

BUSINESS RESPONSIBILITY REPORT FY 2017

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L27100MH1999PLC121285
2. **Name of the Company** : Mahindra CIE Automotive Limited
3. **Registered address** : Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018
4. **Website** : www.mahindracie.com
5. **E-mail id** : mcie.investors@mahindracie.com
6. **Financial Year reported** : 1st January, 2017 to 31st December, 2017
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

The Company is an auto components supplier with presence in many technologies viz. forgings, castings, stampings, magnetic products and composites. The NIC code in respect of each of these is as follows:

Sr. No.	Activity	NIC Code
1	Forgings	25910 & 25920
2	Casting/Foundry	24319
3	Stampings	25910
4	Magnetic	2393 & 23939
5	Composites	22207

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

- a) Crankshafts
- b) Sheet Metal Stampings
- c) Turbocharger Housings

9. Total number of locations where business activity is undertaken by the Company -

- (a) Number of International Locations (Provide details of major 5) : Nil

However, the subsidiaries of the Company have overseas manufacturing facilities in Germany, Spain, Lithuania, Italy and the United Kingdom in Europe

- (b) Number of National Locations : 10 (Ten)

The Company has its primary presence in the state of Maharashtra with its registered office located at Mumbai and factories at Pune, Mangaon, Nashik, Rudrapur, Pantnagar and Zaheerabad.

10. Markets served by the Company - Local/ State/ National/ Inter national : All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹) : ₹ 3783.67 Million
2. Total Turnover (₹) : ₹ 20633 Million
3. Total profit after taxes (₹) : ₹ 693 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : ₹ 10 Million
1.48%
5. List of activities in which expenditure in 4 above has been incurred: -
 - a) Skill development and Education
 - b) Promotion of Health Care
 - c) Rural Development Projects
 - d) Environment
 - e) Community development

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has 2 subsidiaries in India and 13 direct and indirect overseas subsidiaries as on 31st December, 2017.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes. Mahindra Gears and Transmissions Private Limited, which has been amalgamated with the Company during the year, has been participating in the Business responsibility initiatives of the company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company's purchasing and sustainability teams conducts sustainability awareness programs for its suppliers. Key suppliers shortlisted on the basis of turnover and the criticality of processes with respect of EHS issues are audited on various aspects of sustainability.

The Supplier Code of Conduct (Suppliers Corporate Social Responsibility Commitment) has been communicated to all the suppliers requesting them to further cascade the communication to their suppliers. During the audit they are made aware of the Suppliers' Corporate Social Responsibility Commitment.

Green Supply Chain Management (GSCM) policy of the Company has also been communicate to the suppliers. The suppliers have participated in Company's GSCM initiative through training, site audits and as on date of this report about 40% of suppliers have participated in the BR initiatives at different levels.

The Company is implementing GSCM processes across all its locations in a phased manner and is making continuous progress in this area. The major suppliers have been trained on the GSCM practices which includes sharing of case studies on resource productivity etc. At certain locations suppliers are involved for tree plantation under CSR Program. We have also supported the suppliers for obtaining the Quality Environment Health Safety (QEHS) management system certifications.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN Number	00231420
Name	Mr. Hemant Luthra
Designation	Chairman and Executive Director

b) Details of the BR head

DIN Number (if applicable)	-
Name	Mr. Romesh Kaul
Designation	CEO- Stampings and Composites Division
Telephone number	022-24905840
e-mail id	kaul.romesh@mahindracie.com

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1 Ethics and Transparency	P2 Product Responsibility	P3 Wellbeing of employees	P4 Responsiveness to Stakeholders	P5 Respect Human Rights	P6 Environmental Responsibility	P7 Public Policy Advocacy	P8 Support inclusive growth	P9 Engagement with Customers
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N Note 1	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	NA	Y Note 2	Y Note 2
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y Note 3	Y Note 3	Y Note 3	Y Note 3	Y Note 3	Y Note 3	NA!	Y Note 3	Y Note 3
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y Note 4	N Note 4	Y Note 4	Y Note 4	Y Note 4	N Note 4	NA	N Note 4	Y Note 4
5	@ Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	N Note 5	Y	Y	Y	N Note 5	NA	N Note 5	N Note 5
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	# Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

! This question is not applicable for influencing public and regulatory policy.

@ The Company has established internal governance structure to ensure implementation of various policies. The Company reviews the implementation of polices through our internal audit, risk management process, in-line with established Policies.

The Quality, Safety and Health and Environmental Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through Internal Audit mechanism.

