


From installing tractor engines in Jeeps during the oil crisis of the late 70s




to investing 1% of profit after tax on a continuing basis in communities.

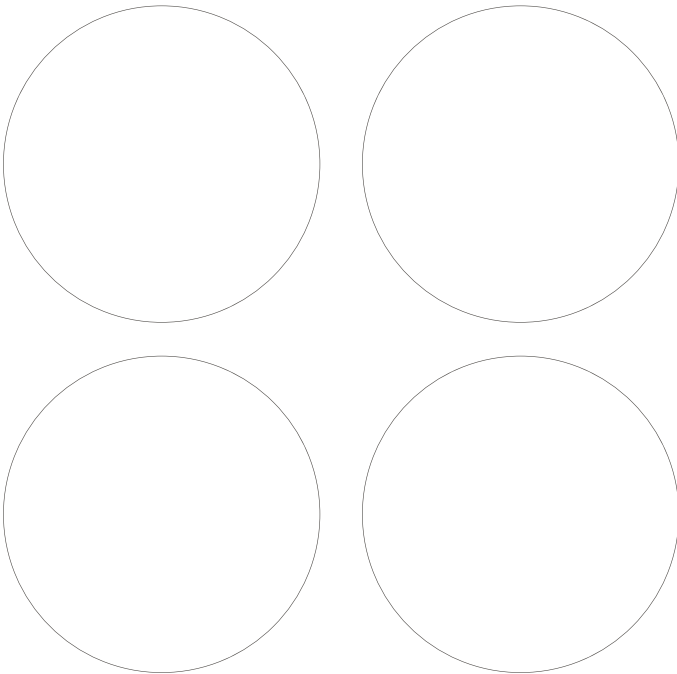


From setting up a Rs. 5000 crore green manufacturing plant



to adopting climate change as a key plank in our product and service platforms.





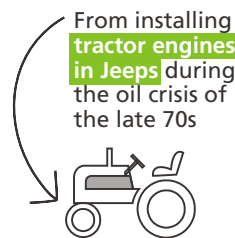
Our Sustainability Report 2009-10 is based on the internationally recognised Global Reporting Initiative (GRI) Sustainability Reporting G3 Guidelines (2006).

It has also been externally assured by Ernst & Young (India) Private Limited.

All figures in the report are current as of March 31st 2010.



where
ALTERNATIVE
is **NATIVE**



In a world where standard legacy approaches are fast leading to economic, social and environmental dead-ends, at Mahindra, Alternative Thinking is driving sustainability to the heart of business decisions. It is not only helping us cater to the exponentially rising societal and environmental demands, it is 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 has grown from strength to strength in Mahindra and rethinking the regular has become a regular.

Message from the Chairman

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 achieving business growth while being sensitive to the environment as well as communities in which we operate.

This year's report focuses on strategic initiatives taken at the business level as well as the unit level to achieve goals set in our Group sustainability review last year. The progress has been encouraging and we are on target to achieve all our commitments.

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, we are clear about one thing - if India wins, we win. Hence our strategies will primarily be towards societal prosperity and bridging the 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.



Keshub Mahindra
Chairman,
Mahindra & Mahindra Limited



Message from Vice Chairman & Managing Director

The year 2009-2010 has been yet another year of growth and diversification for the Mahindra Group, with positive results in the economic, social as well as the environmental performance. After 3 years, our triple bottom line reporting has become more robust and has moved from intention, to commitment to well established road maps.

Across the Group, sustainability as a concept has gained considerable momentum at the strategic, managerial and operational levels, which has enabled us this year to further widen the breadth and depth of our reporting. Over and above the report scope being enhanced 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 also carried out. To further enhance the quality of our report, an initiative to capture the environmental footprint of our products, processes and people was undertaken during the year.

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. This long term business view warrants investment in R&D as well as new technology.

Our new manufacturing plant at Chakan in Western India and our new research facility in Chennai in South India are manifestations of this philosophy.

With a committed phased investment of around 1 billion USD and a capacity to produce 300,000 vehicles, the Chakan 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 up gradation of fuel efficiency and alternative fuel technologies in all our future offerings.

