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## Smart Philanthropy

Corporate givers like Rohini Nilekani make every buck count



## Job Quotas

India Inc. gears up to deal with reservations

## The Return of the Internet

Big bucks are back chasing dotcoms in the country

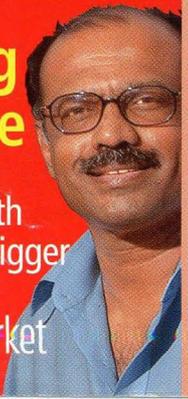


## The Essar-Hutch Brawl

The uneasy partnership takes a turn for the worse

## Gaining Altitude

Air Deccan's G.R. Gopinath captures a bigger share of the aviation market



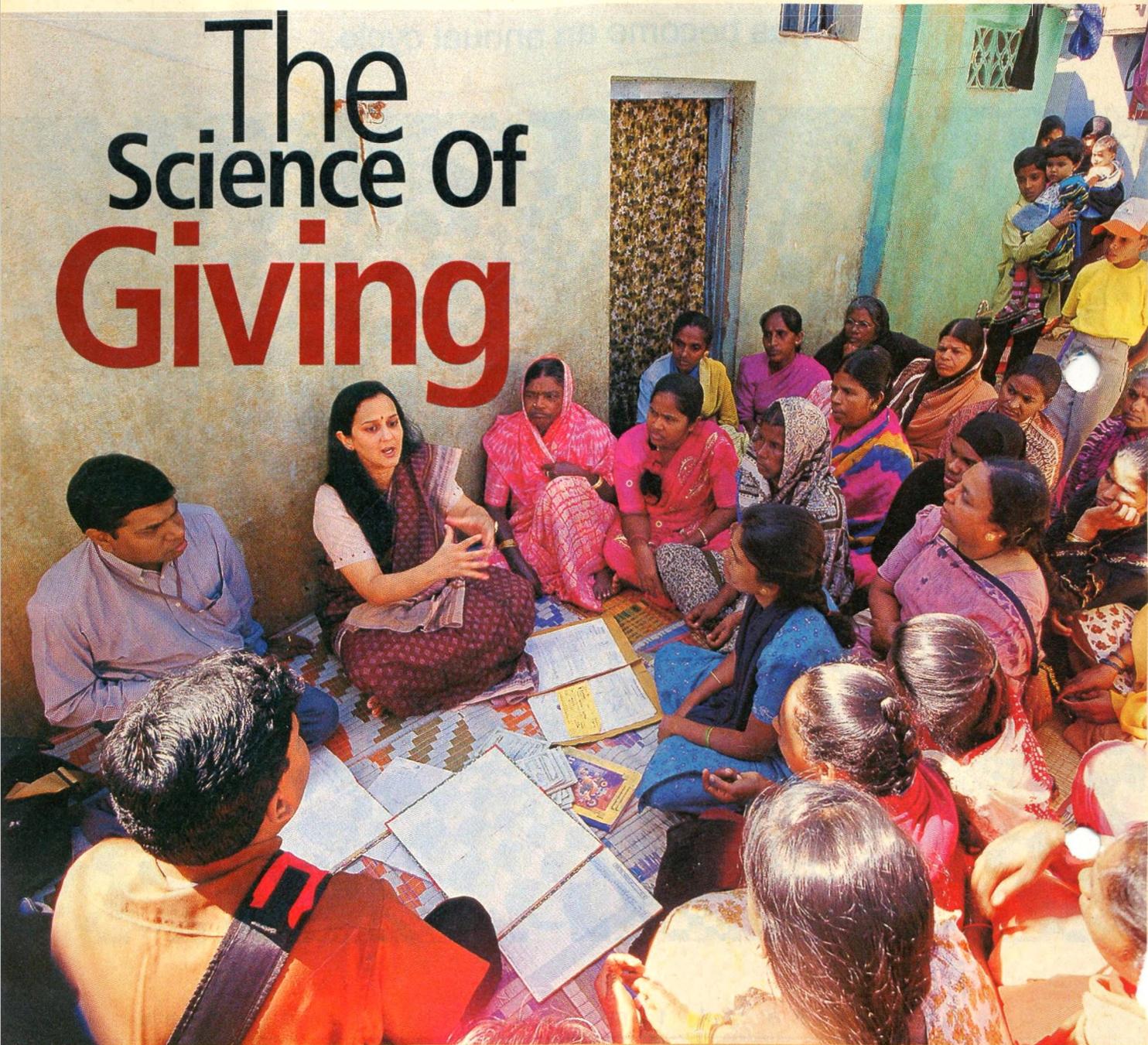
Our third annual listing of companies that are hip and happening

