



ANNEXURE - 4 to Board's Report

Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24110GJ1973PLC002247
2.	Name of the Company	Gujarat Alkalies and Chemicals Ltd.
3.	Registered address	P.O. : Petrochemicals-391 346, Dist. : VADODARA (GUJARAT)
4.	Website	www.gacl.com
5.	E-mail ID	investor_relations@gacl.co.in, cosec@gacl.co.in
6.	Financial Year reported	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity codewise)	Chemicals- NIC Code - 2411
8.	List three key products/services that the Company manufactures/ provides (as in Balance Sheet)	1. Caustic Soda Lye 2. Caustic Soda Flakes 3. Hydrogen Peroxide
9.	Total number of locations where business activity is undertaken by the Company	
	i Number of International Locations (Provide details of major 5)	NIL
	ii Number of National Locations	The Company has its manufacturing facilities located in Gujarat at P.O. : Petrochemicals-391 346, Dist. Vadodara and Village: Dahej 392 130, Ta.: Vagra, Dist. Bharuch.
10.	Markets served by the Company - Local/State/National/International	Across India, Africa, Europe, South Asia, Middle East, Australia, Russia, USA and Turkey etc.

Section B : Financial Details of the Company

Sr. No.	Particulars	Financial Year 2016-17 Standalone (Rs. in Crores)
1.	Paid up Capital (INR)	Rs.73.44
2.	Total Turnover (INR)	Rs. 2,255.34
3.	Total Profit After Taxes (INR)	Rs. 308.10
4.	Total Spending on Corporate Social Responsibility (CSR)	4.83
	As percentage of Profit After Tax (%)	1.57%
5.	List the activities in which expenditure in 4 above has been incurred.	
	A. Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects.	
	B. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	
	C. Promoting preventive health care and sanitation and making available safe drinking water.	
	D. Promotion of Art, Culture and Heritage.	
	E. Protection of National heritage, art and culture including restoration of building and sites of historical importance and works of art.	
	F. Rural Development Projects.	
	G. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.	

Section C: Other Details

- Does the Company have any Subsidiary Company / Companies?
Yes, the Company has one (01) Subsidiary Company, viz. GACL-NALCO Alkalies & Chemicals Pvt. Ltd.
- 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).
The subsidiary company has been recently incorporated and till date, has not started its commercial operations. Therefore, there is no direct participation by the subsidiary in the BR initiatives of the Company, at present.
- 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%]
Our suppliers, distributors etc. do not participate in the Company's BR initiatives.

Section D: BR Information

1. Details of Director/Directors responsible for BR

- Details of the Director / Directors responsible for implementation of the BR policy / policies
 - DIN Number : 05323992
 - Name : Shri P K Gera, IAS
 - Designation : Managing Director

- Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	05323992
2.	Name	Shri P K Gera, IAS
3.	Designation	Managing Director
4.	Telephone number	0265-2232801
5.	E-mail ID	md@gacl.co.in

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 under :

- P1** Businesses 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** Businesses 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.

Pursuant to the Regulation 32(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is covered under top 500 Companies by market capitalization as on 31st March, 2017 and hence, the publication of the Business Responsibility Report (BRR) by the Company shall be applicable for the Financial Year 2017-18 onwards. However, in respect of Financial Year 2016-17, there are some policies which are already in practice by the Company and hence, the Company has voluntarily submitted BRR in the Annual Report. The detailed policies under BRR with respect to guidance/principles provided under National Voluntary Guidelines on social, environment and economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India are formulated and approved by the Board of Directors at its 362nd Meeting held on 03.08.2017 and will be implemented during the Financial Year 2017-18 and shall be reported accordingly, in the Annual Report of the Financial Year 2017-18.

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for....	Y	N*	Y	Y	N*	Y	N*	Y	N*
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	NA	Y	NA	Y	NA
3.	Does the policy confirm to any national / international standards? If yes, specify. (50 words)	Y	NA	Y	Y	NA	Y	NA	Y	NA
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	NA	Y	Y	NA	Y	NA	Y	NA
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	N	N	Y	Y	N	Y	N	Y	N
6.	Indicate the link for the policy to be viewed online.	*	*	*	*	*	*	*	*	*
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	NA	Y	NA	Y	NA
8.	Does the Company have in-house structure to implement the policy/policies?	Y	NA	Y	Y	NA	Y	NA	Y	NA
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	NA	Y	Y	NA	Y	NA	Y	NA
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

*All the good practices are being followed by the Company in consonance with the generally accepted principles. However, formal policies on these matters are under preparations.

The relevant policies are available on website of the Company at www.gacl.com

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

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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 the next 1 year.	√	√	√	√	√	√	√	√	√
6.	Any other reason (please specify)*	*	*	*	*	*	*	*	*	*

*Pursuant to the Regulation 32(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is covered under top 500 Companies by market capitalization as on 31st March, 2017 and hence, the publication of the Business Responsibility Report (BRR) by the Company shall be applicable for the Financial Year 2017-18 onwards.

