

CHAPTER 5

PROFILE OF CORPORATIONS

The industrial scenario in Assam is dominated by tea & petroleum. Large, private companies mainly control the tea industry in Assam, which accounts for around 50 per cent of the country's total tea production. The petroleum or Oil and natural gas are government controlled. Though indigenous tea plants had been discovered in the northeast corner of Assam in 1823, the attention of East India Company drawn to the possibility of starting tea cultivation in the province only after it had lost the monopoly of tea trade with china in 1833 (Goswami, 1988). The Assam Company was formed in 1839 and the government tea garden was handed over to it in 1840. The history of industrialization of Assam dates back to the beginning of the nineteenth century when the British at Digboi in Upper Assam set up country's first petroleum refinery. Assam's other principal manufacturing industries are plywood, paper and cement, rest of the industries classed as small and cottage industries (Goswami, 1988). Excepting for the tea and petroleum industries, which were started by Europeans, progress in other areas is very less. The availability of raw materials and power are most favorable factors, but the difficulty of transport and consequent lack of marketing facilities are the greatest impediment to the development of industries in the state. The state has three natural divisions the Brahmaputra valley in the north, the Barak valley in the south and two Hill districts that divides both the valley. The petroleum industries are located in the northern part of the state; also the major tea productions are from this area. In the southern part one of the major industry is paper mill, there also one large-scale cement industry is located. In the hill districts except cement industry no other industries are found. In the previous chapter though the socio-economic, cultural and political scenario of the state have been discussed, it has not discussed in detail the evolution and companies efforts etc. The present chapter presents the background of companies, corporate mission, vision and

objectives, present business scenarios, financial highlights, CSR and community welfare related information. The profile of six corporations i.e. Oil India Limited, Numaligarh Refinery Limited, Oil and Natural Gas Corporation Limited, Tata Tea Limited, Hindustan Paper Corporation Limited and Barak Valley Cement Limited. This will help to understand how the companies contributing to economy and society of the state.

1. Oil India Limited

1. A history

Edwin L Drake drilled the world's first oil well in 1859 at Titusville, Pennsylvania, USA; history chronicles another exploratory effort in search of the black liquid gold, across continents. In the 1860s sub surface oil exploration activities started in the dense jungles of Assam in Northeast India and in March 1867, oil was struck in the well drilled near Makum. This was the first successful mechanically drilled well in Asia. The first commercial discovery of crude oil in the country was, however, made in 1889 at Digboi when a group of gallant oilmen erected a 20 meter high thatch covered wooden structure at the head of the Brahmaputra valley, in the extreme corner of northeastern India. This modest structure or 'derrick' had little geometric or aesthetic appeal. Nevertheless, it marked the remarkable saga of the quest for the fugitive fuel - 'petroleum', in Indian shores. The only visitors were the pachyderms, the odd jackal, snakes and a hundred thousand leeches. The environs smelt of the rain - soaked forest mingled with heavy odour of oil seepage all over and thus marked the beginning of the Oil industry in India.

The discoverer of this Digboi oilfield was the Assam Railways & Trading Company. The earliest recorded reference of oil in Assam can be traced to Lieut. R Wilcox of the 46th Regiment Native Infantry who saw it as ". Rising to the surface at Supkhong with great bubbling of gas and green petroleum." *in*" Memoir of a survey of Assam and the Neighboring Countries executed in 1825-6-7-8." (Asiatic Researches). Legend has it that an elephant working for the AR&T Co. Ltd. returned with distinct traces of oil on its trail. The

excited owners of the elephant tracked its footprints and found seepage of oil bubbling to the surface. "Dig! Boy! Dig! ", Cried the Englishman to his men, hence the name "Digboi". Thus this day, a tiny hamlet tucked amidst lush greeneries over rolling hills found a place in the map of the world's petroleum industry. Albeit very low production, Digboi still retains the distinction of being the world's oldest continuously producing oilfield. Following the discovery of Digboi well No.1, systematic drilling began in 1891 by AR&T Co Ltd. that then represented the final frontiers of technology and enterprise at a time when oil exploration was no more than just a gleam in the eye of most nations. However, the company had the vision to recognize that the oil business was a full time business, which could not be mixed up with timber, coal, railways etc. Therefore, a new company known as Assam Oil Company (AOC) was formed in 1899 with a capital of £ 310,000 to take over "the petroleum interests of the AR&T Co. Ltd."

1.2. Evolution of Oil India Limited: The Burmah Oil Company (BOC) of United Kingdom took over the operation of AOC in 1921. In the year 1953, the first oil discovery of independent India was made at Naharkatiya near Digboi and then at Moran in 1956. The success at Naharkatiya was the culmination of a long story of failure, frustration and despair in the oil exploration activities of Upper Assam. It was also the prelude to a string of oil exploration Programmes elsewhere in the country.

Oil India (P) Ltd was incorporated on 18th February 1959 for the purpose of development and production of the discovered prospects of Naharkatiya and Moran and to increase the pace of exploration in the Northeast India. It was registered as a rupee Company with two-third shares owned by AOC/BOC and one third by the Government of India (GOI), By a subsequent agreement on 27th July, 1961, GOI and BOC transformed Oil India limited (OIL) to a Joint Venture Company (JVC) with equal partnership. OIL remained a joint Venture Company for over two decades. The atmosphere of tolerance and adjustment between the partners was such that once our late Prime Minister Mrs. Indira Gandhi remarked, "OIL is a

fine example of the co-operation between the public and Private Sectors.” In 1984 on the 14th October, Oil India Limited (OIL) became a wholly owned Government of India enterprise by taking over BOC’s 50% equity and the management of Digboi oilfields changed hands from the erstwhile AOC to OIL.

Oil India Limited is the premier National Oil Company under the Administrative Control of Ministry of Petroleum and Natural Gas, Government of India. OIL operates a crude pipeline in the Northeast for transportation of crude oil produced by both OIL and Oil and Natural Gas Company Ltd in the region to feed Numaligarh, Guwahati, Bongaigaon and Barauni refineries and also a branch line to feed Digboi refinery. The company also produces Liquefied Petroleum Gas (LPG) in its plant at Duliajan, Assam. OIL has accelerated the pace of exploration in geologically frontier and logistically difficult areas. It has made a number of significant new Oil and Gas discoveries in Assam basin during last few years, the company is also on the threshold of unleashing its potential and exploring opportunities in the global arena –venturing out for E&P prospects in Iran, Syria, Libya and Cote d Ivore.

The authorized and paid up capital of the company as on 31st March 2006 are Rs.250 Crores and Rs. 214 Crores respectively with 98.13% holding by the Government of India and 1.87% by the employees and others. The net worth of the company as on 31st March 2006 is 5848.30 Crores. OIL is having over 1-lakh Sq. Km. of PEL/ML areas for its exploration & production activities. Majority of OIL’s activities is being taken up in the North East from where its entire crude oil production and majority of gas production is coming. Rajasthan is the other producing area of OIL from where it is producing 10% of its total gas production. The Company’s exploration activities are spread over onshore areas of Ganga Valley & Mahanadi in addition to its onshore areas in North East and Rajasthan. OIL also has participation interest in NELP exploration blocks in Mahanadi Offshore, Mumbai deep water, Krishna, Godavari deep water etc. The Company is also having participating interests in various overseas projects, such as, in Libya, Gabon, Iran, Nigeria and Sudan.

In recent years, OIL has stepped up E & P activities significantly including Gas magnetization in the North-East India. OIL has set-up the NEF (North East Frontier) project to intensify its exploration activities in the frontier areas in North East, which are logistically very difficult and geologically complex.

Presently, seismic surveys are being carried out in Manbhum, Pasighat and Thrust Belt areas. The Company operates a crude oil pipeline in the North East for transportation of crude oil produced by both OIL and ONGCL in the region to feed Numaligarh, Guwahati, Bongaigaon and Barauni refineries and a branch line to feed Digboi refinery.

The Company is currently in the process of constructing a 660 KM long Product Pipeline from Numaligarh to Siliguri. The Pipeline will be completed by mid 2007. OIL also sells its produced gas to different customers in Assam viz. BVFCL, ASEB, NEEPCO, IOC (AOD), and APL and to RSEB in Rajasthan.

After restructuring into Strategic Business Units, OIL has also ventured into offering rig package, expertise and services in E & P sector and signed a contract with Premier Oil, a company registered in Netherlands, for drilling of a well in their Jaipur block in Assam. OIL has also carried out Work-Over jobs for Great Eastern Energy Corporation Limited s Coal Bed Methane wells. In a recent CRISIL-India Today survey, OIL was adjudged as one of the five best major PSUs and one of three best energy sector PSUs in the country.

1.3. OILs financial highlights

The financial health for the year 2004-05, 2005-06 and 2006 -07 of the Oil India Limited is depicted in the table 1.3. The profit after tax during the said years are Rs 1061, 1689 and 1640 crore respectively.

Table 1.3 Financial Highlights of OIL

(Rs. Crore)

Particulars	2004-05	2005-06	2006-07
Income	3888	5550	6008
Profit before tax	1623	2674	2483
Profit after tax	1061	1689	1640
Net Worth	4710	5848	6849
Debt equity ratio	0.07:1	0.06:1	0.12:1

Source: Company website.

1.4. OIL'S CSR VISION STATEMENT

OIL is a Responsible Corporate Citizen deeply committed to socio-economic development in its areas of operations.

OIL's CSR Philosophy: "To promote the awareness and practice of Good Corporate Citizenship, by business becoming an integral part of societal process where people have access to resources to make informed choices and decisions towards a more humane and compassionate society."

OIL's CSR Strategy: "To mobilize core competencies and resources of business, public organizations and Government Institutions... to facilitate their working in partnership on projects that benefit communities."

