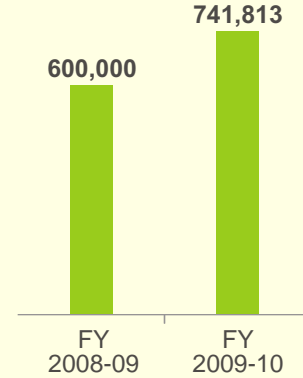
**No. of branches armed with HHD**



**No. of devices employed**



**Customers serviced (approx)**



Besides the monetary advantage the Hand Held Device is a sustainable solution for many reasons:

- It has proven eco-friendly credentials. Since financial transactions, conveyance reimbursement, movement register maintenance and other formalities are now recorded online; the process has become paperless. Moreover, fuel is saved as couriers have become redundant.
- It also offers other benefits like real-time updation to the central server, immediate mobile confirmation about the collection of receipt and reduces chances of fraud.
- Once charged this device can be utilised for more than 8 hours continuously. This is a boon for branches facing power/electricity issues.
- Remote rural customers have been among the biggest beneficiaries.

The HHD along with technical upgrades strives to cater to the needs of every business, keeping in mind factors like customer focus, cost control, service quality, and mobility across country and speed of transactions.

# 08 ENVIRONMENTAL PERFORMANCE

## Overview

In a resource-constrained world, businesses that actively manage their environmental risks and opportunities not only fulfil their societal duty but also stand to gain a strong competitive advantage. At Mahindra we closely monitor our environmental performance, track consumption, set quantitative reduction targets, evaluate and adopt alternatives.

Like every year, this year too we enhanced the breadth and depth of our environment management system. We undertook a detailed carbon foot-printing exercise of the entire group to zero-in on carbon intensive processes that offer significant reduction potential. Over and above critical review of our scope 1 and scope 2 emissions, as part of the exercise we also commenced assessment and reporting of our scope 3 emissions.



Most sectors demonstrated significant progress against targets for the reduction of emissions, conservation of water waste management, assigned to them in the sustainability roadmap drawn out last year.



“ We are used to seeing the Earth as our 'Mother'. I think its time we saw ourselves as 'parents' of the Earth, so that we can nurture and protect it. ”

**Mr. Anand Mahindra**  
VC & MD, M&M Ltd.

## Environmental Policy

Mahindra's environmental management is anchored by an environmental policy that has been formulated by M&M Limited and applies to all Group Companies:



## 08 ENVIRONMENTAL PERFORMANCE

Adherence to the policy is the responsibility of the Chief Operating Officer (COO) and the Sector President. The plant managers are responsible for its implementation at each manufacturing facility.

Additionally, individual plants are encouraged to develop their own initiatives to promote energy conservation and enhance environmental awareness through World environment Day, Earth Day etc which are major awareness initiatives on the world sustainability calendar.

### Environmental Management

#### Enhanced Reporting

With an aim to attain a higher degree of transparency and accelerate improvement through sharper and pin-pointable accountability, this year we enhanced our reporting formats to add unprecedented depth and detail.

We now report 'Groupwide' and 'Sector specific' performance and the emerging trends at certain sectors. We also analyse, report and track, sector-wise trends of specific consumption, of GHG emissions for all sectors. Sector-wise trends of specific consumption of water and energy are also reported for most sectors. This specific consumption/emissions is mapped against unit of produce/service.

#### Enhanced Production Volumes

This year the Group production levels rose significantly across sectors which in turn led to an increase in the absolute values of the environmental indicators.

Sector	% increase in Production in 2009-10 over 2008-09	Sector	% increase in Production in 2009-10 over 2008-09
AS	23%	SYSTECH*	21%
FES	28%	MHRIL	30%
MIL	19%	MMFSL	42%

\*Except Gears

For comparable environmental performance of each sector, please refer to specific consumption figures reported herein after.

#### Air Quality

The Mahindra Group is conscious of the harmful effects of air pollutants and hence complies with the statutory requirements to measure, monitor and report their emissions.

At Mahindra various pollutants are monitored on regular basis at the industrial locations as well as some of the services locations. The Suspended Particulate Matter (SPM), Sulphur oxides (SOx) and Nitrogen Oxides (NOx) are commonly monitored at all the manufacturing locations. Some of manufacturing plants monitor more specific pollutants related to their processes like Respirable Suspended Particulate Matter (RSPM), Carbon monoxide (CO), Methane (CH4), etc.

**The Mahindra Group is conscious of the harmful effects of air pollutants and hence complies with the statutory requirements to measure, monitor and report their emissions.**



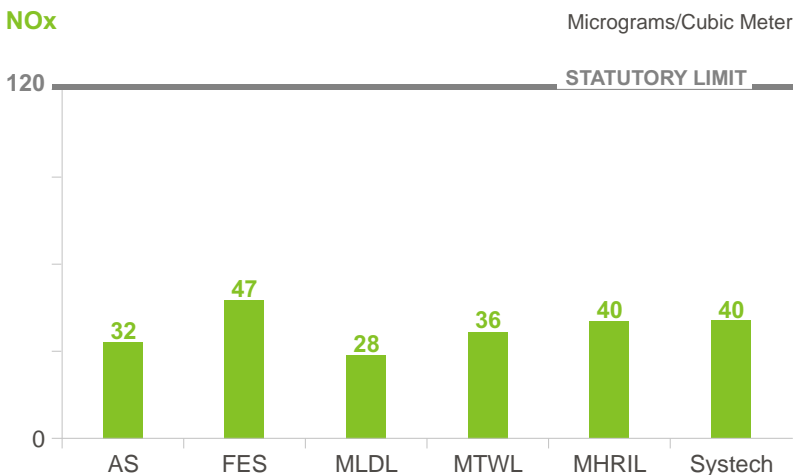
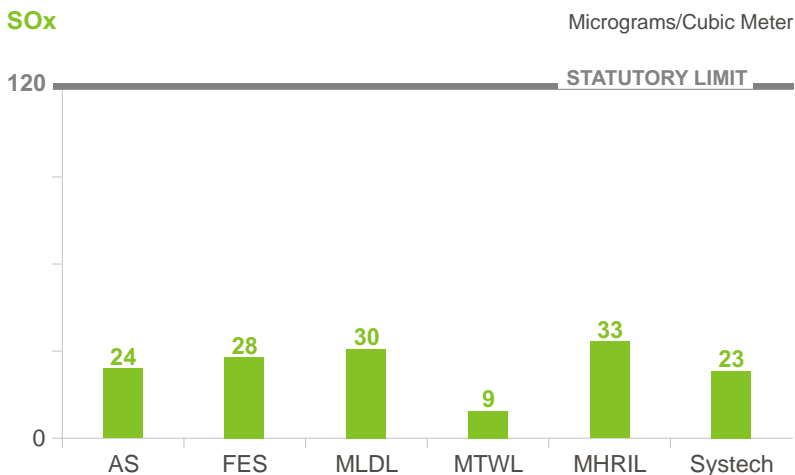
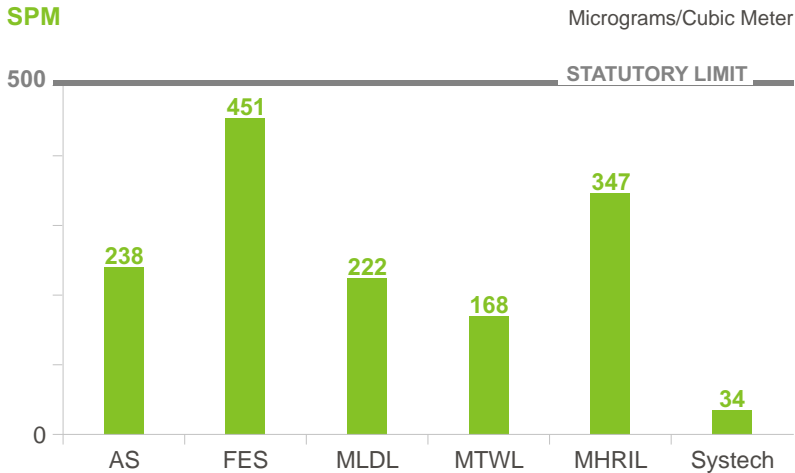
The sector-wise concentrations of the ambient air pollutants shown below are the average concentrations of commonly monitored pollutants at various monitoring stations of various plants/locations of each sector. The average concentrations of the pollutants are well below the statutory limits as per the National Ambient Air Quality Standards (NAAQS, 2004).

The ambient air quality standards represented in the graphs below are for the industrial area and time weighted average of 24Hrs. (These standards have been changed from the month of November 2009. As per the revised NAAQS 2009, the statutory limits for particulate matter are based on the PM10 & PM2.5.)

## 08 ENVIRONMENTAL PERFORMANCE

All of our manufacturing plants measure total stack emissions by weight. This year we initiated the process of standardisation of the measurement of stack emissions across sectors and will commence reporting our emissions in tonnes. In the years ahead we plan to track trends and continue to work towards consistent reduction in emissions.

### Air Quality (Ambient) 2009-10



**Note:** In November 2009, MoEF revised the standards as well as the measuring procedures. The above figures are based on standards prior to November 2009. From 2010-11, we will report emissions as per the revised standards and measuring procedures.

## 08 ENVIRONMENTAL PERFORMANCE

### Biodiversity

Life on our planet is an interconnected web of symbiotic relationships between the diverse living organisms that inhabit it. Human activity such as urbanisation and industrial development are threatening the survival of many species and habitats. Conserving biodiversity helps protect the well being of the eco-system and secures valuable natural resources for future generations.

The only Mahindra facility located near a protected area or an area of high biodiversity is the manufacturing plant at Kandivli, Mumbai. The plant is 5.6 hectares in size and is 5 kilometres away from the Sanjay Gandhi National Park, one of the few Parks that lie within city limits. Through strict monitoring we ensure that our activities have no impact on it.

Over and above ensuring that our operations have minimal impact on the biodiversity of the land, we proactively work towards enhancing and preserving it. Under Project Hariyali we not only met our target but surpassed it by planting 1.2 million trees all over India, well before the deadline as of October 2008. During the reporting period Mahindra Esops volunteers, their families and community members came together to plant an additional 95,411 trees. The survival rate of the trees as of 31st March, 2010 is approximately 84.26%.

Given below is a breakdown of the number of trees planted by various participating sectors of the Mahindra group. This includes trees planted to replace the saplings planted in the previous year which did not survive, (referred below as Gap Filling) so as to maintain the 1 million target.

#### Total Number of Trees Planted For Gap filling as on 31st March 2010

Sector	Number of trees planted	Survival rate as on 31st May, 2009	Gap Filling as on 31st March, 2010	Survival rate as on 31st March, 2010
After-Market	40,167	99.50%	-	99.50%
Automotive	211,997	78.6%	35,750	95.46%
Farm Equipment	318,047	65.7%	38,601	63.00%
Financial Services	41,875	51.68%	10,831	77.54%
Infrastructure Development	462,507	80%	8,540	81.84%
Information Technology	5,230	100%	-	100.00%
Systech	38,812	57.95%	1,074	60.72%
Trade, Retail & Logistics	2,483	92%	100	96.02%
Mahindra United World College of India	100,000	90%	-	-

**Under Project Hariyali we not only met our target but surpassed it by planting 1.2 million trees all over India, well before the deadline as of October 2008.**



Mahindra Hariyali project started in May 2007 with a target to plant one million trees by October 2008. The total trees planted were 12,21118 which surpassed the target. During April - May 2009 a survey was carried out to find survival rate of planted trees. The survey revealed survival rate as 79.49%. From June 2009 to March 2010 - the additional plantation done was 95411. As on May 2009, the number of survived trees were 970151. As on March 2010 the number of trees planted are 1065562 and the survival rate is 84.26% and the number of survived trees are 897761.

In addition, during Vanamahotsavam, a tree plantation festival at Venkitapuram organized by TechM, Chennai 30 volunteers planted 1320 trees across nearly 500 houses and 14 streets of the village.

The Van Vihar Biodiversity project which was initiated by the governing board of Mahindra United World College of India in February 2008, continues its efforts to preserve and enhance the rich bio-diversity of the Western Ghats

## 08 ENVIRONMENTAL PERFORMANCE

### Ozone Depleting Substances

India is a signatory to the Montreal Protocol, an international treaty aimed at regulating and reducing the amount of recognised Ozone Depleting Substances (ODS). We abide by the terms and timelines of the Protocol and are making determined efforts to measure and reduce our ODS consumption which mainly comprise of refrigerant gases R-12 and R-22 and Carbon Tetrachloride.



At Mahindra group, only the manufacturing processes of Automotive sector involve consumption of ODS. Hence, we have reported on the ODS consumption in the processes of manufacturing plants of Automotive sector. The ODS consumption during 2009 -10 was 10.87 tonnes while the Non ODS consumption was 68.19 tonnes.

### Greenhouse Gases

- Scope 1** Emissions come from several sources. Carbon dioxide, methane and nitrous oxide are emitted when we burn fossil fuel and bio-fuel as sources of direct energy.
- Scope 2** Emissions are those emissions that result from the generation of the electricity, heat or steam a company purchases.
- Scope 3** Apart from these major sources, a considerable amount of GHG emissions come from travel, commuting, shipping and receiving supplies. These are known as Scope 3 emissions.

**we follow the GHG protocol and use the WBCSD/WRI tool for GHG calculation for Scope-1 & Scope-2 emissions.**



Moving forward towards our goal of comprehensive and detailed reporting, from this year we have commenced reporting our Scope 3 emissions and the location-wise carbon footprint of each sector.

At Mahindra, we follow the GHG protocol and use the WBCSD/WRI tool for GHG calculation for Scope 1 & Scope 2 emissions.

Scope 3 emissions include inbound and outbound logistics (where Mahindra pays for transportation), air travel, daily commuting and paper consumption. Here too Mahindra has taken initiatives to counter emissions arising from this scope. One initiative is given below.

### Transporting more with lesser carbon footprint

#### Automotive Sector, Igatpuri

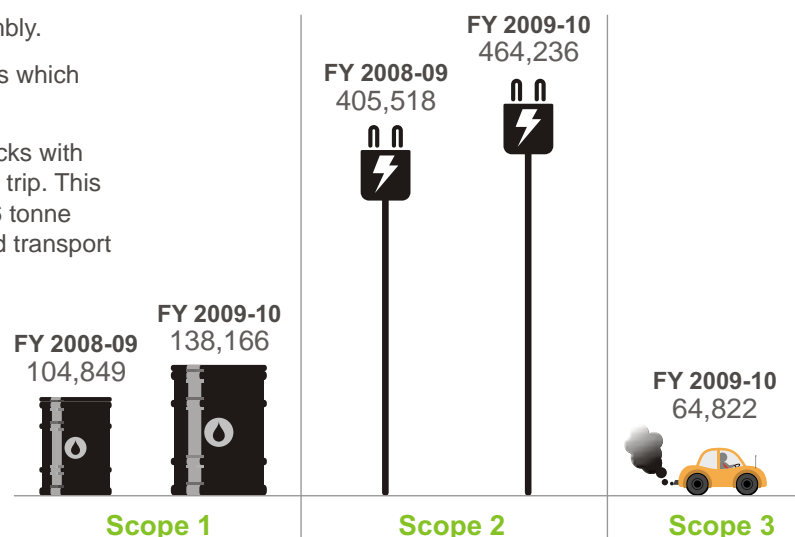
Executives from MLL and AS jointly put into motion an initiative for reducing the transport cost and the resulting carbon emissions per unit of the engines being transported from Igatpuri to Haridwar for assembly.

The idea was to reduce the total number of trips which could be done by increasing the truck capacity.

Initially, it took a total of 420 trips of 9 tonne trucks with carrier lengths of 18 ft. to transport 30 units per trip. This was brought down to 247 trips by employing 16 tonne trucks with carrier lengths of 32 ft. which helped transport a total of 51 units in each trip.

This reduced the transport cost per unit from INR 1089/- to INR 980/-. Overall, in a span of 9 months (May 2009 - January 2010), a significant fuel cost saving of INR 1,327,000 (approx).

#### Absolute GHG Emissions (tCO<sub>2</sub>e)



## 08 ENVIRONMENTAL PERFORMANCE

### Note

- During last two years of sustainability reporting, we have reported on scope 1 and scope 2 GHG emissions of the scoped companies. The increase in absolute GHG emissions as compared to the previous year is due to increase in production/services and inclusion of the Mahindra Two Wheelers Ltd. In the scope (refer table for enhanced production volumes shown earlier in this section) This is likely to happen year on year as we enhance the scope of our reporting.
- As per GRI Guidelines, Direct Emissions arising from sources that are owned or controlled by the reporting organization i.e. the emissions arising from burning fuel for energy within the reporting organization's operational boundaries are considered. This approach was followed for last two reporting years to calculate emissions.

However, during the year under review, we initiated a carbon foot print exercise for Scope I, II & III emissions. For this purpose, we have used GHG protocol (WRI/WBCSD guidelines) to calculate the Carbon foot-print As per WBCSD, the Scope 1 emissions arising from stationary combustion sources (Boilers, evaporators, furnaces, flame reactors), Process emissions (Oxidation/ reduction of substrates, impurity removal, byproducts, and catalytic reactions and Waste & its disposal have been considered. During this year, the scope 1 emissions are increased due to change in the approach of Direct Emissions and Scope 1 Emission calculations. This is one of the reason for increase in the absolute emissions.

During the year 2009-10, an inventory of scope 3 emissions has been taken for the first time, hence there are no comparable figures for the year 2008-09.

### GHG emissions by source

#### Scope 1 - Direct Emissions (tCO<sub>2</sub>e)

Fuel	2008-09	2009-10
Diesel/HSD	25,924	49,486
LDO	2,676	1,958
Petrol	251	301
FO	47,058	50,779
CNG	6,228	2,841
LPG	19,951	25,458
Natural Gas	2,744	7,244
Kerosene	17	0
CO <sub>2</sub>	0	98
Acetylene	0	0.44
<b>Total</b>	<b>104,849</b>	<b>138,166</b>

#### Scope 2 - Indirect Emissions (tCO<sub>2</sub>e)

Fuel	2008-09	2009-10
Electricity purchased	405,518	464,236

#### Scope 3 - Indirect Emissions (tCO<sub>2</sub>e)

Fuel	2008-09	2009-10
Inbound, outbound logistics, daily commuting, air travel, paper consumption	-	64,822

**Note:** Kerosene is excluded from the energy generation fuels during year 2009-10 since it is not used for energy generation. From this year onwards two more types of fuels have been identified i.e. CO<sub>2</sub> consumption for fire extinguishers and other processes and Acetylene.

