

# **GSL CSR Policy**

## **Chapter 1**

### **PREAMBLE:**

Goa Shipyard Limited a Schedule B Mini Ratna Central Public Sector Enterprise under administrative control of Ministry of Defence is located in the South Goa region under Mormugao Taluka. GSL believes that with its core business interests in Shipbuilding, Ship repairs and General Engineering services, the company plays an important role in strengthening the fabric of society, by generating employment and business opportunities.. GSL is committed to continuously improving its social responsibilities as a good corporate citizen, to make positive ***impact on the society.***

### **1. CONCEPT:**

#### **1.1. SHORT TITLE & APPLICABILITY:**

1.1.1 This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the '**GSL CSR Policy**'.

1.1.2 This policy shall apply to all CSR initiatives and activities taken up at by GSL, within the full State of Goa for the benefit of different segments of the society

**1.2 CSR VISION STATEMENT & OBJECTIVE:**

**1.2.1.** In alignment with vision of the company, GSL, through its CSR initiatives, intend to contribute towards social development and meaningful quality of life of the community in which it operates, through value creation, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate.

**1.2.2. THE OBJECTIVE OF THE GSL CSR POLICY IS TO:**

- To take up programmes that benefit the communities where it operates and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- To serve the socially and economically weak, disadvantaged, underprivileged, & destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.
- To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to areas, that have so far not been attended to
- To generate, through its CSR initiatives, a community goodwill for GSL and help reinforce a positive & socially responsible image of GSL as a corporate entity.

## **Chapter 2**

### **2 PLANNING/STRATEGIC INITIATIVE :**

#### **2.1. SCOPE**

**2.1.1.** For purposes of focusing the CSR efforts in a continued and effective manner, the following broad Thrust Areas have been identified:

- i. Community Health & Hygiene
- ii) Education
- ii. Civic Amenities
- iv. Healthcare/ Medical facility
- v. Social Empowerment

**NOTE :** The above areas are illustrative and not exhaustive. The activities will be specific depending on the base line survey and need assessed for the people.

#### **2.2. Baseline Survey**

2.2.1 The impact made by CSR activities shall be quantified to the best possible extent with reference to base line data, before the start of any project. Hence Base-line Surveys are mandatory. As per the DPE Guidelines Base line Survey and need assessment shall be carried out by National CSR Hub.

#### **2.3 CSR Approach :**

2.3.1 CSR projects/activities shall be undertaken preferably in the state where the GSL carries out its commercial activities as far as possible. Where this is not possible, the GSL may choose to locate CSR projects anywhere in the country. Corporate Social Responsibility strategies shall be developed that mandate the design of Corporate Social Responsibility Action Plan (Longterm, medium-term and short-term), with project based accountability approach.

2.3.2 The approach to CSR planning shall be long-term sustainable approach. The long-term Corporate Social Responsibility Plan shall be broken down into medium term and short term plans. Each of these plans shall clearly specify:

- Requirements relating to baseline survey;
- Activities to be undertaken;
- Budgets allocated;
- Time-lines prescribed;
- Responsibilities and authorities defined;
- Major results expected.

2.3.3. Such plans shall also clearly specify the implementation guidelines and the involvement of the implementing agency. The procedures and methodologies prescribed for monitoring shall be highlighted as well as the modalities of the concurrent and final evaluation. Finally, there shall be mandatory documentation of the experience.

## Chapter 3

### 3. RESOURCES

#### 3.1. Funding & Allocation:

2.1.1. For achieving its CSR objectives through implementation of meaningful & sustainable programmes, the CSR budget of GSL will be created in line with the guidelines on Corporate Social Responsibility issued by the Department of Public Enterprises Vide Office Memorandum F.NO.15(3)/2007-DPE(GM) dated 9th April 2010 as a percentage of net profit in the following manner:-

#### **Net Profit (Previous Year) (% of profit)**

- (i) Less than Rs. 100 crore : 3% - 5%
- (ii) 100 crore to Rs. 500 crore : 2% - 3%
- (iii) 500 crore and above : 0.5% - 2%

3.1.2 The board of directors shall accord approval for the funds to be spent in a particular financial year under the various categories. The CSR Budget shall be fixed for each financial year as per above. This funding will not lapse. It will be transferred to a CSR Fund, which will accumulate.