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. Annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
The Company publishes BRR as part of Annual Report and BRR is also available on the website of the Company at www.gacl.com

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. It does not extend to Group /Joint Ventures / Suppliers / Contractors / NGOs / Others.
2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?
During the Financial Year 2016-17, the Company had received 74 complaints from shareholders and all 74 (100%) complaints were satisfactorily resolved. The Company has not received any other Complaint from other 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 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - i. Caustic Soda Lye
 - ii. Caustic Soda Flakes
 - iii. Hydrogen Peroxide



2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) :
- Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
During production, consumption of Energy reduced, as under as compared to previous year :
Energy reduced per unit of production - 63 KWH/MT.
 - Reduction during usage by consumers (energy) has been achieved since the previous year?
Reduction in usage compared to previous year is as follows :
Energy reduced per unit of Production - 63 KWH/MT.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
We have initiated some measures towards sustainable sourcing which impacts on social and environment aspects.
In our vendor meet during 2016-17, we had appealed them to follow environment friendly processes, materials in their business. We also requested to use environment friendly material for packaging.
- If yes, what percentage of your inputs was sourced sustainably ?
Few major activities of sustainable sourcing are mentioned hereunder:-
 - We have drastically reduced uses of papers for official use, sending purchase enquiries, printing of purchase orders, internal communications etc., instead of we are using electronic communications.
 - We are procuring Salt worth of Rs. 7,000 Lakhs (12% of total procurement) annually which is manufactured from water that does not contain any chemicals, hence, it is not harmful to environment. Our most of the salt suppliers are falling in small scale category, hence, indirectly we are providing an employment to unskilled people as a part of our social responsibilities.
 - We are procuring HM HDPE Carboys, barrels and various MS drums worth of Rs. 3,500 Lakhs (6% of total procurement). Scrap generated in the process of above materials are recyclable in nature and does not create any environmental issues.
 - We are procuring Potassium Chloride quantity 32,000 MT (33% of total spent value of imported items) annually from M/s. Canpotex Ltd., Canada. Initially, we were using inland transportation of material by road and now by rail transportation which helped to protect the environment by reducing fuel consumption.
 - We are also exploring to get shipment of Potassium Chloride from M/s. Canpotex Ltd., Canada at Kandla Port instead of Kakinada Port. Thus, total distance of inland transport will be reduced that will help us to save fuel.
 - Our major suppliers of Electrical and Instrumentation items are environment cautious and acquired certificates like ISO 14001 and OHSAS.
 - Some of our major suppliers of materials who have certificates like ISO 14001 and OHSAS.

Above are few examples and we are further trying to adopt sustainable sourcing in other area of our business.

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 ?

The Company is procuring entire requirement of salt for Baroda and Dahej Complexes from local suppliers situated at Dahej, Gandhar, Jambusar, Bhavnagar and Maliya - Morbi area. Many suppliers in these regions are small suppliers from whom we are procuring the material. The Company procures salt from Co-operative Society at Bhavnagar. Also, the Company procures other material like consumable and engineering items from local and small suppliers.

The Company had participated in the event organized by Confederation of Indian Industry (CII), Vadodra to support Micro, Small and Medium Enterprises (MSME) and interacted with them to explore business opportunity to form mutual benefits.

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%).

As a step further to its environment preservation philosophy and commitments, the Company is seriously exploring possibility of recycling 40% of its liquid effluent stream, using RO principle.

Principle 3 - Businesses should promote the well-being of all employees.

- Please indicate the total number of employees (as on 31.03.2017) : 1384
- Please indicate the total number of employees hired on temporary / contractual / casual basis.
As on 31st March, 2017, total 981 persons were hired on temporary / contractual / casual basis and total 116 persons were hired on Contract (Management & Non-Management), Trainees and Fixed Term Contract (FTC).

3. Please indicate the number of permanent women employees.
As on 31st March, 2017, permanent women employees are 40.
 4. Please indicate the number of permanent employees with disabilities.
As on 31st March, 2017, the number of permanent employees with permanent disabilities are 11.
 5. Do you have an employee association that is recognized by Management.
Yes, the Company have an employee association viz. "GAC Employees Union", which is recognized by the Management.
 6. What percentage of your permanent employees is members of this recognized employee association?
62.14%
 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.
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8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

• Permanent Employees	:	67%
• Permanent Women Employees	:	72%
• Casual/Temporary/Contractual Employees (FTC)*	:	56%
• Employees with Disabilities	:	73%

*Note: Training given to only FTC Employees is considered here.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes / No.
Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.
The Company has adopted 5 (five) Government Primary Schools of Chhotaudepur District and has also adopted Home for Mentally Deficient Children which is a Government Organization where orphans and destitute special children are kept. Moreover, the Company is also contributing financially to various hospitals which are providing treatment and medicines at a subsidized rate for marginalized and underprivileged people of the society.

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 ?
The Policy on Human Rights is formulated and will be implemented from the current Financial Year.
2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the Management?
No complaint/s were received in the last Financial Year.

Principle 6 - Businesses 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 on environment covers only the Company.
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.

