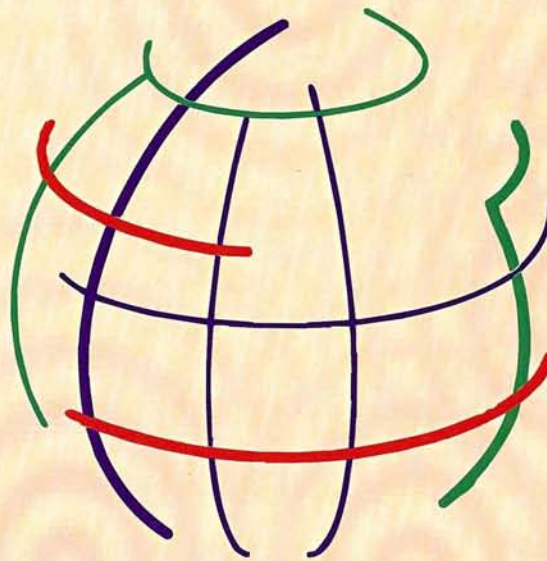


GLOBAL COMPACT SOCIETY

SECOND ANNUAL REPORT 2005-2006



THE GLOBAL
COMPACT

**Global Compact Society : A Forum of Indian Organisations Committed to
United Nations' Global Compact Principles for
Responsible Corporate Citizenship**

SECOND NATIONAL CONVENTION (2nd FEBRUARY, 2006)







Contents

Sl. No.	Description	Page
1.	Contents	3
2.	Governing Council Members (2005-06)	4
3.	Annual Report 2005-06:President, GCS	5-7
4.	UNGC Programme: Participation & Benefits	8
5.	Audited Accounts 2005-06	9-13
6.	About Global Compact Society	14-15
7.	Amendments in MOA	16-18
8.	List of Members	19-20
9.	Glimpses of Foundation Day	21
10.	Glimpses of 2 nd National Convention	22
12.	Ten Principles of UNGC	Back Cover page

Governing Council Members

2005-06

S. No.	Names & Address	Occupation	Post in Global Compact Society	
1.	Mr. Subir Raha Jeevan Bharti Tower, 124, Connaught Circus New Delhi 110 001	Chairman & Managing Director, Oil and Natural Gas Corporation	President	
2.	Mr. A.K. Mitra BHEL House, Siri Fort New Delhi-110 049	Addl.General Manager, Bharat Heavy Electricals Limited	Secretary	
3.	Mr. B.B.Choudhary 83, Institutional Area Sector 18, Gurgaon-122 001	Dy. General Manager, Indian Oil Corporation	Treasurer	
4.	Dr. Uddesh Kohli India Habitat Centre Zone IVB, 2 nd Floor Lodhi Road, New Delhi-110 003	Chairman, Consultancy Development Centre	Member	

Annual Report 2005-06

From President, G.C.S.

The Global Compact Society (GCS) completed yet another successful year of its operations. In line with UN's Global Compact Programme, the Society undertook number of activities during the year 2005-06. Major highlights of the year include: -

- **Second National Convention** : GCS's Second National Convention was organized at New Delhi on 2nd February, 2006 on "Role of Corporates in Promoting Social Objectives through Global Compact".

The convention inaugurated by Mr. Suresh Pachouri, Minister of State for Personnel & Public Grievances and Parliamentary Affairs, Government of India, was participated by over 250 delegates from various Public & Private Sector Enterprises, Institutions, NGOs /SMEs besides UN representatives from UNDP & ILO. The one day convention had seven presentations on Corporate Social Responsibility, from major organizations, namely, ONGC, HLL, BHEL, Aditya Birla Group, IOC, NTPC & HUDCO. Representatives shared their experiences and good practices being implemented by them in the area. This was followed by inter-active session with the participants.

- **UNGC's Network Meet, Barcelona** : The third Annual Network Conference (21 - 23, September'05), was organized by UNGC at Barcelona, to stimulate organizations' growth & competition through advancement of the Global Compact goals. Nearly 110 delegates from 24 countries beside UN agencies, participated in the conference. Highlights of India's presentation made by Dr. Uddesh Kohli, was initiatives taken by some of the leading Indian organizations, in implementing best practices on CSR activities. India's continued efforts in advancement of GC programme was well received and appreciated by the audiences and UN agencies.

