

# CREAM Report

## **R** Risk Management & Internal Controls - M&M Analytics

Corporate Governance Rating System

### CREAM Report

**C** Corporate Governance - M&M Analytics

**R** Risk Management & Internal Controls - M&M Analytics

**E** Earnings - M&M Analytics

**A** Accounting Quality - Material Accounting Policies - M&M Analytics

**M** Management Quality - The Board of Directors - Committees - SEBI - LODR 17-27

Vigil Mechanism - M&M CoC

# CorporateMOM

Corporate Management Orbiter Mission



CorporateMOM  
Corporate Management Orbiter Mission

Jayaraman Rajah Iyer  
Author  
India



CorporateMOM



Jayaraman Rajah Iyer  
Author

India

<https://ibcm.in/>

Email: [jayar@ibcm.in](mailto:jayar@ibcm.in)  
[jayar@creamratings.com](mailto:jayar@creamratings.com)

Mobile:

+919487390439

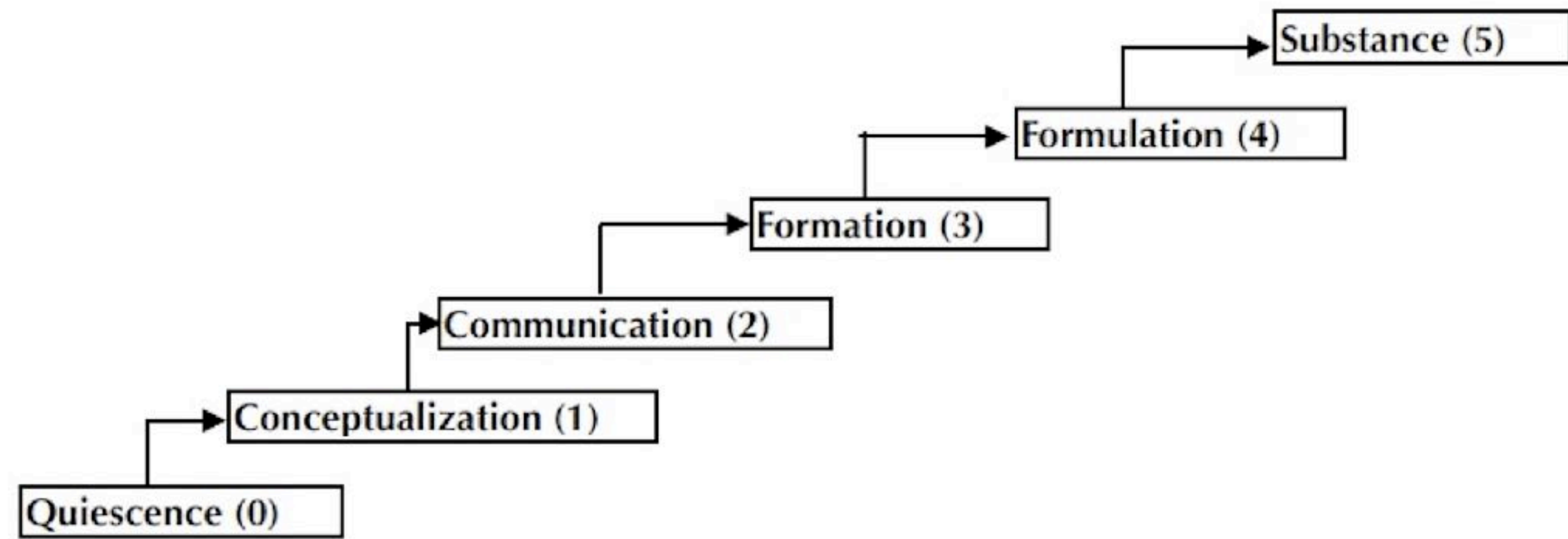
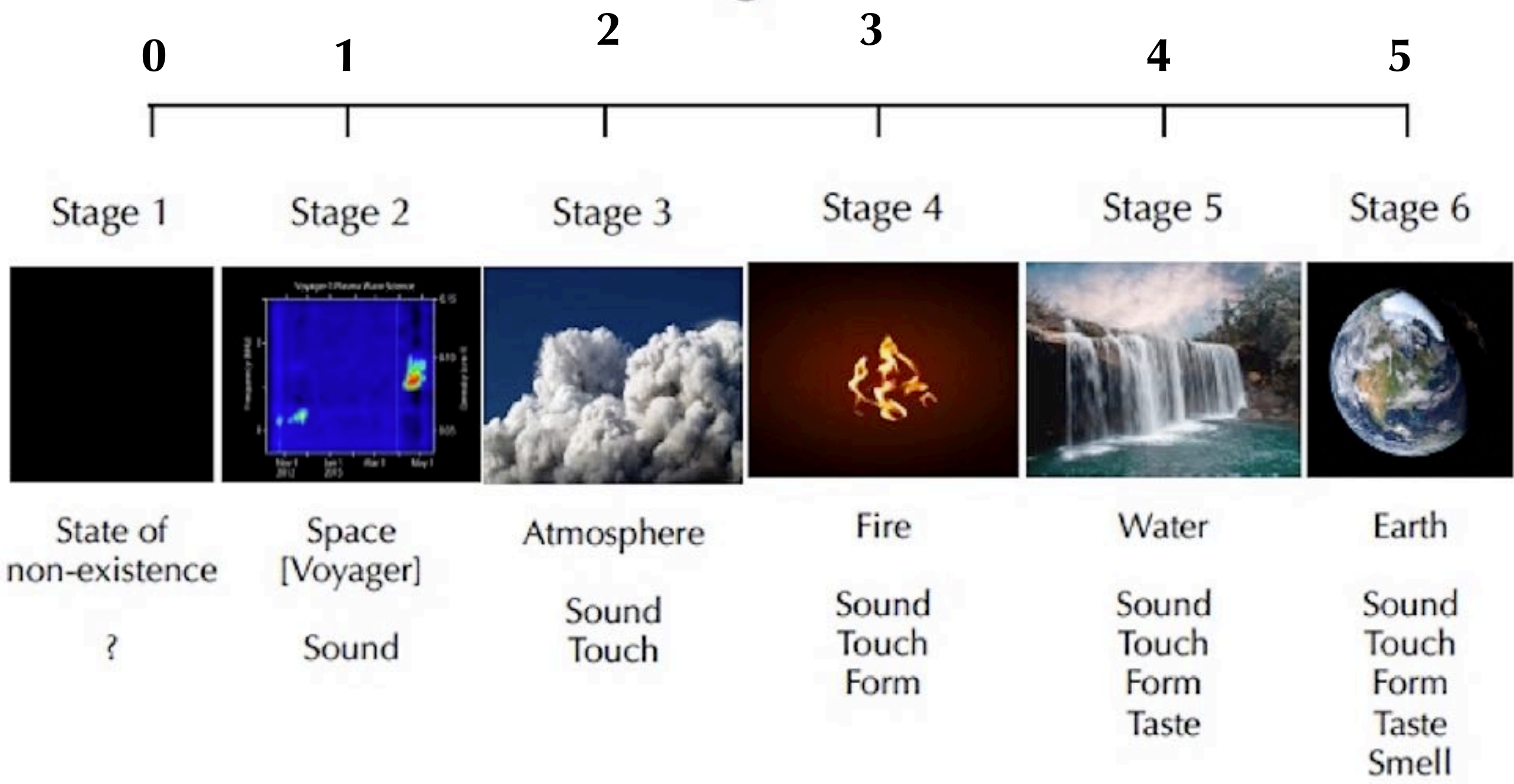
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Metrics: Six Stages of Transformation



