

CSR IN COMMUNITY DEVELOPMENT

Edited by

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COMMUNITY DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY-SUCCESS MODELS

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D.Geetha**

Corporate social responsibility is the most important concept applied and promoted by companies through specific programmes. Over the years the social responsibility of corporate has been increasing. Earlier corporate were mainly focused on their economic objectives, profitability, cost of production and wealth maximisation. The social responsibility is the obligation of decision makers to take actions which protect and improve the welfare of society with their own interest. All the business decisions and actions have their social implications. The new companies act 2013 (Section 135) makes corporate social responsibility a mandatory obligation to corporate. The 2% CSR clause applies to any company during any fiscal year with

- a) A net worth of rupees 500 crore or more
- b) A turnover of rupees 1000 crore or more
- c) A net profit of rupees 5 crore or more.

The CSR clause will only apply to some of over 8, 00,000 companies in India including over 8000 publicly listed companies and multinational companies. A research study was conducted at Hosur during December 2013. Two real life case studies about Giant corporate were undertaken. They offered in detail the CSR activities carried out in last five years. They were committed to CSR due to their own interest in community development even though earlier it was not compulsory.

If business wishes to remain viable in the long run, it must respond to society needs. CSR offers better environment for business and better public image, business man must have equal amount of social responsibility like power. Business has plenty of resources at its command hence it is in a better position to work for social goals. It is more economical to deal with social problems before they develop into serious social break downs that consume most of the managements time. The corporation should have moral responsibility to help to solve social problems before government commands. Corporations are citizens and citizens have civic duties and responsibilities. The corporate has certain debts of gratitude towards society. All these aspects show the importance of CSR. The research study at hosur established that CSR brought all their benefits together. CSR contributes significantly to the economic development of the country.

Community Development

Community is defined as a group of people sharing a common purpose, who are interdependent for the fulfillment of certain needs, which live in close proximity and interact on a regular basis. The sense of community is the feelings of cooperation, commitment to the group welfare, willingness to communicate openly, and responsibility to and for others as well as to one's self. There exists community leaders who are responsible for the success of any community event, depending on the needs of the community, and the individual's own feelings.

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CD is the process of developing active and sustainable communities based on social justice and mutual respect. It is about influencing power structures to remove the barriers that prevent people participating in the issues that affect their lives. Community workers facilitate the participation of people in this process. They enable linkages to be made between communities and with the development of wider policies and programs. The key purpose is to work with communities experiencing disadvantage, to enable them to collectively identify needs and rights. It clarifies objectives and take action to meet these within a democratic framework which respects the needs and rights of others. Community work recognizes the need to celebrate diversity and appreciate differences among ethnic and social groups in the community.

Role of CSR in community development

The issue of corporate social responsibility (CSR) has been debated since the 1950s.

The classical view of CSR was narrowly limited to philanthropy and then shifted to, the emphasis on business society relations particularly referring to the contribution that a corporation or firm provided for solving social problems. In the early twentieth century, social performance was tied up with market performance. The pioneer of this view, Oliver Sheldon (1923, cited in Bichta, 2003), however, encouraged management to take the initiative in raising both ethical standards and justice in society through the ethic of economizing, i.e. economize the use of resources under the name of efficient resource mobilization and usage. By doing so, business creates wealth in society and provides better standards of living. The present-day CSR (also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) is a concept whereby business organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as their environment. This obligation shows that the organizations have to comply with legislation and voluntarily take initiatives to improve the well-being of employees and their families as well as for the local community and society at large.

According to Carroll's model, CSR strategies should include three key elements: (a) a basic definition of CSR; (b) evidence of an understanding of the subject for which a social responsibility exists; and (c) a specific philosophy of responsiveness to the subject.

According to Bowen, –CSR refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society.

An ideal CSR has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well as socio-economic status (Bajpai, 2001).

Skills needed by CSR managers in community development

The success of CSR is determined by both internal and external factors. Internal factors are economic considerations, culture of the firm including the CEO and employees, and ethical influences; while external factors are compliance with legal requirements and technological influences as well as national culture (Bichta, 2003). Skills possessed by CSR managers are among the internal factors determining the success of CSR practices especially in helping community. Because CSR profession is so new, transferable skills and knowledge from other related specialization such as environmental management, business ethics, community development, and human resource development are valuable. Specific skills for CSR managers are very hard to clarify due to the diverse roles and range of disciplines involved. They are business skills, people skills and technical skills. Hence, CSR managers have a wide range of career options such as in marketing, human resources, health and safety, environmental

management, ethical investment, public relations, ethical science, community resource development and social research.

Purpose of Research

To understand the concept and scope of corporate social responsibility and getting an insight in CSR practices and their contribution to community development a research study was essentially required. Hence a case study research was conducted with the Ashok Leyland and TVS Group.

Objectives of the study

- To understand the concept of corporate social responsibility and to find out the scope of CSR.
- To study about the CSR activities of Ashok Leyland and TVS group for the community development.

Research Methodology

Exhaustive literature survey regarding the topic and related concepts has been done. Secondary data inclusive of quantitative and qualitative data was collected from various sources including books, research papers, newspapers, magazines, and websites. **Classification of Social Responsibility**

Responsibility towards itself

It is the responsibility of each corporate entity run business and to work towards growth, expansion and stability and thus earn profits. If the corporation is to achieve social and economic ends, organizational efficiency should be boosted up.

- **Employees**

Employees are the most important part of an organization. Following are some of the responsibilities which a business entity has towards its employees-

☑ Timely payment ☑ Hygienic environment ☑ Health care through yoga

- **Shareholders**

The corporate have to safeguard the shareholders investment and make efforts to provide a reasonable return on their investment.

- **State**

Out of the profit available, the state is entitled to a certain share as per the income tax laws. Utmost transparency has to be exerted regarding the profit & loss account and the balance sheet.

- **Consumers**

The Company should maintain high quality standards at reasonable prices. It should not resort to malpractices such as hoarding and black-marketing.

- **Environment**

The organization to contribute to the protection of environment. It should produce eco -friendly products. Moreover, industrial waste management must be taken care of.

Corporate Social Responsibility as a Strategy

CSR needs a proper and step by step implementation. Andrew (1980) has developed an approach to the question of strategic choice. His four key questions suggest the approach that companies may follow in determining their level of CSR activity.