### GHG Emissions Sector-wise Composition

#### Absolute GHG Emissions tCO<sub>2</sub>e

Sector	2008-09		2009-10		
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 3
AS	27,073	88,578	31,316	101,470	3,593
FES	12,717	51,374	18,416	59,162	28,886
MIL	135	791	120	991	11,650
MTWL	NIS	NIS	1,561	4,034	1,960
SYSTECH (Except Gears)	56,376	190,166	66,305	241,823	16,365

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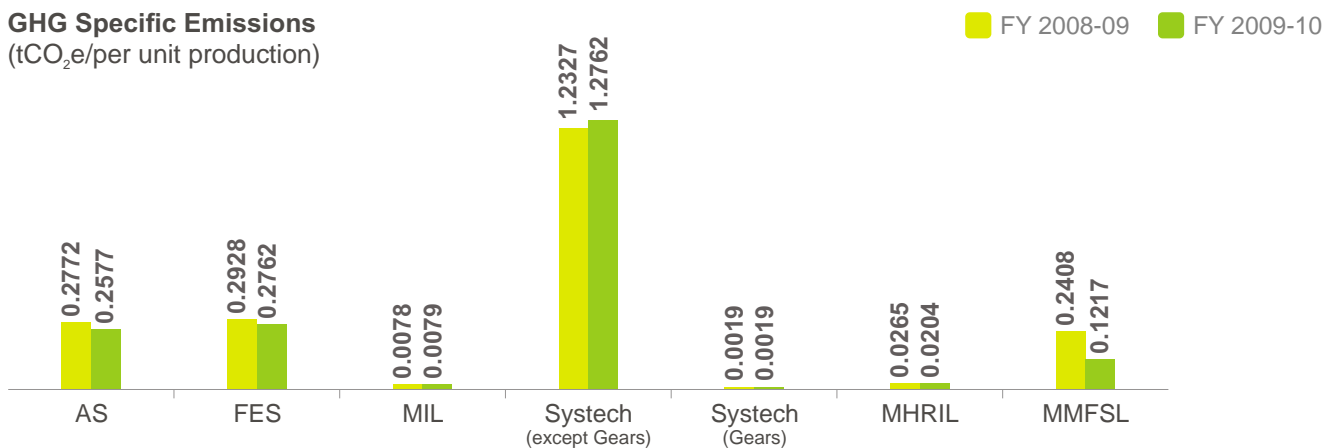
## 08 ENVIRONMENTAL PERFORMANCE

### Absolute GHG Emissions tCO<sub>2</sub>e

Sector	2008-09		2009-10		
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 3
SYSTECH (Gears)	671	3,288	514	3,242	272
MWC	236	1,986	323	2,968	288
MLDL	267	734	441	470	312
MLL	2,972	DNA	6,348	0	65
TECHM	2,528	62,128	10,927	44,024	1,300
MHRIL	1,875	4,961	1,894	4,967	130
MMFSL	0	1,513	0	1,085	0
<b>Total</b>	<b>104,849</b>	<b>405,518</b>	<b>138,166</b>	<b>464,236</b>	<b>64,822</b>

\*- DNA-Data Not Available    \*\*- NIS- Not In Scope

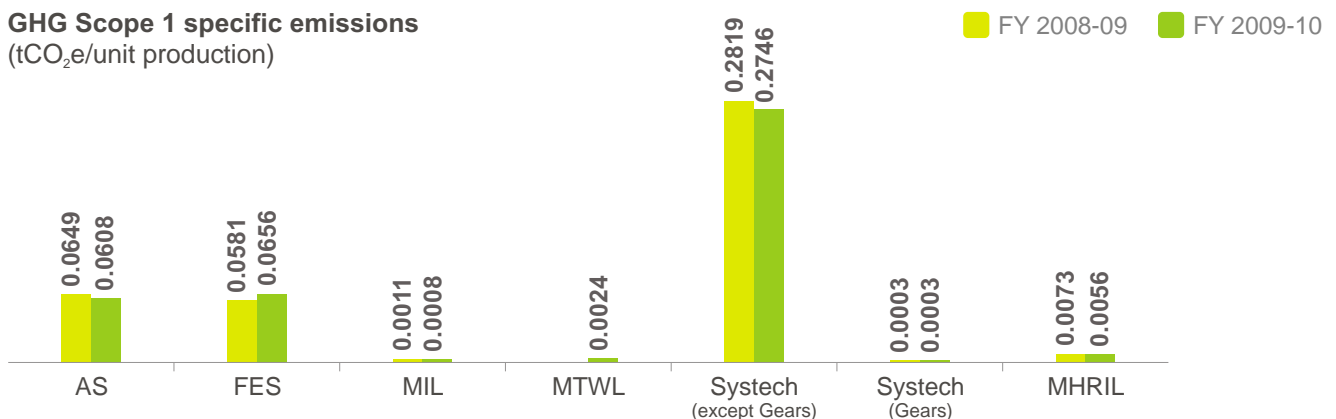
### GHG Specific Emissions (tCO<sub>2</sub>e/per unit production)



\*UNIT PRODUCTION: **AS** - Per equivalent number of vehicles manufactured; **FES** - Per equivalent number of tractors manufactured; **MIL** - Tonnes of production; **MTWL** - Per equivalent number of vehicles manufactured; **Systech (except Gears)** - Tonnes of production; **Systech (Gears)** - Number of gears produced.

The increase in the specific GHG emissions of Systech in 2009-10 is due to shifting of power purchase from the renewable to non-renewable power since the power purchase agreement with wind power energy provider was not renewed.

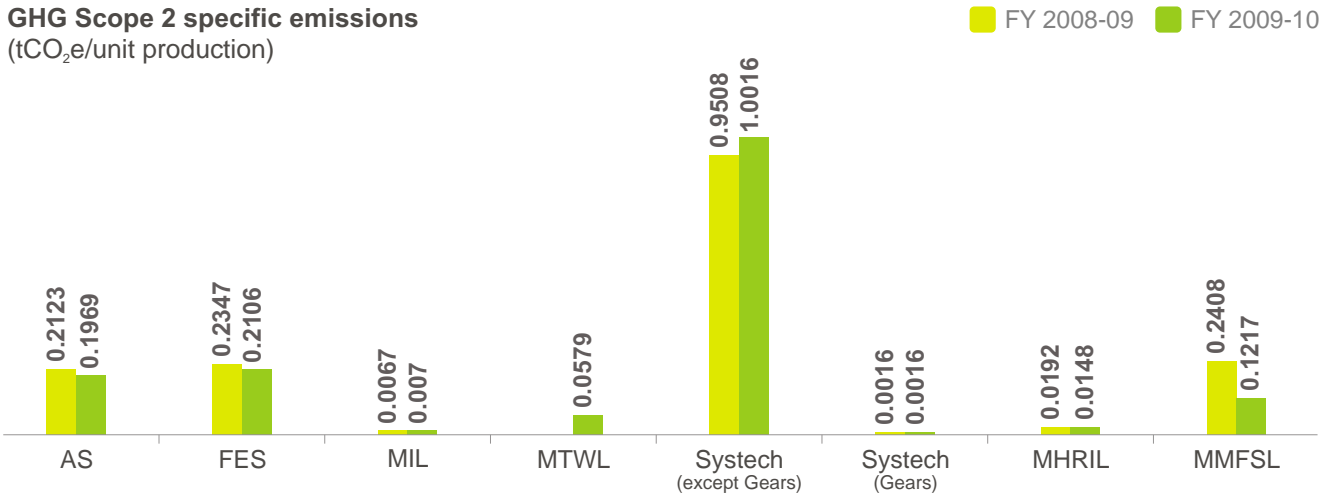
### GHG Scope 1 specific emissions (tCO<sub>2</sub>e/unit production)



\*UNIT PRODUCTION: **AS** - Per equivalent number of vehicles manufactured; **FES** - Per equivalent number of tractors manufactured; **MIL** - Tonnes of production; **MTWL** - Per equivalent number of vehicles manufactured; **Systech (except Gears)** - Tonnes of production; **Systech (Gears)** - Number of gears produced; **MHRIL** - Room nights booked

## 08 ENVIRONMENTAL PERFORMANCE

### GHG Scope 2 specific emissions (tCO<sub>2</sub>e/unit production)



\*Unit Production: **AS**- Per equivalent number of vehicles manufactured; **FES**- Per equivalent number of tractors manufactured; **MIL**- Tonnes of production; **MTWL** - Per equivalent number of vehicles manufactured; **Systech (except Gears)** - Tonnes of production; **Systech (Gears)**- Number of gears produced; **MHRIL**- Room nights booked; **MMFSL**-Loan disbursement

Since this is the first year Scope 3 emissions are being tracked, all the sectors could not report all the categories in comparable manner. Hence we are not reporting on specific emissions this year but we plan to include it in future report.

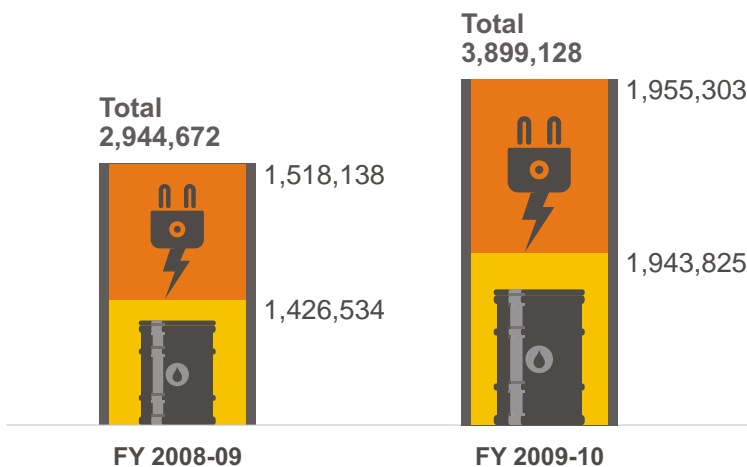
## Energy

Energy is a key input for all our produce. With fossil fuels becoming increasingly limited in supply and susceptible to price fluctuations we have adopted a two pronged strategy. Primarily enhance energy efficiency through innovative product design and process optimisation, so that we can reduce the energy needed per unit of produce. Along with the reduction in specific energy, we aim to slowly shift our energy mix to include a higher percentage share from renewable sources.



### Total Energy Consumption (GJ)

■ Direct Energy Consumption ■ Indirect Energy Consumption



The increase in absolute energy consumption as compared to the previous year is due to increase in production/ services and inclusion of the Mahindra Two Wheelers Ltd. Moreover MMFSL and TechM have reported their energy consumption for year 2009-10 (refer table for enhanced production volumes shown earlier in this section). This is likely to happen year on year as we enhance the scope of our reporting.

AS, FES, Systech (Gears), MHRIL and MMFSL have posted 7.13%, 2.23, 6.99%, 25.53% and 50.08% reductions in their total specific energy consumption respectively. Systech(except Gears) which accounts for 52.98 % of our total energy consumption has posted an increase of 1.91% in its total specific energy consumed.

08 ENVIRONMENTAL PERFORMANCE

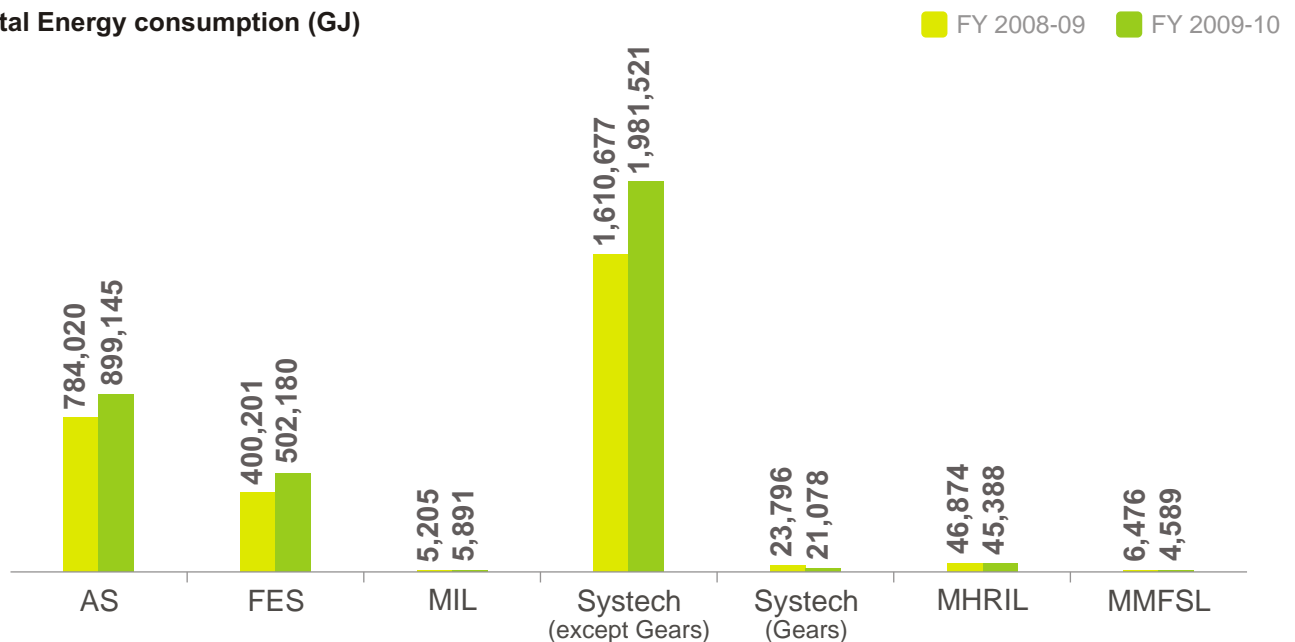
Sector-wise Energy Consumption (Absolute & specific)

Sector	Total Energy consumption (GJ)		Specific energy consumption (GJ/unit production)	
	2008-09	2009-10	2008-09	2009-10
AS	784,020	899,145	1.879	1.745
FES	400,201	502,180	1.828	1.788
MIL	5,205	5,891	0.044	0.042
MTWL	NIS	38,445	NIS	0.552
SYSTECH (Except Gears)	1,610,677	1,981,521	8.054	8.207
SYSTECH (Gears)	23,796	21,078	0.011	0.011
MHRIL	46,874	45,388	0.182	0.135
MMFSL	6,476	4,589	1.031	0.515
MWC	11,421	16,702	-	-
MLDL	6,722	7,141	-	-
MLL	47,140	59,356	-	-
TechM	2,140	318,787	-	-

\*UNIT PRODUCTION: **AS** - Per equivalent number of vehicles manufactured; **FES** - Per equivalent number of tractors manufactured; **MIL** - Tonnes of production; **MTWL** - Per equivalent number of vehicles manufactured; **Systech (except Gears)** - Tonnes of production; **Systech (Gears)** - Number of gears produced; **MHRIL** - Room nights booked; **MMFSL** - Loan disbursement; **NIS** - Not In Scope

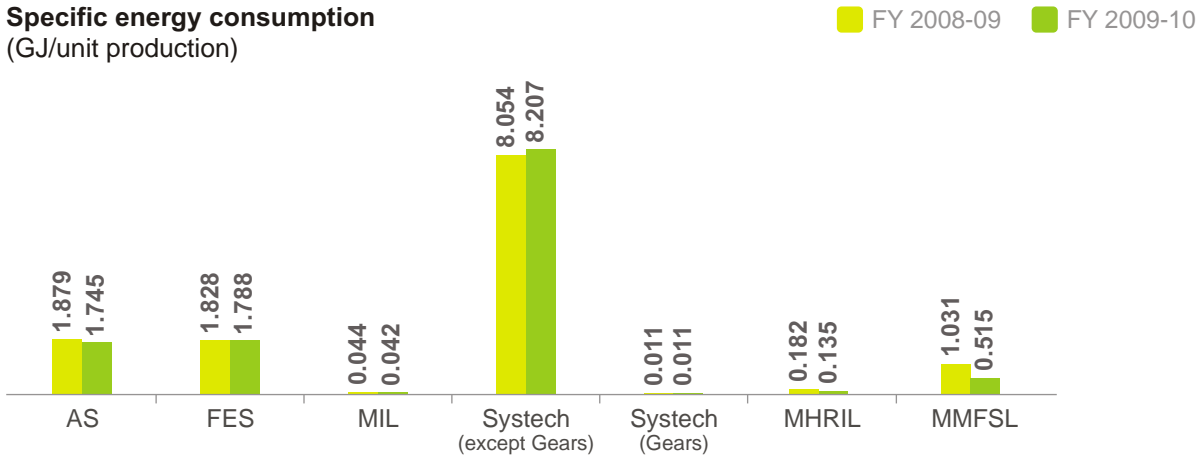
The specific energy consumption of MWC, MLL, TechM, MLDL are not available since we are in the process of standardization of the denominators for these sectors. The energy consumption data of MLL is not available.

Total Energy consumption (GJ)



## 08 ENVIRONMENTAL PERFORMANCE

### Specific energy consumption (GJ/unit production)



\*UNIT PRODUCTION: **AS** - Per equivalent number of vehicles manufactured; **FES** - Per equivalent number of tractors manufactured; **MIL** - Tonnes of production; **MTWL** - Per equivalent number of vehicles manufactured; **Systech (except Gears)** - Tonnes of production; **Systech (Gears)** - Number of gears produced; **MHRIL** - Room nights booked; **MMFSL** - Loan disbursement;

### Energy Savings Initiatives

The importance of energy saving is ingrained in Mahindra right up to the worker on the shop floor. We understand that as we progress on our journey of energy efficiency, the initial years yield higher absolute savings and once the low-hanging fruits are plucked the absolute savings for a current year will follow a reducing trail. It is demonstration of our teams commitment to the cause that they have been able to squeeze out 39,749 GJ of savings during the reporting year.

The drive to save resonated across all sectors and many initiatives were planned and executed.

### Innovations for energy conservation

#### AS Nashik

At the Auto Sector Nashik plant two paint shops accounted for 100% of the thermal energy & approximately 60% of the electrical energy consumption of the entire plant. To make the plant more energy efficient a plethora of activities were initiated. These include: ranging from internal & specialised external audits, CAPA on audit, energy week celebrations, knowledge sharing seminar & platforms and energy conservation awareness programs.

#### The impact

**28% reduction**  
in Specific Energy  
Consumption (Electrical)

**46% reduction**  
in Specific Energy  
Consumption (Thermal)

Example: Installation of vertical mounted lower kW pumps in lieu of centrifugal pumps of higher kW to generate an annual savings of Rs. 1.62 lakhs kWh per annum.

## 08 ENVIRONMENTAL PERFORMANCE

### AS Kandivli

The Auto Sector Kandivli plant undertook a series of energy saving initiatives	
Initiatives	Savings per Annum
Electrical power reduction at the induction furnace foundry	0.88 lac kWh
Process optimisation for electrical power reduction	5.2 lac kWh, INR 2,600,000 lac
Use of PNG in place of LPG for heat treatment to reduce thermal energy costs	INR 251,000
Retrofitting of air conditioning	1.27 lac kWh, INR 776,000
Optimization of water pressure for air compressor cooling system	0.59 lac kWh, INR 361,000
Installation of fine speed control for input & exhaust blowers in paint shop	1.25 lac kWh, INR 709,000
Energy efficient hydraulic power pack	INR 85,000
Metal Halide Lamp with Pulse Start Technology	1.92 lac kWh, INR 1,098,000
Digital temperature controller for window air conditioners	0.83 lac kWh, INR 478,000
Energy efficient screw compressors with spiral control valve technology	1.00 lac kWh, INR 420,000
Use of Heat Pump which works on vapour compression cycle avoiding conventional electrical heaters	0.32 lac kWh, INR 200,000
Adoption of environment-friendly MDI Engine for Forklifts	INR 183,000
Such persistent energy conservation initiatives by the Kandivli plant have earned them the Award for Continuous Excellence (Automobile category) from the Government of Maharashtra.	

### FES Nagpur

FES Nagpur plant won the state level energy award for its various energy conservation initiatives like, bringing down the conversion cost of tractor by INR 285.73 as compared to FY 08., saving 4.57 Lac electrical units worth INR 2,307,000, cutting down on the wastage of thermal energy to conserve 544.7 Million Kilo Calories, effecting over all fuel savings worth INR 2,228,000.

### FES Rudrapur

FES Rudrapur undertook a total of 14 projects which added energy savings worth INR 45.75 lac. These included - power factor improvement at feeder end, which accrued savings worth INR 1,500,000, installation of demand controller to optimize compressed air consumption which saved INR 930,000 and effective utilization of peak load hours which saved power worth INR 785,000.

### FES Kandivli

At Kandivli plant a total of 33 initiatives were undertaken to save energy worth INR 15 million. Some of them include: installation of capacitor banks with automatic P.F controller to maintain power factor close to unity, installation of heat pumps and replacement of HP motors with optimum ones for coolant circulation optimization.

### Tech Mahindra Hinjewadi

Pilot windmill / solar energy sources have been set up at our Hinjewadi campus. We have also employed smart meters to monitor electricity usage.

