A Study of Csr Activities at Ambuja Cement (Ropar)

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Abstract

Corporate Social Responsibility is a corporate conscience and a type of business responsibility that is important for every business premises. CSR established all the activities which are made for the growth and sustainable development of the employees and workers for their well beings. CSR is a management concept in which the organizations are liable for their shared values and social license of their community and environment in which they do their operations.

The study is to find the awareness and importance of the corporate social responsibility to the people who are working in the company and how successfully organization implements CSR activities with the various planned strategies.

Keywords: Corporate social responsibility, CSR activities, Corporate Strategies

1. INTRODUCTION

The concept of Corporate Social Responsibility was first mentioned 1953 in the publication ‘Social Responsibilities of the Businessman’ by William J. Bowen. However, the term CSR became only popular in the 1990s, when the German Betapharm, a generic pharmaceutical company decided to implement CSR. The generic market is characterized by an interchangeability of products. In 1997 a halt in sales growth led the company to the realization that in the generic drugs market companies could not differentiate on price or quality. This was the prelude for the company to adopt CSR as an expression of the company’s values and as a part of its corporate strategies. By using strategic and social commitment for families with chronically ill children, Betapharm took a strategic advantage.

In July 2001, the European Commission decided to launch a consultative paper on Corporate Social Responsibility with the title “Promoting a European Framework for Corporate Social Responsibility“. This paper aimed to launch a debate on how the European Union could
promote Corporate Social Responsibility at both the European and international level.

The 21st century is characterized by unprecedented challenges and opportunities, Arising from globalization, the desire for inclusive development and the imperatives of Climate change. Indian business, which is today viewed globally as a responsible Component of the ascendancy of India, is poised now to take on a leadership role in the Challenges of our times. India's ancient Wisdom, which is still relevant today, inspires people to work for the larger objective of the Well-being of all stakeholders.

One of the most contemporary definitions is from the World Bank Group, stating, “Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees and their families. The Ministry of Corporate Affairs has prepared a set of voluntary guidelines which indicate some of the core elements that businesses need to focus on while conducting their affairs.

CSR IN INDIA

CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited Documentation on specific activities related to this concept. However, what was clearly evident that much of this had a national character encapsulated within it, whether it was endowing institutions to actively participating in India’s freedom movement, and embedded in the idea of trusteeship.

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point.

The Corporate increasingly join hands with Non-governmental organizations (NGOs) and use their expertise in devising programs which address wider social problems.

CSR is not a new concept in India. Ever since their inception, corporate like the Tata Group, the Group, and Indian Oil Corporation, to name a few have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society.
For example, a more comprehensive method of development is adopted by some corporations such as Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited. Provision of improved medical and sanitation facilities, building schools and houses, and empowering the villagers and in process making them more self-reliant by providing vocational training and a knowledge of business operations are the facilities that these corporations focus on.

ABOUT AMBUJA CEMENT

Ambuja Cements Limited, formerly known as Gujarat Ambuja Cement Limited, is a major cement producing company in India. The company, initially called Gujarat Ambuja Cements Ltd, was founded by Narotam Sekhsaria in 1983 in partnership with Suresh Neotia. Global cement major Holcim acquired management control of Ambuja in 2006. Ambuja Cements Ltd. operates 5 cement plants at Ambujanagar Gujarat, Darlaghat Himachal Pradesh, Chandrapur Maharashtra, Bhatapara Chattisgarh and Rabriyawas Rajasthan. Besides, the company has one Clinkerisation Plant at Rauri Himachal Pradesh and 8 Clinker Grinding Plants at Ropar and Bhatinda in Punjab, Sankrail and Farakka in West Bengal, Surat in Gujarat, Roorkee in Uttarachal, Dadri in U.P and Nalagarh in Himachal Pradesh and with a total cement production of 25.0 million tonnes per annum (MTPA).

Today, Ambuja is the 3rd largest cement company in India, with an annual plant capacity of 16 million tones including Ambuja Cement Eastern Ltd. and revenue in excess of Rs.3298 crore.

