

Petronet MHB Limited

Corporate Social Responsibility Policy

A. Background:

Pursuant to Section 135 of the Companies Act, 2013, wef April 1, 2014, every company, having a net worth of Rs 500 crore or a turnover of Rs.1,000 crore or net profit of Rs 5 crore, is required to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities as mentioned in Schedule VII of the 2013 Act.

B. CSR Policy

I. CSR Objectives

To focus on local communities in and around areas of Company operations empowering the weaker, less privileged and marginalised community.

II. ORGANIZATIONAL STRUCTURE

a. CSR Committee

There shall be a Board Level Sub-Committee herein after referred to as CSR Committee consisting of three Directors out of which at least one shall be an independent director (till the time Independent Directors are appointed on PMHBL Board, the committee shall comprise of three directors)

The Scope of the CSR Committee shall be:

- To formulate and recommend to the Board a CSR Policy indicating activities to be undertaken as specified in Schedule VII of the Act,
- Recommend amount of expenditure on the activities under CSR Policy
- Approve CSR activities for implementation in line with approval of the Board and
- To monitor CSR Policy and implementation of CSR activities from time to time.

b. CSR Working Committee

Members -

- In charge - CSR (Chairman)
- Head (Finance)
- Jurisdictional SIC

The scope of the CSR Working Committee shall include review and recommendation of proposals for CSR projects/programs/activities received from various locations to the CSR Committee.

III. CSR thrust area:

1. Promoting health care and sanitation
2. Promoting education, employment enhancing vocation skills and livelihood enhancement project
3. Promoting Women Empowerment
4. Promoting Environmental Sustainability & conservation of Natural Resources
5. Promoting Rural Development in alignment with other thrust areas.

Any projects/programs activities in areas other than the above will be taken with the approval of CSR Committee.

IV. IMPLEMENTATION

CSR projects /programs/ activities may be implemented through implementing partners/specialized agencies. The minimum eligibility criteria of an implementing partner are as follows:

1. It must be a registered society, trust, company or any specialized agency having minimum three years of experience post registration in handling activities of similar nature.
2. Experience of working with any Government Body or Public Sector Enterprise will be preferred.

However the selection authority can request any other qualification on a mandatory basis from the applicants while selecting the implementing partners.

However, the Company, in appropriate circumstances, may undertake the CSR activities on its own as well.

V. Annual CSR Budget

The company shall earmark at least 2% of the average of net profits of the company made during the three immediately preceding financial years in alignment with the Companies Act, 2013.

VI. Monitoring

Monitoring of CSR activity shall be by the CSR Committee on quarterly basis.

VII. Surplus: Any surplus arising out of CSR Projects/ Programs/ activities shall not form part of business profits of the Company.