Focus of the conference was on local network governance, restructuring process which takes place in parallel and uniformity in communication on progress, being submitted annually by various organizations committed to G.C. Programme.

GCS Member representative Mr. Y P S Kanwar from, ONGC and Mr. A K Mitra from BHEL also attended the conference.

- **Communication On Progress (COP) :** As per UNGC requirement, organizations committed to UN Global Compact Programme are required to submit COPs once in a year and share information on their achievements with their stakeholders utilizing various modes of communications. To facilitate GCS members in preparing and submitting the COPs to UNGC office, a Workshop was organized in New Delhi on 3rd June'05. Dr. Uddesh Kohli made a presentation on the subject, which was followed by interactive session.
- **Annual General Meeting (1st September, 2006) :** The Second Annual General Meeting was well attended by the Representatives of GCS members including CEOs/Directors from number of organizations. GCS Members expressed their gratitude towards Mr. Subir Raha for his contribution as President and successfully carrying out GCS's activities along with his team members since its inception in November'03.

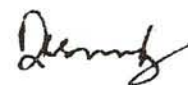
A.G.M. Approved Following:-

- (a) **New Governing Council 2005-07:** - Continuation of same members of the Governing Council for next two years i.e. July, 2005-June, 2007, as follows:-
Mr. Subir Raha, President
Mr. A.K.Mitra, Secretary
Mr. B.B.Choudhary, Treasurer
Dr.Uddesh Kohli, Member (Also,focal point of UNGC)
 - (b) **Amendment in Articles of Association** was approved. According to amended Articles, there would be four Regional Vice Presidents one each for Mumbai, Chennai & Kolkata & Delhi. President, GCS was authorized to nominate the Regional Vice Presidents and remaining members of the Governing Council. The amendments also created new categories of Members, namely, SME Members (which are small and medium enterprises), and NGO Members (which are Civil Society/Non-Government or Labour organisations)
- **Foundation Day Celebration:** Foundation Day of the Global Compact Society was celebrated by GCS members in New Delhi on 23rd November 2005 on completion of two years of its existence (the Society got registered on 24th November 2003).

This day was marked with the introduction of the new concept of CSR activities for rural areas, called Providing Urban Amenities in Rural Areas (PURA). The concept had been visualized by President of India- Dr. A P J Abdul Kalam. On this occasion two presentations were made (i) ONGC presentation on 'PURA & its relevance to the organization', by Mr. Yashpal Kanwar, CM(P&A). ONGC has formed a separate Trust to guide the activities presently being undertaken in Cluster in Tripura, and (ii) HUDCO presentation by Dr. D. Subrahmanyam, Dy. Chief (Projects), who outlined the concept of PURA. These were deliberated upon by the members.

- **Contribution to Publication at Regional Conclave :** Global Compact Society contributed a sum of Rs.80,000/- towards publication brought out on the GC Regional Conclave in South Asia held in Jamshedpur in March 2005, in partnership with the Confederation of Indian Industry (CII)- Eastern region and Tata Steel.
- **UNGC's meetings:** UNGC Focal Point for Indian network, Dr. Uddesh Kohli participated in meetings/ conferences organized by UNGC's office and maintained necessary liaison
- **Meetings of General Body & Governing Council:** During the year, three meetings of the Governing Council and same number of Members meet were organized to discuss/deliberate various activities of the Society besides sharing of experiences by various organizations in achieving the desired goals of Global Compact Programme.
- **GCS Office:** The Society opened its Administrative Office at SCOPE Complex,, Core V (6th Floor), Lodhi Road, New Delhi, for which space was provided by ONGC along with infrastructural support. A full time Joint Secretary- Mr V S Singh joined in January 2006 for a short period.

On behalf of the Governing Council



(R.S.Sharma)

President, Global Compact Society

UN's Global Compact Programme

-Participation & Benefits

Benefits in Participation

- Demonstrating leadership by advancing responsible corporate citizenship
- Producing practical solutions to contemporary problems related to globalization, sustainable development and corporate responsibility in a multi-stakeholder context.
- Managing risks by taking a proactive stance on critical issues
- Leveraging the UN's global reach and convening power with governments, business, civil society and other stakeholders
- Sharing good practices and learning.
- Accessing the UN's broad knowledge in development issue.
- Improving corporate/brand management, employees morale & productivity and operational efficiencies.