- Note 1 The Company is member of trade and industry chambers like the Automotive Component Manufacturers Association of India (ACMA), The Confederation of Indian Industry (CII), Maharashtra Chamber of Commerce and Industries (MCCI). The Company is in process of reviewing the need and formulation of policy on principle 7.
- Note 2 While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from the concerned internal stakeholders.
- Note 3 The policies are in line with international standards and practices such as ISO 9001, IATF Guidelines, ISO 14001, ISO 27001, OHSAS 18000 and meet National regulatory requirements such as the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Note 4 The Board of directors of the Company have approved the policies required to be framed under Companies Act, 2013 and SEBI Regulations including Code of conduct for Directors, Code of conduct for Senior Management, Whistle Blower Policy, CSR Policy, Code for fair disclosures, Policy on Related Party Transactions and Business Responsibility Policy and these policies are signed by the respective officers authorised by the Board for its implementation. Other operational internal policies are approved by the management and signed by the respective business heads. Further, the Company has also adopted few global policies framed by CIE Automotive S.A. the ultimate holding company.
- Note 5 It has been Company's practice to upload all policies on internal server or display at prominent places in respective locations or shared with relevant stakeholders for the information and implementation by the internal stakeholders. The Code of Conduct for Directors, the Code of Conduct for Senior Management and Employees, Business Responsibility Policy and CSR Policy are available on the website at web link <http://www.mahindracie.com/investors/investor-relations/governance.html>

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P5	P6	P7	P8	P9
1	The company has not understood the Principles	----	----	----	----	----	----	----	----	----	----
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	----	----	----	----	----	----	----	----	----	----
3	The company does not have financial or manpower resources available for the task	----	----	----	----	----	----	----	----	----	----
4	It is planned to be done within next 6 months	----	----	----	----	----	----	----	----	----	----
5	It is planned to be done within the next 1 year @	----	----	----	----	----	----	----	✓	----	----
6	Any other reason (please specify)	----	----	----	----	----	----	----	----	----	----

@ The Company is continuously reviewing its policies to align with the BR principles in full spirit. The assessment for adoption/ implementation of specific policies is under process which will be continued in the next financial year.

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The CSR committee of the Board meets regularly and reviews the progress of corporate social responsibility projects. This CSR committee of the Board has empowered one of its CEO's to lead CSR projects across MCIE plants in India. There is a CSR co-ordination committee led by this CEO & comprises of HR Heads of all Divisions & Company Secretary. This committee meets every three months to review the progress on the CSR projects approved and does internal review on the CSR proposals to be placed before CSR committee, as and when required, after carrying all assessments. Individual plant has a working committee which ensures the implementation of CSR activities & projects.

The BR performance (Sustainability, Safety, CSR & Business Performance) is regularly reviewed by CEO in areas of Energy conservation, water conservation, waste management including waste to wealth initiatives & safety performance and further directions are given for continual improvement.

For safety performance review each plant has a statutory safety committee led by Factory Manager which meets quarterly.

The Integrated performance on Safety, Sustainability & CSR is monitored and reviewed by a fulltime team of senior officers who facilitate implementation of relevant projects & capacity building.

The top Management of the Company has formed BR performance review council called as ESG Council (Environmental, Social & Governance council) which

reviews the performance at an interval of six months to assess the BR performance.

- b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company had published its BR report for the first time for the financial year ended on 31st December, 2017. The copy of the BR reports is available at the website of the Company at <http://www.mahindracie.com/investors/investor-relations/governance.html>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The Company has a Code of Conduct for Directors as well as for Senior Management personnel(s). It also has the Mahindra CIE Internal Code of Professional Conduct for its employees. It includes policy among others related to ethics and bribery. It covers all dealings with suppliers, customers and other stakeholders, partners including Joint Ventures and other stakeholders.

Suppliers Corporate Social Responsibility Commitment document has been communicated to all its suppliers through respective CEO's and an undertaking has been obtained.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company has not received any complaint involving issues related to Principle-1.

