

7 CORPORATE SOCIAL RESPONSIBILITIES - A CASE STUDY ON V-GUARD PVT. LTD.

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ABSTRACT

In 1977, Kochouseph Chittilappilly began a small manufacturing unit for voltage stabilizers with a vision and a capital of Rs 1,00,000 borrowed from his father. He soon established V Guard Industries as a household name.

V-Guard became the synonym for voltage stabilizers across India. The company soon extended their range of products to include Pumps & Motors, Electric Water Heaters, Solar Water Heaters, Wires, UPS, Digital UPS, Batteries and Fans. V Guard continues to remain at the helm through rigorous research and development. R&D labs at Cochin and Coimbatore explore and reinvent existing products and design. State of the art production centers ensure consistency and quality throughout the product range. V Guard has an employee strength of more than 1300 and over 5500 indirect employees through its SHG initiatives. With nearly 200 distributors and service centers and above 9500 retailers serving the needs of a 50 million customers, V Guard stands as a market leader. V Guard has taken many initiatives to fulfill corporate social responsibilities. Some of them are the Thomas Chittilappilly Trust, Shantimandiram, Social Welfare Fund, Stabilizer SHG Activity, etc.

Key Words: SHG – Self Help Group, EW - Economically Weaker

INTRODUCTION

What started in 1977 with two employees and a burning passion is now a force to reckon with in the Indian electric and electronic goods panorama. V-Guard's untiring commitment for performance, cutting edge technology, innovative design and dependable service standards have led to unrivalled product quality and a trusted brand image.

At V-Guard the principles that motivated V-Guard success remain unchanged. Through stringent quality measures, reliable products, talented people and a responsible approach to business and global citizenship of V-Guard continue to steadily capture the hearts of the people.

In 1977, Kochouseph Chittilappilly began a small manufacturing unit for voltage stabilizers with a vision and a capital of Rs 1,00,000 borrowed from his father. He soon established V-Guard Industries as a household name. V-Guard became the synonym for voltage stabilizers across South India. The company soon extended their range of products to include Pumps & Motors, Electric Water Heaters, Solar Water Heaters, Cables, UPS's, and Ceiling Fans.

V-Guard continues to remain at the helm through rigorous research and development. R&D labs at Cochin and Coimbatore explore and reinvent existing products and design. R&D for electronic products and electric geysers are carried out in Cochin while electro-mechanical products, electrical wires and solar water heaters are the

strong point of the Coimbatore R&D lab. State of the art production centres ensure consistency and quality throughout the product range.

Workforce being the core asset of any organization, V-Guard has employee strength of more than 1300 and over 5500 indirect employees through its SHG initiatives. With nearly 200 distributors and service centres and above 9500 retailers serving the needs of a 50 million customers, V-Guard stands as a market leader.

V-Guard believes in the amalgamation of corporate management, sustainable development and global responsibility in working toward a better society and thereby a better world. V - Guard committed to greening our environment, supporting the less fortunate and nurturing the downtrodden.

CURRENT STATUS OF V- GUARD

The Board of Directors of V-Guard Industries Limited, the electronic and electrical major today considered and adopted the unaudited financial results of Company for the quarter ended 31st December, 2011.

The net sales of the Company rose to ₹256.86 crores, showing an increase of 45%, from net sales of ₹176.80 crores, achieved in the corresponding period of the previous year. The Company achieved a profit after tax of ₹12.45 crores during the quarter under review, thereby showing an increase of 46% over the profit after tax of ₹8.55 crores achieved in the corresponding period of the previous year.

The net sales of the Company for the first nine months ended rose to ₹715.96 crores, showing an increase of 42%, from net sales of ₹503.75 crores, achieved in the corresponding period of the previous year.

Mithun K Chittilappilly, Executive Director, said that product verticals like Motor pumps, cables, Digital UPS and stabilizers have contributed

to sales growth. He said that Management has introduced various cost control initiatives which has resulted in improved margins in the current inflationary environment.

According to Dr. George Sleeba, Joint Managing Director said that the new solar water heater plant with new and improved technology built at a cost of ₹10.50 crores has become operational in February 2012.

CSR ACTIVITIES AT V- GUARD

The Thomas Chittilappilly Trust

The Thomas Chittilappilly Trust was founded by Kochouseph Chittilappilly, in memory of his late father, C.O. Thomas. It is an extension of the philanthropic and responsible values espoused at V-Guard. It is dedicated to extending its reach to areas of health, education and care.

The trust provides health insurance cover for 1314 families from financially backward classes, 922 families at Tholur Panchayat, Kerala and 105 families in Ramanagaram Taluk in Bangalore, Karnataka.

