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CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR THE BENEFIT OF INDIAN NAVY

1. Refer to the following: -

- (a) Section 135 of Companies Act 2013.
- (b) Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (c) Gol/ Ministry of Corporate Affairs General Circular 21/2014 dated 18 Jun 14.
- (d) IHQ MoD (N)/ CPS letter of even number dated 15 Oct 18.
- (e) Gol/ Ministry of Corporate Affairs Gazette Notification dated 22 Jan 21.

2. **Introduction.** Corporate Social Responsibility (CSR) is a way of conducting business by which corporate entities contribute to the social cause and provides corporate entities an opportunity to create/ shore up a host of intangibles like reputation, brand image, trust or capacity to innovate and build partnerships. Section 135 & Schedule VII of Companies Act, 2013 as well as Companies (Corporate Social Responsibility Policy) Rules, 2014 prescribe mandatory provisions for the companies to fulfil their CSR. Clarifications on the applicability of CSR provisions as laid down in Section 135 of the Companies Act 2013 are provided by Gol/ Ministry of Corporate Affairs (MCA) vide their General Circular 21/2014 dated 18 Jun 14.

3. In consonance with the policies issued vide references at Paras 1(a), (b) and (c) *ibid*, a policy letter on CSR to benefit the Indian Navy was issued on 15 Oct 18 (Para 1(d) refers). MCA guidelines have, however, recently been revised as indicated by reference at Para 1(e) *ibid*, necessitating changes to this letter.

4. Based on the extant CSR Policies, benefits that can be legitimately leveraged could be extended to issues/ initiatives of the Navy and the Navy Welfare and Wellness Association (NWWA) for the following:-

- (a) Measures to benefit of Ex Servicemen, war widows and dependents.
- (b) Promoting education, special education and vocational skills among children, women and differently abled, as livelihood enhancement projects. These could also include conservation, renovation and up-gradation of infrastructure of schools, buildings or classrooms.
- (c) Promoting gender equality, empowering women, setting up hostels for women, orphans and senior citizens.

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- (d) Environmental sustainability, ecological balance, conservation of natural resources and establishing or supporting renewable energy projects.
- (e) Protection of national heritage including restoration of buildings and sites of historical importance.
- (f) Training to promote rural or nationally recognized Paralympic or Olympic sports.
- (g) Promoting healthcare including preventive healthcare and sanitation.

5. **Guidelines for Command HQs.** Following guidelines are to be adhered to while forwarding proposals to IHQMoD(N): -

- (a) All CSR partnerships/ proposals to be within the ambit of para 4 above.
- (b) The sponsor is not to be a blacklisted company or have dubious reputation that may bring discredit to the *IN's* image.
- (c) CSR partnerships are thoroughly scrutinized with respect to the under mentioned aspects: -
 - (i) Credentials of the Company involved and motive & interests of the sponsor for a particular project.
 - (ii) Possibility of vested interests.
 - (iii) Voluntary nature of all contributions/ projects. No caveat is to be accepted for any partnerships/ project.
 - (iv) No financial/ business advantage should accrue to the Company from the project.
 - (v) Any association of the sponsor with Army, Navy or Air Force should not create a conflict of interest.

6. The CSR fund providers endeavor to ensure proper utilisation of funds to fulfill their social obligations and contribute to community development and therefore monitor/ measure the implementation/ benefits of their CSR schemes. It is, therefore, important for the *IN* to ensure proper scrutiny of CSR proposals and transparency in utilisation of funds.

7. In view of the above, all CSR proposals for the *IN* from any source will be controlled as follows at:-

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(a) **NHQ/ NCR/ North Region.** All CSR proposals from any source will be directed and controlled by IHQMoD (N)/ CPS/ DESA. The following procedure to be followed:-

- (i) Units seeking CSR funding are to forward their proposals to IHQMoD (N)/ CPS/ DESA along with concurrence of CSR fund provider for committing funds for the project/ proposal iaw format placed at **Enclosure**.
- (ii) Proposals will be examined by the CSR Committee and IHQMoD (N)/ DESA will seek the approval of the CNS to accept and spend the funds.
- (iii) Post approval of CNS, CSR funds will be remitted to NWWA Central account.
- (iv) NWWA Central account will distribute CSR funds for the specified purpose and **would provide the necessary tax-exemption certificates to CSR donors.**

(b) **Command HQs.** All CSR proposals from any source will be directed and controlled by Command HQs/ CSO (P&A). Command HQs are requested to keep IHQMoD(N)/ CPS/ DESA updated on all CSR funds received and purpose for which they are utilized, half yearly on 30 Sep and 31 Mar every year. Due approval iaw Gol orders for acceptance for CSR fund is to be obtained by respective Command HQ from Ministry of Corporate Affairs and an independent designated account opened for receiving/ disbursing CSR funds. **Commands are to accept CSR funds in the designated CSR account only and provide certificates for tax exemption.** Guidelines for the CSR funds are as enumerated below and Commands are requested to issue detailed directives with copy marked to IHQ MoD(N)/CPS/DESA:-

- (i) Formations/ Units seeking CSR funding are to forward their proposals to their respective Command HQs along with concurrence of CSR fund provider for committing funds for the project/ proposal iaw format placed at **Enclosure**.
- (ii) Proposals, post examination, are to be approved by the FOC-in-C at Command HQs.
- (iii) Post approval at Command HQs, the funds will be remitted to CSR fund account of respective Commands.
- (iv) Commands are to distribute CSR funds for the specified purpose.
- (v) Till the time dedicated CSR account is not opened at Commands, CSR proposals received could be forwarded to IHQ MoD (N)/ DESA for approval and

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CSR fund will be remitted to NWWA Central Account. The received fund will be disbursed to Command for the purpose indicated from NWWA Central Account.

8. CSR funding is not to be confused with sponsorships that are sought by Commands/ lower formations for various events.

9. **CSR Committee.**

(a) The IHQ MoD(N)/NCR/North Region CSR Committee will be chaired by CPS and will meet on 'as required' basis, but at least once a year and would comprise, the following officers:-

<u>Ser</u>	<u>Desig</u>	<u>Remarks</u>
(i)	Cmde (ESM Affairs)	
(ii)	Cmde (NPF)	
(iii)	Cmde (NE)/ Cmde (APSA)/Cmde (HS)/ Cmde (Works)/	As required for specific purposes
(iv)	Honorary Secretary NWWA	
(v)	Cdr/ Capt (ESM Affairs)	Secretary
(vi)	Any other officer co-opted by the Chairman.	

10. Commands are to set up CSR Committee with suitable members.

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PROPOSAL FOR PROJECT THROUGH CSR

1. **Unit/ Directorate/ Command/ initiating the Proposal:**
2. **Background:**
3. **Present Status/ Shortfall:**
4. **Requirement/ Issues:**
5. **Proposal (including details of project):**
6. **Justification:**
7. **Financial Implication/ Estimated Cost:**
8. **Name of Company Providing CSR Fund:**
9. **CSR Fund Amount:**
10. **Balance Cost (if any), being met from:**
11. **Summary:**
12. **Contact Details of PoC for the Project:**

Signature

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