

TRIPURA NATURAL GAS COMPANY LIMITED

(A JOINT VENTURE OF GAIL (INDIA) LTD., GOVT. OF ASSAM AND GOVT. OF TRIPURA)



WE WORK FOR FUTURE



CSR

POLICY

01



1) CSR VISION STATEMENT & OBJECTIVES:

VISION : TNGCL shall strive to make all stakeholders, especially communities that interact with its value chain, intrinsic partner in its growth story.

MISSION : To continually engage with communities, in ethical way, and to address their needs through projects, with a long term aim of building people's institution to promote self-reliance.

CSR OBJECTIVES:

- a) To maximize the potential of company's human resources by giving them due space and scope, through volunteering and other means, of contributing to society.
- b) To use participatory approach of involving communities in inception, implementation, monitoring, completion and hand holding of the project.
- c) To improve quality of life of communities in and around of work centre.
- d) To internalize CSR vision and mission in collective psyche of the organization, in a manner that it shall become a part of passion and values of each and every employee of the organization.
- e) To be transparent and ethical while implementing all CSR projects.
- f) To identify and address any negative impact, if any, of TNGCL business on social and ecological communities it is interacting with.

2) **CONFORMITY TO STATUTORY REQUIREMENT**

- a) The policy shall conform to stipulations under Section 135 of the Companies act 2013, the CSR Rules issued by the ministry of Corporate Affairs, applicable guidelines on CSR and Sustainability issued by the DPE and any other guidelines issued henceforth.

3) **COMPOSITION OF CSR COMMITTEE OF THE BOARD**

- a) The composition of the Corporate Social Responsibility Committee of the board shall be notified from time to time in terms of the provisions of Sub-section (1) of Section 135 of the companies Act 2015.
- b) The present composition of the CSR committee is as follows:
- i. Managing Director, TNGCL – Chairman
 - ii. Director (Commercial), TNGCL – Member
 - iii. Managing Director, TIDC/AGCL, nominated as Director, TNGCL – Member.
- c) Further, CSR Committee is empowered to take all such decisions which have not been articulated in this policy but are necessary for the fulfillment of the CSR objectives as per law and the policy.

4) **CSR ACTIVITIES**

- a) The overarching goal of TNGCL's CSR initiatives shall aim at socio-economic empowerment of people from all disadvantaged groups, especially in and around work centre, as per the intent and provisions of Schedule VII of Companies Act, 2013.

- b) Further within the activities listed in schedule VII, TNGCL shall strive to identify key thrust areas, based on the requirements and needs of local communities, so that it can develop its understanding and excellence in those areas with an aim to contribute in long run at large scale.
- c) TNGCL shall make procedure of empanelment of organizations for various parts of projects like baseline survey, implementation, impact assessment, social auditing etc.
- d) Sustainability of the CSR projects in terms of implementation and ownership after completion shall be given due weightage while evaluating the project proposal.
- e) TNGCL may consider request for CSR activities from any of the elected representative, based on the evaluation of the proposal from independent third party.

Identification of beneficiaries, if any, in such cases shall be done by implementing agency with the help of local authorities and communities.

- f) As a part of the sustainability initiatives within the organization, TNGCL shall give due importance to environmental sustainability even in normal mainstream activities by ensuring that our operations and processes promote renewable sources of energy, reduce / re-use / recycle waste material, replenish ground water supply, protect / conserve / restore the ecosystem, reduce carbon emissions and help in greening the supply chain. However, expenditure towards such sustainability initiatives would not constitute a part of CSR spends from 2% of profits as stipulated in the Act and the CSR Rules.

