Annexure - 4 to the Directors' Report

Business Responsibility Report

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Message from the Director's Desk

Dear stakeholders,

During the year, your company intensified its focus towards the vision of being a forerunner in energy and environment solutions, reflecting in customer solutions and internal processes.

Since inception, Thermax has been one of the key contributors to the nation's pollution abetment journey, right from formulation of industrial pollution norms to creating suitable technologies. Your company has played a pivotal role in commercially deploying alternative sources of energy such as different kinds of locally available biomass. Apart from this, we have also partnered with the Indian industry in waste heat recovery, cogeneration, low potency heat extraction and solar technologies.

Recognising India as water stressed, we have pioneered wastewater treatment and recycling technologies that have helped varied industries in becoming zero liquid discharge entities. More than 55,000 m^3/hr of wastewater is recycled by Thermax daily.

Continuing our efforts to collaborate with the industry in reducing the carbon intensity of manufacturing, your company has concluded the following initiatives :

- Gas based cogeneration concept for fertiliser industry thereby increasing the energy efficiency by almost 10%. The first such project is already in commercial operation and four of them are under execution.
- Hybridisation of solar thermal technology in an existing coal based thermal power plant that will enable carbon footprint reduction as well as renewable purchase obligation.
- Rooftop solar photovoltaic plant that demands superior engineering competencies.
- Extraction of energy that was otherwise unutilised in the potato chip manufacturing process and converting it into chilled water to air condition the manufacturing facility – a first-of-a-kind in the world.

Besides helping our customers conserve energy, the company has also made it a standard operating practice in all its existing and new manufacturing facilities in India for:

- Rainwater harvesting
- Rooftop solar PV installation
- Wastewater recycling
- Reduction in energy consumption

Efforts are afoot at each location to achieve the targeted reduction both in energy and water consumption that will befit the vision of the organisation.

As a socially responsible company, Thermax has taken major initiatives in the areas of diversity and community engagement. A programme for training women welders and inducting them at the plants in Savli and Sri City, has brought in a welcome cultural shift on the shop floor.

Various employee engagements and leadership development initiatives during the year have helped your company build a talent pool and improved levels of competencies, required to support the company's growth plans.

As we enter the new year, Thermax is exploring every new avenue to support our customers with solutions that will make them sustainable and socially responsible.

M.S. Unnikrishnan
Managing Director & CEO

Section A: General Information about the Company (Group)

1	Corporate Identity Number (CIN) of the company	L29299PN1980PLC022787
2	Name of the company	Thermax Limited
3	Registered address	D-13, MIDC, Industrial Area, R D Aga Road, Chinchwad, Pune 411019
4	Website	www.thermaxglobal.com
5	E-mail id	cservice@thermaxglobal.com
6	Financial Year reported	FY 2017-18
7	Sector(s) that the company is engaged in (industrial activity code-wise)	1. Energy segment - 78% (boilers, heaters, absorption chillers/heat pumps, power plants, solar equipment, related services). 2. Environment segment - 14.1% (air pollution control equipment/systems, water & wastewater recycle plant, related services). 3. Chemical - 7.9% (boiler and water chemicals, ion exchange resins, performance chemicals, construction chemicals, oil field chemicals, related services).
8	List three key products /services that the company manufactures/ provides (as in balance sheet)	25131: Boilers and heaters, absorption chillers/heat pumps, power plants, solar equipment, related services 37003: Air pollution control equipment/systems, water and wastewater recycle plant, related services 20119: Ion exchange resins, performance chemicals, construction chemicals, oil field chemicals, related services
9	Total number of locations where the company undertakes business activity(s)	Thermax operates in 6 international and 10 national manufacturing locations.
	Number of international locations (provide details of major 5)	The company has manufacturing facilities in China, Germany, Denmark (two locations), Poland and Indonesia.
	Number of national locations	Number of national locations - Pune (3), Shirwal, Solapur, Savli, Paudh, Jhagadia, Mundra SEZ and Dahej.
10	Markets served by the company - local/state/national/international	National and international

Section B: Financial Details of the Company

1	Paid-up capital (INR)	Rs. 22.52 crore
2	Total turnover (INR)	Rs. 4,391 crore
3	Total profit after taxes (INR)	Rs. 231 crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit before tax pursuant to Section 198.	2% (Rs. 9.14 crore)
5	List of activities in which expenditure in 4 above has been incurred:	Thermax created a formal structure named 'Thermax Foundation' to formulate and implement its CSR programme. The company has been focusing predominantly in the area of education of economically underprivileged children. Apart from education, Thermax addresses the issue of social discrimination through affirmative action, skill development and employability initiatives. The primary areas in which the expenditure has been incurred include - 1. Funding of five municipal schools under PPP model 2. Leadership Institute for Teachers (LIFT) 3. Teach for India (TFI) programme 4. Educational programme of Akanksha Foundation 5. Pune City Connect

Section C: Other Details

1	Does the company have any subsidiary company/companies?	Yes. Thermax has 26 subsidiaries and associate companies in India and abroad as on March 31, 2018.
2	**Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**	**Yes.** **4 domestic susidiaries, 2 joint ventures and 7 international subsidiaries.**
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%]	No.

