

Business Responsibility Report for FY 2017-18

Introduction

In conformance to the requirements of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report for FY 2017-18 is aligned with the nine principles of the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business notified by the Ministry of Corporate Affairs, Government of India.

Principles

Principle

1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle

2

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

Principle

3

Businesses should promote the wellbeing of all employees.

Principle

4

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

Principle

5

Businesses should respect and promote human rights.

Principle

6

Business should respect, protect, and make efforts to restore the environment.

Principle

7

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

Principle

8

Businesses should support inclusive growth and equitable development.

Principle

9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Section A: General Information about the Company.

1	Corporate Identity Number (CIN)	L40200MH1995PLC088133
2	Name of the Company	Mahanagar Gas Limited
3	Registered address	MGL House, Block G-33, Bandra- Kurla Complex, Bandra (E), Mumbai-400051.
4	Website	www.mahanagargas.com
5	E-mail id	info@mahanagargas.com
6	Financial Year reported	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company operates presently in the business of City Gas Distribution. National Industrial Classification code of the Product is 3520.
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Supply and Distribution of Natural Gas in the city of Mumbai, Thane urban and adjoining municipalities and the Raigad district.
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	— i. Corporate Office in BKC, Mumbai and ii. City Gas Stations (CGS) at:- a) Wadala, Mumbai b) Mahape, Navi Mumbai c) Ambernath, Thane d) Taloja, Raigad
10	Markets served by the Company – Local / State / National / International	Local

Section B: Financial details of the Company

1	Paid up Capital (INR)	₹ 9,877.78 Lakhs
2	Total Turnover (INR)	₹ 2,45,291.70 Lakhs
3	Total profit after taxes (INR)	₹ 47,787.23 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 294.27 Lakhs, which is 0.59% of average net profit of the last 3 years, calculated in the manner specified in Section 135 of the Companies Act, 2013 and rules made there under.
5	List of activities in which expenditure in 4 above has been incurred:-	• Health Care and Sanitation • Education and employment enhancing vocational Skills • Environment / Flora / Fauna Sustainability. • Training & Capacity Building of CSR personnel & Administrative Expenses

Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?

Mahanagar Gas Limited (MGL) does not have any subsidiary company.

- 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).

Not Applicable.

3. 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%]

No. None of the entity / entities with whom Company does business, participates in the BR initiatives of the Company. However, such entities may be having BR initiatives of their own which they may be following. GAIL (India) Limited, promoter of the Company and the major gas suppliers i.e IOCL, BPCL, HPCL and ONGC are required to undertake the BR activities and release their own dedicated Business Responsibility Report.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

a.	Details of the Director/Director responsible for implementation of the BR policy/policies.	Rajeev Mathur, Managing Director* DIN: 03308185 Sanjib Datta, Managing Director [§] DIN: 07008785
b.	Details of the BR head	Rajeev Mathur, Managing Director* DIN: 03308185 Sanjib Datta, Managing Director [§] DIN: 07008785 Telephone Number: 022 6678 5000 Email ID: info@mahanagargas.com

*ceased w.e.f May 30, 2018

[§]Appointed w.e.f May 30, 2018

2. Principle-wise (as per NVGs) BR Policy / policies:

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and approved by Competent Authority in the Organization. i.e Board of Directors.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, all the Policies have been framed as per the applicable legal framework.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the officers of respective departments of the Company oversee the implementation of Policy.								
6	Indicate the link for the policy to be viewed online?	Ref \$	Ref &	Ref &	Ref \$	Ref &	Ref &	Ref \$	Ref &	Ref &
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the 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 the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company proposes to periodically carry out independent audit / evaluation of policy by a designated agency.								

Principle wise index:

P1 – Code of Conduct for Board Members and Senior Management Personnel, Whistle Blower Policy and Vigil Mechanism Policy.

P2– Contract and Procurement Manual, Natural Gas Sourcing Policy, Code of Conduct for Suppliers, and Quality Policy.

P3 – Human Resources Policies.

P4 – Corporate Social Responsibility Policy.

