



# NEWSLETTER

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## Why Implementing CSR Ethically is a Critical Imperative

By Shri Bharat Wakhlu, General Secretary, FRNV

### Businesses Need to Think and Act Holistically

*As I write this piece, world leaders at the G-7 Summit in Biarritz, France, are discussing the adverse impact on the world's ecology, and the quality of life of all, arising from the unprecedented forest fire that are raging unabated in the ancient Amazonian Rainforests in North Brazil. This is not just superficial empathy for Brazil, or a passing concern about a fire: instead it reflects a growing appreciation across the globe that all of humanity has but one home, namely planet Earth. And, if this home of ours becomes unfit for us all - because of our wanton destruction of the environment - then all else that we might do is utterly unimportant and useless.*

*Humans and human actions have resulted in our planet becoming increasingly incapable of restoring the ecological balance that is so essential for the sustenance of all forms of life. The egregious use of fossil fuels (coal and petroleum) has set into motion an irreversible cycle of climate change. The denudation of pristine forests, the over-exploitation of minerals and lands, along with the excessive use of water, the depletion of fish and creatures in the oceans due to over-fishing, and the rampant growth in human populations, together are weakening our planet; and sapping our Earth's ability to recharge itself to remain a viable home for all life forms.*

*What has brought about this terrible state? One of the key factors has been a century of energy-intensive industrialization that was driven by a relentless desire for profits, without caring much about the means employed for creating the surpluses. Not only that, while organizations and factories looked at "Profits" as theirs to keep for their*

few shareholders, the adverse effects, the often unknown, externalities of their actions, were seen as being something that the Public would have to deal with! In other words, *Profits were Private, while Plunder was Public!* So while private and quasi-private, and even Government-owned organizations pursued development and profits vigorously, the adverse effects of their actions were a burden on their respective governments and the taxpayers. It was they who were left having to deal with the side effects of the lop-sided development. Much like the way the whole globe now, has to face the effects of the ravaged Amazonian forests.

Businesses and enterprises across the world cannot function by turning a blind-eye to how they are churning out goods and services. They will have to think and act wholesomely, and contribute thereby, to a tempered, holistic and sustainable way of development.

### India's emphasis on Corporate Social Responsibility - CSR

Section 135 of the Companies Act, 2013 was added to ensure that Companies that have a net worth of ₹500 crore or more, a turnover of ₹1000 crore or more, or which clock up a net profit of ₹5 crore or more in a given year, constitute a CSR Committee of the Board, so as to align the organization with the aspirations of all its stakeholders - including the environment -and spend at least 2% of the average net profits for the past three years, to contribute to the company's CSR policy. The 2% of the average of the firm's profits for the past three years, is to be spent in order to alleviate the adverse effects of the developmental action that a firm or a company would be taking. The areas that companies were encouraged to contribute to are specified in Schedule VII (of Section 135). Item vi of Schedule

VII indicates “ensuring environmental sustainability” as one of the areas in which companies can also contribute meaningfully.

### **The Spirit of the CSR and Section 135**

Having been actively associated with the Committee that was tasked with drafting a new and revised Companies Act, I am well aware that the original intention of the revision (of the Company’s Act of 1956) was to ensure that the new regulations stimulated and galvanized the corporate sector, businesses and companies – both large and small – to contribute to the following four goals, that are essential for the harmonious and sustainable development of India:

- a) Environmental Sustainability and minimizing the adverse “footprint” of organizations on the environment, thereby mitigating climate action.*
- b) Social Justice and Inclusion of all people and genders in economic development.*
- c) Stakeholder Engagement to ensure that even as development occurs, it takes into account the unique concerns of those impacted by such effort, and*
- d) Overall well-being and happiness of all.*

These four broad objectives are not only increasingly relevant today, they are an imperative for the wholesome development of India. Yet, nowhere does Section 135 relate the mandatory 2% CSR expenditure with these four goals, or the wholesome and Sustainable Development of India, and the preservation of Planet Earth.

This implies that Companies and organizations will have to make all their processes sustainable, so that the adverse effects of their legitimate actions are minimized, and suitably dealt with. The CSR approach, in fact, encourages companies to spend money after the fact, in the hope that the damage can be minimized. But even if we pour in billions of dollars into re-planting trees in the Amazon forests, say, as a CSR initiative of a consortium of global organizations, it can never yield a pristine forest of the kind that has been irreparably destroyed.

### **Making All Organizational Processes Sustainable**

In the deliberations that preceded the inclusion of Section 135 into the Company’s Act, I had stated emphatically that if company managers think that by doling out money as per the Act, and treating it as “blood money” (as in some cultures) whereby they can be absolved of “murder”, then the spirit of

CSR will be lost and it’ll do the nation enormous harm.

