



BUSINESS RESPONSIBILITY REPORT

Financial Year 2016-17



GUJARAT GAS

Gujarat Gas Limited

BUSINESS RESPONSIBILITY REPORT

Financial Year 2016-17

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:

Block No. 15, 3rd Floor, Udyog Bhavan, Sector -11, Gandhinagar – 382011

4. Website:

www.gujaratgas.com

5. E-mail id:

contactbrr@gujaratgas.com

6. Financial Year Reported:

Financial Year 2016-17

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 20 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.

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

The Company operates its business in the state of Gujarat, Maharashtra and also in the UT of Dadra & Nagar Haveli.

Section B: Financial Details of the Company

1. Paid Up Capital (INR)

₹ 137.68 Crores

2. **Total Turnover (INR)** ₹ 5237.87 Crores

3. **Total Profit after Taxes (INR)** ₹ 219.50 Crores

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)** ₹ 1.90 Crores
(0.87 % of PAT)

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

- | | |
|---|--|
| 1) Contribution to support Akshaya Patra Foundation in setting up centralised kitchen for feeding 50,000 nos. beneficiaries in Bhavnagar. | 3) Supporting Swaachhata Abhiyaan Awareness Programme. |
| 2) Contribution in providing gas to Crematoriums across operating locations of the Company. | 4) Contribution to an NGO - Visamo Kids Foundation's fund raising event. |
| | 5) Supported Indian Classical Music through Komal Nishad Charitable Trust. |

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.

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 in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		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 BRR Committee of the Board of Directors will oversee the implementation of the Policy.								

	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

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	It is planned to be done in the next year								
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 initiative on BR is adopted by the Company for first time and this report is being published along with our Annual Report for FY 2016-17. 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.**

The Company had received 244 letters of various types of request, inquiries and complaints from its equity shareholders during FY 2016-17, 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 helps in reduction of pollution.

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 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.**

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

- 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?**

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 is actively involved in following a proper mechanism for waste disposal and recycle, wherever required.

Waste generated in form of used batteries, electronic waste, compressor 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, 2017 is 1113.

- 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, 2017 is 67.

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

Total number of permanent employees with disability as on 31st March, 2017 is 2.

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

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 2016-17.

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?

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

- a) Women
- b) Children
- c) Youth
- d) 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 700 villages successfully.

b) For Children

- a) GGL is involved in various activities for betterment of underprivileged kids. The Company contributes funds for helping children on health issues, and school kits are provided to kids from tribal areas. The Company has also contributed to Akshaya Patra foundation to provide proper meals for children in schools which will in turn encourage them to attend more frequently. The Company contributed funds to programme for under privileged kids, viz. Visamo Kids Foundation (VKF). VKF is a shelter home for children from under privilege families that supports the cause of empowerment and change through quality education. It empowers kids to face challenges and convert them into opportunities to meet their goals.

c) 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.

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. We attempt to do so through the following initiatives:

Celebration of Environmental Day

Every year GGL celebrates this day by conducting various activities like tree plantation drives as well as awareness programs throughout the entire organization.

Fuel Conservation Awareness

As part of this campaign, GGL carries out a program where PUC certifications of its vehicles are certified. Awareness regarding regular and proper maintenance is also given due importance through awareness activities.

Dial Before Dig Campaign

In this campaign, GGL provides counseling to stakeholders who undertake digging activities. This is done to stress the importance of the release of Methane gas which can occur as a result of damaging GGL's natural gas pipelines during the digging operations. The stakeholders are urged to dial in to GGL to confirm the location prior to starting any digging/excavation activities.

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

GGL has an Environmental Aspect Impact register which assess the environmental risks arising from our operations and few hazards covered in this register are mentioned below:

- a) Air pollution
- b) Noise pollution
- c) Land contamination
- d) Fire safety
- e) Health effects
- f) Occupational diseases
- g) Others

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) Utilization of energy efficient lighting
- b) Utilizing renewable sources of energy – GGL has commissioned a Solar Panel to generate power sufficient to run a CNG station.