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

1	DIN Number	01460245
2	Name	**M.S. Unnikrishnan**
3	Designation	Managing Director & CEO

(b) Details of the BR head

No.	Particulars	Details
1	**DIN Number (if applicable)**	**07068529 (Thermax Foundation)**
2	Name	Sharad Gangal
3	**Designation**	**EVP - HR, IR, Administration**
4	Telephone number	020-66051200
5	**E-mail id**	Sharad.Gangal@thermaxglobal.com

1. Principle-wise (as per NVGs) BR policy/policies

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for the nine principles?	Yes.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes.								
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	All the policies are compliant with respective principles of National Voluntary Guidelines. Many of them comply to international standards like ISO 9001, ISO 14001, OHSAS 18000 and International Labour Organisation (ILO).								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board director?	Yes. The policies have been signed by appropriate authorities.								
5	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	The Board has appointed a BR director to oversee policy implementation. Thermax has a well-established internal governance structure to ensure the implementation of various policies, internal regulations and procedures. The company has internally mapped all policies, internal regulations and procedures to business functions responsible for implementation.								
6	Indicate the link for the policy to be viewed online?	Copies will be made available on www.thermaxglobal.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes.								
8	Does the company have an in-house structure to implement the policy/policies?	Yes.								
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes.								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes.								

2. Governance related to BR

a	Indicate the frequency with which the Board of Directors, committee of the Board or CEO assess the BR performance of the company. Within 3 months, 3-6 months, annually, more than 1 year.	Annually by the Board Quarterly by the CEO
b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The BRR is a part of the Annual Report and is available on the Thermax website, www.thermaxglobal.com

Section E: Principle-wise Performance

Principle 1
Ethics, Transparency and Accountability

Company's Philosophy on Corporate Governance

Your company, Thermax Limited, is committed to adopting the best practices in corporate governance and disclosure. It is Thermax's constant endeavour to adhere to the highest standards of integrity and to safeguard the interests of all the stakeholders.

Your company's Board has empowered its key management officials to implement policies and guidelines related to the critical elements of corporate governance – transparency, disclosure, supervision and internal controls, risk management, internal and external communication, high standards of safety, accounting fidelity, product and service quality.

The company has a structured grievance redressal mechanism in place to capture and resolve the stakeholder complaints related to business responsibility.

(Detailed Corporate Governance report provided from pages 46 to 61 of this Annual Report)

Whistle Blower Policy/Vigil Mechanism

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the company.

(Details of assigned email ids for reporting complaints and access to the policy document on the company's website are given on page 57 & 58 of the Corporate Governance Report)

Shareholder Complaints Redressal Mechanism

There is a structured mechanism to capture and resolve complaints from shareholders related to compliance and governance deficiencies.

The company has received 20 complaints from shareholders and all were resolved as on March 31, 2018.

Committed to sustainable solutions, Thermax is utilising renewable energy at its facilities. The 100 kWp solar photovoltaic system for power generation at one of its offices (Energy House) has generated 3.5 million kWh horsepower and helped reduce 4,655 tons of carbon, till date.



During the year, there were no cases filed against the company by shareholders, nor any pending cases regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour.

Some of the unique forums that promote better organisational practices:

Open Forum
Thermax organises an Open Forum every year to facilitate a democratic dialogue between the management and employees including workmen. It has proved to be an effective platform to foster employee engagement where the management captures suggestions emerging from the discussions and takes suitable actions.

There are various other platforms such as the managing director's quarterly dialogue on company performance and forums for the workmen that reflect the company's commitment to transparency, openness and two-way communication. In addition to the forums, the chairperson shares her vision and expectations through a regular column in the company's house magazine 'Fireside' which is shared with the workmen through its Marathi house magazine 'Kshitij'.

Information Sharing at Divisions
Information sharing also takes place at a divisional level in a structured manner every quarter. The divisional heads update their teams on financial results, achievements and cross-functional initiatives followed by upcoming projects, focus areas, product launches, expectations from the management and way forward for the next quarter. The sessions conclude with employee recognition and discussion on concerns and ideas from employees.

Strategic Business Development Committee (SBDC)
The primary objective of this Board committee is to review and guide the corporate strategic initiatives of the company at Strategic Business Unit (SBU), subsidiary and JV levels. Its terms of reference also covers recommendations related to the corporate brand and M&A.

Board Retreat
Once a year, the Board members and the company's Executive Council members come together for a retreat.



