

CONTRIBUTION OF BHEL COMPANY IN CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

This project shows the contribution of BHEL company in Corporate Social Responsibility. It involved secondary data collection, the data available on internet and in annual reports of the BHEL Company. The study involves the data of 5 years from 2008-2009 to 2012-2013. Main contribution areas by BHEL company in CSR were Villages, Free Medical camps/charitable dispensaries, Schools for the underprivileged and handicapped children, Ban on child labour, Disaster/natural calamity, Employment for handicapped, Widow resettlement, Employment for Ex-serviceman, Irrigation using treated sewage, Pollution checking camps, Plantation of millions of trees, Energy saving and Conservation of natural resources.



I. INTRODUCTION OF BHEL COMPANY

BHEL company is Established in 1964. The website of company is www.bhel.com. Email id of the company is query@bhel.in. Dream of the company is "it has been more than realised with a well-recognised track record of performance." BHEL has a well recognised track record of performance, making profits continuously since 1971-72 and paying dividends since 1976-77. Its Slogan is "Powering progress.....brightening lives and Vision is "A world class engineering enterprise committed to enhancing stakeholder value." Its Mission in CSR - "Be a committed corporate citizen, alive towards its social corporate responsibility". It has 48,399 Employees on 31st march 2013 and two subsidiaries.

In 1982, it entered into power equipments, to reduce its dependence on the power sector. BHEL engaged in designing, engineering, manufacturing, construction, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy like power, Transmission, Industry, Transportation(railway), Renewable Energy, Oil & Gas and Defence. The company has 15 manufacturing division, two repair units, four regional offices, eight services centres and 15 regional centres and currently operate at more than 150 project sites across India and abroad.

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| Shareholders (as on 30-jun-2013) | Shareholding |
|---|--------------|
| Central government of India and State Governments | 67.72% |
| Foreign institutional investors | 14.98% |
| Insurance companies | 6.86% |
| Banks, Financial Institutions and Mutual Funds | 5.37% |
| Individual shareholders | 3.24% |
| Others | 1.83% |
| Total | 100% |

II. OBJECTIVE OF THE STUDY

To see the contribution by BHEL (Bharat heavy Electrical Limited) Company in Corporate Social Responsibility.

III. SCOPE OF THE STUDY

The scope of the study is limited to study concept of CSR and mostly focusing on the different CSR activities carried out by BHEL Company recently in 2012-13. I am just taking past 5 year performances.

IV. SOURCE OF THE STUDY

It involved secondary data collection, the data available on internet and in annual reports of the BHEL Company.

V. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is operating a business in a manner which meets or excels the ethical, legal, commercial and public expectations that a society has from business.

