# GOA SHIPYARD LIMITED

## CMD/41/2021 dated 03 Jun 2021

### Code of Business Conduct and Ethics for Board Members and Senior Management of GSL

In view of the revision in GSL Vision, Mission, Core Values & Corporate Objectives and to align the definition of 'Relative' as per the provisions of the Companies Act, 2013, Code of Business Conduct and Ethics for Board Members and Senior Management of GSL ('Code of Conduct') has been updated accordingly. The updated Code of Conduct enclosed herewith is promulgated with immediate effect.

**Chairman & Managing Director**

Vasco da Gama

Dist: All GSL

# GOA SHIPYARD LIMITED

## CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

### 1.0 Introduction

1.1 This Code shall be called "The Code of Business Conduct & Ethics for Board Members and Senior Management" of Goa Shipyard Limited (hereinafter referred to as "the Company").

1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.

1.3 This Code for Board Members and Senior Management has been framed as per the Guidelines of Department of Public Enterprises (DPE).

1.4 It shall come into force with effect from 2nd November, 2011.

### 2.0 Definitions and Interpretations

2.1 The term "Board Members" shall mean Directors on the Board of Directors of the Company.

2.2 The term "Whole-time Directors" or "Functional Directors" shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.

2.3 The term "Part-time Directors" shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.

2.4 The term "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013. (**Appendix-1**).*
**(Updated on 02.06.2021)*

2.5 The term "Senior Management" shall mean Chief General Manager(s) and General Managers and shall include Heads of Departments of the Company.

2.6 The term "the Company" shall mean Goa Shipyard Limited (GSL).

**Note:** In this Code, the words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

### 3.0 Applicability

3.1 This code shall be applicable to the following personnel:

a) All Whole-time Directors including the Chairman & Managing Director of the Company.

b) All Part-time Directors including Independent Directors under the provisions of law.

c) Senior Management.

3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

4.0 **Contents of Code**

Part I General Moral Imperatives
Part II Specific Professional Responsibilities
Part III Specific Additional Provisions for Board Members and Senior Management.

This code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

## PART - I

5.0 **General Moral Imperatives**

5.1 **Contribute to society and human well being**

5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

5.1.2 Therefore, all Board Members and Senior Management who are accountable for the design, development, manufacture and promotions of company's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

5.2 **Be honest and trustworthy & practice integrity**

5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

5.2.2 All Board Members and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Company.

5.3 **Be fair and take action not to discriminate**

5.3.1 The value of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

5.4 **Honour confidentiality**

5.4.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.

5.4.2 All Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Company.

5.5 **Pledge & Practice**

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

5.5.4 Bring pride to the organization and provide value-based services to Company's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour.

## PART II

6.0 **Specific Professional Responsibilities**

6.1 **Live the Vision, Mission, Values and Corporate Objectives of GSL – each day**

Live the Vision, Mission, Values and Corporate Objectives of Goa Shipyard Limited each day. For quick reference they are as under:

**VISION***

"To be a contemporary organisation in Ship Design, Construction, Ship Repairs & General Engineering Solutions."

**MISSION***

"To be a world class shipbuilding yard to meet the maritime needs of indigenous and export market by designing, building, repairing and delivering products and engg. Services on time at competitive price.

**CORE VALUES***

**Customer Satisfaction**

We are dedicated to building a relationship with our customers where we become partners in fulfilling their mission. We strive to understand our customers' needs, undertake requisite Research and Development and deliver products and services that fulfill their requirements.

**Quality, Time and Cost Consciousness**

We are dedicated to deliver products and services that conform to highest standards of design, manufacture, reliability, maintainability, quality and fitness for use as mandated. We are committed to deliver our products and services on time and at economic cost.

**Innovation & Creativity**

We believe in innovating and being creative. We are committed to strive for improvement in every activity involved in our business with a view to achieving excellence and competitiveness.

**People & Team Work**

We value our people and treat each other with dignity and respect. We strive to develop and to build empowered teams. We are committed to be loyal and devoted to our organization and ensure that our organization is always worthy of trust. We believe in the highest levels of integrity and discipline.

**Commitment to Society**

We are committed to meet the social needs and aspirations of the society and that of future generations. We are committed to a safe and healthy environment in business operations.