The Six Stages of Transformation

Ratings - 1. Creative Process and 2. Action Process. Measuring EPP - Effort per Person

Table Ratings for Creative process

Stage	Effort	Rating
Stage 1	Non-existence	0
Stage 2	Conceptualization	1
Stage 3	Communication	2
Stage 4	Formation	3
Stage 5	Formulation	4
Stage 6	Substance creation	5



**Ratings - 1. Creative Process and 2. Action Process. Measuring EPP - Effort per Person**

Table Ratings for Action process

Stage	Effort	Range	Rating
Stage 1	Insentient	<0	0
Stage 2	Conceptualization	>0<25%	1
Stage 3	Communication	>25%<50%	2
Stage 4	Formation	>50%<75%	3
Stage 5	Formulation	>75%<100%	4
Stage 6	Task Accomplishment	>100%	5

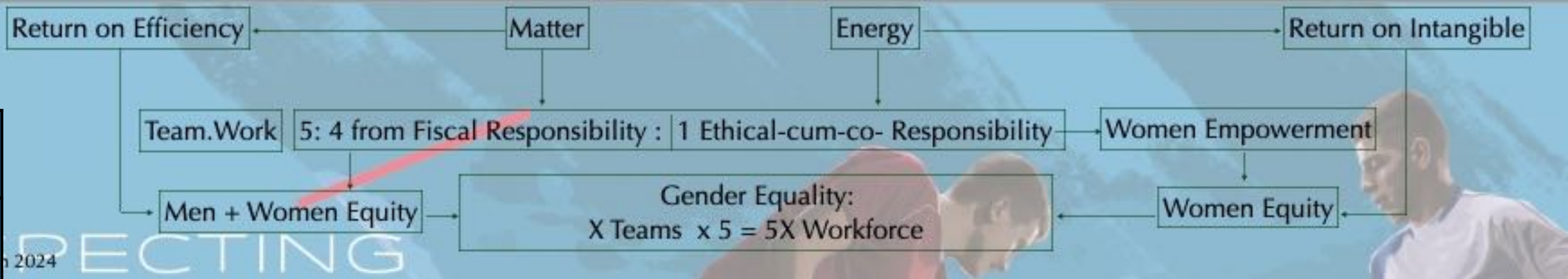
Action Process Ratings System

Corporate Governance depends on the Action Process. In the Creative Process Policies are created that mostly come from Government side as mandatory rules and regulations such as SEBI LODR 17 to 27 whereas many emerge from self created processes such as CoC - Code of Conduct, Risk Management and adopting internal controls like COSO Framework, TQM, 6-Sigma etc.. And this is the one which is purely management oriented.

Ratings are derived from Nature. The 6-stages of transformation move forward linearly without losing a single step. Is crucial. As much as we say Good Morning, Good afternoon, Good Evening or Good Night by which we are able to understand the transition point of Earth movement apply the same logic for understanding the status of EPP - Effort per Person of Corporate phenomena.