Instead, if all the processes of a company are first evaluated on the basis of their sustainability and alignment with the Sustainability Principles that have been included in the *National Guidelines on the Social, Environmental and Economic Responsibilities of Business* by the Government of India, only then is the “2% amount” likely to be spent in a way that upholds sustainability and demonstrates ethical leadership and business conduct. Otherwise, murders will get done, and blood-money will be paid out, but our planet will progressively become uninhabitable by humans and animals alike.

### **Report on FRNV’s 11<sup>th</sup> AGM**

The 11th AGM of FRNV was held on Saturday, September 7, 2019 at the registered office of the society.

President Dr. E. Sreedharan, Vice-President Shri Gopal Ganesh, Joint Secretary Shri Ashwani Kumar, Treasurer Sri Prem Arora and others were present on the occasion.

Joint Secretary Shri Ashwani Kumar gave an overview of major activities of the last financial year. He also informed the members that a survey in Ernakulam District revealed that schools run by Bharatiya Vidya Bhawan, Chinmaya Mission, and Christian Institutions have some form of value education, but no moral education is being imparted in Govt. and aided schools. FRNV has realized that there is a need to develop the value education teachers’ manuals from classes 1 to 12 that can be implemented nationwide. In the process, FRNV constituted an expert committee to develop the curriculum. The expert committee had series of workshops and decided that we should develop Value Education Teachers’ Manuals starting from class 1 till class 12. The curriculum for primary classes has been divided into two parts; one for grade 1-3; and second for grade 4-5. Further, the curriculum for secondary is also divided into two parts, i.e., for grade 6-8 and grade 9-12. FRNV has developed the first draft of the Teachers’ Manual for classes 1 -3. This manual has been circulated among the experts/teachers/academicians and members of the Expert Committee for review and their feedback. The first draft of the Teachers’ Manual

for classes 4 -5 is also ready for review and feedback.

He informed that Kochi Chapter of FRNV convened a meeting of about 100 Principals to improve the academic atmosphere in schools and colleges during the annual conference of the Council of Principals of Colleges in Kerala held at Kuttikanam. FRNV has also completed the installation of high capacity pumping arrangement to pump out water from this canal during high tide when normal flow to the back water is not possible and handed over back to the Kochi Corporation. FRNV has taken up, with the assistance and support of Kochi Corporation, a massive awareness programme to deal with mosquito menace. FRNV has launched its first Students Chapter at the School of Engineering at Cochin University of Science & Technology (CUSAT) on 09AUG19. FRNV is now working on creating more awareness to other colleges on this matter and hopes to have more institutions join hands with us in future.

The general body approved major decisions taken during the last one year by the governing body. The treasurer presented the financial report on the occasion, which was approved by the General Body.

The general body also approved the continuation of the Auditors, M/s Alok Mittal and Associates for the financial year 2019-20.

Here are a few glimpses of the AGM-



## ROLE MODEL 1

*Kerala girl sets an example- turns bottles into a beautiful art by cleaning dirty lake*



Since childhood days, craftwork had followed Aparna around like a shadow. A resident of Munroe Thuruthu in Kollam, this extremely-talented girl would deeply involve in different craft forms with no formal training or prior experience. But her handiwork attracted her family and friends.

As she developed a passion for craft, she became an expert in making terracotta jewellery during her undergraduate days. Her friends, relatives and even college teachers brought some of her products. After initial success in the small circle, she then decided to sell her craftwork via social media platform under the brand name, Rudra. Today, the 23-year-old young Aparna is on a new mission, as over a year and a half ago, she noticed a stack of glass bottles disposed near the banks of Ashtamudi Kayal (lake), which was near to her home.

“While these were definitely littered around the entire area, she noticed that most of these bottles were quite pretty. Whenever she passed that way, she would collect the bottles with the intention of upcycling them creatively. She started with simple drawings and later progressed to art techniques like decoupage as well as calligraphy.

She transformed her ideas into a good end product. Yes, she turned these bottles into works of art. When the bottles started piling up in her



backyard, she created a Facebook page only to sell them. Giving a catchy word for it, she chose a Malayalam word for bottle and which was when 'Quppi' venture started.

"It was encouraging as I began getting a lot of orders. While I was happy that everyone loved my products, what made me happier was the fact that the areas from where I was picking these discarded bottles were slowly becoming cleaner.

My efforts were successful in not only making the lakeside more beautiful but also in inspiring others. Seeing me in action, people across Kollam started collecting discarded bottles and would supply these to me for upcycling. Change was happening through one simple act!" says Aparna, who is pursuing her first year of B.Ed.

As she was extra-motivated in this initiative, Aparna took one step to intensity for community participation. On 17 March, she and her friends conducted a clean-up drive along Link Road near Kerala State Road Transport Corporation bus stand in the city.

This inspired her further to do something for the "World Water Day", on 22 March.

"It is not just glass bottles that lie along the banks of Ashtamudi Kayal, but a plethora of other waste too. So many people are into craft these days and specially upcycling. The way I specialise in glass bottles, I was sure that there would be people who work with materials like plastic and other waste too. We could invite people to fish out for waste and ask them to upcycle these very materials on the spot. That's how this drive was envisioned," Aparna explains.