Solar panel at CNG station

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

Yes. All the emissions and waste generated by GGL are treated in appropriate manner and always fall within the permissible limits of CPCB and 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.

GGL has not received any such show cause or legal notices as on 31st March 2017, the end of the financial year 2016-17.

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

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 1.90 Crores for its CSR activities. Details of these activities is mentioned below:

a) Contribution to support Akshay Patra foundation in setting up centralized kitchen for feeding beneficiaries in Bhavnagar – INR 1,00,00,000/-

Government of Gujarat has invited Akshaya Patra Foundation to set up a centralized kitchen in Bhavnagar district with an objective to provide unlimited mid-day meals for government school going children with intention of preventing drop outs, increase the attendance and to tackle the malnutrition among the children. This project will cater to approx. 50,000 children from government schools in Bhavnagar and its near rural areas for a period of 5 years. The government had already allotted land to the foundation in Bhavnagar for the construction of centralized kitchen. As this kitchen was going to be in Bhavnagar, which is one of the operational geographical areas for GGL and health being one of our core areas identified for carrying out CSR initiatives, GGL contributed INR - 2 crores to support this initiative. INR 1 crore was contributed in the financial year 2015-16 and the remaining amount of INR 1 crore in the financial year 2016-17.

b) Contribution in providing gas to Crematoriums across operating locations – INR 89,57,596/-

GGL provides gas to crematoriums across its operating locations in Gujarat. Since the company is in the business of environment friendly fuel, this helps in preserving the environment by discouraging use of firewood and thereby protecting forests. Environment being one of the core area identified under the company's CSR policy the company provides free gas to the crematoriums.

c) Contribution to Swachhata Abhiyaan Programme – INR 40,250/-

JN Petit Library, Ankleshwar organized a painting competition for children of Ankleshwar to create awareness of cleanliness among the general public promoting Swachh Bharat Abhiyaan of Government. Ankleshwar Nagar Palika was associated with this cause.

d) Contribution to fund raising programme for under privileged kids – INR 1,00,000/-

Visamo Kids Foundation (VKF) is a shelter home for children from under privilege families that support the cause of empowerment and change through quality education. It empowers kids to face challenges and convert them into opportunities to meet their goals.

e) Contribution for supporting Indian classical music to Komal Nishad Charitable Trust was formed in Baroda – INR 1,00,000/-.

Komal Nishad had organized Parampara Sangeet Mahotsav – festival of Indian Classical Music featuring internationally reputed artistes in April 2016 and to support the preservation of the rich heritage culture of Indian Classical Music, contribution was made from GGL as heritage is one of the core areas identified under the CSR policy of GGL.

Since supporting initiatives for providing education is one of the core areas identified under the company's CSR policy, GGL contributed to the fund raising event of the foundation.

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.

Initiatives by GGL are based on surveys which are performed before the initiatives. This surveys are performed to identify the need of activity in the locality. The aforementioned initiatives in the form of support to Akshay Patra foundation, of providing gas to Crematoriums, of Contribution to Swachhata Abhiyaan Programme, of Contribution to fund raising programme for under privileged kids and of supporting of Indian classical music to Komal Nishad Charitable Trust have been adopted by the community.

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 4,539 of overall 79,737 i.e. 5.69% as on 31st March 2016 as per the requirements 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

(GSC)” 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
- 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.

Saint Gobain, one of the industrial customers of erstwhile GGCL, had filed a complaint before the CCI claiming certain clauses of the Gas Sales Agreement and the amendment thereto (together “GSA”) as the violation of the Competition Act, 2002. This matter was disposed off in favour of the Company.

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

GGL assures its customers the best available services in the market and to ensure this, the company has a well-defined customer satisfaction survey process which is performed periodically.

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.