

## *International Journal of Scientific Research and Reviews*

### **Activities under Corporate Social Responsibility By BHEL Tiruchirappalli**

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#### **ABSTRACT**

Modern business evolved with multidimensional aspects of growth and prospects owing to globalized environment, changing attitude of business culture, rapid awareness of the target audience etc. In this regard, corporate social responsibility is a popular business ideology in the 21st century. It expands on common business ethics to address broader and stronger standards of social and environmental accountability placed on companies. The term corporate social responsibility itself was established only about 20 years ago. One can distinguish between internal and external motivations driving the companies to develop their corporate social responsibility policies like corporate ethics, corporate policy towards society, environment protection policy, HR policy, humanitarian aspects of relations with suppliers and consumers. The major internal reason for forming corporate social responsibility policy was the realization of the direct correlation between the economical results of the company's activities and their image, behavior patterns towards personnel, partners, and society in general. In this paper attempt to highlight performance of corporate social responsibility activities by Bharat Heavy Electricals Limited, Tiruchirappalli, one of the Maharatna statuses of public sector undertakings, is the essential and important contributions in the present periods.

**KEYWORDS:** CSR, BHEL, Sector Wise CSR

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## **INTRODUCTION**

Corporate Social Responsibility could be described as a modern day manifestation of the notion philanthropy that is to promote the welfare of others, especially by donating money for good causes<sup>1</sup>. Industries are the backbone for the economic development of a particular region. BHEL owned by government of India is a power plant equipment manufacturer and operates as largest engineering and manufacturing company in India. It was one of the leading international companies in the field of power equipment measures. Before the establishment of BHEL, Tiruchirappalli was considered as an agricultural region in Tamil Nadu but with the establishment of BHEL, Tiruchirappalli has become an industrial district with the growth of electrical equipment and boiler equipment in Tamil Nadu. This paper deals with the activities under corporate social responsibility by BHEL, Tiruchirappalli.

## **REVIEW OF LITERATURE**

Paramasivan and Savarimuthu<sup>2</sup> (2015) have highlighted that the corporate sectors are concentrating much on profit; there is a need to give back to the society in the form of CSR. If the entire corporate sector is really committed with their targeted amount of CSR, all kinds of socio-economic hindrances will be removed and there will be sustainable inclusive growth in the country. Krishanveer Singh et.al<sup>3</sup>. (2013) have pointed out that how Indian companies are guided by certain rules of conduct in the form of ethical and moral standards and how Indian Ethos is a great source of inspiration for Indian business houses to realize their Ethical accounting and social responsibilities. The need of the hour is the requirement of ethical accounting regulations and in this research paper tried to relate the Indian ethos for self governance and CSR by Indian Companies.

Prachi Arora<sup>4</sup> (2013) has made a study to understand the corporate social responsibility concept and its key drivers, what are the manifold benefits both internally and externally to the companies involved in various projects, how corporate social responsibility as strategy leads them to perpetual success and creating brand with various case studies of successful Indian companies.

Juan-Jose Ganuza<sup>5</sup> (2012) has showed that the phenomenon of corporate social responsibility opens the possibility of creating virtuous circles where everyone wins. The company can maximize profits and gain a competitive advantage while increasing the welfare of stakeholders and of society in general. It is important to consider the role that the public sector can play to promote the development of socially responsible management.

Shashank Shah and Sudhir Bhaskar<sup>6</sup> (2010) have used the case study of Bharat Petroleum Corporation Limited to describe its society and local community-related initiatives. They studied that Bharat Petroleum Corporation Limited has gone beyond mere charity and made attempts in

association with various Non Government organizations and Self Help Groups to make the local communities self-reliant, so that they can earn their own livelihood and not be dependent on corporate organizations for eternal help and support.

Supriti Mishra and Damodar Suar<sup>7</sup> (2010) have examined whether strategy towards primary stakeholders and their salience influence corporate social responsibility towards the corresponding stakeholders. The salience of all stakeholder groups enhanced the corresponding corporate social responsibility. When salience and strategy are considered, the salience of a particular stakeholder group suppressed the effect of strategy fully or partially on corporate social responsibility.

## **OBJECTIVES**

The objectives of this paper are to know the History of BHEL, particularly BHEL, Tiruchirappalli unit and to understand the activities under corporate social responsibility by BHEL, Tiruchirappalli.

