ANNEXURE II TO THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

Business Responsibility Report for the year 2017-18

(Pursuant to Regulation 34(2) (f) of 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	:	L65921MH1991PLC059642	
2.	Name of the Company	:	Mahindra & Mahindra Financial Services Limited	
3.	Registered address	:	Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India.	
4.	Website	:	**http://www.mahindrafinance.com**	
5.	E-mail	:	investorhelpline_mmfsl@mahindra.com	
6.	Financial Year reported	:	1st April, 2017 to 31st March, 2018	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	**Description of the main products/services**	**NIC code for the product or service**
			Asset Financing	64990
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	**1) Vehicle/Tractor Financing** **2) Small and Medium-sized Enterprises (SME) Financing** **3) Investments and Advisory**	
9.	Total number of locations where business activity is undertaken by the Company	:	**i. Number of International Locations (Provide details of major 5)**	**ii. Number of National Locations**
			The Company has presence in India and also operates through its Joint Venture (JV) company Mahindra Finance USA LLC in United States.	1,284 offices as on 31st March, 2018.
10.	Markets served by the Company – Local/State/ National/International	:	The Company serves Local/State and National Level markets with focus on rural and semi-urban areas of India.	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	:	12,289.54 Lakhs
2.	Total Turnover (INR)	:	7,20,612.23 Lakhs
3.	Total profit after taxes (INR)	:	89,188.43 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	INR 2,715.79 Lakhs 2.00 % of average Net Profit for last three Financial Years
5.	List of activities in which expenditure in 4 above has been incurred	:	◊ **Ambulance Donation:** Promoting access to healthcare for marginalised populations by providing ambulances. ◊ **Jeevandan:** Organizing Blood Donation Camps with the help of employees across India. ◊ **Sehat:** Promoting access to healthcare for marginalised populations by: 1. Improving health conditions and medical facilities by providing medical equipment. 2. Establishment and maintenance of Day Care Centers for Thalassemia. 3. Providing nutritional supplementation to anemic women, adolescents and malnourished children. 4. Supporting Lifeline Express to provide on-the-spot diagnostic, surgical and other medical services to poor families in rural areas. 5. Conducting various medical camps for general health and providing medical aid. 6. Promoting awareness about hygiene and sanitation in the communities. 7. Disaster relief work.

	◊ **Swachh Bharat:** Supporting Prime Minister's clean India campaign by spreading awareness about Swachh Bharat Abhiyan.
	◊ **Gyandeep:** Assisting education of under privileged community by providing quality education, uniforms, notebooks, textbooks, laptops, necessary infrastructure and facilities to educational and other institutions, etc.
	◊ **Hunnar:** Imparting vocational skills such as:
	1. Driving skills training for women to employ them as drivers for the sustainable livelihood.
	2. Vocational Training for unemployed rural youth in financial skills to make them employable.
	3. Multiple sector skills to Persons With Disability to employ them in sectors such as Retail, Hospitality and ITES.
	◊ **Mahindra Finance Scholarship:** Scholarship for Graduate & Undergraduate needy students from rural areas.
	◊ **Mahindra Pride School:** Providing 3 months intensive training in ITES, Retail and Hospitality to socially & economically disadvantaged youth thus enabling them to get lucrative jobs.
	◊ **Nanhi Kali:** Supporting education of marginalised girls.
	◊ **Samantar:** Providing financial support to maintain old age homes, orphanages, homes for the differently abled and providing educational aid to orphans and differently abled.
	◊ **Hariyali:** Increasing green cover in the country by planting trees in multiple locations across India and supporting Environmental conservation & restoration projects.
	◊ **Culture:** Preservation and promotion of fine arts & culture.
	◊ CSR Administrative Expenses.