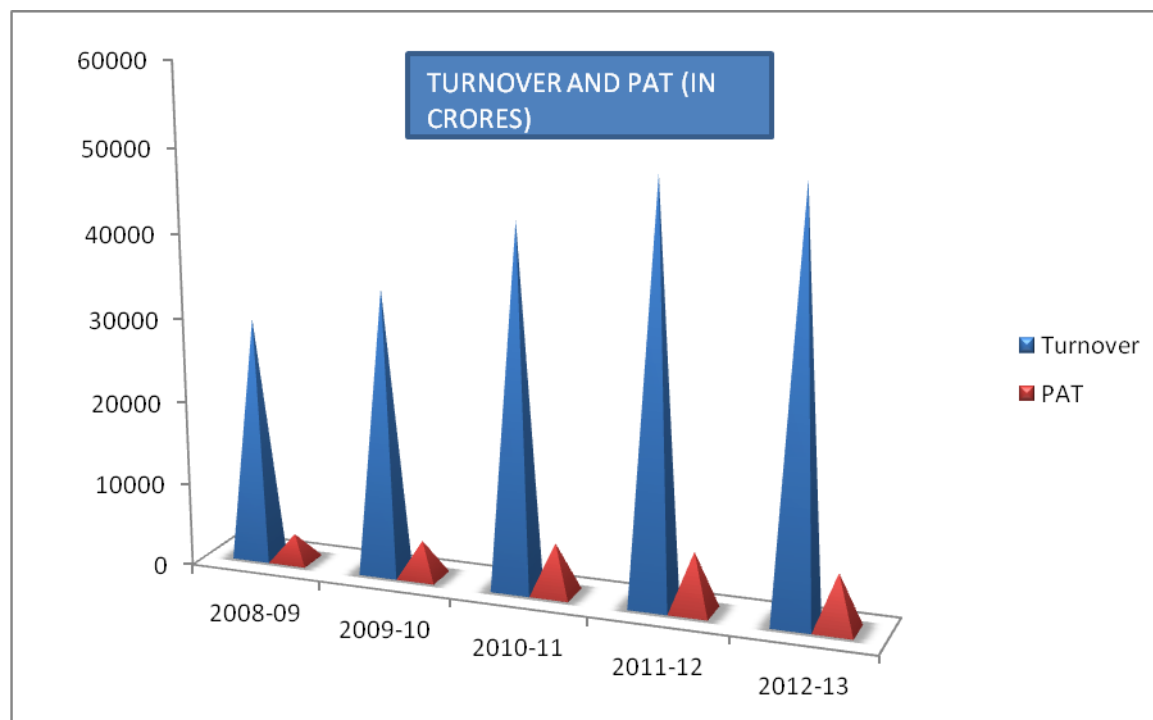
VI. CONTRIBUTION BY BHEL COMPANY IN CSR

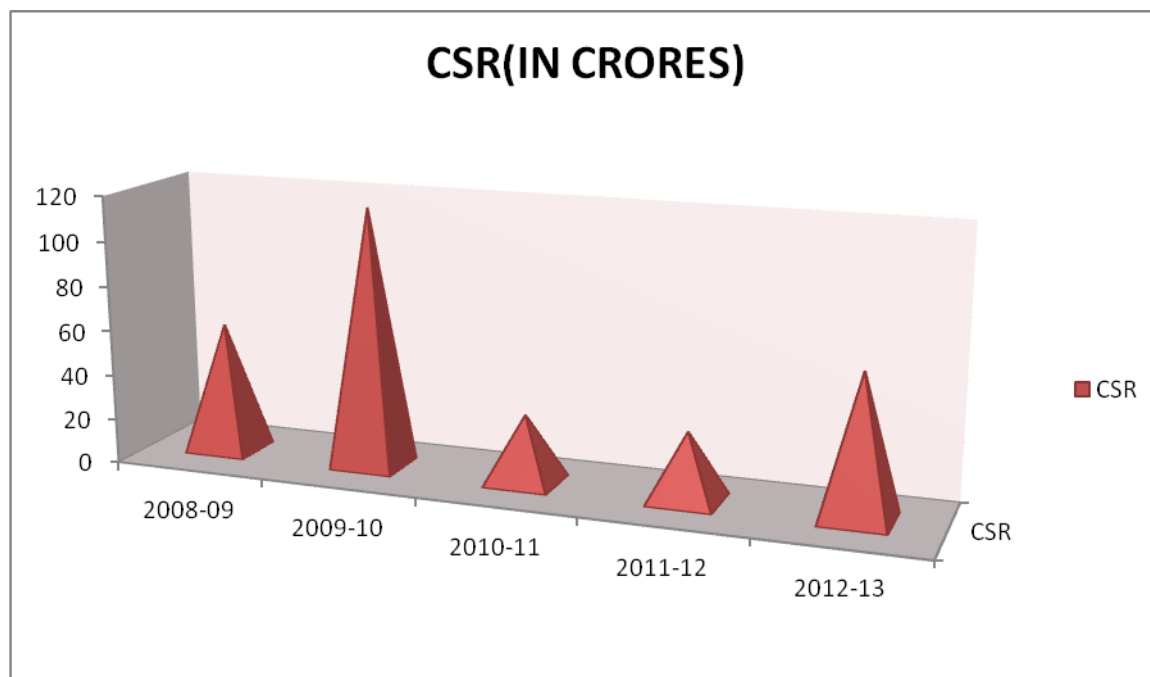
BHEL works along a predetermined CSR Scheme and its Mission Statement on CSR is "Be a Committed Corporate Citizen, alive towards its Corporate Social Responsibility". BHEL's contributions towards Corporate Social Responsibility till date include adoption of villages, free medical camps/ charitable dispensaries, school for the underprivileged and handicapped children, ban on child labour, disaster/natural calamity aid, employment for the differently able, widow resettlement, employment for ex-serviceman, irrigation using treated sewage, pollution checking camps, plantation of millions of trees, energy saving and conservation of natural resources through environmental management. As a part of social commitment, BHEL provides financial assistance to various NGOs/Trusts/Social Welfare Societies that are engaged in social welfare activities throughout the country. 56 villages having nearly 80,000 inhabitants have been adopted.