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is an auto component supplier to OEMs and tier I supplier. Most of its products are manufactured as per the customer's design. The business development & new product development teams closely interact with the customers & fulfill PPAP (Production Part Approval Process) requirements. The Company continuously strives to minimize waste in materials & processing requirements by initiatives such as reduction in flash thickness of components in Composite division.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

The Company continuously monitors and tracks the use of its natural resources. The reduction in resource consumption for current year against previous year is as under:

- ✓ Reduction in Specific Energy Consumption (KWh /MT) by 0.82 %
- ✓ Reduction in Specific Water Consumption (Cub.mtr/ MT) by 6.44 %

- b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Our products are used by OEMs and tier I supplier. Hence, specific details about energy conservation achieved by end customers due to our products cannot be ascertained.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company has established processes for sustainable sourcing. These include sharing the Suppliers Corporate Social Responsibility Commitment code with key suppliers, conducting training on sustainable supply chain principles, obtaining self-certification check sheets on SSCM, periodic conference with key suppliers to share sustainability and safety best practices and influencing suppliers for obtaining EOHS system certification etc. Our processes are yet to reach level of ascertaining the percentage of inputs sourced sustainably. The Company has extensive Sustainable/GSCM drive across all divisions our plants have adopted the milk run system for sourcing materials and also implemented the same for downward supply chain with the customers. The Company is also working on sourcing the maximum requirement from local and nearby suppliers so that our engagement is more effective and scope 3 emissions are reduced to the maximum extent. The Restricted and hazardous substances (RoHS) testing is done from accredited laboratories and reports are shared with the customers on demand.

Overall sustainable sourcing initiatives will be implemented across MCIE Divisions in next two to three years in a phased manner.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

- a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company does take proactive steps to help the local and small producers including the

communities surrounding our workplaces. Few steps taken by the Company to improve their capacity and capability are as follows:

At Foundry division, the Company has engaged local people for Forklift & Tractor trolleys requirement of our company and their periodic audits, risk assessments are done by safety department.

At Magnetic products division, the Company has engaged Local Suppliers. Their assessment using Sustainability parameters has been planned in FY 18.

For Composites division, the Company has small vendors for assembly work in Labour contract and they have been assessed based on sustainability parameters.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, the Company has given attention to a systematic process of sustainable development in line with GRI guidelines since year 2008 (MCIE in its earlier form of Mahindra Systech has been participating in Mahindra Group sustainability drive). Few examples of waste recycling and re-use are as follows:

The scrap from stamping division is used as a part of raw material in Foundry Division. In Foundry process molding sand is reused to the extent of practical feasibility. At Magnetic product division grinding swarf and sintered scrap is reused in production process. Also for hard magnets, 15% grinding sludge and sintered scrap is recycled. About 40 % of grinding sludge and 80% of sintered scrap is sold for magnet and powder purposes respectively.

At Stampings division, Kanhe, the Company is utilizing the steel offcut for C class child part purchase (<5%) through vendor development department.

At Stampings Rudrapur, the Company used treated waste water from STP - for garden and greenery development in the Plant. Paint shop water is recycled through ETP.

Principle 3 -Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees : 7339
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis : 4324
3. Please indicate the Number of permanent women temporary/contractual/casual basis : 41
4. Please indicate the Number of permanent employees with disabilities : 6
5. Do you have an employee association that is recognized by management : Yes
6. What percentage of your permanent employees is members of this recognized employee association : 54.29
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Category	No. of complaints pending at the beginning of the financial year	No. of complaints filed during the financial year	No. of complaints resolved during the financial year	No. of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	Nil	Nil	Nil	Nil
Sexual harassment	Nil	Nil	Nil	Nil
Discriminatory employment	Nil	Nil	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
- a) Permanent Employees: 80%
 - b) Permanent Women Employees: 65%
 - c) Casual/Temporary/Contractual Employees: 84%
 - d) Employees with Disabilities: 50%

Principle 4 -Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders?**

Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes, as a part of the CSR activities the company has engaged with disadvantaged, vulnerable and marginalised stakeholders through multiple activities like donation of sweaters to needy school children, scholarships to meritorious students of village school from economically weaker section of society, donating school uniforms and other necessary items to students of Orphanage, Skill development of adolescent girls etc.

The Company encourages its employees to participate in various social activities under ESOP. Many of its employees have voluntarily contributed for girl child education and women empowerment initiatives.

Principle 5 - Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Business Responsibility Policy covers the aspects on Human Rights for the Company. Human Rights issues are a part of the supplier selection process and are also included in the contracts drawn up with them.

Suppliers Corporate Social Responsibility Commitment document has been communicated to all the suppliers through respective CEO's and an undertaking has been obtained.

