

BUSINESS RESPONSIBILITY REPORT

Financial Year 2018-19



GUJARAT GAS

Gujarat Gas Limited

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Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:**
L40200GJ2012SGC069118
2. **Name of the Company:**
Gujarat Gas Limited
3. **Registered Address:**
Gujarat Gas CNG Station, Sector 5/C, Gandhinagar – 382006, Gujarat.
4. **Website:**
www.gujaratgas.com
5. **E-mail id:**
contactbrr@gujaratgas.com
6. **Financial Year Reported:**
Financial Year 2018-19
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

The NIC Code is 3520. The Company is engaged in City Gas Distribution including sale, purchase, supply, distribution, transport, trading in Natural Gas, CNG, LNG, LPG & other Gaseous form through Pipelines, Trucks/Trains or such other suitable mode for transportation/distribution of Natural Gas, CNG, LNG, LPG & other Gaseous Form.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

Natural Gas

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

The Company operates in 21 districts of the State of Gujarat, 2 districts of the state of Maharashtra and is also operating in the Union Territory of Dadra & Nagar Haveli. Recently Company received license to operate in 7 districts in the State of Punjab, 2 districts in the State of Haryana, 4 districts in the State of Rajasthan and 5 districts in the State of Madhya Pradesh.

10. **Markets served by the Company – local/state/national/international:**

The Company operates its business in the States of Gujarat, Maharashtra and also in the UT of Dadra & Nagar Haveli. Recently Company received license to start its business in the States of Punjab, Haryana, Rajasthan and Madhya Pradesh.

Section B: Financial Details of the Company

1. Paid Up Capital (INR)	₹ 137.68 Crores
2. Total Turnover (INR)	₹ 7,962.48 Crores
3. Total Profit after Taxes (INR)	₹ 417.03 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	₹ 4.36 Crores (1.05 % % of PAT)

5. List of activities in which the expenditure in 4 above has been incurred.

1. Contribution in providing gas to Crematoriums across operating locations - Rs 1.70 Crores
2. Contribution to support Sri Laxmi Kravia Techlabs Pvt. Ltd. -Mobile Health screening VAN - Rs 1.59 Crores
3. Contribution to support Akshaya Patra Foundation in setting up centralized kitchen in Kutchh-Mid Day Meal - Rs1.00 Crores
4. Others activities Rs 0.07 Crores

Section C: Other Details

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

Gujarat Gas Limited (GGL) has no Subsidiary Company.

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)

GGL has no Subsidiary Company, hence this question is not applicable to the Company.

3. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)

No other entity/entities have taken part in BR initiative of GGL.

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Section D: BR Information

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies		
Name	DIN Number	Designation
Dr. T Natarajan, IAS	00396367	Director

b) Details of the Business Responsibility Head	
DIN Number (if applicable)	NA
Name	Mr. Nitin Patil
Designation	CEO
Telephone number	079-26462980
e-mail id	nitin.patil@gujaratgas.com

2. 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 policy/policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Work Place Behavior Policy, Whistle Blower Policy (Vigil Mechanism Policy). P2: HSE Policy, Sustainable Development Policy, Work Place Behavior Policy P3: Work Place Behavior Policy, Human Rights Policy, HSE Policy, Harassment Policy P4: Sustainable Development Policy P5: Human Rights Policy P6: HSE Policy, Sustainable Development Policy P7: Sustainable Development Policy P8: CSR Policy, Sustainable Development Policy P9: Sustainable Development Policy								
2	Has the policy been formulated	Y	Y	Y	Y	Y	Y	Y	Y	Y

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	in consultation with relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on good corporate practices.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been signed by CEO/Board Director.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The BRR Committee of the Board of Directors will oversee the implementation of the Policy.								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		http://www.gujaratgas.com/corporate-governance/policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement its 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 policy/policies?	The queries regarding to BR polices can be sent to contactbrr@gujaratgas.com								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

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b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	GGL has successfully completed certification audit of its Integrated Management System (IMS) by an eminent certification body M/S DNV GL with reference to the requirements of International Standards ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007. The entire process of auditing in one way endorsed GGL's commitment for establishment of IMS and confirm its successful implementation by all functions and it's Geographic Areas across its operating areas.								
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 in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

3. Governance related to BR

a) 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.

BR related performance is reviewed annually by the Board of Directors of GGL.

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

The BR report is being published along with our Annual Report for FY 2018-19. Hyperlink www.gujaratgas.com/corporate-governance/policies/

Section E: Principle Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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?

Yes, the policy relating to ethics, bribery and corruption covers only GGL and currently it is not extended to the Group/Joint Ventures/ Suppliers/Contractors.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

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The Company had received 134 letters of various types of request, inquiries and complaints from its equity shareholders during FY 2018-19, which had been resolved and settled to the satisfaction of the shareholders.

The Company strives to resolve any complaint received from its stakeholders.

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

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

GGL is engaged in "Natural Gas" distribution to Domestic, Commercial, Industrial and Transport customers. Natural Gas being inherently a cleaner fuel is an environmental friendly fuel.