SECTION C: OTHER DETAILS

1.	**Does the Company have any Subsidiary Company/ Companies?**	Yes, the Company has four Subsidiary Companies as on 31st March, 2018.
		1) Mahindra Insurance Brokers Limited
		2) Mahindra Rural Housing Finance Limited
		3) Mahindra Asset Management Company Private Limited
		4) Mahindra Trustee Company Private Limited
2.	**Do the Subsidiary Company/ Companies participate in the Business Responsibility (BR) Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)**	Yes, three Subsidiary Companies viz. Mahindra Insurance Brokers Limited (MIBL), Mahindra Rural Housing Finance Limited (MRHFL) and Mahindra Asset Management Company Private Limited (MAMCPL) participate in the Company's BR initiatives and are also included in the scope of the Mahindra Group - Financial Services Sector's (FSS) next Sustainability Report. The FSS Sustainability Reports of last 5 years are available on the Company's website at: http://www.mahindrafinance.com/sustainability.aspx. Also the different sustainability related policies and interventions are deployed and driven across in Financial Services Sector covering all the subsidiary companies during the F.Y. 2017-18.
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%]**	Yes, the Company has developed a long lasting relationship with Dealers of Original Equipment Manufacturers (OEMs). The Company has a Dealers' Council and organizes regular Dealer meets. As part of these engagement activities with dealers we highlight our business practices and process which are in line with the governing framework and we also align with dealers on our core business focus i.e. enabling people to earn livelihood and creating positive social impact.
		On Supplier's front the Company has service providers and vendors that provide services and products required for business operations. The Company has various sustainability focused programs that expand the reach of environmental and social responsibility to our suppliers. The Company also encourages and appreciates its suppliers which adopt sustainability focused practices and share them.
		Since the business reach is widespread across the country, the number of dealers and suppliers the Company engages and works with, is considerably high. Currently the coverage of the dealers and suppliers covered under the sustainability program is less than 30%. In the new Sustainability Roadmap of the Company, increasing the coverage of dealers and suppliers is taken up as one of the focus areas.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

Director Identification Number (DIN)	Name	Designation
00220759	Mr. Ramesh Iyer	Vice-Chairman & Managing Director, President - Financial Services Sector & Member of the Group Executive Board.

b) Details of the BR Head

S.No.	Particulars	Details
1.	DIN (if applicable)	N.A.
2.	Name	Mr. Vinay Deshpande
3.	Designation	Chief People Officer
4.	Telephone Number	+91 22 66526000
5.	E-mail id	deshpande.vinay@mahindra.com

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

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), duly approved by Board, is in place. This policy is operationalised and supported by various other policies, guidelines and manuals.

The 9 principles outlined in the National Voluntary Guidelines are as follows:

PRINCIPLE 1
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

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

PRINCIPLE 3
Businesses should promote the wellbeing of all employees.

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

PRINCIPLE 5
Businesses should respect and promote human rights.

PRINCIPLE 6
Businesses should respect, protect and make efforts to restore the environment.

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

PRINCIPLE 8
Businesses should support inclusive growth and equitable development.

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

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

Sl.No.	Questions	Ethics, Transparency and Accountability P1	Product Life Cycle* P2	Employee Wellbeing P3	Stakeholder Engagement P4	Human Rights P5	Environment* P6	Public and Regulatory Policy P7	Inclusive Growth P8	Customers and Consumers P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/ international standards? If yes, specify?	Y	N.A.	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y[2]	Y[2]	Y[2]	Y[2]	Y[2]	Y[2]	Y[2]	Y[2]	Y[2]
8	Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	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	N.A.	Y	Y	Y	Y	N.A.	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y[3]	Y[3]	Y[3]	Y[3]	Y[3]	Y[3]	Y[3]	Y[3]	Y[3]

*Considering the nature of the Company's business, this principle has limited applicability to our service offering and financial products.

Notes:

Y – Yes, the Company has relevant policies and systems in place with respect to the principles and the related questions as per the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibility of Business.