# COMPANIES

mareech.com

www.rohininilekani.org

# The Science of Giving



**Thinking woman's philanthropy:** Rohini Nilekani with some of the beneficiaries of the microfinance initiative Sanghamitra, of which she is a part

India Inc. and its residents are waking up to the difference between charity and philanthropy. That could, as several works-in-progress demonstrate, result in some good. SHIVANI LATH

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**O**NE DAY IN LATE 2005, ROHINI NILEKANI, signed a cheque for Rs 100 crore in favour of Arghyam Trust—the name is Sanskrit for offering and is also the name of the Nilekanis residence in Bangalore’s tony Koramangala area—which she had founded in 2001. The money, which came from the sale of her shares in Infosys Technologies (founded by husband Nandan Nilekani and six others in 1981) isn’t important. Nilekani’s progression from student-activist to journalist-activist to a woman of independent means (and how!; at last count, her 1.67 per cent stake in Infosys was worth Rs 768 crore) willing to invest serious time and effort in understanding that philanthropy thing is. “How can individuals and companies make up for governmental failure?” asks Nilekani. “How can you take your money and direct it at the good people (and organisations doing good work)?” “How do we take our understanding of corporate management practices and accountability into the space?”

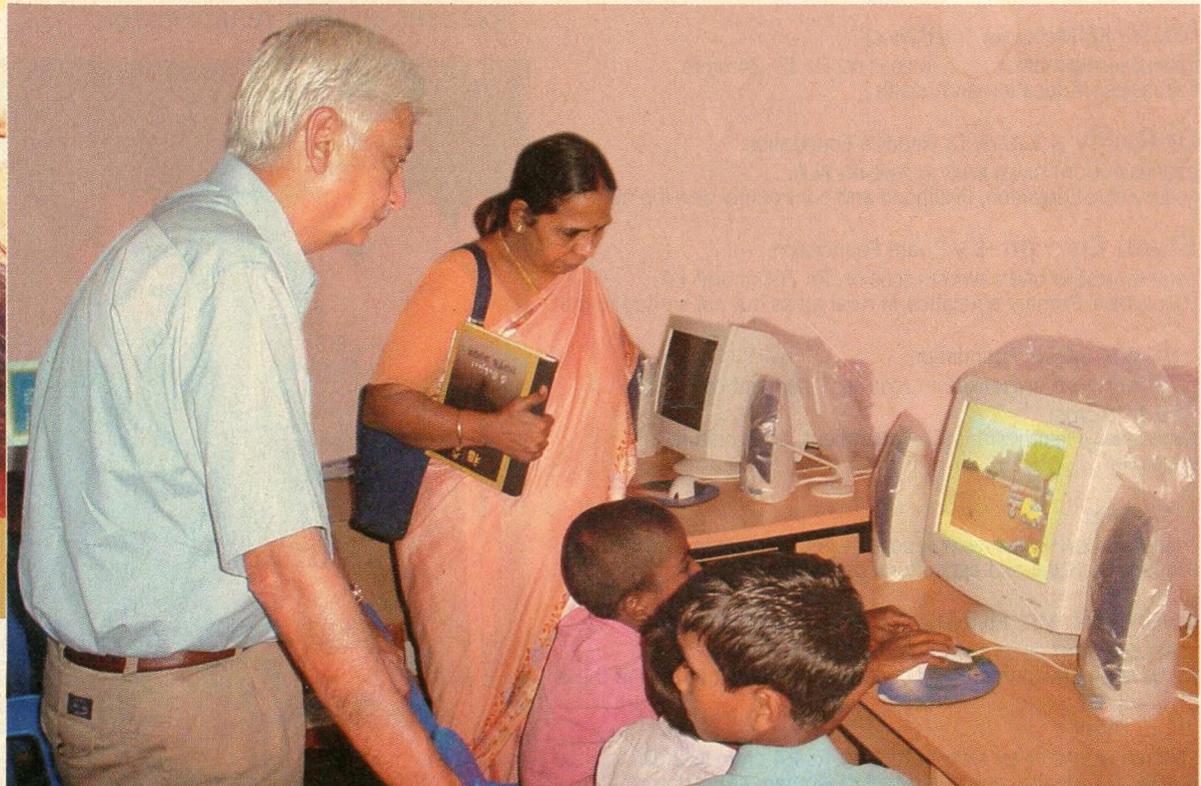
The questions are important because others, across India, some in charge of the philanthropic activities of companies, others in charge of the trusts and the foundations created by companies to carry out philanthropic work, and still others, wealthy