OIL conducted a social survey through Dibrugarh University in the year 1983 (in its operational areas in the North-East) to evolve a CSR Strategy. Based on the recommendation of the survey, the Company introduced a scheme entitled Social Welfare Programme (SWP) in 1984 and later on another scheme called Areas Development Scheme (ADS) in 1996. **The SWP policy places OIL's commitment of protecting the environment, upliftment of education, Health and socio-economic Development a topmost priority.** All-round development of education, rural infrastructure, primary health care, environment protection, promotion of sports/sportsperson (especially rural sports), assistance to youth and women organizations in carrying out community development activities are some of the key areas

objective of supporting the various socio-cultural activities in the operational areas. The Scheme covers the construction of roads, setting up of educational institutions and primary health centers in the North East Region and other operational areas of the company. Based on the recommendations of the Social Survey, OIL has till date constructed over 100 bridges/1400 Kms of roads (PWD/Village roads) and provided financial assistance to most of the educational institutions in and around OIL's operational areas in Assam.

The mobile hospital services of OIL have always been one of the most significant community welfare projects of the Company. Today, the team of doctors and paramedical staff of OIL hospital cater to the basic medical needs of the villages in and around OIL's operational areas. In the recently carried out social audit of OIL's community welfare initiatives, the Company's Mobile Hospital services were ranked very highly by all the respondents. Based on this feedback, the Company decided to increase the number of visits, as well as extend the services to new areas. From the earlier 16 – 20 visits per month, the mobile services make 40-50 visits per month. The Company has signed a MoU with St Luke's Hospital, which will extend the services to villages in Tinsukia District while the Company's own team would cater to villages in Dibrugarh District.

Since inception, OIL has been providing financial assistance to all-round development of education from primary to higher education. As on date, the Company has provided financial assistance towards construction of school building, libraries, auditoriums, teachers' common room etc in over 350 institutions in the Company operational areas in Upper Assam. The Company also provided Merit Scholarships to students who excel in their 10th and 12th Board exams from schools in and around OIL's operational areas in Upper Assam. In its commitment to the all-round development of higher education, OIL has sponsored two prestigious Chairs viz KD Malaviya Chair in Geosciences at Dibrugarh University & Sankardeva Chair in Literature at Guwahati University. Recently, the Company has extended

a one time financial assistance of Rs. 3.68 Crore to Business and Centre of Management Studies, Dibrugarh University and Rs. 1.5 Crore to Assam Engineering College, Guwahati.

The nursing school in OIL Hospital Duliajan conducts 3 years General Nursing Midwifery (GNM) training course, which is recognized by the Directorate of Medical Education, Government of Assam. The annual intake is 20 (Twenty) candidates, out of which two vacancies each is reserved for SC and ST and four for OBC candidates. Stipend is paid to the students in addition to limited hostel accommodation, uniform and protective clothing.

The Company has supported the youth and women organizations in a big way. The support is mainly in terms of financial assistance towards enabling the different organizations in carrying out their developmental activities. OIL places a heavy accent on sports. Besides sponsoring national ranking tournaments every year, the Company recruits promising young players and gives them every opportunity to advance their sports careers. OIL has taken up schemes of holding exhaustive football camps with trained coaches to provide professional training in the rural areas of Upper Assam. OIL is also promoting rural sports by developing several village playgrounds and organizing different games in the oilfield areas.

In order to address the problem of growing unemployment and poverty, OIL has undertaken a long-term project named Rupantar (transformation) of investing in projects, which can help the unemployed youths to find alternate source of employment. Oil India Limited signed a MoU with the State Institute of Rural Development (SIRD), Assam at the Company's field headquarters in Duliajan on 8th September 2003. The guiding provisions of the MoU are a long-term vision to generate sustainable self-employment avenues for the educated unemployed youths in and around the Company's operational areas in upper Assam. The project aims to create self-employment avenues and promote entrepreneurship in the region and generate sustainable sources of livelihood. In order to help the large number of unemployed youth and strengthen the rural economy, the focus is on development of agro-based industries, diversification in handloom products with special focus on *eri* and *muga*

(world famous golden silk of Assam) poultry farming, pig breeding, duck rearing, fishery, sericulture, organic farming etc. Till date over 2000 SHGs have already been formed and a large number of these SHGs have received loans from banks.

The agro-based industries are not only helping in ensuring the economic independence of the people residing in and around OIL's operational areas but at the same time result in wealth creation and self-employment to a large section of the people of Upper Assam. Oil India christened this new project as "*Rupantar*" (an Assamese word meaning *Transformation*) – which is providing the rural poor and the unemployed an opportunity to become self-employed.

OIL India Rural Development Society (OIRDS) under the aegis of OIL adopts villages within registered Pathar Parichalona Samity (Cultivated land Management committee), through which it provides assistance and technical guidance to farmers in nearby villages of OIL's operational areas for agricultural development. Extensive in-field training on modern methods of cultivation both in Kharif & Rabi, farming equipment, high-yielding seeds, organic fertilizers etc. are introduced and distributed to farmers of the region. Since 1991, 31 villages have been adopted till date.

Established in 1984, OIL's Handicraft Training and Production Center, located at Duliajan imparts training to women on Handicraft, Weaving, Embroidery and Tailoring on monthly stipendiary of Rs 500 each for a 9 months period. Till date, more than thousand women have been trained, most of who have set-up their own small production units.

Established in 1984, OIL's Handicraft Training and Production Center, located at Duliajan imparts training to women on Handicraft, Weaving, Embroidery and Tailoring on monthly stipendiary of Rs 500 each for a 9 months period. Till date, more than thousand women have been trained, most of who have set-up their own small production units.

OIL is replacing the telecommunication system of 1157 Km crude oil trunk pipeline which supplies crude oil to the four refineries in India's north eastern region with optical fiber cable

(OFC). The additional capacity (bandwidth) that will be available in the OFC System, would act as an infrastructure provider for value added services in telecommunication business. OIL has committed to provide the spare bandwidth to Government of Assam's ASWAN (Assam State Wide Area Network) project, which aims to connect all the district headquarters of the state. From a relatively small budget of Rs 20 Lakhs in the early eighties, OIL currently spends a minimum of 0.75 per cent of its net profit on CSR.

1. 5. Investment in Community Welfare Programme and Area Development Scheme

The table 1.5 indicates the investment of OILs in different areas of community development.

Table: 1.5. Year wise and area wise investment for community development in OIL

Sl No	Item	Amount in Rs/ lakhs		
		2003-2004	2004-2005	2005-2006
1	Development of Education	75.00	100.00	100.00
2	Development of Roads and Bridges	30.00	40.00	40.00
3	Development of Sports	25.00	25.00	25.00
4	Rural Development	70.00	120.00	120.00
5	Advertisement in Souvenirs	15.00	15.00	15.00
6	Area Development Scheme	100.00	200.00	200.00

Source: Company files.

Apart from above OIL Managers and Wives of Managerial staffs have membership of different NGO's and local voluntary organization, wherein their involvement is worthy of note. To cite example managerial staffs are closely involved with LIONS Club, Rotary Club and other local sports and literary circle. In fact many literary magazines and other local souvenir etc are published through the active support of the OIL and its Executive and other non-executives.

Human Resource Profile of the OIL has shown that there were total 1165 employees including 1097 male and 68 female. Out of the total employee technical and non-technical executives are 261 and technical and non-technical work men are 908 during 2006.

OIL's exemplary achievements in Corporate Social Responsibility have earned the Company due recognition from prestigious organizations. The World Council for Corporate Governance (WCFCG) and Center for Corporate Governance (CFCG) awarded Oil India with the prestigious **Golden Peacock Award for Corporate Social Responsibility in 2002**. Oil India Limited (OIL) also bagged the prestigious **TERI Corporate Social Responsibility Award, 2004**, which was presented to OIL in recognition of corporate leadership for good corporate citizenship and sustainable community development initiatives.

1.6. Accreditations

ISO-9000: 2000 Certification (Quality management System): LPG Plant; ISO-9001: 2000 Certification: Gas Based Plant; ISO-9000: 2000(Quality Management System): Trunk Pipeline; ISO-9001: 2000: OIL Hospital at Duliagan; ISO-14001 (Environment Management) Trunk Pipeline; OHSAS-18001 (Occupational Health and safety Assessment Series): Trunk Pipeline; ISO/IEC 17025: 2005 accreditation by NABL, Government of India for OIL's R&D Department, the first among E&P company laboratories to get this accreditation.

Chart of Board of Directors of OIL

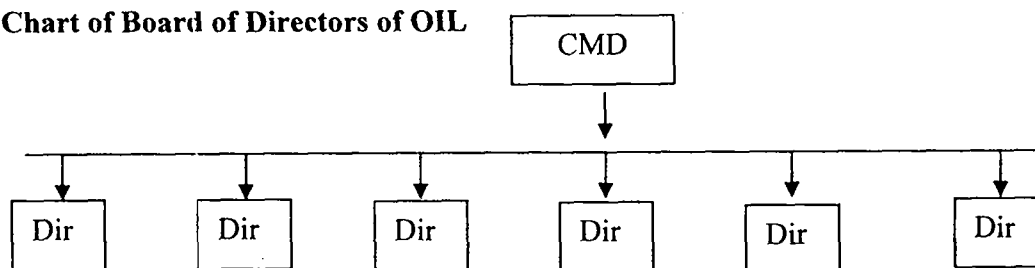


Chart: 1. Board of Director of Oil India Limited

2. Numaligarh Refinery Limited

Numaligarh Refinery Limited (NRL) was incorporated on 22nd April 1993. Presently, Bharat Petroleum Corporation Limited holds 62.96% of the company's paid up equity capital while Government of Assam, Oil India Ltd and Oil industry Development Board are the other shareholders with equity participation of 12.35% each. With its track record of profitability and steady growth, it has earned the status of a "Mini Ratna" PSU. The main products of 3MMTPA capacity Numaligarh Refinery are Liquefied Petroleum Gas (LPG), High Speed Diesel (HSD), Aviation Turbine Fuel (ATF), Superior Kerosene Oil (SKO) and Motor Spirit (MS), which are, marketed mainly BPCL. Other products like Naphtha, Calcined Petroleum Coke/Raw Petroleum Coke and Sulphur are marketed directly or with the help pf BPCL, and other Oil marketing Companies. Both the Refinery and its adjacent Marketing Terminal are operated by fully automated system and supported by business systems driven by Enterprise Resource Planning (ERP). While crude oil to the Refinery is delivered through a pipeline from the oil fields of OIL and ONGC in Assam, all the products are dispatched by rail and road to various destinations in the country.