Y[1] – The Company's Business Responsibility Policy, The Code of Conduct for Directors, Code of Conduct for Senior Management and Employees, Fair Practices Code, Internal Guidelines on Corporate Governance, Corporate Social Responsibility Policy, Sustainability Policy, Whistle Blower Policy are available on the Company's website at the following links:

- http://www.mahindrafinance.com/pdf/MMFSL_BusinessResponsibilityPolicy_Signed.pdf
- http://www.mahindrafinance.com/pdf/COC_Directors.pdf
- http://www.mahindrafinance.com/pdf/Code_for_Independent_Directors.pdf
- http://www.mahindrafinance.com/pdf/CorpGov_Mgmt_Emp.pdf
- http://www.mahindrafinance.com/fair-practice-code.aspx
- http://www.mahindrafinance.com/pdf/Internal_Guidelines_on_CG_MMFSL.PDF
- http://www.mahindrafinance.com/pdf/CSR-Policy.pdf
- http://www.mahindrafinance.com/pdf/sustainability_policy_financial_service_sector.pdf
- http://www.mahindrafinance.com/pdf/MMFSL_VigilMechanism.pdf

Other Policies with respect to the principles of NVGs like Human Rights Policy, Policy for Disposal of IT Assets, Loan Credit Policy, Quality Policy, Policy on Insider Trading, etc., are uploaded on the Company's intranet portal for the information and implementation by internal stakeholders.

Y^2 – Communication of Business Responsibility Policy and other Policies with respect to principles of NVGs has been shared and circulated to relevant stakeholders.

Y^3 – While the Company has not carried out independent audit of the policies; there is a limited assurance by an independent third party (assurance provider) for the Company's Sustainability Report. The execution of the policies is through processes and systems, which are regularly reviewed and considered for improvements.

(b) If answer to the question at serial number 1 (in table of 2.a) against any principle, is 'No', please explain why: (Tick up to 2 options) : Not Applicable

3. GOVERNANCE RELATED TO BR

1.	**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**	Within 3 months
2.	**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 annually publishes the Sustainability Report based on Global Reporting Initiative's (GRI – G4) Guidelines. In the reporting year, the Company released its 5th Sustainability Report for F.Y. 2016-17 with the theme 'Towards Value Creation' based on the GRI – G4 Guidelines which highlights its endeavours towards creating a better future. The Sustainability Report for F.Y. 2016-17 can be accessed at the web-link – **http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf**

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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 defined a Code of Conduct to deter wrongdoings and to promote ethical practices. Yes, the Code extends to all dealings with suppliers, customers and other business partners. The Board has established two detailed sets of code of conduct, one for Board of Directors and other for senior management and employees. The Code of Conduct for Senior Management and Employees forms an integral part of the induction of new employees.

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

During the reporting year, 26 complaints were received from the Shareholders, all of which were attended to/resolved till date.

The Company also received 35 complaints from its Debenture holders and 9 complaints from Fixed Deposit holders and all the complaints stand resolved at the end of the financial year. Your Company is firmly focused in offering the best services to all its stakeholders and constantly endeavours to identify and address any area of concern and redress any grievance/complaint that may arise, on priority.

Principle 2

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 working on building an inclusive organization by engaging with stakeholders and creating value in the eco-system it operates in. The Company's business focusses on the key necessities of people and enable them to earn their livelihood through financial products offered by it. The Company also helps people build their homes through MRHFL's home loan services, secure their life and assets by insurance solutions of MIBL and provide investment options by MAMCPL. Sustainability has always been a key success factor for the ambit of company's businesses. Through its wide network of branches with locally trained employees, large customer base, vast experience and market knowledge, the Company is providing financial resources to underserviced regions of the country and building livelihood for such sections of the population, who are aspiring for a better living in the villages.

   The Company's product portfolio covers:

a) **Vehicle loans:** Utility vehicles, tractors, cars, two-wheelers, three-wheelers, commercial vehicles and construction equipment and refinance for used cars.

b) **SME loans:** Equipment Financing, Project Financing and Working Capital Finance.

c) **Investments and Advisory:** The Company helps customers by providing investment advisory services and a wide range of investment products.

   The Company has presence in over 3.5 lakhs villages and undertakes periodic surveys to understand its customers better. These customers are largely ignored by the conventional banking system, or they are located in under-banked locations. The Company's customers come from various walks of life, such as small traders, neo-entrepreneurs, teachers, drivers and farmers. Around 80% of the Company's customers belong to the lower-income category and are at the bottom of the income and social pyramid.