P5 – Prevention of Sexual Harassment at Workplace, Grievance Redressal Policy.

P6 – Health, Safety and Environment Policy

P7 – Code of Conduct and Code of Practices & Procedures for fair disclosure of Unpublished Price Sensitive Information.

P8 – Corporate Social Responsibility Policy and Health, Safety and Environment Policy.

P9 –Corporate Communication Policy, Policy on Information Technology, Corporate Logo Usage guidelines.

§: <https://www.mahanagargas.com/investors/Policies.aspx>

&: Policy is available on the Company's intranet portal, which is accessible to all employees.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Questions	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)									

Not Applicable

3. Governance related to BR:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

MGL is committed to becoming a strong and sustainable organization. The Board of Directors constitute of representatives from our promoter i.e GAIL (India) Limited and BG Asia Pacific Holdings Pte. Limited and representative of Government of Maharashtra, which all put sustainability high on the Board agenda. Apart from overall review, the Board of Directors also review the BR performance and is an inherent part of corporate function.

- (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 Company got listed on July 01, 2016 and as mandated by SEBI, the Company released its first Business Responsibility Report for the previous Financial Year 2016-17. The Business Responsibility Report for the Financial Year 2017-18 forms part of this Annual Report. The same is available on the website of the Company and can be accessed at <https://www.mahanagargas.com/investors/annual-reports.aspx>.

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? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company has adopted a Code of Conduct for Board Members and Senior Management as per applicable regulatory standards. A culture of integrity and ethics is fostered throughout the Company by strong set of values. The Company has been voluntarily adopting the Corporate Governance practice much before the listing of its shares on the Stock Exchanges. Annual affirmation for compliance of the Code of Conduct is obtained from each of the Board Members and Senior Management. A separate Code of Conduct for all employees is being formulated. The values and the commitment to ethical business practice are also binding to all Suppliers, Contractors, and other external agencies of the Company. MGL do not have any Joint Venture, Subsidiary or Associate Company. We have a robust and effective Whistle Blower Policy which aims to deter and detect actual or suspected misconduct. Under this policy, employees can forward their concern under Whistle Blower Policy in writing directly addressed to the Chairman, Audit Committee. The Company also has in place a Vigilance Mechanism policy and the same may be accessed on the website of the Company at <https://www.mahanagargas.com/investors/Policies.aspx>

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

Stakeholders	Complaints Received during FY 2017-18	Complaints Resolved during FY 2017-18	Complaints Resolved (%)
Investor's Complaints	18	18	100%
Vendor/Contractor's Complaints	Nil	NA	NA
Employees	Nil	NA	NA
Public (received through CPGRAM)	86	88*	100%

*6 complaints received in March-2017 were closed in April 2017 and 4 Complaints received in March 2018 were closed in April 2018.

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

1. List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.

Supply and Distribution of Natural Gas.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The primary business of MGL is supplying and distribution of Natural Gas to its customers through pipeline and CNG stations that is environment friendly, reliable, economical

and safe. The Ministry of Petroleum and Natural Gas (MoPNG) allocates natural gas, an environmentally benign fuel for the entire requirement of CNG and domestic PNG under Administered Price Mechanism (APM) and Panna Mukti Tapti Agreements. The requirements of Industrial and Commercial customers are cradled through Regasified Liquefied Natural Gas (RLNG). During the entire distribution chain, it is our constant endeavor to minimize gas loss.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

MGL is supplying Natural Gas, which is a cleaner fuel thereby leading to a transition to the low carbon growth. MGL always encourages the community to use PNG and CNG over conventional energy resources which generate high emissions. Use of CNG today is reducing vehicular emissions by about 1350 tons per day, making a significant improvement in the City's environment. As Natural Gas is the most benign fossil fuel, this has led to reduction of emissions at customers end.