The Company has planted more than 1,00,000 plants and it keeps maintaining the same. With tree plantation being a regular feature, it plants 1,000 sapling every year. Rainwater harvesting and collection is a part of routine activity at GACL. This water is then utilized for the maintenance of green belts. The vermiculture concept has been implemented in the premises to convert waste generated by the canteen, gardens and plants to vermicompost.



GACL has been a pioneer in adopting the environment friendly and energy efficient technologies. It converted to Membrane Cell Technology from Mercury Cell Technology way back in 1989 and since 1994 all the plants are running on Mercury free Membrane Cell Technology.

As a matter of strategy, the Company has placed sensors at strategic locations in and around the complex to monitor ambient air quality. For disposal of solid waste, GACL has secured dedicated landfill site conforming to the Hazardous Waste Management Act. Being a member of Effluent Channel Project, it releases its liquid effluent in the channel and adheres to the necessary parameters of the Gujarat Pollution Control Board before discharging it into the channel. The details are also available on the website of the Company at link: www.gacl.com/public_html/new/profile.htm

3. Does the Company identify and assess potential environmental risks? Y/N
Yes. Potential environmental risks are identified and assessed before any new project / expansion of existing plant by way of conducting Environmental Impact Assessment & preparing Environment Management Plan for the same.
4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any Environmental Compliance Report is filed?
Yes.
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.
Yes, the Company had taken up Wind Farm Projects of 14.7 MW Capacity in Gujarat, which was commissioned in March, 2017. The total installed Wind Energy Generation capacity of the Company has increased to 171.45 MW after these installations. The Company has also taken up Solar Power Project of 15 MW capacity in Gujarat, which will be commissioned by October, 2017.
6. Are the Emissions / Waste generated by the Company within the permissible limits given by GPCB / SPCB for the Financial Year being reported?
Yes. The Emissions / Waste generated by the Company are within the limits prescribed by Gujarat Pollution Control Board (GPCB).
7. Number of show cause/ legal notices received from GPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of the Financial Year.
No show cause / legal notices received.

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 :
The Company is a Member of :
 1. Alkali Manufacturers Association of India, New Delhi
 2. Indian Chemical Council, Mumbai
 3. Gujarat Chemical Association, Ahmedabad
 4. Society for Clean Environment, Vadodara
 5. National Safety Council, Mumbai
 6. Gujarat Safety Council, Vadodara
 7. Federation of Gujarat Industries, Vadodara
 8. Exim Club, Vadodara
 9. CHEMEXCIL, Mumbai
 10. Gujarat Employers' Organization, Vadodara
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).
No.

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.
The company has well defined CSR Policy which aims at inclusive growth and equitable development having its focus areas as follows:
 - Promotion of Education and Related Activities
 - Interventions for Special Children
 - Preventive Healthcare, Hygiene and Sanitation
 - Promoting Livelihood generation activities
 - Promotion of Art, Culture and Heritage
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?
All the programmes / projects are undertaken by in-house team along with GACL's CSR arm, viz. 'GACL Foundation Trust' and 'GACL Education Society' and few projects through external agencies and Government structures.

3. Have you done any impact assessment of your initiative?
 Yes. Impact assessment is carried out by officers of the GACL Education Society and outside agencies.
4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

Company's direct contribution to community development projects and amount with details of the projects undertaken in the Financial Year 2016-17 is as under :

The Company had contributed Rs.19,00,000/- towards 'Uday Shala Project' wherein, 5 (five) Government Primary Schools of Chhotaudepur District are adopted. Quality teaching staff is provided in these Schools so as to make the base of the children strong along with infrastructure development.

The Company had also contributed Rs.1,10,24,430/- towards Infrastructure for underground drainage network and Sewage Treatment Plant facility for entire Dahej Village.

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.

Yes, by involving the parents of the children and principal and other teachers of the school in various activities conducted for the children. Regular meeting with parents and community gatekeepers is also undertaken to assess needs at various intervals.

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 the Financial Year.
 NIL.
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).
 Yes.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of the Financial Year.
 An investigation was conducted by the Director General of the Competition Commission of India (CCI) against the Company, for alleged contravention of the provisions of Section 3(1) read with 3(3)(d) of the Competition Act, 2002, in respect of sales of chemical products to Delhi Jal Board. The arguments of parties before CCI were over and the matter had been kept for Order. The Company believes that it had not indulged in any such activity.
4. Did your Company carry out any consumer survey / consumer satisfaction trends?
 Yes.

ANNEXURE - 5 to Board's Report

PARTICULARS OF EMPLOYEES

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2016-17 (Rs. in Lakhs)	% increase in remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees (on annualized basis)	Comparison of the remuneration of the KMP against the performance of the Company
1.	Shri P K Gera, IAS* Managing Director	25.53	14.23%	2.93 times	Profit Before Tax increased by 45.33% and Profit After Tax increased by 40.12 % in Financial Year 2016-17.
2.	Dr. H B Patel* Executive Director (Finance) & CFO	34.27	9.59%	N.A.	
3.	Shri Sanjay S Bhatt* Company Secretary & GM (Legal & CC)	23.95	4.63%	N.A.	