08 ENVIRONMENTAL PERFORMANCE

**Energy Savings Initiatives**

**Retrofitting Mahindra Towers for Energy Efficiency**

**CASE STUDY**



To address Climate Change is to adopt sustainable development. India set on a mission to combat climate change in June 2008 that includes reduction of emission, use of solar power, water management and energy conservation.

Buildings today account for 40% of the world's energy use. Most new buildings are built with the environment in mind, but the real key to substantial progress is reducing existing building energy consumption and carbon footprint.

At Mahindra, we initiated retrofitting Mahindra Towers, Worli - Mumbai to cut energy consumption in December 2008.

The BEE certified Energy Services Company (ESCO) conducted energy audit of Mahindra Tower. Post the audit, 'Techno-commercial' aspects of all identified Energy Conservation Measures (ECMs) were discussed and an action plan was prepared. Only projects with simple pay-back of less than 18 months were selected for implementation. ESCo invested Rs.15.90 Lakh to implement the identified ECMs.

**The Challenges**

- To maintain present norms of illumination level and temperature in air-conditioned areas.
- To ensure that the aesthetics are maintained while replacing any equipment, fittings etc.
- To identify and deploy desirable mix of technology and cost in view of the set pay-back period.

**The Solution**

The Energy Conservation Measures implemented at Mahindra Towers are as follows:

- 1 Optimisation of Electrical Distribution System for demand management and energy savings.
- 2 System optimisation of air-conditioning operation without changing the set chilled water and return air temperature. Optimisation of electrical system and air-conditioning plant that results in a saving of approximately 17,000 kWh per month.
- 3 In case of lighting, over 2,000 T-5 HE tube-rods with high-frequency, low-harmonic electronic ballasts were replaced in existing fittings. This change has resulted in a saving of approximately 11,000 kWh per month.
- 4 Sizing of AHU motors was reduced and motors of high-efficiency (Eff-1) were installed keeping the blower speed unchanged to ensure original air circulation.
- 5 10% reduction in monthly power consumption has been achieved.  
Overall pay-back period is less than a year.

**The Impact**

March, 2009 to March, 2010

Energy Savings (kwh)

**470,403**



Cost Savings (INR)

**4,009,965**



The retrofitting has affected an average savings of 36,185 kWh / month, the equivalent CO<sub>2</sub> saved is 29.3 tonnes / month (In Maharashtra saving of 1 kWh / month is equivalent to 810 gms of CO<sub>2</sub>).

This model of retrofitting will now be extended to other office buildings as well as manufacturing plants.

## 08 ENVIRONMENTAL PERFORMANCE

### Water

As water cuts across disciplines and issues, so do our water conservation and self-sufficiency initiatives. Most of our locations utilise municipal water. In the absence of piped water, bore wells are dug on-site to tap ground water.



**The Mahindra Group companies ensure that water withdrawal at their respective locations does not pose any threat to water bodies, endangered plants or animal species and humans.**

During the year under review, from recycling & reusing treated water for industrial processes, gardening and flushing to rain-water harvesting & groundwater recharging, a number of initiatives were flagged-off across various Group companies.

#### Discharged Water Quality

The Mahindra Group is aware of the lasting impact that sewage and wastewater have on the drinking water supply, agriculture and the environment. Therefore, we lay great emphasis on discharge systems wherein the released waste water is treated through robust ETP (Effluent Treatment Plant) and STP (Sewage Treatment Plant) processes to ensure zero discharge of wastewater pollutants.



**Our automotive and farm equipment manufacturing plants have been zero-discharge plants for many a years**

The quality of the companies' wastewater is not only monitored internally but also through external agencies. The discharged water is regularly analysed for C.O.D, B.O.D, pH, and other parameters specified by regulatory authorities and has always been found to be within the limits defined by the State Pollution Control Boards and local statutory authorities.

#### Water conservation on a war footing

##### Mahindra Lifespaces

An in situ system for recycling of Batching plant wastewater installed at the Mahindra Splendour site resulted in reuse of at least 75% of waste water generated within site for construction purposes.

##### Auto Sector, Kandivli

- AS, Kandivli replaced all 25 year old underground Municipal water lines with overhead lines totaling to 1500 meter, upgradation of effluent treatment plant (ETP) to recycle Effluent for gardening & toilet flushing, Timer operated auto electric valve for pretreatment tanks, saving 8 KL/day, recycling & reuse of overflowing water from rinsing tank to degreasing tank at PT line in Body PU saving 2400 KL/Annum of municipal water, level operated auto valve at steelyard water tank to avoid overflow, Occupancy sensor at canteen dish washing area to avoid continuous flow of water, replacing old underground pipelines with over head pipe line, remote auto operation of water pump to avoid overflow of pretreatment tank, rain water harvesting at utility cooling pond, In-house fabrication of heat exchanger and magnetic conditioner for cooling towers to enable use bore water instead of municipal water and Recycling of used coolant water.
- The Auto Sector Kandivli plant used to consume nearly 300,000 m<sup>3</sup> of water annually. 35% of which came from the municipality while the rest was drawn from bore wells. Last year the plant declared a 'War for Water Conservation'. Detailed water audits were undertaken and ground water leakages were eliminated through retrofitting at marginal capital cost. These simple measures saved 12% of raw water. Other similar water conservation initiatives resulted in a cumulative saving of 54,750 m<sup>3</sup> of water per annum.

##### Auto Sector, Zaheerabad

The Auto Sector Zaheerabad plant, located amidst an arid landscape, undertook a major water conservation initiative comprising of rain water harvesting, water recycling and tree plantation resulting in consistent water supply for the plant and INR 12.1 Million worth of annual saving in costs. More importantly, this has contributed to priceless environmental benefits like nesting of migratory birds, enhanced ground water levels from 450 ft to 230 ft. and even reduced the ambient temperature of the vicinity by 2° C.

## 08 ENVIRONMENTAL PERFORMANCE

### Auto Sector, Nashik

AS, Nashik has adopted the 3R (Reuse, Reduce, Recycle) approach for efficient water management. Among the numerous water conservation initiatives undertaken were:

Water Saving project implemented in 2009-10	Annual Water Savings	
	m <sup>3</sup>	INR
Replacing Scissor make taps by Goldline tap with orifice in shop toilets and canteen.	30,534.35	473,000
Treated water connected to all toilets	15,000	233,000
Treated water use for paint shop coagulation top up purpose	11,900	184,000
Zero water leakage plant audit started shopwise	6,000	93,000
Use of new degasser tower for DI water generation	5,400	83,700
Reduction in water consumption by commissioning of Dish washing machine in main canteen and Replacing Scissor make taps by Goldline tap with orifice in canteen.	5,049.17	78,000
Spray ring operation on skid present signal	2,700	81,000
Fire hydrant post nozzle reducer for trial	1,020	15,810
Use of industrial water storage facility to use rain water for DM plant	800	12,400
Modelwise windshield water filling autogun introduced	110	1,700

### Auto Sector, Zaheerabad

MTWL, Pithampur is located in a region facing drastic reduction of ground-water reserves. Moreover the nature of the soil does not facilitate water to percolate to underground aquifers. Artificial ground water recharging techniques involving construction of 30 vertical shafts, excavation of contour trenches, construction of stop dam for percolation tank and bore well and open well recharging through surface run-off and roof top water harvesting were implemented. The outcome - a net surplus ground water of 4,348.9 lakh litre per annum

### Farm Equipment Sector, Nagpur

FES Nagpur implemented various water conservation ideas like connecting all overhead tanks to a similar pump and installing automatic water level sensors for them, plugging leakages and bringing the supply pipes above ground, utilizing 100% of the ETP water, daily monitoring of area wise consumption for administrative control and conducting awareness camps, placing slogans, posters etc. These concerted efforts reduced specific water consumption from 3.08 KL / Eq. Tractor in FY 09 to 1.75 KL / Eq. Tractor in FY 10. This not only reduced the operational cost by INR 26 / Tractor but also brought down the total cost of water by INR 1,040,000 These initiatives were recognised at the national level as the plant won the CII water efficiency award.

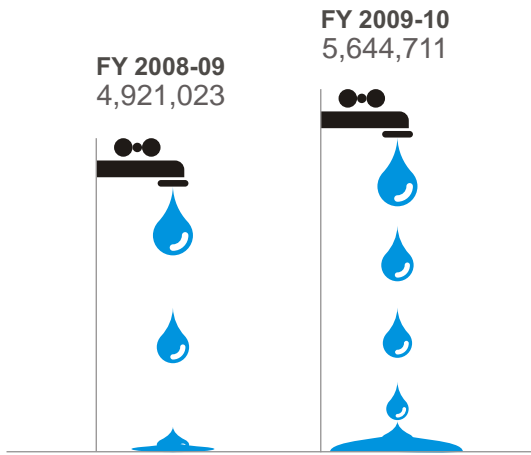
**All Farm division plants are zero discharge plants and ensure 100% use of ETP water by recycling.**



08 ENVIRONMENTAL PERFORMANCE

The water performance of the group, by sector, by location and by specific consumption is detailed below

Report Scope Total Water Consumption m<sup>3</sup>

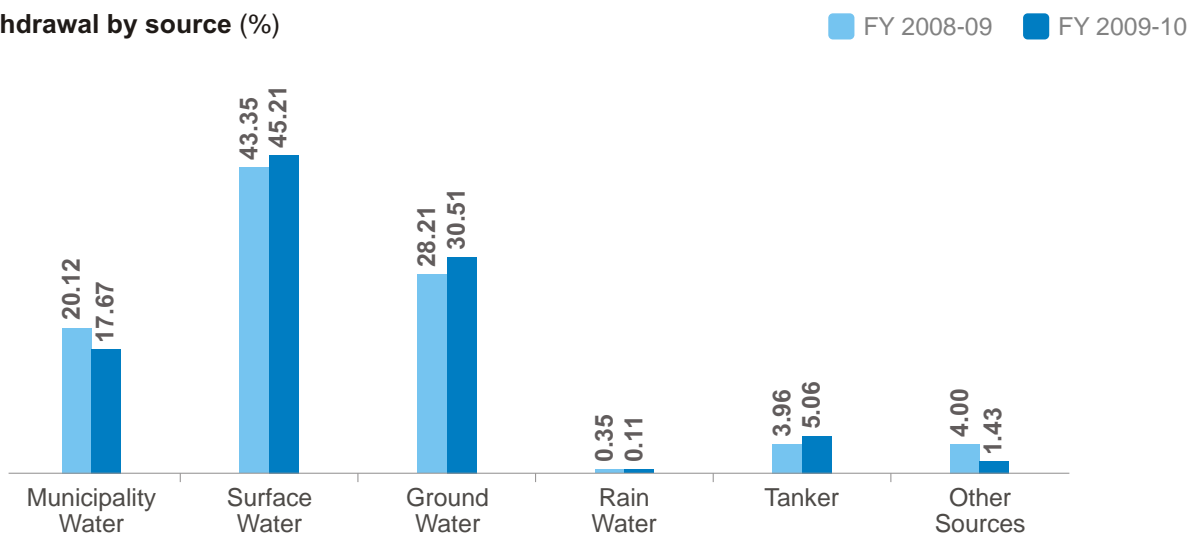


This year we are also reporting water consumption for 3 more sectors - MMFSL & Tech Mahindra, whose performance could not be measured in the previous year, MTWL has been added in the scope of report.

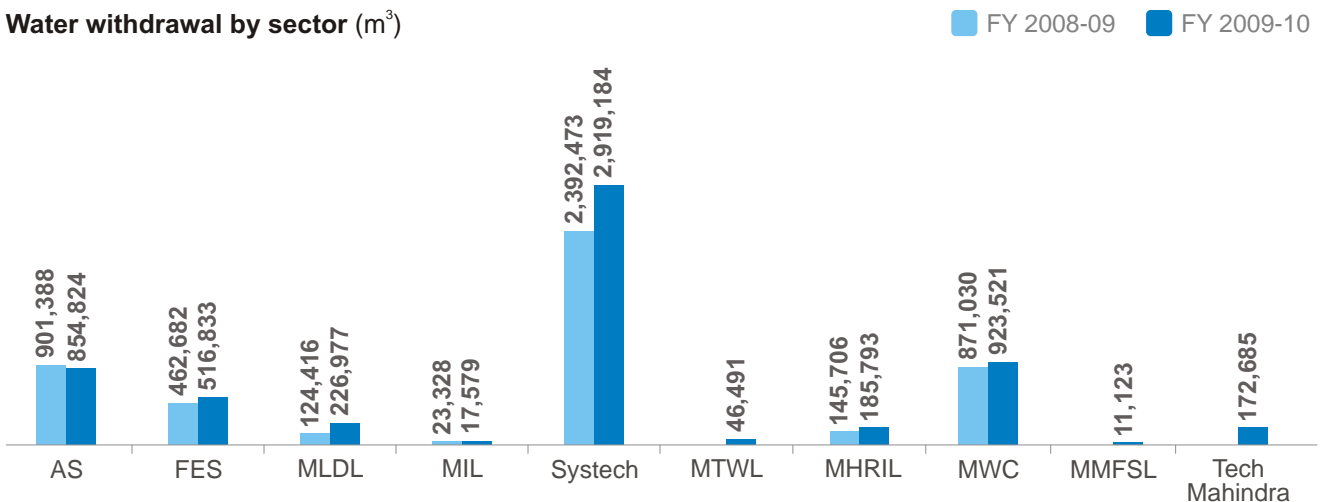
Sector	FY 2009-10
MTWL	46,491
MMFSL	11,123
Tech Mahindra	172,685

**Note:** The absolute water consumption has increased as compared to the previous years due to increase in production/services and inclusion of the Mahindra Two Wheelers Ltd. in the report scope. Moreover MMFSL and TechM have reported their water consumption for year 2009-10 (refer table for enhanced production volumes shown earlier in this section). This is likely to happen year on year as we enhance the scope of our reporting.

Water withdrawal by source (%)



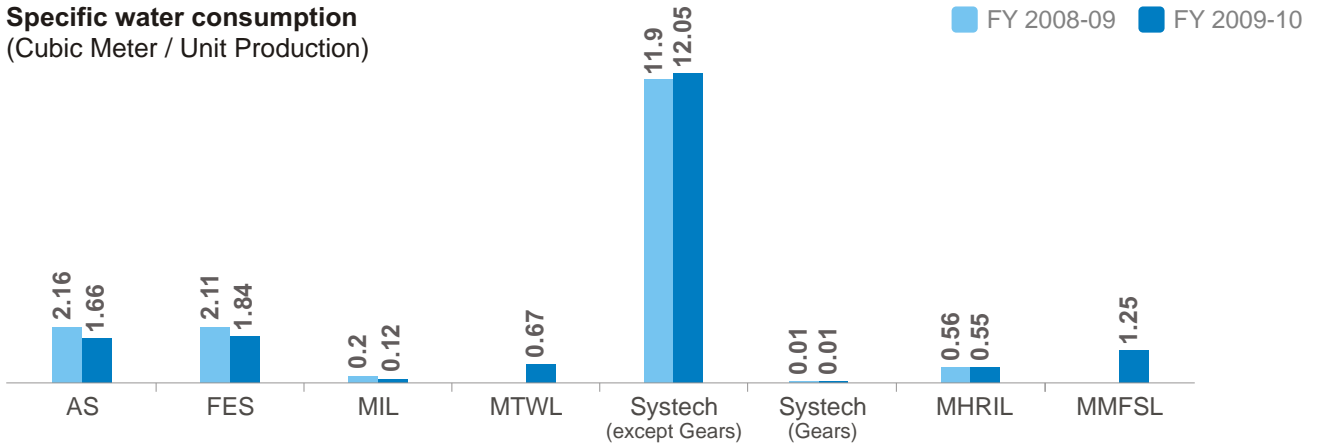
Water withdrawal by sector (m<sup>3</sup>)



The water consumption for MLL could not be tracked as their office spaces are shared/leased. MMFSL and TechM have started reporting their water consumption from the year 2009-10. MTWL was not in the scope of reporting year 2008-09. Systech Companies due to the nature of their produce continue to account for about half of the group's total water consumption.

## 08 ENVIRONMENTAL PERFORMANCE

### Specific water consumption (Cubic Meter / Unit Production)



\*UNIT PRODUCTION: **AS** - Per equivalent number of vehicles manufactured; **FES** - Per equivalent number of tractors manufactured; **MIL** - Tonnes of production; **MTWL** - Per equivalent number of vehicles manufactured; **Systech (except Gears)** - Tonnes of production; **Systech (Gears)** - Number of gears produced.

The specific water consumption of MWC, MLL, Tech Mahindra, MLDL are not available since we are in the process of standardization of the denominators for these sectors. The water consumption data of MMFSL was not available for the year 2008-09.

Even though the total amount of water consumed by MHRIL has gone up by 28%, its specific water consumption has come down from 0.56 m3/unit production to 0.55 m3/unit prodn. Similarly, the specific consumption of FES, has also reduced from 2.11m3/unit production to 1.84 m3/unit production. AS and MIL have also shown a considerable decrease in specific consumption per unit of produce.

Due to enhanced production, Systech's absolute consumption has increased by 22%. But its specific consumption per produce has shown only a minor increment from 11.9 cubic meter/unit to 12.05 cubic meter/unit.

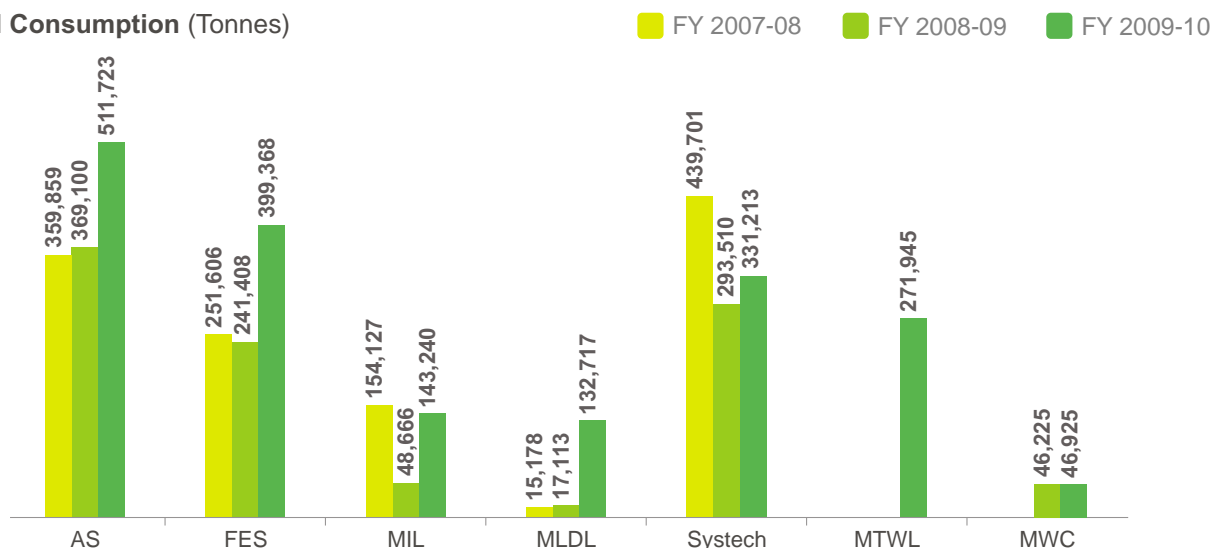
### Material

Material consumption impacts the environmental and economic cost of produce. As a diverse conglomerate while we handle a range of diverse materials a singular philosophy runs through the group. i.e. Optimise material consumption, migrate to material that has strong sustainable qualities and constantly scan the market for new developments in material science.