Solar Power Plants of 17kw installed at CGS, Wadala, and 20KW each at MGL Office, Mahape and CGS, Taloja have been commissioned and one is successfully catering to the electrical lighting load of the office building. Similarly, such Solar Power Plants are installed at MGL office at Ambarnath (10kw) and MSRTC, Khopat, Thane (5kw) and NMMT, Turbhe (5kw) have been taken into operation. Augmentation of Solar Plant capacity of CGS, Taloja (by 30kw) and CGS, Ambarnath (5kw) is planned. Further, wind turbines of 5kw each are planned at CGS, Taloja and CGS, Ambarnath.

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

The Ministry of Petroleum and Natural Gas (MoPNG) allocates natural gas, an environmentally benign fuel, for the entire requirement of CNG and domestic PNG under Administered Price Mechanism (APM) and Panna Mukti Tapti Agreements. As per the MoPNG Guidelines, the Company has access to cost effective domestic natural gas equal to 110% of our CNG and domestic PNG requirements.

For our industrial and commercial PNG consumers, the Company sources Regasified Liquefied Natural Gas (RLNG), again a clean fuel from a number of sources, on spot basis. The Company has entered into renewed framework agreements for spot RLNG with suppliers to source spot RLNG in a competitive manner, and address the daily and

seasonal fluctuations in gas demand. The sale price is linked to Alternative Fuel. In accordance with comprehensive gas sales pricing policy, the Company successfully maintained its margins, despite considerable fluctuation in Spot RLNG prices during the year. The Company has a couple of sources and four gas receiving points, thereby minimizing the chances of interruption of gas supply.

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 sources natural gas from GAIL and other suppliers as mentioned above. We follow a transparent least price tendering approach for procurement. MGL selects its vendors based on carefully designed evaluation criteria for all goods and services to be procured. In this procurement process, an equal opportunity is given to the local established vendors as well as to any other small vendors, and as applicable they are invited for the tendering process. The Company has a detailed Contract and Procurement manual and the contracts are made as per the rules and criteria laid down in the manual.

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%). Also, provide details thereof, in about 50 words or so.

The nature of business being supply and distribution of natural gas, our operations consume minimal raw material and resources and generate minimal waste. The Company has a documented procedure for generation, handling, storage and disposal of various types of hazardous waste as per the consent to operate, granted to City Gate Stations at Sion, Mahape, Ambarnath and Taloja by Maharashtra Pollution Control Board, Mumbai. Assets like Desktops, Laptops, Printers and Storage are given back under buyback to the vendor, who supplies new assets. HP original cartridges are given back to HP under their HP Planet Partner MVC benefits which ensure recycling of these cartridges.

Principle 3: Businesses should promote employee well-being

1. Please indicate the total number of employees.

507 Permanent Employees and 35 Fixed Term Contract (as on March 31, 2018)

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

The total numbers of employees hired on temporary/contractual/casual basis: 1820 (as on March 31, 2018)

3. Please indicate the Number of permanent women employees.

Number of permanent women employees: 49

4. Please indicate the Number of permanent employees with disabilities.

Number of permanent employees with disabilities: Nil

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

Yes, the Company has one recognized employee association i.e Petroleum Employee Union.

6. What percentage of your permanent employees is members of this recognized employee association?

17.36% of the permanent employees are members of the recognized employee association (as on March 31, 2018)

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.

	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	NA
2	Sexual harassment*	2	NA
3	Discriminatory employment	Nil	NA

* The 2 (two) separate complaints addressed to the Grievance Handling Officer were forwarded to Internal Complaint Committee (ICC). The ICC, after hearing both the complainants and respondent, concluded that the complaint was a case of office grievance and not a complaint of sexual harassment.

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

Category	Safety (No. of employees)	Skill Upgradation (No. of employees)
Permanent Employees	217	398
Permanent Women Employees	8	37
Casual/Temporary/Contractual Employees#	521	—
Employees with Disabilities	NA	NA

MGL has also conducted the "Safety and Technical Competency Training" to 14,836 persons during the year 2017-18. The training has been imparted to various manpower including Site Supervisors, Project Managers, Technicians, Labourers and Helpers, Site Engineers, Safety Officers, electrician, carpenter, plumber etc. deployed by contractors for MGL work.