Those four questions are following:

- a. **Determining Organizational Competencies:** what can we do?
- b. **Looking at Industry threats and opportunities:** what might we do?
- c. **Examining the values of key implementers:** what do we want to do?
- d. **Determining the social responsibility:** what ought we to be doing?

By finding out answers to these questions managerial decisions can be molded towards serving a strategic need. This means CSR in practical terms is an ongoing process, constantly monitoring the environment and inter and intra firm relationships. Burke Lee and Jeanne M. Logsdon (1996) suggest that there are five dimensions of corporate strategy that are critical to the success of CSR process in terms of value creation by the firm. They are:

- a. **Centrality** - CSR activities should be close to the firm's mission and objectives.
- b. **Specificity** - Strategic CSR initiatives should specifically benefit the firm.
- c. **Proactivity** - CSR initiatives should focus on the dynamics of stakeholder expectations i.e. to capture the changes in socio-environmental, political and technological factors.
- d. **Voluntarism**- CSR decisions should be discretionary and thus they should be taken up by the firm voluntarily.
- e. **Visibility** - Strategic CSR initiative should build firm's image and goodwill by creating positive media attention and mitigate negative image.

CSR strategy implies choice between different modes of action, in a manner to attain corporate objectives more effectively.

Ashok Leyland, TVS group & CSR

Ashok Leyland



ASHOK LEYLAND

The origin of Ashok Leyland can be traced to the urge for self-reliance, felt by independent India. Pandit Jawaharlal Nehru, India's first Prime Minister persuaded Mr. Raghunandan Saran, an industrialist, to enter automotive manufacture. In 1948, Ashok Motors was set up in Madras, for the assembly of Austin Cars. The Company's destiny and name changed soon with equity participation by British Leyland and Ashok Leyland commenced manufacture of commercial vehicles in 1955.

Access to international technology enabled the Company to set a tradition to be first with technology. Be it full air brakes, power steering or rear engine busses, Ashok Leyland pioneered all these concepts. Responding to the operating conditions and practices in the country, the Company made its vehicles strong, over-engineering them with extra metallic muscles. "Designing durable products that make economic sense to the consumer, using appropriate technology", became the design philosophy of the Company, which in turn has molded consumer attitudes and the brand personality. Ashok Leyland vehicles have built a reputation for reliability and ruggedness. The 5,00,000 vehicles put on the roads have considerably eased the additional pressure placed on road transportation in independent India. In the journey towards global standards of quality, Ashok Leyland company is first in India's automobile history to win the ISO 9002 certification in 1993. The more comprehensive ISO 9001 certification came in 1994, QS 9000 in 1998 and ISO 14001 certification for all vehicle manufacturing units in 2002. It has also become the first Indian auto company to receive the latest ISO/TS 16949 Corporate Certification (in July 2006) which is specific to the auto industry.

Ashok Leyland has found the right balance between standard product offerings and individual choices by equipping its IT department with a platform that enables customers to express their preferences. 'With Dassault Systèmes' 3DEXPERIENCE Platform, they have a robust and flexible solution. Customer preferences can be collected through virtual prototype testing and used to influence.

Process / Business Challenges--High quality product and process economically with least wastage

- FRUGAL engineering in design and manufacturing
- Comply with environmental, safety and other regulations
- Best in class fuel economy
- Higher productivity
- Effective operational economy(Ease of loading/unloading)

Overview of CSR activities conducted at Ashok Leyland

Ashok Leyland defines CSR as: "Our commitment to improving the quality of life of our employees, their families, the driver and the local communities around our units, and the society." It has always been socially responsible. The massive HIV/AIDS awareness campaign and blood donation camps covering all its employees, the driver community and the immediate community around its units. The green initiatives; its revenue-neutral driver training school in Namakkal (Tamil Nadu) and Burari (near New Delhi) to train drivers "on and off the road"; all its measures at driver welfare; its initiative at setting up and hand-holding women self-help groups around its units to sustain themselves economically; its road safety drive on highways around its units; its emphasis on green supply chain management; and its research efforts at conserving resources are some of the initiatives that are ongoing. With the guiding principle that all CSR initiatives in their company are aimed at impacting positively, making a difference and sustaining them, all our efforts focus on livelihood enhancement, health, education and environment. It encourages employee involvement, engaging the families of the employees, and involving local, experienced and credible resources in all its CSR activities.

Green Mission

As company is concerned about the earth our children will inherit. It makes sure their vehicles consume less, pollute less. This concern is reflected in the manufacturing systems, the various processes, energy conservation measures and conscious greening initiatives of the Company." In 2002, all the vehicle manufacturing units of their company were ISO 14001 certified with Environmental Management System.

Energy Conservation

The Ennore unit was recently identified as one of the model energy-efficient units by a CII-TNEB organised Energy Conservation (ENCON) mission. The 1980s also saw Energy Audit being introduced. Improvement in machine tools, furnace-loading pattern, design of heating elements and an energy efficient lighting system has all led to energy savings of 30,782 units per day. Building on the eco-friendly measures over the years, Ennore has received the ISO 14001 certification for Environmental Management Systems.

The Emission Mission

To get the best out of their eco-friendly engine technology, round-the-year awareness and action programmes are held at operators' meets and service campaigns. It has also launched a dedicated mobile emission clinic operating on highways and at entry points to New Delhi.

India's first CNG-run bus

In January 1997, Mumbai's taxi drivers had a complaint about a BEST bus: they couldn't hear it coming! Not only did it make next to no noise, it also emitted very little pollutants. What makes this bus different is the fuel that powers it. Spearheading the induction of CNG technology in the National Capital Region, it has put out over 2,500 buses on its roads.

Environmental Policy

The environment through a comprehensive Environmental Policy and a proactive approach in planning and executing our manufacturing and service activities. The objective of their company Environmental Policy is to adhere to all applicable environmental legislations and regulations, adopt pollution preventive techniques in design and manufacture, conserve all resources such as power, water etc.

Fun Bus

Fun Bus is an exclusively for free use by children of orphanages, Corporation Primary schools and physically/mentally challenged children for a day's picnic. The bus brings cheer to these children, who were earlier confined to four walls due to lack of a suitable transport facility.. The seating layout reckons the requirements of physically challenged children. The bus is equipped with a hydraulic lift for the convenience of wheelchair-bound children.

AIDS Awareness

In the mid-90s, the Department of International Development, British High Commission, formed the Truckers Interim Coordination Unit (TICU) for a focussed programme among truck drivers. It is one of the first organisations to associate it by becoming an intervention centre. In 1998, awareness and prevention programmes were started at the Hosur factories among convoy drivers with employee volunteerism. 56 employees from the Hosur Unit underwent trainers' training and took turns to do counselling. They provide a Voluntary Counseling and Testing Center at Government Hospital, Hosur, where HIV tests are conducted.

Driver Training Centre

Ashok Leyland's Namakkal Driver Training Centre near Salem in Tamil Nadu was started in 1995 "to ready a driver for life on the road and off the road". The drivers also attend awareness sessions on Sexually Transmitted Diseases [STDs] and AIDS.) Namakkal is virtually the heartland of trucking in South India. Over one lakh drivers, who have been trained under various courses, have been covered under AIDS awareness sessions so far. The Driver Training Centre at Namakkal is recognised as one of the best in the private sector. Following the Namakkal success story, Ashok Leyland has set up a Driver Training Institute in Burari, near Delhi, in partnership with the Government of Delhi.

Promoting industry, NGO partnerships

Environment

It partnered the Kanchi Health and Education Society, an NGO working in the Kanchipuram district on village self-sufficiency, to recognize eco-consciousness among industries. It instituted the "ECO FIRST" award for responsible environment management among industries in the Kanchipuram district.

Assistance to schools

It started the Dharam Hinduja Matriculation School in Thiruvotriyur, Chennai, to cater to the children of its employees. The Company has financially supported the construction of sixty-eight school buildings and in some cases has donated note/text books and computers.

Reaching out to employee families

Ashok Leyland encourages employee volunteerism to provide employees an opportunity to look beyond the call of routine work. The key movers of all outreach programs in the Units, the volunteers, are involved in several CSR initiatives of the Company. It has 'payroll contribution to a Worthy cause.

Community Service

They are involved in a number of development initiatives in communities around their manufacturing facilities and in far-flung areas, through constant and well-monitored support to educational, medical and charitable organizations. A Community Development Scheme managed by representatives from the Management and the Union with contribution made by both caters to the needs of the neighbouring communities. Free medical camps are held in neighbourhoods. The Company contributed one crore rupees in aid of relief operations for the Tsunami victims. In addition, employees contributed another Rs. 15 lakhs separately.

TVS Motor Company Limited – Company Profile



TVS Motor Company, the flagship company of the TVS Group, is India's third largest two-wheeler manufacturer and one among the top ten in the world. The TVS Group was established back in 1911, when the founder of the company, Shri T V Sundaram Iyengar created an enduring business, led by a family of like-minded workers and managers united by a set of high, yet shared principles. Driven by this inspiration, the TVS group has today emerged as India's leading player in the automobile and automotive components industries. The group has 30 companies employing a work force of around 40,000 people. TVS Motor Company is the largest among the group companies in terms of size and turnover.

Today, TVS Motor Company has,

- 4 manufacturing plants (Hosur in Tamilnadu, Mysore in Karnataka, Nalagarhin Himachal Pradesh – India and Karawang - Indonesia)
- 16% market share in the two-wheeler industry in India
- Product offerings in all segments of the two-wheeler industry in India
- Product offerings for the three-wheeler industry in India
- More than 15 million customers
- Products exported to more than 50 countries worldwide

TVS Motor Company believes in going beyond the product and reaching out to people. It values customers and their expectations. In fact, it is this attribute that has inspired the company to innovate with concepts like 99 colours for TVS Scooty Pep+, balancing wheels for first-time scooter riders and among many others, racing technology in the Apache RTR for performance lovers. This has resulted in the company enjoying a base of more than 15 million satisfied customers.

TVS Motor Company has international presence in more than 50 countries in Asian, African and Latin American Continents and will enter more international markets in due course. In India, the company functions through a strong network of sales, service, authorised service centres and other certified service points

Joint Ventures: a) TVS Lanka, in Sri Lanka b) TVS Auto Bangladesh, in Bangladesh

TVS Lanka (Private) Ltd

TVS Lanka is a Joint Venture between TVS & Sons and United Motors Lanka Ltd of Sri Lanka. Based in Colombo, TVS Lanka is the authorized Distributor & Dealer for TVS range of Two Wheelers & three wheelers. With new initiatives and products TVS Lanka is expected to be a major force in the Sri Lankan auto industry. In future company has plans to expand to other business in Auto vertical.

TVS Auto Bangladesh Ltd (TVS ABL)

TVS Auto Bangladesh Ltd is a joint venture between TVS & Sons and Rian Motors of Bangladesh. Within three years of operation Company has become the third highest seller of two wheeler in the country among the Indian makes. Future plans include expanding into new businesses like Distributor of Cars & Commercial Vehicles and other business in auto vertical.

Corporate Social Responsibility

T V Sundram Iyengar & Sons Ltd. has been carrying out corporate social responsibility activities much before its due recognition and has recognised the responsibility to serve the community they operate in. TVS believes that all stakeholders must benefit, whether it is employee welfare or involvement of the employees in fulfilling the needs of the society. The company had joined hands with the local administrative body and tested drinking water samples, recommended corrective measures along with educative handouts and distributed preventive medicine for affected people for eradication of malaria during last monsoon season. The company has been conducting regular health check-ups, eye donations, blood donation camps, distribution of wheel-chairs, awareness camps, assistance to Salvation Army Leprosy hospital, distribution of uniforms and scholarship for education to the needy, were conducted in all outlets across the country.

Distribution Business

It is one of the largest automobile spare parts distributors in India. It sells over 35,000 part numbers, manufactured by more than 80 suppliers and caters to over 8,090 customers across the country. It also market quality products under the name of TVS Brand, with a key communication - TVS Quality Spare Parts. The company regularly innovates and improves its systems and processes to enhance customer/supplier satisfaction.

TVS Part Smart

This is an extended arm of distribution business and is a franchisee model. They have a huge opportunity to cater to the customers since OES caters only 20-25% of after-market through dealers and 75-80% is serviced through distributors and others. Customer dissatisfaction is largely felt in a) quality b) price c) reliability d) safety

TVS Logistics

It was started as a business unit of T V Sundram Iyengar & Sons Ltd and was later established as a separate company named, TVS Logistics Services Limited (TVS LSL) in December 2004. It has an annual turnover of over Rs. 1,200 Crores and controls about 3 million sq. ft. of warehouse space in India.

Key highlights of TVS Logistics Services Ltd

- Over 16 years of rich experience in managing warehouse operations
- Strength of over 7000 strong head counts

Services Offered

- Transportation Solutions including Inbound / Outbound Logistics & Milk run collections
- Warehouse Management Solutions – In Plant, Spare Parts Warehouse & Export KD pack Plant.
- Freight Management Solutions

1) Transportation Solutions

TVS Logistics is specialised in handling inbound / outbound logistics for its customers. Transportation solutions are provided in the form of milk run, line haul and redelivery activities. Its solutions provide the complete array of services from collection to storage and delivery. Services are customized as per the size of its customers' project and complexity of their processes.

2) Warehouse Management Solutions

TVS Logistics provides superior inplant logistics with warehouse infrastructure, highly skilled manpower and advanced information systems for our customers' complex production schedules. It focuses on providing a complete logistics planning with lean management principles so that customers can focus on their core operations.

3) Freight Management Solutions

TVS LSL provides end-to-end supply chain management solutions to firms wishing to export/import from / to India. It manages the entire logistics function for its customers. This includes inland haulage, customs clearance from ports, freight forwarding and transporting materials to its customer's warehouses in US, Europe, Asia and Australia.

Achievement

TVS and sons received the best dealership award for 2013 in ADEA

- *For three wheeler category*
- *Best employee satisfaction index award*

Employee Welfare

At TVS, care for its employees is a time honoured tradition. From recruitment to retirement, the company is committed to enhancing the quality of their lives. Its welfare initiatives range from continuous training and skill up gradation programmes to well-planned townships, medical centres and educational assistance.

- Honouring of employees associated with the organisation for a long duration with certificate symbolising the year of service and cash reward
- Handing over the settlement payment on the day of retirement
- TVS Lakshmi Matric Higher Secondary School, Madurai-11

Findings

- ✓ As business is an integral part of the social system it has to care for varied needs of the society
- ✓ Business which is resourceful has a special responsibility to the society.
- ✓ Social involvement of business would enhance a harmonious and healthy relationship between the society and business seeking mutual benefit for the both.
- ✓ Social involvement may create a better public image and goodwill for the company which further becomes instrumental in attracting customers, efficient personnel and investors.
- ✓ Ashok Leyland's –they do the CSR activities like environment policy, AIDS awareness, fun bus, energy conservation.
- ✓ TVS-distribution of wheel chairs, TVS partsmart, awareness camps, army leprosy hospital, eye donations, blood donation camp.

Limitations

In this research study Legal aspects like corporate governance, labor and employee welfare related laws have not been undertaken.

Recommendations

- ❖ The concept of private-public partnership (PPP) should be applied in the effective implementation of CSR i.e. government and business houses should act in collaboration for the cause.
- ❖ The Human Resource department (at the political and private level both) should be entrusted with the responsibility of measuring and evaluating in CSR activities. It can be done in two forms – (a) direct results, such as, economic and financial savings (b) indirect results like increase in employee satisfaction, less absenteeism, less employee turnover evaluated by staff surveys
- ❖ Periodic review of the CSR activities should be conducted by every business entity so as to identify the pitfalls and the areas left out.
- ❖ CSR audit can be conducted to ensure that the CSR activities are carried out as per the legal obligations:
- ❖ Innovation should essentially be a matter of concern; be it searching the untouched areas and scope of CSR or the formulation of CSR strategy or the implementation thereof.
- ❖ NGOs should be encouraged to act in collaboration for the CSR activities under different schemes and projects as they play a crucial role in the upliftment of the masses.

Conclusion

For bringing back and maintaining the general balance in the economic and social arena it is evident that corporate have to think deeply and act wisely about CSR. Every business house owes some responsibility towards the society, nation and world in general which provide it with all human, material and natural resources. Considering the long run growth and sustainable development following the norms of CSR, and effective implementation is inevitable. It brings and sustains a balance between corporate world and society, present generation and upcoming generation, man and nature. As far as the Ashok Leyland and TVS Group concerned, it has gone a long way in fulfilling its duty and responsibility towards the society and the nation. It has reached the masses to elevate their lives, to nurture their dreams and to hone their skills justifying the vision statement of the founders – Ashok Leyland and TVS Group were started on sound and straightforward business principles, considering the interests of the shareholder, our own, and the health and welfare of the employees, the sure foundation of our prosperity.

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CORPORATE SOCIAL RESPONSIBILITY - SUCCESS MODEL ITC AND MICRO INSURANCE INITIATIVE

D.Geetha*
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I. Introduction

Corporate Social Responsibility (CSR) is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus CSR is not charity or mere donations.

CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth.

The companies act 2013 has a specific provision for CSR in section 135, making it mandatory for companies having a net worth of INR 500 crore or more, or a turnover of INR 1,000 crore or more or a net profit of INR 5 crore or more during any financial year. In India many business houses have integrated CSR as part of their mission and business processes.

Indian Tobacco Company Limited (ITC) is one of India's foremost private sector companies having a diverse portfolio of businesses. The company has been undertaking several CSR initiatives over the years and been appreciated for them globally. e-Choupal is an one of CSR initiatives of the company, to link directly with rural farmers via the Internet for procurement of agricultural and aquaculture products like soybeans, wheat, coffee, and prawns. e-Choupal tackles the challenges posed by Indian agriculture, characterized by fragmented farms, weak infrastructure and the involvement of intermediaries. The programme installs computers with Internet access in rural areas of India to offer farmers up-to-date marketing and agricultural information.

Micro Insurance addresses the problem of poverty caused by unexpected life events like sudden deaths, crop failures or natural disasters. With no savings to cushion them against such risks, the poor are obliged to take loans with crippling interest rates or to sell their few tools and possessions, thereby losing their source of income. Worldwide, only 80 million poor people (3% of the poor) are insured.

II. Objectives of the study:

- To study the various CSR Activities of ITC Ltd.
- To examine the ITC's micro insurance initiative through e-Choupal.

III. Research Methodology:

A case study research was conducted in detail in ITC Ltd about their latest CSR initiatives.

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IV. History and various CSR initiatives of ITC Ltd

ITC was incorporated on August 24, 1910 under the name Imperial Tobacco Company of India Limited. As the Company's ownership progressively Indianised, the name of the Company was changed from Imperial Tobacco Company of India Limited to India Tobacco Company Limited in 1970 and then to I.T.C. Limited in 1974. In recognition of the Company's multi-business portfolio encompassing a wide range of businesses - Fast Moving Consumer Goods comprising Foods, Personal Care, Cigarettes and Cigars, Branded Apparel, Education and Stationery Products, Incense Sticks and Safety Matches, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business and Information Technology - the full stops in the Company's name were removed with effective from September 18, 2001.

ITC's philosophy revolves around goal congruence with the national goals of sustainable development and inclusive growth. Various environmental & Social initiatives are taken by ITC to ensure sustainable growth.

a) e-Choupal : Rural digital-physical infrastructure

In 2000, harnessing the empowering force of information technology and its scalability, ITC launched e-Choupal - a knowledge portal providing farmers with a range of information and services. Designed to enable them to bargain collectively and enhance their transactive power, e-Choupal became the much needed and easily adoptable tool farmers had been waiting for. Today e-Choupal is a vibrant and rapidly growing zone of business and interaction for over 4 million farmers.

Today 4 million farmers use e-Choupal to advantage - bargaining as virtual buyers' co-operatives, adopting best practices, matching up to food safety norms. Being linked to futures markets is helping small farmers to better manage risk. e-Choupal has been specially cited in the Government of India's Economic Survey of 2006-07, for its transformational impact on rural lives.

ITC's strategic intent is to develop e-Choupal as a significant two-way multidimensional delivery channel, efficiently carrying goods and services out of and into rural India. By progressively linking the digital infrastructure to a physical network of rural business hubs and agro-extension services, ITC is transforming the way farmers do business, and the way rural markets work.

The network of 6,500 e-Choupal centres spread across 40,000 villages has emerged as the gateway of an expanding spectrum of commodities leaving farms - wheat, rice, pulses, soya, maize, spices, coffee, and aqua-products. The reverse flow carries FMCG, durables, automotives and banking services back to villages.

b) Social & Farm forestry

ITC's social & Farm forestry program emerged in response to its challenge to source effective pulp wood from sustainable sources to enhance its competitiveness. Instead of taking easier route to importing pulp, ITC innovatively leveraged its pulpwood requirements to provide sustainable livelihood opportunities to poor and tribal marginal farmers, by assisting them to convert their private wastelands into productive pulpwood plantations. High yielding, disease resistant and site specific clones are developed in ITC's research center.

This program has not only created sustainable source of livelihood for a large number of disadvantaged sections of society but has also bought in a multiplicity of benefits by creating a large green cover that contributes significantly to groundwater recharge, soil conservation and carbon sequestration.

c) Integrated Watershed Development

Recognising the vital role that is role played in the rural economy, ITC promotes watershed projects in water stressed areas providing precious water resources for agriculture and rural communities and livestock. Based on a participatory approach, the programme facilitates building, reviving and maintaining water harvesting structures as well as management of water resources to reverse land degradation, provide critical irrigation and increase agricultural productivity.

The phenomenal example of this was the Ranjangaon area near Pune district in Maharashtra, it was under severe draught during kharip season of 2009 with virtually no rains in the project area, farmers and cattle were adversely affected. ITC's watershed programme became the only source of livelihood for more than 350 farmers who participated daily in the work.

ITC signed MOU with the government of Maharashtra to implement NREGA in 2 blocks of Jalna district on an integrated watershed programme basis covering 50 villages. It is the first agreement of this type in the country.

d) Integrated Agricultural Development

The programme promotes a combination of solutions for optimizing water management and enhancing farm productivity. Farmers are motivated to form agri-business centers, enabling them to pool knowledge and resources, have access to quality inputs on time and improve productivity and quality.

A total of 20 agri-business centers provided timely agri-inputs to around 1077 members.

To help farmers capture additional value from their holdings, ITC promoted crop diversification with good market linkages. Organic spices, medicinal and aromatic plants were promoted under this initiative.

e) Livestock Development

The programme assists small landless farmers to upgrade livestock quality through cross-breeding by artificial insemination to boost milk productivity by a factor of 6 to 9 times, leading to a significant increase in household incomes developing their economic status.

The programme also provides integrated animal husbandry services that include pre and post natal interventions. Vaccinations and health services are provided to more than 1.7 lakh cattle.

f) Women's empowerment

ITC's initiative provide sustainable economic opportunities to poor women in rural areas by assisting them to form self help groups that enable them to build small savings and finance self employment and micro-enterprise. The programme has demonstrated that extra incomes in the hands of women lead to positive changes in human development since it is largely invested in children's education, health and nutrition.

The total turnover of women managed micro enterprises was Rs. 61.14 lakhs, the bulk of which was accounted by the sale of raw agarbattis and chikankar garments.

g) Universal Education

The programme is aimed at increasing chances of employability either through imparting training in skills or better education. The programme provides infrastructure support to government run primary schools and coaching through Supplementary learning centers to stem drop-outs and enable more children to complete school and move on to higher classes.

In order to increase enrolment, poor children receive school uniforms and text/exercise books. A network of rural libraries and resource centers enrich the process of learning for these children. An innovative initiative of roaming laptop programme is also provided to government schools in rural area.

ITC and Micro Insurance Initiative

Micro insurance is insurance with low premiums and low coverage. A micro insurance scheme is a scheme that uses, among others, an insurance mechanism whose beneficiaries are (at least in part) people excluded from formal social protection schemes, particularly, informal economy workers and their families. The scheme differs from others created to provide legal social protection to formal economy workers. The most frequent micro insurance products are:

Life micro insurance (and retirement savings plans), Health micro insurance (hospitalization, primary health care, maternity, etc.), Disability micro insurance, Property micro insurance – assets, livestock, housing.

The major players of micro(life) insurance market are AVIVA Life Ins. Co. India Pvt. Ltd, Bajaj Alliance Life Insurance Co.Ltd, Birla Sun Life Insurance Co. Ltd, ICICI Prudential Life Insurance Co.Ltd, IDBI Fortis Life Insurance Co. Ltd, ING Vysya Life Insurance Co. Ltd, Life Insurance Corporation of India, Met Life India, Sahara India Life Insurance Co.Ltd, SBI Life Insurance Co. Ltd, Shriram Life Insurance Co.Ltd, Star Union Dai-ichi Life Insurance Co and TATA AIG Life Insurance Co. Ltd.

The following are the various micro(life) insurance policies: Grameen Suraksha, Bajaj Alliance Jana Vikas Yojana, Bajaj Alliance Saral Suraksha Yojana, Bajaj Alliance Alp Nivesh Yojana, Birla Sun Life Insurance Bima Suraksha Super, Birla Sun Life Insurance Bima Dhan Sanchay, ICICI Pru Sarv Jana Suraksha, IDBI Fortis Group Micro insurance Plan, ING Vysya Saral Suraksha, LIC's jeevan Madhur, LIC's jeevan Mangal, Jeevan Deep, Met Vishwas, Sahara Sahayog (Micro endowment Insurance without Profit Plan), SBI Life Grameen Shakti, SBI Life Grameen Super Suraksha, Shri Sahay, Shri Sahay(AP), SUD Life Paraspar Suraksha plan, Ayushman Yojana, Navkalyan Yojana, Ayushman Yojana, Navkalyan Yojana Sampurn Bima Yojana, and Tata AIG Sumangal Bima Yojana.

The company has to decide the suitable micro insurance product through the proper delivery channels like NGO's and Self help groups.

ICICI Lombard in 2004 directly sold weather insurance policies to an additional 320 groundnut farmers, members of the Velugu self-help group organization in the Anantapur district. For wider distribution in 2005, ICICI Lombard also formed a partnership with ITC Ltd to sell weather insurance policies through ITC's e-Choupals, internet kiosks located about 3 kilometers from farmers' homes. For the 2005 kharif season, 329 farmers bought 914 units (1 unit = 0.5 acre) of weather insurance policies through e-Choupals, with a combined premium of Rs 228,500 and a total sum insured of Rs 2,742,000.

In conjunction with the government of Rajasthan, ICICI Lombard launched a weather insurance program for farmers for the 2004 growing seasons, insuring 783 orange farmers from insufficient rainfall during the 2004 kharif and 1,036 coriander farmers in the 2004 rabi season; this was scaled up to include more crops and farmers in 2005.

In total, it is estimated that ICICI Lombard agricultural weather insurance sales, through e-Choupals and other partnerships, reached approximately 100,000 farmers in 2005.

This enthusiastic response from farmers has encouraged ITC to plan for the extension of the e-Choupal' initiative to altogether 15 states across India over the next few years. There are plans to channelise services related to micro-credit, insurance, health and education through the same e-Choupal infrastructure.

V. Existing CSR Success Model

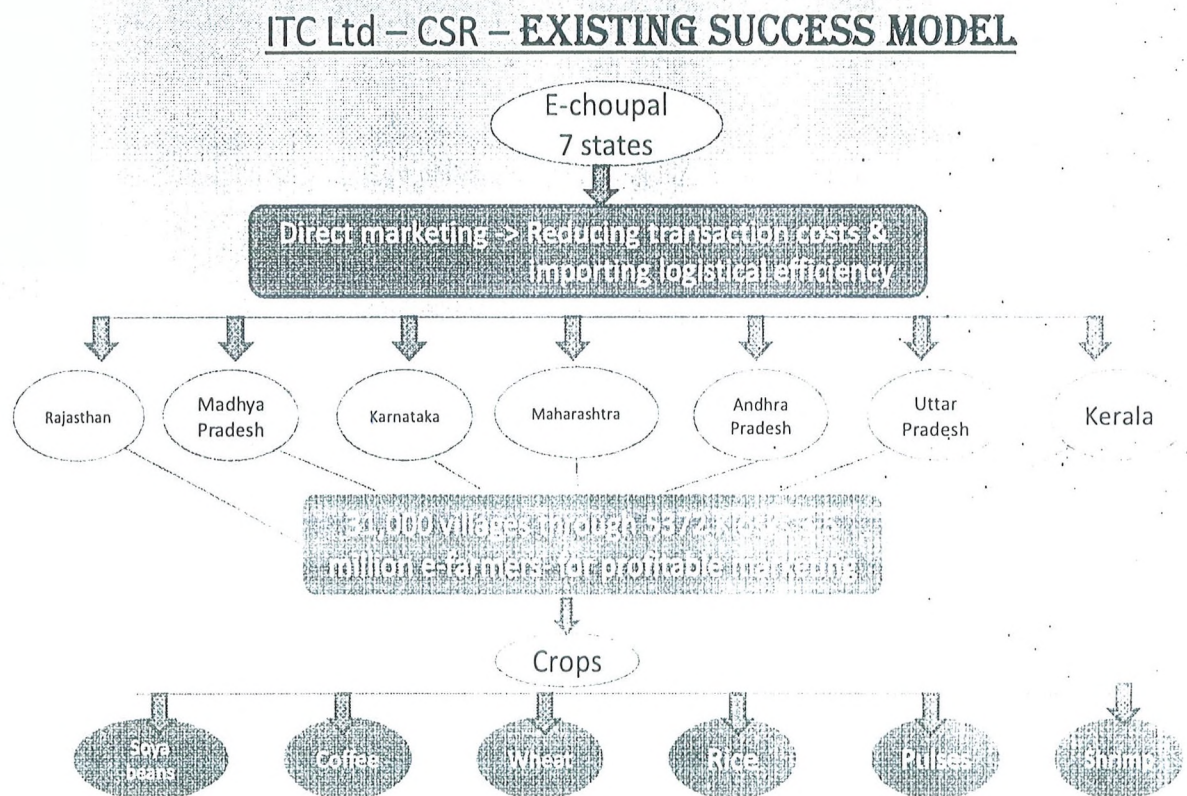
ITC's International Business Division, one of India's largest exporters of agricultural commodities, has conceived e-Choupal as a more efficient supply chain aimed at delivering value to its customers around the world on a sustainable basis.

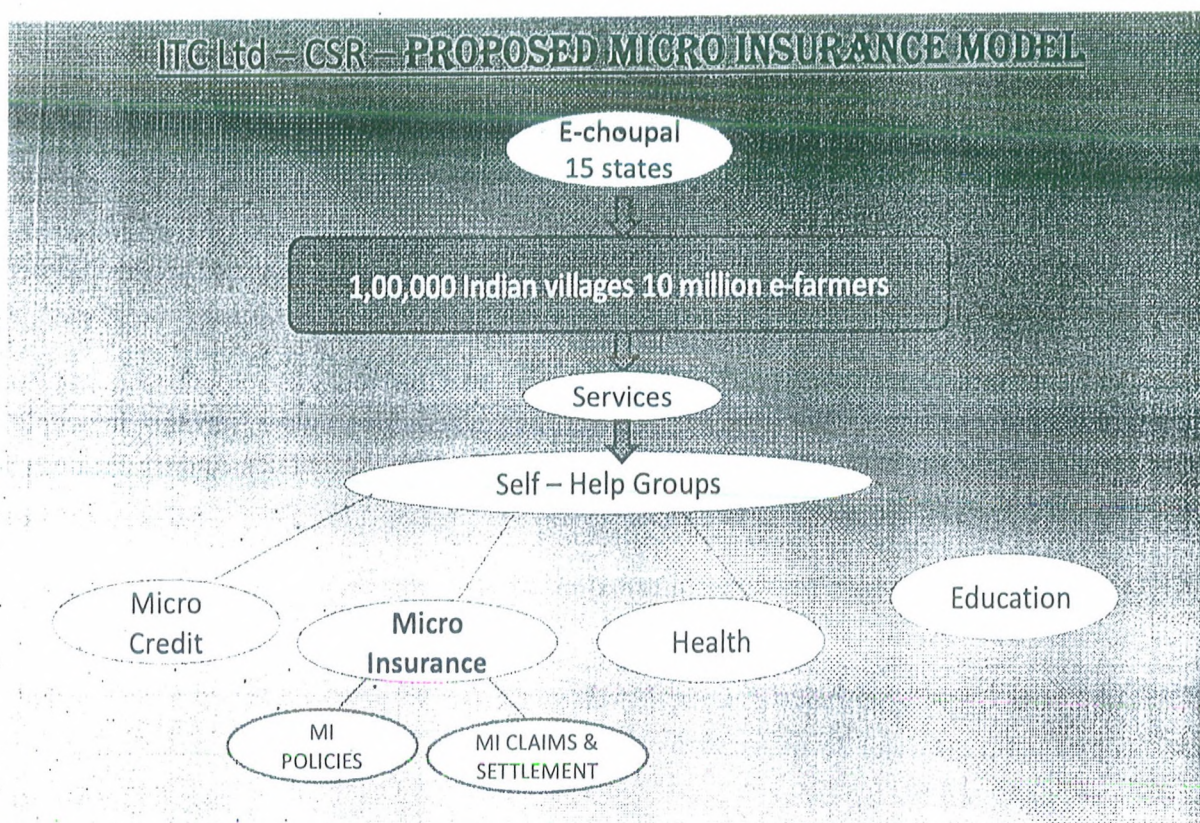
The e-Choupal model has been specifically designed to tackle the challenges posed by the unique features of Indian agriculture, characterised by weak infrastructure and the involvement of numerous intermediaries.

This project was launched in June 2000, and it has already become the largest initiative among all Internet-based interventions in rural India. 'e-Choupal' services today reach out to more than 3.5 million farmers growing a range of crops - soyabean, coffee, wheat, rice, pulses, shrimp - in over 31,000 villages through 5372 kiosks across seven states (Madhya Pradesh, Karnataka, Andhra Pradesh, Uttar Pradesh, Maharashtra, Rajasthan and Kerala).

It enables them to readily access crop-specific, customized and comprehensive information in their local language. It provides real-time information to even the smallest marginal farmers on the prevailing Indian and international prices and price trends for their crop, expert knowledge on best farming practices, and micro-level weather forecast. This significantly improves the farmer's decision-making ability, thereby helping him better align his agricultural produce to market demand, ensure better quality and productivity.

ITC e-Choupal also creates a direct marketing and fulfilment channel for rural India, eliminating intermediation and multiple handling, thus significantly reducing transaction costs and improving logistical efficiency.





Over the next decade, the ITC e-Choupal network aims to cover over 100,000 Indian villages, representing 1/6th of rural India, and create more than 10 million e-farmer

This enthusiastic response from farmers has encouraged ITC to plan for the extension of the e-Choupal' initiative to altogether 15 states across India over the next few years. There are plans to channelise services related to micro-credit, insurance, health and education through the same e-Choupal' infrastructure.

VI. Findings

Some of the key initiatives taken by ITC for improvement of livelihood of disadvantaged sections of society and the reach of initiatives in mentioned in table below

Initiatives	Milestones
e - Choupal	4 million farmers empowered, 6,500 e - Choupals installed
Social & Farm Forestry	114,428 hectares greened, generating 51.48 million person - days of employment
Watershed Development	56,951 hectares brought under soil and moisture conservation
Women's Empowerment	15,378 women members 1183 self - help groups
Livestock Development	176 Cattle Development Centres 3,520 villages covered annually
Primary Education	252,329 children covered through 2,334 Supplementary Learning Centres

ITC'S E-Choupal has won numerous awards

United Nations Industrial Development Organisation (UNIDO) Award at the international conference on Sharing Innovative Agribusiness Solutions 2008 at Cairo for ITC's exemplary initiatives in agri business through the e-Choupal.

The Ashoka - Changemakers 'Health For All' Award 2006 for the Rural Health Services model for delivery of health services through the e-Choupals.

The Stockholm Challenge 2006. This award is for using information technology for the economic development of rural communities.

Innovation for India Award 2006 for ITC e-Choupal in the Social Innovations category for business organizations.

The Development Gateway Award 2005 (previously known as the Petersberg Prize) for the trailblazing e-Choupal initiative. ITC is the first Indian company and the second in the world to win this prestigious award.

The 'Golden Peacock Global Award for Corporate Social Responsibility (CSR) in Emerging Economies for 2005'.

The Corporate Social Responsibility Award 2004 from The Energy and Resources

The Golden Peacock Innovation Award 2004.

The NASSCOM award for 'Best IT User in FMCG' in 2003. The Award is a recognition of ITC's successful integration of its IT usage with its business processes.

The Seagate Intelligent Enterprise of the Year 2003 Award, for the most innovative usage of Information Technology.

VII. Conclusion

Thus Corporate Social Responsibility (CSR) is about how companies manage the business processes to produce an overall positive impact on society. Thus companies consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. This new initiative, Micro Insurance through the Self help groups and e-choupal gives good results in the forth coming years to the company and community. ITC Ltd contribute significantly to the development of community.