Thermax's Heat Recovery System - Dewtherm™ is based on condensing heat exchanger technology that maximises sensible and latent heat recovery and increase efficiency.

The venue is chosen to facilitate open discussions in an informal setting. The group assesses the alignment of individual businesses with the company's vision statement.

It reflects on the group's performance with an outside-in perspective and decides on strategies to navigate the organisation through market challenges and emerging opportunities.

Principle 2
Product Life Cycle Sustainability

Sustainable Product Innovation
Thermax has been consistently pursuing product and process innovations that incorporate principles of sustainability.

Some of Thermax's sustainable solutions include:–
- **Flue Gas Desulphurisation (FGD)**
- **Condensing Economiser**
- **Biomass Gasification**

Flue Gas Desulphurisation (FGD)

With the Government of India ratifying the Paris climate agreement, there has been a thrust on reducing SOx (oxides of sulphur) emission. As an outcome, it is mandatory for all thermal power plants in India to install FGD technology.

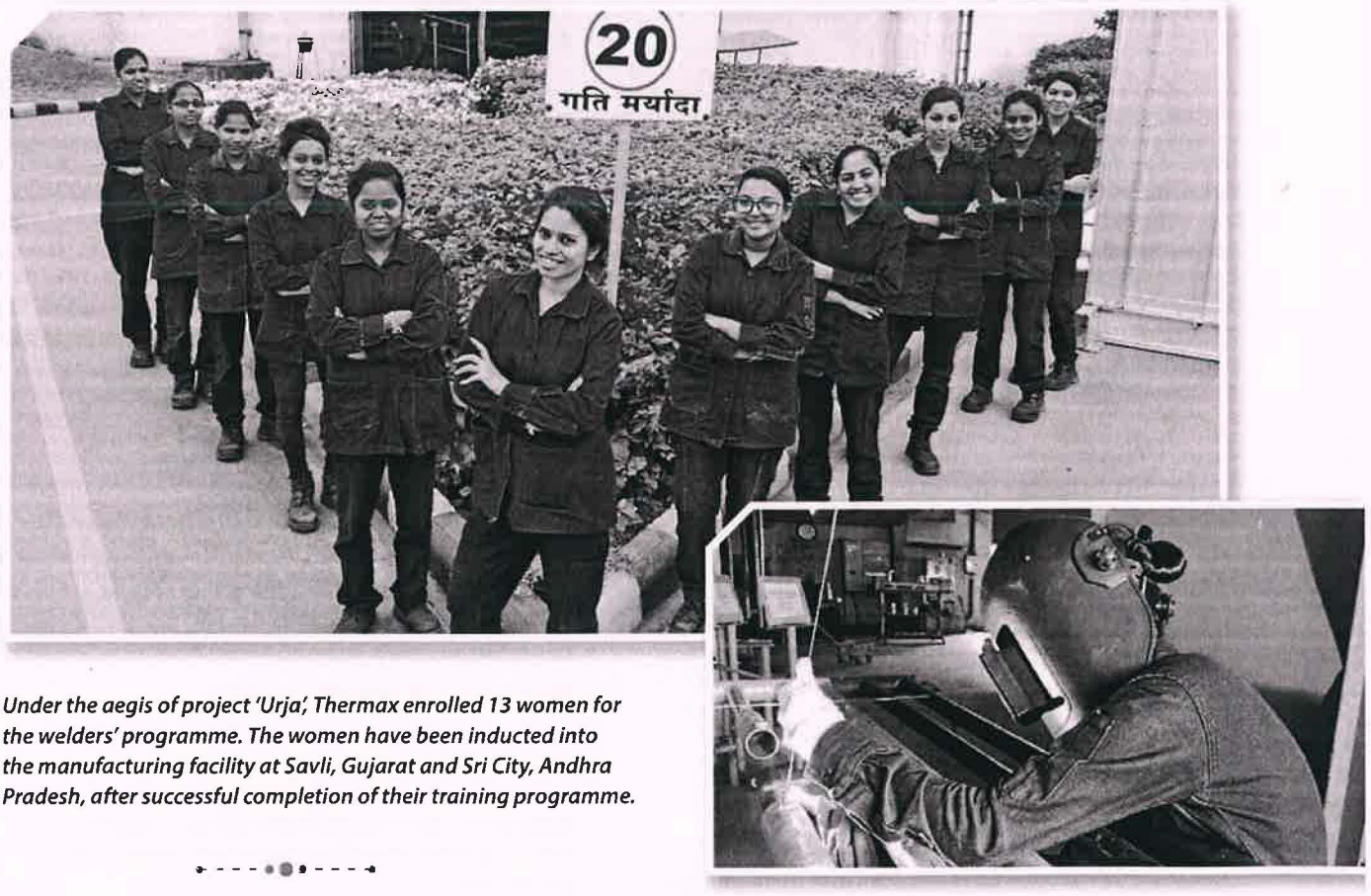
Thermax in partnership with Marsulex Environmental Corporation (MET, USA) has introduced reputed gas cleaning technologies such as wet and semi-dry FGD in India for coal-based thermal power plants.