Under GSCM initiative at suppliers & contractors training and interaction sessions Human Rights related topic is covered thoroughly.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any complaint involving issues related to Principle-5

Principle 6 - Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company has formulated various policies related to environmental protection like Environment, Safety, Energy & GSCM Policies. The GSCM Policy includes environment protection and covers suppliers. The subsidiaries have their own policies which are in sync with the Company's environmental policies.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company has focused teams across divisions to work on projects regarding energy conservation, water conservation, increasing use of non-conventional energy sources such as solar lighting, solar based electricity generation etc. These strategies and initiatives are also aligned to the National Action Plan on Climate Change and continue year on year. Targets taken in Sustainability Roadmap relate to energy conservation, GHG reduction and water conservation. In the current reporting year, various initiatives on energy saving, water saving, waste reduction etc. were implemented, an indicative list is given below.

Overall investment for Energy reduction projects (Electricity & Gas) – ₹ 185.38 Lakhs.

Saving from above investment – ₹ 154.82 Lakhs.

Energy Savings (Major initiatives)

- Calciner – Output increase from 18.5 to 21 T/ day by Horizontal suction at charge car (Electricity + PNG).
- Hardinge Mill - Output increase from 16 to 18 T/day by modifying blower vane angle and outer shape
- Provision of Ceramic wool from inside & waste heat recovered from Exit product and used in pre-heating zone, RG1.
- TP32 - Improvement in output from 1.6 to 1.8 T / day.
- In Forging Press Replacement of old induction Heater with energy efficient heater.
- Replacement of existing transformer with an energy efficient transformer to avoid loss
- Use of LED lights in office
- Install IE3 Motor for press machine.
- Identify the Air leakage and close it on regular basis
- Installation of Atcon - A.C.Energy saver.
- Reduction in motor RPM by reducing pulley size in Flash off zone.
- All Machines halogen lamps (70 W) replaced by 7 Watt LEDs.

Water Savings

- Flexible piping leakage arrested by using metal pipe in MCD line
- Overhead Tank overflow issue, used float and diaphragm valve
- Blocked underground piping and made new above ground piping
- Toilet water consumption reduced in MCD by using reject water from RO

- Use of STP/ETP treated water for flushing and gardening.
- Roof and Surface Rain Water Harvesting to reduce the drawl of water.
- Retrofitting with water saving equipment's like Foam taps, level controllers etc.
- Waterless Urinals

Waste Reduction

- Machine lubrication pipeline modification done
- Oil collection tray installed in machine which collects the oil coming from machine & feeds to open lubrication system of machine again.
- Reduction in cotton rags at sources
- Making bale from tickly scrap and getting the bale rate to tickly scrap.
- Earlier 6" sander disks were disposed after use. Now this wasted 6" disk is cut up to 4" which portion was useful & used instead of new 4" sander disk.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks across all locations through their certified Environmental Management System. All the Divisions/ Locations have initiated steps for upgrading system to revised standard.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company has not done any significant work so far in CDM/ Carbon credit related areas. However, we are increasing our efforts in sourcing energy from renewable sources like Wind & Solar, 6.80 % of total energy consumed is from renewable sources. Under Environment Protection Act & Rules Form-V (Environmental statement) is submitted to SPCB by respective plants.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. Same as stated under point 2 above.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, The Company is member of trade and industry chambers namely the Automotive Component Manufacturers Association of India (ACMA), The Confederation of Indian Industry (CII), Mahratta Chamber of Commerce and Industries (MCCI), The Institute of Indian Foundrymen CEO forum, etc.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

No significant contribution. However, our COO at Foundry is making specific efforts through Indian Foundrymen CEO Forum in related areas of association.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company and its applicable Indian subsidiaries has been a socially responsible corporate, making investments in the community which go beyond any mandatory legal & statutory requirements. The CSR vision of the Company is to focus efforts in Skill Development, Health and Sanitation, Community Development etc. by innovatively supporting them through programs designed in respective areas while harnessing the power of technology and investing our CSR efforts in these critical constituencies who contribute to nation building and the economy.

In accordance with the Companies Act, 2013, the Company is committed to spend 2% towards CSR initiatives. Your Company encourages its employees to participate in the Employee Social Options (ESOPs) program, to drive positive change in society, through Health checkup camps, tree plantation, vocational guidance to school children in the nearby schools etc. During the year under review, the employees of your Company participated in various education, health and environment related programs in local communities.