## **METHODOLOGY**

This study is exploratory in nature and based on the secondary data. The sources of secondary data are collected through journals, articles, magazines, website and official record of BHEL Trichy. Official record of CSR allotted amount has been collected under RTI Act 2005 from BHEL Trichy. The collected secondary data were analysed based on the simple percentage analysis.

### ***Percentage Analysis***

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data.

## **HISTORY OF BHEL**

The planning board felt the requirement for electrical machinery in India in the year 1947. In the year 1948, J.C. Ghosh was the first to set up heavy electrical generating equipment factory. In January 1955, S. A Gadkary committee restated the need for heavy electrical factory. In the year 1956, Heavy Electrical private limited was incorporated which was later renamed as Heavy Electrical India Limited<sup>8</sup>. The first plant of BHEL was set up at Bhopal in 1956. In November 1964, three more BHEL were established and plants at Haridwar, Hyderabad and Tiruchirappalli were set up. The unique specialty of BHEL was that it had a well-recognized track record of performance making profits continuously since 1971-72 and paying dividends since 1976-77. BHEL has added to its high pressure boiler plant, a seamless steel tube plant at Tiruchirappalli, boiler auxiliaries' plant at

Ranipet in the state of Tamil Nadu, a piping centre at Chennai in Tamil Nadu and an industrial valve plant at Goindwal in the northern state of Punjab.

### ***BHEL, Tiruchirappalli***

BHEL Tiruchirappalli is the largest engineering and manufacturing complex of its kind in the southern state of Tamil Nadu and one of the world's leading manufacturers of steam generators for power generation and industrial applications. Currently it has around 9,000 employees and is one of the four major manufacturing divisions of the BHEL Corporation.<sup>9,10,11</sup> BHEL, Tiruchirappalli is situated on Tiruchirappalli to Thanjavur highway road around 20 kilometers from Tiruchirappalli central bus stand. BHEL's 3,000 acre campus at Tiruchirappalli includes a modern township which has over 5,500 residential quarters with shopping centers in each of the four major sectors, hostels, nine campus schools, a full-fledged community centre with facilities for recreation including weekly movies, library, sports and games for employees and their families, cable TV, various cultural associations for promoting the arts and culture of other states, ladies' clubs, a swimming pool located in the officers' club, community reading rooms, a children's park, tennis club, etc.

BHEL, Tiruchirappalli has added to its High Pressure Boiler Plant (HPBP), a Seamless Steel Tube Plant (SSTP) at Tiruchirappalli (adjacent to the HPBP), Power plant Piping Unit (PPPU) at Thirumayam in Tamil Nadu, a Boiler Auxiliaries Plant (BAP) at Ranipet (in the state of Tamil Nadu), a Piping Centre (PC) at Chennai in Tamil Nadu and an Industrial Valve Plant (IVP) at Goindwal (in the Northern state of Punjab). HPBP and SSTP have a covered shop area of 2,50,000 square meters and BAP Ranipet has 47,000 square meters of covered shop area.

Boiler Auxiliaries Plant is located at Ranipet, Chennai. Earlier this plant was also attached to Trichy complex. At present, this becomes a separate unity.<sup>12</sup> BHEL; Tiruchi has a full-fledged independent group, Spares Business engaged in supply of spares for boilers and accessories. This exclusive group of engineers markets, designs and manufactures and arranges material dispatch to the customers as per orders. The Spares are manufactured in production shops of High Pressure Boiler Plant, Seamless Steel Tube Plant and Ancillary of Trichy BHEL. Separate capacities have been identified for production of spares in various shops and Ancillary Units.

### **CSR ACTIVITIES IN BHEL, TIRUCHIRAPPALLI**

CSR means putting something back in to the society or giving back to the society<sup>13</sup>. BHEL is one of the important corporate sectors in Tiruchirappalli, which mainly focuses on corporate social responsibility activities. BHEL has adopted some villages in and around Tiruchirappalli and many villages are also benefited out of it. They are Chempulichanpatti (Pachamalai Hills), Valayur