Condensing Economiser

Economisers recover heat from exhaust gases in direct fired boilers. The recovered heat is used to increase the temperature of feed water to the boiler. They help customers save costs, reduce carbon dioxide gas emissions and partially mitigate SOx emission.

Dewtherm™, a system developed by Thermax is an add-on heat recovery unit based on condensing heat exchanger technology that maximises sensible and latent heat recovery. It is designed to increase the efficiency by reducing the temperature of flue gas below dew point (sulphuric acid, sulphurous acid, water) and increasing the rate of condensation.

Thermax has deployed several Dewtherms at customer sites. They can be retrofitted in existing installations without any shutdown or modifications.



Under the aegis of project 'Urja', Thermax enrolled 13 women for the welders' programme. The women have been inducted into the manufacturing facility at Savli, Gujarat and Sri City, Andhra Pradesh, after successful completion of their training programme.

Biomass Gasification

Thermax's first commercial-scale biomass gasification plant for a food processing company was commissioned. Energy Research Centre and Dahlman Renewable Technology (now Synova, Inc.) of Netherlands provided the technology which was indigenised by Thermax to suit local requirements. The plant uses bio-fuel (soya stalk) to produce 1 MW electricity. Biomass converted to gaseous fuel (called producer gas) passes through the gas clean-up system to remove tar, ammonia and other impurities. The cleaned gas is fed to four 250 KW engines to generate 1 MW power.

Sustainable Sourcing

The value of sourced products and services account for more than 50% of Thermax's revenue, which makes sustainable sourcing an integral part of doing business.

Through the policy on Sustainable Sourcing, Thermax encourages adoption of sustainable business practices throughout the supply chain while managing its social, environmental as well as economic impact. Trainings imparted to the procurement and supplier teams upgrade the capabilities of the company as well as that of its sourcing partners.

While registering vendors, Thermax evaluates them on environmental, safety, governance and social considerations. The evaluation questionnaire highlights areas of improvement for the supplier to meet the sustainability criteria.

The company also works closely with suppliers to improve their performance to 'self-certified' levels - a beneficial practice to both parties, as it eliminates the need for multiple inspections and focuses on building quality at the source. It also serves as a gateway to the process where inspection is waived off and vendors can supply items directly to a customer's shop or store for ultimate use.

During the year, Thermax collaborated with 165 key suppliers to reduce waste reduction and bring about operational improvements, resulting in improved performance.

Currently, 20% of the company's supply chain is fully compliant with sustainability requirements. Thermax plans to expand the coverage to 35% in the next four years.

Recyclable Products and Waste

All the manufacturing facilities of Thermax are ISO 14001 certified (Solapur plant is in the process of acquiring certification) as per Environment Management System (EMS). Waste Management practices are in line with EMS where waste is segregated into hazardous and non-hazardous categories. Hazardous waste is disposed as per the legal requirements. E-waste is recycled through Central Pollution Control Board (CPCB) registered recycler. Other waste, wherever possible, is recycled or reused.

Thermax's manufacturing facilities in Chinchwad, Solapur, Jhagadia, and Savli treat and reuse 100% wastewater within the plants.

Principle 3
Employee Well-Being

Diversity in Employment

Total number of employees:
4,204 (including subsidiaries)

Number of permanent women employees:
279 (including subsidiaries)

Employee Association recognised by Management

Thermax has workmen associations at factories and the involvement of permanent employees in associations is 100% at Chinchwad (Maharashtra), 80% at Paudh (Maharashtra) and 80% at Savli (Gujarat) locations.

There were no cases of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment practices reported during the year.

Learning and Development

Talent and Leadership Development

Thermax Organisation and People Development (TOPD) and Leadership Development Programme (LDP) help in strengthening the talent pipeline and building an ecosystem of learning within the company. Besides nurturing talent, they also provide avenues for career progression.

TOPD is a structured process to augment the organisational capability by identifying internal talent and mapping career opportunities. LDP runs at three levels across the organisation – Senior (LDP I), Middle (LDP II) & Junior (LDP III). It is based on the Thermax Leadership Excellence framework.

At the LDPs, assessments at various levels and identification of development areas in TOPD dialogues have ensured employee engagement across the company.

Learning interventions that are championed by the leaders of the organisation nurture a culture of approachability and visibility. Leaders Teach Series (LTS) at Thermax encourages interaction and dialogue among employees and the senior management. It also leverages the knowledge and experience of seniors in the company and creates a unique platform to learn, gain insights from leaders and network with peers.