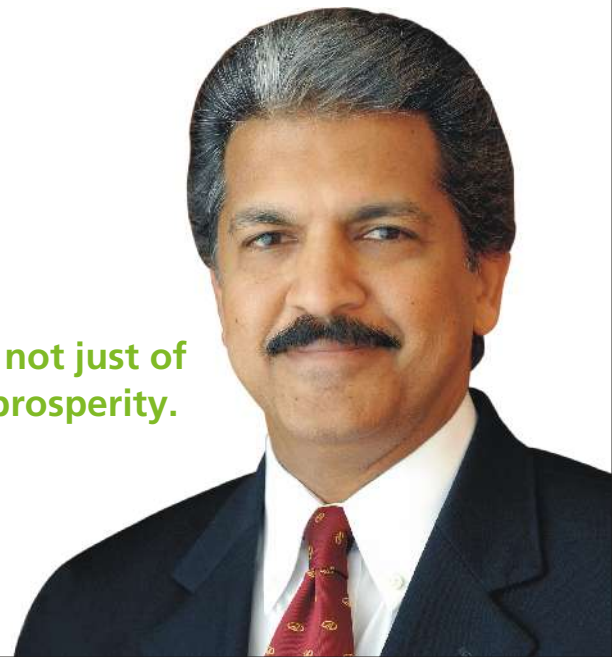
Our commitment to Society is integral to our corporate culture. Hence the structured support we offer in the areas of Education, Health and Green Cover by setting aside a portion of our profits, social commitment is also integrated in our business offerings. At Mahindra, two of our verticals have created business models with a direct linkage to societal development. With a vision of "Impacting lives and delivering 'Farm Tech Prosperity' to 10 million farmers by 2020" a unique business model has been created by our Farm Equipment Sector 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 a meaningful contribution to India's challenge of rural development.

I trust that this Sustainability Review, will provide information about our triple bottom line performance to the satisfaction of all our stakeholders.



Anand Mahindra
Vice Chairman & Managing Director,
Mahindra & Mahindra Limited
Chairman, Group Management Board

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.



Group Profile

Mahindra embarked on its business journey in 1945 by assembling the Willys Jeep in India and is today a USD 7.1 billion Indian multinational. It is a conglomerate of 105 companies in varied businesses and employs over 100,000 people across the globe.

Along with its dominance in various automobile and two wheeler segments, Mahindra recently entered the aeronautic space with 2 strategic acquisitions - Gippsland Aeronautics and Aerostaff Australia in FY 09-10. It also instituted Mahindra Cleantech Ventures to add renewable power to its business portfolio. Under its aegis Mahindra Solar will provide an entire portfolio of both on-grid and off-grid solar power solutions.

Our Indian Footprint

The Group is a full-range player with a presence in almost every segment of the automobile industry, from two-wheelers to CVs, UVs, SUVs and sedan. Also, Mahindra is the only Indian company among the top tractor brands in the world. It has a significant and growing presence in two wheeler manufacturing, financial services, IT, tourism, infrastructure development, retail, trade and logistics.

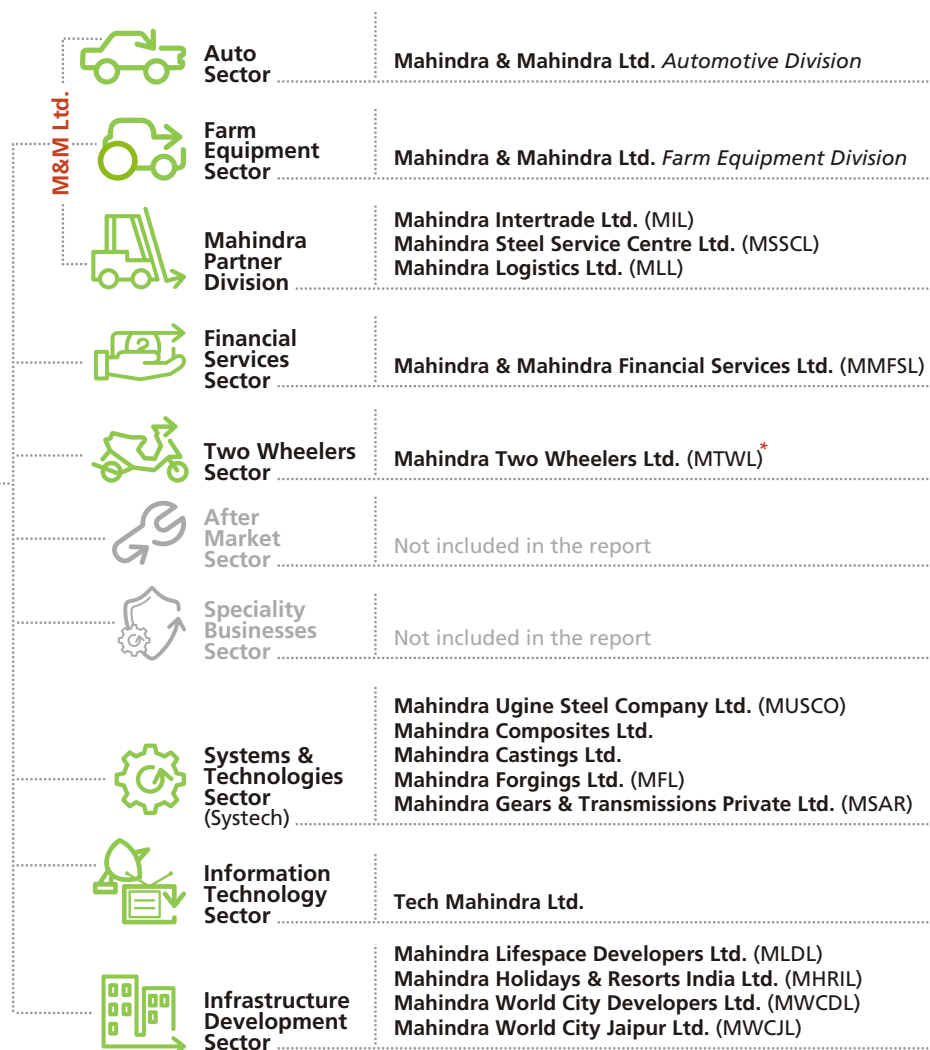
Our Global Footprint

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.