How to participate

A company wishing to subscribe to the Global Compact can do so by sending a letter from the Chief Executive Officer to the United Nations Secretary-General expressing support for the Global Compact and commitment to take the following actions:

- i) Issue a clear statement of support for the Global Compact and its ten principles and to publicly advocate the global Compact. This may include:
 - Informing employees, shareholders, customers and suppliers
 - Integrating the Global Compact and ten principles into the Corporate Development and training programme.
 - Incorporating the Global compact principles in the company's mission statement.
 - Including the Global Compact commitment in the company's Annual Report and other public documents.
 - Issuing press releases to make the commitment public.
- ii) Provide once a year a concrete example of progress made or a lesson learn implementing the principles for posting in the Global Compact website.
- iii) In addition to these two basic actions, within the framework of the Global Compact, a company may wish to actively support the principles and broad United Nations goals by initiating and participating in projects in partnership with the United Nations.
- iv) More details on the Global Compact can be obtained by visiting: www.unglobalcompact.org.

**AUDITED ACCOUNTS
OF
GLOBAL COMPACT SOCIETY
2005-06**

P.K.CHOPRA & CO
CHARTERED ACCOUNTANTS
N-Block Bombay Life Building , 2nd Floor, Above post Office
Connaught Place, New Delh-110001
Ph.91-11-23312869,23315761, 23312341, Fax -91-11-23312345
E. Mail : pkcopra@vsnl.com

AUDITOR'S REPORT

We have examined the Balance Sheet of Global Compact Society, as at 31st March,2006 and the Income And Expenditure Account for the Year ended on that date, which are in agreement with the Books of Accounts maintained by the said Society.

We have obtained all the information and the explanation, which to the best of our knowledge and belief were necessary for the purpose of the audit. In our opinion Proper Books of Accounts have been kept, as far as appears from our examination of the books.

In our opinion and to the best of our information and according to the explanation given to us, the said accounts give true and fair view:

- 1) In the case of the Balance Sheet of the sate of affairs of the above named Society as at 31st March,2006.
- 2) In the case of the Income and Expenditure Account of the excess of Income over Expenditure of its Accounting Year ended on 31st March,2006.

The Prescribed Particulars are annexed hereto.

For P. K. Chopra & CO
Chartered Accountants



Partner

Date :31st August, 2006
Place: New Delhi

GLOBAL COMPACT SOCIETY

ONGC Scope Minar, South Tower,
Distt. Center, Laxmi Nagar, Delhi-110 092

BALANCE SHEET - AS AT 31st MARCH 2006

Previous Year Figure	Liabilities	Amount (Rs.)	Previous Year Figure	Assets	Amount (Rs.)
-12368.94 1378097.83 1365728.89	Reserve Fund : Opening Balance 1,365,728.89 Add: During the year 896,926.18 <hr/> Outstanding Liabilities: Audit Fee Payable 5,612.00 Other Expenses 61,232.00 <hr/>	2,262,655.07 66,844.00	1,369,728.89	Current Assets Bank Balance 675,632.13 Fixed Deposit-HDFC 1,500,000.00 Interest Receivable 26,838.53 Other Receivable 123,980.00 TDS Receivable 3,048.41	
1369728.89	Total	2,329,499.07	1,369,728.89	Total	2,329,499.07