(Pachamalai Hills), Devarayaneri (Narikuravar Colony) and Benefited areas and villages are Alagiamanavalam, Anna Stadium Trichy, Arasankudi, Arivalayam, Asoor, Avoor, Central prison, Chatriram Ammapalayam, Cholamadevi, Ellakudi, Enam Krishnasamuthiram, Guntur, Kailasapuram Parish, kailasapuram, Karumandapam, Kattur, Kumaresapuram, Manikandam, Maniyeripatti, Mannarpuram, Navaloor Kutapattu, Navalpattu (Police Colony), Neikunam, Papakurichi, Pathalapettai, Ponmalaipatti, Pudukkottai Govt. Leper's Home, Somarasampettai, Tanjavur Silver Jubilee of South Zone Cultural Centre, Thenur, Thirunedunkulam, Thiruverumbur, Thiruverumbur North, Tiruchirappalli, Utharamangalam, Uyyankontan canal, Valavanthankottai, Vandalur Arignar Anna Zoological Park and Vegur. They have chosen the following human welfare activities and willingly doing in these villages as their corporate social responsibility activities.

**Education:** They provide support to college and school students through scholarship, laboratory material, electrical and electronic facilities, furniture, tuition centre, construction and renovation facilities, study materials, uniform, bag, computers, water facilities etc.

**Community Development:** They develop the community in these villages through construction and renovation of community centre, solar light, bore well and motors, toilet, compound wall, water tank, agriculture equipment, swatch Bharath etc.

**Skill training & Empowerment:** Skill training at TREC-STEP, creating employability, vocational support for women, Skill training to prisoner, self employment training.

**Health Care:** They created a number of camps and programmes like organ donation camp, health awareness programmes, medical camp, leprosy home treatment, issuing sanitary napkins, medical equipment, screening test to diabetes etc.

**Animal Care:** They look after the feeding cost and maintenance in Arignar Anna zoological park, vandalur, chennai.

**Sports:** They provide sport materials like bed & seesa, play ground maintenance at national and state level sports tournaments.

**Arts & Cultural Activity:** They promote Arts & Cultural activities at south zone cultural centres. They also provide musical instruments and train the beneficiaries.

**Others / Miscellaneous activities:** In addition, they also provide old age home miscellaneous things, inverter, vehicle for physically challenged peoples, agriculture tools, flood relief fund & material, four wheeler to Arivalayam mentally ill people, rehabilitation centre equipment etc.

Table No. 1: “CSR Sanctioned Amount of BHEL, Tiruchirappalli from 2007-08 to 2016-17”

(Rs. in Lakhs)

S.No	Year	CSR Sanctioned (Amount in Rs.)	Percentage of Total
1.	2007-08	9,00,000	0.71%
2.	2008-09	17,00,000	1.34%
3.	2009-10	42,30,000	3.35%
4.	2010-11	1,03,00,000	8.14%
5.	2011-12	1,05,15,660	8.32%
6.	2012-13	1,54,58,000	12.22%
7.	2013-14	1,52,30,000	12.04%
8.	2014-15	2,91,25,000	23.03%
9.	2015-16	2,96,63,000	23.45%
10.	2016-17	93,50,000	7.39%
<b>Total</b>		<b>12,64,71,660</b>	<b>100.00%</b>

Source: bhel, trichy hrm department 2007-08-2016-17<sup>14</sup>

Table No. 1 shows CSR Sanctioned Amount of BHEL, Tiruchirappalli during the year 2007-08 to 2016-17. Rs 9,00,000 were spent to CSR in the year 2007-2008 which constitute 0.71 percent of the total sanctioned amount. Rs 17,00,000 were spent to CSR in the year 2008-2009 which constitute 1.34 percent of the total sanctioned amount. Rs 42,30,000 were spent to CSR in the year 2009-2010 which constitute 3.35 percent of the total sanctioned amount. Rs 1,03,00,000 were spent to CSR in the year 2010-2011 which constitute 8.14 percent of the total sanctioned amount. Rs 1,05,15,660 were spent to CSR in the year 2011-2012 which constitute 8.32 percent of the total sanctioned amount. Rs 1,54,58,000 were spent to CSR in the year 2012-2013 which constitute 12.22 percent of the total sanctioned amount. Rs 1,52,30,000 were spent to CSR in the year 2013-2014 which constitute 12.04 percent of the total sanctioned amount. Rs 2,91,25,000 were spent to CSR in the year 2014-2015 which constitute 23.03 percent of the total sanctioned amount. Rs 2,96,63,000 were spent to CSR in the year 2015-2016 which constitute 23.45 percent of the total sanctioned amount. Rs 93,50,000 were spent to CSR in the year 2016-2017 which constitute 7.39 percent of the total sanctioned amount.