Skill Development

Thermax Learning Academy facilitates various technical and skill development programmes throughout the year. During the year, there were 4,900 participants for skill upgrade trainings and 199 business specific training programmes were conducted.

Employees also participate in business related programmes organised outside the organisation.

The Welding Training Centre of Cooling & Heating business is affiliated to the Capital Goods Skill Council Delhi (CGSC) and is an authorised training provider for internal as well as external welders.



As a part of Learning & Development, Thermax organises the Learning Fest annually. It's a unique event focused on employee development through innovative learning methods, exposure to best practices and macro trends by way of interaction with industry experts.

Disha for Workers

Considering the growing business needs, Thermax has designed a programme for workmen called *Disha* comprising training programmes in seven critical areas – attitude and behavior, motivation, accountability and ownership, team work, work environment, holistic health and financial education.

The objective of *Disha* is to motivate workmen while driving a sense responsibility and accountability at work.

Urja - A Skill Building Initiative for Women

Under the aegis of *Urja*, Thermax joined hands with Shroff Foundation that helps young people, predominantly tribals, to develop their skills. 13 young, committed women, enrolled for the welders programme run by the foundation. They also underwent a soft skills and personality development course to enhance their confidence. The programme was piloted at the Thermax facility in Savli, Gujarat and has been extended to the upcoming facility at Sri City, Andhra Pradesh.

Voice of Youth (VoY)

'Voice of Youth' comprises a team of young professionals under 30 selected through a competitive process. This group, mentored by an assigned Executive Council member, is expected to be drivers of change within the organisation. VoY provides a platform for young professionals to propose the change they wish to see in the company, conceive new ideas, come up with creative solutions and the possibility of doing things differently.

Edge for Sales Transformation

With the help of an external consultant and the business units at Thermax, a study was conducted to understand the key drivers of sales for the company and to improve the process. The study used field visits, data gathering, meetings with key stakeholders across all SBUs and a thorough study of the current MIS being used. Subsequently, a detailed report was presented to the senior stakeholders and this was allowed by time bound action plans for training and development of sales engineers and managers. So far *Edge* has covered 10 batches of 248 employees.

Learning Fest

Learning Fest celebrates the spirit of learning through explorations of music, art and movies. In its second consecutive year, the fest had various sessions to facilitate learning through innovative way including a talk by an economist on 'Geopolitical trends and its impact on the Indian manufacturing sector.'

T- Quiz at Thermax

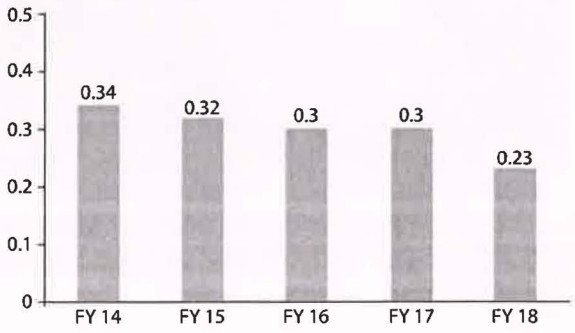
T-Quiz, through a blend of competition and fun, brought to employees many known and not-so-known facets of Thermax. Launched for the first time to improve cohesiveness across businesses and functions, this organisation-wide quiz was based on the theme 'Know Thermax, Love Thermax'. The event saw participation from 2,412 contestants.