2.1. Vision of the Corporation

To be a vibrant, growth –oriented energy company of national standing and global reputation having core competencies in refining and marketing of petroleum products, committed to attain sustained excellence in performance, safety standards, customer care and environment management and to provide a fillip to the development to the region.

2. Mission of the Corporation:

- Develop core competencies in refining and marketing of petroleum products with a focus on achieving international standards on safety, quality and cost.
- Maximizing wealth creation for meeting expectation of stakeholders.
- Create a pool of inspired employees and ensure their professional and personal growth.

- Contribute towards the development of the region.

The Objectives of NRL towards CSR:

- To be a good and conscious corporate citizen
- To make untiring efforts to improve the quality of life and socio-economic scenario with special attention to the people residing in the vicinity of the Refinery
- To improve protect and preserve the environment.
- To stand high on ethical standards.
- Review the approach/services and incorporate required changes.

Carefully planned, zealously executed and sensitively nurtured, NRL's community development initiatives have a holistic approach. Besides dispensing relief and succor, we focus on capability development of beneficiaries in various genres like self-employment, education health infrastructure and a multitude of social activities. NRL earmarks around 60 per cent of the budgeted amount for community development for the people residing within a radius of 10 kilometers of the Refinery and the balance 40 percent for the rest of Assam. But with the spreading retail marketing wing in other parts of the country, it has extended its community development activities to those areas as well. For the development of society as a whole and the economically downtrodden in particular, NRL has identified agricultural-allied income generation activities, training infrastructure development, community health and promotion of arts, sports, literature and culture as major thrust areas.

Community Development: Models of community development are conceived, sifted, generated and implemented by means of a well defined mechanism which, inter-alia also prioritizes the extent of under development, need and feasibility while selecting the community project. There is a steering committee comprising of eight executive officers drawn from eight departments of the refinery, which scrutinizes proposals, monitors activities while ensuring full and proper utilization of the fund. Community development projects are identified and developed in close liaison with the district administration, local public bodies,

and voluntary organization and apex committees. The steering committee members periodically pay site visits, gathering on site information while removing bottlenecks, if any. The committee generates a monthly report giving financial details and proposals for the annual budget. For effective implementation of community development project an economic survey was conducted for nearby 30 villages involving an NGO, while two other NGOs are engaged environment awareness and regeneration programme. The details of community programme can be discussed in the following headings:

Agriculture and Self-employment scheme: Giving a fillip to agro-based activities, NRL has provided assistance to villagers of the nearby areas for setting up establishment of self employment in the form of piggery, poultry farms, fisheries and small handloom and handicrafts units. Besides, the farmers of the nearby areas have been provided with tractors, seed, fertilizers and pesticides in order to support them in their mission. Some important initiatives are: Multi-cropping initiatives taken up by NRL in the nearby villages have yield rich harvest and helped the farmers to go for 2-3 crops in a year. 265 farmers from 32 villages with 1180 beneficiaries benefited from the venture.

Vocational training organized by NRL at Regional research Laboratory, Jorhat for Industrial Training Institute passed out local students for upgradation of technical skill for direct employment. After completion of training, some of the trainees were given direct employment at NRL and NRL contractors engaged the others.

Consultants from Indian Institute of Entrepreneurship engaged for Entrepreneurship awareness programme for the local unemployed youths for their self-employment. Some of the trainees trained under entrepreneurship development programme have started their own income generation activities. Training on Animal Husbandry imparted to villages of nearby Ponka village by the Veterinary department with NRL sponsorship. Training imparted in phase manner to Pnanka Janajati Tat Silpa Samabai Samity to develop skills in handloom. Similar financial aid is also extended for promotion of silk, tribal handlooms and handicrafts.

Distribution of seeds, fertilizers and pesticides have also made through Pathar Parichalana committees of nearby villages. Assistance to Self helps groups of Villagers of Numaligarh Block.

Under Bahumukhi Krishi banijya Prakalpa self-help groups are provided with assistance both financially and technically to purchase tractor for agricultural purpose. Assistance provided for setting up of piggery by 10 SHG. Also SHGs groups are trained for cultivation of Potato's and arranged their sale in the NRL Township.

Training course organized for women's for establishing small biscuit factory at Labanghat a nearby village of the refinery. Initial seed money is lent to form tribal handloom cooperative society for production and sale of handloom products.

Education and educational infrastructure: All wards of the Refinery staffs are imparted education in the Delhi Public School (CBSE, New Delhi affiliated), which is equipped with modern tools and other facilities. In the following areas also

Renovated and capacity expanded for 30 Middle and primary school in the Numaligarh block; granted 100 scholarships to underprivileged students at secondary level through a merit test. Twenty meritorious students are sponsored at Delhi Public School of the NRL's township. Educational tours in phase manner organized for students of backward areas of the district and grant of Computer and peripheral were given in select cases. 7 college and 4 higher secondary schools are selected for construction of libraries, laboratories, common room and other utilities.

2.3. Community Health Initiative

The NRL Township has its 30-bedded Vivekananda Kendra Hospital and is fully equipped with burn unit, an ICU, radiology, and gynecology departments providing round the clock service. Besides, it boasts of a full-fledged pathological laboratory, a standard blood bank, dental OPD, eye OPD, ENT OPD and 24 hours ambulance and Pharmacy. The medical Personnel of the VKH with the support of NRL's organize free mobile medical camp in the

nearby villages on a regular basis. Apart from this NRL renovated all the three Public hospital of the Golaghat District and constructed a few paying cabins in the Civil hospital of Jorhat. Other than medical support NRL has taken initiatives for water supply and water source building through its technical and financial assistance in the 30 nearby villages. Also construction of ring well, tube well and filter tank etc are part of the programmes.

2.4. Promotion of Art, Culture and Sports: NRL has taken initiatives of nurturing talents in the arts, culture, literature and sports and extended full support for such activities by ways of:

- Construction of Natya Mandir (Theater) for organizing public drama
- Construction of Concreate pavilion for sports
- Organising Interschool Football tournament
- Sponsoring State tennis team in various national events
- Supported Kaziranga Elephant Festival and Kaziranga Centenary Celebration.

The monuments, which carries a lot of sentimental value for the people of the state, as such its renovation and construction is very important. Apart from above NRL is providing unstinted support to State and Central government in moments of distress, by way of financial help. NRL is regularly contributing Chief Ministers relief fund in aid of flood victims and other natural and man-made reasons. NRL has also extended its involvement towards Relief & Reconstruction fund, Prime Minister national relief fund for earthquake, and PMs Relief fund for Tsunami. The table 2.4 shows the summary of social benefits to community in terms of Money.

Table: 2.4 Summary of Social Benefits

(Million rupees)

Areas of Expenditure	2004-05	2005-06	2006-07
Environment Improvement:	8.15	1.25	2.85
Education	3.88	4.56	10.86
Agriculture	0.59	1.37	3.19
Medical	0.93		

2.5. Human Resource Profile

The human resource profile of the NRL is given in the table V.2.5. Which shows the strength of the year 2005-06 and 2006-07 i.e., Technical Executive 233 & 272, Technical work man 354 & 256, non technical executive 65 & 61 non technical workmen 31 & 29

Table: 2.5 Human resource profile of the NRL is given in the

Cadre of Employee	Strength – 2005-06	Strength- 2006-07
Technical Executive	233	272
Technical Workman	354	256
Non Technical Executive	65	61
Non Technical workman	31	29

Chart of Board of Directors of NRL.

The board of directors of NRL is composed of Chairman, one managing director and six other directors.