individuals who would like to see their money put to good use, are asking them too. And the questions are important because they indicate the growing realisation that charity (broadly, addressing symptoms) is as different from philanthropy (addressing the underlying causes) as 20-20 cricket is from the five-day version of the game. “There is no long term vision (in philanthropic initiatives undertaken by companies or by individuals in India),” says Pushpa Sunder, formerly Executive Director, Indian Centre for Philanthropy. “There is lots of charity in India; little philanthropy.”

That this is changing is evident from the way companies and business groups, such as the AV Birla Group approach philanthropy today. “This centre is the apex body for all our development projects,” says Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development. “It sets strategies, and monitors and ensures implementation and results.” That sounds like serious business. It is, for the 250 people who work for the centre.

**The Measure Of Goodness**

The transition from charity to philanthropy has been helped along by a desire, on the part of companies and individuals, to see results. “Thanks to the donors there is a lot of emphasis on financial accountability,”



**Educating educators:** With a grant of Rs 660 crore from **Azim Premji**, his eponymous foundation has been working to enhance the quality of school education across India

## THE GIVERS

**Company/** Foundation/Trust/Others

### **Thermax/** Direct

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: N.A./1 per cent of PAT (Rs 1.23 crore)  
FOCUS AREA: Education, but not limited to that

### **Nicholas Piramal/** Gopikrishna Piramal Trust and Diya Foundation (run by promoting family)/Direct

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: N.A./Rs 1.2 crore

### **ICICI Bank/** ICICI communities, Social Initiatives Group

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: N.A.  
FOCUS AREA: Elementary education and universal access to financial services but not limited to that

### **Raymond/** Gram Vikas Yojana (and several trusts run by the promoting family)

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: N.A.  
FOCUS AREA: Malnutrition and rehabilitation of street children but not limited to that

### **AV Birla Group/** Aditya Birla Centre for Community Initiatives and Rural Development

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: Rs 90 crore  
FOCUS AREA: Social and economic development of communities

### **Tata Group/** Sir Dorab Tata Trust and other trusts/ Direct (by 40 major companies in the group)

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: N.A./Rs 590.22 crore  
FOCUS AREA: From AIDS to ecology to community development

### **M&M/** KC Mahindra Trust/Direct

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: Rs 19.24 crore  
FOCUS AREA: Education and health

### **Dr Reddy's Labs/** Dr Reddy's Foundation

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: N.A.  
FOCUS AREA: Education, livelihood and community development

### **Bharti Enterprises/** Bharti Foundation

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: Rs 200 crore/N.A.  
FOCUS AREA: Primary education in rural areas but not limited to that