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

   The Company operates in financial services sector, therefore this aspect doesn't relate to the nature of its business. However, the Company extensively monitors its energy consumption, GHG emissions and waste generation as a part of its sustainability roadmap.

   The steps taken on conservation of energy covers use of LED lights in new branches and also retrofication to LED lights in Regional Offices. Also, the Company has taken initiative on use of environment friendly gas in Air Conditioners during the year.

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.**

   The Company's major suppliers are small scale vendors and service providers. The Company's nature of business does not present opportunities for sustainable sourcing aspect in a holistic way. However, the Company focuses on engaging with local suppliers and giving them preference which helps them in generating and sustaining their business. Also, the Company encourages its suppliers and vendors to adopt sustainable practices.

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

   One of the important factors while selecting suppliers of the Company is proximity to locations where it operates. Since the Company has a pan-India presence and operates across various locations in rural India, it is important to build strong partnerships with the local suppliers.

   In the last reporting year, 100% of the Company's supplies were met through local vendors and service providers. The same is also covered as one of the sustainability performance indicators at Page Nos. 9 & 18 in the Company's last Sustainability Report available at the web-link: http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf

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

As a part of Company's continued engagement with local suppliers and through its emphasis on factors like quality, delivery time, etc., service levels of the suppliers have improved. Also, the Company encourages its suppliers to adopt sustainable practices and also appreciates and recognises the good practices followed by them.

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%)

Yes, the Company has mechanism to recycle waste produced during its business operations which majorly comprises of e-waste and stationery waste (like paper & plastics). The Company disposes the hazardous waste materials (e-waste) through authorised agencies as per the applicable laws pertaining to e-waste. 100% of hazardous waste from all major locations for the previous year was disposed off responsibly.

The Company has introduced a number of initiatives on recycling of stationery waste at its main locations pan–India. More number of locations are practicing recycling of such waste with agencies which can convert them in reusable forms. During the year more than 26 Tons of these materials have been responsibly managed at the Company's Corporate Office in Mumbai.

The Company is collaborating with Record Management Agencies to take up initiatives on waste reduction and approximately 27 Tons of paper was saved in the last financial year by using recycled paper to make boxes which saves Virgin Paper and secondly, by pulping of papers that is generated by old record destruction.

Principle 3

1. Please indicate the Total number of employees

	No. of employees
Permanent employees	18,733

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis

	No. of employees
Temporary/Contractual / Casual employees	3,158

3. Please indicate the number of permanent women employees

728

4. Please indicate the number of permanent employees with disabilities

54

5. Do you have an employee association that is recognized by management?

The Company does not have recognized Employee Associations / Labour unions.

6. What percentage of your permanent employees is members of this recognized employee association?

This aspect is not applicable as employees in the Company are not members of any recognized association.

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.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as at the end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	1	NIL
3.	Discriminatory employment	NIL	NIL

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

The Company's talent management team conducts various learning and development programmes each year to nurture talent amongst the employees. The average training hours accounted to 6.34 man-days per person in F.Y. 2017-18.

Percentage of employees covered as a part of different safety & skill up-gradation training in the last year are given below:

Permanent Employees	85%
Permanent Women Employees	64%
Casual/Temporary/Contractual Employees	Company does not measure this metric
Employees with Disabilities	Company does not measure this metric

Principle 4

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal and external stakeholders.

   Details of the Company's stakeholder engagement process can be referred on Pg. Nos. 10-11 of its last Sustainability Report available at the web-link: **http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf**

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   Yes, the Company has identified such stakeholders. The Company has a CSR Committee and Sustainability Council which develops the roadmap and action plan considering expectation of different stakeholders including those which need support on multiple fronts. The Company mobilises resources to implement various programs for upliftment of these stakeholders.

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

   The Company is working on building an inclusive organization by engaging with stakeholders and creating value in the eco-system it operates in. The Company is providing financial resources to underserviced regions of the country and building livelihood for such sections of population, who are aspiring for a better living in the rural and semi-urban parts of India. The Company's business focusses on the key necessities of people and enable them to realise their aspirations through financial products offered by it.