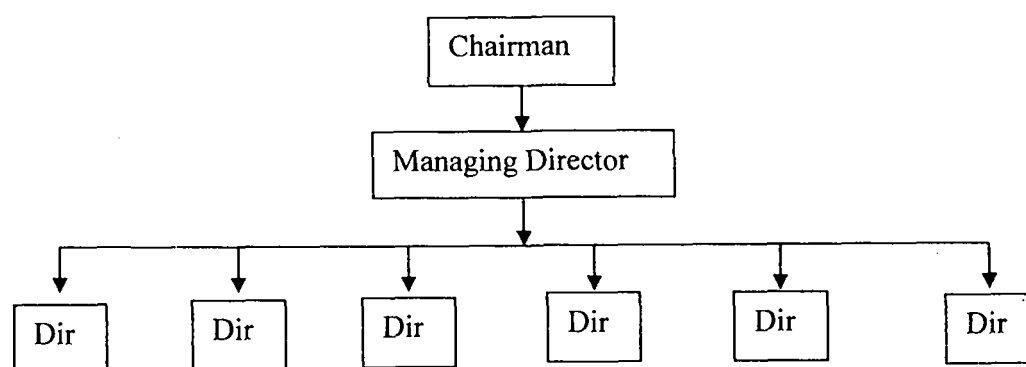


Chart: 2. Board of Director of NRL

3. OIL AND NATURAL GAS CORPORATION LIMITED

A history: After India achieved independence; the development of the Petroleum industry was an important issue for the Government of India (GOI). It was crucial not only for the industrial development of the country but also for strategic reasons. Till 1955, exploration for hydrocarbon resources within the country's boundaries was initially undertaken by private Oil companies like Assam Oil Company, Burmah Oil company (both of which operated in Assam), and the Indo-Stanvac petroleum project (in west Bengal). In 1955, the GoI decided to undertake exploration and production activities for oil and natural gas resources in different regions of the country. In the same year an Oil and Natural gas directorate was set up as a subordinate office under the then Ministry of Natural Resources and scientific research. In August 1956, the Directorate was elevated to the status of a commission and named the Oil and Natural Gas Commission. In 1959, with the Oil and Natural Gas Commission Act 1959, the commission became a statutory body. Its main objectives were "to plan, promote organize and implement programs for development of Petroleum resources and the production and sale of Petroleum products." In 1991, as part of the liberalization initiatives of the GoI, core sectors like petroleum were deregulated de-licensed. Consequently, in 1993 the Oil and Natural gas commission was converted into a public limited company, ONGC Ltd, under the Company's Act 1956.

3.1. ONGC's Evolution

Starting out of life as a small directorate in the government of India's Ministry of Natural Resource and Scientific Research in 1955, the Oil and Natural Gas Corporation (ONGC) had the highest net worth and second highest market capitalization of all corporations in India by 2007. ONGC, the country's largest Oil and Gas Company, ranks 20th in Platt's annual survey of global energy companies and 239th on Forbes' Global 2000 list. As India's largest exploration & production (E&P) Company, the state owned ONGC alone holds the exploration (as well as mining) rights for more than half of the hydrocarbon acreage licensed

out by the Indian government. It accounts for a little more than three quarters of Indian crude oil production and more than two thirds of its natural gas production. Recently, the company also ventured in to coal-bed methane (CBM) exploration. ONGC owns and operates close to 11,000 km of pipelines across the country and offshore. Moving beyond the hydrocarbon sector, the company has recently also gone in to the power generation business with investment in a 750- MW gas-fired power plant. ONGC's domestic ultimate reserves of oil and oil equivalent gas stand at 2.2 billion tons (1.28 BT of oil and 942.2 billion cubic meters (BCM) of gas), almost 70% of the country's total. Headquartered in northern hill town of Dehradun, ONGC employs 34,722 people, of which about one third are non-technical employees. Unlike a number of other national oil companies (NOCs), ONGC, with state ownership of 74.11% pulls double duty as both a state-owned company and a publicly listed commercial entity. In 2005-06, its total net worth stood at U.S. \$ 12 billion, and buoyed by high crude oil prices, over the last couple of years, ONGC has recorded the highest profits in the country. Energy is fueling the sped-up Indian economy, which in turn is fueling demand for even more energy. India today is the fifth – largest consumer of energy in the world, accounting for 3.9% of the world's consumption. Its primary commercial energy demand (involving coal, oil, gas and electricity generated from nuclear, hydroelectric and renewable sources) is expected to almost triple between 2005 and 2030 from 379 million tones of oil equivalent (MTOE) to 1,105 MTOE. India is a relative newcomer to the use of natural gas accounted for a negligible part of Indian energy consumption; its use only picked up after the Bombay High Field went into production in 1974. More recently, gas accounted for about 36 MTOE or 8% of India's total commercial energy consumption. Today, it is one of the fastest growing sources of energy in India. While International Energy Agency estimates that, over the course of 2002-30, Indian oil consumption will grow at 2.9% a year, it expects the use of natural gas in the country to grow at a rate of 5% a year over the same period.

3.2. ONGC's Financial Highlights

Despite the volatile oil markets and crude oil prices the ONGC has posted a net profit of Rs. 161.26 billion. It has contributed over Rs. 280 billion to the exchequer. The financial highlights of ONGC for 2004-05, 2005-06 and 2006-07 are shown in the table 3.2.

Table 3. 2. Financial highlights of ONGC

(Rs. Crore)

Particulars	2004-05	2005-06	2006-07
Turnover	47245.5	49439.7	59057.5
Operating Expenses	7139.79	7667.63	10201.6
PBIT	18476.66	20952.35	21147.1
PBDIT	24678.08	29254.52	30646.5
Net profit	12983.03	14430.77	15642.9
Capital Employed	41992.69	49376.29	54074.4
Net Worth	46314.26	53593.33	61409.9
Internal Resource Generation	11711.96	14284.70	24225.3
Foreign Exchange Earnings	1210.49	2609.38	2990.7

Source: Company's Website.

Since 2003, ONGC decided to allocate 0.75% of net profits of the previous year towards Social and Economic Development Programs every year, with 60% of its grants directed towards Corporate Programs while the rest is aimed at Programs in operations and work centers.

3.3. CSR OVERVIEW

ONGC is playing an important role in strengthening India's corporate world with a tuned sense of moral responsibility towards the community of people where it operates and the country, according to the company. Feel responsible not only for wealth creation but also for social and environmental good as well as commitment towards safety, health and environment to enrich quality of community life. Imbibe high standards of business ethics and organizational values.

3.4. CSR THEMES

Based on the guidelines of the corporate citizenship policy, the company promotes education, healthcare and entrepreneurship in the community and support water management and disaster relief in the country.

3.5. CSR STRATEGY

It is an approach to business that exemplifies transparency and ethical behavior, respect for stakeholders groups and a commitment to add economic, social and environmental value. Conscious about its responsibility to society, ONGC has evolved guidelines for socio-economic development programs in areas around its operations all over the country.

3.5. (a) Community The Company provides immediate relief to disaster victims. It donated Rs. 8 crore towards cyclone relief in Nimpada, Rs. 7.5 crore for Gujrat earthquake victims and Rs. 15 crore for Kargil war relief to the Prime Minister's Relief Fund. ONGC employees also contributed one day's salary in all such disaster cases.

3.5. (b) Providing Urban Amenities to Rural Areas (PURA) This program has four focus areas – physical, electronic, knowledge and economic. . It has extended PURA to Tripura, Assam, Nagaland, Andhra Pradesh, Maharastra, and Gujrat.

3.5.(c) Promotion of sports and culture

The country promotes sports such as cricket, football, tennis, chess, golf, athletics, shooting and snooker. Currently there are more than 150 sports persons on its roll and nearly 50 players are paid a stipend by ONGC. The company spends around Rs. 10 crore on sports promotion. It is also associated with All India Football Federation to facilitate promotion of football in the country.

3.6. Environment

The Company believes that its development activities should be planned on sound ecological principle and must incorporate appropriate environmental safeguards. "Project Saraswati" was envisaged to provide a sustainable solution to ground water resource management in

North West Rajasthan. ONGC launched a “Green Movement” to promote a forestation. It has also secured land-fill sites, undertaken bio-remediation jobs, and carried out assessment studies for crop damage.

3.7. Education: The Company offers scholarships to SC/ST students pursuing higher studies. It has contributed for the setting up a Science Center in Agartala and a Center for Research in Petroleum and Biotechnology at Assam ONGC also takes pride in promoting Sarva Shiksha Abhiyan of Government of India along with computer based training in schools.

3.8. Health

Healthcare and family welfare

- Various medical research centers in the country such as Sankara Nethralaya, Chennai are deriving support from ONGC.
- ONGC gives grants to Latika Roy Memorial Foundation for running a school for the mentally challenged.
- Medical camps are organized serving more than 10,000 patients in the vicinity of operations areas annually and more than 300 patients obtain IOL implants done for free of cost. More than one lakh children have been immunized for polio through the active participation of the organization in setting up polio clinics.

Awards: 2006: Golden Jubilee Award for Corporate Social Responsibility in Emerging Economies –2006. TERI Corporate Award for Corporate Social Responsibility in recognition of its corporate leadership for good corporate citizenship and sustainable initiatives.

2005: Golden Peacock Global Award for Excellence in Corporate Governance among State-owned Companies in Emerging Economies from the World Council for Corporate Governance, U.K.

3.9. METRICS AND EVALUATION

ONGC has all its operational facilities certified for quality, Occupational Health & Safety and Environment Management (QHSE) based on ISO 9001, OHSAS 18001, ISRS and ISO

14001. The company has also set up a School of Maintenance Practice to promote safety in operations.

3.10. HUMAN RESOURCE PROFILE

The table 3.10 shows that ONGC have 18361 technical executives, 4451 non technical executives, 6368 technical workman and 7005 non-technical workman as On 31.3.2005

Table: 3.10 Human Resource Profile

Employee Category	Total	
	2004-05	2003-04
Technical Executive	18361	18780
Non Technical executive	4451	4526
Technical workman	6368	7135
Non technical workman	7005	7592

Source: ONGC Annual report 2004-05

Board of Directors

The board of directors of ONGC composed of chairman, one company secretary and managing director, six other directors.