The **Mahindra** Group

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



*Company added in the scope this year

Sustainability and Mahindra

Businesses till date have been driven by profit maximisation. This pursuit to maximise consumption and minimise production costs has inflicted significant collateral damage to the environment and society at large. Slowly but surely the realisation has set in that it's time to 'deliver maximum value at minimal environmental, social and economic cost'.

As a progressive Business Group in step with changing times, Mahindra is strategically integrating sustainability in all businesses and making it intrinsic to our decision-making process.

The trends seen so far from our initiatives to improve our triple bottom line performances, makes us 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.

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 to achieve 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 this three year timeline and the progress charted out on all the goals has been very encouraging and Mahindra is on-target to achieve almost all of them.



Commitments	Target for 2011-12	Progress
Reduction in energy consumption	2%	Various initiatives were undertaken by Auto Sector, Farm Equipment Sector, Mahindra Holidays, Mahindra Lifespaces, Systech, Tech Mahindra and Mahindra 2 Wheelers. 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 2% energy and water consumption. Efforts of Auto Sector and Farm Equipment Sector were even recognised by external institutes through various awards for energy and water conservation.
Reduction in resource consumption (Paper/water/waste)	2%	
Green IT & Green Procurement policy	Draft / release & implement	Auto Sector / Farm Equipment Sector / Mahindra Holidays / and Mahindra Finance have adopted Green IT policies. Auto Sector & Farm Equipment Sector 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.
Certifications (ISO / OHSAS / GRIHA / ECOTEL etc.)	10	During the current year itself, 3 Systech plants, Mahindra Intertrade, Kanhe and Tech Mahindra between themselves have already accounted for 9 new certifications. With Mahindra Holidays, Mahindra Lifespaces, the balance Systech plants & Mahindra 2 Wheelers also having commenced work on certifications, this target will be more than adequately met.
Sustainability awareness to significant stakeholders	50%	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.
Reduction in GHG / CO₂ emissions	2%	During the year Mahindra undertook a groupwide exercise to determine the corporate carbon footprint. This included both estimation for new sectors and update on the sectors that had previously established their baselines. This baselining will aid in monitoring the progress for achieving these targets.
Enhance employee engagement in Esops	10% year on year	Regular interactions were carried out with the CSR team to review and recommend various initiatives to ensure that the target is met/exceeded.

Stakeholder Engagement

Mahindra has created structured platforms to identify and interact with our stakeholders at regular intervals 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 interactions are all meticulously documented and then vetted by the top management of respective sectors to formulate future business directions, plan initiatives and prioritise actions.

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

Below is a glimpse of such engagement initiatives undertaken by three of our businesses:

Key stakeholders identified for the Mahindra Group include

- Employees ● Customers
- Regulatory Authorities
- Suppliers ● Dealers
- Community
- Shareholders / Investors



IT Sector Tech Mahindra

A vibrant drive was undertaken whereby various events were organized to educate employees as well as neighbouring communities, build awareness and celebrate events related to sustainability:

- Pedal 2 Preserve (P2P) - Green Friday
- Walkathon and Cycle Rally
- Green Marshals
- Interactive Corporate Sustainability Website
- Recycling Employee Mobiles
- On-line Sustainability Test



Infrastructure Development Sector Mahindra Holidays

- A 'Say No to Plastics' drive was initiated by Munnar resort and was soon replicated by the resorts at Thekkady and Ashtamudi
- In-house capacity building workshops and seminars on sustainability
- Celebration of special events
- Awareness drives across schools, Govt. agencies and neighbouring communities



Farm Equipment Sector Mahindra & Mahindra

Various initiatives were organised to actively engage suppliers, customers, employees and their families:

- Sustainability Meet
- Swasth Chalak Swasth Tractor (SCST) Camp for Farmers
- Mahindra Yellow Belt Business Partners Training programs for suppliers to further enhance quality of components supplied as also to share the best practices followed at Mahindra
- Aadhar - Counselling sessions for employees and their families.
- Kisan No.1 - a pioneering customer centric initiative for the farming community
- Enhancing Employee Satisfaction programmes



Profit

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%. Mahindra registered a staggering 46.3% growth in sales of vehicles. 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 Group's gross revenues and other income for the year ended 31st March 2010 grew by 16.6% to INR 337,901 million (USD 7.1 billion) from INR 289,920 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 24,786 million (USD 521.7 million) as compared to INR 14,054 million (USD 295.8 million) in the previous year - translating into a record growth of 76.4%.



