

Corporate Social Responsibility (CSR) Practices of NLC India Limited- A Study of Public View Point and their Satisfaction

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Abstract

With the advent of globalization, the world has emerged as a small village with investment in business across the world. The new economic policy of India has also changed the scenario of Indian economy which resulted in the investment opportunities for doing business across nations thereby resulted in the growth of corporations using the resources both human and man-made on large scale. This huge utilization of resources lead to the destruction of environment specially in mining and extraction companies and also affects the life of the immediate community living in nearby areas which increased the attention of corporations towards the concept of social responsibilities of business or Corporate Social Responsibilities (CSR). CSR has been widely used by different countries across the world but India became the first ever country with legislated CSR. The government of India has mandated CSR according to the provisions of Companies Act 2013 and the CSR guidelines issued by the Department of Public Enterprises (DPE) and made CSR mandatory for the Public Sector Undertakings with a certain criteria. The present paper mainly aimed to analyze the CSR practices of a public sector

enterprise - Neyveli Lignite Corporation India Limited a Navratna Status company in the Tamil Nadu, India. This paper is based on primary data collected through the personal visits in the nearby areas of the corporation under study. The findings of this study revealed that NLC India Limited at a very little extent is doing CSR activities in the sample areas and the authors suggested that there is a dire need of implementation of the CSR practices in these areas under study.

Keywords: CSR, Navratna, Stakeholders, NLC India Limited, DPE guidelines.

Introduction

Corporate Social Responsibility is a concept in which the business and industry has to take care of the various stakeholders associated with it. It is the responsibility of the business and industry to take care of the people and environment in its operational areas. It is the ethical obligation of organizations for utilizing the resources for the accomplishment of its organizational objectives which affects the reputation and performance of the business organizations. Developing economies like India have witnessed that number of firms are actively involved in CSR practices and with the mandatory CSR in India it has become a mandatory obligation for the companies to carry out the CSR projects as per the CSR norms.

Mandatory CSR and DPE Guidelines in India

India has a richest tradition of CSR from ages in the form of donations, charity and philanthropy. The Vedic Literature and Gandhiji's Trusteeship is also an evidence from which the term CSR emerged. So, the concept of CSR is not new in India but after the amendment of

Indian Companies Act 2013, the CSR has gained lot of importance among the corporate entities in India.

The Father of CSR in India, Dr. Bhaskar Chatterjee has framed and issued the CSR guidelines for PSEs in April, 2010 and included section 135 in the Companies Act 2013 in which the rules and norms of CSR has been framed. According to this, the CSR was made mandatory for all the companies with an annual turnover of ₹ 1000 crore or more, a net worth of ₹ 500 crore or more and a net profit of ₹ 5 crore or more has to spend at least 2 per cent of the average last three years profits for carrying out CSR projects according to the schedule VII of the Companies Act 2013. Hence, the CSR in India was made mandatory for those PSEs in India who are all coming under the ambit of CSR norms.

NLC India Limited (NLCIL)

NLC India Limited (Formerly Neyveli Lignite Corporation Limited) a Navratna Status Government of India Enterprise is a pioneer in open cast lignite mining and a power generation company located in the Neyveli region in the southern state of Tamil Nadu, India. At present NLCIL is operating three open caste mines with a total capacity of 28.50 Million Tonnes Per Annum (MTPA) at Neyveli, and one open caste mine with an installed capacity of 2.10 MTPA at Barsingsar, Rajisthan and also one open caste mine with a capacity of 20 MTPA at Talabira, Odisha in order to meet the fuel requirement of the thermal power stations.

CSR in NLC India Limited

NLC India Limited with its logo “Creating Wealth for the Well Being” is a socially responsible company has been practicing CSR and sustainability since its inception and has formulated CSR policy in 2009. However with the introduction of mandatory CSR in India, the

NLCIL has formulated a full-fledged CSR policy in 2014 with a minimum of 2 per cent or sometimes more than the prescribed limited as a CSR fund for carrying out the CSR activities with 75 per cent of the total CSR fund in local areas (As per the CSR Policy Local areas are within the 25 kilometres from the boundaries of the company headquarters) and the remaining 25 per cent is spent with the state of the project or anywhere in the country. The corporate social responsibility of NLC India Limited is aimed at the human development for achieving inclusive growth in its operating areas through implementing various CSR initiatives viz., rural development, drinking water and sanitation, health and educational facilities, education and skill development.

Contribution of NLC India Limited towards CSR

CSR in NLC India Limited is an enduring commitment to act ethically and contribute to harmonious and sustainable development of the society and planet through business, while framing the quality of life of the community and society. The contribution made by the NLC India Limited towards the implementation of CSR projects from the financial year 2010-11 to 2020-21 is given in Table II.