Dated : 31st August, 2006
Place : New Delhi

For P. K. Chopra & Co.
Chartered Accountants


Secretary

Global Compact Society


Treasurer

Global Compact Society


Partner

GLOBAL COMPACT SOCIETY

ONGC Scope Minar, South Tower,
Distt. Center, Laxmi Nagar, Delhi-110 092

RECEIPT & PAYMENT ACCOUNTS - FOR THE YEAR ENDED 31st MARCH 2006

Previous Year Figure	Receipt	Amount (Rs.)	Previous Year Figure	Payment	Amount (Rs.)
329,581.06	Opening Balance :		1,950.00	Porto Link System	-
25,320.31	As per Bank Book	1,369,728.89	91,751.50	Fixed Deposit-HDFC	1,500,000.00
655,000.00	Bank Interest	58,121.74		Printing & Stationery	115,328.50
702,854.00	Subscription Fees	755,000.00		Audit Fees	4,000.00
35,000.00	Sponsorship Fees	348,317.00		Staff Expenses	48,387.00
10.20	Registration Fees	84,000.00	256,210.78	Conference Expenses	230,841.00
	Refund of Excess S.T Charges		20.40	S.T Charges	-
			400.00	Bank Charges	-
			25,000.00	Refund Subscription Fee	-
			2,204.00	Legal & Professional Charges	12,000.00
				Meeting Expenses	28,979.00
			500.00	Other Expenses	-
			1,369,728.89	Closing Balance	675,632.13
				As per Bank Book	
1,747,765.57	Total	2,615,167.63	1,747,765.57	Total	2,615,167.63

Dated : 31st August, 2006
Place : New Delhi

For P. K. Chopra & Co.
Chartered Accountants


Secretary
Global Compact Society


Treasurer
Global Compact Society


Partner

GLOBAL COMPACT SOCIETY

ONGC Scope Minar, South Tower,
Distt. Center, Laxmi Nagar, Delhi-110 092

INCOME & EXPENDITURE ACCOUNT- FOR THE YEAR ENDED 31st MARCH 2006

Previous Year Figure	Expenditure	Amount (Rs.)	Previous Year Figure	Income	Amount (Rs.)
91,751.50	Staff Expenses	97,387.00		National Convention :	
189,816.00	Printing & Stationery	115,328.50	702,854.00	Sponsorship Fee Rec.	472,297.00
	Conference Expenses	240,869.00	35,000.00	Registration Fees	<u>84,000.00</u>
2,204.00	Website Expenses	2,204.00			556,297.00
	Meeting Expenses	28,979.00	970,000.00	Subscription Fees received during the year (Net)	755,000.00
3,000.00	Audit Fees	5,612.00			
1,500.00	Other Expenses				
	Legal & Professional Charges	12,000.00			
66,394.78	Other Expenses		25,320.31	Bank Interest	88,008.68
420.40	Bank Charges				
1,378,097.83	Excess of Income over expenditure	896,926.18	10.20	Refund of Excess S.T Charges	
1,733,184.51		1,399,305.68	1,733,184.51		1,399,305.68

Dated : 31st August, 2006
Place : New Delhi

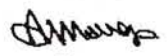
For P. K. Chopra & Co.
Chartered Accountants


Secretary

Global Compact Society


Treasurer

Global Compact Society


Partner

Global Compact Society

The Global Compact Society was formed by some of the organizations from India who were participating in the United Nation's Global Compact Programme. It was registered on 24th November, 2003, with Registrar of Societies, NCT, Delhi, as a non-profit body.

The Society acts as an all India Apex level nodal agency representing various Indian Corporate bodies, Institutions/Organizations, who are committed to UN 's Global Compact principles on human rights, Labour standard, the environment and anti-corruption.

It is expected that all Indian companies/organizations, participating in Global Compact, would become members of the Global Compact Society. 41 Indian organizations from PSUs, Private Sectors & Institutions are the founder members of the G.C.Society & it is expected that many other will join the Global Compact Society shortly.

The main objective of the Society is to provide a forum to various Indian Companies/Organizations to exchange experience, network and work together on activities related to Corporate Social Responsibility. This is expected to promote sustainable growth besides encouraging good corporate citizenship.

The benefits of joining the Global Compact Programme and the Global Compact Society include: better corporate image, international networking, proper direction for CSR efforts, exchange of experiences, proper orientation and commitment of executives at various levels, opportunity for combined CSR efforts of several organizations, etc.

As the Global Compact Society is meant to spearhead the Global Compact Programme in India, it would be only appropriate that all the organizations participating in the Global Compact Programme join the Society as its Members.