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

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

Yes, the Company has mapped its various key internal and external stakeholders which include investors, customers, employees, suppliers, vendors, Government Bodies, Media, Communities and public at large and employs various mechanisms and practices for engaging with them for fruitful dialogue and continued relationship. MGL regularly engages with its community stakeholder group, including those falling under disadvantaged, vulnerable and marginalized category, in our areas of operations at Mumbai, Thane urban and adjoining municipalities and the Raigad district to understand and respond to community needs in an effective manner. The Company organizes various interactive sessions with its suppliers, vendors and customers for their feedback and to offer better services. The Company has also registered an active presence in social media for interaction with external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised Stakeholders?

The Company has mapped disadvantaged, vulnerable and marginalized stakeholders, and is actively working with them towards inclusive growth. As part of MGL's CSR initiatives, the Company has initiated projects for enhancing education (through support classes, study classes, running balwadis, installation of mini science centers, installing and running computer laboratories, counseling, equipping classroom, constructing classroom blocks, toilet blocks, etc.), skills augmentation, environment initiative, community-based drinking water projects, health camps, etc. for the marginalized communities. All the activities rolled out by the company under its CSR initiative target vulnerable groups like slum dwellers, kids of sex workers, students of low cost schools / government schools, unemployed youths, tribal hamlets, etc.

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

At MGL, we have catalyzed reforms and identified role of 3 E's in shaping the community around. MGL through its community outreach programmes and initiatives continue to contribute and focus on Education, Environment, Empowerment and Health, thereby fostering the philosophy of taking care of the community for a sustainable tomorrow. MGL has been continuously contributing in social investments primarily in the areas of Education, Skills Development, Health and Sanitation and Women empowerment. MGL has also implemented community-based drinking water projects in 3 tribal hamlets around Mumbai. MGL has also initiated similar drinking water projects for another 2 tribal hamlets. Under MGL Aarogya, the Company has facilitated health check-up of more than 1250 auto rickshaw and taxi drivers within its area of operation.

Under MGL Hunar, employment-oriented skills development training is being imparted to unemployed and underemployed youths in various trades like Gas Plumbing, Welding, Electrician and RAC. MGL Saksham is an initiative designed for educational empowerment of 10000 students – mostly first-generation learners from slums of Mumbai. The initiative includes support class, counseling to address negative behavior, scholarships to meritorious students, infrastructure support to schools, etc. MGL Disha is an education centric slum development initiative designed by MGL. The project components include support classes for students, promotion and strengthening of Self Help Groups for women, employability training to women, health awareness and check-up camps and financial literacy, etc. MGL has facilitated equipping of pre-primary classrooms in a MCGM school in Mumbai. It has also facilitated installation

of computer laboratories in 2 MCGM Schools in Mumbai in the past and is now supporting the school with a computer instructor. MGL has been extending the support of a computer instructor for operations of the computer laboratories. MGL has installed 7 Mini Science Centers in various government, government aided and private affordable schools in and around Mumbai. With an objective of facilitating mainstream education for kids of sex workers, MGL is operating 8 balwadis. The balwadis offers a learning environment for cognitive development of child and also addresses the issue of malnutrition through mid-day meal intervention.

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?

We respect human rights of all concerned and provide equal opportunities to all without any discrimination on the basis of gender, caste or religion. The Company had constituted an Internal Complaints Committee in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The members of this committee include representatives from the Company and external experts/NGOs. MGL does not have any Group / Joint Ventures / Subsidiary / Associate Companies.

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

No Complaints regarding breach of Human Rights were received during the FY 2017-18.