It also conducts free health camps at villages and backward areas where the reach of proper health care is absent. It sponsors the education of 1587 school children from economically backward sections in Thrissur and Ernakulam Districts in Kerala and Ramanagaram Taluk, Bangalore.

The trust has also made substantial contributions to NGO's working for various social welfare causes like Udhavumkarangal and the SOS village. It has also donated generously to many national level causes and relief funds like the Prime Minister's Relief Fund, Kargil war victims, relief for the earthquake victims of Latur and Gujarat, victims of the Orissa cyclone and the Tsunami Relief Fund of the Prime Minister as well as the Chief Minister.

Shantimandiram

An old age home for women, providing shelter and care for those who are unable to care of themselves in Parappur Village, Trissur, Kerala. It is managed by the Sisters of CMC Nirmala Province in whose able hands the inmates receive love and care irrespective of caste and community. The facility accommodates 60 inmates at a time and is recognised by the Board of Control for Orphanages and other Charitable Homes, Kerala.

True to its name, all facilities are provided free of cost and it is a haven of peace and tranquillity where the inmates spend the evening of their lives in dignity and comfort.

Social Welfare Fund

Social welfare consciousness being embedded in V-Guard work culture has motivated the employees to join hands in reaching out in charity. The Social Welfare Fund was created out of the goodwill of the employees who collate funds and donate towards cost of medicines for the poor in the cancer ward at the Ernakulam General Hospital. V Guard has an employee strength of more than 1300 and over 5500 indirect employees through its SHG initiatives. With nearly 200 distributors and service centres and above 9500 retailers serving the needs of a 50 million customers, V Guard stands as a market leader.

Stabilizer SHG Activity

Since its inception V-Guard has been providing a mutually beneficial income generating option to women. Women who have grouped themselves to form SHG's (Self Help Groups) are distributed assembly kits for voltage stabilizers. An efficient distribution and collection system networks the women with the company and has been a resounding success for decades. It provides a stable income for their households and in turn emancipation from poverty.

Aids to EW Students

V-Guard Industries, as part of its corporate social responsibility, gave away school bags, notebooks and umbrellas to 219 students belonging to the families from the economically weaker section of the society. The students were from classes III to VII. The notebook was distributed at the K.K Chavady middle school.

Big Idea- Business Plan Contest

V- Guard, the consumer electrical and electronic major, is launching a business plan contest. The V- Guard 'Big Idea Business Plan Contest' is aimed at promoting a spirit of entrepreneurship and innovation among MBA & B-Tech students across India. The contest provides a unique opportunity to students to get creative, propose new business avenues for V- Guard and draw up a business plan on what they think should be V- Guard's next move for growth, differentiation and leadership.

ROTARY-BINANI ZINC CSR AWARD

V Guard Industries was awarded the ROTARY-BINANI ZINC CSR AWARD (Private Sector) by the Rotary Club of Cochin Metropolis, in association with NIPM Kerala Chapter and ICAI, Ernakulam Branch for Best Corporate Social Responsibility Initiative by a company in the State of Kerala.

ARCHITECTURAL EXCELLENCE AWARD

V-Guard's new Corporate Office has been awarded the "Gold Leaf Award" for Architectural Excellence- State level- in the Public and Semi Public Buildings Category for the year 2009-10, instituted by Indian Institute of Architects-Kerala Chapter.

CONCLUSION

V-Guard Company believes in nurturing positive relationships across the entire range of stakeholders and the public which helps the Company understand pertinent issues, develop businesses, enhance stakeholder value and manage risks better. It is this relationship, trust and commitment to stakeholder interest and the warm reciprocity of the same by the stakeholders that make V-Guard robust, resilient and sustainable.

A "Social welfare fund" was started during the year as an Employees' initiative with the objective of helping the ailing cancer patients in General Hospital, Cochin. Every month, Employees voluntarily contribute to this fund from their salary. The fund so collected is utilized for providing medicines to the cancer patients. With this amount, medicines worth ₹3,00,000/- has been purchased and supplied during the financial year.

Education of children, especially those belonging to the lower strata of society continues to be one of the major thrust areas of Company's CSR interventions. During the year, the Company has adopted a Government school near Corporate Office at Vennala and has associated with them in improving the welfare of students and basic amenities of the school. It has benefitted many students who belong to the under privileged section of the society.

V-Gourd Company plans to undertake more activities in the coming financial year to reaffirm its commitment to the societal welfare.

References

1. <http://www.vguard.in>
2. Annual Reports of V-Guard.