Membership

The Global Compact Society has following types of membership:

- Corporate Members (which are large companies / corporations)
- Institutional Members (which are non-profit making societies/trusts/educational and research institutes/Government departments)

- SME Members (which are small and medium enterprises)
- NGO Members (which are Civil Society/Non-Government or Labour organizations)

Thrust Areas

As an apex level nodal agency in India, Global Compact Society has identified following thrust areas for its activities:

- Create awareness of GC Programme through conferences, seminars, media participation etc.
- Take steps to enlarge GCS's network by opening Chapters at Mumbai, Bangalore, Chennai & Kolkata to coordinate GCS's activities
- Activities in the regions to be coordinated by Regional Vice President, nominated by the President/GCS.
- To enlarge membership and include SMEs, NGOs, Labour & Govt. Organizations also as members of the society besides Corporate & Institutional members.
- Organize workshop/seminars to help members on reporting the Communication On Progress (COP), annually to the UNGC Office.
- Compilation of information related to CSR activities undertaken by various Indian organizations and sharing with the members.
- Networking among members
- Joint activities aimed at corporate citizenship, with the help of NGOs, and participation of GCS members
- Regular interaction with the UNGC office & updating the members on the latest developments.



Amendments made in Articles of Association of Global Compact Society (Approved in AGM on 3rd May, 2005)

Clause 4

Existing

Categories of Members : The members of the Society shall be of following categories:

- i) Corporate Members (which are companies / corporations)
- ii) Institutional Members (which are non-profit making societies/ trusts/ educational and research institutes/ Government departments)

All those members who have signed the Memorandum of Association and those who join the Society till September 30, 2003., or such other date as may be decided by the Governing Council, will be Founder Members.

Amended

Categories of Members : The members of the Society shall be of following categories:

- i Corporate Members (which are large companies / corporations)
- ii Institutional Members (which are non-profit making societies/ trusts/educational and research institutes/ Government departments)
- iii. SME Members (which are small and medium enterprises)
- iv. NGO Members (which are Civil Society/Non-Government or Labour organisations)

All those members who have signed the Memorandum of Association and those who join the Society till March 31, 2005, or such other date as may be decided by the Governing Council, will be Founder Members.

Clause 5

Existing

Membership fee: Any of the company/corporation/society/trust or institute to whom the membership is open may become member by paying following fee :

A. Entrance Fee

- (i) Corporate Members ... : Rs. 25,000/-
- (ii) Institutional Members ... : Rs.10,000/-

B. Annual Fee

- (i) Corporate Members ... : Rs. 25,000/-
- (ii) Institutional Members ... : Rs. 10,000/-

provided that the Founder Members shall not pay any entrance fee.

The Corporate/Institutional members can become permanent members by paying 10 times the annual fee and they need not pay any annual fee.

Membership Fee can be changed by Governing Council.

Amended

Membership fee: Any of the company/corporation/society/trust or institute to whom the membership is open may become member by paying following fee :

A. Entrance Fee

- (i) Corporate Members... : Rs. 25,000
- (ii) Institutional Members ... : Rs. 10,000
- (iii) SME Members... : Rs 5,000
- (iv) NGO Members... : Rs 5,000

B. Annual Fee

- (i) Corporate Members ... : Rs. 25,000
- (ii) Institutional Members : Rs. 10,000
- (iii) SME Members... : Rs 5,000
- (iv) NGO Members... : Rs 5,000

provided that the Founder Members shall not pay any entrance fee.

The Corporate/Institutional/SME/NGO members can become permanent members by paying 10 times the annual fee and they need not pay any annual fee.

Membership Fee can be changed by Governing Council.

Clause 14.1**Existing**

Quorum and Vote : Unless otherwise decided at a previous General Body meeting, to hold a General Body Meeting the presence of 2/3rd members of the Society shall be necessary for any purpose whatsoever. No decision shall be taken at any General Body Meeting unless the requisite quorum is present.

Amended

Quorum and Vote : Unless otherwise decided at a previous General Body meeting, to hold a General Body Meeting the presence of 1/5th members of the Society shall be necessary for any purpose whatsoever. No decision shall be taken at any General Body Meeting unless the requisite quorum is present.

Clause 15

Existing

Governing Council: The Society shall have a Governing Council of eleven (11) members. This includes five (5) elected office bearers and four (4) elected ordinary members and two (2) co-opted members with eminent status and expertise in respective field/area. The five (5) elected office bearers shall be as under:

- (a) President
- (b) Vice President
- (c) Secretary
- (d) Joint Secretary
- (e) Treasurer

Amended

Governing Council: The Society shall have a Governing Council of fifteen (15) members. This includes eight (8) elected office bearers and four (4) elected ordinary members and three (3) co-opted members with eminent status and expertise in respective field/area. The eight (8) elected office bearers shall be as under:

- (a) President
- (b) Vice President 4 Nos. representing four regions
- (c) Secretary
- (d) Joint Secretary
- (e) Treasurer

Clause 18.2

Existing

For holding the meeting of the Governing Council presence of at least 2/3rd of its members shall be necessary.