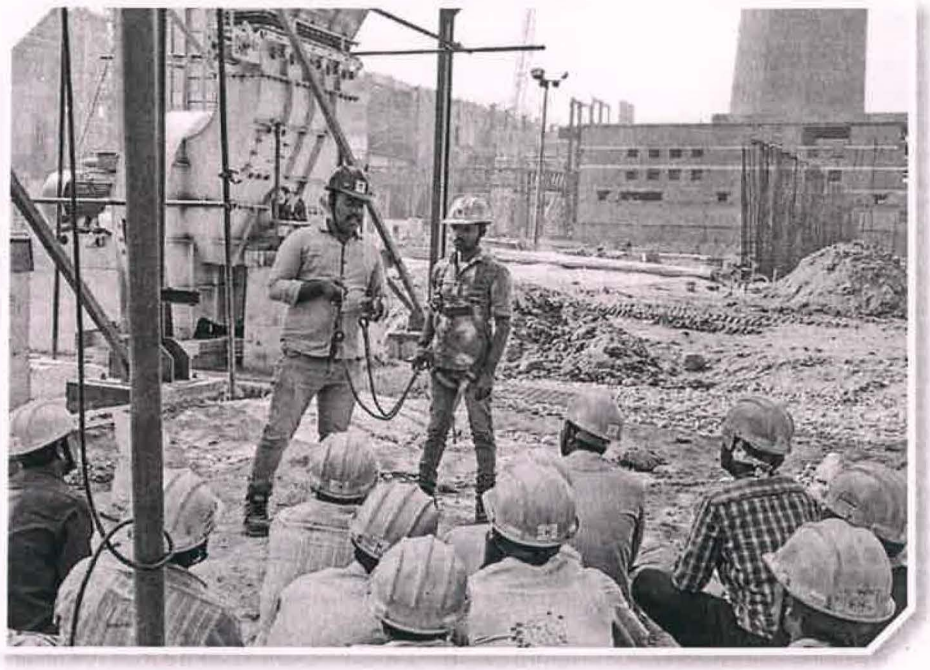
Safety

The Health Safety and Environment (HSE) department of the company conducts regular safety training programmes at all locations and project sites of Thermax. All employees are provided with safety training as a part of the induction programme which is also a critical requirement for contract workforce before they are inducted into the system. The company has a structured safety training agenda on an ongoing basis to build a culture of safety across its workforce. Regular mock drills, safety oath at the beginning of every important employee convention and celebration of National Safety Week by way of competitions and sessions from industry experts, help in reinforcing the importance of safety.

The company has institutionalised a continual learning model for skill upgradation, especially at the shop floor and customer sites. Corporate HSE department has developed and implemented 'Thermax Safety App' as one of the digital initiatives of the company for better access and quick communication of observations and incidents.

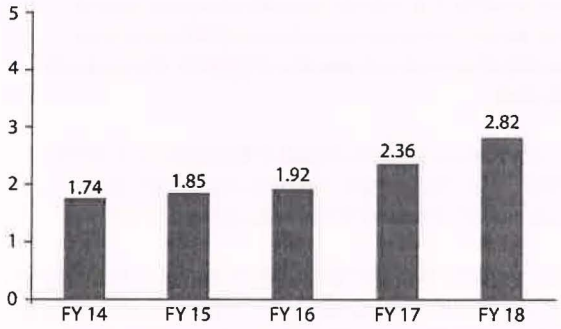
Lost Time Injury Frequency Rate





Thermax celebrated the 'National Safety Week' across offices, manufacturing facilities and project sites through a series of awareness programmes about prevention of industrial accidents and adoption of safe work habits.

Safety Training (man days/employee/year)



During FY 2017-18, there was a 19% increase in safety trainings to approximately 2.82 man days per year. These trainings along with other proactive measures have reduced Lost Time Injury Frequency Rate (LTIFR) by 23%.

Health Initiatives

Thermax has been taking initiatives to create health awareness among employees. Periodic health check-ups, periodic communication and sessions on work related diseases by internal and external health experts were organised during the year. For example, a session by a renowned physician explained causes of heart attacks and early symptoms to detect cancer.

Principle 4
Stakeholder Engagement

Thermax firmly believes that business sustainability is possible only by taking along all stakeholders, internal as well as external. The company has mapped its key stakeholders and employs various mechanisms and practices to engage them in a fruitful dialogue. Thermax seeks timely feedback and response through both formal and informal channel of communication to ensure that stakeholders are updated.

The company has well established processes for identifying and engaging with stakeholder groups.

The key stakeholders classified into six broad categories, along with their engagement mechanism are as follows:

Key stakeholder	Methods of engagement
Customer	Customer satisfaction survey, customer meets, customer site audits, website, fireside, (house magazine of Thermax group), mailers, exhibitions, promotional campaigns, brochures, road shows, social media, *In-touch* and seminars for customers.
Employee	Open forum, employee experience survey, leaders teach series, functional trainings, online trainings, employee committees, Thermax organisation and people development, leadership development, Voice of Youth forum, communication blogs, learning festival, environment and safety week celebrations.
Vendors	Vendor meets, dealer conference, vendor selection process, site visits and personal communication, vendor visits and trainings.
Owner and shareholders	Annual general meeting, quarterly results, annual report, investor meets and press releases.
Government Authorities	Government forums, policy advocacy, interactions with statutory bodies like SEBI, tax department, stock exchanges, pollution control boards and labour authorities.
Community	Site visits, meetings with local communities/NGOs, website - www.thermaxglobal.com, discussions with academic institutions, fellowships and press.

Vendor Satisfaction Survey

As a part of stakeholder engagement, Thermax Corporate Sourcing Group conducted a vendor satisfaction survey during the year to understand the level of satisfaction on the company's policies, processes and experience in actual dealings.

Response to this web based survey provided an overall satisfaction index by the vendors in business dealings. They also highlighted certain areas of improvement, which are being worked upon.

Principle 5
Human Rights

The company does not have a standalone Human Rights policy; however aspects of human rights such as child labour, occupational safety, non-discrimination are covered by its various Human Resource policies.

Thermax Code of Conduct demonstrates its commitment towards the preservation of human rights across the value chain. The company has grievance redressal mechanism in place to deal with issues related to discrimination, retaliation and harassment.

These policies cover Thermax and its group companies.

There have been no complaints received and disposed regarding violation of human rights during the year 2017-18.