VII. AMOUNT CONTRIBUTED IN CORPORATE SOCIAL RESPONSIBILITY (CSR)

| YEAR | TURNOVER | PAT | CSR AMOUNT |
|---------|----------------|---------------|---------------|
| 2012-13 | 50156.48 CRORE | 6614.73 CRORE | 63 CRORE |
| 2011-12 | 49627 CRORES | 7040 CRORE | 30.1 CRORE |
| 2010-11 | 43337 CRORES | 6011 CRORES | 30.05 CRORES |
| 2009-10 | 34154 CRORES | 4311 CRORES | 115.75 CRORES |
| 2008-09 | 29154 CRORES | 4838 CRORES | 58 CRORES |

As above table shown the turnover and PAT i.e. Profit After Tax continuously increasing in last 5 years but PAT decreases in 2012-13. BHEL spends maximum in CSR activities in 2009-10 i.e. 115.75 Crores. But it falls 30.05 crores in 2010-11. Last year it spends 63 crores in CSR Activities and expects to spend minimum 131.11 crores in 2013-14. This is also shown in following Tables.





VIII. MAIN CONTRIBUTION AREAS BY BHEL COMPANY IN CSR

- Villages
- Free Medical camps/charitable dispensaries
- Schools for the underprivileged and handicapped children
- Ban on child labour
- Disaster/natural calamity
- Employment for handicapped
- Widow resettlement
- Employment for Ex-serviceman
- Irrigation using treated sewage
- Pollution checking camps
- Plantation of millions of trees
- Energy saving
- Conservation of natural resources

IX. DOMAINS

• Education

The company is promoting various Scholarship Programmes for students to enable them pursue higher education. Under these programmes financial assistance is provided towards of widows in adopted schools and villages by units. Supporting need based Construction of hostels, classrooms, toilets etc. in educational institutes.

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• Health

BHEL initiated projects titled 'Vision to all' in (i) Guntur district of Andhra Pradesh to carry out cataract operations for 500 patients and

(ii) Another unique project, for carrying out 300 orbit surgeries for eye patients from Andhra Pradesh, Orissa and Chhattisgarh commenced at Sankar foundation Eye Hospital in Vishakhapatnam (AP).

Electrical engineering major BHEL has extended a helping hand for creation of infrastructure for the mentally challenged.

The company extended financial support of Rs 1 crore to NGO 'Sane and Enthusiast Volunteers Association of Calcutta' for construction of a 50-bed mental hospital and rehabilitation centre, a day care centre and an education facility at Thakurpukur benefiting 500 patients.

• Skill Enhancement

As part of its CSR initiative regarding talent upgradation/skill development, BHEL, in association with CIL, DVC & SSDA has set up Kabiguru Industrial Training Centre (KGITC) at Bolpur, Santiniketan (West Bengal) to provide high quality technical education and to give a fillip to economic development needs of the area.

• Livelihood & Financial Inclusion

Six Reverse Osmosis plant units are installed at Bellary, Hubli, Puri, Varanasi, Gandhinagar and Vadodra to provide safe and pure water in the base kitchens for mid day meal kitchens managed by Akshaya Patra.