**We handle a range of diverse materials a singular philosophy runs through the group.**

Absolute material consumption has shown a rise across all sectors as production has increased in some sectors. The improvement in the data collection and management as per the GRI guidelines was one of the four commitments taken in our first sustainability report of 2007-08. Over last two years considerable efforts have been made to putting processes in place not only for data collection but also the monitoring mechanism, Therefore in the current year 2009-10, data related to materials has been provided with more details and better break-up as compare to 2008-09. However, the availability of data for 2008-09 in certain cases continued to be a challenge and hence has been denoted as 'DNA'.

### Material Consumption (Tonnes)



## 08 ENVIRONMENTAL PERFORMANCE

### Material Consumption of Individual Sector

#### AS

Materials	Tonnes	
	2008-09	2009-10
<b>Semi-manufactured</b>		
Casting - Light	28,077	38,838
Casting - Heavy	27,572	38,178
Casting - SG iron	17,328	23,958
Aluminum	6,577	8,999
Forging - Plain carbon	40,237	55,645
Forging - Alloy Steel	35,989	49,927
HR	100,029	138,419
CR	68,872	96,430
Wheel Rims	14,125	19,495
Seats (Foam)	4,040	5,591
Copper	875	1,135
Lead	2,332	3,317
Tyres	14,140	19,650
Paints	875	1,179
Plastic	4,800	6,568
Brakes (W/O ABS & Scorpio)	3,232	4,393
<b>Total</b>	<b>369,100</b>	<b>511,723</b>

#### MLDL

Materials	Tonnes	
	2008-09	2009-10
<b>Raw materials</b>		
Sand, murum, garden soil, etc	5,083	23,585
<b>Semi-manufactured</b>		
Steel, Aluminum	6,149	6,495
Paint	DNA	10
Cement	5,881	23,267
Concrete (RMC)	DNA	61,072
Coarse Aggregate	DNA	5,106
Bricks, POP, putty etc	DNA	12,733
<b>Associated materials</b>		
Grease, oil, ply, paper etc	DNA	449
<b>Total</b>	<b>17,113</b>	<b>132,717</b>

\*Note: DNA – Data Not Available

#### FES

Materials	Tonnes	
	2008-09	2009-10
<b>Semi-manufactured</b>		
Iron	98,182	176,052
Steel	88,727	133,455
Rubber	15,922	29,941
Wheel	13,162	23,183
Additional semi-manufactured materials	25,145	35,775
<b>Associated materials</b>		
Grease, chemicals, oil	DNA	311
<b>Packaging material</b>		
Polythene, wood, etc	DNA	650
<b>Total</b>	<b>241,408</b>	<b>399,367</b>
Corrugated boxes	DNA	532,843

\*Note: DNA – Data Not Available

#### MTWL

Materials	Tonnes
	2009-10
<b>Semi-manufactured goods or parts</b>	
Steel	5,374
Plastic	542
Paint/thinner	264,471
Tyres	182
Aluminum	1,029
Seat Assy	177
Carburetors	37
<b>Associated Materials</b>	
Grease, oil, lubricant, etc.	1
Chemicals	17
Gear Oil	72
Mig Wire	30
ACID	13
<b>Total</b>	<b>271,945</b>

\*Note: DNA – Data Not Available

## 08 ENVIRONMENTAL PERFORMANCE

### SYSTECH

Materials	2008-09	2009-10
<i>Tonnes</i>		
<b>Raw Material</b>		
Silica sand	DNA	6,986
Iron Oxides	DNA	5,070
Zinc Salts	DNA	109
Cromium Oxides	DNA	23
Magnesium Oxides	DNA	240
Carbomates	DNA	597
Alumina, copper	DNA	107
SMC/DMC	DNA	273
<b>Semi-manufactured goods or parts</b>		
Steel	154,125	278,516
Charcoal, graphite, paint, thinner	DNA	2,557
<b>Associated Material</b>		
Grease, Oil, Lubricant, Chemicals, Coolant, Hydraulic Oil, Shot Blasting Shots, etc.	20,104	27,906
Resin	84,197	4,087
<b>Packaging Material</b>		
Wood, Corrugated Sheets, Binding Material, Strips, Plastic, Foam	34,984	4,744
<b>Total</b>	<b>293,510</b>	<b>331,213</b>
Wooden Boxes, Corrugated Boxes, VCI bags, Waxed Oil Paper	DNA	624,771

\*Note: DNA – Data Not Available

### MIL

Materials	2008-09	2009-10
<i>Tonnes</i>		
<b>Semi-manufactured</b>		
Steel	47,877	142,231
<b>Associated materials</b>		
Grease, chemicals, oil	2	17
<b>Packaging material</b>		
Wood, plastic metal	787	992
<b>Total</b>	<b>48,666</b>	<b>143,240</b>

### MWC

Materials	2008-09	2009-10
<i>Tonnes</i>		
<b>Raw Materials</b>		
Sand	43,426	29,838
Aggregates	DNA	2,799
<b>Semi-manufactured</b>		
Steel, steel scrap	2,797	1,002
Aluminium	2	NA
Cement	-	10,999
Paint	DNA	1
Bricks	DNA	332
Bitumin, bitumin emulsion	DNA	961
RMC	DNA	990
Package substation	DNA	2
<b>Total</b>	<b>46,225</b>	<b>46,925</b>
Pipes (RCC, HDPE)	DNA	58,975
Wires	DNA	42,595
Poles, LED lights, RMU (Nos)	DNA	760

\*Note: DNA – Data Not Available

### Paper & Printer cartridges consumption (2009-10)

Sector	MLL	TechM	MHRIL	MMFSL
Paper (Tonnes)	5	30	3	1
Printer Cartridges (Nos)	257	719	-	-

08 ENVIRONMENTAL PERFORMANCE

**Automated Paperless Warranty Claim**

**CASE STUDY**



CO<sub>2</sub>, one of the primary Green House Gases, contributes significantly to global warming and is kept in check by trees which sequester and 'fix' carbon by absorbing CO<sub>2</sub> and releasing Oxygen instead.

The pulp and paper industry has a major share in the brutal slaughter of forests as wood is a major ingredient in their manufacturing processes. Moreover, the industry is extremely energy, toxin, and water-intensive and is the fourth largest industrial emitters of GHGs. Speculations suggest that if this kind of human insensitivity towards forests continues, there will be at least 200 million climate refugees by 2050.

The Kandivli plant of the Auto Sector therefore made a small beginning by deciding to go paperless in four processes with their dealers, which were conventionally extremely paper intensive, by using existing technological capabilities. i.e Automated Claim Processing, Online Goodwill Approval System, Online Preapproval System and Online Technical Assistance (TEKnet),

After a thorough check of the automated systems from the accuracy, auditability and security point of view The Automated System was brought into effect on October 2nd 2009 on Mahindra Founder's Day across all plants /offices of the sector.

Automation enabled all the dealers to send online copies of the claims to CCAS (Customer Care Analysis System) through the portal [www.teammahindra.com](http://www.teammahindra.com) without having to post copies manually.

As a first step, the earlier, system which required 4 Warranty Claim Hard Copies, for the 4 concerned departments, was first reduced to one and after taking clearance from Internal audit and legal teams the process was made completely paperless. Besides reducing the use of paper, this online system is found to be more accurate, and the same info be accessed from anywhere at any time.

**From October 2009 to March 2010 over a 400,000 sheets of paper were saved which translates into approximately 2 tonnes of paper and hence around 48 trees.**



Besides saving trees from getting axed, automation saves on time, increases efficiency and leads to significant monetary savings and far less wastage without affecting the quality of work.

**Waste**

Enhanced production has resulted in a corresponding increase in the generation of waste. From this year we have enhanced our breadth of measurement and included cartridges, tyres and drums.

We are committed to reduce waste at source and increase recycling. Whenever possible, process and production waste is reused or recycled onsite. Most waste is sold to third party contractors for disposal. A large percentage of non-hazardous waste disposed in this manner is eventually recycled or reused. Hazardous waste finds its way to authorized Common Hazardous Waste Collection, Treatment, Storage and Disposal Facilities (CHWTSDF) after which it is incinerated or put in a landfill.

**We are committed to reduce waste at source and increase recycling.**



## 08 ENVIRONMENTAL PERFORMANCE

Hazardous Waste	Unit	2008-09	2009-10	Non-hazardous Waste	Unit	2008-09	2009-10
Solid	Tonnes	3,177	7,308	Solid	Tonnes	100,803	103,936
Liquid	KL	2,461	574	Liquid	KL	24	34
Batteries	Nos	1,856	14,168	Containers	Number	6,245	37,939
Containers	Nos	134,227	134,286	Tyres	Number	-	1,844
Cartridges	Nos	-	255	Drums	Number	736	4,378

The improvement in the data collection and management as per the GRI guidelines was one of the four commitments taken in our first sustainability report of 2007-08. Over last two years considerable efforts have been made to putting processes in place not only for data collection but also the monitoring mechanism. Therefore in the current year 2009-10, data related to waste has been provided with more details and better break-up as compare to 2008-09. The sectors like MLL, MMFSL, and MLDL have improved the monitoring mechanism and data collection.

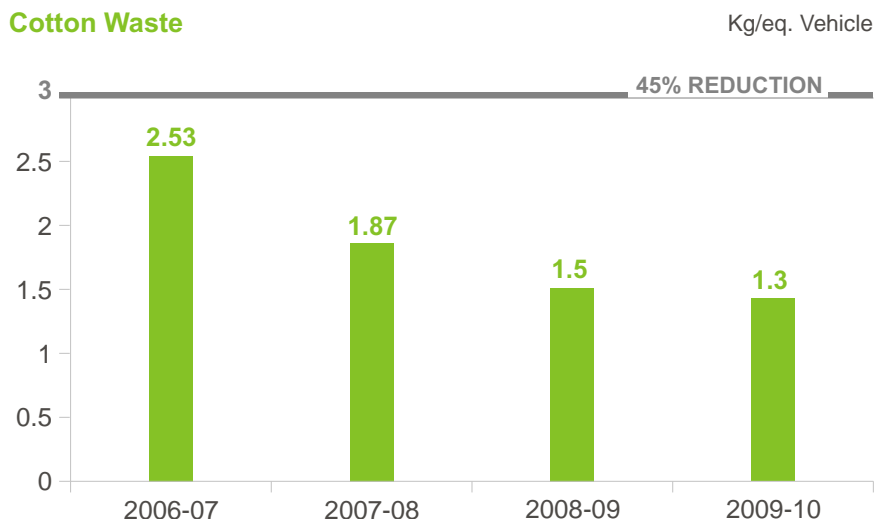
### Making the best use of waste

#### Auto Sector and Farm Equipment Sector

Both AS and FES together consume 2,760 KI of paint per annum, generating 747 KI of sludge in the process. Here an opportunity was realized to recycle this hazardous waste (Paint sludge), potentially generating 240 - 250 KI and 480 - 500 KI of usable primer for the AS and FES sectors respectively. As a result the sludge was reprocessed as per M&M specifications, converted to paint primer, sent for trials and dispatched for horizontal deployment at AS/FES for use in various products.

#### Auto Sector, Nashik

AS, Nashik has adopted 3R (Reuse, Reduce, Recycle) waste Management concept, which included initiatives like reduction in ETP sludge by 40%, recycling waste thinner, reducing steel waste by optimizing blank size, use of light knitted hand gloves, reduction in contaminated waste by segregation at the generation end, dispatching non hazardous waste to recyclers and hazardous waste to approved source and by adopting a policy for disposal of "e-waste".



08 ENVIRONMENTAL PERFORMANCE



**Tech Mahindra**

Various initiatives at Tech Mahindra were undertaken towards waste management that involve collection, transport, processing, recycling or disposal, and monitoring of waste materials. Below is a list of some of the initiatives:

- TechM has signed a pan India agreement with Government certified organization for disposal of electronic waste and also signed a MoU with hardware vendors for the buy back of printer cartridges and other computer spare parts.
- A Sewage Treatment plant is in operation at TechM Hinjewadi campus that recycles 460 cubic meter of water every day which is then used for landscaping.
- In the reporting year, 4,237 liters of waste oil was sold to a government-approved vendor for disposal.

Furthermore, Tech Mahindra also initiated various awareness drives encouraging the employees to reduce waste.

**Mahindra Castings**

2 phase deployment of innovative idea towards reduction and reuse of slurry during settling process, wherein the slurry waste reduced from 8 tonnes/month to 6 tonnes/month, and further descending to 0.5 tonnes/month in the 2nd phase.

## 08 ENVIRONMENTAL PERFORMANCE

### AS

Sector	2008-09	2009-10
<b>Hazardous waste</b>		
Solid (Tonnes)	1,442	1,702
Liquid (KL)	330	450
Batteries (Nos)	923	1,388
Containers (Nos)	103,624	87,608
<b>Non hazardous waste</b>		
Solid (Tonnes)	35,059	36,394
Liquid (KL)	0	0
Containers & Plastic Materials (Nos)	-	37,547
Tyres (Nos)	-	1,844
Drum (Nos)	736	225

### Systech

Sector	2008-09	2009-10
<b>Hazardous waste</b>		
Solid (Tonnes)	1,413	4,522
Liquid (KL)	2,046	39
Batteries (Nos)	60	12,139
Containers (Nos)	16,568	6,310
<b>Non hazardous waste</b>		
Solid (Tonnes)	52,895	49,713
Liquid (KL)	24	33
Containers & Plastic Materials (Nos.)	267	392
Drum (Nos)	-	3,485

### MWC

Sector	2008-09	2009-10
<b>Non hazardous waste</b>		
Solid (Tonnes)	26	189

### MLDL

Sector	2008-09	2009-10
<b>Non hazardous waste</b>		
Solid (Tonnes)	-	244

### FES

Sector	2008-09	2009-10
<b>Hazardous waste</b>		
Solid (Tonnes)	319	1,020
Liquid (KL)	82	81
Batteries (Nos)	867	392
Containers (Nos)	14,035	40,368
<b>Non hazardous waste</b>		
Solid (Tonnes)	10,186	14,455
Containers & Plastic Materials (Nos)	5,978	
Drum (Nos)	-	668

### MHRIL

Sector	2008-09	2009-10
<b>Non hazardous waste</b>		
Solid (Tonnes)	294	371

### MIL

Sector	2008-09	2009-10
<b>Hazardous waste</b>		
Solid (Tonnes)	3	1
Liquid (KL)	3	-
Batteries (Nos)	6	37
<b>Non hazardous waste</b>		
Solid (Tonnes)	2,343	2,568
Liquid (KL)		1

### MLL

Sector	2008-09	2009-10
<b>Hazardous waste</b>		
Batteries (Nos)	-	212

### MTWL

Sector	2008-09	2009-10
<b>Hazardous waste</b>		
Solid (Tonnes)	-	63

### MMFSL

Sector	2008-09	2009-10
<b>Non hazardous waste</b>		
Solid (Tonnes)	-	3



## 08 ENVIRONMENTAL PERFORMANCE

### Packaging

Though packaging is not material to any of our businesses covered in the scope of the report, it is present in many forms. The raw material, semi finished components, sub-assemblies, and even the associated material is received in packaging and the semi-finished components and subassemblies supplied to vendors and other plant locations are despatched using packaging.

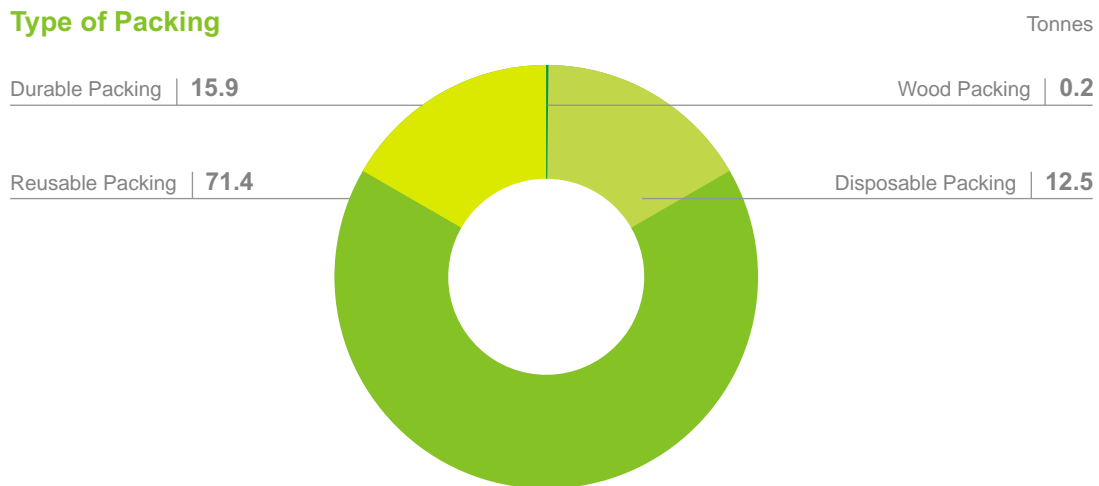
While we aim to enhance our reporting to include packaging at a future date, even today the Mahindra Group encourages reuse and recycling of packaging materials for the products and services such as cars, tractors, IT consultancy, financial services, logistics and construction.



#### Encouraging supply chain to adopt Sustainable Packaging

##### Auto Sector, Nashik

As a continuation of ongoing initiatives, reusable packaging was designed and developed for various vendors to supply auto components like boosters, hoses, bumpers, claddings and steering gear like steering reservoir, steering lock, steering column and column cover, steering wheel etc. This resulted in savings of 8,366 tonnes of wood per Annum, which translates into nearly 8,000 trees.



#### Redesigning Transport Packaging

##### Mahindra Logistics Ltd. (MLL)

Mahindra Logistics Ltd. (MLL) used to transport Ashok Leyland engines, by using wooden pallets. Since these were prone to damage during transit, they were redesigned and were replaced by reusable steel pallets which could be returned after the consignment was delivered.

The following table compares the before-and-after scenario:

Wooden Pallets	Reusable Steel Pallets
HCV (9 Tonner) carrying capacity: 12 Engines per trip.	HCV (9 Tonner) carrying capacity: 15 Engines per trip.
MAV (16 Tonner) carrying capacity: 16 Engines per trip.	MAV (16 Tonner) carrying capacity: 20 Engines per trip.
Vehicle Load Capacity Utilization was approx 65%.	Vehicle Load Capacity Utilization was brought up to 95%.
Damages during transit were frequent, leading to a loss of another 10% due to wooden pallet collapse.	Damages during transit were reduced to 0.1%. Use of steel pallets reduced the cost of transportation by 30%.

## 08 ENVIRONMENTAL PERFORMANCE

### Compliance

Various sectors of Mahindra Group have an active environmental compliance committee which strives for full compliance of all applicable laws. In the current fiscal year, we were not fined for any non-compliance.

### Spills

We have an environment management system with a robust mechanism geared to integrate safety into our operations and avoid spills. This year too there were no significant spills.

### Green IT Guidelines

To encourage environment-friendly use, management and disposal of IT equipment, Green IT Guidelines are in place at Mahindra. These guidelines are a practical tool for all Mahindra Group IT agencies and users and a helping hand on the path to a greener technological future.

<ul style="list-style-type: none"> <li>● Focus on power management, environment friendly vendors &amp; products etc.</li> </ul>
<ul style="list-style-type: none"> <li>● Promote procurement of PC, Laptops with Energy star 4.0 rating high efficiency UPS, green data centres etc.</li> </ul>
<ul style="list-style-type: none"> <li>● Ensure environment friendly disposal of IT waste, only to the authorized E-waste handlers / recyclers.</li> </ul>
<ul style="list-style-type: none"> <li>● Increase use of Mahindra Green Data Centre.</li> </ul>
<ul style="list-style-type: none"> <li>● Encourage the usage of virtualisation technology to reduce total no. of physical servers in Data Centre which will in turn reduce energy usage.</li> </ul>
<ul style="list-style-type: none"> <li>● Consolidate IT infrastructure across the Group to reduce the total no. of data centres and thereby cut energy consumption.</li> </ul>
<ul style="list-style-type: none"> <li>● Reduce carbon footprint by using facilities like Video Conference / Office Communicator / Telepresence technology for global collaboration.</li> </ul>
<ul style="list-style-type: none"> <li>● The IT Head of each company is responsible for compliance of the Green IT policy.</li> </ul>

08 ENVIRONMENTAL PERFORMANCE

**Alternative Resource**

**RESOURCE**

If green is the new black, then water is the new oil.

Water, a basic resource to survivability is also a critical resource to growth & sustainability.

With climate change, changing the face of earth's water cycle, acute water crisis is now staring at us, threatening our existence. In managing water resources, a balance between the water supply for urban and rural lands in India is amiss.



Lack of water to meet daily needs is a reality today for one in three people around the world. In rural India, the farmers are having a hard time finding water to grow their crops.



alternative  
**RESOURCE**

What is often ignored, however small, is a potential resource for making a big difference.

The Mahindra team at Wagholi discovered an old water reservoir which if revived could re-source rain water to many a farm.

This renewed resource is a 16,000 KL water repository and renders water for 3,000 dwellers.



**REFURBISHMENT OF WATER RESERVOIR AT WAGHOLI**

Wagholi village, situated in Pune district, Maharashtra was also facing the problem of water shortage and villagers were searching ways to solve the same. What went unnoticed was an old Bandara (water reservoir) constructed some 35 years back. The reservoir was completely filled with mud and sand, and hence could serve no purpose.

Our Esops volunteers took up this challenge to refurbish the water reservoir. Right from initial discussion with villagers to project execution, the entire project was managed by Mahindra FES. Called 'Vasant Bandhara', the reservoir was brought back to service by 20 Esops volunteers of FES. The cost of the project was INR 12 lakh.

This reservoir can now store water to the tune of 16,000 KL and supports 3000 people dwelling in two adjoining villages of Wagholi.

**KEY BENEFITS**



Farmers can cultivate two crops in a year due to availability of water

Water Harvesting

Rise in water table

Adequate water for animals, round the year

08 ENVIRONMENTAL PERFORMANCE

**Alternative Resource**

**GREENFIELD**

In our incessant search for new greenfields of growth,

**we are systematically wiping out fields that keep our planet green. Our expanding economic footprint is leaving behind not-so-green traces.**

Every second, a slice of rainforest the size of a football field is mowed down, that's 86,400 football fields of rainforest per day.



alternative  
**GREENFIELD**



Greener the Earth's field, more sustainable will be our growth. This was the seed of thought that took root in 2001, when

**Mahindra joined hands with environmental experts to design and develop a greenfield - literally and idiomatically.**

Within the promised timeline, a 343-acre patch of barren brown was metamorphosed in to a lush landscape. Plus our AS Zaheerabad plant is reaping financial benefits.



**TRANSFORMING A SEMI-ARID REGION INTO A GREEN BELT**

Located in a semi-arid area, AS Zaheerabad, spread over 343 acres, depended solely on groundwater for its requirements. Borewells to a depth of 450 feet supplied five lakh litres of water needed daily. In the year 2000, a year of water shortage, all the groundwater sources dried up and water had to be rationed. The viability of the plant was under threat as it became difficult to even supply water to the factory workers and their families residing in the colony.

Later, AS Zaheerabad resolved to consult experts from the ground water department, Govt. of AP as well as ICRISAT and came up with a comprehensive 10-year water management master plan involving watershed planning, rainwater harvesting, groundwater recharge and large-scale tree plantation. The solution was unique as we channelised rain water for recharging under-ground water resources within our premises at a very low investment.

**Bio-filtration Plant**



**Effluent Treatment Plant (ETP)**



Work began in right earnest that year itself with constant monitoring. Re-usage and Re-cycling of waste water was introduced. Percolation tank areas were identified and dug, recharge pits were made and channels were dug to link catchments to dried open wells. Drip irrigation system was introduced to deliver water directly to the root zone of trees and reduce consumption. More than 110,000 saplings of native trees which required little water were planted on campus.

## 08 ENVIRONMENTAL PERFORMANCE

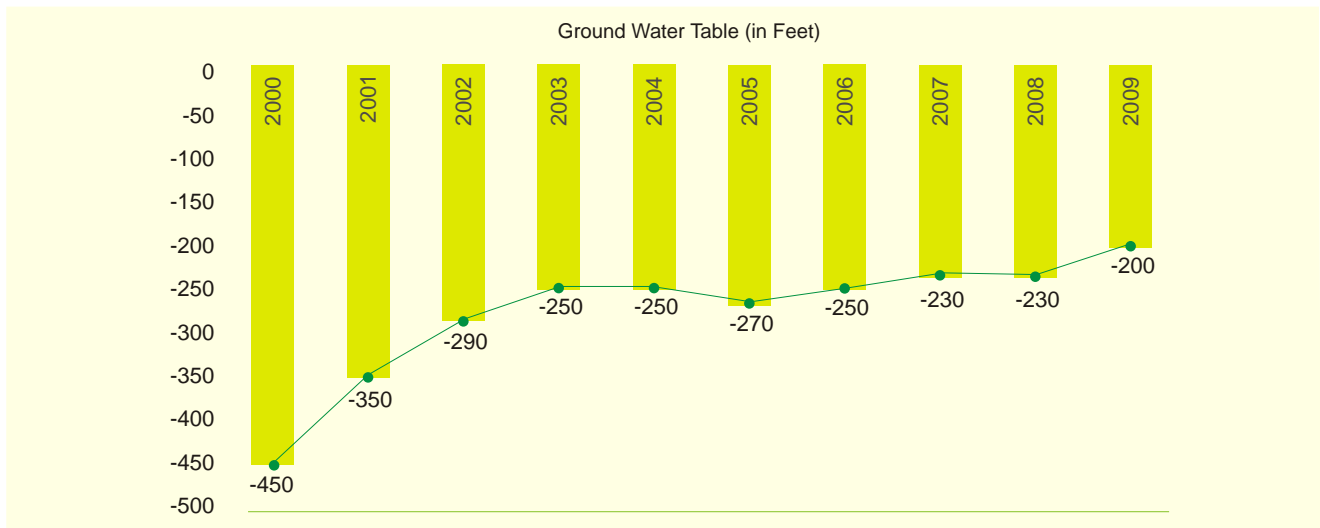
Over a period of time, due to the recharge efforts the groundwater table rose by 220 feet and groundwater is now available in open wells also. What began as a twin strategy of rain water harvesting and tree plantation has also resulted in bio-diversity enhancement making the plant carbon neutral, energy-efficient and water-efficient. The entire ecosystem has been transformed and regenerated.

At the plant, 90 acres of land has been devoted to tree plantations. Aviaries house a variety of birds and pets. An eco trail has been set up for employees and their families to take a walk amidst the nature's splendour. Lush green plantations, scenic lakes, picturesque landscaping, manmade waterfalls, all these have made the plant an epitome of beauty.

Other initiatives include building a community hall to seat 800 people using a low cost housing concept and obsolete auto components. On the same basis, an auditorium has been constructed for the school to seat 1,000 students. We have also installed a small swimming pool through a pre-fabricated process.


### KEY IMPACTS

- Consistent increase in the average rainfall post the development of green belt
- Plant production has gone up from 6,000 in FY 2000 to 49,743 in FY 2010.
- Consistent improvement in ground water level
- Abundant and perennial water supply in the plant and colony
- Ambient temperature in this green belt is 2° C less than the vicinity
- Enhancement of biodiversity with a rich mix of native and exotic flora and fauna



#### Financial Benefits (FY 2009-10)

INR Lac

	Revenue generation from fruit bearing plants	Saving due to usage of ground water	Saving from usage of waste water for gardening	Total Savings
	1.75	62.70	16.6	81.05

#### AWARDS & ACCOLADES

'Excellent Water Management Unit Award' & 'Innovative Projects Award' at the National Award for Excellence in Water Management 2009 organised by the CII

Recognized by the Bird Watchers Society of India as a "must" location for bird watching

#### FUTURE PLANS

A check dam to save rain water is being planned at the truck parking area. A rainwater harvesting pit at the technicians colony is also on the anvil.

Tree plantation of 30,000 trees in FY 2010-2011 in and around Zaheerabad plant and covering of 50 acres land

Make the Zaheerabad plant a zero discharge plant

08 ENVIRONMENTAL PERFORMANCE

**Alternative Resource**

**INVESTMENT**



Growth is good.

Yet investments in growth are invading sensitive eco zones, relocating natives to alien lands, and sowing the seeds of inequitable progress.

**While investors continue to dissolve responsibility beyond the financial bottom line.**

Returns from such investments will only draw a blank for future generations.



alternative  
**INVESTMENT**

All good investments are those that give lasting sustainable returns.



**At Mahindra we believe that the quantum of black in the bottom-line is directly proportional to the quantum of green in the manufacturing line.**

We have therefore made a large investment in making a greener, cleaner and profitable tomorrow possible by setting up a state-of-the-art plant at Chakan with a host of alternative initiatives.

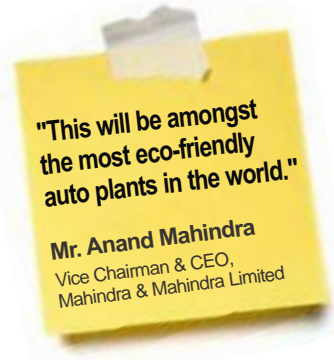


**GREEN FACTORY AT CHAKAN**

The Chakan plant has been designed as a fully integrated facility for multiple platforms - from press to body to paint to General Assembly and the aggregates all coming up simultaneously.

At the plant, a cluster of 70 solar dishes will tap the sun's energy to cut CO<sub>2</sub> emissions by 3,500 tonnes a year, all the while ensuring energy savings of 1.8 lakh units a year.

Completed in a record time span of 22 months and envisioned as the hub of innovation and technology for the Mahindra Group, the auto manufacturing plant at Chakan aims to set new benchmarks in automotive excellence. With a phased investment of approximately INR 50,000 million, this plant is spread across 700 acres. It has a manufacturing capacity of 3,00,000 vehicles per annum and is equipped to roll out multiple products ranging from a 0.75 tonne Maxximo to a 49 tonne Navistar truck. Our new SUV and Pickup range and product line for the US market will also be manufactured at this facility.



**"This will be amongst the most eco-friendly auto plants in the world."**  
Mr. Anand Mahindra  
Vice Chairman & CEO,  
Mahindra & Mahindra Limited

**Green Highlights**

Built as a green facility, the highlight here is that at each stage of the vehicle assembly, M&M has given cost efficiencies a re-look through its green shades; be it harnessing the sun's energy to reduce LPG and electricity use, promising to transform the tough terrain of the plant in to a lush landscape, ensuring zero discharge or installing a HOC (Heat of Compression) dryer in place of conventional electrical refrigerant dryer.

A host of various such green initiatives will ensure an incremental reduction in energy consumption and CO<sub>2</sub> emissions over the years. A projected estimate of energy savings and reduction of CO<sub>2</sub> emissions for two years is as shown in the adjacent table.

	UNITS	FY 2010	FY 2011
CO <sub>2</sub> Emissions Reduction	Tonnes	3590	7600
Power Savings	MWH	3300	7000
Fuel Savings	Tonnes	330	700

08 ENVIRONMENTAL PERFORMANCE

**ALTERNATIVE INITIATIVES AT CHAKAN**



**ZERO DISCHARGE**

Recycling of waste water through reverse osmosis and multiple effect evaporation will ensure zero discharge. In the future, plans are in place to reduce the fuel consumption through the installation of Plate & Tube Reverse Osmosis (PT-RO) system on RO reject and solar dish on existing MEE



**COOLING WATER SYSTEM**

A combination of chiller & closed loop cooling tower for press shop hydraulic cooling, closed loop cooling tower for all body shops and fanless cooling towers in utility ensures reduction in energy consumption and CO<sub>2</sub> emissions



**TREE PLANTATION**

To increase the green cover in the vicinity we are aiming to plant approx. 7,000 trees across the location. To evade soil erosion and sediment control, black cotton soil generated during land grading was stored inside the plant and later mixed with red soil and used for gardening



**PUMPING SYSTEM**

Installation of hydro pneumatic system with variable frequency drive for water supply pumps to maintain the water supply pressure and reduce power consumption.



**COMPRESSED AIR SYSTEM**

HOC (Heat of Compression) dryers are installed in place of conventional electrical refrigerated dryers and set up of centrifugal compressors with high tension efficient motors has resulted in improving the specific power consumption to 0.15 KW/CFM with estimated annual savings of INR 2,500,000 in operating cost. Also the quality of air from HOC dryer will be best as compared to any other system.



**SOLAR POWERED**

The use of a cluster of 70 solar dishes will tap the sun's energy for eventual use in the chillers in the paint shop. Furthermore, photovoltaic panels will be used to power street lights in remote areas and conventional electric driven ventilation system will be replaced with natural turbine ventilators.

Furthermore, the Chakan plant will not only provide an impetus to industrial growth in the region but will also present significant employment opportunities to local residents. Mahindra Chakan has around 1,400 employees at present. At full capacity, it will provide 5,000 direct jobs and five times as many indirect jobs. As a part of its initiatives to empower the local youth with employable skill sets, Mahindra has signed a Memorandum of Understanding (MOU) with the Government of Maharashtra for the development of two tribal Industrial Training Institutes (ITIs). The company has also allocated 71 acres for a vendor park. Six large suppliers have already set up base with place for another four.

**With its superior technological processes, large-scale manufacturing set up and eco-friendly focus, the plant is a paradigm of smart and sustainable engineering and a testimony to the Mahindra Group's far reaching vision.**



# 09

## SOCIAL PERFORMANCE

### Overview

From educating a girl child in Udaipur to planting trees in Chennai, providing healthcare to inaccessible areas in Uttarakhand to enabling socially disadvantaged youth to become self-reliant in Pune, Mahindra Corporate Social Responsibility (CSR) initiatives provide strategic interventions that help a nation help itself.



### NANHI KALI

Over 54,000 disadvantaged girls living in tribal belts, rural hinterlands and urban slums are being educated through the K.C. Mahindra Education Trust to arm them for a brighter future. In the process also break generational bequeathing of poverty, banish gender stereotyping and eradicate social evils.



### MAHINDRA PRIDE SCHOOLS

These schools empower socially and economically marginalised youth through a free three-month training. The vocational education and life skills imparted at the school enhances their employability, mainstreams them in our economy and augments the productive human resource of the nation.



### Esops EMPLOYEE SOCIAL OPTIONS

Our employees are the inexhaustible source of energy which power progressive movements in society. Through Esops activities in education, health and environment, we are tapping into this large pool of potential energy to script a real difference to the company and the community. The Lifeline Express, which enables us to alleviate thousands of lives each year, is a telling example.

**At Mahindra we strongly believe that business and society have a symbiotic relationship which needs to be consistently nurtured and nourished.**

While the prime societal responsibilities of business are efficient usage of resources; fair, transparent and ethical dealings; and providing gainful employment. They don't end there. Businesses need to consistently invest in society, as it is society that provides businesses the canvas and resources to grow. With this core belief, our Chairman in 2005 pledged to contribute 1% of profit after tax (PAT) to CSR initiatives annually.

Over and above the financial resources we also invest quality human resource to ensure that society reaps rich returns from these funds. Our Corporate Social Responsibility Council & CSR department, comprising of best-of-breed qualified professionals strategise and implement the Group's social programs. Score of our employees roll-up their sleeves and invest their expertise and time on-ground through our unique volunteering program - Esops.

We consider education and training as a powerful tool to address majority of India's social challenges. The focus of our CSR initiatives has therefore been on appropriate education, vocational education and livelihood training for the economically and socially weaker sections with an emphasis on the education of a girl child. The Mahindra Group is also concerned about health and environmental issues.



**“Corporate Social Responsibility has always been an integral part of the vision of the Mahindra Group and the corner stone of our core value of good corporate citizenship.”**

**Keshub Mahindra**  
Chairman, Mahindra & Mahindra Ltd.



09 SOCIAL PERFORMANCE

**CSR Governance**

**Structure**

**CSR Council**

The CSR council is a cross sector committee comprising of senior executives selected by the Chairman and the Group Management Board. This committee is the apex body for CSR council headed by Mr. Rajeev Dubey as Chairman of the CSR council.

**It is responsible for:**

- Overall CSR and Esops innovation, branding and execution across the Group
- Facilitation of roll-outs across all locations of the Group by individual committee members
- Overseeing CSR and Esops quality control / audit
- Reporting to the Chairman and GMB
- Setting benchmarks for quality assessment

**CSR Department**

**The CSR department or the CSR cell is responsible for:**

- Creating blue print of CSR and Esops implementations
- Assisting CSR champions to roll-out in all M&M companies
- Suggesting and facilitating innovations for employee driven Corporate Social Responsibility initiatives
- Creating CSR and Esops branding internally and externally
- Ensuring coordination and implementation of all CSR and Esops activities, and reporting to the CSR Council after reviewing it



**Esops**

**Esops Leaders**

**Esops Leaders**

**Heads of plants and offices of the Mahindra Group constitute Esops Leadership Team. The role of each Esops leader is to:**

- Nominate an Esops champion
- Evaluate & approve annual activity plan
- Ensure adherence to the Esops Guidelines
- Review Esops activities every month



**Esops Champions**

**Esops Champions**

**The HR/IR in-charge of an office or plant is elected as Esops Champion. The Esops Champions:**

- Institute an Esops Implementation Committee (EIC) in their plant or office
- Prepare annual activity plan, get approval from Esops leader
- Coordinate with volunteers for each activity
- Track volunteer attendance and volunteering hours for every Esops Activity
- Write reports of each activity and upload the same on the 'Esops Team Site'
- Apply for Annual Esops Awards



## 09 SOCIAL PERFORMANCE

### Esops Implementation Committee

#### Esops Implementation Committee

The key responsibilities of the members of Esops Implementation Committee include:

- Brainstorming on new ideas for programs
- Setting up colourful Esops corners for publicity and visibility
- Motivating employees to participate in Esops
- Spreading the Esops message

### Tech Mahindra Foundation

The Tech Mahindra Foundation was instituted in June 2007 with an aim to contribute towards providing quality education and vocational skills to the economically backward, physically challenged and other disadvantaged sections of the society. It carries out its operations in association with various non-government organizations based in Delhi-Noida, Maharashtra and Karnataka.

The foundation supports women empowerment programs with a focus on professional, vocational, and technical education at all levels. It also provides educational support to underprivileged and physically challenged children. Their endeavour is to build active, sustainable partnerships with individuals, community at large, government and other organizations committed to the field of education and women empowerment; and to leverage their efforts for optimum results.

### SHIKSHAK SAMMAN AWARDS 2009-10

The Tech Mahindra Foundation in collaboration with the Municipal Corporation of Delhi, announced the SHIKSHAK SAMMAN AWARDS, 2009-10, to recognise deserving teachers of Municipal schools who are doing exemplary work in their respective schools while facing the daunting challenges of scarcity of resources and infrastructure.

At the awards function, the meritorious teachers were given due recognition and were conferred with scholarships and other appropriate incentives for their professional development. These awards, instituted in 2008, seek to raise public awareness of the role played by teachers and draw greater recognition for their untiring work.



## CSR Investments

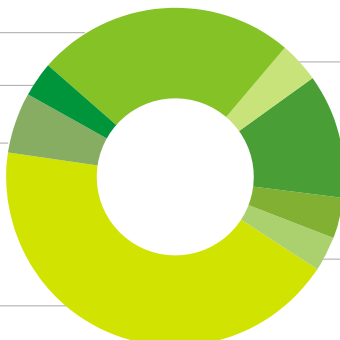
Total Investment INR 230.53 million

Sports | 56.77

Others | 7.66

Health | 13.76

KCMET | 98.97



Theatre | 8.98

Education | 27.88

Social | 8.99

Environment | 7.52

## 09 SOCIAL PERFORMANCE

### Esops

#### Overview

Esops is a platform created specially for all employees who are part of the Mahindra Group. The program was launched in 2005 by Mr. Keshub Mahindra who took on the role of CSR spokesperson. The Esops program has come a long way to inspire a participation of 35,316 volunteers across locations in March 2010, with 10,440 new Mahindra employees joining in the reporting year itself.