### **Infosys/** Infosys Foundation

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: 1 per cent of PAT (N.A.)/Rs 13.25 crore  
FOCUS AREA: Healthcare, social upliftment, art & culture, education

### **ITC/** Direct

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: Rs 56 crore in 2004-05  
FOCUS AREA: Rural and agricultural development

### **Godrej Group/** Phirojsha Godrej Foundation/Direct

CORPUS/AMOUNT GIVEN AWAY IN 2005-06: Rs 5-8 crore  
FOCUS AREA: Environment and conservation but not limited to these

### **HLL/** Direct

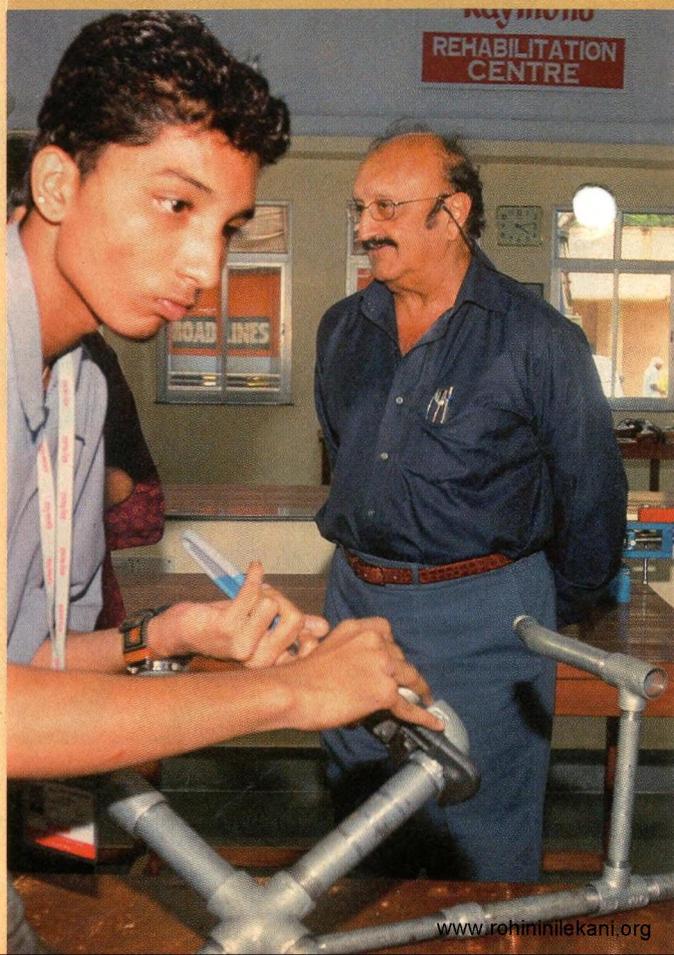
CORPUS/AMOUNT GIVEN AWAY IN 2005-06: Rs 24 crore in 2004  
FOCUS AREA: Health, empowerment of women, education of special children