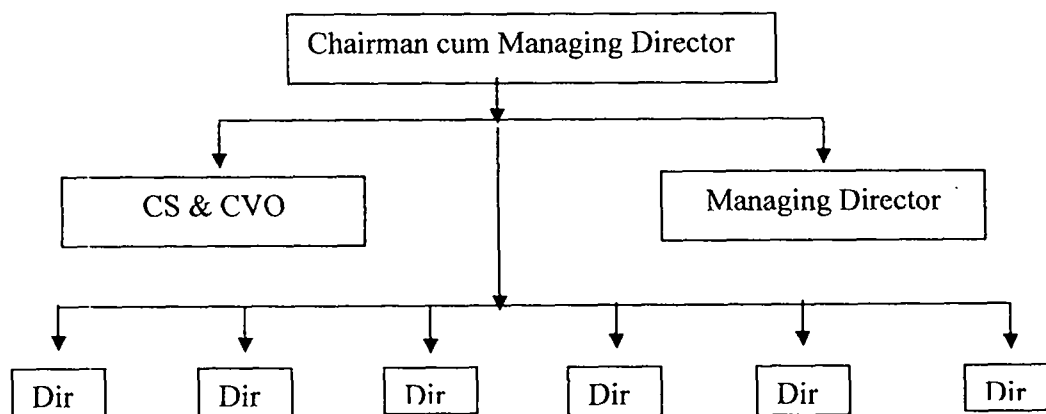


Chart: .3. Board of Directors of ONGC Ltd

4. HINDUSTAN PAPER CORPORATION LTD

4.1. A history

Paper has a rich, colorful history, which has spanned the world's geography and its cultures. Its development offers us insight into humanity's relentless imagination and creativity. The Egyptians, around 20th century BC had invented a very crude version of paper from papyrus, a wetland sedge that grew up to 5 meter height and once abundant in the Nile delta of Egypt. It is from this papyrus that the word paper is derived.

The Chinese connection- paper as we know it today comes from another source-China and the invention is usually attributed to T'sai Lun in 105 AD. For the next few centuries, papermaking remained a Chinese secret till the Arabs learnt the craft of paper making from Chinese prisoners. Gradually paper making techniques was spread to other parts of the world.

4.2. Evolution of Paper Industry in India In India small quantities of handmade paper were produced in the 18th and 19th centuries, commercial production of paper began only in the 20th century in the private sector. The planned development of the Indian Pulp and paper industry began only in the 1950s with the commencement of Five Years Plans. Hindustan paper Corporation Limited (HPC) was launched on May 29, 1970 when the country was plagued by a pervasive paper famine, which affected the supply of quality textbooks and other commonly, used products for the education sector. HPC a wholly owned Government of India Enterprise was thus the outcome of a genuine national concern for having paper in plenty, employing state of the art production process know-how and utilizing the forest – based raw materials available in the North Eastern Region and Kerala. HPC is today synonymous with the quest for quality paper, especially for mass consumption. HPC, today owns four paper mills – two of which are directly managed units viz Nagaon Paper Mill (NPM) and Cachar Paper Mill (CPM) and two managed through subsidiary companies, - Hindustan Newsprint Limited (HNL) and Nagaland Pulp & Paper Ltd (NPPC) . The table 4.2 (a) shows the HPC's group performance and .4.3 shows human resource profile.

Table .4.2. (a) HPC Group Performance

Areas	1996-1997	2005-2006
Production (tones)	2,15,220	3,20,118
Sales (tones)	2,07,916	3,24,259
Sales Turnover (Rs crore)	547	1045
Net Worth (Rs crore)	260	904

Source: 36th Annual Report, Hindustan Paper Corporation Limited

4.2. Human Resource Profile: The table 4.2 (b) indicates the detail human resource profile.

Table :4.2. (b) Human Resource Profile of HPCL

Group "A"	Group "B"	Group "C"	Group "D"
628	212	2097	381

Source: 36th Annual Report of HPCL

Board of Directors

The board of directors of HPCL is composed of one chairman, one managing director and six other directors.

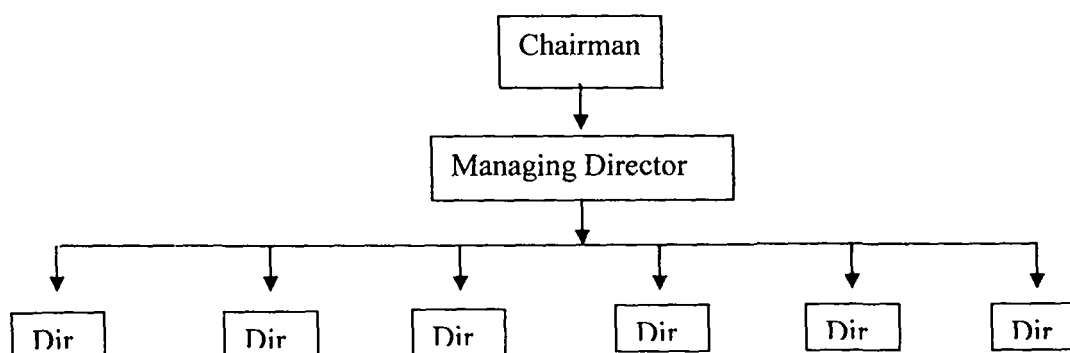


Chart: .4. Board of Directors of HPCL

Cachar Paper Mill a HPCL production industry is situated in the eastern bank of river Dholeswari in Panchgram of Hilakandi district of state Assam and started its commercial production of Writing and Printing paper on April 1988 with a capacity of 1,00,000 metric tones using Bamboo as raw material and the project cost was Rs 357 corer.

5. TATA TEA LIMITED

5.1. A history: Tea drinking originated in China and the word tea is derived from t'e of the Chinese Fukien dialect. The Dutch introduced it to Europe. In Cantonese, tea is known as Ch'a and this is the name by which this wonderful beverage came to be known in Japan, India, Russia, Iran and the Middle East. The first authentic reference to tea was made in an ancient Chinese dictionary revised by Kuo P'o, a celebrated Chinese scholar in AD 350. At that time boiling tealeaves made a medicinal decoction. Use of tea as a beverage commenced towards the close of the sixth century. During the two succeeding century's tea gained enormous popularity. The first exclusive book on tea, Ch'a Ching meaning 'Tea classic' by the Chinese tea expert Lu Yu was published in AD 780 in which he has described various kinds of tea, their cultivation and manufacturing in China.

However, apart from Japan, tea drinking did not spread to other parts of the world until about the middle of the seventeenth century. The opening of a sea route to India and the East by the Portuguese in 1497 was facilitated large-scale trading between Europe and the Oriental countries. Other European nations soon followed the Portuguese in establishing trade centers in different countries of the East. The Dutch in Java established one such depot. They bought tea from Japan and the first consignment was transshipped from Java to Europe in 1610. This marked the beginning of the lucrative tea trade between Europe and the East. The Dutch dominated the tea trade for more than a century finally yielding to the British. China was the sole supplier of tea to Europe till the middle of the nineteenth century.

Tea gained a strong foothold among the affluent sections in Europe within 50 years of its first introduction into the continent. In about another 100 years it became an article of daily use in a large part of Europe and Britain. Tea also became popular in America, which was then a British colony.

The discovery of the Assam tea plant is attributed to Robert Bruce who is supposed to have seen the plant growing wild in some hills near Rangpur (near present Sibsagar), then the

capital of Assam, during his visit in 1823 on a trading mission (Ukers, W.H., 1935, All About Tea Vol. I. Tea and Coffee Trade Journal Co., New York). He made an arrangement with a Singphow (a tribe) Chief to supply him some tea plants during his next visit, though it did not materialize due to his death. Instead, his brother, C.A. Bruce, in charge of the British Gunboat division in the war with the Burmese occupying Assam in 1824 and posted at Sadiya met the Singphow Chief who supplied him some tea plants and seeds. Most of these seeds were planted in Bruce's garden at Sadiya and some were sent to Commissioner Jenkins at Gauhati. A few leaves of these plants were sent to Botanical gardens in Calcutta. Dr. N. Wallich, who was then the Superintendent of Botanical Gardens, identified the leaves as belonging to the Camellia family but did not consider them to be of the same species as the China tea plant.

In 1834 the then Governor General of India Lord William Bentinck appointed a Tea Committee to advise on feasibility of commercial tea cultivation in India. The committee issued a circular asking for information on areas suitable for tea cultivation and sent its secretary Mr. G. J. Gordon, to procure tea seeds, plants and workers from China. In response to the circular, the Commissioner of Assam, Major F. Jenkins, made a strong case in favour of tea cultivation in Assam where tea plants were growing wild in forest. He also collected complete specimens of the local plants and forwarded them to the Government Botanical Gardens in Calcutta. On this occasion Dr. Wallich had no difficulty in identifying the specimens as tea, and the plants were not different from the tea plant of China. Upon this, the Tea Committee recommended that the indigenous plant under proper management be cultivated with complete success for commercial purpose.

A scientific commission was constituted in 1835 with Dr. N. Wallich, Dr. W. Griffith and Dr. J. McClelland to report on the Indian indigenous tea plants and to advise on the most favourable localities for starting experimental tea gardens. The Scientific Commission visited Assam in early 1836. Mr. C.A. Bruce, acting as guide, took the members to a number of

tracts at the foot of the Naga and Patkai hills as well as to a few in the river valleys where the indigenous tea plant was growing in clumps. Having seen the tea bushes Dr. Wallich expressed the view that there was no need any more to import tea seed from China, while Mr. Griffith favored import of the China seed because a wild plant is not likely to give as good a produce as one that has been cultivated for centuries. It was finally decided that the China plant and not the degraded Assam plant should be used for the Government experiments. The Commission failed to come to a general agreement regarding the most favorable localities for establishing experimental gardens. Dr. Wallich favored the Himalayan region while the other two-favored Upper Assam where wild tea existed. So Mr. Gordon was sent again to China in 1836 and for many years China tea seed was imported regularly into India. From these seeds, nurseries were raised in the government Botanical Gardens in Calcutta and the plants were sent to Upper Assam, Dehra Doon, Kumaon and the Nilgiri hills.