BHEL organizes various programmes for talent upgradation of social and economically backward students for their empowerment in order to make them self-reliant. It supported one such programme for apparel training of students belonging to below poverty line families in Chhindwara district, Maharashtra.

• Environment

BHEL continued with its commitment towards conservation of the environment. The Company successfully completed various Environment Improvement Project (EIPs) during the year 2011-12. Major EIPs cumulatively completed in and around units/regions and it includes (i) Rain Water Harvesting Plant

(ii) Tree Plantations

(iii) Development of Green Coverage

As a part of major Environment Improvement Projects during 2011-12 the company has planted 27,545 trees and successfully completed the Water Harvesting project in EPD Bangalore unit for Slip house ball mill building.

The company has installed Solar Street Lighting in and around ISG building in Bangalore

The company successfully improved the sewage system at Haridwar, to supplement the requirement of Ganga Pollution Control Unit, Uttarakhand Peyjal Nigam and Haridwar.

• Women Empowerment

Organized a Cutting and tailoring training programme through NGOs for ladies in Jhansi to livelihood opportunities and empowerment of women.

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- **Disaster management**

BHEL has compassionately responded to the beck and call of the victims devastated by the earthquake in Sikkim by initiating efforts for the refurbishment of four government schools which were damaged by the earthquake.

- **Other**

BHEL, in association with IGCAR, NTPC and other organizations, is developing Advanced Ultra Supercritical Technology. In conformity with Green energy initiative, an energy efficient largest single cylinder non-reheat stream turbine for 100-140 MW application has already been developed to harness waste heat.

X. RECENT INITIATIVES BY BHEL COMPANY-

BHEL supports endeavour to reform and rehabilitate delinquents

15th July 2013

BHEL has joined hands with the Society for Promotion of Youth & Masses (SPYM), to support setting up of a self sustainable state of the art kitchen including its accessories that will be holistically utilized for training in food production, processing and distribution for the juvenile delinquent inmates at its De-addiction and Rehabilitation Centre in Delhi named 'SAHYOG'. An agreement to this effect was signed between BHEL and SPYM at a function held here.

The training conducted by a team of experts. Special guidance will also be provided for maintenance of hygiene and professionalism of the highest orders in cooking and serving food. The trainees shall also get an opportunity to take an examination by ITI after which they could be certified for course completion as Assistant Cooks so as to create employment opportunities for them in various food production and marketing chains such as hotels, restaurants etc. SPYM will also provide appropriate linkages and referrals to the trainees to establish their own fast food centres with knowledge of preparing common dishes as well as organizing a delivery system of food in the surrounding areas.

BHEL reaches out to flood victims in Uttarakhand; Contributes Rs. 20 Millions to CM's Relief Fund;

Rushes supplies to affected areas; Employees also contribute one day's salary

24th June 2013

Reaching out to the distressed victims in the flood ravaged areas of Uttarakhand, Bharat Heavy Electricals Limited (BHEL) has made a humble contribution to help alleviate their suffering.

To this effect, an amount of Rs. 20 Million has been contributed by BHEL to the Chief Minister's Relief Fund of Uttarakhand. In addition, BHEL employees have contributed one-day's salary for the cause. BHEL has also rushed important supplies including food, milk, water and medicines to the affected areas, from its plant located at Haridwar.

In addition to lighting the homes of people, BHEL is also helping in lighting the lives of people in distress. BHEL and its employees have always risen to the occasions and contributed towards rendering relief to victims of natural calamities like the tsunami-affected states; floods in Karnataka, Assam, Bihar, Andhra Pradesh,

earthquake in Gujarat, the super cyclone in Orissa and the drought in Gujarat and Rajasthan, in addition to the Kargil war.

BHEL reaffirms commitment towards environmental concerns; Acquires state of the art technology for controlling pollution from thermal power plants

4 April 2013

Reaffirming its commitment towards better environment, Bharat Electricals Limited (BHEL) has geared up for the manufacture and supply of state of the art pollution control equipment to meet the emerging requirement of thermal power plants. The equipment called Flue Gas Desulphurisation (FGD) system, removes Sulphur Dioxide (SO₂) from the flue gas. Sulphur Dioxide (SO₂) is generated while firing fuels like coal and oil.