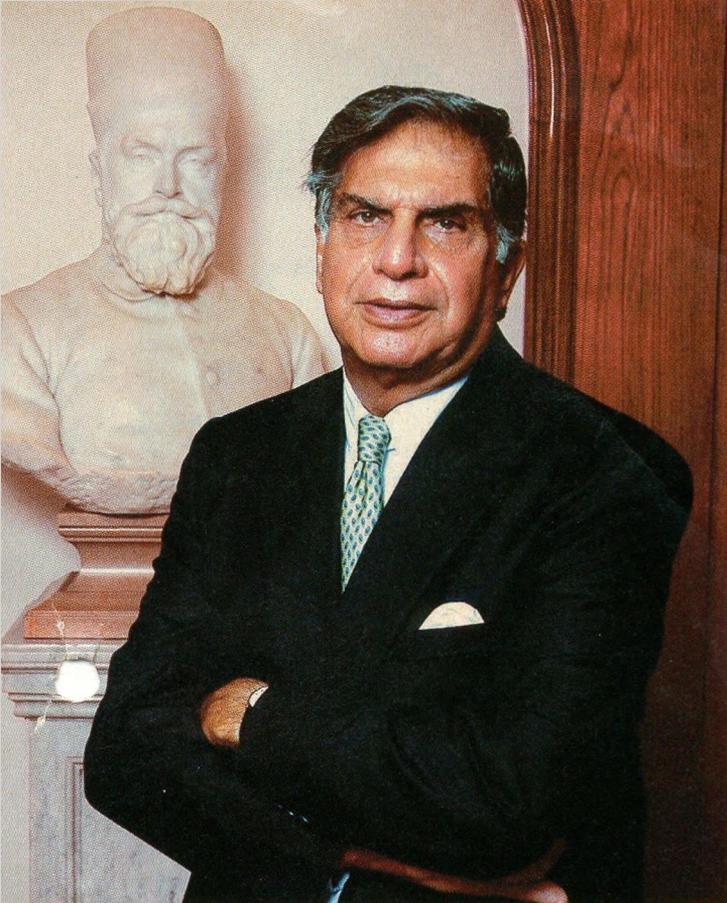
This is a representative table and does not claim to include details of significant philanthropic spends by India Inc as a whole.

says Nilekani who is Chairperson, Arghyam Trust, Akshara Foundation and Pratham Books, and also involved with microfinance organisation Sanghamitra, Public Health Foundation of India (PHFI), a public-private partnership aimed at improving the quality of public health services in India, and ATREE, an organisation that aims to protect bio-diversity and promote sustainable development.

And it has also been helped, in part, by a desire to give back to society. "With the influence of television and mass media, how long will the poor patiently and passively wait for their lives to improve?" asks Anu Aga, Director, Thermax. "It is vulgar to give more (to the family, which already has lots of money)," adds K. Anji Reddy, Chairman, Dr Reddy's Labs, explaining why his holding (valued at Rs 1,000 crore; the holding of the family as a whole is valued at around Rs 2,500 crore) in the company will find its way to institutions and foundations engaged in

**A helping hand: Vijaypat Singhania** with one of the street-children being trained at the Raymond centre that focusses on their rehabilitation





**Organised from the start: Ratan Tata's** Tata Group spends more than any other Indian business group on philanthropic activities

philanthropic or educational activities. "Look at the Birla Institute of Technology and Science," he says. "Today, it is sitting on Rs 1,500 crore worth of Grasim shares."

In some cases, efforts to do it the right way start as early as identifying the problem. "We first understand gaps in India's human development through the use of research and then partner with the government and existing organisations," says Nachiket Mor, Deputy Managing Director, ICICI Bank, who is also in charge of the bank's development initiatives. "If necessary, we help create new organisations to fill the gap."

**Where It Matters Most**

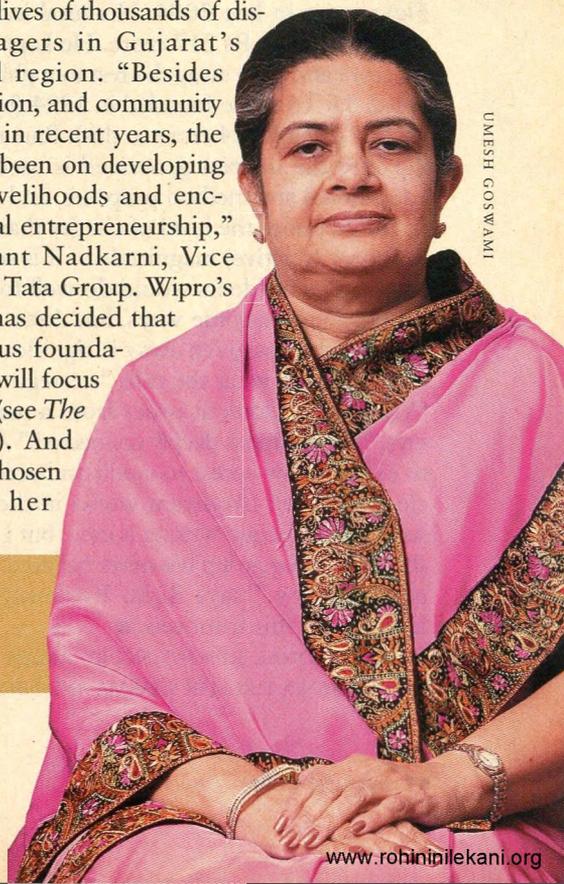
In a country where several "development-gaps" exist, corporate houses and individuals can find an avenue for their philanthropic activities. "India is a very fertile place to engage with the non-profit sector," says Nilekani. For the AV Birla Group, for instance, the main focus areas