She circulated a simple post on the clean-up drive amongst her friends and close sources with a hope of good participation at DTPC's Adventure Park.

Thanks to her small circle of friends who worked hard and also 100 others joined Aparna and her friends at the park on 22 March.

"We started at 11 am with a pep talk. There were students from engineering and fashion design colleges as well as kids under the Mathrubhumi Seed programme. In addition to that, teachers and authorities from the Health Department as well as school students joined us in our collection drive. By

noon, the collection was complete, and we dispersed for lunch. We'd set up a small stall where I'd put kept art supplies that people could use. All of us wrapped up with our upcycled products by 4.30 in the evening," she excitedly shares.

Aparna and her friends put out a stall near the KSRTC bus stand by 5 in the evening on the same day, and then sold all the products and received good profit.

"While my initiative was never profit-oriented, the returns from the sales had been really heartening. None of my drives has been powered by any sponsors or corporate backing. I do it purely out of a passion for craft and through that, for our environment," Aparna shares.

"Like I go around collecting bottles, my mother, who works in the State Health Department, loves collecting pots and every time she steps out, she gets at least one home!" Aparna credits her mother.

"I used to volunteer there earlier and taught kids to elderly women different craft forms. Engaging them in art and craft is relaxing and rejuvenating for them. Now, I want them to work with them and help them to earn a living out of it," she concludes.

Source:

<https://www.theyouth.in/2019/03/30/kerala-girl-sets-an-example-turns-bottles-into-a-beautiful-art-by-cleaning-dirty-lake/>

## **ROLE MODEL 2**

### ***From "Barefoot" At Mango Orchard To ISRO Chief: Inspiring Life Of K Sivan***

The life of Indian Space Research Organisation (ISRO) Chairman Dr K Sivan, the rocket scientist who spearheaded India's latest moon mission, is a rags-to-riches story. Son of a marginal farmer, he didn't get to wear sandals until he was in college.

Dr Sivan didn't even own a pair of trousers for most part of his student life and used to wear dhotis. But the hardships couldn't stop him from achieving his goals. He wasn't bothered

about what he didn't get. He excelled in whatever he was given to do.



"A very interesting life we had back then in my village. Apart from school, we had to work in agricultural farms. My father was a farmer. He was also into the mango business during blooming season. We would go to mango orchard and help my father during holidays. When I was there, my father would not hire a labourer," Dr Sivan said.

Even during college, Dr Sivan said, he would help his father in farming.

"Usually, people have different criteria for selecting their colleges. But my father's criteria were that my college should be near my house so that I can help him in the orchard after returning from the college. We had a hand-to-mouth kind of condition," he said.

"I started wearing sandals only when I started studying in the Madras Institute of Technology. Till then, we used to walk barefoot. We also didn't have any trousers, we were always in dhoti," Dr Sivan remembers with a smile.

Despite the hardships he had to endure in his early life, Dr Sivan is thankful that his parents provided three full meals a day. "We were not that bad. Our parents were able to provide three meals a day with a full stomach," he said.

Talking about his higher studies, Dr Sivan said he had to pursue Bachelor of Science as his father was unable to fund his Engineering course.

"I wanted to go for engineering but my father said the course was very expensive and that you should do BSc (Bachelor of Science). I resisted. In fact I fasted for a week to change my father's mind. Finally, I had to change my mind," he said.

"Then I did my BSc Mathematics. After doing that, my father said 'once I stopped you from doing what you wanted, but I will not stop you this time. I will sell my land to fund your Engineering course'," he said.

"After doing my BTech, I had to struggle for a job as at that time there were very limited jobs in aeronautical engineering. There was scope only in HAL (Hindustan Aeronautics Limited) and NAL (National Aeronautics Limited). I didn't get the job, so I went for further studies at IISc," he added. Dr Sivan says during his entire career, he never got what he wanted, but he excelled in whatever job was given to him.

"I wanted to join the satellite centre but I got the Vikram Sarabhai Centre. There also I wanted to join the aerodynamics group but I ended up joining the PSLV project. So far in my career I have never found what I wanted. But yes, I have accepted my job and have given myself control over it. In the future, I will do the work that I will be assigned.

From the initial failure found in Chandrayaan-2, K. A series of failures are still ongoing. But looking at the events of his life, it can certainly be said that this same person will make us successful in the future.

**Source:** <https://www.ndtv.com/india-news/isro-chandrayaan-2-from-barefoot-in-mango-field-to-isro-chief-inspiring-story-of-k-sivan-2096911>

**Dear Readers,**

***FRNV invites stories from its readers on deep-rooted values that have helped us in our everyday lives. Some of these stories will be featured in the next issue of our newsletter. So put your thinking caps on, recall the values integral to your life which you cherish and write to us at [shilpi@valuefoundation.in](mailto:shilpi@valuefoundation.in).***