The experimental-site at Saikhowa near Sadiya in Upper Assam was not proper where many plants died. The surviving plants were shifted to a new site near Chabua about 25 kilometers east of Dibrugarh. In the Himalayan region, tea seedlings were planted near Bhimtal and Almora. Later on, experimental gardens were successfully established with China plants in Kumaon, Garhwal and Kangra districts on the Himalayan foothills. Of the plants sent to the South, a few survived in Nilgiris and a small lot in Wynaad on the western coast.

Apart from establishing experimental plots of tea with the China plants and seeds, C.A. Bruce who was then appointed as the Superintendent of Government tea plantations, raised nurseries of the indigenous tea plant also. He has also explored a large part of the territory from Sadiya to Gabru Purbat in Upper Assam and discovered numerous tea tracts inside forests. Some of these tea tracts were cleared and the leaves gathered from the bushes were manufactured with the help of workmen brought from China. The first experimental samples of tea from the indigenous plants were sent to Calcutta in 1836. The samples received favorable comments, whereupon an invoice of eight chests of Assam tea was forwarded to

London in 1838, which was auctioned on 10 January 1839. This was a momentous occasion because not only did it establish the worth of the Assam tea plant but determined the future course of tea cultivation throughout the world. Today, more tea is made from the Assam type of plants than from the China type.

Mr. C.A. Bruce was awarded the English Society of Arts medal, presented through the Agricultural and Horticultural Society of Bengal, for his contribution in the discovery of Assam tea plant. Major Jenkins and Captain Charlton disputed this decision and staked their claims for the honour. Acrimonious correspondence followed but eventually both of them also received a medal each from the Agricultural and Horticultural Society of Bengal. The only person who did not receive any award was Robert Bruce who is considered to be the real discoverer of the plant. According to some sources (Baildon, 1877, Tea in Assam, Calcutta) the tea plant of Assam was discovered by a local Assamese nobleman Maniram Dewan, who later worked in the Assam Company for some time. It is possible that Maniram Dewan brought the plant to the notice of Robert Bruce during his visit to Rangpur in 1823. The role of the Singphow tribe of Assam in bringing the local plant to the notice of the outside world cannot be ignored. It was a Singphow Chief again who supplied tea plants and seeds to C.A. Bruce. Another Singphow Chief prepared 35 out of the 130 chests of tea, which C.A. Bruce sent to Calcutta in 1841. This clearly shows that the Singphows must have been familiar with the plant and were making and drinking tea from antiquity.

5.2. Tata's Evolution: Jamsetji Tata founds The Tata Group in 1868; the Tata Group's early years were inspired by the spirit of nationalism. The Tata group pioneered a number of industries of national importance in India: steel, power, hospitality and airlines. The business operations of the Tata group currently encompass seven business sectors. The major companies in the group include Tata Steel, Tata Motors, Tata Consultancy Services (TCS), Tata Power, Tata Chemicals, Tata Tea, Indian Hotels and Tata Communications. The Tata name has been respected in India for 140 years for its adherence to strong values and business

ethics and the group's major companies are beginning to be counted globally. Tata steel became the sixth largest steel maker in the world after the acquisition of Corous. Tata Motors is amongst the top five commercial vehicle manufacturer in the world and has completed the acquisition of Jaguar and Land Rover. TCS is one of the leading global software businesses. **Tata Tea is the second largest branded tea company in the world**, through its UK based subsidiary Tetley. Tata Chemical is the world's second largest manufacturer of soda ash. Tata Communication is one of the world's largest wholesale voice carriers. In tandems with the increasing international footprint of its companies, the group is also gaining international recognition. Brand Finance, a UK based consultancy firm recently valued the Tata brand at US dollar 11.4 billion and ranked 57th amongst the top 100 brands in the world. Business week ranked the group sixth amongst the "World's Most Innovative Companies and the Reputation Institute, USA recently rated it as the "world's sixth Most Reputed Firm.

Tata group enter in tea business a bit late and set up in 1964 as a joint venture with UK based James Finlay & Company to develop value added tea, the Tata Tea Group of Companies, which includes Tata Tea and UK-based Tetley Group, today represent the world's second largest global branded tea operation with product and brand presence in 40 countries. The consolidated worldwide branded tea business of the Tata Tea Group contribute to around 86 percent of its consolidated turnover with the remaining 14 percent coming from bulk tea, coffee,& investment income. The company has its headquarters in Kolkata, and 51 tea estates in the states of Assam, West Bengal, Tamil Nadu and Kerala and one coffee estate in Tamil Nadu. Tata Tea produces around 60 million Kg of black tea annually in its 26,500 hectares areas of tea cultivation. Tata Tea has full fledged research centre at Teok (Assam) and product development centre at Bangalore focused on the entire gamut of tea operations. The Tata Tea and Tetley portfolios of branded offering sourced from the India based Joint Venture, caters specifically to the Australian, Middle East, West Asia, North Africa, Poland, Russia and Kazakhstan markets. This is independent of the manufacturing & supply

operations of its Tetley and other subsidiary companies. Tata Tea Inc in the United States processes and markets instant tea from its facility in Florida based on sourcing of instant Tea products out of Munnar, Kerala. Tata Tea has substantial interest in the Sri Lankan tea industry through Watawala Plantation, where it focuses on production and marketing of tea, rubber and palm oil.

5.3 Financial Highlights

The table V.5.3.shows the Tata's financial highlights for the year 2003-04, 2004-05 and 2005-06 the profit after tax of Tata tea is Rs 7195.76, 8781.23 and 8999.11 respectively.

Table :5.2 Tata's financial highlights

(Rs. Lakhs)

Particulars	2003-04	2004-05	2005-06
Profit before tax	8581.23	9621.43	9718.58
Profit after tax	7195.76	8781.23	8999.11

Source: Company News letter

5.4. CSR in Tata

The Tata Group is one of India's oldest, largest and most respected business conglomerates, is a leader in the CSR arena. The group has been recognized by its endeavor to institutionalize Corporate Social Responsibility in its 96 Companies and integrate CSR with its business processes. The Tata Groups with a strong commitment from its top management has developed tools such as the Tata index for Sustainable Human Development, a model for measuring the Social work that the group enterprises undertake. The Tata group is a benchmark for Indian companies with investment as high as Rs 380 crore in Social and community welfare.

Vision/Mission and Philosophy regarding CSR

The Tata group has sought to be a value driven organization. These values continue to direct the group's growth & businesses. The five core values underpinning the way they do business

are: (i) Integrity- Conduct business fairly, with honesty and transparency and stand the test of public scrutiny. (ii) Understanding- Respect, compassion and humanity for employees & customers around the world and always work for the community. (iii) Excellence- constantly strives to achieve the highest possible standards in day-to-day work and in the quality of the goods & services provide. (iv) Unity- Work cohesively with colleagues across the group with customers and partners around the world, building strong relationships based on tolerance, understanding and mutual cooperation. (v) Responsibility- Responsible & sensitive to the countries, communities and environments in which we work and ensuring that what comes from the people goes back to the people many times over.

Tata Group's CSR investment includes all major themes, such as education, health, environment, rural development, sports, arts and employee relations. Tata Tea has its own priorities in social development. It contributes significantly to social and community development on its estates through comprehensive labor welfare Programmes that offer housing, healthcare etc. The company has set up and manages hospitals, adult literacy centers and school to educate the children of its employees. In addition the company has special facilities to look after "differently abled" children of the workers who are taught how to operate in the environment by enhancing their skills and abilities. There are several projects in different areas like rural development, income generation, and others. Tata Tea is actively supporting various community developments and social welfare scheme, Tata Tea's Referral Hospital and Research Center is the focal point of the company's existing medical service, which has network in Assam comprising 20 odd tea estates hospitals. The referral hospital with its medical outreach programme is covering a number of villages. The hospital caters to the health needs of 50,000 people of estates & rural population. The company has specialized Eye hospitals "Shankar Deva Natralaya" at Guwahati. The company has co-sponsored the Lifeline Express, first Rail Hospital in the world in collaboration with Sir Ratan Tata Trust. The company started its Lab- to -Land program in active collaboration with Assam

Agricultural University. The company has embarked on another unique program call TEACUP is an acronym for “Tea Estate Area Community Up-liftman Program”. In furtherance of its commitment to the welfare and development of backward tribal areas in and around its tea estates, the company has opened an Industrial Training Institute at Darang district (Assam), which is the first of its kind established in the region by a private sector company. They also started Kaziranga Trust under the Rhino Conservation movement.

The Tea industry workforce is facing several challenges in the present day economic crisis in terms of sustainable livelihood. The major challenges are :The increase in the number of dependents in the worker families with the family income remaining the same. The globalization that has exposed the tea industry to stiff competition from other tea producing countries with their low cost production which has put the industry under tremendous economic pressure.

Tata Tea Ltd under taken a project named Natural Borjan to solve some of the tea community problems. *Project Natural Borjan* is the endeavor to help the workers’ families and overcome these challenges. It is an experimental project to validate the scope of earnings from alternate crop on the existing non-tea areas of the estate and thereby increase the earnings of resident tea worker family. The main aim or the objective of this project is to optimize the resources (i.e. LAND & LABOUR) which would in turn add to the bottom line of this ailing industry and ultimately to shift the mind set of the tea workers and settlers around the tea estates from ‘employees to partners in the business’.

Project Natural Borjan was started in Borjan Tea Estate which is located in the district of Golaghat, Assam .The project funded by TATA TEA LTD (TTL)., is being implemented through GMS (Globally Managed Services – a management consultant firm .Under the project Natural Borjan emphasis was given on ,*agriculture*: (traditional agriculture) Spices: ginger, turmeric. Fruits: banana, Papaya, pineapple. Vegetables: chilies & tomato. *Fishery*: Edible Fish. *Dairy*: milch cow. Many experts of community development activity opined that

the Agricultural Services Outsourcing linked structure of SHG model should be part of the experimentation process. A consultative process within the workforce has been started with 5-10 leaders out of the workforce.