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

1. Do the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?

As a responsible organization, we are committed to take necessary steps for the protection of the environment. MGL believes that outstanding business performance requires outstanding HSSE performance in the protection of the health and safety of our people, those affected by our operations, our physical assets, our reputation and the environment. Our Goal is zero injuries because we believe they are all preventable. We conduct our business in a responsible manner and adhere to internationally accepted good practices. HSSE performance is everyone's responsibility and each of us has a duty to intervene to prevent unsafe actions and to reinforce good behavior through demonstrating HSE leadership. Health, Safety,

Security & Environment (HSS&E) policy of the Company is applicable to all employees and stakeholders involved in MGL's business. MGL does not have any Group / Joint Ventures / Subsidiary / Associate Companies. MGL is accredited to OHSAS 18001:2007 for Occupational Health & Safety Management system, ISO 14001:2015 for Environment Management System and ISO 9001:2015 for Quality Management System which are being audited regularly at par with international requirements.

MGL is committed to the Health and Safety of all its employees, the employees of our contractors and other stakeholders who may be affected by the Company's operations. The Company considers its contractors as business partners and expects them to adhere to the Company's HSE standards. Coaching and assistance is provided to the business partners as and when required.

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.

MGL understands its role and responsibility of mitigating the effects of climate change and is committed to the environmental protection. The Company is in the business of distribution of the Natural Gas, which is the cleaner form of fuel compared to the other fuels. The objectives and goals of the Company include its contribution towards reduction of pollution in and around Mumbai and beyond by expanding its operation and bringing of natural gas to more number of people. In order to address the global environmental issues, Mahanagar Gas Limited, under its CSR initiative, had tied up with Don Bosco Yuva Sansthan for taking up tree plantation. 500 saplings were planted under the initiative. The plantation drive was kick started during the visit of CSR Committee Chairperson to the Sansthan.

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

Yes, the Company identifies and assesses potential environmental risk. MGL has identified all environmental aspects within the defined scope of the Environmental Management System i. e. at CGS - Sion, Ambernath, Mahape and Taloja for its activities, products and services that it can control and those that it can influence, and their associated impacts, considering life cycle perspective.

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?

The environment is both a brand image as well as a core area of focus for Mahanagar Gas Limited. In addition to the

process and procedures that the Company has in place, to meet the requirements of ISO-14001 accreditation, every year the Company celebrates World Environment Day wherein the employees rededicate themselves to protect the environment and promote the benefits of natural gas to improve the environment through public awareness campaigns. This year on World Environment Day, awareness sessions were conducted on recycling of plastics, initiatives for plastic waste as a fuel in various Industries, problem of plastic disposal in India and various ways to counter it, segregation of dry waste and wet waste, various aspects of plastic pollution and legal bindings, to make a compost at home using kitchen waste by the officials from MCGM and India Center for Plastics in the Environment (ICPE).

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.

The Company has successfully implemented EMS standard of ISO 14001:2015. We have developed animated videos on Energy Conservation Tips which are available on the Company's website and social media webpage like Facebook. The Company, as a part of contribution to energy conservation, has installed Solar Power Plants at CGS offices situated at Wadala, Mahape and Taloja and they are commissioned and successfully catering to the electrical lighting load of the office building.

Similarly, such Solar Power Plants installed at MGL offices at Ambernath, Thane and NMMT, Turbhe have been taken into operation.

Furthermore, the Company has initiated many online applications such as Online Permit System, Life Saving Rules Audit Module for the processes to conserve the environment by minimizing paper use.

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

Yes, the emissions/waste generated by the Company for the Financial Year 2017-18 are within the regulatory defined limits.

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.

During the year 2017-18, there were no Show Cause / Legal Notices from CPCB / SPCB received at any of the MGL sites.

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 chambers or association? If yes, name only those major ones that your business deals with.

Yes, MGL is a Member of:

1. Natural Gas Society
2. Bombay Chamber of Commerce and Industry
3. The Employers Federation of India
4. Federation of Indian Chambers Of Commerce

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)

The Company's Senior Management put forth our views through various forums on various ongoing issues concerning the CGD sector. They understand their responsibility while representing MGL in such associations/forums and engage in constructive dialogues and discussions and refrain from influencing public policy with vested interests.

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, provide details thereof.