Table II
Total Amount of CSR Spent by NLCIL
during the Financial Year 2010-11 to 2020-21
 ₹ in crores

Financial Year	Amount Spent (₹ in crores)
2010-11	13.00
2011-12	11.53
2012-13	14.26
2013-14	26.30
2014-15	47.49
2015-16	81.93
2016-17	37.18
2017-18	43.59

2018-19	49.45
2019-20	75.65
2020-21	46.74
Total Amount Spent	447.12

Source: Compiled from the Annual Reports of NLCIL (2010-11 to 2020-11)

The above table shows the total CSR expenditure of NLC India Limited from the year 2011-12 to 2020-21. It is highlighted from the above table that the total amount of CSR contributed by the NLC India Limited from the past 11 years is ₹447.12 crores including the years before the introduction of mandatory CSR in India (2010-11 to 2013-14) and also the years after the introduction of mandatory CSR in India (2014-15 to 2020-21).

Review of Literature

Chinnadurai, P. (2014) made a study on Corporate Social Responsibility In India in which it is discussed that the CSR is a way by which a company looks towards the economic, social and environmental aspects thereby meeting the expectations of various stakeholders.

Loura, J. (2014), conducted a study on Corporate Social Responsibility- A Case Study of Select PSUs Role in Rural Development which highlighted the impacts of CSR initiatives of selected public sector undertakings on the socio-economic development of the rural population in which these units are operating.

Das, S.C., and Ram, P. (2017), carried out a study on Corporate Social Responsibility Practices in Indian Mining Industry: An Exploratory Study which aimed to explore the mining effects and also the CSR activities of three mining companies-SAIL, ONGC and CIL. This study also provided the CSR guidelines for Central Public Sector Enterprises in India.

Need for the Study

CSR and hereafter the mandatory CSR in India is the commitment of organizations towards the social development of communities living in their operational areas. In an industry like

mining, social and environmental consent is very important and CSR is the only way by which the social and environmental aspects can be addressed. NLCIL, a PSU is doing the social welfare projects by carrying out various CSR initiatives in and around its operational areas but still it stood at the 96th place among the top companies for sustainability and CSR in 2021 in India and most of the stakeholders lack awareness regarding the CSR practices of NLCIL. Hence, there is a need to analyze the CSR practices of NLCIL by taking the opinions of the people living in nearby areas of the corporation under study.

Objectives of the Study

1. To study the level of acceptance among the general public on CSR practices of NLC India Limited.
2. To study the satisfaction level of general public about the services provided by the NLC India Limited.
3. To suggest suitable measures for the effective implementation of CSR activities of NLCIL.

Research Methodology

The present study is based on both primary and secondary data. The primary data was collected from 350 respondents from the general public through interview schedules from the nearby 10 villages located within the 25 kilometres from the boundaries of company headquarters and the secondary data was collected from the annual reports, websites of the NLC India Limited. Judgemental Sampling was chosen for selecting the respondents from the general public living in nearby villages of NLC India Limited. The data were analyzed by using percentage analysis based on the:

- A. The Demographic Profile of the Respondents
- B. The Level of Acceptance about the CSR Initiatives of NLC India Limited
- C. The Level of Satisfaction about the services provided by the NLC India Limited

The authors have attempted to study the above factors and brought about the results as under:

Results and Interpretation

Table II
Demographic Profile of the Respondents

S. No.	Demographic Factors	Classification	No. of Respondents	Percentage
1	Gender	Male	249	71.14
		Female	101	28.86
		Total	350	100.00
2	Age	Up to 25	105	30.00
		26-35	134	38.29
		36-45	74	21.14
		46-55	34	9.71
		56 and above	03	0.86
		Total	350	100.00
3	Educational Qualification	Illiterate	31	8.86
		Below HSC	72	20.57
		HSC	83	23.71
		Graduate	87	24.86
		Post-graduate	38	10.86
		Others	39	11.14
		Total	350	100.00
4	Nature of Stakeholder	General Public	319	91.14
		Beneficiary	31	8.86
		Total	350	100.00
5	Monthly Income in ₹	Up to 10000	103	29.43
		10001-20000	129	36.86
		20001-30000	57	16.28
		30001-40000	38	10.86
		40001-50000	16	4.57
		50001-60000	02	0.57
		60000 and above	05	1.43
		Total	350	100.00

Source: Primary Data, 2021.

The Table II shows the demographic factors of the respondents. Out of a total of 350 respondents, it has been identified that 71.14 per cent of them belongs to the male gender and 38.29 per cent of them are classified into the category of 26-35 years old, 24.86 per cent are graduate degree holders, 91.14 per cent of the respondents are general public and a mere percentage of 8.86 per cent are beneficiaries and 36.86 per cent of the respondents are classified into the monthly income group of ₹10,001 to ₹20,000.

Therefore the NLC India should take CSR initiatives to these categories of people.