5.5. Objectives of Project Borjan

Identify and analyze different agro produce commodities and processing facilities / channels for value-enhanced returns. Assess the potential / skill sets for existing tea farm labor families to produce value-enhanced commodities and other value-added specialty products. Determine the operational procedures by which Tata Tea-GMS can work jointly with existing tea farm labor families, agricultural development organizations to help bring about establishment of the proposed ASO. Identify and assess the types of high value production, processing and marketing systems (value chains) in agro produce that successfully balances the commercial objective of Tata Tea.

Project Impact

GMS-TTL expects that on implementation of the project the impact will be: Improved farm income, creating local employment as well as acceptance of technologies for efficient production. Stabilized & enhanced local household income that can help, retaining the rural population. It will also strengthen rural institutions including existing agro producing organizations, the extension service, etc. There will be generation of local sales and property tax revenues. Expand the production and processing of value-enhances agro produce, which will increase the income levels of rural communities currently employed solely in the tea industry. Success of the project can also guide Government policy on the agro industry as well as other agencies and organizations. The natural Borjan project is a unique example of corporate involvement in community for search of alternate sources of livelihood and success of such project could be a boost for poverty eradication programme. This would also be a great help for finding solution of unemployment problems in Assam.

Chart of Board of Directors of Tata Tea Ltd

The Sir Ratan Tata is the Chairman of the Board of Directors of Tata Tea Limited.

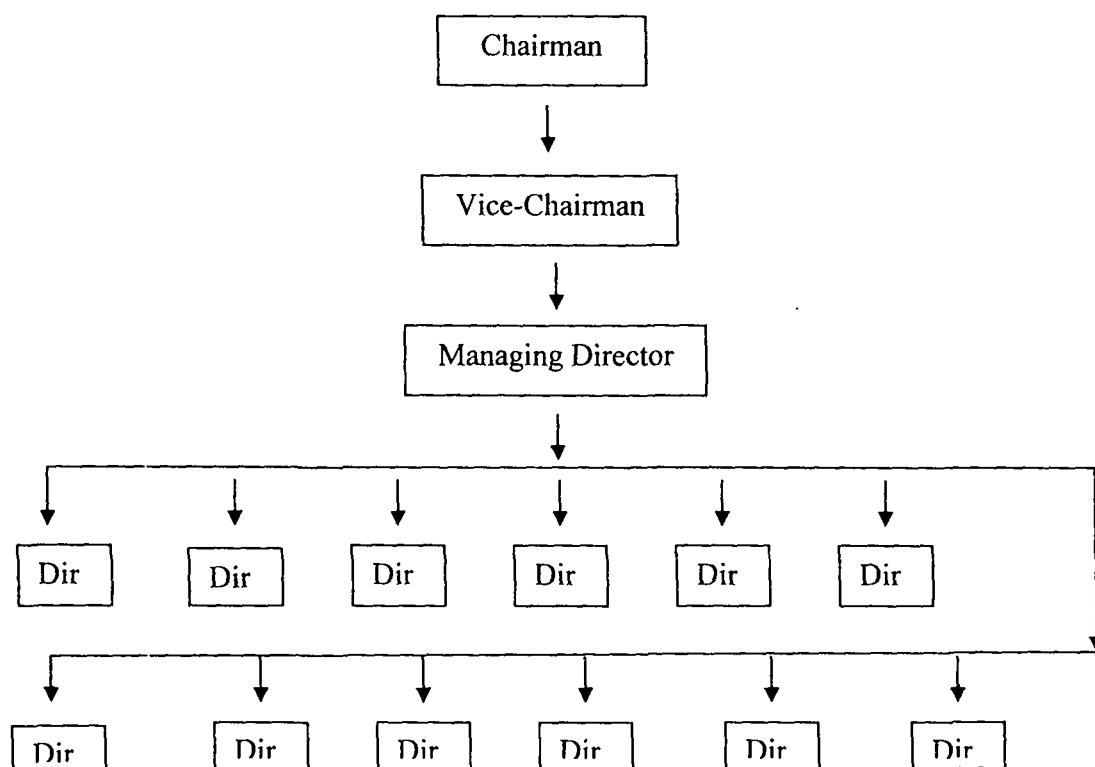


Chart: 11.5. Board of director of Tata Tea Ltd

6. BARAK VALLEY CEMENT LIMITED

6.1. History & Background

Barak Valley Cement Limited was incorporated as a public limited Company in the year 1999 under the Companies Act 1956. The Company was promoted by P.R. Chamaria, Mr. Bijoy Kr. Garodia & Mr. Santosh Kr. Bajaj. Presently the Company is engaged in the business of manufacturing of Cement of different grades and is marketing its product under the brand Valley Strong Cement. The Company started its commercial production at the capacity of the plant at 300 TPD initially. The capacity of the plant enhanced from 300 TPD to 460 TPD. The technology that is used in manufacturing Cement is Dry Process Rotary

Kiln Technology with four state suspension Pre Heater technology. The raw material Coal & Limestone are used from Meghalaya.

The Barak Valley Cements is the 'first' manufacturer of high quality Cement in the Valley region, established in 1999. The Company's Brand "Valley Strong Cement" is the most trusted name in the valley and serves customers large, medium and small with equal attention and commitment. Buyers, sellers, end-users, all have earned the benefits of bonding with the company and the brand. Over the years Barak Valley has reinforced its reputation as a quality focused, market-driven, customer-centric company. And its promoters who were born and brought up in the Northeast took all possible steps to anticipate needs and aspirations.

6.2. Barak Valley Cements – a set of principles:

- Customer focus.
- Respect for the individual.
- To integrate with local and national traditions and cultures.
- Responsible citizenship.
- Integrity and transparency in all operations.
-

These principles are the beliefs that define the way Barak Valley Cements conducts its businesses. It is Barak Valley Cements commitment to the customer, to employee, that guides every one of its actions, whether at plant level or out in the marketplace. It is also at the heart of all the services the company provides in the areas that it serves. Our reputation as a company that lives by its principles is important to us. Our customers are spread across Silchar, Hailakandi and Karimganj in the Barak Valley region, across the Brahmaputra Valley in Assam, in Tripura, Mizoram, Manipur and Nagaland. The company believes that its principles are what make the difference between us and other manufacturers.

6.2. Role in Society

Business today is no longer de-linked from life. In fact a company's success and its growth are directly influenced by the quality of its contributions to the betterment of society and the quality of life. Barak Valley Cements is gearing up to put forward its best efforts to serve the communities in the areas that it serves. The company plans to sponsor major sporting events, not only in the Valley region but across the Northeast. BVCL also plans to launch community welfare programs and backward area upliftment programs that will benefit people from all walks of life. The Company is actively setting up a School at Badarpur in collaboration with Vivekananda Kendra, Kanyakumari and has joined hands with the District Administration to establish a Green Children's Park at Karimganj. In the years ahead, Barak Valley Cements will strive to be a major social benefactor and will help enhance the 'quality' of life. It goes with our slogan – "Long Live Your Building – because you build for Life".

Barak valley Cement was the first to reach the essential bonding power of cement to the far corners of the valley and beyond it. The Company was never frightened of the difficulties in terrain and inaccessibility of place. Instead it overcame such difficulties by maintaining quality levels at all stages of manufacturing, ensuring just-in-time deliveries and providing pro-active support to its Dealer-Distributor Network. Barak Valley Cement believes that any building project, the humblest or the grandest and most complex, is the culmination of a dream. It requires significant effort on the part of the builders and the supplier to realize that dream at real-life, real-time level. And the Company and its strong and growing Dealer family are committed to deliver products and services that help the process. It's not just quality Cements that Barak Valley Cements provide, Technical Product and Product-Application Knowledge, astute business management, coordination with builders, even Better Building Tips – are 'extras' that come along.

6.3. Share Knowledge, Gain involvement.

- Make the Customer confident and comfortable with the Company and the Brand.
- Establish Long-term Relationships with Customers and Stakeholders.
- Dedicate Qualified, Skilled Company Engineers to participate in ongoing Customer Projects and provide full technical & Marketing support as ensure that Products, Ideas, Services are delivered before or on Schedule at all times.

The cement industry is experiencing a boom on account of the overall growth of the Indian economy. The demand for cement, being a derived demand, depends primarily on the industrial activity, real estate business, construction activity, and investment in the infrastructure sector. India is presently passing through a positive trend of growth on all these fronts and hence the cement market is flourishing like never before. Indian cement industry is globally competitive because the industry has witnessed healthy trends such as application of cost reduction measures and continuous technology up gradation. As observed by Fitch Ratings, a reputed global rating agency has commented that cement demand in India is expected to grow at 10% annually on account of rapid growth in housing projects, infrastructure activities and corporate capital expenditures. Indian Cement Industry is presently contributing approximately 6% of overall global production. The recent boom in Cement Sector has worked wonders for the cement manufacturing companies with the maximum capacity utilization for the first time in January 2007. The consumption of cement is also likely to exceed 150 million tonne mark annually for the first time. The cement industry has outpaced itself attracting top class cement companies in the country ramping up production capacity due to the recent boom in Housing Sector and increased activity in Infrastructure Development by State and National Highways and already underway National Highway Development Project (NHDP) resulting in increased demand of cement. Besides, Government's thrust on developing infrastructure facilities in the country by way of

modernizing airports, seaports, railway stations etc. will further boost demand for the cement at national as well as regional levels.