SUMMARY Risk Management: Water Security		Ratings
INDEX OF INACTIVITY: By Resource Area		
1. ER Management Force	Active	170
	Inactive	0
	Inactivity %	0
2. FR Management Force	Active	170
	Inactive	0
	Inactivity %	0
3. Operating Force	Active	170
	Inactive	0
	Inactivity %	0
4. FR: Technology	Active	170
	Inactive	0
	Inactivity %	0
5. FR: Finance	Active	170
	Inactive	0
	Inactivity %	0
ER + FR = Resource Area [34 PBs]	Active	850
	Inactive	0
	Inactivity %	0
Net Rating		5
STAGE REACHED	SUBSTANCE OF QUALITY	
Checksum	0	



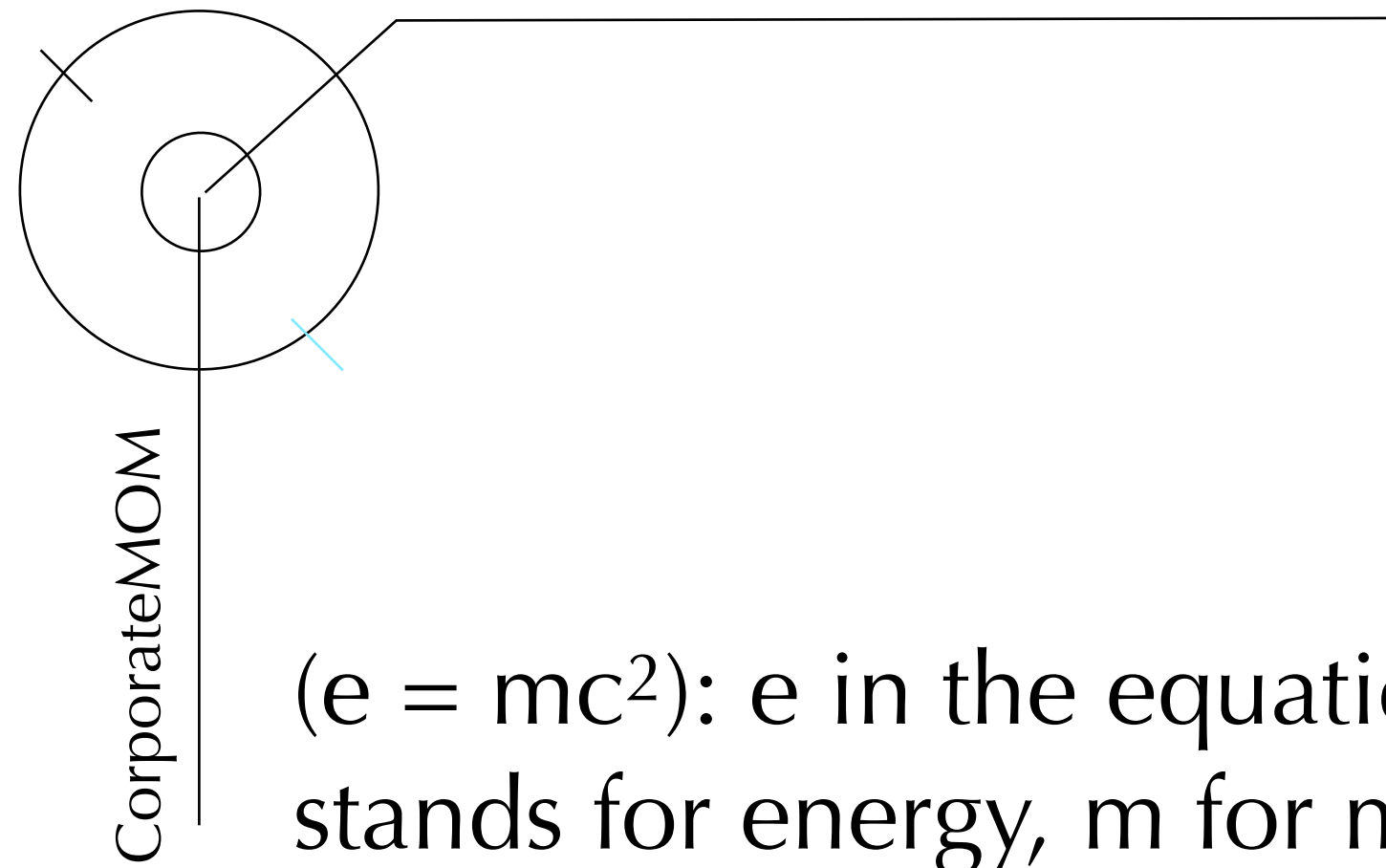
CREAM Report Identifier: R Risk Management POLICIES: RISK Areas.

Mahindra - Ref. 26. Overview of the entity's material responsible business conduct issues [GRI 3-1, 3-2, 3-3, 201-2]

Accountability: Risk areas identified to related Team entrusted with Risk Management.

EPP - Effort per Person

Return on THE Intangible is a capability model.



( $e = mc^2$ ):  $e$  in the equation stands for energy,  $m$  for mass, and  $c$  square for the speed of light squared. In the simplest form, what the equation says is that mass and energy have an equivalence.

ISSUE AREAS: 1. Water Security [5], 2. Carbon Emissions [4], 3. Product Stewardship [12], 4. Health and Safety [8] and 5. Sustainable Supply Chain [5]

