

# ANNEXURE-I

## BUSINESS RESPONSIBILITY REPORT – 2016-17

### Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** - L29110UP1995PLC041834
2. **Name of the Company** - Triveni Turbine Limited.
3. **Registered Address** - A-44, Hosiery Complex, Phase –II Extn., Noida – 201 305, U.P
4. **Website** - www.triveniturbines.com
5. **E-mail ID** – shares.ttl@trivenigroup.com
6. **Financial Year reported** – 2016-17
7. **Sector(s) that the Company engaged in**

NIC CODE	PRODUCT DESCRIPTION
281	Steam Turbine, Accessories and parts thereof
331	Servicing Operations and Maintenance of Steam Turbines

8. **List three key products/services that the Company manufactures/provides:**

- 1 Steam Turbine and Accessories
- 2 Supply of Spare Parts
- 3 Refurbishing and Servicing Operations and Maintenance of Steam Turbines

9. **Total number of location where business activity is undertaken by the Company:**

The Company carries out its business directly and through its subsidiary companies, including through their network of offices.

- i. **Number of International Locations (Provide details of major 5): 04**

The Company operates in the following locations through its foreign subsidiaries and their network of offices

London, UK; Dubai, UAE; Indonesia; Vietnam

- ii. **National Locations: 08**

The manufacturing facilities are situated in Bengaluru, Karnataka and it's corporate and registered offices are situated in Noida, UP. Further, it has customer care offices at various places (Naini (Allahabad), Mumbai, Pune, Kolkata, Hyderabad, Ahmedabad) to serve its customers all over the country.

10. **Markets served by the Company : Local/State /National/ International**

Local	State	National	International
✓	✓	✓	✓

Please refer to "Looking Beyond in International Markets and Looking Ahead in Domestic Markets" section (page nos 8-11) of the Company's Annual Report FY 17 for the detail of markets served.

## Section B: Financial Details of the Company

(₹ in Million)

		Triveni Turbine Limited	
		FY 17	FY 17
		Standalone	Consolidated
1	Paid-up Capital	329.97	329.97
2	Total Turnover		
	(a) Revenue from operations (gross)	7,537.24	7,655.70
	(b) Other income	285.67	289.89
3	Profit for the year (after taxes and minority interest)	1,161.86	1,235.55

### 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax :

During the Financial Year 2016-17, the Company has spent an amount of ₹ 25.96 million, which amounts to 2% of the average standalone profit for the previous three years as prescribed by the Companies Act 2013 and 2.29% of PAT for the year. Additionally, GE Triveni Ltd, a subsidiary company, has spent ₹ 0.79 million for CSR activities that is 0.77% of Profit after tax for the year.

### 5. List of activities in which expenditure in (4) above has been incurred: -

- Health care- Preventive health care for women and children
- Education
- Technology and Innovation
- Ensuing environmental sustainability

## Section C: Other Details

### 1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has three subsidiaries, including two foreign subsidiaries as on March 31, 2017.

### 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).

There are no formalized arrangements but in respect of most of the issues relating to business responsibility, the values, policies and thinking of the parent company are practiced in the normal conduct of the business by the subsidiary companies.

### 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?

The Company does not mandate its suppliers/ distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business entity.

**If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].**

Not Applicable

## Section D: BR Information

### 1. Details of Director/Directors responsible of BR

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

The BR initiatives are informally led by the Executive Director in conjunction with the CSR committee.

#### b) Details of the BR head\*

S. No.	Particulars	Details
1.	DIN Number (if applicable)	01961162
2.	Name	Mr Arun Prabhakar Mote
3.	Designation	Whole Time Director
4.	Telephone number	080 22164000
5.	e-mail id	ceo@trivenitur-bines.com

### 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These briefly are as follows:

- P1** Business should conduct and govern themselves with ethics, Transparency and Accountability.
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** Businesses should promote the well- being of all employees.
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** Businesses should respect and promote human rights
- P6** Business should respect, protect, and make efforts to restore the environment.
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** Businesses should support inclusive growth and equitable development.
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for.....	Yes. To comply with the guidelines, the Company has formulated policies and Standard operating procedures (SOPs) to provide clarity to the operating personnel at various levels.								
2	Has the policy being formulated in consultation with the relevant stakeholder?	The Company has formulated the policies, SOPs and adopted best practices by considering inputs, feedback and sensitivities of the stakeholders, wherever practicable.								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes, the policies/practices broadly conform to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, July 2011.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Policies have been approved by the Board wherever it is mandatorily required and signed by the Whole Time Director of the Company								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The BR initiatives are informally led by the Whole Time Director in conjunction with the CSR Committee								
6	Indicate the link for the policy to be viewed online?	The Company will be formalizing its BR policies in the due course. The BR initiatives are presently governed by Policies (Code of conduct, whistle blower policy, Corporate Social Responsibility Policy, Code of Fair Disclosure) and SOPs (Environment Occupational Health & Safety Policy, Policy of Sexually Harassment, Quality Policy) The link for the Policies: <a href="http://www.triveniturbines.com/key-policies">http://www.triveniturbines.com/key-policies</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal stakeholders have been made aware of the policies. External Stakeholders are communicated to the extent applicable. The mandatory Policies are also updated on the website of the Company.								
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?	The Company has an effective system of recording comments / complaints of the stake holders relating to above policies and there is a time bound approach to resolve such complaints in a fair manner.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Apart from self certification and discussions in meetings of cross-functional teams, certain areas related to EHS, customer satisfaction and quality are subject to internal audit by independent third party agencies. The compliance is also evaluated during the process of certification of various international quality standards.								

2a. If answer to S.No.1 against any principle, is "No" please explain why: (Tick up to 2 options):

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8
1	The company has not understood the Principles								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.								
3	The Company does not have financial or manpower resources available for the task.								
4	It is planned to be done within next 6 months								
5	It is planned to be done within next 1 year								
6	Any other reason (please specify)								

### 3. Governance related to BR

- 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 .

The Whole Time Director/BR Head reviews and assess the BR performance of the Company within 3-6 months.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report which forms part of the Company's annual report for the Financial Year 2016-17. The annual report containing this Business Responsibility Report will be put up on the web site of the Company at [www.triveniturbines.com](http://www.triveniturbines.com)

The Company actively engages itself with all the aspects covered under the BR initiatives and endeavors to achieve something meaningful and worthwhile, which is useful to and in the welfare of the community as a whole

all the transactions in the widest sense to meet stakeholders and societal expectations. The Code of Conduct and other policies adopted by the Company apply to the employees of the Company. In addition the Company has a Whistle Blower Policy through which the Company seeks to provide a mechanism to the employees and directors to disclose any unethical and/or improper practice(s) suspected to be taking place in the Company for appropriate action and reporting. Further, no employee is denied access to the Audit Committee and all disclosures are reported to the Chairman of the Audit Committee. The Code of Conduct and Whistle Blower Policy are uploaded on the Company's website- [www.triveniturbines.com](http://www.triveniturbines.com).

#### 1. Does the Policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers/ Contractors / Others?

In respect of most of the aforesaid issues, the values, policies and thinking of the parent company are also practiced in the normal conduct of the business by the subsidiary / joint venture companies. GE Triveni Ltd, one of the subsidiary companies, has framed its own policies in this regard. The Company also encourages its suppliers and contractors to adopt such practices and follow the concept of being a responsible business entity.

#### 2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

In the course of business, the Company has received queries from shareholders (09 during the year, which were all resolved during the year).

## Section E: Principle-wise performance

### Principle 1: Ethics, Transparency and Accountability

The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the senior management and all employees of the Company. The Corporate Governance philosophy of the Company is anchored on the values of integrity, transparency, building efficient and sustainable environment, system and practices to ensure accountability transparency, fairness in

Further, 50 nos. customer queries/complaints were received during the year relating to functionality and quality of the steam turbines of which 93% were resolved satisfactorily and balance are under process of closure. With a view to achieve maximum customer satisfaction, the Company gives utmost importance to resolve such complaints and absorbs the learning in the system and processes to avoid recurrence. Other than the aforesaid, the Company did not receive any major complaints and none of the major complaints is outstanding at the end of the year.

## **Principle 2: Sustainability of Products & Services across Life –Cycle**

### **1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The Company manufactures Steam turbines, spare parts and provides services relating thereto, including refurbishment of steam turbines. The products supplied by the company are environmental friendly. The product of the Company helps industries to lower costs through cost competitive generation of power for captive consumption and/or for external sale.

The Company supports environment sustainability with significant focus on thermal efficiency improvements to meet key customer expectations and drive environmental sustainability. The Steam Turbines supplied in power plants are run by our customers on non-fossil fuels like sugarcane bagasse and other biomass, municipal waste and waste heat from process plants and gas turbines. The Company has an advanced Research and Development department which is engaged in continually developing highly efficient turbines keeping in view the social and environmental concerns.

The Company has designed Hybrid (Reaction–Impulse) design which combines the unique advantages of both reaction and impulse technologies for fuel efficiency, robustness and compactness. The customers are benefitted in terms of less fuel consumption, automated turbine control system, high density turbine with lower carbon foot print with the same power output.

Keeping in view the scarcity, cost of fossil fuel and its environment implications, the Company has designed Turbine solutions for energy efficient district heating plants, to generate Combine Heat and Power using Biomass fuel. District Heating System distributes thermal energy from a central source to residential, commercial and industrial consumers for use in space heating, water heating and process heating.

The Company offers steam turbines that can help industries produce clean energy solutions from waste heat from industrial equipment like boilers, furnaces, and process heaters among others. Waste heat recovery improve energy efficiency, recovering waste heat losses provides an attractive opportunity for an emission free and less costly energy resource.

### **2. FOR EACH SUCH PRODUCT provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (Optional).**

- a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company is continually engaged in energy conservation (please refer to Annexure F of the Director's Report) with a view to optimise the resource use. Further, it is involved in reducing wastages/ rejections during the manufacturing process (including that of its suppliers) and value engineering activities with a view to reduce costs of his products to be competitive, without compromising on the quality and benchmark efficiencies.