6.4. Cement Industry –Salient Trends

The Indian cement industry is the second largest producer of quality cement, which meets global standards. The cement industry at present comprises of 130 large cement plants with an installed capacity of 156.26 million tones and more than 300 mini cement plants with an estimated capacity of 11.10 million tonnes making a total installed capacity of 167.36 million tonnes. Due to the on going expansion plans of various companies; the installed capacity is likely to be increased up to 189 million tones capacity by the end of September 2007. The Cement Industry has made tremendous strides in technological up gradation and assimilation of latest technology. Presently, 93% of total capacity in industry is based on modern and environment friendly dry process technology and only 7% is based on old wet and semi-dry process technology.

The Cement Industry is presently contributing approximately 1.3% of GDP and employs over 0.14 million people apart from being a significant contributor to the Central and State Government revenues through excise and sales tax. Cement production in India has grown significantly over past three decades. It is further expected to witness strong production and consumption growth of 10% during FY 2008 on account of befitting co-relation between GDP and increased activity in construction sector. Future Cement demand is likely to grow up in India due to increased spending on road and housing projects. Fundamentals of demand also look bright and cement demand in medium term is expected to grow by around 9%.

6.5. BVCL in North East Region

Your company is one of the major Cement producers in North –East region and India has vast potential for growth and expansion plans in this region. The Central Government has announced several incentives in the North Eastern region more particularly related to special accelerated road development programs at an estimated cost of Rs 46.18 billion. The

Government has also decided to develop 1000 kms of access- controlled expressways. The North East Industrial and Investment Promotion Policy, 2007(NEIIPP,2007) announced by the Government of India is also a step further towards developing the North-east areas. Government has declared various exemptions like income-tax exemption, excise duty exemption, capital investment subsidy, and interest subsidy for a further period of ten years. The various incentives offered by the Central and State Government, increasing demand from infrastructure projects and industrial/commercial ventures will prove to be quite in favour and interest of the company in the coming near future.

It is indeed a matter of great satisfaction that the Company has been able to keep moving forward and surpass the targets set for it. Efforts both on improving the efficiency parameters and cost compression on one hand and maximizing the production and sales realization on the other have been the mainstay of the Company's strategy. It is satisfying that the Company has made substantial progress on both the fronts. Reaping full benefits of the Company's strategy of focusing on its business, it has achieved 104.91% capacity utilization during the accounting year 2006-07, with achieving sales target of 1,59,545 tonnes. The turnover of the Company increased by 39.90 % and its Profit before Interest, Depreciation and Tax grew by a whopping 26% to Rs. 2405.79 lakhs as against Rs. 1909.13 lakhs in the previous year.

Progress made by the Company on its on-going projects for expansion of the plant capacity as well as setting up of a grinding unit by its wholly owned subsidiary company (CIL), has been fairly satisfactory. The Grinding unit in CIL has already commenced its production from the month of April 2007 and as far as the expansion project of BVCL is concerned it is expected to commence its production from the month of October 2007 onwards. The Company's other ambitious project of setting up of a 6 MW Biomass based Captive Power Plant in its wholly owned subsidiary company (BEPL) is also progressing well. It is expected that the Power Plant will be commissioned by September 2007. The commissioning of this project would mark the end of Company's dependence on the power from the State Grid,

which besides being very expensive suffers from inconsistent quality. The comparative cheaper cost of the captive power generation would further improve the bottom line of the Company. Another Project of 800 TPD Crusher unit at Meghalaya, in its subsidiary company i.e. Meghalaya Minerals and Mines Limited is also doing well and this Plant is expected to start its commercial production by the end of July 2007

The performance of the company for the financial year 2006-07 as compared to the financial year 2005-06 is as under:

Production & Financial Highlights

Table: 6.5 Financial highlights of BVCL

	(Rs in lacs)		
	FY 2005-06	FY 2006-07	% Growth
Production (MT)	1, 34,351	1, 59,260	19
Turnover	5274.21	7378.23	40
Profit after Tax	1237.10	1430.88	16

The above financial highlights of the company indicate that the company has earned the net profit of Rs 1430.88 lakhs for the year under review. Analyzing the financial parameters of the current financial year in comparison with that of previous financial year, it is observed that your company has shown an increase in the net profits by 16% in current financial year. However, the net profits earned have not grown at the same rate as the turnover of the company, and the main reason accounting for this is the discontinuance of transport subsidy, earlier received by the company. Your company was eligible for the transport subsidy upto the financial year 2005-06, and profit for the previous year included the amount of transport subsidy of Rs. 588.95 lakhs. This year the company has maintained its profitability (in figures) without having any transport subsidy. Hence, if we analyse the profitability of the company without considering transport subsidy in the financial year 2006-07, the company has made a tremendous growth of 121% in the profitability as compared to previous year.

6.6. COMMUNITY WELFARE

Health Care

Medical camps were conducted in host communities and villagers are medically examined and provided necessary treatment. Treatment for cataract, tuberculosis, pre and post natal care for women were some of the areas covered, AIDS awareness camps generated greater awareness, Pulse Polio programmes and provision of safe drinking water at N. C. College, Badarpur was some of the other health care initiatives.

Education

The Company is regularly taking steps to promote education in nearby areas; Your Company has also built a school for the children of the workers and villagers. In the month of September 2006 your company also organized a quiz programme on state level in Guwahati. It has donated Computer to Kinder Garden School, Badarpur.

Social Welfare

Mass marriage programme for scheduled caste couples, exhibition and training on balanced diet and food preservation for women and girl students, awareness drive on knowledge, attitude and practices, were conducted to increase women empowerment. Your company also constructed godown for firewood stock to provide firewood at free cost to poor people and donation of firewood of about 10-15 Ton on monthly basis. Your company has also given donations to different organizations for cultural and sports activity like temple construction and development, different pujas, kirtan, football tournament, various camps, competitions etc. Your company has also provided assistance to NGO by constructing office building at Debendar Nagar, Badarpur.

Safety and Health

The company has endeavored to maintain the safety and well being of the workers of our company for which our company has in place necessary approvals for operating the Cement

plants at the factory. The company has always been active in creating awareness for the Safety & Health Measures. The company's aim is to avoid unsafe situations and practices by any and all pre-emptive steps required. Precautions are taken to avoid accidents in the production process to ensure the safety of the employees.

In these chapter different aspects of selected Corporations like history and background, company's mission vision, financial highlights, human resource profile and CSR policies are discussed. The respective corporations have multi-dimensional community development programmes in the areas of health, education, environment, and income generation for social sector development. It has been found that, companies concentrate their resources on certain areas of community development. On the one hand by doing so, they reflect the serious challenges communities are facing. On the other hand these areas of engagement have a strong public relation affect, which may be beneficial in the long term.

Training Programmes

Your company has been an active participant in conducting the training programmes for the workers and supervisors. The company organized training programme from 6th November 2006 to 9th November 2006 for Self-Development and Developing Front Line Managers in co-ordination with Assam Productivity Council. The mission of the company is to nurture the best talent within the organization and to retain it keeping in view the long-term objective of building strong relationships with the employees of the company as the employees are believed to be the most valuable asset for our company, which the company possesses. The company has always followed a policy of taking keen interest in the well-being and progress of our people by giving them the best growth opportunities. The human resource practices of our company are focused on building an expert talent base at the company. The company endeavors to offer everyone a fair compensation. All this has led to a strong sense of belonging among people and is a driving force in the company's growth and performance.

Board of Directors

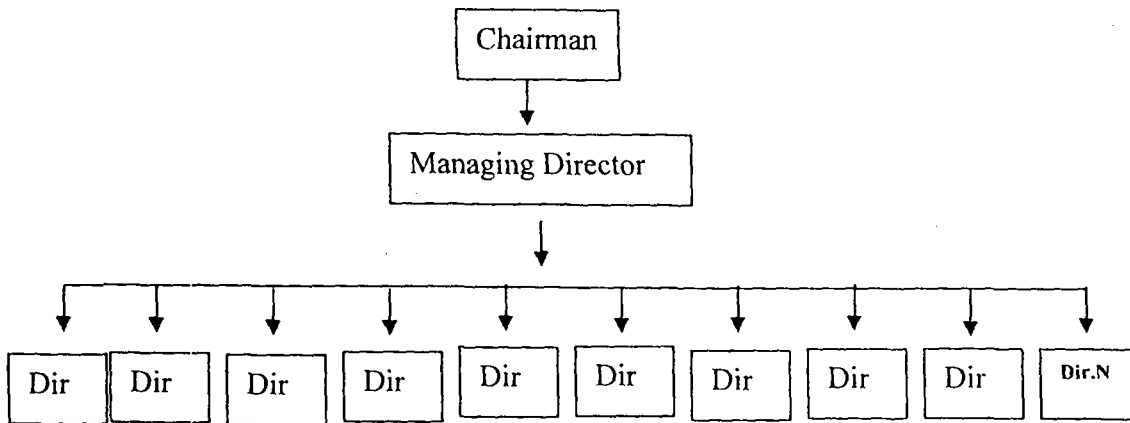


Chart: 6. Board of Directors of BVCL

The company comprises of 12 directors, with 6 Independent and Non-Executive Directors and 5 Non-Independent Directors and One Director is a Nominee Director on behalf of Industrial Development Bank of India. Out of Non Independent Directors 3 Directors are executive including one Managing Director and rest 2 Directors are Non Executive. All Directors on the Board are experienced, competent and highly renowned persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings which add value in the decision making process of the Board of Directors. The composition of the Board of Directors is in conformity with the Corporate Governance Code.

This chapter is a discussion of different aspect of industries, the history and evolution, the human resource profile, financial highlights and community development activities discussed. It has seen the petroleum industry is dominant sector dependent on natural resources, also paper and cement is dependent on natural resources. The India's first tea garden is established in Assam, by Europeans. Except tea and cement all petroleum industries are in public sector.

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