   The Company has undertaken a number of CSR initiatives for meeting the expectations of different stakeholders. Various projects are initiated under themes of healthcare, education, livelihood for youth, women and people with disabilities to engage the beneficiaries and stakeholders.

   The details of the programs can be found under the CSR section of the Company's Sustainability Report and Annual Report.

   Annual Report of the Company can be accessed at the web-link: **http://www.mahindrafinance.com/annual-reports.aspx**

   Kindly refer the Social Performance Section in the Company's last Sustainability Report on Page Nos. 28 to 33 available at the web-link: **http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf**

Principle 5

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 Human Rights Policy Statement of the Company applies to all employees and is expected to be reciprocated by other stakeholders including partners, suppliers, vendors and contractors, as Company's commitment to Human Rights.

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

   None with respect to Human Rights. Elements of Human Rights get covered in various policies and practices at the Company. Complaints pertaining to employee wellbeing that covers different aspects of Human Rights is disclosed in Point No. 7 of Principle 3 above.

Principle 6

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

   Yes, the Company's policy related to environmental protection as applicable for Financial Services Industry covers different sets of stakeholders. The E-waste Management Policy which is important to the Company has coverage and applicability to

its business partners involved in the process. In addition to this, the Company has also devised its Sustainability Policy and Guidelines in F.Y. 2017-18 which also cover its subsidiary companies and different stakeholders engaged in business process as applicable.

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.

The Company has been reporting environmental performance in terms of absolute and specific GHG emissions. The specific emissions are calculated by dividing the absolute emissions by the number of employees (Full Time Employees – FTE).

Also, the Company has been listed on the Dow Jones Sustainability Index (DJSI) Emerging Market Trends for the 5th consecutive year. Your Company is the only Company from amongst the Diversified Financial Services Companies in India to have made it to this list. To be incorporated in the DJSI, companies are assessed and selected based on their long term Environmental, Social and Governance (ESG) management plans and actions. Also, the Company was included in "The Sustainability Yearbook 2018" and is the only Financial Services Sector Company to qualify amongst 9 companies from India. This signifies the Company being amongst top Sustainability performers in Diversified Financial Services Sector across the World based on Corporate Sustainability Assessment done by RobecoSAM.

The Company's approach has been to make its environmental disclosures transparent, and accordingly, it has been reporting disclosures and reports on its performance through the Carbon Disclosure Project (CDP) India since F.Y. 2011-12. During the reporting year, the Company maintained CDP Performance Band - B and this affirms the Company is taking coordinated action on climate change issues.

The Company under Mahindra Hariyali project planted over 1,22,000 saplings across India in this year. It is an initiative to improve green cover and protect biodiversity in the country.

Also, the Company has undertaken various environmental initiatives that reduce emission of GHG gases in the atmosphere that contribute to the phenomena of global warming and climate change. Details of all the initiatives are available in the 'Towards Climate Resilience and Water Security' section of the Company's Sustainability Report as well as enlisted below. Kindly refer Page Nos. 34-36 of the Company's last Sustainability Report available at the web-link: **http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf**

An indicative list of various projects implemented in this regard is appended below:

On Energy Conservation:

1) Use of LED Lights in place of CFL at offices.
2) Installation of higher efficiency Air Conditioners (3 star and above) and Blade Servers.
3) Quality improvement initiatives with actions focused on energy conservation.

On Water Saving:

1) Watershed management project in communities on pilot scale.
2) Rainwater harvesting in communities on pilot scale.
3) Water Wheels Drive distribution to beneficiaries.
4) Aerators in taps of offices.
5) Re-using water in offices.

On Waste Reduction:

1) Use of technology and digitisation of processes to make them paperless.
2) Re-using and recycling of wastes.

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 pertinent to its business operations.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If Yes, whether any environmental compliance report is filed?

As the nature of the Company's business is service oriented; feasibility of undertaking a CDM project is very limited. The Company has not undertaken any project related to CDM.

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, the Company has taken initiatives on energy efficiency and renewable energy.