To this effect, BHEL has entered into a Licence Agreement with Mitsubishi Heavy Industries Ltd. (MHI), Japan- a leading supplier of FGD Systems, for acquiring FGD system technology, finding application in fossil fuel power plants.

The FGD systems will be engineered and manufactured at the Ranipet unit of BHEL in Tamilnadu. BHEL has proactively taken this initiative with respect to the air pollution control market in India even before the market emerges by introducing this state of the art technology. With the growing concern for Environmental Pollution in the country, Central Pollution Board, Ministry of Environmental and Forests, is expected to stipulate stringent control regulations towards Sulphur Dioxide (SO₂) emissions for power plants.

CEA has already advised power project developers that for all new power plants, provision of space for FGD plants has to be included and in future, these power plants would be required to install FGD system. Further, it is expected that some of the upcoming power projects including Ultra Mega Power Projects would be set up in coastal areas utilising imported coal having sulphur content and they may have to install FGD systems. These coastal projects would require FGD systems mostly based on seawater FG technology.

Areas with high density of power plants such as Kobra, Sngrauli, Vindhyachal, Bokaro etc., have a high concentration of SO₂ in the environment, and therefore any new power plant coming up in these areas would be required to install FGD system to get environmental clearance. All power plants in the vicinity of urban areas are also expected to install FGD systems to limit (SO₂) emissions.

**BHEL Partners with Akshay Patra Provides Five Meal Delivery Vehicles as part of CSR Initiatives
28-Jan-2013 (Guwahati)**

As part of its Corporate Social Responsibility (CSR) initiatives, Bharat Heavy Electricals Limited (BHEL) has provided five meal distribution vehicles to the Akshaya Patra Foundation, Guwahati aimed at fulfilling their shared vision of creating a brighter future for deserving children.

Mr. B. Prasad Rao, Chairman & Managing Director, BHEL flagged off the vehicles at a ceremony held at Akshaya Patra's kitchen in Amingaoan, Guwahati. On the occasion, Mr. Rao said that BHEL is committed to the noble cause that Akshaya Patra has been working towards. Through this support, we hope to lend a helping hand to an organisation that satisfied a child's need of filling meal.

The custom designed vehicles will be used to distribute mid day meals to children in government schools across Kamrup District Akshaya Patra is currently feeding more than 1.5 million school children every day in 20 locations in 9 states across the country. The meal delivery vehicles will help transport hot, nutritious meals from

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their centralized kitchens to about 10,000 children every day. These meals give the children an incentive to go to school and stay in school, besides providing them with the necessary nutrients they need to develop their cognitive abilities to focus on learning.

XI. AWARDS

- BHEL received SCOPE Excellence Award in Individual category from the Hon'ble Prime Minister of India
- Shram Award Winner from the Hon'ble Prime Minister of India
- Scope MoU Award Winner
- Receives Intellectual Property Award ,2011
- Receive the NDTV Profit Business Leadership Award 2011 from hon'ble Union Minister for Finance.
- ELCINA-EFY Award for Business Excellence 2011-12
- HR Leadership Award' to Director (HR), BHEL
- Golden Peacock National Training Award 2012'.
- Dainik Bhaskar India Pride Gold Award 2012'
- 'BT-STAR PSU Excellence Award
- 2012' for Excellence in Innovation from Bureaucracy Today.
- Enertia Award 2011
- And many more

XII. CONCLUSION

BHEL Company have to take initiatives CSR for employees, implement special plan based on weekend hours devoted by employees on BHEL's CSR project special awards to be given to employees poor most active in CSR field.

Company have to increase its CSR budget to 4% of PAT. It may be become India's most admired company by doing its best to sustain a healthy and prosperous environment and to improve the quality of life of the people of the area in which it operates.

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