**Not cheque-book philanthropy: Rajashree Birla** heads a 250-member team that gets down to the details of developmental initiatives

BSA

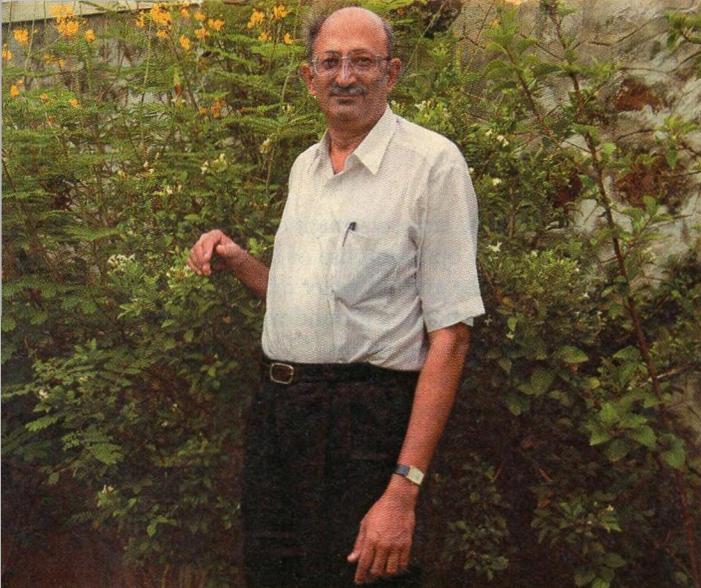
are agriculture and the empowerment of women. One initiative involves the optimum use of land and water resources by raising the ground water table, harnessing available resources, recharging ground water, installing pedal pumps, and erecting bunds. "This project has ensured that 15,000 acres of land have come under irrigation in over 400 villages, benefiting 12,000 families," says Birla. For the Mahindra Group, one of the focus areas is education. The group sponsors the education of some 6,000 disadvantaged girl children and, according to Rajeev Dubey, President, Human Resources and member of the management board, recently "doubled the number of Mahindra All India Talent Scholarships to 600 (this is offered to students wishing to enroll in job-oriented diploma courses in polytechnics)." Another is health; this year, the group has decided to donate 60 cochlear implants over three years to children under the age of five (each procedure costs around Rs 5 lakh). Dr Reddy's Laboratories' emphasis is on creating livelihoods and the Dr Reddy's Foundation's Livelihood Advancement Business School has thus far created livelihoods for over 60,000 young people from economically disadvantaged backgrounds.

At the Tata Group, apart from philanthropic initiatives undertaken by affiliated trusts, most large companies have philanthropic agendas, although some of these have more to do with corporate social responsibility (CSR) than philanthropy. Software services major TCS, for instance, runs an adult-literacy programme that has benefited 46,000 people. Tata Chemical's water-management programme has improved the lives of thousands of distressed villagers in Gujarat's Okhamandal region. "Besides health, education, and community development, in recent years, the emphasis has been on developing sustainable livelihoods and encouraging social entrepreneurship," explains Anant Nadkarni, Vice President, CSR, Tata Group. Wipro's Azim Premji has decided that the eponymous foundation he funds will focus on education (see *The Ideal Model?*). And Nilekani has chosen to focus her



UMESH GOSWAMI

UMESH GOSWAMI



**Rs 217 crore:** Or most of the proceeds from selling his stakes in Future Soft and Hughes Software; that's how much **K.V. Ramani** gave away

activities on the fact that most Indians lack access to essentials: health, education, water, even markets.