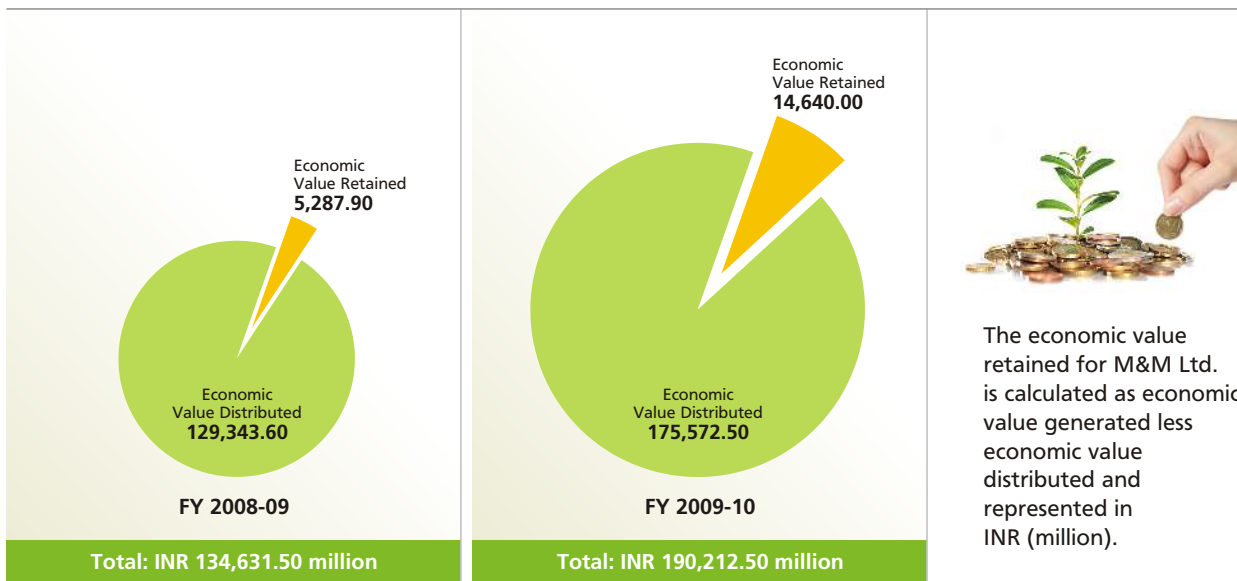
- Gross revenues**
grew by **16.6%** to INR 337901 million from INR 289920 million

- Domestic MUV sales**
grew by **39.4%**

- Vehicle sales**
grew by **46.3%**

- Tractor exports**
grew by **27.5%**

Direct Economic Value Generated (revenues) INR million



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

R&D Spend in INR million

FY 2008-09	5,156.50	FY 2009-10	6,648.60
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*For M&M only

Corporate Governance

At Mahindra, good governance goes beyond just accountability and transparency. It allows us to recognize and act to fulfil our environmental and social responsibilities 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 Mahindra's corporate governance systems and practices.

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



Product Responsibility

Today, the impact of products on the environment and society are high on the agenda of customers and governments across the world. The Government's response to addressing climate change will very likely result in a tax structure that would incentivise products and services that don't cost the planet and penalize the ones that do. The message is clear; companies need to develop products that propel sustainable growth.

At Mahindra, across sectors, we view our products through the triple bottom line prism. 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 of various Mahindra Group sectors.



Through design and innovation Mahindra simultaneously improves performance and address the environmental and social impacts of our products.



Mahindra Lifespaces' Aqualily, New Chennai - an IGBC Gold Rated pre-certified green building



Empowering farmers through Mahindra Samridhi

Environmental Impacts

- ❁ Mahindra has re-launched Bolero Pickup, Bolero Maxx Maxi Pickup, Champion three wheeler with superior technologies that reduce CO₂ emissions, to meet Bharat Stage IV emission norms.
- ❁ Mahindra 2 Wheeler's R&D team has successfully tested improvements in fuel consumption and emission on Flyte and Rodeo vehicles. Further work is underway to implement the same.
- ❁ Mahindra Lifespaces has applied for pre-certification for Green Residential building rating for its projects. Presently, Mahindra Splendour (Mumbai), Mahindra Royale (Pune) and 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.
- ❁ Mahindra has chalked out a strategic plan to comply with European Union Directive 2005/64/EC, for addressing the end of life disposal of vehicles.



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

Health and Safety Impacts

Automotive and Farm Equipment divisions closely monitor compliance with applicable Indian regulations. 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.



Mahindra 2 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.



Systech companies have bespoke approaches to health and safety:

Mahindra UGINE Steel Plant is EMS ISO 14001:2004 certified and in the continual improvement cycle.

Mahindra Composites conducts Computer Aided Engineering (CAE) analysis to determine the break point of their product.

Mahindra Castings follows directives on the restriction of hazardous substances and on the use of compounds that are considered toxic.



All residential and commercial projects of Mahindra Lifespaces are designed, and developed as per the National Building Code (NBC), Government of India and relevant IS codes, to ensure complete health and safety for the end users. All 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 health and safety impacts.