3.1.3 From the annual CSR Budget allocation, provision will be made towards different expenditure heads , in accordance with the base line survey and need assessed for the people upto a maximum of 95 percent of the total fund allocation. Training , Impact Assessment, Administrative Expenses related to CSR & Donation to National CSR Hub shall also form part of this expenditure.

3.1.4 Five (5) percent of the annual CSR Budget will be earmarked towards towards Sponsorship of CSR activities/events/ publications outside the purview of Baseline survey.

## Chapter 4

### 4. IMPLEMENTATION:

The CSR Guidelines issued the Department of Public Enterprises, New Delhi advises the PSUs to take short, medium and long term view on CSR related work. Long term CSR programmes will ensure systematic need assessment and design of CSR Package.

GSL has defined broad areas for social support and intervention for overall development of localities and also to support sustainable development. The process for implementation of CSR programmes will involve the following steps :

#### 4.1. Project based approach:

4.1.1 GSL will follow a project based accountability approach to stress on the long term sustainability of CSR projects, where its action plan will be distinguished as 'Short term', MiddleTerm & Long Term; qualified as :

Short Term – **Yearly plan**

Medium Term – **1 to 3 years plan**

Long Term – 'Flagship programmes'. **beyond 3 Year plan**

**Long term plans will be broken into medium and short term plans.**

4.1.2 While identifying long term programmes, all efforts must be made to define the following:

- a. Programme objectives
- b. Baseline survey – It would give the basis on which the outcome of the programme would be measured.
- c. Implementation schedules
- d Timelines for milestones of the programme will need to be prescribed

- d. Responsibilities and authorities
- e. Major results expected and measurable outcome.

**4.2** Identification of programmes at Corporate level will be done by means of the following :

- (a) Need identification Studies by National CSR HUB
- (b) Receipt of proposals/requests from local civic bodies/ educational institutions/ voluntary organisation/orphanage/ Old Age Homes etc, only for **those activities which are beyond Base Line Survey.**
- (d) Discussions with /Civic bodies/Citizen's forums/VOs

#### **4.3.4 Projects/Activities not specifically related to Baseline Survey.**

GSL would earmark maximum 5 percent of the yearly CSR budget for Short Term CSR Programmes. The Board would nominate and authorize the competent authority with power to sanction such fund which can be provided to a specialised agency(s) or activity or event.

Such Programmes will typically include sponsorship of social, cultural or sporting events, educational aid and support infrastructure in schools and/or similar organisations, support to Orphanage, old age home, support in building small local infrastructure undertaken by the local civic bodies. and not specifically related to 'base line survey' and 'need identified' under Long Term CSR Programmes. Sales promotion activities and guest entertainment of any kind will not be funded under this Programme. However, small expenditures on inauguration or handing over of CSR related public assets to public may be funded from this budget.

Proposals for such funding will be submitted to the GSL CSR Cell. The proposal must specify the need and expected impact of such funding support. CSR Cell should scrutinize such proposals and forward with clear

recommendation to the Competent Authority for approval. All such activities should be undertaken by engaging specialized agencies/NGOs registered with the state government. CSR Cell should select the specialized agencies/NGOs as per the criterion prescribed by TISS at Para **5.2** . CSR cell should communicate to the specialized agencies in writing specific terms and conditions under which the fund would be provided. The receiver would be asked to provide documentary evidence about fund utilisation and the impact thereof.

CSR Cell is authorized to recommend cancelling of any proposal, approved or otherwise, at any stage, with adequate justification thereof. This should be approved by the Competent Authority.