$$e = mc^2$$

## THE Management Mantra

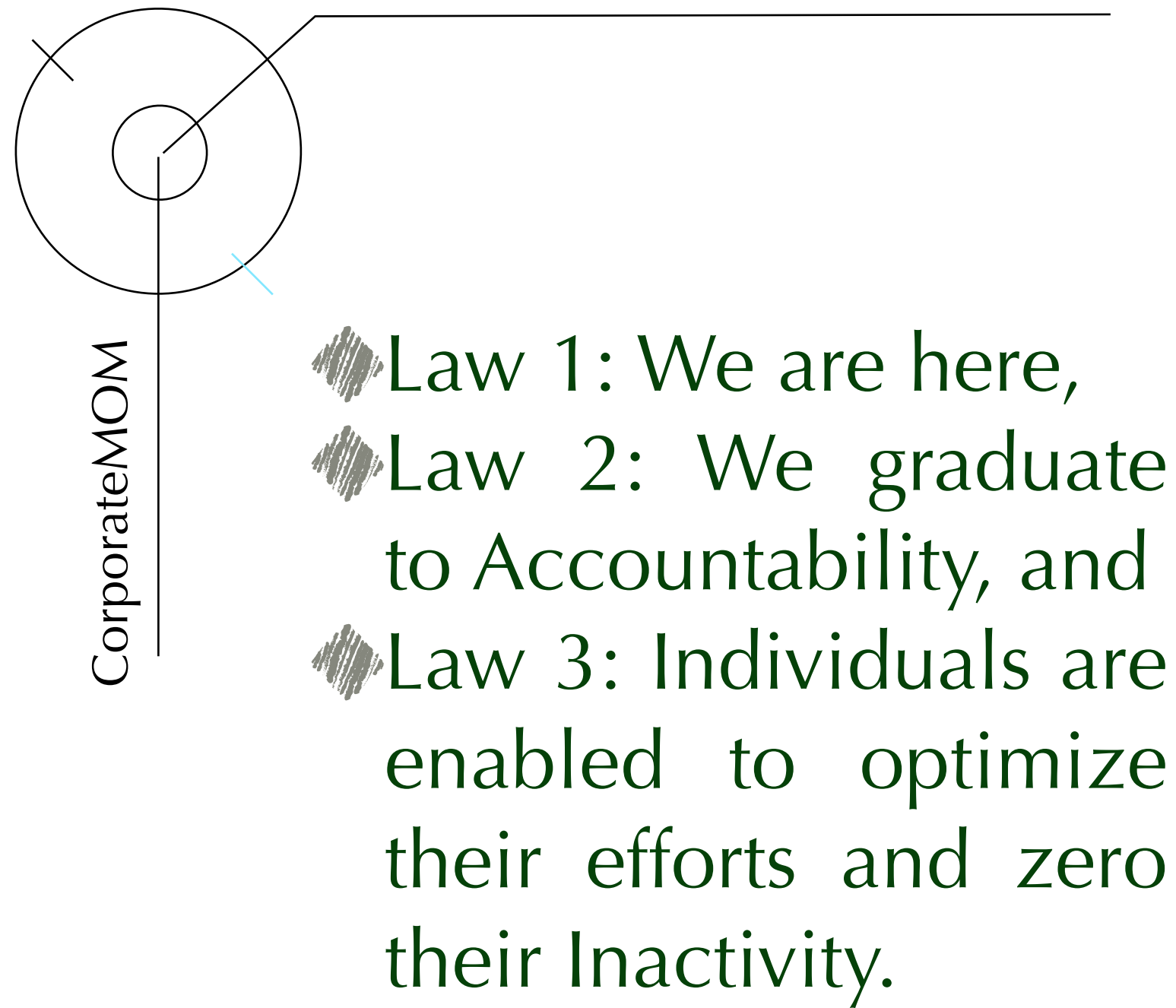
- ◆ Law 1: Energy is liberated Matter;
- ◆ Law 2: Matter is Energy waiting to happen.
- ◆ Law 3: Antimatter when it collides with Matter forms a pure Energy.

Law 1: Energy is liberated matter in the first law, which we show in P&L and Balance Sheet.

Law 2: Matter is Energy waiting to happen is the second law, that may be lying in the raw material stores or finished goods godown or incomplete project work in different places or the towers of Babel strewn all over the world, waiting to be liberated from the present form. That's Law 2 for you.

Law 3: Is Intangible, is antimatter, is the effort from the individual entrusted with the task of packing Law 2 the Matter where Energy is waiting to happen to Law 1, to be Energized as liberated Matter.





ISSUE AREAS: 1. Water Security [5], 2. Carbon Emissions [4], 3. Product Stewardship [12], 4. Health and Safety [8] and 5. Sustainable Supply Chain [5]

$$e = mc^2$$

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# CorporateMOM

Corporate Management Orbiter Mission



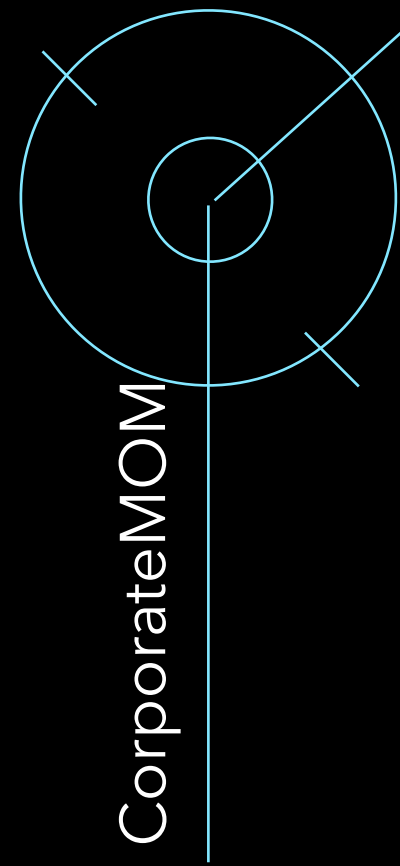
SUMMARY Risk Management: 1. Water Security		Ratings
INDEX OF INACTIVITY: By Process Area		
5.0.1.1. Risk Management: 1 <b>Water Security</b> R: [5] 1. identify the water risk across its operation sites and value chain.	Active	25
	Inactive	0
	Inactivity %	0
5.0.1.2. Risk Management: 1 Water Security R: 2. water efficiency measures	Active	25
	Inactive	0
	Inactivity %	0
5.0.1.3. Risk Management: 1 Water Security R: 3, Rainwater harvesting:	Active	25
	Inactive	0
	Inactivity %	0
5.0.1.4. Risk Management: 1 Water Security R: 4. Recycling:	Active	25
	Inactive	0
	Inactivity %	0
5.0.1.5. Risk Management: 1 Water Security R: 5. Ground water recharge:	Active	25
	Inactive	0
	Inactivity %	0
Summary - Risk Management - Water Security [5]	Active	125
	Inactive	0
	Inactivity %	0