In 1993, Ambuja Cement set up a complete system of transporting bulk cement via the sea route. It was the first company in India to introduce bulk cement movement by sea. Others followed and today, about 10 percent cement travels by this new route. The company is engaged in manufacture and market cement and clinker for both domestic and export markets.

AMBUJA CEMENT FOUNDATION

Ambuja Cement Foundation (ACF), established in 1993, is the social development arm of Ambuja Cements Ltd. We work exclusively with rural communities on issues related to Water Resource Management, Agro & Skill-based Livelihood Generation, Health, Education, Women Empowerment and Rural Infrastructure. ACF undertakes projects and schemes for promoting the social and economic development for communities in and around the
manufacturing locations of Ambuja Cement Ltd. These development initiatives are in line with the needs of people, in partnership with them and in close collaboration with likeminded NGOs and the Government. A team of 423 dedicated professionals implement its projects and programmers. The work currently extends to 22 locations in 12 states across India, reaching out to more than 13 lakh people through projects with annual expenditure of 5725 lakhs.

**REVIEW OF LITERATURE**

**Vaaland, Heide** (2008), paper based on a case study methodology. The paper purpose was to handle the CSR critical incidents and utilize this experience in enforcing the CSR activities. The study concluded that CSR should be managed by handling unexpected incidents, long term reduction of gap between stakeholders and their expectations and company performance and finally maintaining relationship with society through interplay between actor, resources and activities.

**Gond, Crane** (2008), made an analysis on the distortion of corporate social performance concept. The research analyzed that the past researches and found some reason of emerging fall in the interest of corporate social performance research among the scholars. The paper also suggested models on the basis of which the researcher explained that why the CSP concept has lost its importance and development. Further, the researcher depicted some model which the researcher can used in their research related to corporate social performance. The paper argued that tensions and contradictions are the starting point to develop the CSP concept. CSP has an umbrella of activities which need to measure differently in order to move the researches from a simple concept to development.

**Truscott, Bartlett, Trwoniak** (2009), paper “The reputation of Corporate Social Responsibility industry in Australia” in Australian marketing journal, based on case study methodology. On the basis of the interview of key persons of industries in Australia, the term CSR has been explained. The industrialist revealed that CSR increasingly has become significant. They shared their views of CSR in economic, legal and ethical roles of business in society. Beside this, the industrialist viewed CSR as a model of corporate reputation.

**Shah, Bhaskar** (2010), has taken a case study of public sector undertaking i.e. Bharat Petroleum Corporation Ltd. in their research work. The
research has discussed that there is a broad relationship between the organization and society. Organization has its existence only with the society. Organization used the resources/inputs of the society like material and human etc. In reverse, the organization provides services to the society. From the case study of the BPCL, it was found that company has taken a lot of initiatives in order to serve the society.

**Mc William & S. Seigal** (2010) provided the importance of CSR as a strategy of enhancing reputation of companies. The study indicated that firms selling convincing goods which comes under the umbrella of CSR activities, leads to consumer loyalty and increased revenue. Further the study also indicated the importance of advertising for providing information to consumers about the social welfare activities of the firm. Beside this the study also included the importance of media and T.V etc. in order to aware the consumers about firm’s activities and increasing as well damaging the reputation. In this way the study concluded about the reputation of firm through CSR.

**Hartman** (2011), article “Corporate social Responsibility in the food sector” in European review of agriculture economics journal, analyzed the importance of CSR in food sector, particularly those companies which have high brand. CSR is an important part of these companies. But SME’s are less capable in discharging their obligation towards society. Further, the research found that food sector always tries to improve the controlling and discharging its services towards consumers. Consumers also prefer those brands or food firms which give preference to CSR activities and provide good product and services.

**Brammer, Jcakson & Matten** (2012), study entitled as “Corporate Social Responsibility and Institutional theory: new perspective on private governance” in Social economic review depicted that CSR is not only a voluntary action but beyond that. In this study, CSR had defined under institutional theory of the institutional theory stated that corporate social activities are not only voluntary activities but it is a part of interface between business and society.