A maximum amount of Rs. 2,96,63,000 (23.45%) was spent to CSR in the year 2015-16 and a minimum amount of Rs. 9,00,000 (0.71%) was spent to CSR in the year 2007-08 from the sanctioned amount of CSR by BHEL, Tiruchirappalli.

Table No. 2 indicates the Sector wise amount spent for CSR activities by BHEL, Tiruchirappalli during the year 2007-08 to 2016-17. Rs. 6,21,19,000 were spent to education sector which constitutes 49.12 percent of the total sanctioned amount. Rs. 2,83,49,000 were spent to Community Development sector which constitutes 22.41 percent of the total sanctioned amount. Rs. 1,71,53,000 were spent to Skill training & Empowerment sector which constitutes 13.56 percent of the total sanctioned amount. Rs. 26,89,000 were spent to Health Care sector which constitutes 2.13

percent of the total sanctioned amount. Rs. 11,32,660 were spent to Animal Care sector which constitutes 0.90 percent of the total sanctioned amount. Rs. 38,69,000 were spent to Sports sector which constitutes 3.06 percent of the total sanctioned amount. Rs. 34,49,000 were spent to Arts & Cultural Activity sector which constitutes 2.73 percent of the total sanctioned amount. Rs. 77,11,000 were spent to Miscellaneous activities which constitutes 6.10 percent of the total sanctioned amount.

**Table No. 2: “Sector wise CSR spending amount by BHEL, Tiruchirappalli 2007-08 to 2016-17”**

(Rs. in Lakhs)

S.No	Sector Wise	Amount Spent (Rs.)	Percentage of Total
1.	Education	6,21,19,000	49.12%
2.	Community Development	2,83,49,000	22.41%
3.	Skill training & Empowerment	1,71,53,000	13.56%
4.	Health Care	26,89,000	2.13%
5.	Animal Care	11,32,660	0.90%
6.	Sports	38,69,000	3.06%
7.	Arts & Cultural Activity	34,49,000	2.73%
8.	Others/ Miscellaneous activities	77,11,000	6.10%
<b>Total</b>		<b>12,64,71,660</b>	<b>100.00%</b>

Source: bhel trichy, hrm department 2007-08-2016-17

On the whole Rs. 12,64,71,660 were spent for CSR activities by BHEL Trichy during the year 2007-08 to 2016-17. A maximum amount of Rs. 6,21,19,000 was spent to education sector (49.12 %) and a minimum amount of Rs. 11,32,660 was spent to animal care (0.90 %) from the sanctioned amount of CSR by BHEL Tiruchirappalli.

## CONCLUSION

This study helps to understand the background of the BHEL with reference to corporate social responsibility. This study has given a detailed note on corporate social responsibility activities of BHEL, Tiruchirappalli unit during the study period 2007-08 to 2016-17. BHEL has adopted three villages and more than 40 villages and areas in and around Tiruchirappalli were selected for CSR activities. As a part of CSR activities, they provided human welfare activities like Education, Community Development, Skill training & Empowerment, Health Care, Animal Care, Sports, Arts & Cultural Activity etc., to these selected villages and areas. A maximum amount of Rs. 2,96,63,000 (23.45%) was spent to CSR in the year 2015-16 and a minimum amount of Rs. 9,00,000 (0.71%) was spent to CSR in the year 2007-08 from the sanctioned amount of CSR by BHEL, Tiruchirappalli. On the whole Rs. 12,64,71,660 were spent for CSR activities by BHEL Trichy during the year 2007-08 to 2016-17. A maximum amount of Rs. 6,21,19,000 was spent to education sector (49.12 %) and a minimum amount of Rs. 11,32,660 was spent to animal care (0.90 %) from the sanctioned amount of CSR by BHEL Tiruchirappalli. Efficiency of the corporate social responsibility activities of the BHEL, Tiruchirappalli unit during the study period is significantly good but there should be a

detailed evaluation study to measure the outreach of CSR activities. Therefore, BHEL should take necessary steps to assess the effectiveness of corporate social responsibility in a systematic manner and that is recommended through this research study.

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