## Mahindra Lifespace Developers

- Only Indian company to receive a Double A rating by CDP for Climate Change and Water Security (2023).
- As India is one of the fastest-growing economies in the world, transforming the development paradigm to include climate action is the need of the hour. CDP India is committed to facilitating India's transition to a sustainable future by driving climate action through data insights from disclosure.

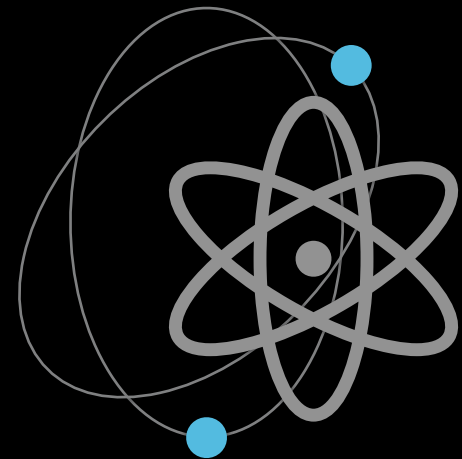




# CorporateMOM

## Sustainability of Corporate Stability

Jayaraman Rajah Iyer



  
Corporate Orbiter

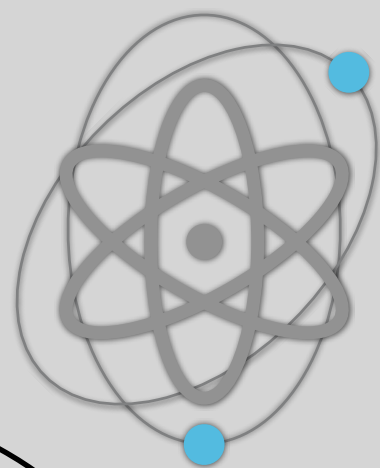


As a first step, Change  
your Organization  
Structure

Einstein said 'The most  
incomprehensible thing  
about the universe is that  
it is comprehensible.'  
Corporate and  
Governments alone do not  
follow the Laws of  
Physics. You have a flat  
organization structure  
make it dynamic. That's  
what CorporateMOM  
stands for: establishing  
the connect between the  
entity and society.



# Knowledge Database - Roadmap India 2047



Agriculture Sector

Industry Sector

Services Sector

Fiscal & Ethical-cum-co-Responsibility Framework -  
Troika of Entanglement - [Subject -Object - Self-] SOS -Governance

Entity Name

Fiscal Responsibility

Corporate Sustainability CREAM Report

Ethical Responsibility

OBJECT

1. Profits/Growth

The Board of Directors

1. Establishing Corporate Culture  
2. Policies / Regulatory and Compliance/ IPRs

CEO & Workforce

CREAM Report

3. E - Earnings

1. C - Corporate Governance  
2. R - Risk Management

4. A - Accounting Quality  
5. M - Management Quality

Sustainability of Efficiency

Sustainability of Profits

Sustainability of Growth

Sustainability of Value System

SUBJECT

Return on Efficiency

Matter

Energy

Return on Intangible

Team.Work

5: 4 from Fiscal Responsibility : 1 Ethical-cum-co- Responsibility

Women Empowerment

Men + Women Equity

Gender Equality:  
 $X \text{ Teams} \times 5 = 5X \text{ Workforce}$

Women Equity



Sr. No.	Attribute	Parameter	Unit of Measures	Assured Values
1	Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*	Total Scope 1 emissions	MT of CO2e	60,359
		Total Scope 2 emissions	MT of CO2e	209,007
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover	MT CO2e/ Revenue from operations in ₹ Cr	2.73
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	MT CO2e/ Revenue from operations in ₹ Cr adjusted to PPP	61
		Total Scope 1 and Scope 2 emission intensity in terms of physical output	MT CO2e/	Auto Sector: 0.094 Farm Sector: 0.175 Spares Business Units: 0.120

SUMMARY Risk Management: 2. Carbon Emissions		Ratings
INDEX OF INACTIVITY: By Process Area		
5.0.2.1. i. GHG emissions: carbon Pricing-invest	Active	25
	Inactive	0
	Inactivity %	0
5.0.2.2. ii. EP 100 i.e., double- Energy productivity by 2030	Active	25
	Inactive	0
	Inactivity %	0
5.0.2.3. iii.reduce carbon intensity by 47% by FY 2033- 34	Active	25
	Inactive	0
	Inactivity %	0
5.0.2.4. carbon neutral by 2040	Active	25
	Inactive	0
	Inactivity %	0
Summary - Risk Management - 2. Carbon Emissions [4]	Active	100
	Inactive	0
	Inactivity %	0

Here are 5 key points summarized from the transcript:

1. I discuss carbon emissions targets and climate bonds, mentioning that over 2 trillion euros in climate bonds have been issued since March 2020.
2. There's emphasis on the need for accountability and dynamic databases to track carbon emissions, climate bond utilization, and progress towards targets.
3. I suggest analyzing CO2 emissions by area rather than just per capita or by country, noting that this changes the country rankings significantly.
4. The importance of setting clear targets with specific dates (e.g., carbon neutral by 2040) and tracking progress using CAGR (Compound Annual Growth Rate) and CARR (Compound Annual Reduction Rate) is highlighted.
5. I critique current reporting methods, such as those in M&M's annual report, suggesting they lack meaningful information and should include more specific, measurable data on emissions reduction efforts.