**CORPORATE OBJECTIVES***

| | |
|---|---|
| 1. | To design and build warships for defence forces of the Nation, sea faring platforms for Commercial sector and export to friendly foreign Nations meeting project timelines and quality standards. |
| 2. | To carry out repairs and refits of defence and commercial ships. |
| 3. | General engineering services related to design and manufacturing of products relevant to shipbuilding and Naval applications. |
| 4. | Endeavor to expand/diversify business of the Company through concerted marketing efforts. |
| 5. | To enhance global outreach and increase footprints through exports to friendly foreign nations by offering comprehensive solutions thereby enhancing revenue from exports. |
| 6. | To continuously enhance production capabilities by adopting emerging technologies, improved internal processes, innovative practices and infrastructure augmentation. |
| 7. | To strive for maximizing indigenisation in line with Govt. policies with the aim of achieving self-reliance in shipbuilding. |
| 8. | To make sustained efforts for encouraging domestic vendors for onboarding GeM portal with a view to achieve objective of mandatory procurement. |
| 9. | To help build up a strong industrial base through development of ancillaries. |
| 10. | To ensure commitment towards environment protection & conservation and integrate in production processes. |

| | |
|---|---|
| 11. | To formulate corporate policies on employment, promotion, reservations, workers' participation consistent with the Government's efforts in promoting social justice to the people at large. Promote use of Hindi as a medium of communication. |
| 12. | To improve productivity by harmonious industrial relations. |
| 13. | Promote welfare activities to raise morale of the employees and up-skill human resources through training and engaging workforce in learning and development programmes. |
| 14. | To create conducive, clean and safe working environment. |
| 15. | Maintain high standard of quality through strict quality assurance measures at each stage, from design to delivery process and continuously improve the production processes to ensure high efficiency of production and to increase customer satisfaction Index. |
| 16. | Make sustained efforts for self-reliance through continuous R&D on extensive basis to develop in-house viable designs for complex and weapon intensive platforms to meet customer requirements. |
| 17. | Generation and maximization of internal financial resources for enhancing growth and maximization of the return on investment and create wealth for shareholders. |
| 18. | Enhancement of the Company's share in total National Industrial output. |
| 19. | Fostering inclusive growth & development of the society and to actively participate towards maintaining ecological balance through implementation of sustainable CSR activities, projects and programmes. |
| 20. | To support and implement various govt. schemes & programmes issued from time to time. |
| 21. | To promote integrity, fairness & transparency through various trainings and to root out corruption & malpractices through confidence building and awareness programmes. |

**(Updated on 02.06.2021)*

6.2 **Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work**

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

6.3 **Acquire and maintain professional competence**

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

6.4 **Compliance with Laws**

The Board Members and Senior Management of the Company shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company.

6.5 **Accept and provide appropriate professional review**

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of their work.

6.6 **Manage personnel and resources to enhance the quality of working life**

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

6.7 **Be upright and avoid any inducements**

The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might by extended at times, to influence business for the organization or awarding a contract to an agency, etc.

6.8 **Observe Corporate Discipline**

The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

6.9 **Conduct in a manner that reflects credit to the Company**

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

6.10 **Be accountable to Company's stakeholders**

All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

6.11 **Prevention of Insider Trading**

The Board Members and Senior Management shall comply with the code of internal procedures and conduct for prevention of Insider Trading in dealing with Securities of the Company.

6.12 **Identify, mitigate and manage business risks**

It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.

6.13 **Protect properties of the Company**

The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

## PART - III

7.0 **Specific Additional Provisions for Board Members and Senior Management**

7.1 **As Board Members and Senior Management**:

They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

**7.2 As Board Members**

7.2.1 Undertake to inform the Chairman and Managing Director/Company Secretary of the Company of any change in their other Board positions, relationship with other business and other events/circumstances/conditions that may interfere with their ability to perform Board/Board Committee duties or may impact the judgement of the Board as to whether they meet the independence requirements of the Guidelines of DPE.

7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be:

- **Related Party Transactions:** Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

- **Outside Directorship:** Accepting Directorship on the Board of any other Company that competes with the business of the Company.

- **Consultancy/Business/Employment:** Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employ-ment) which is likely to interfere or conflict with their duties/responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Company.

- **Use of Official position for personal gains:** Should not use their official position for personal gains.