The Company has installed 1st roof top Solar PV Power Plant installation as part of the ambitious goal of sourcing 15% electricity from renewable source. The installed plant is a 300 KW solar photovoltaic (PV) plant in the factory capable of generating 0.38 million units annually which reduced the carbon footprints of 392.008 tonnes during the year 2016-17, resulted in net saving of about ₹ 3.0 million in electricity charges.

In addition, CFL lamps in the office and meeting rooms of the administration building, Training Centre Building have been replaced with energy efficient LED lamps which has resulted in significant power saving.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Yes, sustainability is extended to suppliers significantly through responsible Supply Chain procurement practices and selection criteria focused on protection of environment, societal interest and cost effective procurement seeking resource efficiency, improving the quality of products and services and ultimately optimising the cost. Though it is difficult to quantify exactly in terms of percentage, the Company is increasingly focused on sustainable sourcing.

**4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been take to improve their capacity and capability of local and small vendors ?**

i) Yes, the Company has been encouraging highly skilled willing retired employees to develop small or micro companies, around its vicinity, for supply of components and also develop several job workers locally. The Company imparts necessary training and engineering skills to the local

job workers for their development and ensures sustainable quality deliverables. During the year the company has procured above 65% of total procurement in terms of value from local sources, where local source is defined as at the State in which the manufacturing plant is established.

ii) The Company also believes in long term partnership with the vendors by having rate contracts with them and providing periodical feedback on their performances in terms of quality, delivery, services, environmental health and safety, which helps the vendors to improve their performance by taking corrective actions on the parameters where they are found lacking. Transparency and fair approach are maintained while dealing with the vendors during the entire procurement cycle.

**5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof in about 50 words**

It is the Company's ongoing endeavor to have a mechanism to recycle machine coolant, lubricant oils etc. almost 100%. The waste steel raw-materials arising out of the manufacturing process are sent back to the foundries from where the company sources the castings. The Company thus ensures 100% recycle during production with almost zero waste.

**Principle 3: Employee Well-being**

S. N.	Category	Response
1.	Total number of employees	1190 as on March 31, 2017 (includes Permanent, Temporary, Casual, trainee and contractual employees)
2.	Total numbers of employees hired on temporary/ contractual / casual basis	594 as on March 31, 2017
3.	Total number of permanent women employees	32 as on March 31, 2017
4.	Total number of permanent employees with disabilities	NIL
5.	Do you have employee association that is recognised by management?	Yes, we have recognised Trade Union constituted in terms of the Trade Union Act at the Companies Manufacturing unit at Peenya Bengaluru, India.
6.	What percentages of your permanent employees are members of this recognised employee association?	Around 15%



**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.**

There were no complaints during and as on the end of the financial year

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

Category	Safety (%)	Skill Up-gradation (%)
Permanent employees	77%	81%
Permanent Women Employees	90%	88%
Casual/ Temporary/ Contractual employees	34%	NA
Employees with disabilities	NIL	NIL

**Principle 4: Stake Holder Engagement**

**1. Has the Company mapped its internal and external stakeholders?**

Yes, the key stakeholders of the Company are employees, customers, government authorities, suppliers, charitable organisations, trade & chamber associations, shareholders and society.

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

For the Company all the stakeholders are equally significant. However, the CSR programmes of the Company are directed towards providing benefit (education, healthcare etc) to poor and underprivileged.

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

As a part of the CSR initiatives of the Company, considerable importance is given to disadvantage, vulnerable and marginalized stakeholders – Please refer to Annexure E of the Director’s Report.

**Principle 5: Human Rights**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ Others?**

While the Company or its subsidiaries/ joint venture do not have a stated policy on human rights, it has been

practicing to respect human rights as a responsible corporate citizen, without any gender discrimination and exploitation. It believes in providing equal opportunity and to remunerate them in a fair manner commensurate with their skills and competence. The Company ensures conformance to fundamental labour principles including prohibition of child labour, forced labour, freedom of association and protection from discrimination in all its operation through communication to its employees periodically.

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

During Financial Year 2016-17, the Company has not received any complaints from any stakeholder pertaining to the human rights.

**Principle 6: Protection & Restoration of the Environment**

**1. Does the Policy related to Principle 6 cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ Others.**

The Company’s Policy on Safety, Health & Environment extend to its subsidiaries, JV, Suppliers, and Contractors as well.

**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:**

Yes, as a responsible corporate entity, the Company conducts Legal and Environmental Audits on a periodic basis for its manufacturing plants. The Environmental Management System (EMS) is a comprehensive approach to environmental management and continual improvement, which is certified in line with ISO 14001:2015 & OHSAS 18001:2007 standards. Audits are being conducted on half yearly basis by a reputed organisation, which is recognised by over 50 accreditation bodies. The products of the Company are based on renewable energy and are instrumental in generating green power. Please refer to the Management Discussion and Analysis section of Annual Report 2017, which is also provided at [www.triveniturbines.com](http://www.triveniturbines.com)

Under the Company’s various “Green initiatives”, Peenya Manufacturing Plant has more than 2000 trees, zero discharge facility with 100% waste water