Esops is a set of social work volunteering options that are created exclusively by employees themselves based on the needs of the underprivileged communities in and around their area of operation.

At Esops, we think beyond philanthropy to provide strategic social interventions that can transform a million lives. Esops makes giving back to society a distinctive organisational identity and propagates it not just as a management value but a team value. It enables the Mahindra workforce to collectively donate thousands of manhours for various social projects, in the three focus areas of health, education and environment. Esops also encourages the employees' family members to participate in these projects.

**This year the Esops volunteers contributed 49,280 manhours towards social programs, which have increased significantly compared to 35,130 manhours clocked in the previous year.**

**Esops**  
Employee social options

**Esops Manual is a detailed handbook that charts out the entire process of launching Esops, executing any voluntary activity, documenting it along with other related topics.**

The Esops team fulfilled various commitments carved out for FY 2009-10:

- **Launched Esops in 3 Mahindra locations**
- **Set in motion the Lifeline Express project to Wardha**
- **Inspired 10,440 Mahindra employees to become volunteers**



#### Groupwide Initiatives

**"In each of us, there exists an innate desire to extend a helping hand to the less privileged. We convert our desire (Seva bhavna) into action (Karma), while aligning it with the CSR strategy of the Group."**

**Rajeev Dubey**  
Chairman, CSR Council



Esops has attained a place of pride amongst Mahindra employees. Esops Leaders and Esops Champions are encouraged with motivational tools such as Esops caps, lapel pins and certificates.

Enduring endeavours are in action as various Esops activities continue to be conducted in Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, West Bengal and Union Territories of Delhi and Chandigarh.

While some Esops activities are carried out independently, others are in collaboration with well-known NGOs such as Naandi Foundation, Aseema, Doorstep School and Maharishi Sambamurty Institute of Social and Development Studies.

## 09 SOCIAL PERFORMANCE

### Esops in Education

#### Since 2006, our 87 activities impacted 42,320 lives

- Distributed educational material, provided IT / vocational training and facilitated infrastructure development
- 2,550 Nanhi Kalis sponsored by 1,668 Esops volunteers
- Encouraged Mahindra employees to support Nanhi Kali
- Plant Scrap put to use for Gates, benches etc.
- Supported local schools / children's homes / institutions with educational material: stationery materials, books, bags, uniforms, shoes etc.
- Shramdaan - employees painted schools, cleaned school premises, planted trees etc.
- Spent quality time to spread knowledge - e.g. spending 1hr / week on different topics (career counseling, score more, mentoring MAITS students etc.)
- Organized games & extracurricular or educational activities for school children which otherwise were not available.
- Computer literacy for various groups - e.g. police



### Esops in Health

#### 1,036 volunteers (M&M, NGOs & Partners) participated in 148 activities

- Accomplished the target of reaching out to 1 lakh people
- Organized blood donation camps with the help of established hospital / agency
- Health check ups for marginalized groups like porters, village community, labor community, slum dwellers etc.
- Educated community about HIV / AIDS, Hygiene, Dental Care etc.
- Reached out 1,36,560 people by organizing HIV / AID awareness campaign
- Conducted socio-economic-survey for patients of Cochlear Implants
- Participated in the Government's Pulse polio Campaigns
- Set up mobile dispensaries
- Free surgical camps

The indefatigable effort of the Esops volunteers was one of the major driving forces in the Lifeline Express' existence. Their contribution has been pivotal to the success of the initiative.

### Esops in Environment

#### 95,411 new trees planted in 2009-10

- Planted and nurtured trees in line with the goal set by project Mahindra Hariyali
- Distributed saplings to customers
- Undertook waste management measures
- Created awareness on power saving techniques
- Organized cleanliness drives at local level
- Spread global warming awareness in schools through talk sessions, drawing and essay competitions



## 09 SOCIAL PERFORMANCE

### Esops in Community

**Since 2006, our 131 activities impacted 1,41,247 lives**

- Visited old age home    • Interacted with students    • Conducted Shramdaan
- **Relief for Bihar Flood victims:**
  - Mahindra employees contributed 1 day's salary, Mahindra too contributed by providing matching grants towards this noble cause. Furthermore, the team also distributed clothes.
  - For the rehabilitation of the victims, land was acquired from Govt of Bihar in Dec., 2009 and development of an eco-friendly village has commenced

### Sectorwise Initiatives

#### VEHICLE POLLUTION CHECK-UP CAMP



Swaraj Engines Limited organized a free Vehicle Pollution Check-up Camp on May 4 under the aegis of Esops. Pollution check was undertaken for more than 100 vehicles and photo pollution certificates were handed out. Required adjustments were also carried out in a few vehicles to ensure that they emit less smoke.

#### CHILD RIGHTS DAY CELEBRATIONS



Education is a fundamental right of every child. Yet most children dwelling in slum areas are deprived of it. Esops Volunteers of Swaraj Engines Ltd, Mohali, took up an initiative on Nov. 20, 2009 i.e. Child Rights Day to spread awareness about the right to education.

#### SOLAR LANTERNS FOR VILLAGERS



The Asset & Infrastructure Management team comprising of 43 Esops volunteers from AS, Kandivli, gifted solar lanterns to all the households in the village of Chichutara, Taluka - Mokhada, Dist. - Thane on October 6, 2009. For the villagers of Chichutara, Diwali was brighter than ever before.

#### 'SAY NO TO PLASTIC' DRIVE



On July 3, 2009, MHRIL's Club Mahindra Backwater Retreat Ashtamudi conducted a 'Say no to plastic' drive at Community Centre - Thekkumbhagom Grama Panchayat wherein 12 Esops volunteers handed over a 'Paper Bag Making Machine' to Kudumbasree - a Self Help Group for economically and socially deprived women.

09 SOCIAL PERFORMANCE

**DIABETES AND OBESITY DETECTION CAMP**



Mahindra Ugine Steel Company Ltd. (MUSCO), Khopoli conducted a medical camp for detection of diabetes and obesity at MUSCO Medical Centre, Khopoli, on November 11, 2009. 18 Esops volunteers with the help of the company's doctor made this camp successful.

**CHILDREN'S DAY CELEBRATIONS**



15 Esops volunteers of Mahindra Retail, Bangalore celebrated Children's Day at the Govt. School, Kalkere with 60 students in the age group of 4 to 10 years.

**"REACH OUT" - A HEALTH CHECKUP CAMP**



Mahindra Steel Service Centre Ltd. (MSSCL), Kanhe, conducted "Reach Out" - a health checkup camp for Kanhe villagers at Taluka Rural Hospital, Kanhe on February 8, 2010. The camp was organised by 10 Esops volunteers with the help of nine volunteers from Dr. Ramesh H. Agrawal's team. It benefited 90 villagers who otherwise had no access to good medical facilities.

**Commitments**

The Esops team has outlined following priorities for FY 2010-11:

- 1 Launch Esops at new Mahindra locations
- 2 10% increase in Esops volunteers over and above total volunteers during FY 2010-11
- 3 Take the Lifeline Express project to Farrukhabad District in Nov-Dec 2010
- 4 Successfully facilitate completion of INR 3.57 crore worth rehabilitation project for Bihar flood victims
- 5 Sustain 1 million trees planted under Mahindra Hariyali and plant another 1 million trees by Oct 2011
- 6 Esops' best performing location and volunteer from factory and non-factory location to be selected and rewarded
- 7 Online tracking system to be developed to select Esops' best performing locations and volunteers



**Esops Awards**

Mahindra initiated in-house awards in 2008 to appreciate and promote a healthy competition amongst employees and locations in the area of Esops activities.

The awards are divided in to 2 categories:

09 SOCIAL PERFORMANCE

1 FACTORY LOCATION 2 NON-FACTORY LOCATION

The winners of Esops Awards '09 include:

**AS Nashik**  
'Factory Location' category

**R&D Team of AS Nashik & MACE Chennai**  
'Non-Factory Location' category

**MMFSL & AS Guwahati**  
Special Jury Awards

The winners are selected by an external panel of jury from Development and Academic sectors appointed by the CSR council.



Health Support

Lifeline Express




At Mahindra our definition of out-patient care is going out to where ever the patient is. Alternative thinking of this nature got us to support the Lifeline express, a hospital on rails whose motto is "if a disabled person cannot reach the hospital, then the hospital should reach him or her."

The project was officially launched on 2nd October 2007, and is the outcome of our deep rooted sense of Corporate Social Responsibility which has been basic to our philosophy since 1945.

Drawing from the experience of conducting two successful Lifeline Express stopovers at Rudrapur and Assam, the CSR Council decided to take the Lifeline Express on another journey to an another remote region.

From January 3rd - 24th, 2010, Mahindra's Farm Equipment Sector and Mahindra & Mahindra Financial Services Ltd. brought Lifeline Express to Wardha, Maharashtra. This halt changed the lives of thousands of people.

**The Lifeline Express started running on 16th July 1991; so far the service has benefited 400,000 Indians in the remotest rural parts of the country.**

The hospital-on-rails motto 

*If a disabled person cannot reach the hospital then the hospital should reach him or her*



09 SOCIAL PERFORMANCE

LIFELINE EXPRESS, WARDHA (2010)

Total No. of surgeries & aids provided

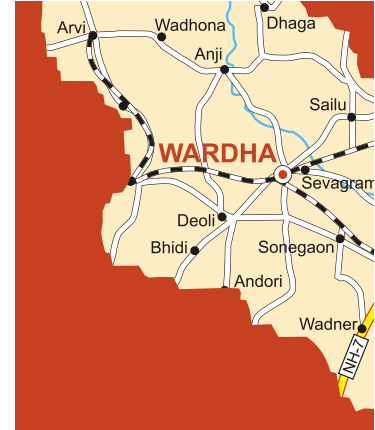
**1,434**

Total No of man hours spent by Esops Volunteers

**13,752**

Total No of man hours spent by Community Volunteers

**30,575**



Shri Datta Meghe, MP, Wardha, inaugurating the Impact India - Lifeline Express medical camp

The Lifeline Express offers free of cost medical and surgical interventions to the disabled in remote areas. The hospital on rails consists of **5 fully air-conditioned and well equipped coaches. Two of the coaches are an operation theater & recovery room for patients and one coach each is a diagnostic centre, office sitting room for doctors & sterilization room, kitchen, staff quarters & Generator.** The train has on board sophisticated medical and surgical facilities, which offer on-the-spot diagnostic, medical and surgical interventions to patients with operable orthopaedic disabilities (post polio deformities), hearing related disorders, cleft lip and eye related operable disabilities.

**TESTIMONIALS**

"We are obliged to Lifeline Express for giving a new life to our child. We couldn't have afford it"

We pledge to commit **1% of our Profit After Tax** towards social and community development initiatives.



"This camp has helped us to live life all over again"

"I am so happy to get my eyesight back. Thank you for helping me to see the world"





09 SOCIAL PERFORMANCE

**Cochlear Implants**

By empowering hearing-impaired children with the power of sound, the Mahindra Group has changed the life and future of 60 children.

Cochlear implants cost INR 500,000 each. As of March 31, 2010, 60 cochlear implant surgeries have been successfully undertaken.

The beneficiaries comprise of children below the age of 5, and those belonging to lower socio-economic strata. They are selected in consultation with Dr. Milind Kirtane and his team of doctors, audiologists, teachers of the hearing impaired and social counselors.

**Operations are performed by Dr. Milind Kirtane, India's leading ENT surgeon and winner of the prestigious Dr. B.C. Roy Award.**



**63 million**   
people have substantial  
**auditory loss**  
according to estimates by WHO

A cochlear implant is a device that helps the severely hearing-impaired perceive sound meaningfully, even when the most powerful hearing aids fail to do so. It employs advanced digital technology to bypass damaged inner ear structure and send electrical signals directly to the auditory nerve. These signals are transmitted to the brain and are interpreted as sounds. The implant is beneficial to adults who have lost their hearing after acquiring spoken language skills, as well as children who are born deaf. Children who are born deaf but receive such implants early develop speech and language skills that are at par with children with normal hearing.

**Mid-Day Meal Kitchen**

In December 2006, Mahindra and Mahindra Ltd. entered into a tri-partite public private partnership with the Government of Rajasthan and Naandi Foundation to set up a centralized Mid Day Meal Kitchen at Govindgarh Block, Jaipur District, Rajasthan. The kitchen commenced its operations in September '08 and since then provides hygienic and nutritious meals to approximately 25,000 to 35,000 children in 314 government schools in Govindgarh Taluka, Jaipur District.



**This initiative aims to help fight hunger in schools and also make schooling and learning a complete experience for the underprivileged school going children.**

**Education Support**

**K.C.MAHINDRA**  
EDUCATION TRUST

In 1953, the K.C. Mahindra Education Trust was instituted to transform the lives of people in India through education, by providing financial assistance and recognition to the underprivileged, across different age groups and across varied income strata. Since then, the trust has provided educational support to over 65,000 needy and deserving students.



**09 SOCIAL PERFORMANCE**

The Mahindra Group central CSR activities in the areas of education are mainly undertaken by KCMET.

**Project Nanhi Kali**

Sponsoring the education of a girl child, remains one of the most effective forms of altering their reality. At Mahindra we have been committed to this cause since 1996 through Nanhi Kali, the flagship program of the K. C. Mahindra Education Trust (KCMET), which supports the education of disadvantaged girl child.

This year we reached a step closer to our goal of sponsoring 1,00,000 girls. Project Nanhi Kali now supports the education of over 54,364 underprivileged girl children, in poor urban, rural and tribal communities across 8 states of India.

The Mahindra Group has committed to independently support 6,000 girls every year in low- literacy areas of urban, rural and tribal parts of India by providing academic support as well as material support in the form of uniforms, clothes, school bags, shoes, etc. The KCMET also regularly monitors the 22 NGOs that they work with, giving technical inputs where ever required to ensure that quality education is being imparted to all the Nanhi Kalis.

In addition, M&M Limited has entered into a partnership with the Government of Rajasthan to jointly support the education of 10,000 disadvantaged girl children in the tribal area of Udaipur District through the Nanhi Kali project. Here the Government of Rajasthan will support 5,000 Nanhi Kalis while M&M will support the education of the remaining 5,000 girls.

In all, M&M continues to support the education of 11,000 underprivileged girls through the Nanhi Kali project.

**Key Impacts**

- Curtailed dropout rates of girls to 10% within the project. (In comparison tonational level indicators of 40% at primary level and 70% at Secondary School level)
- Significant increase in learning outcomes. (Ranging from 40% in tribal Chhattisgarh to 78% in Mumbai slums in one year).
- Project Nanhi Kali is one of the few projects working extensively with tribal girls in the States of Andhra Pradesh, Chhattisgarh, Delhi, Maharashtra, Madhya Pradesh, Karnataka and Rajasthan.



**53%**  
of the girls in India in the age group of 5 to 9 years are illiterate.

**Rs. 1800 per annum**  
to keep a girl in school from Std I – VII

**Rs. 2500 per annum**  
to continue her schooling from Std VIII – X

**TESTIMONIALS**

"Engineers make houses. That is why I want to be an engineer and make a big house for my family"

"I want to catch thieves & burglars and send them behind the bars"

"I like my teachers & want to be like them"

**Mahindra Pride Schools**

The first Mahindra Pride School commenced on 23rd March 2007 in Pune. Since then, 11 batches with a total of 1,720 students from socially disadvantaged communities (Scheduled Caste/ Scheduled Tribes, Other Backward Caste, Nomadic Tribes) have graduated from this school.



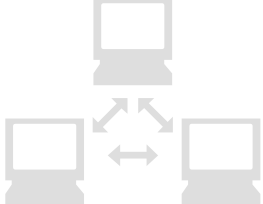
The school provides the students with livelihood training in sunshine sectors i.e. hospitality, customer relationship management, hardware & networking and call centres. To further enhance their employability, all students are imparted mandatory training in English, Life skills and Computer Applications.

Highlights of the placement process include significant increase in the number of campus interviews and endorsement from employers who have previously recruited graduates from Mahindra Pride Schools.

**A 100% placement has been witnessed among the students who participate in the placement process. The average salary ranges between Rs. 4,500/- per month to Rs. 15,000/- per month and the highest salary so far has been Rs. 18,000/- per month.**

09 SOCIAL PERFORMANCE

Some of the key recruiters at MPS include:

HOSPITALITY MANAGEMENT	SALES / CRM	HARDWARE NETWORKING
<p>Fariyas Resort, Café Coffee Day, McDonalds, Hotel Le Meridian, Seasons, Coffee Day Express, Innvenue, Taj Deccan, Barista, Hotel President</p> 	<p>Westside (Tata Trent retailer), Spinach - the food retail chain, Springtime, Silver Jubilee Motors, Redwood Company, Mphasis, Tata Indicom, Odyssey, ITC. Tata Serwizol, Syntel KPO. DTDC Couriers, TRC, Kingfisher</p> 	<p>Info Expert, Micro Serve Systems, Anon solutions, ACME</p> 

Mahindra Pride Schools - Success Stories

CASE STUDY



**Machindra Saruk**  
Employer - HDFC Bank

In the year 2007, Machindra Saruk migrated to Pune for securing a better job and a brighter future. Despite of being a graduate, his first job at Barclays Bank offered him a monthly remuneration of a meager Rs. 500. In order to meet his basic needs, he continued to struggle, seeking better job prospects. The best opportunity he found was in a finance company that offered a salary of Rs. 6,000 per month on a contractual basis. But the condition was that the promised salary will be provided only if he achieves the monthly target.

In the face of the financial disability, he got married due to family issues. Now making a living for him and his wife seemed impossible as the source of income was almost negligible.

His confidence collapsed as he started believing himself as incapable of getting any decent job. Soon he made his mind to return to his village. "Going back to my homeland was useless as our 14 acre farm couldn't be cultivated due to unavailability of water. But I had no choice." says Machindra.

Until on his day of departure, his friends suggested him to apply for an admission in Mahindra Pride School. He joined Mahindra Pride School in January 2010 and just after 3 months on 19th March, 2010, he was recruited by HDFC Bank with a salary of Rs. 13,000/- per month.

"Mahindra Pride School changed my life! Even the Mid-Day meal was a godsend!" comments the contented Machindra Saruk, who now lives with his head held high.



**Vijay Jadhao**  
Batch 10  
Employer - Syntel

Vijay Jadhao belonged to a small village named Kalwad, his family comprising of 6 members with his father, a temporarily employed labourer, being the sole earner. As he was the eldest of all, his responsibilities towards his father and brothers were inescapable

After completing his graduation studies, he too like many a rural youth moved to Pune to fulfil his career ambition. He got a job, but unfortunately got laid off within 2 months in the wake of recession. His dreams, hopes and plans were all shattered. It was then, when his friend asked him to join Mahindra Pride School.

After Vijay joined in, even his brother was inspired to pursue a hospitality course in MPS. However they did not have enough money to rent a room and his brother decided to go back to the village. "But MPS stepped in again and solved our problem by providing us a room to live in the school premises." says Vijay.

## 09 SOCIAL PERFORMANCE

Vijay further describes his experience saying, "The teaching approach MPS goes beyond books to transform students' overall personality. In class, I learnt communication skills, basic computer knowledge, mathematical skills, aptitude, and some concepts in business finance i.e accounts, banking and insurance. Even the teachers at MPS go beyond teaching to encourage the students scale greater heights."

Today, Vijay has secured a reputable job in Syntel and currently earning a monthly salary Rs. 13,000/-.