#### **4.4 IMPLEMENTATION:**

4.4.1. CSR programmes will be undertaken by GSL within the defined ambit of Base Line Survey and Need Assessment.

4.4.2. 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 programme.

4.4 .3. Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as 'flagship programmes' and accorded enhanced significance.

4.4. 4. Project activities identified under CSR should to be implemented by specialized agencies, to be selected from panels maintained the National CSR Hub.

#### **4.5 Executing agency/Partners:**

4. 5.1 GSL will seek to identify suitable programmes for implementation in line with the base line survey and need assessment for the community. These works would be done through specialized agencies, to be selected from panels maintained by National CSR Hub.

Project activities identified under CSR will be designed and implemented by specialized agencies, to be selected from panels maintained by the National CSR Hub. In case of specialized agencies other than those empanelled with National CSR Hub, CSR Cell of GSL will refer their cases to National CSR Hub on case to case basis for scrutiny to establish suitability and appropriateness. Based on the recommendation of the TISS, such agencies will be invited to design the programme in consultation with GSL CSR Cell.

However, the on ground coordination and monitoring for timely execution of the projects will be undertaken by Project Teams of GSL. This work, being for the benefit of society will be in addition to the normal duties of the project team members. Each project team will comprise of one Executive, one Supervisor and one employee.

The proposals will necessarily include targeted impact of such funding. The completed proposals will be submitted for approval to the Competent Authority with clear recommendations by the CSR Cell and National CSR Hub.

Once the programmes approved by the Board are communicated , GSL will be required to enter into an agreement with each of the executing/implementing agency as per the Standard Model Agreement.

#### **4. 5.2 Criterion for identifying Executing agency:**

4.2.1 While assigning CSR projects to specialized agencies, every possible effort shall be made to verify the reliability and clean track record of such agencies. The following parameters/ criteria shall be considered for identification/ selection of specialised agency(s)for programme execution :

- The Specialised Agency has a office / address in India.
- The NGO is a registered society under Societies' Registration Act;
- The antecedents of the Agency are verifiable/subject to confirmation.
- Newly registered or started agencies may also be considered as programme partners if they are able to satisfy conditions laid down by GSL and National CSR Hub.
- They must have demonstrated capability and expertise in implementation domain specific social projects.
- The Agency should furnish complete details of their work at least for last three years.
- The Board of such agencies must include persons of eminence who work above individual gains and are committed to development of society and growth of the nation.
- GSL reserves the right to seek information/clarification from any Board Member about their income, source of income, assets, foreign connections, etc. All such information will kept confidential however such information may affect selection and continuation of the partner.

- The agency must have comfortable financial background so as to pay to its team member, needed financial compensation. It should also have track record of payment fair wages and must have not involved with exploitative activities what so ever.
- The agency should have not involved in any kind of fraud, misappropriation of fund and any activity which is considered to be illegal and anti-national. In other words the partners must act with utmost integrity with highest level of conduct in the society.
- The specialised agencies should not have any linkage with GSL, direct or indirect, to maintain fairness.

### **5.3 Agreement between GSL & Executing agency:**

5.3.1. Once the programmes approved by the Board are communicated , GSL will be required to enter into an agreement with each of the executing/implementing agency as per the Standard Model Agreement.

## Chapter 5

### 5. MONITORING AND FEEDBACK

5.1. To ensure effective implementation of the CSR programmes undertaken a monitoring mechanism will be put in place by the GSL CSR Cell. The progress of CSR programmes under implementation will be reported to the competent authority and the GSL Planning & Monitoring dept (for MoU compliance) on a monthly basis as per the proforma enclosed.

5.1.1. Impact Assessment surveys will be carried out by GSL by engaging the national CSR Hub or agencies empanelled with National CSR Hub every year. The survey team will be authorised to select **all projects** for study.

5.1.2 Social Audit will be carried out by engaging the national CSR Hub or agencies empanelled with National CSR Hub. Frequency of the social audit will be decided by GSL CSR Cell in consultation with TISS .Appropriate corrective actions should be taken by considering the results of Impact Assessment and Social Audit.