Principle 6
Environment

Thermax is committed to conduct business with a strong environmental conscience. The company's Health, Safety and Environmental (HSE) policy formulates the commitment towards conducting operations in a manner that does not harm employees, customers, contractors, workmen, local residents and the environment.

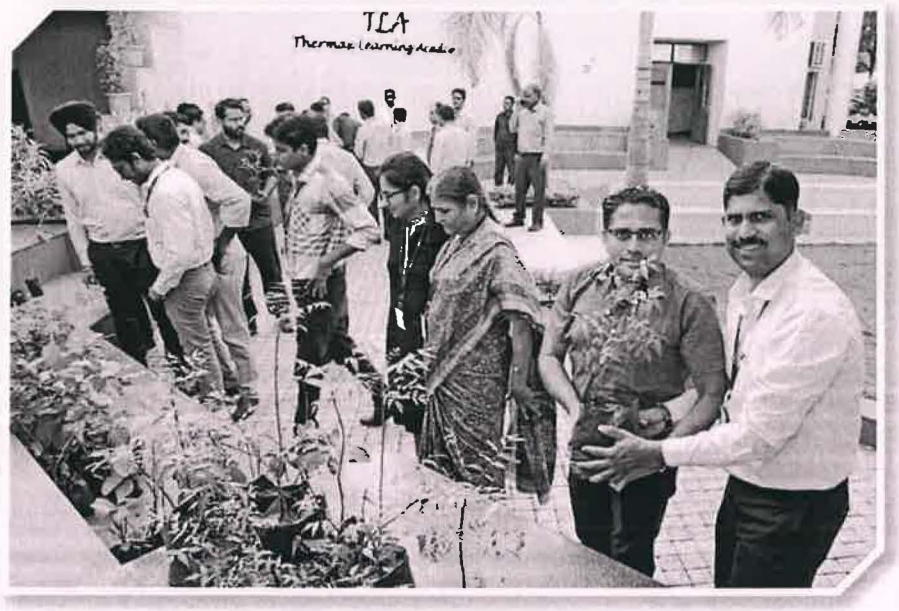
All manufacturing plants in India are certified as per the ISO 14001 Environmental Management Systems (EMS) standards. The management system is further defined at group, country and site level. As a part of EMS implementation, potential environmental risks are identified and appropriate mitigation strategies are planned.

Energy conservation measures implemented at all the plants and offices of the company have resulted in reduction of 808 tons of CO_2 emissions in FY 2017-18.

The company follows reduce, reuse and recycle principles at all its manufacturing plant sites. All the manufacturing facilities except Paudh and Dahej are 'zero discharge' plants, i.e. 100% treated effluent is used for gardening, fire hydrant system and flushing in toilets.

This has resulted in a saving of 1,69,977 m^3 of fresh water withdrawal from the main source.

The details of the projects are mentioned in Annexure 5 of Director's Report.



Thermax celebrated World Environment Day 2018 with the theme of 'Break up with Plastic' through engaging events, distribution of saplings, competitions and leadership address, reiterating the importance of sustainability.

Implementation of rain water harvesting to conserve natural resources as well as to reduce dependence on the water supply resulted in storage and consumption of approximately 7,172 cubic meters of rain water through harvesting facilities at the Paudh and Jhagadia plants.

Another key initiative during the year was tree plantation across facilities of Thermax. More than 11,031 trees having girth more than 10 cm are being nurtured within Thermax campuses in India. During 2017-2018, Thermax planted additional 1,366 trees across locations. The company monitors the number of trees planted across the campuses through a tree inventory.

Thermax intends to increase its green cover and create natural carbon sinks in a sustainable way. The company has initiated the quantification of carbon sink through non-destruction method that resulted in creating one of approximately 3,062 tons.

Important environment conservation days like World Water Day, World Environment Day, Energy Conservation Week etc. are celebrated at all locations.