### Scholarships

#### Mahindra 'Search for Talent' Scholarships

The Mahindra 'Search for Talent' Scholarship was instituted by KCMET in 1983. Set up in 35 educational institutions across the country, its objective is to enthuse and reward excellence in academics. The scholarship is offered to students obtaining highest aggregate marks, based on the year-end examination. Till date, 3,467 Mahindra 'Search for Talent' Scholarships have been awarded.

A student who receives the Mahindra 'Search for Talent' scholarship more than once is also awarded the 'Honour Scholarship' which includes a cash prize of Rs. 5,000 and a citation from the Trust.



#### K.C. Mahindra Scholarship for Post Graduate Studies Abroad

Interest-free loan scholarships are given to qualified graduates who wish to pursue a postgraduate degree abroad. Since its inception in 1956, this scholarship has helped 914 students. This year it helped 55 students to cover travel and incidental expenses incurred while studying abroad. The maximum amount awarded per scholarship is Rs. 95,000/-.

Preference is given to students who are interested in pursuing advanced studies in subjects for which facilities in India are limited. Preference is also given to students who pursue subjects that are important to India's development, such as Bio-gas technology, water management, agricultural research, economics, naval and aviation science, electronics and other emerging areas related to science.

Every year KCMET receives 700-1000 applications from which 80-100 are short listed for interviews and 30-35 are awarded the scholarship.

The candidates are interviewed by a panel consisting of distinguished dignitaries like Mr. Keshub Mahindra, Mr. Anand Mahindra, Dr. Homi Sethna, Dr. Indu Sahani and others.

The maximum amount awarded per scholarship is  
**Rs. 95,000**



#### K.C. Mahindra UWC Scholarships

Established in the year 2000, the K.C. Mahindra UWC Scholarships are conferred upon the deserving students within the age group of 16 to 18 years, to study at the United World Colleges. This scholarship aims to ensure that students benefit through the experience of international education, shared learning and community service which the Mahindra United World College offers.

So far, the Trust has disbursed INR 36.3 million in the form of 44 scholarships awarded to deserving students. This year, two students were awarded with the KC Mahindra UWC Scholarships.

## 09 SOCIAL PERFORMANCE

### Mahindra All India Talent Scholarships

The Mahindra All India Talent Scholarship was established in 1995. This scholarship is awarded to students belonging to economically disadvantaged families from both rural and urban areas, who wish to pursue a job oriented diploma course at a recognized Government Polytechnic in India.

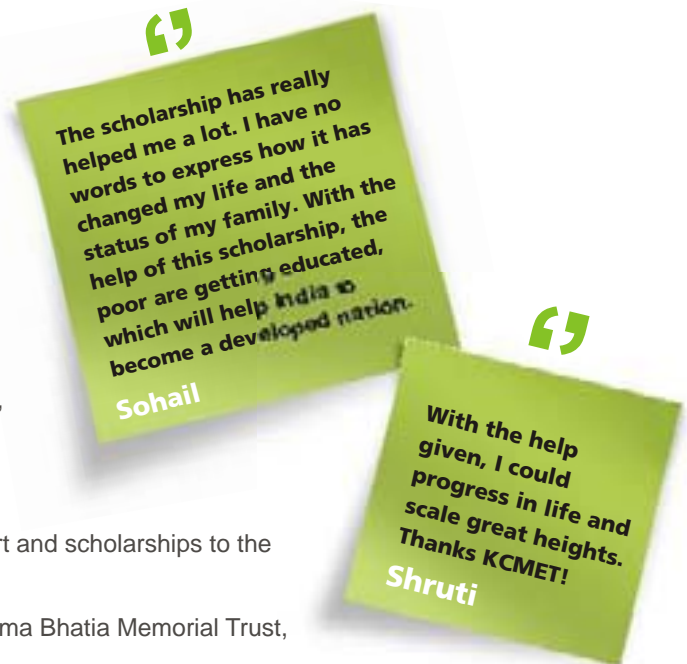


Scholarships of INR 5,000/- per annum are given to selected students for a maximum period of 3 years. Till date, 4,772 Mahindra All India Talent scholarships have been awarded.

### Other KCMET Awards and Scholarships

Under the aegis of the K.C. Mahindra Education Trust, several other awards and scholarships for the academia have been established. To build capacities and further encourage teachers, the Trust has set up the following :

- K.C. Mahindra Chair for Nuclear Chemistry at the Institute of Science in Mumbai - was established in 1970. The institute utilises the income generated from the Corpus for full-time Professors to enable them carry out research in the field of nuclear chemistry.
- The Dhandevi Mahindra Scholarship Award at Sophia College, Mumbai, was established in 1982 to enable selected faculty members to undergo advanced training to improve their teaching capabilities.
- The Kema Grants established in 1997 provide financial support and scholarships to the faculty members and staff of educational institutions.
- Prema Bhatia Memorial Scholarship for journalism - at the Prema Bhatia Memorial Trust, New Delhi is awarded every year since 1996.



## Sports & Theatre

### Mahindra United

The association of Mahindra with football goes back four and a half decades. A club which started as a simple set up way back in 1950, has certainly come a long way - from a club with just a few games and a few amenities to an establishment, running a professional team and offering high quality facilities, incentives and allowances.

The year 2009-10 saw one of the prominent personalities of Indian football, Henry Menezes returning to the Mahindra United fold as Deputy General Manager. The former international goalkeeper was reinstated along with astute Englishman David Booth as Chief Coach with the prime objective of taking the club to next level.

Mahindra United, which had retained the nucleus of their side from last season, started off brightly by performing well in their season opener, the IFA Shield, where they remained unbeaten before making it in to the semi-finals of the prestigious Durand Cup and also performing creditably in the ongoing I-League - the country's premier tournament.

In the process of rebuilding the team, Mahindra United at the start of the season released nine players including two foreigners and one PIO. It made some quality signings by adding Svetozar Mijin from Serbia as their attacking mid-fielder and Muritala Ali of Nigeria who plays up front.

Having a ten-match unbeaten run in the first leg, Mahindra United have remained firmly in the title race with just four matches remaining. With the quality of players they have, Mahindra United aims to make a strong finish to their campaign in their pursuit of gaining the honors.

**In 1962 the Mahindra & Mahindra Allied Company Sports Club came into being to serve the growing demand for a Mumbai based sports club. In 2000 it was renamed, Mahindra United and underwent a total revamp turning the Orange Brigade Red.**

## 09 SOCIAL PERFORMANCE

### NATIONAL DUTY

Eight players of Mahindra United (Subashish Roy Chowdhury, Mohammad Rafi, Steven Dias, Debabrata Roy, N.P. Pradeep, Sushil Kumar Singh, D. Ramanan & Denzil Franco) were a part of the national camp for the 2011 Asian Cup and AFC Challenge Cup. These players were also a part of the National team that won the Nehru Gold Cup, South Asian Football Federation Game and have played an instrumental role in India's selection in the 2011 Asian Cup to be held in Qatar.

On account of an impressive performance, striker Mohammed Rafi was honoured by being selected in the 22-member list of probables and will take part, for the first time, in a senior national camp held for the preparation of the World Cup qualifiers and the AFC Asian Cup 2011.



### Mahindra NBA Challenge

With the objective of popularising and promoting Basketball, the Mahindra Group in association with the National Basketball Association (NBA) has announced to launch a new multi-city community-based recreational basketball league - the Mahindra NBA Challenge.

The Mahindra NBA Challenge is a comprehensive basketball program set out to increase grassroots basketball participation and attract basketball enthusiasts to the game. It will provide an opportunity for the players to develop their skills in a fun, competitive environment.

Mahindra will be the title partner of this new recreational league, which will run for seven weeks annually in two divisions: youth ages 14-17 and adult 18+. The BFI will work with the NBA to implement and oversee league operations across all markets.

The talent emerging out of the league would be groomed on a regular basis. Plans are in place to assist the development of the fundamental skills of all participants. In addition, Mahindra will continue to work with the BFI to identify talent and develop platforms to groom the talent.

"In a cricket loving nation such as India, we feel it is important to encourage other sports as well and we believe basketball is perfectly suited to bring communities together and promote healthy, active lifestyles to Indian youth."

**Mr. Anand Mahindra**  
Vice Chairman and Managing Director  
Mahindra Group



### Mahindra Excellence in Theatre Awards

Instituted in 2006, the Mahindra Excellence in Theatre Awards (META) continue to accelerate the Mahindra Group's association with theatre, which started in the form of support for regional theatre in Mumbai, followed by the inter-collegiate theatre festival in Delhi to support emerging theatre.

Each year the META Festival showcases 10 theatre productions selected from all over the country in New Delhi. The aim is to give theatre a national platform and encourage and support talent even in the remotest areas.

The year 2010 marked the 5th Anniversary of META. A special Lifetime Achievement Award was presented to Zohra Segal, the doyen of Indian theatre, for her outstanding contribution to theatre. This year also recorded the highest number of entries received for META, with over 230 entries collected nationwide.



"I firmly believe that a contribution to the Arts is also a contribution to the triple bottom line."

**Mr. Anand Mahindra**  
Vice Chairman & Managing Director,  
Mahindra Group.



The final productions included plays from across India i.e. Manipur, Assam, West Bengal as well as Delhi, Maharashtra and Kerala. A high profile Jury viewed all the 10 plays and presented awards in various categories.

# 10 ANNEXURES

## Memberships



Ad Club

All India Industrial Gases Manufacturers Association (AIIGMA)

All India Management Association, New Delhi

All India Resort Development Association (AIRDA)

All India Rubber Industries Association (AIRIA)

American Resort Developers Association (ARDA)

Andhra Pradesh Productivity Council (APPC) - Hyderabad

The Associated Chambers of Commerce and Industry of India (ASSOCHAM)

Bombay Burmah Trading Corporation Limited

Bombay Chamber of Commerce & Industries

Bombay Chambers of Commerce

Bombay City Policy Research Foundation

Bombay First

British Council Library

Broadband Wireless Engineering Consortium (BWCI)

Bureau of Energy Efficiency (BEE) - New Delhi

Core Group

Central Pollution Control Board

Centre for Research in Rural & Industrial Development Society, Chandigarh

Chambers of Commerce & Industry (Sharjah)

Childlink India Foundation

CII Apex Council on Affirmative Action

CII Green Building Council

CII National Committee of Indian MNCs

CII National Council on Agriculture

CII Western Regional Council

CII, Nashik Chapter

Confederation of Indian Industries (CII)

Confederation of Indian Industries (CII) - Hyderabad

Confederation of Indian Industries (CII) - Mumbai

EEPC Membership (Engineering Export Promotion Council)

Employers' Federation of India

Enviro Publishers - Chennai

Export Promotion Council for EOUs & SEZs (EPCES)

EQMS - Environmental Legislations Update - New Delhi

Federation of Andhra Pradesh Chamber of Commerce and Industries (FAPCCI)

Federation of Indian Chambers of Commerce and Industry (FICCI)

Federation of Indian Export Organizations (FIEO)

Finance Industry Development Council

Harvard Business School (I) Research Centre

Housing Development Finance Corp. Ltd.

Indian Association of Corporate Treasure

Indian Electrical Contractor, Mumbai

Indian Green Building Council

Indian National Suggestion Scheme Association, Mumbai

Indian Society for Non-Destructive Testing (ISNT)

Indo American Chamber of Commerce

Indo French Chamber of Commerce and Industries

Indo German Chamber of Commerce

Indo-Hellenic Friendship League

Institute of Chartered Secretaries and Administrators

Institution of Industrial Safety Professionals of India (IISPI) - Mumbai

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Integrated Research & Action for Development (IRADe) New Delhi

International Air Transport Association (IATA)

International Engineering Consortium (IEC)

International Institute of Risk and Safety Management (IIRSM) - London

Kema Services (International) Private Ltd.

Lal Bahadur Shastri Institute of Management

Leviosa Business School

Maharana Pratap University of Agriculture Technology (MPUAT), Udaipur

Maharashtra Chamber of Housing Industry

Maharashtra Energy Development Agency (MEDA)

Maharashtra State Productivity Council (MSPC) - Mumbai

Mahatma Phule Krishi Vidyapeeth (MPKV), Rahuri, Maharashtra

Maratha Chamber of Commerce & Industries (MCCIA)

Member of National Safety Council, Navi Mumbai

Ministry of Environment, Govt of India

Mumbai Waste Management Association (MWML), Taloja

Mutual Aid Response Group (MARG) - Mumbai

Nashik Industries Manufacturers' Association

National Association of Software and Services Companies (NASSCOM)

National HRD Network

National Safety Council

National Safety Council (NSC) - Mumbai

National Society for Clean Cities

National Automotive Testing and R&D Infrastructure Project (NATRIP)

Nashik Industries and Manufacturers' Association (NIMA)

Population First

Prime Minister's Council on Trade & Industry, New Delhi

Pune Chapter of Cost Accountants

Punjab Agricultural University (PAU), Ludhiana

Quality Circle Forum of India (QCFI), Pune Chapter

Resort Condominiums International (RCI)

Rodal Investments Private Limited and Pratham - India Education Initiative

Rotary Club of Bombay

Service Providers Association Inc.

SIAM - New Delhi

Sidcul Industrial Association, Haridwar

Society of Automotive Engineers (India)

Society of Automotive Engineers (USA)

SOIL (School of Inspired Leadership) Consortium

Tamilnadu Agriculture University (TNAU), Coimbatore

TERI - New Delhi

The Bombay Dyeing & Manufacturing Co. Limited

The Council of EU Chambers of Commerce

The Employer's Federation of southern India (EFSI) - Hyderabad

The Institute of Chartered Accountant of India

The Institute of Co Secretaries of India

The Premier Technology Magazine of the Engineering Industry, Mumbai

TIE India

TM Forum

TPM Club India (check repetition)

TPM Club of India - Bangalore

Tractor Manufacturers Association (TMA)

Travel Agents Association of India (TAAI)

United Nations Global Compact and Global Compact Network India

United Way of Mumbai

United World Colleges (International) Ltd., UK,

University of Pennsylvania Institute for the Advanced Study of India, New Delhi

University of Pennsylvania, Center for the Advanced Study of India, Philadelphia

Walchand TalentFirst Ltd.

WIMAX Forum



10 ANNEXURES

**GRI G3 Indicator Index**

**Profile Disclosures**

Strategy and Analysis					
Profile Disclosure	Description	Extent of reporting	Reason	Explanation	Page No.
1.1	Statement from the most senior decision-maker of the organization	Full			01
1.2	Description of key impacts, risks, and opportunities.	Full			25

Organizational Profile					
Profile Disclosure	Description	Extent of reporting	Reason	Explanation	Page No.
2.1	Name of the organization.	Full			05
2.2	Primary brands, products, and/or services.	Full			10
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Full			10
2.4	Location of organization's headquarters.	Full			05
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Full			17
2.6	Nature of ownership and legal form.	Full			09
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Full			09
2.8	Scale of the reporting organization.	Full			09, 33, 74 Annual Report: P. 5-7, 45-46
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Full			09
2.10	Awards received in the reporting period.	Full			22

Report Parameters					
Profile Disclosure	Description	Extent of reporting	Reason	Explanation	Page No.
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Full			04
3.2	Date of most recent previous report (if any).	Full			04
3.3	Reporting cycle (annual, biennial, etc.)	Full			04
3.4	Contact point for questions regarding the report or its contents.	Full			05

## 10 ANNEXURES

Report Parameters					
Profile Disclosure	Description	Extent of reporting	Reason	Explanation	Page No.
3.5	Process for defining report content.	Full			03, 04, 09
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Full			04
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). I	Full			05
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Full			05
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Full			86, 89, 94, 97, 100
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	None	Not applicable		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.				04
3.12	Table identifying the location of the Standard Disclosures in the report.	Full			128
3.13	Policy and current practice with regard to seeking external assurance for the report.	Full			06

Governance, Commitments and Engagement					
Profile Disclosure	Description	Extent of reporting	Reason	Explanation	Page No.
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Full			18
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Full			18
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Full			18, 19
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Full			18

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Governance, Commitments and Engagement					
Profile Disclosure	Description	Extent of reporting	Reason	Explanation	Page No.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Full			Annual Report P. 58-60, 61
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Full			21
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Full			18
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Full			20, 21
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Full			18, 21
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full			18, 19
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Full			34
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Full			22
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Full			126
4.14	List of stakeholder groups engaged by the organization.	Full			29
4.15	Basis for identification and selection of stakeholders with whom to engage.	Full			03
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Full			29
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Full			29

## 10 ANNEXURES

### Economic

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
DMA EC	Disclosure on Management Approach EC	Full			34
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Full			74
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Full			78
EC3	Coverage of the organization's defined benefit plan obligations.	Full			Annual Report P. 160-161
EC4	Significant financial assistance received from government.	Full			75
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Full			59
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Full			81
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Full		Currently, M&M does not have any specific procedure for local hiring of senior management. The hiring takes place purely on merit irrespective of location of the person.	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Full			113

### Environmental

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
DMA EN	Disclosure on Management Approach EN	Full			35
EN1	Materials used by weight or volume.	Full			97
EN2	Percentage of materials used that are recycled input materials.	Full			97
EN3	Direct energy consumption by primary energy source.	Full			89

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### Environmental

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
EN4	Indirect energy consumption by primary source.	Full			89
EN5	Energy saved due to conservation and efficiency improvements.	Full			91
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partial			109
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Full			91
EN8	Total water withdrawal by source.	Full			94
EN9	Water sources significantly affected by withdrawal of water.	Full			96
EN10	Percentage and total volume of water recycled and reused.	Partial			94
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Full			87
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Full			85
EN13	Habitats protected or restored.	Full			85
EN16	Total direct and indirect greenhouse gas emissions by weight.	Full			86
EN17	Other relevant indirect greenhouse gas emissions by weight.	None	Not available	Due to the size and extent of the Mahindra Group's operations, it was not possible to collect Scope III GHG emissions in a robust manner suitable for this report. Mahindra aims in the next 3-5 years to work with our supply chain and our employees to carefully track activities leading to relevant indirect GHG emissions.	
EN19	Emissions of ozone-depleting substances by weight.	Full			86
EN20	NOx, SOx, and other significant air emissions by type and weight.	Partial		Because different companies use different methods to track and report air emissions, it was not possible to collate values fully in this report. Within the next 2 years we aim to standardize our measurement of air emissions.	83

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### Environmental

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
EN21	Total water discharge by quality and destination.	Full			94
EN22	Total weight of waste by type and disposal method.	Full			100
EN23	Total number and volume of significant spills.	Full		No significant spills occurred during the reporting period.	105
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Full			67
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partial	Not available	Measurement of reclaimed packaging is not currently done and will require coordination amongst customers, dealers, distributors, and shipping entities. Mahindra aims to report on this indicator in the next five years, once we can work with the necessary groups to ensure that we are capturing accurate and meaningful data.	104
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Full		There have been no fines during the reporting period.	105

### Labor Practices and Decent Work

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
DMA LA	Disclosure on Management Approach LA	Full			33
LA1	Total workforce by employment type, employment contract, and region.	Full			59
LA2	Total number and rate of employee turnover by age group, gender, and region.	Full			59
LA4	Percentage of employees covered by collective bargaining agreements.	Full			56
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Full			56
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Full			66

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### Labor Practices and Decent Work

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Full			57
LA9	Health and safety topics covered in formal agreements with trade unions.	Full			57
LA10	Average hours of training per year per employee by employee category.	Full			53
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Full		Pg 25: Group Management Board Pg 67: Workforce Snapshot	18
LA14	Ratio of basic salary of men to women by employee category.	Full			59

### Human Rights

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
DMA HR	Disclosure on Management Approach HR	Full			34
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Full		We are complying with all applicable laws regulations such as Factories Act and Public Liability Insurance Act. We intend to have the systems in place to include HR clauses in the next 3-5 years.	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Full		Suppliers are not currently screened.	
HR4	Total number of incidents of discrimination and actions taken.	Full		No incidents occurred during the reporting period.	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Full			35, 56
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Full			33
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Full			33
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Full		No incidents occurred during the reporting period	