SUMMARY Risk Management:		Ratings
INDEX OF INACTIVITY: By Process Area		
3. PRODUCT STEWARDSHIP		
1. Clean Automotive Products [4]		
5.0.3.1 i. hybrid vehicles	Active	25
	Inactive	0
	Inactivity %	0
5.0.3.2. ii. bio-fuel vehicles	Active	25
	Inactive	0
	Inactivity %	0
5.0.3.3. iii. Electric passenger vehicle	Active	25
	Inactive	0
	Inactivity %	0
5.0.3.4. iv. hydrogen combustion engine vehicle	Active	25
	Inactive	0
	Inactivity %	0
2. Product Improvement Roadmap [4]		
5.0.3.5. i. reduction in specific fuel consumption	Active	25
	Inactive	0
	Inactivity %	0
5.0.3.6. ii. weight reduction	Active	25
	Inactive	0
	Inactivity %	0
5.0.3.7. iii. switching to alternative fuels	Active	25
	Inactive	0
	Inactivity %	0

5.0.3.8. enhancing product safety,	Active	25
	Inactive	0
	Inactivity %	0
3. Initiatives in [4]		
5.0.3.9. i. Shared Mobility	Active	25
	Inactive	0
	Inactivity %	0
5.0.3.10. ii. Electric Vehicles	Active	25
	Inactive	0
	Inactivity %	0
5.0.3.11. iii. innovative products	Active	25
	Inactive	0
	Inactivity %	0
5.0.3.12. iv. extensive product portfolio	Active	25
	Inactive	0
	Inactivity %	0
SUMMARY Risk Management: PRODUCT STEWARDSHIP [12]	Active	300
	Inactive	0
	Inactivity %	0

1. The transcript discusses risk management and product stewardship at Mahindra & Mahindra, focusing on clean automotive products, product improvement roadmaps, and new initiatives.
2. It emphasizes the importance of integrating economic, social, and environmental goals in line with the UN's Sustainable Development Goals.
3. It highlights the six stages of transformation in product development, stressing the importance of thorough formulation before declaring any process as a "substance of quality."
4. There's a significant focus on intangible assets, particularly in research and development, and how they are accounted for under different accounting standards (IAS 38 and IAS 9).
5. I recommend scrapping IAS 38 (Intangible Assets) and reverting to IAS 9 (Research and Development Costs), arguing that the current treatment of intangible assets poses financial risks and potentially distorts company valuations and national accounts.



SUMMARY Risk Management: Health and Safety		Ratings
INDEX OF INACTIVITY: By Process Area		
5.0.4.1 4. 1. ISO 45001 certification for all sites	Active	25
	Inactive	0
	Inactivity %	0
5.0.4.2 2. globally benchmarked Mahindra safety standards	Active	25
	Inactive	0
	Inactivity %	0
5.0.4.3 3. Work proactively eliminating health and safety concerns	Active	25
	Inactive	0
	Inactivity %	0
5.0.4.4 4. Installing cutting edge firefighting systems	Active	25
	Inactive	0
	Inactivity %	0
5.0.4.5 5. Improving and developing safety skills	Active	25
	Inactive	0
	Inactivity %	0
5.0.4.6 6. Instituting safety mechanisms	Active	25
	Inactive	0
	Inactivity %	0
5.0.4.7 7. Promoting proactive measures	Active	25
	Inactive	0
	Inactivity %	0
5.0.4.8 8. Rewarding and recognizing	Active	25
	Inactive	0
	Inactivity %	0

1. **Health & Safety** is described in a risk management system with 8 issue areas, 800 people manning the operations, 160 teams of 5 people each, and 20 process blocks per issue area.

2. Each team consists of 1 person responsible for ethical responsibility and 4 for fiscal responsibility, working on tasks with specific timelines and growth targets (CAGR).

3.The system aims with ISO 45001 to include: leadership commitment, worker participation, legal and regulatory compliance, incident investigation, and continual improvement, providing a healthy and safe working environment for their employees and visitors.

4.Eliminating health and safety concerns (CDRR) while achieving daily growth rates (CDGR) for ISO 45001 certification for all sites with teams rated on a 5-point scale for performance.

5. The proposed system provides detailed data insights into individual [EPP Effort Per Person] and team performance, which could be valuable for company reporting, accountability, and optimizing employee productivity and more importantly for rewarding and recognizing.



Risk Management-4		
SUMMARY: RISK MANAGEMENT: Sustainable Supply Chain		Ratings
INDEX OF INACTIVITY: By Process		
5.0.5.1 1. ESG risk,	Active	25
	Inactive	0
	Inactivity %	0
5.0.5.2. 2. Financial risk,	Active	25
	Inactive	0
	Inactivity %	0
5.0.5.3. 3 Safety risk,	Active	25
	Inactive	0
	Inactivity %	0
5.0.5.4. 4. Labour risk,	Active	25
	Inactive	0
	Inactivity %	0
5.0.5.5. 5. training programs for suppliers	Active	25
	Inactive	0
	Inactivity %	0
SUMMARY Risk Management: Sustainable Supply Chain [5]	Active	125
	Inactive	0
	Inactivity %	0