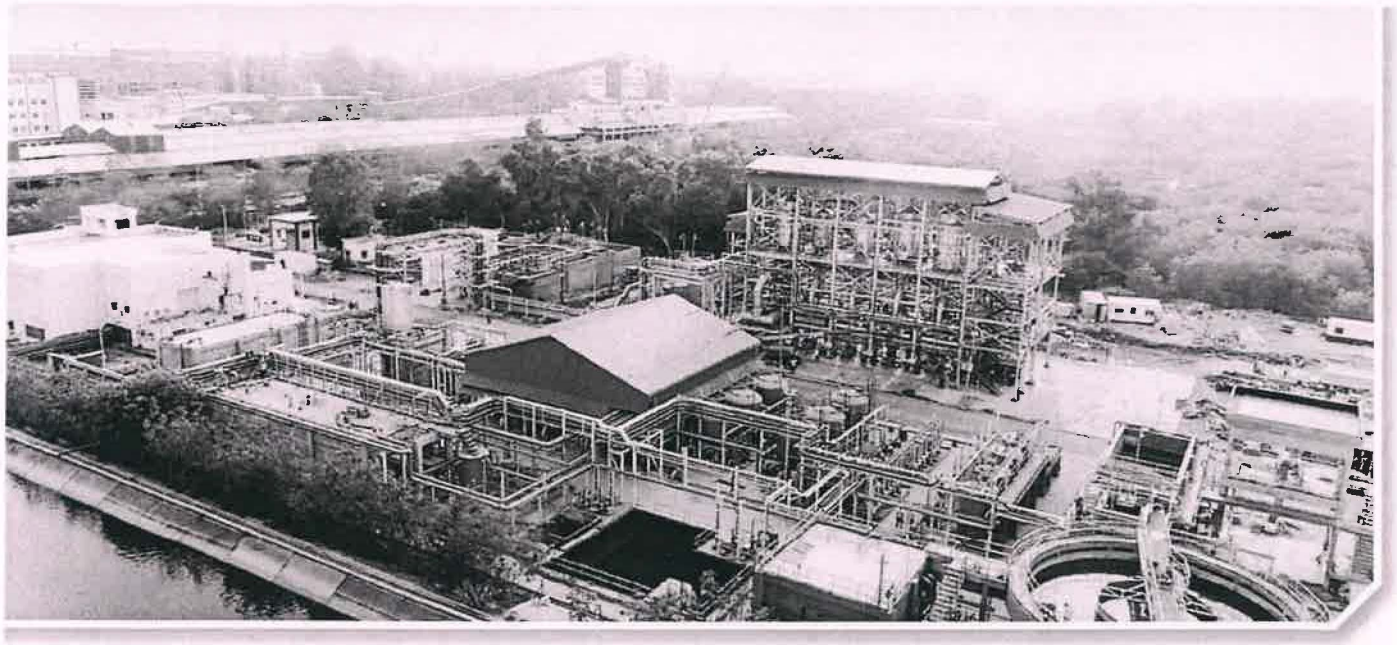
The company complies with prescribed permissible limits as per CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

As on March 31, 2018, no show cause notice received from SPCB/CPCB are pending.

Principle 7
Policy Advocacy

Thermax is a member of various trade and chambers or associations, where senior management of the company represent Thermax and engage in discussions across various topics. Some of these associations include:

- All India Management Association
- CII National Committee for Capital Goods & Engineering
- CII National Committee on Industrial Relations
- Bombay Management Association
- Mahratta Chamber of Commerce, Industries and Agriculture
- CII National Committee of Bioenergy
- Development Council appointed by the Ministry of Heavy Industries and Public Undertaking, Government of India
- Governing Council of Capital Goods Sectors Skill Council
- Technology Information, Forecasting and Assessment Council (TIFAC)
- DST's Water Technology Initiative (WTI)



Thermax partnered with a major fertiliser manufacturing company for installing an ultrafiltration & reverse osmosis (RO) based effluent recycling plant at their plant in Rajasthan, India. The plant is designed to recover 200 m^3/hr of water which is close to 91% recovery from the effluent.

Principle 8
Equitable Development

Thermax's CSR philosophy thrives on the conviction that 'Business cannot succeed in a society that fails'. The company believes that the key enabler to a holistic, sustained and inclusive growth of the society is education and hence Thermax Foundation (TF), the non-profit CSR wing of Thermax focusses primarily on improving the standard of learning for the underprivileged children.

The company has already put in place its CSR policy as required by the Section 135 of Companies Act 2013 and an appropriate organisational structure with functional representatives to drive CSR effectively.

A separate report on the company's CSR is provided in this report on page no. 40 to 44

Principle 9
Customer Value

Thermax has deployed multiple approaches to anticipate customer's needs, expectations, preferences on products & services and understanding current & future customer requirements.

A Customer Relationship Centre captures requirements of customers either directly during interactions or indirectly through surveys and complaint - tracking. Data collection and analysis processes have been put in place to periodically assess the customer's needs.

At Thermax there is a structured mechanism to capture and resolve customer complaints. During the year, 3.2% complaints are pending for resolution. After thorough investigation of the complaints, it was found that there was no concern regarding the safety profile of any product.

Thermax conducts customer satisfaction surveys once in three years through a third party. The survey captures customer experiences in various areas such as product quality, delivery, technical assistance, service support, customer orientation, relationship building, company personnel and customer loyalty.

During the FY 2017-18 there were no complaints relating to unfair trade practices, irresponsible advertising or anti-competitive behaviour against the company.

Thermax conducts various events for potential customers like seminars, conferences and road shows on products. Through these type of events, the customers are made aware of the company's capabilities in technological advancement, service support and people competencies, which are essential to maintain an edge in the competitive business environment.