Please refer 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?**

   The Company, being a financial services sector company does not fall under the purview of CPCB/SPCB. However, the Company monitors various aspects like energy consumption, water consumption, paper consumption, wastes generated and GHG emissions (details available in Sustainability Report at: http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf). Your Company under various initiatives is constantly in pursuit to reduce its carbon footprint and waste generated.

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.**

   Not applicable as the operations of your Company do not come under the purview and regulations of these government bodies. Your Company is compliant with all applicable laws pertaining to its business.

Principle 7

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**

   The Company has been a prominent member of Confederation of Indian Industries (CII), Associated Finance Industry Development Council (FIDC) and Bombay Chamber of Commerce and Industry (BCCI).

   Also, the Company has been associated with other industry bodies like - Chambers of Commerce and Industry of India (ASSOCHAM), Federation of Indian Chambers of Commerce and Industry (FICCI) and Society of Indian Automobile Manufacturers (SIAM).

   In addition to these, the Vice-Chairman and Managing Director - Mr. Ramesh Iyer and Executive Director & Chief Financial Officer - Mr. V. Ravi are part of different committees and forum of various chambers, associations and educational institutes.

   Further details regarding the same can be referred to in section 'Public Policy Advocacy' on Page Nos. 14-15 of your Company's last Sustainability Report available at the web-link: **http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf**

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)**

   Yes, the Company's senior management has suggested improvements in governance and administration processes, policy assistance and advocacy to government and industry bodies on automobile and financial services sector through various industry associations and forums.

Principle 8

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

   The Company's CSR initiatives are aligned to the mission of transforming rural lives and driving a positive change in the communities where it operates. Your Company endeavours to empower the rural communities and help them to unleash their potential. The Company's CSR initiatives focus on three thrust areas of education (including livelihood), healthcare and environment. The Company aims to create transformation in rural India, which is self-sustaining and encourages growth-oriented communities.

   The Company has embarked upon various initiatives under corporate social responsibility to promote inclusive growth and equitable development.

   The Corporate Social Responsibility Committee ('CSR Committee' Board level) is responsible to formulate, monitor, review various policies and programs falling within the purview of the Schedule VII of the Companies Act, 2013, and mobilize resources for adherence with the same.

   Kindly refer the Annual Report on CSR activities in the Company's **Annual Report available at the web-link: http://www.mahindrafinance.com/annual-reports.aspx**

   Kindly refer the Social Performance Section in the Company's last Sustainability Report on Page Nos. 28-33 available at the web-link: **http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf**

These details can also be accessed on the Company's website:

- CSR Section - **http://www.mahindrafinance.com/csr.aspx**
- Sustainability Section - **http://www.mahindrafinance.com/sustainability.aspx**

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

The Company has undertaken a wide variety of community based initiatives, through its corporate social responsibility vertical. The implementation of different projects is done by self-implementation & NGO partners. Details on these aspects can be found in the CSR section of the Company's Annual Report and Sustainability Report.

Please refer Annual Report on CSR activities available at the web-link: **http://www.mahindrafinance.com/annual-reports.aspx**

Kindly refer the Social Performance Section in the Company's last Sustainability Report on Page Nos. 28-33 available at the web-link: **http://www.mahindrafinance.com/pdf/MahindraFSS_SR_2017.pdf**

Also, details can be referred on your Company's website:

- CSR Section - **http://www.mahindrafinance.com/csr.aspx**
- Sustainability Section - **http://www.mahindrafinance.com/sustainability.aspx**

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

The Company has a process for doing the impact assessment for its key CSR interventions by engaging external partners. The Company follows the process which covers need assessment, project designing, project implementation and endline assessment.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Your Company contributed INR 2,715.79 Lakhs majorly in areas of Education (including livelihood), Health and Environment which are Company's CSR focus areas.