## Sustainable Supply Chain

The Company also conducts ESG audits of suppliers which cover employee health and safety, employee well-being, environmental impact, working conditions along with other environmental, social and governance aspects. The Company initiated ESG audits in FY 2023-24 and 21.6% suppliers by purchase value were assessed during the year. [76,941.56 crores - 21.6% 16620 crores]

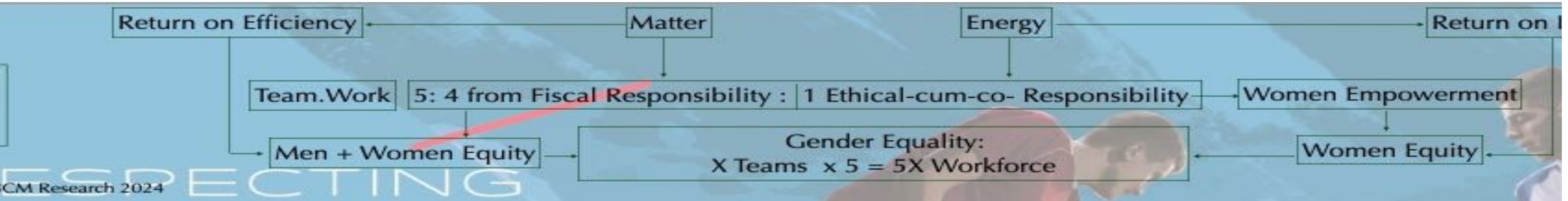
So far, out of these assessed suppliers, not a single supplier with a significant adverse impact on the environment has been identified. Further, in FY 2024-25, the Company will expand its scope and conduct more audits.

## Supplier Code of Conduct M&M

- Ethical Conduct
- Regulatory Compliance Requirement
- Accounting and Reporting
- Bribery, Corruption and Money Laundering
- Tax Laws Compliance
- Marketing and Sales
- Fair Competition Practices
- Political Involvement
- Conflicts of Interest
- Protecting M&M’s Assets and Machinery
- Third Party Representation
- Confidentiality
- Protecting the environment
- Providing Safe and Healthy Environment
- Human Rights, Respect and Dignity
- No Child or Forced Labour
- Equal Opportunities Employer
- Wages and Hours of Work
- Gifts and Donations
- Corporate Citizenship
- Compliance Code
- Code Adherence Responsibility
- Reporting Violations/Questionable Behaviour
- Declaration of Compliance

**Supplier Code of Conduct** is described in a risk management system measured for Index of Inactivity by Process Areas 24 areas and Index of Inactivity by Resource Areas of selected Suppliers with teams rated on a 5-point scale for performance





SUMMARY: RISK MANAGEMENT: INDEX OF INACTIVITY: By Resource Area		Total [34]	1. Water Security [5]	2. Carbon Emission [4]	3. Product Stewardship [12]	4. Health & Safety [8]	5. Sustainable Supply Chain [5]
		Ratings	Ratings	Ratings	Ratings	Ratings	Ratings
1. ER Management:	Active	170	25	20	60	40	25
	Inactive	0	0	0	0	0	0
	Inactivity %	0	0	0	0	0	0
2. FR: Managerial Force:	Active	170	25	20	60	40	25
	Inactive	0	0	0	0	0	0
	Inactivity %	0	0	0	0	0	0
3. FR: Operating Force:	Active	170	25	20	60	40	25
	Inactive	0	0	0	0	0	0
	Inactivity %	0	0	0	0	0	0
4. FR: Technology Force:	Active	170	25	20	60	40	25
	Inactive	0	0	0	0	0	0
	Inactivity %	0	0	0	0	0	0
5. FR: Finance:	Active	170	25	20	60	40	25
	Inactive	0	0	0	0	0	0
	Inactivity %	0	0	0	0	0	0
ER+ FR: Resource Area	Active	850	125	100	300	200	125
	Inactive	0	0	0	0	0	0
	Inactivity %	0	0	0	0	0	0
Net Rating		5	5	5	5	5	5
STAGE REACHED		Substance of Quality	Substance of Quality	Substance of Quality	Substance of Quality	Substance of Quality	Substance of Quality
checksum		0	0	0	0	0	0





Control Environment: 1.The organization demonstrates a commitment to integrity and ethical values.

Internal Controls

SUMMARY RISK Management - Internal Controls		
INDEX OF INACTIVITY: By Resource Area		Ratings
1. ER Management:	Active	25
	Inactive	0
	Inactivity %	0
2. FR: Managerial Force:	Active	25
	Inactive	0
	Inactivity %	0
3. FR: Operating Force:	Active	25
	Inactive	0
	Inactivity %	0
4. FR: Technology	Active	25
	Inactive	0
	Inactivity %	0
5. FR: Finance	Active	25
	Inactive	0
	Inactivity %	0
ER+ FR: Resource Area	Active	125
	Inactive	0
	Inactivity %	0
Net Rating		5
STAGE REACHED		Substance of Quality
checksum		0

Process Identifier: CREAM - R RISK Management  
Value Chain - POLICIES -Internal Controls

Internal Controls-1

SUMMARY Internal Controls - COSO Internal Controls Framework:		
INDEX OF INACTIVITY: By Process Area		Rat ings
6.0.1. 1. Risk Assessment	Active	25
	Inactive	0
	Inactivity %	0
6.0.2. 2. Control Activities	Active	25
	Inactive	0
	Inactivity %	0
6.0.3. 3. Information and Communications	Active	25
	Inactive	0
	Inactivity %	0
6.0.4. 4. Control Environment	Active	25
	Inactive	0
	Inactivity %	0
6.0.5. 5. Monitoring Activities	Active	25
	Inactive	0
	Inactivity %	0
SUMMARY Internal Controls	Active	125
	Inactive	0
	Inactivity %	0
checksum: Resource area ~ Process Area		0