Social Impacts

Mahindra Finance provides personalized finance for the widest range of utility vehicles, tractors and cars, to over 1,000,000 customers, in the rural and semi-urban sectors, who are at the bottom of the income or social pyramids. Currently the monetary value of our products and services for social welfare is INR 891,536.

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, Gio with car-like interiors and an attractive price point. This launch has been clubbed by offering attractive finance schemes.

Farm Equipment Sector Samriddhi initiative offers farmers a wide range of agri-related services under one roof. The sector has also launched Yuvraj 215, a 15 HP tractor at an unbeatable price for small and marginal farmers who are still forced to rely on manual labour and

bullocks to till the land. This product developed for the customers at bottom of pyramid serves as contribution towards inclusive growth in the country

Mahindra Holidays is truly 'changing the way India holidays'. It encourages the vacationers to live with local people thereby bringing income streams in rural communities.

Mahindra Finance is designing its product offerings focussed on the betterment of Rural India. Be it farm equipment financing, vehicle financing for small entrepreneurs, as well as those aspiring to be fleet owners.

Over
1,000,000
 loans are offered to
 customers who are
 at the bottom of the
 social pyramid



ADVANCED TECHNOLOGY FOR ENERGY EFFICIENCY

POWER



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

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 seems more bleak than bright.



alternative POWER



Lighting accounts for 20% of all electrical energy usage, and millions of energy-efficient bulbs in use can add up to a significant conservation of electricity.

At Mahindra, team Hinoday set a shining example by switching to smarter lighting technology.



MAGNET MAGIC LAMP



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

These maintenance-free lamps are ideal for industrial lighting, outdoor flood lighting, street lighting and tunnel lighting among others.

ADVANTAGES

- Long life span due to lack of electrodes
- Very high energy conversion efficiency
- Increased power factor
- Minimal lumen depreciation
- "Instant-on" and hot re-strike, unlike other commercial / industrial lighting applications
- Environment friendly as induction lamps use less energy, and due to their long life span, generally use less mercury per hour of operation than conventional lighting.

BRIGHT SAVINGS

At the Ferrite Core Group (FCG) shop floor, these magnetic induction lamps, recorded a saving of INR 10,300 per month which translated into a 16 month payback period for differential costs. Considering replacement cost over a lifetime of 50,000 hours, the saving per 50,000 hours shot up to INR 5,13,000 and the payback period plummeted to only one month.



FCG SHOP - Before

250 W MHL + HPS



FCG SHOP - After

150 W MML

Planet

At Mahindra, environment responsibility forms the foundation of our sustainability road map. Like previous year, this year too we enhanced the breadth and depth of our environment management system. To attain a higher degree of transparency and accelerate improvement through sharper and pin-pointable accountability, we enhanced our reporting formats to add unprecedented depth and detail.

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



Over and above critical review of scope 1 and scope 2 emissions, Mahindra also commenced assessment and reporting of scope 3 emissions.



A detailed carbon footprinting exercise of the entire group was undertaken to zero in on carbon intensive processes that offer significant reduction potential.

Environmental Performance

This year production levels rose significantly across sectors which in turn led to an increase in the absolute value of many environmental indicators, however, per unit consumption for most indicators have shown a positive trend.



Ozone Depleting Substances

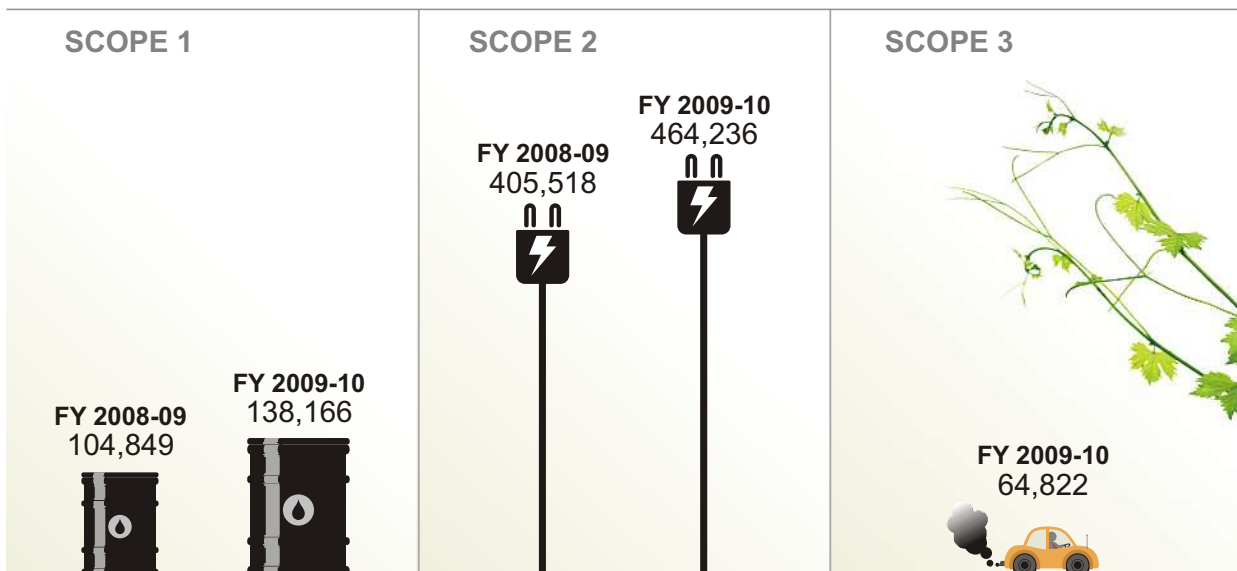
The ODS consumption during 2009 -10 was 10.87 tonnes while the Non ODS consumption was 68.19 tonnes.