The Company has put in place a policy on Corporate Social Responsibility to guide its efforts on CSR initiatives. MGL being a responsible corporate has been contributing in social investments primarily in the areas of Education, Empowerment, Environment and Health Care. Some of the major CSR initiatives of the organization are detailed below:-

Education

- **MGL Unnati:-** Flagship CSR initiative of the Company mentors youths from socio-economically underprivileged communities and prepares them to appear for competitive engineering entrance examination. 30 students are being provided free of cost residential training to hone up their skills and prepare for engineering entrance examination.
- **MGL Muskaan:-** MGL has been supporting slum community in Turbhe in their quest for seeking better prospects for future generations by adopting a

community centre for various developmental initiatives. The initiatives include operating balwadi for toddlers which is an assurance to both the working parents about the positive engagement and development of their children. Support education classes, computer classes, personality development initiatives apart from nutritional support are also conducted. Health camps are conducted on regular basis. For the women, the centre is operating tailoring classes which also mobilizes orders from time to time. MGL also mentored children from slum communities through sports to evolve positive attitude and sensitize them against the negative social practices like gender discrepancy, substance abuse, drug addiction, etc.

- **Mini Science Centers:-** Science centers comprising of 66 table top models relating to various theories of science were installed in 2 schools. This is in addition to centers installed in 5 schools earlier. These are expected to supplement the classroom inputs and enable better understanding of theories.
- **Computer Laboratory:-** MGL has installed computer laboratories in 2 MCGM School. Apart from the infrastructure support, MGL has also been extending support of a computer instructor in the 2 schools.
- **Equipping primary and pre-primary section in Kherwadi Municipal School:-** The initiative also includes mobilization and awareness generation apart from strengthening the school management committee. The pre-primary and primary sections are aimed at employing the play way method of learning and early intervention to enhance literary skills amongst children.
- **Education Infrastructure:-** MGL has undertaken construction of classroom blocks in ZP School, Nagaon.
- **MGL Saksham:-** The initiative is being implemented in 30 schools of Mumbai and is planned as an education centric empowerment initiative of 10000 students (targeting mostly adolescent) with focus on various social, psychological and physical challenges that adolescent face. The activity revolved around remedial education and counseling of adolescent to enable them to reorient and realize their potential.

Empowerment

- **MGL Hunar:-** MGL Hunar is an employability initiative being implemented by MGL. Being implemented with various vocational training providers, the project provides training to youth on various trades like Gas Plumbing, Welding, Electrician and RAC Mechanic. MGL has also facilitated curriculum development on gas plumbing.

Environment

- **Plantation:-** MGL has facilitated plantation of 500 saplings as a part of its green initiative.

Health

- MGL has initiated community based drinking water projects in 3 tribal hamlets of Palghar District. Operated on solar power, the project enhances access to safe drinking water for the villagers and reduces the drudgery of women folk. The project is benefiting more than 100 household in the villages.
- **Up-gradation of Bai Jerbai Wadia Hospital for Children:-** MGL has also extended support towards up-gradation of Bai Jerbai Wadia Hospital for Children.
- **MGL Aarogya:-** MGL Aarogya is an initiative towards better health of the auto rickshaw drivers and taxi drivers of Mumbai, Thane urban and adjoining municipalities and the Raigad district. 24 camps were organized under the initiative which benefited more than 1250 auto rickshaw drivers and taxi drivers.
- **Swachh Bharat Abhiyan:-** MGL is firmly supporting the Swachh Bharat Abhiyaan. While Swachhta Oath is administered to all employees, the management also took up cleanliness drive in areas surrounding our offices. MGL has facilitated construction of toilet block in RZP School, Chowk, ZP School Nagaon and Children's Aid Society, Mankhurd as a part of its commitment to Swachhta Bharat Abhiyan. In addition, MGL has also extended service of 2 mobile toilets to Uran Nagar Parishad. Various programs are organized by MGL under various CSR interventions for raising awareness of individuals on the critical issue of hygiene and its relevance.

- A mobile medical clinic was donated by Mahanagar Gas Limited to a charitable trust for organization of medical camps in the slums of Mumbai.