**PURPOSE**

To understand the concept and scope of corporate social responsibility and getting an insight in CSR practices in the light of the case study of the AMBUJA CEMENT.

**OBJECTIVES OF THE STUDY**
To understand the concept of CSR
To study the CSR activities and its implications
To find the various programmes, strategies & activities set by Ambuja cement for CSR.

RESEARCH METHODOLOGY
This study has been conducted in Ambuja cement at Ropar, Punjab. Secondary data was collected from the HR manager, employees, and workers to the CSR programmes held by Ambuja cement. People living in the villages are mostly Punjabi and migrants.

The study was developed with the participation of the villagers. Traditional knowledge about the local water resources, the monsoons, the soil quality etc was taken from them and ACF added the latest scientific know-how, technical inputs, trained professional personnel and finances. The actual implementation of the project was carried out by the people and ACF. The villagers contributed to the project in various ways- they offered free labour, gave away tracts of their land, and in some cases even collected money as community contribution towards the project.

CSR IN AMBUJA CEMENT

ROPAR (Punjab)

Agro-based Livelihood
Organic farming is one of our areas of focus, with 283 farmers growing crops organically on 264.3 acres of land in Ropar. Organic farming has led to a considerable decrease in the use of chemical fertilizers, improving the health of the soil. Today, farmers use farmyard manure, vermi-compost and other bio-fertilizers instead of chemical fertilizers. Organic manure has replaced approximately 80 tonnes of harmful chemical fertilizers and pesticides worth 12 lakh.

Ambuja Manovikas Kendra
The Ambuja Manovikas Kendra (AMK), ACF’s centre for special education that works on autism, cerebral palsy, mental retardation and multiple disabilities, has forged new and creative ways to help special children explore their skills and talent. AMK has been involved in varied activities with the children, ranging from arts and crafts to getting them employed in the local area. In 2012, the Home-based Rehabilitation Programme was started to reach out to 15 children who could not travel to school every day. A 10-day Arts and Crafts Week, facilitated by Swiss artist Hedi Ernest, was held to give expression to the children’s talent. Excellence in sports and cultural activities has been the
hallmark of the institution; in 2012, AMK won the Overall Championship Trophy in the Punjab State Special Olympics for the seventh consecutive year, netting a haul of 13 gold medals, seven silver medals and two bronze medals. AMK’s baljeet Singh, Vikas Rai, Tanvir Singh, Jasvir Singh and Neha were adjudged “best Athletes” of the tournament.

Comprehensive Healthcare
ACF carried out micro planning on sanitation practices in four villages in Ropar. After the results were discussed, the community, along with ACF, undertook rectification of drains; construction of toilets and drainage systems; repair work; and dug pits in the villages to dispose of garbage. This year three villages were nominated for the Nirmal Gram Puraskar.

These villages are completely open defecation-free. ACF helped the panchayats to get financial aid from the State Government to construct 120 toilets, along with its own marginal subsidy. IEC material and wall writing were some of the tools used to sensitize the community on water and sanitation issues.

HIV and AIDS Prevention Programme
This programme is implemented in collaboration with the Punjab State Aids Control Society (PSACS) and the Chandigarh State Aids Control Society (CSACS) in Ropar, Morinda and Chandigarh. We also have a workplace intervention programme for ACL staff. Our intervention strategies involve individual counseling, advocacy meetings, group meetings, regular awareness camps and referral services through outreach workers and peer educators. Various depots have been established where condoms are readily available. We also support the Roopnagar Network of People Living with HIV and Aids, which has 42 members. One of our target groups are intravenous drug users (IDUs). To reduce the incidence of HIV and Aids through drug usage, we provide fresh needles and syringes, abscess management and counseling.

Women’s Empowerment
ACF supports 51 SHGs, with 64 members. A successful business model based on the wholesale hosiery market of Ludhiana was initiated in 2011. To date, 95 women have been trained in stitching hosiery and 45 works out of their homes to supplement their income.