Greenhouse Gas Emissions

In the reporting year, the increase in absolute GHG emissions as compared to the previous year was due to increase in production/services and inclusion of Mahindra 2 Wheelers.

Absolute GHG Emissions (tCO₂e)



However, during the year under review, we initiated a carbon footprint exercise for Scope I, II & III emissions. For this purpose, we have used GHG protocol (WRI/WBCSD guidelines) to calculate the carbon footprint. 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, by products, and catalytic reactions and Waste & its disposal) have been considered. During this year, an increase in scope 1 emissions has been observed due to the changed calculation approach. Scope 2 emissions are indirect GHG emissions from consumption of purchased electricity, heat or steam. Other indirect emissions that result from inbound & outbound logistics, daily commuting, air travel and paper consumption are termed as Scope 3 emissions.

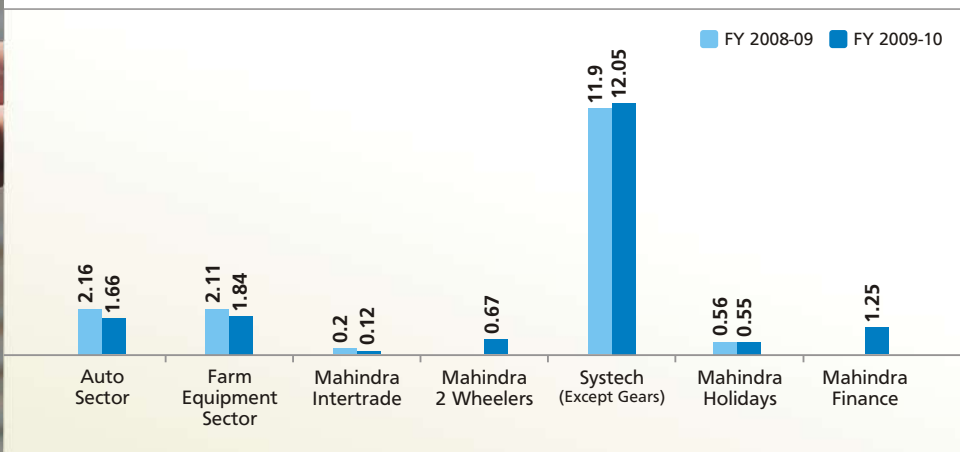
Water Consumption → 5,875,010 m³



Three organisations Mahindra 2 Wheelers, Tech Mahindra and Mahindra Finance, were added to the scope this year. For the comparable scope, the total absolute water consumption increased by 15% from 4,921,023 m³ in FY 2008-09 to 5,644,711 m³ in FY 2009-10. Significant portion of the increase is due to enhanced production during the year in sectors such as Systech, Mahindra Holidays, Mahindra Lifespaces.



Specific Water Consumption (Cubic Meter / Unit Production)



*UNIT PRODUCTION: Auto Sector - Per equivalent number of vehicles manufactured; Farm Equipment Sector - Per equivalent number of tractors manufactured; Mahindra Intertrade - Tonnes of production; Mahindra 2 Wheelers - Per equivalent number of vehicles manufactured; Systech (except Gears) - Tonnes of production; Mahindra Holidays - Room nights booked; Mahindra Finance - Loan disbursement; The specific water consumption of Mahindra World City, Mahindra Logistics, Tech Mahindra, Mahindra Lifespaces are not available since we are in the process of standardization of the denominators for these sectors. The water consumption data of Mahindra Finance was not available for the year 2008-09.

Waste

Enhanced production has resulted in a corresponding increase in the generation of waste. From this year Mahindra has enhanced our breadth of measurement and included cartridges, tyres and drums. The sectors like Mahindra Logistics, Mahindra Finance and Mahindra Lifespaces have improved the monitoring mechanism and data collection. (For a detailed break-up, please view our full report)



Mahindra is committed to reduce waste at source and increase recycling.

Hazardous	FY 2008-09	FY 2009-10
Solid	3,177 tonnes	8,194 tonnes
Liquid	2,461 kilolitres	572 kilolitres

Non-hazardous	FY 2008-09	FY 2009-10
Solid	100,803 tonnes	101,575 tonnes
Liquid	24 kilolitres	34 kilolitres

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.