**7.3 Compliance with the Code of Business Conduct and Ethics**

7.3.1 **All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code.**

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.3.2 **Treat violations of this code as inconsistent association with the organization**

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

**7.4 Enforcement of Code of Conduct**

7.4.1 The Company Secretary (CS) shall forward a copy of the Code to the existing "Directors" immediately on its approval by the Board and the new "Directors" immediately on their appointment on the Board. HOD(P&A) shall make available to all existing "Senior Management Personnel" a copy of the Code and to new appointees in these cadres a copy of the Code immediately on their appointment as "Senior Management Personnel". All "Directors" and "Senior Management Personnel" shall acknowledge the receipt of this Code and on intimation of any revision thereon, in the Form at **Appendix–2**.

7.4.2 The "Directors" and "Senior Management Personnel" shall affirm compliance to the Code in respect of previous Financial Year, as required by DPE Guidelines, by forwarding annual compliance report in the Form at **Appendix–3** to the CS and HOD(P&A), respectively, of the Company by 30$^{th}$ April of each Financial Year. If any Director/Senior Management Personnel leaves the Company any time during a financial year, he shall send a communication to the Company Secretary/HOD(P&A) affirming compliance of the Code till the date of his association with the Company. A Declaration by the Chairman & Managing Director to this effect shall be made in the Annual Report.

7.4.3 The CS and HOD(P&A) shall report to the Board any breach of this Code, which comes to their notice, for its information and to decide on the future course of action.

## 7.5 Power to remove difficulties

7.5.1. For removal of any difficulty that may arise in giving effect to the provisions of this Code of Conduct, the Board of Directors may make such provisions as are not inconsistent with the spirit of this Code of Conduct.

## 7.6 Miscellaneous Points

### 7.6.1 Continual updation of Code

The Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments/modifications shall take effect prospectively from the date stated therein.

### 7.6.2 Where to seek clarifications

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact Company Secretary/HOD(P&A).

**Appendix–1**
(Refer Clause 2.4)

## GOA SHIPYARD LIMITED

**Section 2(77) of the Companies Act, 2013**

"relative", with reference to any person, means any one who is related to another, if-

(i) they are members of a Hindu Undivided Family;
(ii) they are husband and wife; or
(iii) one person is related to the other in such manner as may be prescribed;

**Rule 4 of the Companies (Specification of definitions details) Rules, 2014**

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

1) Father: Provided that the term "Father" includes step-father.
2) Mother: Provided that the term "Mother" includes the step-mother.
3) Son: Provided that the term "Son" includes the step-son.
4) Son's wife.
5) Daughter.
6) Daughter's husband.
7) Brother: Provided that the term "Brother" includes the step-brother;
8) Sister: Provided that the term "Sister" includes the step-sister.

**Appendix–2**
(Refer Clause 7.4.1)

**FORM OF**
**ACKNOWLEDGEMENT OF RECEIPT**
**OF**
**CODE OF BUSINESS CONDUCT AND ETHICS FOR**
**BOARD MEMBERS AND SENIOR MANAGEMENT**
(Under Clause 7.4.1 of the "Code of Business Conduct and Ethics for Board Members and Senior Management")

To
The Company Secretary/HOD (P&A)
Goa Shipyard Limited
Vasco da Gama
GOA – 403 802.

**Sub.: Acknowledgement of Receipt of "Code of Business Conduct and Ethics for Board Members and Senior Management"**

I have received and read the Code of Business Conduct and Ethics for Board Members and Senior Management of Goa Shipyard Limited. I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the Company or the legal and regulatory requirements applicable to my job, I know I can consult Company Secretary/HOD(P&A) of the Company knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide Affirmation that I have complied with and have not violated any of the provisions of the Code on an Annual basis to the Company within 30 days from the end of 31st March every year.

Signature _____
Name _____
Designation _____
DIN/Employment Number _____
Telephone No._____

Place:
Date:

**Appendix–3**
(Refer Clause 7.4.2)

**FORM OF**
**AFFIRMATION**
(on Annual basis by 30th April of every year)

(Under Clause 7.4.2 of the "Code of Business Conduct and Ethics for Board Members and Senior Management")

To
The Company Secretary/HOD (P&A)
Goa Shipyard Limited
Vasco da Gama
GOA – 403 802

**Sub.: Affirmation of Compliance to the "Code of Business Conduct and Ethics for Board Members and Senior Management"**

I ..... (name) ..... (designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31st March .....

Signature _____
Name _____
Designation _____
DIN/Employment Number _____
Telephone No._____

Place:
Date: