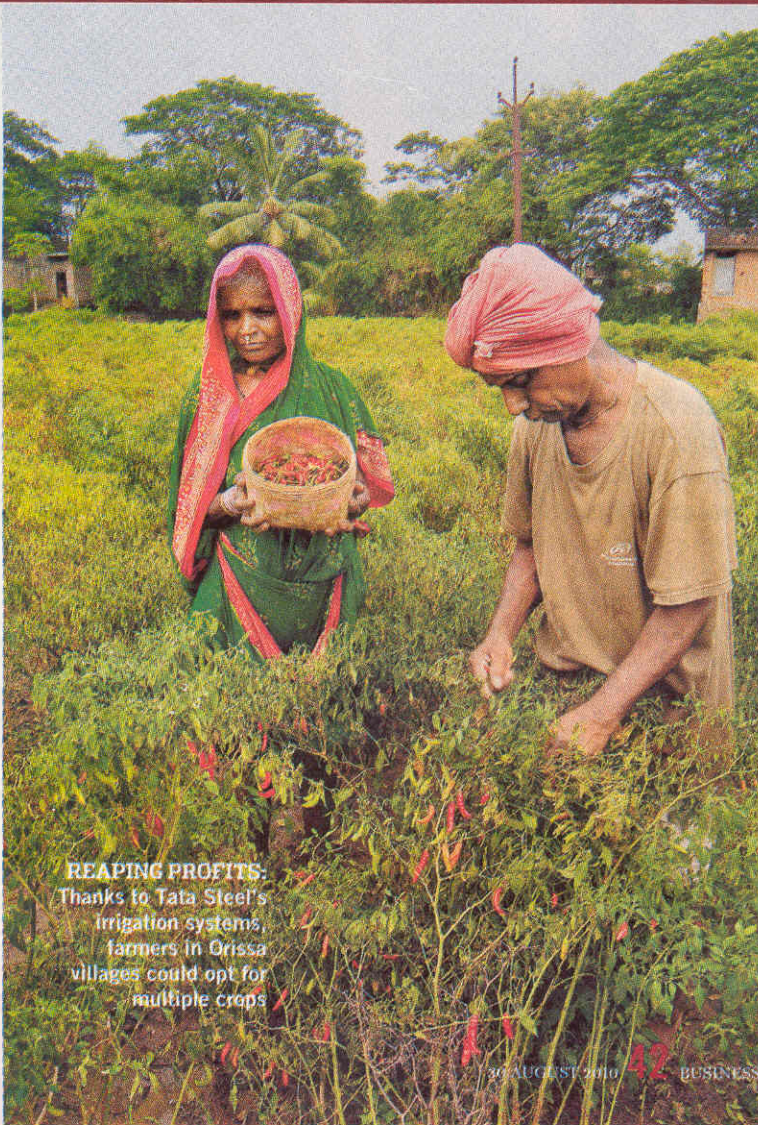


Going Beyond

AS COMPANIES BEGIN TO LOOK AT CORPORATE Social responsibility (CSR) as an integral part of their business strategy, rather than as a tool to meet their social commitments, the scope of the activity has gained in importance for corporates.

Businessworld and Ficci joined hands in 1999 to recognise the companies that have been making a

difference to the society, environment and stakeholders through their CSR initiatives. The *BW-FICCI* CSR awards in 2009, for instance, feted companies such as Tata Steel, Elin Appliances, Bharti Enterprises and MCX for their CSR activities. The winners are chosen every year through well defined criteria set by the jury led by the chairman



REAPING PROFITS: Thanks to Tata Steel's irrigation systems, farmers in Orissa villages could opt for multiple crops



BIVASH BANERJEE

Tata Steel

In the large enterprises category, it was Tata Steel's CSR initiative in Orissa that was adjudged the best. What makes it different from other corporations is the way such efforts are perceived. CSR does not pose a conflict of interest on the balance sheet.

"CSR is not a post-profit activity but a pre-profit activity, seen as part of the cost of steel making," says Sanjiv Paul, vice-president (corporate services) at Tata Steel. The company introduced workmen's compensation as early as in 1920 and maternity benefit in 1928. He, however, acknowledges that the recent tussle between large industries and land owners has led to CSR activities being seen as a gimmick to win over public opinion. In Orissa, for example, Tata Steel's integrated greenfield steel plant at Kalinganagar has been inordinately delayed. Land acquisition has not been smooth for the company's other projects in the state, such as the deep-sea port at Dhamra or the special

BIVASH BANERJEE

Balance Sheets

Abid Hussain.

The entries shortlisted across the three categories — large companies, small and medium enterprises, and innovation in CSR — were audited by consulting firm Grant Thornton. Senior management of each applicant company was interviewed to understand the internal and external drivers. Once Grant Thornton had

sieved through the entries, officers of Partners in Change, an NGO, visited the sites across the country — from Ganjam in Orissa to Rae Bareilly in Uttar Pradesh — to validate the winners' claims.

A closer look at the outstanding initiatives that won the *BW-FICCI CSR Awards for 2009*:

by Meera Mohanty

economic zone at Gopalpur in Ganjam district. While Tata Steel's project in Ganjam is stuck, the projects of other steel makers, too, have faced tough resistance.

This hasn't deterred the company from giving its due to the society. In the coastal town of Gopalpur, for example, Tata Steel's help was sought by the Orissa Lift Irrigation Corporation (OLIC) to resurrect defunct irrigation systems at the four blocks of Hinjilicut, Chatrapur, Seragada and Degopahndi. OLIC's irrigation projects, which were initiated in 1968, had failed when water levels fell from 30-40 ft to 70 ft in 1985. OLIC installed new submersible pumps, but corrosion of pipes and silted channels, coupled with sheer lack of maintenance, dried up the project.

Tata Steel Rural Development Society, which works under Tata Steel's social responsibility wing, undertook the responsibility of reviving some of these irrigation lifts. The idea was to increase yield and income from agriculture and check the distress migration of youth to places such as Mumbai and Surat. An assessment of phase-1 showed a profit of Rs 10.40 lakh in rabi production through improved irrigation methods, benefiting 107 households and covering an area of 30 acres. From a single kharif crop that sometimes failed them, farmers now reap multiple crops such as chilli and groundnut, which fetch more revenues. After Tata Steel stepped into these blocks in Orissa, annual income from a hectare has gone up to Rs 45,000 thanks to improved irrigation.

Elin Appliances

AT first sight, Elin Appliances appears to be run by nature lovers rather than clever marketers. From managers to peons to security guards, ask any worker about the importance of safeguarding the environment and they will gush forth with a brilliant exposition.

It all started in 2004, when Elin set up its facilities at Baddi in Himachal Pradesh. J.S. Kang, factory manager at the Baddi plant, was worried that five trees were to be cut down to make way for the plant. Kang's boss Sanjeev Sethia had a cure for his discomfort: add up the age of the trees and multiply by 10 and then plant that many trees. That is how Elin started the 'Go Green' initiative at Baddi. It plans to plant about 10,000 trees by the end of next

FOREST CITY:
Elin Appliances has planted thousands of trees all along the roads of Baddi



TRIBHUVAN SHARMA

year under the scheme.

So far, Elin has planted thousands of trees and plants along Baddi roads, where bigger factories with large funds are located. Some of the beneficiaries of Elin's green initiative are the local panchayat office at Sanedh, a gaushala (cow barn), and some schools, where about 500 fruit trees have been planted. At Nalagarh, Elin has built a neat little park — Van Vihar — within the forest department's area. The park is a popular pathway for joggers.

The company's sincere effort towards greening is unmistakable. Notably, Elin has also educated its workers on the benefits of re-greening the planet. Every employee gets two plants each to take home to plant on their land. The workers also participate enthusiastically in drawing competitions on environment. All the paintings, even those that look childish, are prominently displayed on the notice board.

Surprisingly, the company did all this without having a clear-cut CSR policy. In fact, a CSR policy has just been developed and is yet to be formally vetted by the management. The company has even hired a consulting agency, to help it better define its CSR initiatives.

Elin's other CSR initiatives are a far cry from 'Go Green'. The company trains its employees on fire fighting, encourages skill upgradation and routinely organises blood donation camps. So successful was the last blood donation camp that many volunteers had to be turned down. Elin staffers' expertise in firefighting is well known in the area: when a fire broke out at a nearby factory, it was Elin employees who rushed to douse the fires. The workers are not just trained, but actually organised in teams, and put on alert in rotation so that they are

available 24X7 in case of an eventuality.

To give credence to the mettle of its employees, Elin has a tie-up with Chitkara University, which provides a certificate course to its employees in firefighting.

Multi Commodity Exchange of India

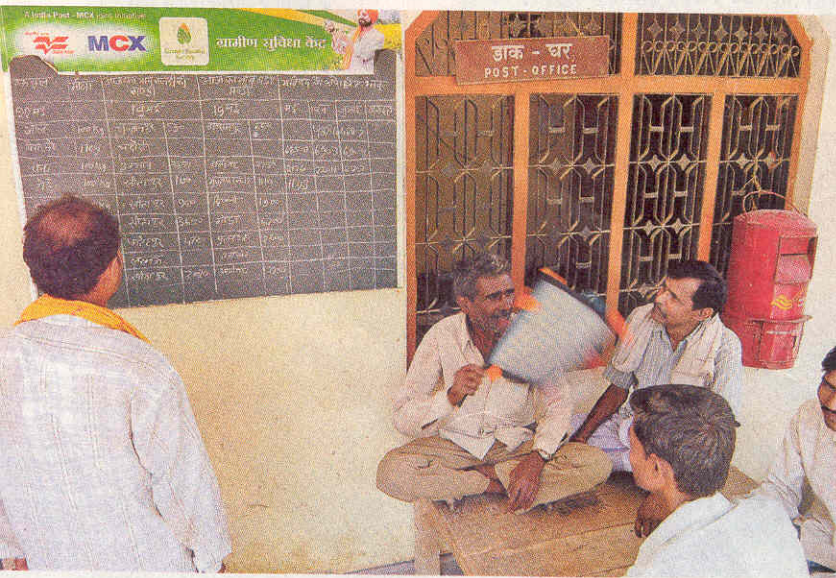
What kind of CSR can a commodity exchange do? When Multi Commodity Exchange of India (MCX) faced this question, it decided to reach out to those most affected by its business — farmers in rural India. Grameen Suvidha Kendra (GSK), a joint initiative by MCX and India Post, informs rural farmers of the prices of the dozen-odd agricultural commodities MCX trades in. Through GSK, MCX has set up ticker boards at mandis with information of rates at which commodities are being traded. MCX has also rented space at district-level post offices, where a trained local youth can access the MCX site. Also, a customised rate card listing the prices of the nearest mandi as well as the national rates is sent out daily through the postal bag to the village post offices, where the post master puts up.

"It is a reality that markets haven't worked out very well, whether it is for water or seeds, and have worked out worst for the poor," says Lamon Rutten, managing director and CEO of MCX. GSK operates over 17 locations in five states, connecting 1,886 villages through 238 branch post offices.

MCX's effort is to provide a level-playing field to the registered farmer, by equipping him with the knowledge of the actual prices of his farm produce, thereby reducing the interference of middlemen. With its network of more than 150,000 post offices (of which 125,000 lie in rural areas), the Indian Post is the perfect partner for a project that seeks to empower the smallest farmer. According to Rutten, the very concept behind their existence makes them innovative. "We aren't set up like a typical market with 1,000 or 2,000 members. We are bringing markets to the masses, reaching out through 105,000 terminals, many of these outside of small towns and cities."

At Matrapur village in Rae Bareilly, the men are happy to know what the day's rates on MCX are. Sometimes the mail comes in only by evening — that's the only hitch — but the villagers say it's still good to know what the current trend is. According to GSK coordinator Girish Misra, MCX has been quite right in predicting the potato rate trends in the past two years. The village postman Uday Bhan Singh is the one who keeps the information flowing. "We don't always get high rates necessarily, but we aren't bargaining in the dark any more," says Singh.

VILLAGE PRADHAN:
MCX has tied up with India Post to spread its Grameen Suvidha Kendra programme to rural villages



BIVASHI BANERJEE

Taking the project a step forward, MCX is now using the network as a means to reach health, educational and agriculture products to the bottom of the pyramid, says Sarita Bahl, vice-president, group corporate social opportunity. That is how CSR is defined at MCX, as an "opportunity" for growth, development.

From pesticides, fertilisers, weather insurance, micro-nutrients to water purifiers (from Tata Chemicals, Ion Exchange and Eureka Forbes) to children's books from NGO Pratham, the farmer can now order a set of things with a minimum token advance deposited with the postman.

Other than this, MCX is providing adult literacy software through the GSK system. This is in partnership with Tata Consultancy Services. Also, MCX conducts workshops in collaboration with Nabard and the Forward Markets Commission to offer agri-advisory.

Bharti Enterprises

Three out of the five girls at the Satya Bharti School in Kohrar village in Haryana's Rewari district want to become "ma'am" when they grow up. For them, their teachers are the heroines, the guiding lights. Truly, Satya Bharti School teachers are quite a pleasant surprise from the cane-brandishing, hard-nosed teachers one usually encounters in rural India.

Unsurprisingly, students, parents and teachers love this school, run under the Bharti Foundation, the philanthropic arm of Bharti Enterprises. Bharti Foundation has either set up or adopted 236 primary schools in Punjab, Haryana, Uttar Pradesh, Rajasthan and Tamil Nadu. The idea is to provide quality education in rural India, the emphasis being on quality, says Rakesh Mittal, vice-chairman and managing director of Bharti Enterprises. Mittal adds that India's true growth is impossible without providing education to its rural population.

It was in 2000 that Bharti Foundation decided to do something for the society, in the field of education. What prompted it, among other things, is the widening gap between demand and availability of schools in the rural areas. The Satya Bharti School project took off in 2006. The schools, accessible to 29,000 children, follow the standards, including quality infrastructure and faculty, of any other good school. The performance of teachers is also judged through "happiness surveys" among the kids. At a Satya Bharti School, it is not unusual to find a bunch of cheerful kids under



TRIBHUVAN SHARMA

the tree in the courtyard, learning new poems and singing with their teachers. The evaluation parameters include punctuality and cleanliness, but also eagerness, helpfulness, and leadership qualities.

At Satya Bharti Schools, education is free; so are books and stationery — part of which is contributed by Airtel employees through the company's CSR initiatives. Mid-day meals have been planned to provide a larger variety and an improved diet. Classrooms are modelled as laboratories; projects and numbers hang in the maths room, letters and words in the English room. Long blackboards have been fixed across the length of all three walls, encouraging kids to grab chalks and draw on the wall.

The idea is to make learning fun. And it seems to be working well, which is obvious from the attendance and the impressive scores students have earned in the Punjab and Haryana state boards.

Better still, students have dreams. A handicapped boy, who can write and draw with his legs, says confidently that he will become a policeman when he grows up. His friend wants to be Sachin. But the one that triggers giggles is the wish of a girl who says she will become a teacher like her ma'am Madhubala.

At Satya Bharti School, dropout rates are lower than the regional average. The girl-boy ratio is also higher than other schools. The plan is to stick to 250 schools for the moment, says Mittal, and increase the classes instead. From primary, the classes will be upgraded to Class VI very soon, and in the near future, up to senior secondary level.

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LEARNING CURVE:
Unlike other village schools, Bharti Enterprises' Satya Bharti Schools focus on the students' happiness