An environment management system with a robust mechanism is in place to integrate safety into all operations of Mahindra and avoid spills. This year too there were no significant spills.



Initiatives undertaken by various sectors towards waste management and reduction



Auto Sector and Farm Equipment Sector

Recycling of hazardous waste (paint sludge) and converting it to paint primer for use in various products.

Auto Sector, Nashik

Adoption of 3R (Reuse, Reduce, Recycle) Waste Management concept, which included a series of initiatives that reduced cotton waste by 45% and hazardous waste by 28%.

Mahindra Logistics

Replacing wooden pallets used for transport packaging with reusable steel pallets.

Tech Mahindra

- Various initiatives towards the collection, transport, processing, recycling or disposal, and monitoring of waste materials
- Encouraging the employees to reduce waste.

Mahindra Castings

Reduction and reuse of slurry during settling process, wherein the slurry waste reduced from 8 tonnes / month to 0.5 tonnes / month.

Energy Savings

With fossil fuels becoming increasingly limited in supply and susceptible to price fluctuations, at Mahindra, we have adopted a two pronged strategy. Primarily enhance energy efficiency through innovative product design and process optimisation, to 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 share of renewables.

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.

Energy savings
39,749 GJ
during the reporting year



Reductions in total specific energy consumption



Auto Sector 7.13%	Systech (Gears) 6.99%
Mahindra Holidays 25.53%	Mahindra Finance 50.08%
Farm Equipment Sector 2.23%	

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.

GREEN INITIATIVES AT CHAKAN PLANT

At Mahindra, our collective vision is to ensure a future which is greener, cleaner, sustainable and profitable. To actualize this vision, we have set up a state-of-the-art green manufacturing facility at Chakan, near Pune, with a committed phased investment of Rs. 5000 crore.

A total of 140 different small and large initiatives have been deployed which are estimated to reduce CO₂ emissions, power and fuel consumption as follows:

	FY 2010	FY 2011	FY 2012
Power saving	200 Mwhr	3300 Mwhr	7000 Mwhr
Fuel saving	20 Tons	330 Tons	700 Tons
CO ₂ emission reduction	220 Tons	3590 Tons	7600 Tons

"This will be amongst the most eco-friendly auto plants in the world."

Mr. Anand Mahindra
Vice Chairman & CEO,
Mahindra & Mahindra Limited



Right from ground breaking to the final commissioning, a wide array of sustainable practices have been deployed at the Chakan plant.



Land Grading

Land grading saved the requirement of rubble and murrum which in turn saved fuel and cost of transportation.



Waste Heat Recovery

Use of heat recovery system in paint shop to save energy.



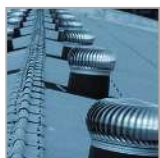
Top Soil Conservation

The top soil generated in grading was stored and used for landscaping subsequently.



Renewable Energy

Installation of 70 solar dishes to cut CO₂ emissions by 3,500 tonnes a year.



Natural Turbine Ventilation

This ventilation will save energy and reduce CO₂ emissions.



Efficient Compressed Air System

Use of Heat of Compression (HOC) dryers in place of refrigerant dryers and centrifugal compressors with HT motors.



Energy Efficient Motors

Motors with variable frequency drive to save energy and reduce CO₂ emissions.



Energy Efficient Cooling Water System

Use of closed loop cooling tower with heat exchanger and fan-less cooling towers in utility.



Energy Efficient Lighting

Use of low voltage transformers and roof light strips to save energy and reduce CO₂ emissions.



Zero Discharge

Recycling of waste water through reverse osmosis and multiple effect evaporation to ensure zero discharge.



Energy Efficient Pumping System

Installation of hydro pneumatic system with variable frequency drive for water supply pumps to maintain water supply pressure and reduce power consumption.

TRANSFORMING A SEMI-ARID REGION INTO A GREEN BELT

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 rainforest the size of a football field is moved down, that's 86,400 football fields of rainforest per day.



alternative GREENFIELD



The greener we keep the earth, the 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. The Auto Sector Zaheerabad plant which spearheaded this initiative is reaping rich rewards.



GREEN BELT IN ZAHEERABAD

Auto Sector, Zaheerabad came up with a comprehensive, 10-year water management master plan involving watershed planning, rainwater harvesting, ground water recharge and large-scale tree plantation. Work began in right earnest that year itself with constant monitoring. Over a period of time, due to the recharge efforts the ground water table rose by 220 feet and ground water is now available in open wells also.

KEY IMPACTS

- Plant production has gone up from 6,000 in FY 2000 to 49,743 in FY 2010.
- Abundant and perennial water supply in the plant and colony
- Consistent increase in the average rainfall
- Financial Benefits
- Consistent improvement in ground water level from -450 feet in 2000 to -200 in 2009
- 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



FY 2009-10	Revenue generation from fruit bearing plants	Savings due to usage of ground water	Savings from usage of waste water for gardening	Total Savings
	2.25	102	19.10	123.35

Figures in INR Lac

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.