5.1.3 CSR Cell will also try to obtain feedback from beneficiaries about the programmes.

5.1.4 The implementation of CSR guidelines will form a part of the Memorandum of Understanding that is signed each year between GSL and Ministry of Defence , Dept of Defence Production.

5.1.5 CSR initiatives of the Company will also be reported in the Annual Report of the Company.

5.1.6 Appropriate documentation of the GSL CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.

## Chapter 6

### 6. Powers for approval

6.1.1 For meeting the requirements arising out of immediate & urgent situations, CMD is authorised to approve proposals in terms of the empowerment accorded to him by the Board.

6.1.2 To afford a further degree of flexibility in approval of CSR programmes, the following empowerment is afforded to the concerned Functional Director and CGM:

Sr No	Powers	Director	CGM
1	Approval & Expenditure sanction for CSR programmes and re-appropriation, if any, of approved programmes on its merit. (**)	Rs. 4 lacks in each case, subject to an annual ceiling of Rs. 10 lakhs	Rs. 2 lacks in each case, subject to an annual ceiling of Rs, 5 lakhs

\*\* : All programmes approved in terms of the above delegation to be subsequently brought to the information of the Board.

## Chapter 7

### 7. **GSL CSR CELL**

#### 7.1.1 The Composition of Existing CSR Cell at GSL :

The CSR cell of GSL is headed by CGM(P&A) and include

GM ( Medical)/ CMO -Member

AGM ( Commercial) - Member

SM ( Finance) – Member

SM ( Civil) - Member

PRO – Member Secretary

#### 7.1.2 **ROLES AND RESPONSIBILITY OF CSR PROJECT TEAM**

##### **The roles and responsibilities are as follows :**

- Each project team will comprise of one Executive, one Supervisor and one employee of GSL.
  
- The project team members will be responsible for on ground assessment of the project(s), coordination with the NGOs and stakeholders
  
- The team will be responsible for timely execution and monitoring of the projects.
  
- The concerned project Team (s) of GSL will verify the utilisation of fund. The receiver should be asked to provide documents on fund utilisation, annual report on the impact thereof.
  
- They will be responsible for reporting the status of Project implementation to GSL CSR Cell on fortnightly basis.

### 7. 1.3 ROLES AND RESPONSIBILITY OF GSL CSR CELL

#### **The roles and responsibilities are as follows :**

- CSR Cell members shall collectively take decision on various CSR spend, subjected to approval of the Board. They remain an important link between the Project Team (s), the National CSR Hub and GSL in the larger interest of the Company.
- Once the programmes approved by the Board are communicated , GSL will be required to enter into an agreement with each of the executing/implementing agency as per the Standard Model Agreement.
- They should liaison with all external agencies including the National CSR Hub.
- They should involve in understanding and coordination of all activities related to Base Line Survey and Need Assessment studies.
- They should invite and coordinate selection of partners (like NGO, institutions, small organisations, etc.
- They should formulate CSR related programmes, enter into MoU with implementing agencies clearly stating targeted CSR goals, monitoring systems, impact expected and social audit needs.
- They will be responsible for overall implementation, guide in implementation to project team(s) and reporting the status of CSR implementation.

## **Chapter 8**

### **8. General**

8.1.1 Investment in CSR shall be project-based. Mere donations to philanthropic/ charity or other organizations would not come under the category of CSR.

8.1.2 CSR activities shall generate community goodwill, create social impact and visibility.

8.1.3 CSR activities shall help in building a positive image of the company in the public perception.

8.1.4 GSL shall generate awareness among all levels of their staff about CSR activities and the integration of social processes with business processes. Those involved with the undertaking of CSR activities shall be provided with training and re-orientation.

### **9 Clarifications**

9.1.1 This Policy will supersede/ override previous policy made in this regard.

9.1.2 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.

9.1.3 This Policy may be amended by the Board of Directors from time to time as the situation warrants.

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