### The Personal Equation

The benchmark for philanthropic activities in India would have to be technology entrepreneur K.V. Ramani (significantly, all the individual philanthropists featured here including Reddy and Premji owe their fortunes to the high market value of their new-economy ventures). The co-founder of Hughes Software Systems and Future Software sold his stake in both to Flextronics in late 2004. His total income from the sale: more than Rs 217 crore. He kept just around Rs 15 crore and gave away the rest to a philanthropic trust Shirdi Sai Trust, he founded in 1994 (by 2004, he had already given Rs 24 crore to this). Ramani is busy making sure the interest generated is used for religious, educational and medical purposes, and while his effort fits more under the head of charity than philanthropy, the sheer (relative) magnitude of it is something India Inc, and its residents would do well to learn from.

Nilekani, in some ways, has done one better: the amount she has given away is significant, and she has clear ideas on what she calls "strategic philanthropy." "You have to look at issues from a macro-level," she says. "Everything is deeply connected." And she goes on to explain how access to credit and access to water are closely related (Arghyam works in the area of water security). "Cheque-writing is easy, but I don't do that," she adds. "Our group has never believed in cheque-book philanthropy," says Birla. Evidently, India Inc. is learning on this front too. ■

ADDITIONAL REPORTING BY AMAN MALIK, RAHUL SACHITANAND, E.KUMAR SHARMA AND NITYA VARADARAJAN



**Wired and how:** Kids in Eluru in Andhra Pradesh are among thousands benefiting from Wipro's work

## THE IDEAL MODEL?

The Azim Premji Foundation is run like a company.

**A**T THE BEST OF TIMES, WIPRO'S CHAIRMAN AZIM PREMJI IS an intensely private person who prefers to talk (after a great deal of persuasion) on his company and little else. He declined to meet with this magazine to discuss his take on philanthropy, instead deflecting queries to Dileep Ranjekar, CEO of the Azim Premji Foundation and Wipro's former HR head.

The foundation, which began its efforts to enhance the quality of education in schools around the country (largely in rural areas) five years ago with a Rs 360 crore grant and three employees, today covers nearly 15,000 schools, 25,000 children and around 43,000 teachers and has recently won more backing from Premji in the form of a fresh Rs 300 crore grant (it currently employs 250). The foundation has tried to play a collaborative role, focussing on enhancing the quality, quantity, and equity of education delivered in government schools across the country, which account for 90 per cent of the school-going students. "Education is today based mostly on rote and memorisation of text and there is little emphasis on understanding and comprehension," says Ranjekar. The last board meeting held in mid-July at the foundation's office, located in a eucalyptus grove behind Wipro's Corporate Office on Sarjapur Road, saw Premji and Ranjekar make a five-year analysis of APF's progress.

"The last five years were a time of learning and development and the time had now come to take this initiative forward," says Ranjekar. While his team has made significant progress in reaching schools in 17 states in the country, Premji believes it is time to create a collaborative framework with other education partners. "While we have taken our first few steps, (one initiative called Computer-Aided Learning has grown from a single-school project to cover over 15,000 schools today), the statistics in education (only 17 per cent of all girls in the arid, backward district of Raichur in North Karnataka graduate, for instance) reveal that we have a long way to go," explains Ranjekar. Backed by the Premjis (Wipro chairman's wife Yasmeen is a board member too), APF is now looking to "work on concrete issues that can trigger systemic change in the education sector."

RAHUL SACHITANAND