Table III

Level of Acceptance of Respondents Regarding CSR Initiatives of NLC India Limited

CSR Initiatives	Level of Acceptance					Total
	Great Extent	Some Extent	Neutral	Very Little Extent	Not At All	
Eradication of Hunger, Poverty and Malnutrition	45 (12.86)	39 (11.14)	45 (12.86)	133 (38.00)	88 (25.14)	350 (100)
Health and Sanitation Measures	12 (3.43)	41 (11.71)	52 (14.86)	171 (48.86)	74 (21.14)	350 (100)
Promotion of Employment Skills	07 (2.00)	57 (16.29)	58 (16.57)	128 (36.57)	100 (28.57)	350 (100)
Gender Equality and Women Empowerment programmes	17 (4.86)	61 (17.43)	64 (18.26)	139 (39.71)	69 (19.71)	350 (100)
Setting up of Orphanage and Old Age Homes	28 (8.00)	30 (8.57)	63 (18.00)	162 (46.29)	67 (19.14)	350 (100)
Free Medical Camps	16 (4.57)	32 (9.14)	71 (20.29)	116 (33.14)	115 (32.86)	350 (100)
Blood Donations Camps and Youth Care programmes	14 (4.00)	54 (15.43)	79 (22.57)	115 (32.86)	88 (25.14)	350 (100)
Drinking Water and Free Hospital Services.	15 (4.29)	24 (6.86)	40 (11.43)	146 (41.71)	125 (35.71)	350 (100)
Infrastructural Facilities in Nearby Schools	08 (2.29)	50 (14.29)	55 (15.71)	138 (39.43)	99 (28.28)	350 (100)
Education including special education	30 (8.57)	46 (13.14)	54 (15.43)	143 (40.86)	77 (22.00)	350 (100)
Setting of Public Libraries	17 (4.86)	42 (12.00)	69 (19.71)	140 (40.00)	82 (23.34)	350 (100)

Scholarships provided to Backward Class students	19 (5.43)	52 (14.56)	57 (16.29)	118 (33.71)	104 (29.71)	350 (100)
Recruitment Policies for local communities	26 (7.43)	51 (14.57)	78 (22.29)	119 (34.00)	76 (21.71)	350 (100)
Employment for Persons with Disability (PWD)	32 (9.14)	71 (20.28)	78 (22.29)	110 (31.43)	59 (16.86)	350 (100)
Donations to the Needy Community	22 (6.28)	53 (15.14)	85 (24.29)	124 (35.43)	66 (18.86)	350 (100)
Health Care Facilities during COVID-19	37 (10.57)	99 (28.29)	27 (7.71)	117 (33.43)	70 (20.00)	350 (100)

Source: Primary Data, 2021.

The Table III highlighted the various social welfare measures as a part of CSR activity of NLC India Limited for the welfare of the immediate community surrounding its operational area. It is reported from the above table that most of the respondents stated that the NLC India Limited at a very little extent is taking the welfare measures in their localities which are affected by its operations.

Table IV

Level of Satisfaction of Respondents Regarding the Services of the NLC India Limited

Social Welfare Services	Level of Satisfaction					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Drinking Water Facilities	130 (37.14)	37 (10.57)	14 (4.00)	152 (43.43)	17 (4.86)	350 (100)
Medical and Emergency Services	39 (11.14)	172 (49.14)	21 (6.00)	106 (30.29)	12 (3.43)	350 (100)
Transportation Facilities	12 (3.43)	42 (12.00)	86 (24.57)	133 (38.00)	77 (22.00)	350 (100)
Electricity Facilities	104 (29.71)	65 (18.57)	24 (6.86)	143 (40.86)	14 (4.00)	350 (100)
Educational Facilities	67 (19.14)	51 (14.57)	14 (4.00)	45 (12.86)	173 (49.43)	350 (100)
Irrigational Facilities	153 (43.71)	84 (24.00)	23 (6.57)	68 (19.43)	22 (6.29)	350 (100)
Infrastructural works done by NLCIL	60 (17.14)	68 (19.43)	70 (20.00)	94 (26.86)	58 (16.57)	350 (100)

Source: Primary Data, 2021

The Table IV revealed the satisfaction level of the people living in the nearby areas about the social welfare services provided by the NLC India Limited which shows that out of a total of 350 respondents most of the respondents are highly satisfied with the medical and emergency services followed by irrigational facilities provided to the farmers by the NLC India Limited. Also 49.43 per cent of the respondents are highly dissatisfied with the educational facilities provided by the corporation under study.

Conclusion and Recommendations.

CSR is the moral and ethical responsibility of organizations towards the community specially for the immediate community in which the unit is carrying out its business operations. From the study it was found that the NLC India Limited has been practicing CSR since decades. Also it was found the total contribution made by the NLC India Limited from the financial Year 2010-11 to 2020-21 stands at a remarkable point. However from the opinions of the respondents in the survey areas shows that the corporation in some aspects is not taking the proper measures for the welfare of the community. The authors here suggested to take those areas as its priority for the undertaking of CSR projects which are located within the project and look towards the educational facilities for the needy communities.

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Research paper

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