5) **BUDGET:**

- a) The Board of TNGCL will ensure that in each financial Year (FY), at least two percent of the average net profit (calculated as per provisions of the Act) accrued during the three immediately preceding Financial Years, is spent on CSR activities.
- b) If any such amount is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per section 134 (3) (o) of the Act to be shared with all the stakeholders through the Annual Report and the unspent amount shall be carried forward to next year. The said amount shall be carried forward to next year.
- c) Further, the board shall make sure that majority of the CSR programs by value (at least 50%) will be implemented in and around the 'local areas' (within a radius of 50 Kms) adjoining TNGCL's installations. The balance projects can be taken up anywhere in the country, as per the company requirement/imperatives from time to time.
- d) In an event where TNGCL makes any surplus or profit from undertaking the CSR projects, this will not form part of the business profit but will, instead, be carried forward to the following year (s) as a supplement to the CSR budget over and above the prescribed allocation.

6) **IMPLEMENTING AGENCY**

- a) Due diligence should be given in identifying a potential implementation partner. This process has to be sufficiently robust to ensure that a company's implementation partners have the reputation, competence and integrity to deliver

effective programmes on the ground. Evaluation of the implementing partner can be done on following factors (but should not be limited to):

- i. Competence of the implementation partner in the work area.
 - ii. Identity.
 - iii. Management.
 - iv. Accountability.
 - v. Transparency and Financial capability.
- b) A formal agreement shall be reached between TNGCL and implementing partner by signing Memorandum of Understanding or MoU detailing roles, responsibilities, deliverables, commitments and consequences in case of any breach. The MoU should also specify the conditions that the implementing agency should fulfill and the documentation it should provide in support of a disbursement request
- c) To fulfill the objective of transparency, all implementing agencies shall be asked to disseminate all the information, like number of beneficiaries, type of benefits, financial budget and much more, in project area through various communication medium like wall painting, leaflets etc.

7) MONITORING AND EVALUATION

- a) A comprehensive Monitoring mechanism shall be devised by TNGCL to ensure that the CSR process functions as mandated by the Companies Act 2013 and other Rules made thereafter.
- b) To make the monitoring and evaluation system works, proper

procedures should be established to take nuance evaluation of all project proposals and setting objective milestones.

- c) The monitoring system will include:
 - i. Regular field visits to Project sites by designated teams
 - ii. Regular interaction with beneficiary communities to obtain feedback
 - iii. Comprehensive documentation Field Reports
 - iv. Monthly Progress Report, Quarterly Progress Report and Video Conferencing
 - v. Social audit through independent agency.
- d) Other than this, before releasing any payment to implementing agencies a field visit to project site shall be made by concerned authority. A visit report shall be a part of documents necessary to release payments.
- e) To ensure objectivity, it is critical that the monitoring is done by someone other than the people directly engaged in the project implementation. In cases where the implementation is done by a partner or corporate foundation, this role can either be outsourced or played by the company's CSR department.

8) DOCUMENTATION AND REPORTING

- a) There should be proper documenting of each and every activity within a project with the help of implementing partner.
- b) A web-based Information management system regarding CSR department should be in place.
- c) An Annual Report on CSR containing details about the CSR

policy and programs implemented by TNGCL shall be included in the Board of Directors' Report for every FY, as per the format prescribed under the Rules to Section 135 of Companies Act, 2013. Further if the board of the company is unable to spend the CSR amount during the year than it is required to be reported under section 134(3)(o)', The Companies (CSR Policy) Rules 2014.

- d) In addition to disclosure through annual reports, CSR department should engage in proactive disclosure, releasing all important information regarding finance, project details and other things on website, as per section 4 of Right to Information act 2005.
- e) All the queries received by CSR department shall be made available to general public in form of FAQs on website.

9) GENERAL PROVISIONS

- a) This policy is a Board of directors approved document.
- b) To implement this policy in letter and spirit, detailed operational guidelines and rules shall be framed after approval of this policy within six months.
- c) Based on emerging requirements and realities, the CSR Policy shall be amended from time to time. Approval to the policy shall be sought from the Board with due recommendation from the Board level CSR and Sustainability committee over specific points on amendment.



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(A Joint Venture of GAIL (India) Ltd., Govt. of Assam and Govt. of Tripura)

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