



**MAHANAGAR
GAS**

**POLICY ON
CORPORATE
SOCIAL RESPONSIBILITY
(Amended in 2019)**

1. SHORT TITLE & APPLICABILITY

This policy titled as the Mahanagar Gas Limited Corporate Social Responsibility Policy (“**MGL CSR Policy**”) incorporates Mahanagar Gas Limited’s (hereinafter referred to as “**Company**” or “**MGL**”) philosophy for demarcating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the stakeholders.

The implementation of the MGL CSR Policy shall be in accordance with the Companies Act, 2013 (“**Act**”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”), including any amendments thereof.

2. CSR VISION STATEMENT OF MGL

In accordance with vision of the Company, its corporate social responsibility (“**CSR**”) initiatives will supplement its contribution in environment protection, social upliftment and sustainable community development through its service, conduct and social initiatives.

3. FINANCIAL OUTLAY

3.1 For achieving the Company’s CSR objectives through implementation of strategies and sustainable CSR projects and programs, MGL will allocate 2% (two percent) of its average net profits made during the 3 (three) immediately preceding financial years as its Annual CSR Budget.

3.2 Further any surplus arising out of CSR projects or programs or activities shall not form a part of the business profits of the Company.

4. IMPLEMENTATION

4.1 MGL will execute CSR projects, programs, and activities approved by the CSR Committee and/or the board of directors of the Company (“**Board**”) either directly or through:

(i) a company incorporated under Section 8 of the Act or a registered trust or a registered society, established by MGL, either singly or along with any other company; or

(ii) a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State Legislature; or

(iii) a company established under Section 8 of the Act or a registered trust or a registered society, other than those set out in (i) and (ii) above, provided that such company, trust or society has an established track record of 3 (three) years in undertaking similar projects or programs, and MGL has specified the projects and programs to be undertaken, the modalities of funds of such projects and programs and monitoring and reporting mechanism.

4.2 The CSR projects, programs and activities shall be in areas or subjects specified in Schedule VII of the Act, as set out in **Annexure A**. Further, while undertaking CSR

projects, programs, and activities, the 10 (ten) principles of UN Global Compact as set out in 'Annexure B' will be taken into consideration along with the business principles and Code of Conduct of MGL.

4.3 The following will be focused thematic areas / projects / programs / initiatives of MGL:

- (i) **MGL Vidya:** - Initiative for enhancement and promotion of education.
- (ii) **MGL Hunar:** - Initiative for enhancing employability and skills.
- (iii) **MGL Saksham:** - Initiative for empowerment, including empowerment initiatives for women, girls and other weaker sections.
- (iv) **MGL Hariyali:** - Initiative for environment protection and rejuvenation including activities for welfare of animals.
- (v) **MGL Vikas:** - Initiative for development of rural areas and community development initiatives.
- (vi) **MGL Aarogya:** - Initiatives for betterment of health conditions including support for Mid-day meal, making available safe drinking water, sanitation, etc.
- (vii) **MGL Saathi:** - Any other development initiative related to the areas or subjects specified in Schedule VII of the Act.

4.4 In carrying out the above projects, programs and activities, the Company shall give preference to local areas and the surrounding areas where the Company operates, for spending the amount earmarked for CSR activities. Additionally, the Company may undertake CSR activities in areas outside the local areas.

5. ANNUAL CSR PLAN

A minimum of 95% (ninety five percent) of annual CSR budget will be allocated to the CSR themes, projects, programs and activities identified by the CSR Committee and the Board, and the remaining portion of the CSR budget will be allocated to administrative expenses and capacity building of CSR team and implementing partners.

6. GOVERNANCE

6.1 Pursuant to the provisions of Act and the CSR Rules and amendments thereto, the Board shall constitute the CSR Committee. The Board and / or the CSR Committee shall undertake all CSR activities in accordance with the Act and as mandated from time to time, including but not limited to approving and monitoring, and effectively implementing the CSR policy.

6.2 The CSR Committee and / or Board shall approve the CSR projects, programs and activities to be undertaken including the modalities of execution and implementation schedule from time to time. The CSR Committee will also monitor the CSR projects, programs and activities and shall periodically report the progress to the Board.

7. ACTIVITIES TO BE AVOIDED UNDER CSR ACTIVITIES

7.1 No contribution shall be made to any political party directly or indirectly under Section 182 of the Act or for religious practices through CSR Fund.

7.2 Expenses on activities that benefit employees and their families and expenses in pursuance of normal course of business will not be considered as CSR activities in accordance with Section 135 of the Act.

8. MONITORING

8.1 To ensure effective implementation of its CSR projects, programs and activities, the Company will adopt a transparent monitoring mechanism. The activities will be monitored on the progress and developments against key parameters through quarterly programmatic and financial reports to be submitted by the implementing partners.

8.2 The CSR Committee may at its discretion also appoint independent / third party agencies for monitoring / evaluation and impact assessment studies. CSR initiatives of the Company shall also be reported in the Annual Report of the Company in the format specified in **Annexure C**.

9. GENERAL

9.1 In case of any doubt about any provision of the MGL CSR Policy and in respect of matters not covered herein, a reference to be made to the CSR Department. Such matter will be referred to CSR Committee for further recommendations.

9.2 The CSR Committee shall review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board. Any or all provisions of the CSR Policy shall be in accordance with the Act, CSR Rules and the Articles of Association of the Company.

10. PUBLICATION OF CSR POLICY

As per CSR Rules, the contents of the CSR Policy shall be included in the Directors' report and the same shall be displayed on the Company's website.

ANNEXURE A

SCHEDULE VII OF THE COMPANIES ACT, 2013

Activities relating to:

1. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward group;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the 'Clean Ganga Fund' set-up by the Central Government for rejuvenation of river Ganga;
5. protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects;
11. slum area development;
12. disaster management, including relief, rehabilitation and reconstruction activities.

ANNEXURE B

TEN PRINCIPLES OF UNITED NATIONS GLOBAL COMPACT PROGRAMME

1. Business should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuse.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.
7. Business should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Business should work against all forms of corruption, including extortion and bribery.

ANNEXURE C

FORMAT FOR ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the MGL CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.
2. The composition of the CSR Committee.
3. Average net profit of the Company for last 3 (three) financial years.
4. Prescribed CSR expenditure [2% (two per cent) of the amount as in item 3 above].]
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. State and the district where the project or program was undertaken	Amount Outlay (budget) project or program wise	Amount spent on projects or programs		Cumulative expenditure upto the reporting period	Amount spent: direct or through implementing agency (details of the implementing agency to be provided)
					Direct expenditure on projects or programs	Overheads		
1.	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	TOTAL							

6. In case the Company has failed to spend the 2% (two per cent) of the average net profit of the last 3 (three) financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/ (Chief Executive Officer or Managing Director or Director)	Sd/ (Chairperson CSR Committee)	Sd/ Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)
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