

BUSINESS RESPONSIBILITY REPORT

[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, 2016 to 31st December, 2016
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 (₹) : ₹ 3,780.9 Million
2. Total Turnover (₹) : ₹ 18085.5 Million
3. Total profit after taxes (₹) : ₹ 514.5 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : ₹ 3.37 Million
0.66%
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 4 subsidiaries in India and 17 direct and indirect overseas subsidiaries as on 31st December, 2016.

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 participate in the Business responsibility initiatives of the Company. Hereinafter, this report includes the BR performance of Mahindra Gears and Transmissions Private Limited.

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 respective purchasing and sustainability teams conducts sustainability awareness programs for its suppliers. Key suppliers shortlisted on the basis of turnover and the criticality of processes in 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 were made aware about the Suppliers Corporate Social Responsibility Commitment.

During the year Annual supplier meet was conducted in which about 40 suppliers participated. It was focused on waste elimination and process optimizations at supplier end. Focus was also given on areas of Safety, Sustainability and CSR.

Green supply chain management (GSCM) policy of the Company has also been communicated to the suppliers. The suppliers have participated in company's GSCM initiative through training, annual meets, 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 (including Gears) 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 some locations suppliers are involved for tree plantation under CSR Program. We have also supported the suppliers for obtaining the QEHS management systems 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) | N.A. |
| Name | Mr. Romesh Kaul |
| Designation | CEO-Stampings and Composites Division |
| Telephone number | 022-24905840 |
| e-mail id | kaul.romesh@mahindrachie.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 Publicpolicy advocacy | P8 Inclusive growth and equitable development | P9 Engage customers and consumers in a responsible manner |
|---------|--|-------------------------------|------------------------------|------------------------------|--------------------------------------|----------------------------|------------------------------------|-----------------------------|--|--|
| 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 a established internal governance structure to ensure implementation of various policies. The Company review 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), Mahratta Chamber of Commerce and Industries (MCCI). The Company is 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, TS 16949, 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 like 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 respective officers authorised by the Board for its implementation. Other operational internal policies are approved by management and signed by respective business head. 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 and CSR Policy are available on the website the <http://www.mahindrachie.com/investors/investor-relations/governance.html>
- Note 6 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.

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 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.

CSR committee of the Board meets regularly & review 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 two months to

review the progress on the CSR projects approved and carrying 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.

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 & further directions are set for continual improvement.

For safety performance review each plant has a statutory safety committee led by Factory Manager which meets quarterly. Mahindra CIE being well connected with Mahindra group, also participates in their Group Central safety council which meets every quarterly.

The integrated performance on Safety, Sustainability & CSR is collected every month & is reviewed by a full time team of senior officers & also facilitates in relevant projects & capacity building.

The top Management of the Company is also in process of forming BR performance review council called as ESG Council (Environmental, Social & Governance council) which will review the performance every quarter.

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 is publishing its BR report for the first time for the financial year ended on 31st December, 2016. The copy of the BR reports is available at the website of the Company at <http://www.mahindrachie.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 formed Code of Conduct for Directors & Senior Management personnel. It also has the CIE Internal Code of Professional Conduct for its employees. It includes issues 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 with all its suppliers through respective CEO's & 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 a 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 2.40%
- ✓ Reduction in Specific Water Consumption (Cub.mtr/ MT) by 8.78%

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 computed.

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.

Apart from the 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 maximum from local and nearby suppliers so that our engagement is more effective and scope 3 emissions are reduced to a maximum extent. The Restricted and hazardous substances (RoHS) testing is done from accredited laboratories and reports are shared with the customers on demand.

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

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, we have engaged local people for Forklift & Tractor trolleys requirement of our company & there periodic audits, risk assessments is done by safety department.

At Magnetic products division, we have engaged Local Suppliers. Their assessment using Sustainability parameters has been planned in CY 17.

For Composites division, we have small vendors for assembly work and Labour contract and they have been assessed on the basis of 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 been giving 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 moulding sand is reused to the extent of practical feasibility. In Magnetic product division grinding swarf & sintered scrap is reused in production process.

In Magnetic products division, for hard magnets, about 40 % of grinding swarf and 80% of Steel scrap is sold for magnet and powder purposes respectively.

At stampings division, Kanhe, we are utilising the steel offcut for C class child part purchase (<5%) through vendor development department.

At Stampings Rudrapur, uses treated waste water from STP - for garden and greenery development in the Plant.

The Sheet metal wastage (Scrap) is also disposed to vendors who again make plain Sheet metals for our RM again.