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.**

Your Company's CSR initiatives are aligned to the mission of transforming rural lives and driving a positive change in the communities where it operates. The Company actively implements projects and initiatives in the areas of health, education, employment & livelihood generation, afforestation, rural development and community welfare.

i. **Mahindra Finance Scholarship:** Scholarships were provided to 3,000 meritorious graduate and post-graduate students from economically-disadvantaged sections.

ii. **Project Hunnar – Vocational Training:** Through Hire-Train-Deploy (HTD) Model, the Company conducted vocational training programme for 513 rural educated youth to make them employable.

iii. **Project Hunnar – Skill Development Training for People with Disabilities:** The Company established a Divyang Vikas Kendra to train 250 people with disabilities to make them employable.

iv. **Project Hunnar:** Drivers Training for Women: The Company empowered 220 underprivileged women and provided them with an opportunity to become professional and commercial drivers. This program has transformed lives of women to earn a dignified life in their family and community.

v. **Nanhi Kali:** It is an effort to provide educational support to 9,400 underprivileged girls from poor urban and remote rural areas across India.

vi. **Mahindra Pride Schools:** It is a livelihood training programme providing intensive training in ITES, Retail and Hospitality to youth from socially and economically disadvantaged sections. 2,612 youth were trained in F.Y. 2017-18.

vii. **Healthcare Equipment Donation:** The project aims at increasing access to healthcare by offering quality services through a well-equipped facility. Over 1,50,000 urban and rural women are receiving free and affordable preventive care, gynecologic and diagnostic services. 517 Thalassemic children have benefited through day care centres established in rural and urban locations.

viii. **Ambulance Donation:** Above 12,000 patients were able to access primary healthcare services as commute from tribal villages to a nearby hospital was not a challenge anymore with Company sponsored ambulances.

ix. **FSS CSR Day:** The Company celebrated the FSS CSR Day on the occasion of Founder's Day by organizing Blood Donation drives across India. This initiative was conducted on a single day at 866 locations and 7,259 blood units were collected.

x. **Swachh Bharat:** The Company supports Prime Minister's clean India campaign and conducted 16 activities related to sanitation and hygiene in urban and rural areas.

xi. **Mahindra Hariyali:** It is an initiative to improve green cover and protect biodiversity in the country. The Company planted over 1,22,000 saplings across India.

Principle 9

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

   Customer complaints are treated very seriously in the organization. Out of the total complaints 14.73% are pending for resolution as at the end of the year. There were 1,599 consumer cases pending as on 31st March, 2018. Your Company has appointed a Grievance Redressal Officer at the Head Office and Nodal Officers at the North, East, West and South Zones, for redressal of customer complaints.

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)**

   Since the Company is not into manufacturing of products, the aspects pertaining to product labelling are not applicable to its service offerings directly. As the Company is a service based organisation, India's linguistic diversity is a challenge. To overcome this barrier the Company employs multilingual teams, comprising of local people. The Company's website is also bilingual and provides information to its audience in Hindi and English. The Company's employees educate customers about the loan products they avail and thus, build deeper partnerships with them. The Company thrusts on engaging and hiring local people as a part of its workforce in order to have a better customer sensitivity and understanding. Creating a local connect in areas in which it operates helps the Company understand the needs and expectations of people based in rural parts of India and enables it to offer better services that meet customer requirements.

   The Company believes that effective communication is vital to avoid any kind of misrepresentation, incorrect statements or misleading impressions. The Company has fully-integrated systems in place and conforms to all laws and standards related to marketing, communication, advertising, promotion and sponsorships. The Company's website contains all requisite information, and along with that, the Company's communication approach to customers and other stakeholders has also transformed with time. Besides this, the Company undertakes a number of initiatives to communicate with customers, knowing that the financial knowledge is lacking in most Indian villages. The Company's customer communication initiatives like 'Sparsh' and 'Shikhar Sammelan' have generated a commendable response.

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 the details thereof.**

   No such case has been registered against the Company.

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

   The Company monitors customer satisfaction through Customer as Promoter (CaP) Survey. Customer feedback and satisfaction with the services are recorded in the form of CaP scores, and this feedback is utilised to create new action plans for the improvement of Company's products and services. Embracing social media marketing is one such change to not just promote its services, but also receive customer feedback on the same. Our CaP score was 67 in the last Financial year. Any Company's score above 50 is considered exceptional based on this methodology.