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### Society

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
DMA SO	Disclosure on Management Approach SO	Full			35
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Full			111, 113, 114
SO2	Percentage and total number of business units analyzed for risks related to corruption.	None		We do not formally analyze our business for risks related to corruption. Instead we deal with incidents of corruption on a case by case basis. For information on our anti-corruption policies please refer to p. 23.	21
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Full			21
SO4	Actions taken in response to incidents of corruption.	Full			21
SO5	Public policy positions and participation in public policy development and lobbying.	Full			22
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Full			21

### Product Responsibility

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
DMA PR	Disclosure on Management Approach PR	Full			36
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Full			70
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Full			72
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Full			72
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Full			73
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Full		Zero fines for non-compliance during the reporting period.	72



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### Finance: Sector Supplement

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
FS1	Policies with specific environment and social components applied to business lines.		Not applicable	MMFSL offerings are not known to have Environmental and/or social implications	
FS2	Procedures for assessing and screening environmental and social risks in business lines.		Not applicable	MMFSL is financial organization thus none of our processes perceive any direct and/or material environmental and/or social risks	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.		Not applicable	MMFSL does not provide any commercial/ corporate banking or insurance services.	
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.		Not applicable	Since the associated Environmental and social policies and processes do not exist, processes for improving staff competency	
FS5	Interactions with clients / investees / business partners regarding environmental and social risks and opportunities.		Not applicable	Currently we do not interact with clients/investees/business partners regarding social and environmental risks and opportunities, as our client base consists only of individual clients, who do not pose any environmental/social risks to our business.	
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro / SME / large) and by sector.	Full			72
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Full			72
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.		Not applicable	MMFSL has not designed products and services to deliver specific environmental benefits in current reporting year.	
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.		Not applicable	Policies and procedures do not exist in current year of report there is no audit conducted	

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### Finance: Sector Supplement

Performance Indicator	Description	Extent of reporting	Reason	Explanation	Page No.
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.		Not applicable	MMFSL does not have any asset management operations as well as we are not in the business of investment banking and insurance therefore Environmental and social interactions with other companies in portfolio is not relevant.	
FS11	Percentage of assets subject to positive and negative environmental or social screening.		Not applicable	MMFSL does not have any asset management operations and therefore environmental and social screening practices are not relevant in this respect.	
FS12	Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.		Not applicable	MMFSL is not in the business of investment banking.	
FS13	Access points in low-populated or economically disadvantaged areas by type	Full			12
FS14	Initiatives to improve access to financial services for disadvantaged people			We have not yet made special provisions to improve, access financial services or disadvantaged people.	
FS15	Policies for the fair design and sale of financial products and services	Full			21
FS16	Initiatives to enhance financial literacy by type of beneficiary	Partial			72

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**Index for UNGC Principles**

Principle	Category	Description	Page No.
Principle 1	Human rights	Businesses should support and respect the protection of internationally proclaimed human rights.	34, 3, 29
Principle 2	Human rights	Businesses should make sure that they are not complicit in human rights abuses.	34, 3, 55
Principle 3	Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	33, 56
Principle 4	Labor	Businesses should uphold the elimination of all forms of forced and compulsory labor;	3, 33
Principle 5	Labor	Businesses should uphold the effective abolition of child labor; and	33, 55
Principle 6	Labor	Businesses should uphold the elimination of discrimination in respect of employment and occupation	20, 33
Principle 7	Environment	Businesses should support a precautionary approach to environmental challenges;	21, 35, 78, 82, 106
Principle 8	Environment	Businesses should undertake initiatives to promote greater environmental responsibility; and	27, 31, 67, 107
Principle 9	Environment	Businesses should encourage the development and diffusion of environmentally friendly technologies.	3, 21, 27, 67, 74, 80, 91
Principle 10	Anti corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	20, 22

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**Acronyms**



<b>ACC</b>	Apex Corporate Council
<b>ACE</b>	Awards for Customer Excellence
<b>AFC</b>	Asian Football Confederation
<b>AS</b>	Automotive Sector
<b>AT&amp;T</b>	American Telephone & Telegraph
<b>ARAI</b>	Automotive Research Association of India
<b>BCCI</b>	Bombay Chamber of Commerce & Industry
<b>BHC</b>	Branch Hygiene Code
<b>BKS</b>	Bharatiya Kamgar Sena
<b>BOD</b>	Biochemical Oxygen Demand
<b>BOP</b>	Business Process Outsourcing
<b>BS</b>	British Standards
<b>BS-IV</b>	Bharat Stage - four
<b>BSE</b>	Bombay Stock Exchange
<b>BT</b>	British Telecommunications
<b>CAPs</b>	Customer as Promoter Score
<b>CAE</b>	Computer Aided Engineering
<b>CCAS</b>	Customer Care Analysis System
<b>CDM</b>	Clean Development Mechanism
<b>CGC</b>	Corporate Governance Cell
<b>CFC</b>	Chlorofluorocarbon
<b>CFL</b>	Compact Fluorescent Lamp
<b>CHWTSDF</b>	Common Hazardous Waste Collection, Treatment, Storage and Disposal Facility
<b>CII</b>	Confederation of Indian Industry
<b>CITU</b>	Centre of Indian Trade Unions
<b>CMVR</b>	Central Motor Vehicle Rules
<b>CNG</b>	Compressed Natural Gas
<b>CNBC</b>	Consumer News & Business Channel
<b>COD</b>	Chemical Oxygen Demand
<b>CRISIL</b>	Credit Rating & Information Services of India Limited
<b>CSR</b>	Corporate Social Responsibility
<b>CV</b>	Commercial Vehicles
<b>DG Sets</b>	Diesel Generator Sets
<b>DH</b>	Department Head

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<b>DMC</b>	Defense Material Code
<b>EHS</b>	Environmental Health and Safety
<b>EIC</b>	Esops Implementation Committee
<b>ELV</b>	End of Life Vehicle
<b>ER</b>	Employee Relation
<b>ESI</b>	Employment Status Indicator
<b>Esops</b>	Employee Social Option Scheme
<b>ETP</b>	Effluent Treatment Plant
<b>EU</b>	European Union
<b>F&amp;A</b>	Finance & Accounts
<b>FCG</b>	Ferrite Core Group
<b>FES</b>	Farm Equipment Sector
<b>FICCI</b>	Foreign Investors' Chamber of Commerce and Industry
<b>FTC</b>	Functional Talent Councils
<b>FTP</b>	File Transfer Protocol
<b>GDP</b>	Gross Domestic Product
<b>GHG</b>	Greenhouse Gas
<b>GJ</b>	Giga Joules
<b>GMB</b>	Group Management Board
<b>GPMD</b>	Global Program of Management Development
<b>GRI</b>	Global Reporting Initiative
<b>GSCM</b>	Green Supply Chain Management
<b>Govt of AP</b>	Government of Andhra Pradesh
<b>HCNG</b>	Hydrogen Compressed Natural Gas
<b>HEV</b>	Hybrid Electric Vehicle
<b>HHD</b>	Hand Held Device
<b>HOC</b>	Heat of Compression
<b>HP</b>	Horse Power
<b>HRM</b>	Human Resource Management
<b>HRD</b>	Human Resource Development
<b>ICAI</b>	Institute of Chartered Accountants of India
<b>ICRISAT</b>	International Crops Research Institute for the Semi Arid Tropics
<b>IFA</b>	India Football Association
<b>IGBC</b>	Indian Green Building Council
<b>IIT</b>	Indian Institute of Technology
<b>ILO</b>	International labour Organization

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<b>IR</b>	Investor Relations
<b>ISO</b>	International Organization for Standardization
<b>IT</b>	Information Technology
<b>ITI</b>	Industrial Training Institute
<b>ITES</b>	Instructional Technology & Educational Studies
<b>JIT</b>	Just In Time
<b>JV</b>	Joint Venture
<b>KCMET</b>	K.C. Mahindra Educational Trust
<b>KL</b>	Kilo Litters
<b>LCV</b>	Low Consumption Vehicle
<b>LEED</b>	Leadership in Energy & Environmental Design
<b>LED</b>	Light Emitting Diode
<b>LDO</b>	Light Diesel Oil
<b>LPG</b>	Liquefied Petroleum Gas
<b>MAITS</b>	Multi Agency International Training & Support
<b>MAPC</b>	Mahindra Annual Planning Cycle
<b>MCL</b>	Mahindra Composites Limited
<b>MDI</b>	Mahindra Direct Injection
<b>META</b>	Mahindra Excellence in Theatre Award
<b>MFL</b>	Mahindra Forgings Limited
<b>MHL + HPS</b>	Metal Halide and High Pressure Sodium lamps
<b>MHRIL</b>	Mahindra Holidays & Resorts India Limited
<b>MIL</b>	Mahindra Intertrade Limited
<b>MLDL</b>	Mahindra Lifespace Developers Limited
<b>MLL</b>	Mahindra Logistics Limited
<b>MMFSL</b>	Mahindra & Mahindra Financial Services Limited
<b>MML</b>	Mahindra Magnetic Lamps
<b>MNC</b>	Multi National Company
<b>MNRE</b>	Ministry of New & Renewable Energy
<b>MOU</b>	Memorandum of Understanding
<b>MPS</b>	Mahindra Pride School
<b>MPV</b>	Multi Purpose Vehicle
<b>MQS</b>	Mahindra Quality System
<b>MQW</b>	Mahindra Quality Way
<b>MRV</b>	Mahindra Research Valley
<b>MSSCL</b>	Mahindra Steel Service Centre Limited

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<b>MTWL</b>	Mahindra Two Wheelers Limited
<b>MUSCO</b>	Mahindra UGINE Steel Company Limited
<b>MUV</b>	Multi Utility Vehicles
<b>MWC</b>	Mahindra World City
<b>MWCC</b>	Mahindra World City Chennai
<b>MWCJ</b>	Mahindra World City-Jaipur
<b>MYB</b>	Mahindra Yellow Belt
<b>mT CO<sub>2</sub>e</b>	Metric Tonne Carbon Dioxide equivalent
<b>NAAQS</b>	National Ambient Air Quality Standards
<b>NAPCC</b>	National Action Plan on Climate Change
<b>NASSCOM</b>	National Association of Software & Services Companies
<b>NATRIP</b>	National Automotive Testing & R&D Infrastructure Project
<b>NBA</b>	Natioanl Basketball Association
<b>NBC</b>	National Building Code
<b>NDTV</b>	New Delhi Television Limited
<b>NGO</b>	Non Governmental Organisation
<b>NO<sub>x</sub></b>	Oxides of Nitrogen
<b>OECD</b>	Organization for Economic Cooperation & Development
<b>ODS</b>	Ozone Depleting Substance
<b>OEM</b>	Other Equipment Manufacturer
<b>PAT</b>	Profit After Tax
<b>PC</b>	Personal Computer
<b>PFOS</b>	perfluoro-octanesulfonates
<b>P&amp;IR</b>	Personnel & Industrial Relations
<b>PMS</b>	Performance Management Systems
<b>PNG</b>	Processed Natural Gas
<b>POP</b>	Plaster of Paris
<b>PQCDSM</b>	Productivity, Quality, Cost Delivery, Safety & Morale of Employees
<b>PPM</b>	Parts Per Million
<b>PPE</b>	Personal Protection Equipment
<b>PT-RO</b>	Plate & Tube Reverse Osmosis
<b>PVC</b>	Poly Vinyl Chloride
<b>QC</b>	Quality Control
<b>RCI</b>	Resort Condominium International
<b>RMC</b>	Semi manufactured
<b>R&amp;D</b>	Research & Development
<b>SAE</b>	Society of Automotive Engineers

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<b>SCM</b>	Supply Chain Management
<b>SCST</b>	Swasth Chalak Swasth Tractor
<b>SEI CMMi</b>	Software Engineering Institute Capability Maturity Model Integration
<b>SEZ</b>	Special Economic Zone
<b>SEBI</b>	Securities and Exchange Board of India
<b>SIAM</b>	Society of Indian Automobiles Manufacturers
<b>SHGC</b>	Solar Heat Gain Co-efficient
<b>SMC</b>	Sheet Moulding Compounds
<b>SOx</b>	Oxides of Sulphur
<b>SO2</b>	Sulphur Dioxide
<b>SPM</b>	Suspended Particulate Matter
<b>SRI</b>	Solar Reflectance Index
<b>STP</b>	Sewerage Treatment Plant
<b>STC</b>	Sector Talent Council
<b>STC</b>	Sector Talent Council
<b>SUV</b>	Sports Utility Vehicle
<b>TBL</b>	Triple Bottom Line
<b>Tech M</b>	Tech Mahindra
<b>TDS</b>	Total Dissolved Solids
<b>TNS</b>	Telecom Network Solutions
<b>TPM</b>	Total Productive Maintenance
<b>TQM</b>	Total Quality Management
<b>TSS</b>	Total Suspended Solids
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United nations Environment Program
<b>USGBC</b>	United States Green Building Council
<b>UNGC</b>	United Nations Global Compact
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>UPS</b>	Uninterrupted Power Supply
<b>UV</b>	Utility Vehicle
<b>UV (glass)</b>	Ultra Violate (glass)
<b>UWC</b>	United World College
<b>VCI</b>	Volatile Corrosion Inhibitors
<b>VOC</b>	Volatile Organic Compound
<b>WBCSD</b>	World Business Council for Sustainable Development
<b>WHO</b>	World Health Organization
<b>WRI</b>	World Resources Institute



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Glossary



**Advertising Standards Council of India** - is a self-regulatory voluntary organisation of the advertising industry in India <http://www.ascionline.org/>

**Akhil Bharatiya Kamgar Sena** - is a trade union centre in Maharashtra, India. ABKS is the labour wing of the Akhil Bharatiya Sena.

**Balanced Scorecard** - The Balanced Scorecard (BSC) is a concept for measuring whether the smaller-scale operational activities of a company are aligned with its larger-scale objectives in terms of vision and strategy.

**Biodiesel** - Biodiesel refers to a non-petroleum-based diesel fuel consisting of short chain alkyl esters, made by transesterification of vegetable oil.

**Biofuels** - Solid, liquid or gas fuel derived from recently dead biological material.

**Blanking Line** - an early stage in steel preparing flat-rolled steel for the end user. A blank is a section of sheet that has the same outer dimensions as a specified part (such as a car door or hood) but that has not yet been stamped.

**Sanjay Gandhi National Park** - a 104 square kilometre park in Mumbai, officially known as the Borivli National Park; considered unique since it is one of the few Parks that is within city limits.

**BS 7799** - code of practice for information security management.

**Carbon Dioxide Equivalent (CDE) and Equivalent Carbon Dioxide (CO<sub>2</sub>e)** - are two related but distinct measures for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO<sub>2</sub>) as the reference Equivalent CO<sub>2</sub> (CO<sub>2</sub>e) is the concentration of CO<sub>2</sub> that would cause the same level of radiative forcing as a given type and concentration of greenhouse gas.

**The Carbon Disclosure Project (CDP)** - is an organisation that works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations. M&M Limited is a signatory for CDP.

**Chlorodifluoromethane (Difluoromonochloromethane)** - is a Hydrochlorofluorocarbon (HCFC) commonly used in air conditioning applications.

**CRISIL Level 1** - rating that indicates the company's capability with regard to corporate governance and value creation for all stakeholders is the highest.

**Dichlorodifluoromethane (R-12)** - usually sold under the brand name Freon-12, is a chlorofluorocarbon halomethane, commonly known as CFC, used as a refrigerant and aerosol spray propellant. (R-22)- is a colourless gas better known as HCFC-22, R-22. Earlier it was commonly used as a propellant and in air conditioning application. These applications are being phased out its manufacturing was banned in the US and many countries in 1994 due to concerns about damage to the ozone layer.

**The Green Home Rating system by IGBC Indian Green Building Council** - The green home rating system by Indian Green Building Council (IGBC) is India's first, and is exclusively designed for the residential sector. Different levels of certifications such as Certified, Silver, Gold and Platinum are awarded to a project in recognition of its green commitment.

**ISO 9001:2000** - Quality Management Systems directive that provides a number of requirements which an organisation needs to fulfill if it is to achieve customer satisfaction through consistent products and services which meet customer expectations.

**ISO 14001:2004** - international specification for an Environmental Management System (EMS). It specifies requirements for establishing an environmental policy, determining environmental aspects and impacts of products/activities/services, planning environmental objectives and measurable targets, implementation and operation of programs to meet objectives and targets, checking and corrective action and management review.

**ISO/TS 16949** - quality management system requirements for the design and development, production and, when relevant, installation and service of automotive-related products.

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**OHSAS 18001:2004** - an Occupation Health and Safety Assessment Series for health and safety management systems. It is intended to help organisations to control occupational health and safety risks. It was developed in response to widespread demand for a recognised standard against which to be certified and assessed.

**Just In Time** - an inventory strategy implemented to improve the return on investment of a business by reducing in-process inventory and its associated carrying costs.

**Mahindra Quality Way** - an assessment by external national and international experts of Mahindra's Quality Policy, systems, procedures and performance against world-class standards to identify: strengths, opportunities for improvement, scoring profile for prioritising improvements.

**Montreal Protocol** - is a landmark international agreement designed to protect the stratospheric ozone layer. The treaty was originally signed in 1987 and substantially amended in 1990 and 1992. It stipulates that the production and consumption of compounds that deplete ozone in the stratosphere need to be phased out.

**NAAQS** - the clean air act which was last amended requires EPA to set National Ambient Air Quality Standards for pollutants considered harmful to public health and the environment.  
<http://epa.gov/air/criteria.html>

**NASSCOM** - a not-for-profit was set up in 1988 to facilitate business and trade in software and services and to encourage advancement of research in software technology.

**Panchayat** - local self government body at village level in India.

**PCMM Level 5** - the People Capability Maturity Model used to help organisations optimise their workforce maturity and address critical people issues.

**Reach out and InSync** - quarterly employee engagement programmes

**Scope I** - Scope 1 greenhouse gas emissions occur from sources that are owned or controlled by a company, such as combustion facilities (e.g.: boilers, furnaces, burners, turbines, heaters, incinerators, engines, flares etc), combustion of fuels in transportation (e.g.: cars, buses, planes, ships, barges, trains etc) and physical or chemical processes (e.g.: in cement manufacturing, catalytic cracking in petrochemical processing, aluminium smelting etc).

**Scope II** - Scope 2 GHG emissions are from the generation by another party of electricity that is purchased and consumed by the company. This is described as "purchased electricity" for the purposes of the GHG Protocol.

**Scope III** - Other indirect greenhouse gas emissions, including those associated with employee travel, supply chain, leased assets, outsourced activities, use of products and waste disposal.

**SEI-CMMI level 5** - A Level 5 CMMI rating provides the highest recognition to an organisation's software and systems engineering processes.

**Special Economic Zone (SEZ)** - is a geographical region that has economic laws that are more liberal than a country's typical economic laws.

**Total Productive Maintenance** - (TPM) is a maintenance program which involves a newly defined concept for maintaining plants and equipment. The goal of the TPM program is to markedly increase production while, at the same time, increasing employee morale and job satisfaction.

**USGBC LEED Certification** - LEED Professional Accreditation distinguishes building professionals with the knowledge and skills to successfully steward the LEED certification process.

**United Nations Global Compact** - is a framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. M&M Limited is a signatory to UNGC.

**Willys USA** - was the brand name used by the United States automobile company. Mahindra started its business in 1945 by assembling the Willy's jeep in India. Willys-Overland Motors, best known for its production of military and civilian Jeeps, during the twentieth century.

**WP 29** - The World Forum for Harmonization of Vehicle Regulations acting within the framework of the policies of the United Nations and the Economic Commission for Europe.