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

To effectively manage, monitor and implement CSR initiatives of the Company and in terms of provisions of Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. Most of the program is undertaken through an external NGO. However, MGL has a dedicated CSR department which continuously monitors the progress of CSR activities. The projects are also regularly reviewed by Senior Management including the Corporate Social Responsibility (CSR) Committee and the Board of Directors. A detailed report on CSR initiatives forms part of Director's Report to the Annual Report and may be accessed on the website of the Company at <https://www.mahanagargas.com/investors/annual-reports.aspx>.

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

The Company regularly monitors and conducts assessment of impact of the CSR initiatives undertaken on an ongoing basis, with the help of third party agency. The MGL's CSR team also regularly visits the project for assessment of progress and to find the efficacy of the programme. All the partners submit monthly and quarterly progress and financial reports also, which assists us in monitoring of the interventions. A third party agency (Tata Institute of Social Sciences - TISS) has been appointed by Mahanagar Gas Limited for monitoring and evaluation of CSR projects of the Company. TISS has done a similar study in the past also.

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

₹ 294.27 Lakhs were spent during the financial year 2017-18. Details of some of the key projects undertaken are as under:-

SL. NO.	Initiative(s)	Amount Spent (₹ in Lakhs)
1	Health and Sanitation Initiatives including expenses towards 'Swachh Bharat Abhiyaan'	56.07
2	Education initiatives	190.07
3	Employability / Skill Enhancement interventions	24.99
4	Environment initiative including animal welfare	1.45
5	Others	21.69
	Total	294.27

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.

MGL employs Result Based Management approach towards CSR. The entire approach is process driven wherein focus is laid on need assessment at the inception. MGL focuses to invest in need based projects.

Ensuring access to safe water has become a herculean challenge in recent times. The world is facing a severe water crisis. The brunt of water crisis in India is often borne by the women folk. Untiringly, these women fetch water from nearest source for domestic consumption. Surprisingly, many villages of Palghar district – a stone through distance from the financial capital of the nation has a similar story to narrate.

Mahanagar Gas Limited in partnerships with few local charitable organizations initiated 'Nal Paani Yojana'; an initiative designed with the objective of ensuring access to safe drinking water. The project is already dispensing water in 3 tribal hamlets benefitting nearly 120 households and 800 souls. MGL has also sanctioned extension of this project to 2 more tribal hamlets to benefit 175 households and more than 775 souls.

The project uses solar / electric operated pumps to pull water from wells – dug up near the foothills. The water is stored in a tank installed by the project. Water dispensing posts have been developed at various locations within the village. An operator selected from the community is mandated to operate the system – generally twice a day. Each household is contributing a sum of ₹50/- per month which is used for salary of operator, maintenance and generating corpus for future maintenance needs. The project also supplies water to the village school. The water has been tested for contamination and a filter has been installed to ensure dispensing of safe water.

Further, employees of MGL also regularly participate in the CSR projects implemented by the Company. MGL has rolled out a scheme on Employee Volunteerism which enables an employee to participate in CSR projects implemented by the Company on a regular basis. Under the scheme, the employees also interact with stakeholders / beneficiaries and give feedback for improvement of the project. The success of

project is also measured by the appointed third party agency. The findings of the third party agency is presented to CSR Committee for future course of action.

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 is pending, as at the end of the financial year?

The details of complaints are given in Principle 1 of this report.

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).

MGL does not deal with any physical product, however, the Company displays the natural gas information prominently at all its CNG Stations and also on the light commercial vehicles and the heavy commercial vehicles carrying the CNG cascades from CGS to various CNG Stations. Adherence to all laws pertaining to product handling, branding, distribution is of utmost significance to the Company, and MGL ensures full compliance to these. The PNG Bill issued to consumers contains information regarding safety and other information related to PNG.

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 financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last financial year.

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

We continuously interact with our stakeholders and engage with our customers across various platforms. We carry Customer Satisfaction Surveys on a yearly basis by engaging a third party agency basis across CNG and PNG Customers.