Principle 3 -Businesses should promote the wellbeing of all employees

- | | | |
|--|---|---------|
| 1. Total number of employees: | : | 7,258 |
| 2. Total number of employees hired on temporary/contractual/casual basis: | : | 3,609 |
| 3. Number of permanent women temporary/contractual/casual basis: employees: | : | 21 |
| 4. Number of permanent employees with disabilities: | : | 7 |
| 5. Do you have an employee association that is recognized by management: Yes/NO | : | Yes. |
| 6. What percentage of your permanent employees is members of this recognized employee association? | : | 62.21%. |

Note- The above includes employee details of Mahindra Gears & Transmissions Private Limited.

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 labor/forced labor/involuntary labor | Nil | Nil | Nil | Nil |
| Sexual harassment | Nil | Nil | Nil | Nil |
| Discriminatory employment | Nil | Nil | Nil | Nil |

What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- a) Permanent Employees: 83%
- b) Permanent Women Employees: 90%
- c) Casual/Temporary/Contractual Employees: 96%
- d) Employees with Disabilities: 43%

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 marginalized stakeholders through multiple activities like Infrastructure Development at old age homes/day care, Donation of white sticks to blind people, Donation of Stitching machines to make the Ladies Self employed, Donation of blankets to adivasi hostel.

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 with all its suppliers through respective CEO's & an undertaking has been obtained.

Under GSCM initiative at suppliers & contractors training & 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.**

Targets taken in Sustainability Roadmap relate to energy conservation, GHG reduction and water conservation. These strategies and initiatives are also aligned to the National Action Plan on Climate Change. The strategies and new initiatives continue year on year. In the current reporting year, various initiatives on energy saving, water saving, waste reduction etc. were implemented. An indicative list in this regard is appended below.

Energy Savings:

- VFD for air compressor & motors to reduce electrical consumption.
- Auto shut off valves to press machines
- Energy efficient lighting system.
- Installation of Fanless cooling tower
- Heat recovery system for Sintering furnace.
- Modification in Mill design from Single tube to double tube for output increase.

Water Saving:

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

Waste Reduction:

- Gunny Bags used for water removal from press pit sludge
- Reduce paint sludge by technology up gradation
- Replacement of oil so that no need for cleaning

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.

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. 3.90% 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 like The Automotive Component Manufacturers Association of India (ACMA), The Confederation of Indian Industry (CII), Maharashtra 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 while harnessing the power of technology. By 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 and health related programs in local communities.

During the year under review, the company had chosen to seek help of Naandi Foundation to evaluate the projects proposed by the Company. On recommendation of Naandi Foundation the CSR committee of the company has approved the following CSR projects in the area of Education and Skill Development;

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

With the objective of improve the Employability Imbalance of Final year diploma students at BATU and better prepare these students for Jobs the Company approved and undertake this project under its CSR initiatives. The project will aim at improving Soft Skills, Communication & Presentation Skills, Interview Preparation and life skills of the Students. The implementation of above project is continuous and ongoing activity and the same is being done through the implementing partner Naandi Foundation.

ii. Pathway to excellence – BM Pawar High School, Biradwadi, 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 Biradwadi 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.

iii. Open Girls' Clubs under "Nanhi Kali++ Centers" -

Naandi Foundation and K. C. Mahindra Education Trust have introduced 'Project Nanhi Kali ++ Centers' with primary goal of 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 girls club under Nanhi Kali++ Centers.

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 F16 the following impact assessment studies were undertaken:

- (a) 3rd party pre-launch assessment of Project: Enhancing Employability Quotient - Skill Development Program" Nahi Kali by independent evaluators.
- (b) Project "Setting up two Girls Club under Nanhi Club ++" was launched based on versatile experience of K. C. Mahindra Education Trust, in running Nanhi Kali project.

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

The Company's contribution to community development projects amounts to ₹ 3.37 Million during the Calendar Year 2016. Details of some of the major initiatives the Company has invested in the financial year (CY16) are given in Point 1 above.

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 Company ensure that the CSR initiatives are successfully adopted by the community. The projects are implemented through renowned NGOs and they are responsible to conduct periodic assessment of the projects in order to ensure that targeted deliverables are achieved with maximum benefits to 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 CY-16 | | | | | |
|---|--|------|-------|--------|---------|
| Receiving Period | Total Complaints Registered in this period | Open | Close | Open % | Close % |
| CY16 | 286 | 10 | 276 | 3.50% | 96.50% |

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.