



MNGL

CSR POLICY

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1. Concept

1.1 Short title and applicability :

1.1.1 This policy, which embraces the company's philosophy for portraying its responsibility as a corporate citizen and lays down the guide lines and mechanism for undertaking social useful programs for welfare and sustainable development of the community at large , This will be called as " MNGL's CSR policy.

1.1.2 This policy shall apply to all CSR initiatives finalized by MNGL, for the benefits of the different segments of the society as laid down in the Company's act 2013.

1.1.3 CSR activities which shall be undertaken would be finalized in the first quarter of every year as per the guidelines of Company's act 2013 which may include activities relating to :-

- 1) Eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation including contribution to the Swach 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 groups.
- 4) Ensuring environmental sustainability, ecological balance, protection of flora, and fauna, animal welfare, agro-forestry,

and conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.

- 5) Protection of natural heritage , art and culture including restoration of buildings 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 ministers National Relief fund or any other fund set up by the Central Government for socio – economic development and relief and welfare of 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 govt.
- 10) Rural development projects.

1.2 CSR vision and objective

- 1.2.1 In alignment with the vision of the company, MNGL through its CSR policy will enhance value creation in the society and in the community in and around its areas of operation through its services, fulfilling the role of socially responsible corporate.
- 1.2.2 To directly or indirectly benefit the communities enhancing the quality of life and economic well being of the local populace.

1.2.3 To generate through its CSR initiatives a community goodwill for MNGL and help reinforce a positive and socially responsible image of MNGL as corporate entity.

1.3 Normal Course of Business

Maharashtra Natural Gas Limited is engaged in Retail Gas Distribution business for supply of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) to Domestic, Industrial & Commercial sectors in Pune & surrounding areas.

CNG is a safe, economical and environment friendly fuel for automotive sector. It is replacing traditional fossil fuels of petrol and diesel. CNG vehicles provide a significant saving potential w.r.t. running cost against that of petrol & diesel vehicles. The popularity of CNG as an alternate fuel continues to grow in Pune & surrounding areas. PNG, the other fuel supplied by the Company is a safe, convenient and reliable for domestic, commercial and Industrial consumers. Its demand continues to grow with potential consumers in new areas eagerly awaiting for the network to connect them.

MNGL has been formed with the mission to supply clean and green (eco-friendly) fuel.

As a company, MNGL is committed to supply clean and green fuel to the city of Pune and surrounding areas, creating economic value for all our shareholders, and we assign high priority to ensuring that we fulfill all regulatory requirements.

2. Resources

2.1 Funding and allocation :

2.1.1 For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, MNGL will allocate 2% of

average net profits (PBT) of the Company made during the three immediately preceding financial years, as its annual CSR Budget.

2.2 Overall budget distribution for CSR

2.2.1 Every year in the first quarter company will identify the areas in which CSR activities shall be undertaken as per the guidelines of company Act, 2013.

2.3 Source of Funding

The funding of CSR project will be made through internal accruals of the Company.

3. Planning

3.1 Identification of core areas / Strategic Initiatives .

3.1.1 For purposes of focusing its CSR efforts in a continued and effective manner, the following seven CORE Areas have been identified:

- a. Environment Protection / Horticulture
- b. Infrastructure Development
- c. Drinking water/ Sanitation
- d. Healthcare
- e. Community Development
- f. Education/Literacy Enhancement
- g. Skill Development / Women Empowerment

3.1.2 However, the actual distribution of expenditure among these thrust areas will depend upon the local needs as may be determined by the need Identification studies or discussions with local government/bodies/citizen's forums/NGOs.

4. Implementation

4.1 Initial points for implementation

4.1.1 All CSR activities undertaken by MNGL would be as per guidelines of the companies' act 2013, and will be implemented with a budget of 2% of average net profits (PBT) of the Company made during the three immediately preceding financial years.

4.2 Process for implementation

4.2.1 The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

4.3 Criteria for identifying executing agency

4.4.1 In case of programme execution by NGOs/Societies, following minimum criteria need to be ensured:

- a. The NGO / Society has a permanent office / address in India, with a good track record
- b. Registered society under Societies' Registration Act, with a good track record.
- c. The antecedents of the NGO / Agency are Verifiable.

4.4 Agreement between MNGL and executing agency

4.5.1 Once the programs approved by the board are communicated to the individual taking care of the CSR activities, MNGL will be required to enter into an agreement with each of the executing/implementing agency.

5. Monitoring and Feedback

We have constituted a transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

5.1 CSR Committee

At MNGL, CSR Governance structure will be headed by Board Level CSR Committee which will further report or recommend to the Board.

5.1 The progress of CSR programs under implementation will be reviewed by the MD (MNGL) and DC (MNGL) on monthly basis and will be informed to the Board on quarterly basis.

5.2 CSR initiatives of the Company will also be reported in the Directors' Report of the Company.

5.2 Powers for approval

5.2.1 After the allotment of the Budget by Board on the identified project in the first quarter of financial year, authority to approve will be delegated to MD (MNGL) and DC (MNGL). In addition one employee shall be assigned who will undertake the CSR activities in consultation with the M.D (MNGL) and DC (MNGL).

6. Treatment of Surplus

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

7. General

6.1 Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

6.2 The Company reserves the right to modify, cancel, add or amend any of these Rules.