Amended

For holding the meeting of the Governing Council presence of at least 1/5th of its members shall be necessary.

Members of Global Compact Society

(As on 31st March, 2006)

CORPORATE MEMBERS :

1. *Aditya Birla Management Group (incl'dg. HINDALCO)*
2. *Balmer Lawrie & Company Limited*
3. *Bharat Heavy Electricals Limited (BHEL)*
4. *Bombay Dying & Mfg. Co. Ltd.*
5. *Central Warehousing Corporation (CWC)*
6. *Chennai Petroleum Corpn. Ltd. (CPCL)*
7. *Engineers India Ltd. (EIL)*
8. *Gujarat State Fertilizers & Chemicals Ltd. (GSFC)*
9. *Hindustan Lever Limited (HLL)*
10. *Hindustan Petroleum Corporation Limited (HPCL)*
11. *Hospital Services Consultancy Corpn Limited (HSCC)*
12. *Housing & Urban Development Corporation (HUDCO)*
13. *Indian Airlines Limited (IAL)*
14. *Indian Farmers & Fertilisers Corporation Ltd. (IFFCO)*
15. *Indian Oil Corporation Limited (IOCL)*
16. *Infosys Technologies Limited*
17. *Indian Railway Finance Corporation Limited*
18. *Krishak Bharti Co-Operative Limited (KRIBHCO)*
19. *Mahindra & Mahindra Limited*
20. *National Building Construction Corporation (NBCC)*
21. *National Hydro Power Corporation (NHPC)*

22. *National Mineral Development Corporation (NMDC)*
23. *National Thermal Power Corporation Ltd.(NTPC Ltd.)*
24. *Oil India Limited (OIL)*
25. *Oil & Natural Gas Corporation (ONGC)*
26. *Paharpur Business Centre & Software Technology*
27. *Power Finance Corporation Limited (PFCL)*
28. *Power Grid Corporation Limited (PGCIL)*
29. *Punjab National Bank (PNB)*
30. *Satluj Jal Vidyut Nigam Limited (SJVN Ltd.)*
31. *Shell India*
32. *Tata Motors*
33. *Water & Power Consultancy Services Limited (WAPCO)*

INSTITUTIONAL MEMBERS:

34. *All India Management Association (AIMA)*
35. *Artificial Limbs Mfg. Corporation (ALIMCO)*
36. *Construction Industry Development Council (CIDC)*
37. *Consultancy Development Centre (CDC)*
38. *Federation of Indian Chambers of Commerce
& Industry (FICCI)*
39. *Indian Society For Training & Development (ISTD)*
40. *National Power Training Institute (NPTI)*
41. *National Research Development Corpn.(NRDC)*

GLIMPSES OF G.C.S.'s FOUNDATION DAY

(23rd November, 2005)



SECOND NATIONAL CONVENTION (2nd FEBRUARY, 2006)



SECOND ANNUAL GENERAL MEETING (1st SEPTEMBER, 2006)



TEN PRINCIPLES: UN's GLOBAL COMPACT

Human Rights:

1. Business should support and respect the protection of internationally proclaimed human rights;
2. Make sure they are not complicit in human rights abuses

Labour:

3. Business should uphold the Freedom of Association and the effective recognition of the right to Collective Bargaining;
4. The elimination of all forms of force and compulsory labour;
5. The effective abolition of child labour;
6. Eliminate discrimination in respect of employment and occupation.

Environment:

7. Business should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption:

10. Businesses should work against all forms of corruption, including extortion and bribery

For more details :

Visit GCS's website: www.globalcompactindia.org

Mailing Address: Mr. A.K. Mitra, Secretary,
GLOBAL COMPACT SOCIETY,
BHEL House, Siri Fort, New Delhi-110049 (India)

Phone: 011-26490714, or 26001010 (Extn.2943)

Fax:011-26493760

E-mail: akmitragcs@yahoo.co.in