2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

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

GGL always encourages and aggressively promotes to the community to use PNG and CNG over conventional energy resources which generates high GHG emission.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

Natural gas reduces around 50% greenhouse gas (GHG) emissions compared to coal used in various industrial applications including ceramic and tiles industry. It can also be transported through pipelines to various places replacing the carbon footprint generated by transporting liquid fuel/coal through roads. In FY 18-19, GGL engaged with Agricultural Produce Market Committee (APMC) Surat which is producing Bio-Methane from Agricultural waste, Cow dung, etc. to promote sustainable sourcing.

GGL has also started replacing its diesel driven transport vehicles with CNG (Compressed Natural Gas) as a fuel.

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

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GGL considers "Local" as PAN India and believes in providing equal opportunity to all suppliers/vendors across India. To avoid any discrimination in awarding the project, we hire all our contractors through our online bidding process. This ensures that selection is totally on the basis of merit.

5. Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

GGL is solely involved in services of distribution of Natural Gas through network of pipelines designated as PNG and also in compressed form for use in transport sector designated as CNG. These services generally do not have significant waste generation.

However GGL has established, implemented and maintained a system of proper Waste Management:

- to avoid, reduce or control (separately or in combination) the creation or discharge of any type of waste in order to reduce adverse environmental impacts
- to reuse, refurbishing, recycle and dispose the waste
- to handle the waste from generation to disposal stage effectively in order to
- to comply with legal & statutory requirements and
- to protect the environment

Waste generated in form of used batteries, electronic waste, used oil at GGL are sent to pollution control board approved vendors for either recycling or environment friendly disposal.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees-

Total number of employees as on 31st March, 2019 is 1088.

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

No temporary or contractual employees were hired by GGL.

3. Please indicate the number of permanent women employees –

Total number of permanent women employees as on 31st March, 2019 is 66.

4. Please indicate the number of permanent employees with disability –

Total number of permanent employees with disability as on 31st March, 2019 is 6.

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

2/11

GGL believes in providing the freedom of association to the employees and the same is done through two of our management recognized unions, GGL Staff Union and GGL Employees Union.

6. What percentage of your permanent employees are a member of this recognized employee association?

About 20% of the employees are members of the above mentioned 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.

GGL has a policy on prevention of sexual harassment under which a Committee is formed that is dedicated to cases against sexual harassment in the Company. Due to stringent mechanisms in place for prevention and addressing issues related to sexual harassment, there have been "NO" complaints received on the same during FY 2018-19.

Similarly, all the work orders issued to contractors have clear instructions regarding compliance to all labour laws, including the prohibition of child labour. As a result of this, there have been "NO" complaints related to forced labour and child labour.

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

GGL has incorporated various safety practices in its premises and always tries to convey these safety instructions via sign boards.

GGL has programmes on various safety training for its new joining employees. The Company also tries to upgrade skills of its existing employees through organizing various skill up-gradation programmes.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

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

GGL has identified and mapped all its stakeholders and same are mentioned below;

- a) Employees
- b) Shareholders
- c) Customers
- d) Vendors/Suppliers/ Contractors
- e) Government/ Statutory authorities
- f) Banks (Lenders)
- g) Community

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

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GGL has identified its disadvantaged, vulnerable and marginalized stakeholders and same are mentioned below;

- a) Women
- b) Youth
- c) Rural Communities

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

GGL has taken special initiatives for its identified disadvantaged, vulnerable and marginalized stakeholders, few such initiatives are mentioned below;

a) For Women in rural areas

GGL has supported the government initiative for providing natural gas supply in rural areas as burning of wood and coal effects the health of women and causes health issues such as lung cancer, asthma and others. Under this initiative, GGL has gone the extra mile for implementation of PNG in rural areas of Gujarat state and has covered more than 1,000 villages successfully.

b) For Youth in rural areas

GGL has identified various locations in the state of Gujarat for implementation of CNG stations for vehicles and successfully installed them. This activity has helped the local youth on employment issues faced by them previously.

Principle 5: Businesses should respect and promote 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/NGOs/Others?

GGL has Human Rights Policy in place which covers all its employees and business associates.

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

The Company has not received any complaints from stakeholders with respect to violation of human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

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

The policy related to Principle 6 covers the Company and its contractors and vendors.

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- 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.**

GGL, as a responsible organization, recognizes and understands the various global challenges with respect to environmental degradation and climate change. Building awareness among the employees and community about these challenges is an effective way of addressing these challenges. GGL put efforts to do so through the following initiatives:

Celebration of Environmental Day

Every year GGL celebrates this day by conducting various activities like sapling plantation drives as well as awareness programs throughout the entire organization on “Environment protection by preventing or mitigating adverse environmental impacts”

Dial Before Dig Campaign

In this campaign, GGL educates and influences stakeholders who undertake digging activities. This is done to stress on safety and environmental risks of natural gas release in the atmosphere which can occur as a result of damage to GGL’s natural gas pipeline network during the digging operations. The third parties are urged to dial in to GGL to confirm the location prior to starting any digging/excavation activities so that damage to Natural gas pipeline network can be prevented.