VIII. Recommendations

Other corporate giants are also carrying out some community oriented activities as their CSR. If the companies follow the above mentioned proposed model, that will fulfils the communities requirements at grass root level, alleviating their poverty.

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CORPORATE SOCIAL RESPONSIBILITY CONTRIBUTES TO THE COMMUNITY DEVELOPMENT - SUCCESS MODELS

Geetha*

Corporate Social Responsibility has changed a lot in the last decade as the organisations have become very conscious of their operating environment. CSR and joy of giving are discussed much today. In India high rate of GDP growth is there for some time and it is producing more billionaires than most of the countries. Yet there is ironically a dis connect between GDP growth and eradication of poverty. This realization drives all to discuss about the CSR and its meaningful implementation.

Hence the New Companies Act 2013 has made CSR activities mandatory. It is essential now to conduct a research study on CSR of the corporates in India to understand their contribution to community development.

Research Methodology

A case study research was conducted to find out the CSR activities of Rajshree sugars and chemical limited and Sakthi sugars Limited in the Kongu region.

Research Objectives

- * To study the CSR activities of Rajshree sugars and chemical limited and Sakthi sugars Limited and the extent of their contribution to community development.

Research Study Area

Coimbatore is industrially advanced and commercially vibrant city and it is now the education hub of Tamilnadu. Giant corporates has serious commitment towards CSR activities. Hence it is selected as research study area.

Case Study 1

Rajshree sugars and chemical limited – RSCL
Sales – 2007-2008 – Rs. 335 Crores
Net Profit after tax – Rs. 5 Crores
Karmayog 2008 CSR Rating – 2/5

Corporate Social Responsibility Activities

1. Good Agronomic Practices Gap

- Trash mulching, Green manure, inter cropping
- Bio compost application,
- Provision of technical support, to improve yields of sugar cane, in the factory area.

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2. Drought Management Measure

- Sugar cane crop area of 3,000 acres has been brought under Trash mulching in both units and cane yield by 4 tones per acre.
- 2,600 acres used bio compost (green plus) and yield increase to 3.5 tons per acre.
- RSCL pioneered development of decomposing consortium culture (BIO-D) for Farmers.

3. Co generation of power

- High pressure boilers are used for producing steam and turbo generators for generating power.
- 12 mw plant @ unit 1 Vadaraja nagar, Theni Dt, 22 mw plant @ unit 2 Mundiampakkam, Villupuram Dt, 20.5 mw plant @ unit 3 Semmedu, Villupuram Dt.
- 52 Mw green power was generate by using bagasse as fuel. Surplus power of about 32 mw is supplied to the State Grid
- The units generate 195.16 million units of power annually and the surplus 120.52 mu supplied to the State Grid every year.

4. Environment Production

Carbon Emission Reduction (CER)

- The 22 mw plant @ unit 2 – registered CDM project on 15.1.2006. This project reduces 81,628 tonnes of Co₂/ annum.
- For each ton of Co₂, CER certificate is given.
- This project's 81,628 CER certificates /annum is sold other countries that have emission commitment. This is the first plant in India.
- The Cogeneration plant is the first plant in India which is Eco friendly and eliminates use of water to conserve séance water in that RSC2 had adopted clean latest technologies to protect environment as an essential CSR activities.

5. Assistance to Agricultural development

- More than 180 villages get the services
- Around 1,00,000 families and 5000 rural farmers are benefited in factory command area.
- Around Rs.400 crores is circulated by way of cane payments and associate ancillary services payments for welfare of villagers
- Timely supply of sets, fertilizer, micro nutrient, mixtures bio-inputs, supports farmers
- RSCL facilitation financial & insurance operations for the farmers through 60 banks and their 700 rural branches to ensure faster funds transfer
- RSCL tiles up with large insurance companies to offer crop and general accident insurance policies to cover risk for lowest premium.
- Financial Assistance is given to improvement of irrigation sources & link sugar cane development fund.
- RSCL developed more than 1200 small entrepreneurs and 45 Private operators in their community.

6. Education

RSCL provides education to 2000 children every year by running school.

7. Health

- 24 hours free ambulance service to local villages
- Weekly free medical camp and 50 patients are treated every day
- Polio care, blood donation, eye treatment camps are conducted.
- Leprosy Hospital - (50 beds) had detected and treated 15000 patients and rehabilitation measures are taken.

Case Study II

Sakthi Sugars Ltd

Sales 2200 crores per annum (average)

Company donates 2.3 crores each year for its CSR activities.

CSR activities

1. Health-Under Mahalingam Mariammal Maniviza Charitable trust many Institutions are run

- Kasthurba Gandhi Oral School for hearing impaired Varadarajapuram, CBE- 1996
- Kasthurba Gandhi Memorial de-addiction, rehabilitation and research centre
- Kasthurba Gandhi Memorial Siddha hospital -
- **Sakthi Thiranalayam centre for disabled**
- V.M. Kailasam Hospital for General Health (150 beds) 1982. 1,50,000 patients had treatment here

2. Education

- Nathimuthu Industrial Association (NIA) and Sakthi foundation runs the following Institutions
- Schools - 1992
- Sakthi Higher secondary School
- Sakthi High School - Sivaganga
- Sakthi Polytechnic College 1982
- **Sakthi PURA - Providing Urban Amenities in Rural Areas - Programme initiated by His Excellency Dr.APJ Abdul Kalam to enhance living standards of poor in village.**

Others CSR Activities

- Planting more than one lakh trees in and around Sakthi Nagar villages
- Donation of land for Charity purpose
- Enhance drinking water facility by implementing local schemes
- Maintains voluntary blood donations for women
- Technical support of cane farmer
- Assistance to develop link road for construction of low cost houses and many other welfare activities

Rajshree sugar and Sakthi has shown Sweetness and Kindness go hand in hand.

By sweetening the world with giving, the corporates live up to their name.

Recommendation

- CSR activities must be strategically planned well ahead and should be implemented effectively
- CSR –budget should be prepared as New Company Act, 2013 states CSR as the legal obligations
- Every year CSR audit must be conducted and the necessary actions should be taken
- Corporates should spread the awareness of CSR to the community around the Business unit.

Conclusion

This research paper establishes clearly that Corporate Social Responsible activities contribute significantly to the community development. The two CSR success models paves the way for other corporates.

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