REFURBISHMENT OF WATER RESERVOIR AT WAGHOLI

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.



WAGHOLI RESERVOIR REVIVED

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 Bandhara (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 lac.

This reservoir can now store water to the tune of 16,000 KL and supports 3,000 people dwelling in two adjoining villages of Wagholi.



People

Our Communities

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 54,364 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 bequeathal of poverty, banish gender stereotyping and eradicate social evils.

This year we reached a step closer to our goal of sponsoring 1,00,000 girls, we continued to support the education of 11,000 underprivileged girls through the Nanhi Kali project.



LIFELINE EXPRESS

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 offers free of cost medical and surgical interventions to the disabled in remote areas

Drawing from the experience of conducting two successful Lifeline Express stopovers at Rudrapur and Assam, the CSR Council decided to take the Lifeline Express to an another remote region - Wardha, Maharashtra. Here, total No. of surgeries & aids provided were 1,434



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.

A 100% placement has been witnessed among the students who participate in the placement process. The average salary ranges between INR 4,500/- per month to INR 15,000/- per month and the highest salary so far has been INR 18,000/- per month.



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.

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.

At Mahindra, 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.



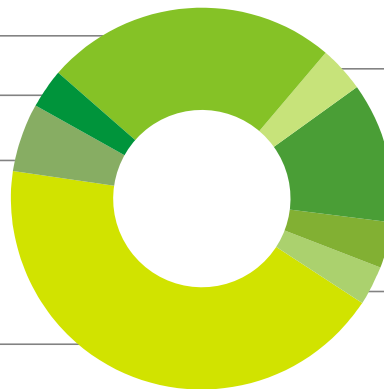
Total Investment INR 230.53 million

Sports | **56.77**

Others | **7.66**

Health | **13.76**

KCMET | **98.97**



Theatre | **8.98**

Education | **27.88**

Social | **8.99**

Environment | **7.52**

Our Employees

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.



Developing Leadership

Various global programs are conducted round the year through partnerships with world-class business schools and institutes such as University of Michigan - Ross School of Business, Harvard Business Publishing, etc.

Talent Management

Talent Management is one of the material issues for Mahindra. Hence, an efficient 'Integrated Talent Development Process' is in place to attract, nurture, revitalise and retain some of the finest talent from across the globe.

Workmen Training

For developing personal, interpersonal and technical skills of the workmen, various training programs were organised on topics like positive attitude, stress management, team effectiveness, safety and environment, quality tools, etc.



The 'HR Best Practice Award' was instituted this year to encourage HR best practices.

Mahindra Esops in Action

Through our Esops (Employee Social Options) program many a Mahindra employee are focussing their energy on endeavours that make a difference. In FY 2008-09, Esops volunteers from across various sectors of Mahindra undertook a series of social activities in the areas of health, education and environment.

A few of such activities are:



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 Auto Sector, 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, Mahindra Holidays' 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.



DIABETES AND OBESITY DETECTION CAMP

Mahindra UGINE, 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, 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.

WORKMEN INVOLVEMENT IN IMPROVEMENT PROJECTS THROUGH I⁴ TEAMS

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 we therefore encourage 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.



I⁴ TEAMS
Ingenious • Ideas • Incubation • Implementation

Auto Sector rolled out 'Ingenious Drive' in 2004 to further enhance its customer centricity. 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 the immense potential of its workmen and to increase the employee involvement in improving the plant performance, improvement teams were formed and christened as "i⁴ teams". Today, all workmen across the Auto Sector are members of i⁴ teams.

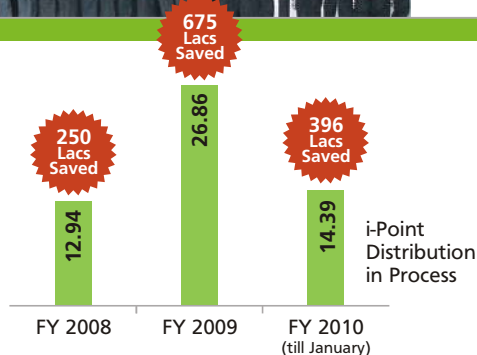


The ideas generated revolve around efforts to:

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

RESULTS

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



i-Point Distribution in Process

PROVIDING AFFORDABLE, VALUE-ADDED SERVICES TO FARMERS UNDER ONE ROOF

PROSPERITY

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

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 and 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 initiative for breeding prosperity in rural India, which is home to 2/3rd of the nation's population.



Through 'Mahindra Samriddhi' initiative, we aim to increase farm productivity and enhance 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 hinterlands 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 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. This initiative of ours is in alignment with the UN Millennium Development Goal to "End Poverty and Hunger".

Key Impacts of Samriddhi

96% farmers experienced more than 10% increase in productivity	Highest Productivity recorded: Cotton 52% • Rice 42%		Average productivity increase 15 - 18%		
					
	Farmers Impacted	Upto March, '08 2,124	April, '08 to March, '09 10,800	April, '09 to March, '10 26,132	April, '10 to June, '10 11,383

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



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