Promoting Clean fuel

GGL is influencing the automobile users in its operational areas through various campaigns to use Compressed Natural Gas as a clean automotive fuel. It helps for the reduction of environmental impact caused by vehicular emission due to use of other polluting fuels.

Other Initiatives and compliances

- GGL ensures that all its vehicles have timely PUC re-certifications. Awareness regarding regular and proper maintenance is also given due importance through awareness activities.
- GGL ensures that all relevant equipment with are maintained as per defined frequency and monitored for emission levels to be within prescribed limits of Pollution Control Board authorization.

- 3. Does the company identify and assess potential environmental risks? Y/N**

GGL has developed its environmental management system in line with ISO 14001:2015 standard and got the same certified by third party certification body. GGL has identified Environmental aspects related to each of the business activities / processes and assessed ^{CAS} Environmental Impacts related to these aspects.

GGL has established **Environmental Aspect-Impact register** comprising of environmental risks arising from its operations and impacts covered in this register are mentioned below:

- a) Air pollution
- b) Water pollution
- c) Noise pollution
- d) Land contamination
- e) Health effects
- f) Others

This environmental aspect impact register is being reviewed at regular intervals.

- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

GGL has not undertaken any projects related to Clean Development Mechanism.

- 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.**

GGL takes every effort possible to reduce the impact of its operations on the environment. Some of our key initiatives taken in this regard are:

- a) With a motive to contribute to energy conservation and make a move towards Digital India initiative, GGL has initiated concept of Paperless office and is continuously working in this direction by introducing online platform for formats under various policies and approvals
- b) Utilization of energy efficient lighting

- 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. Environment monitoring activities are carried out at all relevant installations by SPCB approved agencies and compliance to permissible limits given by SPCB are closely monitored and ensured. All the emissions and waste generated by GGL are within the permissible limits of CPCB/SPCB. The compliance reports of the same are regularly submitted to SPCB.

- 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.**

There are no pending show cause or legal notices as on 31st March 2019, the end of the financial year 2018-19.

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

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- 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:**

GGL is member of Confederation of Indian Industry (CII).

- 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)**

CII being a national body, from time to time takes up various initiatives of public good. GGL supports such initiatives.

Principle 8: Businesses should support inclusive growth and equitable development

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

GGL has undertaken many initiatives in the field of community development, especially along the lines of skill up-gradation. While keeping the activities aligned to the priorities identified by the Government of India, the relevance of the activities to the business is also considered.

Indigenous people around the areas of our operations are trained and taken on as contractors which not only helps the Company in achieving lower attrition rates of workers but also provides them a means of livelihood.

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

Based on the type of program and the feasibility of its execution, implementation is carried out in multiple forms like engaging with NGOs, hiring external agencies, or making use of in-house capabilities as well.

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

Prior to beginning any activity, the relevance and the need for it is assessed by one or more employees who visits the location and gauges the need of the community. In this manner, the Company can select the best programs for execution which would be relevant and effective.

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

GGL has incurred a total expenditure of INR 4.36 Crores for its CSR activities. Details of these activities is mentioned below:

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1. Contribution in providing gas to Crematoriums across operating locations - Rs 1.70 Crores
2. Contribution to support Sri Laxmi Kravia Techlabs Pvt. Ltd. -Mobile Health screening VAN - Rs 1.59 Crores
3. Contribution to support Akshaya Patra Foundation in setting up centralized kitchen in Kutchh-Mid Day Meal -Rs1.00 Crores
4. Others activities -Rs 0.07 Crores

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.

The initiatives by GGL are based upon identification of the needs and so the Company provides free gas to the crematoriums. The Company is providing gas to Crematoriums across its operating locations in Gujarat. Thus the Company is supporting the community through this initiative.

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

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

The pending complaints in all customer segments for disposal is 5,476 of overall 1,22,478 i.e. 4.47% as on 31st March 2018 as per the requirement of the SLA under the Quality of Services obligations of the Petroleum and Natural Gas Regulatory Board.

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)

GGL as a service provider holds a special responsibility inherently on providing proper and correct information of the services to its customers from various sectors including Industries, Domestic, Commercial and Transport.

In regards to this, GGL always discloses the details of its services to its customer through documents such as "Registration forms" for domestic customers, and "Gas Sale Agreement (GSA)" for Industrial and commercial customers before providing the services. The basic concept behind these documents is to provide all the details of services by GGL to its customers and brief content of the same is provided below;

- a) Applicable laws
- b) Facilities to customer
- c) Contract and its details
- d) Delivery point
- e) Metering point
- f) Title and Risk
- g) Contracted quantity details
- h) Expiry date

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- i) Health, Safety, Security and Environmental norms
- j) Intellectual property
- k) Price
- l) Applicable taxes

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

NIL.

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

GGL has appointed a third party agency to conduct customer satisfaction survey in its operating areas. The survey for the same has been completed and the findings shall be shared with GGL in Apr-May 2019.

Top management of GGL also regularly conducts customer meets with its key customers. During such meetings, the issues faced by the customers are highlighted and GGL tries to rectify them and resolve them at the earliest.

Shri Nitin Patil
CEO

Dr. T. Natarajan, IAS
Director, GGL

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