Infrastructure Development
ACF works in coordination with the village Panchayats on infrastructure development issues. We assisted the Panchayats of Dakala village to construct a 380-metre drain. In Logharfidde, we helped the community lay a drain of 435 meters’ to prevent water logging and flooding during heavy rains. We also supported communities to raise funds from various government departments to develop infrastructure in their villages, and helped them implement the MNREGA scheme.

Infrastructure Development

CSR REPORT

<table>
<thead>
<tr>
<th>1</th>
<th>A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.</th>
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| CSR activities at Ambuja are carried out through:-
1. Ambuja Cement Foundation (ACF)
2. Ambuja Vidya Niketan Trust (AVNT)
3. Collaboration with other Companies undertaking projects/programs in CSR activities.
4. Contribution / donation made to such other Organization / Institutions as may be permitted under the applicable laws from time-to-time.
5. Directly by the Company for fulfilling its responsibilities towards various stakeholders.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Companies website and the web link for the same is www.ambujacement.com/wp-content/uploads/2013/10/CSR-Policy.pdf

The details of the CSR activities undertaken at Ambuja can be accessed at http://www.ambujacement.com/sustainable-development/sustainability/ |
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Source-(Ambuja cement ltd Annual Report, 2014)
### CSR ACTIVITIES AT AMBUJA

#### Annexure A

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<tr>
<th>S. No</th>
<th>CSR project or activity identified</th>
<th>Projects or programs</th>
<th>Sector in which the project is covered</th>
<th>Amount outlay (budget) project or programs wise</th>
<th>Amount spent on the projects or programs</th>
<th>Cumulative Expenditure upto the reporting period</th>
<th>Amount spent: Direct or through implementing agency</th>
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**Source:** (Ambuja cement ltd Annual Report, 2014)
FINDINGS:

- The study revealed the CSR activities at Ambuja cement for the upliftment of society.
- From the above research it is find the different strategies, activities and programmes held by Ambuja cement.
- The ambuja cement ltd spent a lot of amount on the various CSR activities during the financial year, details are shown in the CSR annual Report 2014.
- The amount spent on various projects and programs during the financial year was 38.40 crores as explained in the Annextrue 1 of CSR Annual report 2014.

SUGGESTION:

- People should be made aware about the CSR activities. And also tell them about the benefits from this.
- In the village self help Group (SHG) of women are running. These SHG women save from their income on their own but lack of proper support SHG do not work properly.
- They need support from any outsider organization that can support and supervise the SHG.
- Awareness campaign against drug is to be done to make people aware about the ill effect of it.
- The farmers should be properly encouraged to do the organic farming which will helpful for improving the soil quantity.
- The company should form a partner in enlightened for increasing environment awareness in surrounding communities. They should also improve basic facilities/ utilities such as water supply, school, road and good infrastructure.

CONCLUSION

To understand the concept of CSR: - As per the first objective I studied about the concept of CSR. CSR can not only refer to the compliance of human right standards, labor and social security arrangements, but also to the fight against climate change, sustainable management of natural resources and consumer protection.

To study the CSR activities and its implications: - There are different activities are done by Ambuja cement for the development of society. Women empowerment, Organic farming, Ambuja Manovikas Kendra, Comprehensive healthcare, HIV and AIDS prevention programme, Infrastructure Development etc.

To find the various programmes, strategies & activities set by Ambuja cement for CSR: The main strategy of Ambuja cement is to develop
the societies need and provide them good facilities by different programmes.

References

[1] Vaaland, Heide (2008), CSR critical incidents and utilize this experience in enforcing the CSR activities.


[4] Shah, Bhaskar (2010), has taken a case study of public sector undertaking i.e. Bharat Petroleum Corporation Ltd. in their research work.


[7] Borogonovi, Veronica (2011), article in knowledge@ Wharton, stated that today, CSR has different meaning for different companies.