During the year under review, the Company strengthened its partnership with Naandi Foundation and implemented following CSR projects in the area of Education and Skill Development:

- Enhancing Employability Quotient (EmQ) of Babasaheb Ambedkar Technological University (BATU) students in Mangaon

- ii. Pathway to excellence – BM Pawar High School, Birdawadi, Chakan and
- iii. “N Star – Life skills Center for Girls”

In addition to the above, in response to specific needs identified by plant level CSR Committees the Company also undertook following CSR Projects:

- i. Enhancing Road Safety by providing Street Lights at Village Kanhe, Maval, Pune
- ii. Building Community Toilet Blocks at Village Urse, Pune thereby contributing to ‘Swachh Bharat Abhiyan’

The details on the above projects are as under:

a. Enhancing Employability Quotient - Skill Development Program (Mangaon-Lonere area)

The Project objective is to enable the Employability Imbalance at BATU wherein Final year diploma students need to be better prepared for jobs. Key factors of poor employability, is lack of improvements in i) Soft Skills, ii) Communication & Presentation Skills, iii) Interview Preparation, iv) Life Skills. Hence, to redress the problem, the following measures were adopted;

- a) Result oriented soft-skills program of 140 hours for all final year diploma students to increase their employability. Program to run annually.
- b) Measure of employability using an Employability Quotient (EmQ) defined with industry inputs.
- c) BATU teachers as trainers. Intense, hands-on training workshop for all trainers.
- d) Pre and Post assessment of EmQ to measure the impact.

Key deliverables are:

- Identified competencies and inputs for the EmQ test.
- Course Design, content creation and training of trainers, hand holding for nine months.
- Mid-course reviews, administering both pre and post assessment of EmQs.
- Freelancer Training.

b. Setting up seven “N Star – Life skills Center for Girls”

Naandi Foundation and K. C. Mahindra Education Trust have introduced ‘Project Nanhi Kali++ Centers’ with primary goal to ensure that by the age of 21, the young girls are able to earn a viable livelihood and ensure that there are no under-age marriages. These Centers are safe, socially acceptable, “go-to” place for girls to learn and have fun after they complete Class 10. The Company has approved to undertake seven such centers called “N Star – Life skills Center for Girls”.

Girls in the age group of 16-21 will learn a range of things that will enable her to become a responsible 21st century citizen – functional English, digital literacy, financial literacy,

awareness of personal health and safety, physical fitness. Once they turn 18, they will take an EmQ (Employability Quotient) Test be skilled and placed in jobs. Project aims to provide academic, material and social support that allows a girl child to access quality education, attend school with dignity and reduces the chances of her dropping out.

The Centre will be managed by a Champion. The measurable outcome will be number of girls who start earning a viable livelihood.

c. Pathway to excellence – BM Pawar High School, Birdawadi, Chakan

With the objective of facilitating access to quality education for underprivileged rural school children near Company’s plant and bridge the knowledge, economic and opportunity gaps of nearby village community, the Company approved to undertake a project ‘Pathway to excellence’ at BM Pawar High School at Birdawadi, Chakan. The Project will spread across a period of 3 years during which various initiative will be undertaken by the Company along-with Naandi Foundation as its implementing partner.

These initiatives will aim at improving pedagogy, improving understanding of students, providing better amenities and best-in-class teaching aids to students.

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR initiatives are implemented either directly by the Company through its ESOPs structure where its employees directly participate and implement the CSR programmes or through implementing partners which include NGOs having an established track record of at least 3 years in carrying on the specific activity. The main implementation agency with which the Company works are the Nandi Foundation, The K. C. Mahindra Education Trust and Mahindra Pride School.

3. Have you done any impact assessment of your initiative?

In F17 Social Impact assessment for the project ‘Enhancing Employability Quotient - Skill Development Program’ at Mahad has been conducted which highlights the increasing trend of placement of students undergoing the program.

As mentioned earlier the Company is engaged in other CSR projects which are under various stages of implementation. The impact assessment of these projects shall be done in due course of time.

4. What is your company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company’s contribution to community development projects amounts to ₹ 10.23 Million during the Financial Year 2017. Details of some of the major initiatives the Company has invested in the financial year (FY17) are given in Point 1.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The projects are implemented through renowned NGOs and they are responsible to conduct periodic assessment of the projects to ensure that targeted deliverables are achieved with maximum benefits to the community. The Company has plant level CSR executive teams which regularly interact with the target social groups and the NGOs/implementation partners and ensure timely and effective implementation of projects. Periodic reports are obtained from the implementation partners and are reviewed during CSR co-ordination committee meetings. Thus, the Company ensures that the CSR initiatives are successfully adopted by the community.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Pending Customer complaints of your plant FY-17					
Receiving Period	Total Complaints Registered in this period	Open	Close	Open %	Close %
FY17	828	32	796	3.86	96.14

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Given the nature of business it is done only as per the Customer Specified Standards of packaging and part labeling.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Customer satisfaction surveys are conducted by all Divisions for their key customers.