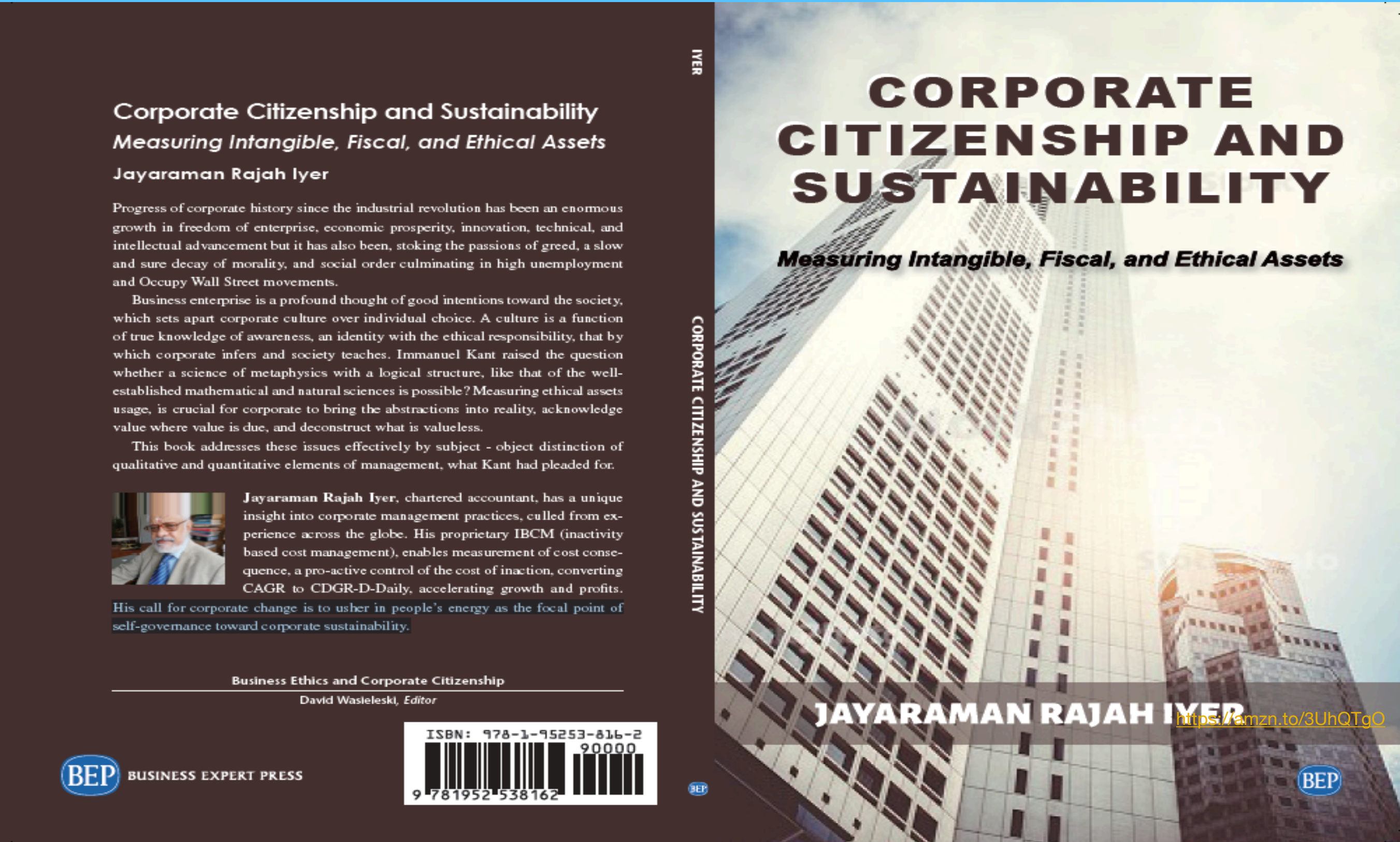


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IBCM Technology

My Book: Corporate Citizenship and Sustainability, with the subtitle: Measuring Intangible, fiscal, and ethical assets: Business Expert Press Business Ethics and Corporate Citizenship Collection.  
<https://bit.ly/32nBVep> from Publishers



From Amazon: <https://www.amazon.in/Corporate-Citizenship-Sustainability-Measuring-Intangible/dp/1952538165>





# CREAM Report Constructive Collaboration R Risk Management & Internal Controls - M&M Analytics

ICGI  
Institute of Corporate Governance of India



## CorporateMOM Sustainability of Corporate Stability

CorporateMOM is Corporate Management Orbiter Mission. Corporate is the central pillar of the global economy but collectively the current ecosystem has made it unstable. Make it stable. The mission is to make sure the Sustainability of Corporate Stability is ensured. That's the purpose. There's no different opinion among any as to stabilize the corporate management. The key word is sustainability, which is sustained corporate stability.

Two compelling reasons to note: 1. Break the current ecosystem, and 2. fuel the energy force for the SOS Plane to take off.

SOS Plane with the Corporate in one wing, society as the other, and government as the main body, is ready to take off, once the energy force that is SOS - Subject-Object-Self governance standards are complied with. Return on THE Intangible is the key to the sustainability of stability.

Jayaraman Rajah Iyer, Chartered Accountant, ICAI (1966), has a unique insight into corporate management practices, culled from experience across the globe.



Jayaraman Rajah Iyer

CorporateMOM

## CorporateMOM Sustainability of Corporate Stability

Jayaraman Rajah Iyer



Jayaraman Rajah Iyer  
Author  
India



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