



CORPORATE SOCIAL RESPONSIBILITY - A CASE STUDY OF JINDAL POWER LTD

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Abstract

The Concept of CSR is slowly evolving with the development of India. The voluntary compliance of social and ecological responsibility of companies is called Corporate Social Responsibility. The Concept of CSR moves from philanthropy and charity to women empowerment & rural development and then to community development. Corporate social responsibility is the commitment of Organizations towards all stakeholders which includes employees, shareholders, investors, regulators, consumers and community. The main domain of CSR activities are employee welfare, women empowerment, social and economic development, community welfare and environmental issues.

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that. This paper highlights the concept of CSR and practices exhibited by Jindal Power Limited.

Key words: *Corporate Social Responsibility, Power Sector, philanthropy, Women Empowerment, Stakeholder.*

INTRODUCTION

The United Nations Industrial Development Organization (UNIDO) has defined corporate social responsibility (CSR) as “a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is a way in which companies achieve a balance of economic, environmental and social imperatives”.

In order to streamline the philanthropic activities and ensure more accountability and transparency, the government of India made it mandatory for companies to undertake CSR activities under the Companies Act, 2013. The concept of CSR is defined in clause 135 of the Act, and it is applicable to companies which have an annual turnover of Rs 1,000 crore or more, or a net worth of Rs 500 crore or more, or a net profit of Rs 5 crore or more.

Under this clause, these companies are supposed to set aside at least 2% of their average profit in the last three years for CSR activities. The law has listed out a wide spectrum of activities under CSR, which cover activities such as promotion of education, gender equity and women’s empowerment, combating HIV/AIDS, malaria and other diseases, eradication of extreme poverty, contribution to the Prime Minister’s National Relief Fund and other central funds, social business projects, reduction in child mortality, improving maternal health, environmental sustainability and employment enhancing vocational skills among others.

LITERATURE REVIEW

Low (1985) used descriptive statistics on annual reports of 80 listed companies in Singapore, to find that though the level of corporate disclosure did not depend upon industry but higher levels of social disclosures were found by award winning companies.



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Gray, Owen, & Maunders in 1987 defined CSR as “the process of communicating the social and environmental effects of organizations economic actions to particular interest groups within society and to society at large”. Similarly, Perks 1993 defined corporate social reporting as “the disclosure of those costs and benefits that may or may not be quantifiable in money terms arising from economic activities and substantially borne by the community at large or other stakeholders”.

Gary and Gray (1988) concluded that corporate social responsibility is a part of value added statements (VAS) and shall promote cooperation among various stakeholders though there is some ambiguity regarding the inclusion of some parties as genuine stakeholders.

Corporate social responsibility (CSR) has variously been described as a “motherhood issue” (Ryan, 2002, p. 302), “the hot business issue of the noughties” (Blyth, 2005, p. 30), and “the talk of the town in corporate circles” (Mees and Bonham, 2004, p. 11). While the term CSR may appear to be relatively new to the corporate world, the literature reveals that the evolution of the concept itself has taken place over several decades. Marne (2005) proposed a transnational model of corporate social responsibility (CSR) that permits identification of universal domains, yet incorporates the flexibility and adoptability demanded by international research. The end result is a multi-dimensional typology that permits the organisation and development of empirical CSR research in an internal setting.

Fronk et.al. (2005): analysed three views of CSR and CSP one view is that development occurred from conceptual vagueness, through clarification of central constructs and their relationships. Other view that hardly any progress is to be expected because of the inherently normative character of the literature. Final view is that progress in the literature on the social responsibilities of business is observed or even hampered by the continuing introduction of new construct this survey explores which of these three views better describes.

Mittal et.al. (2008) reported that there is little evidence that companies with a code of ethics would generate significantly more economic value added (EVA) and market added value (MVA) than those without code. Buchholtz (2006), in his study on CSR, Corporate Social And Financial Performance: an empirical study on a Japanese Company examined the relationship between corporate social performance (CSP) and corporate financial performance (CFP) through a quantitative analysis. The study was conducted on 295 companies which is one-tenth of the listed companies in Japan. The result showed a significant relationship among CSP, Equity Capital Ratio and the number of employees.

Vasanthi Srinivasan (2010) in his study on CSR and Ethics in Medium, Small and Micro Enterprise in India attempts to draw from the existing body of knowledge from both the academic and popular literature in India to identify the CSR practices and develop a research agenda for responsible business practices in the small-medium enterprise in India. The findings highlighted that most of the studies done in the Indian context have largely been qualitative and exploratory in nature. The study also revealed that since small-medium enterprises contribute significantly to the economy and are geographically spread in a country like India, adoption of CSR and ethical practices is crucial to a balanced development. There is a rarity of academic research in this area and therefore the researcher opines that a study of the intra-country similarities and differences in adoption of CSR practices in small-medium enterprises could be a valuable exercise for policy makers.

Harbajan Bansal, Vinu Parida and Pankaj Kumar (2012) in their paper entitled “Emerging trends of CSR in India” analysed 30 companies of 11 sectors listed in the Bombay Stock Exchange with the help of their annual reports. Some of these sectors were Transport Equipment sector, Finance and Metal Mining sector, IT & Power, Capital goods, Telecom, Housing, FMCG, Oil & Gas, Cipla etc. The study concluded that the companies today are working not only to earn profit but have also realized the importance of being social friendly. Social Responsibility today has started taking a turn in the new direction.

OBJECTIVES

1. To know the scope of CSR in Jindal Power Ltd.



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2. To analyze the CSR Policies and Practices in the Company.
3. To study the various scheme for social development.

METHODOLOGY

This study was conducted using secondary data. In this study data on the CSR was collected from the websites, annual reports, newspapers and CSR reports.

Limitation of the Study

This study was done exclusively on CSR activities exhibited by Jindal Power Ltd.

JINDAL POWER PLANT

Jindal Power Limited has set up India's first mega power project in the private sector – the 1000 MW thermal power plant at Raigarh, Chhattisgarh. The Company has invested approximately Rs. 4338 crore for setting up a 1000 MW power plant, the 1st unit of which commenced commercial operations in December 2007. All four units (250 MW each) were commissioned within a span of nine months.

The fuel supply of the plant is met through its captive coal mines. A 6.9 km conveyor pipeline has been set up for transportation of coal between the mines and the plant.

The Company has constructed a 258 km, 400 KV Double Circuit transmission line from the plant to the PGCIL sub-station at Raipur through which power can be sold anywhere in India. For meeting the plant's consumptive water requirement, an 18 m high dam over the Kurket River has been built, 25 km away from the project site.

The Company is expanding its capacity at Tamnar by setting up a 2400 MW thermal power plant at an estimated cost of Rs 13,410 crore. The Company has already placed order on Bharat Heavy Electricals Limited (BHEL) for supply, erection and commissioning of a 4X600 MW Boiler Turbine Generation (BTG) package.

The existing 1000 MW power plant was set up with four turbine generators of 250 MW each, also supplied by BHEL.

The 1000 MW power plant is located near village Tamnar in Raigarh district of Chhattisgarh. The project site is approachable from Raigarh by the State highway, which branches off at Punjipathra, about 12 km from the site and 34 km from Raigarh town. The nearest broad gauge rail link is at Raigarh, 35 km away. The nearest airport is at Raipur, 280 km away from the project site.

Salient Features of the Plant

1. The first power plant to achieve 'mega power' project status in the private sector in India.
2. Certified to ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007 standards.
3. Water is supplied from the river Kurket which is 25 km away from the plant.
4. A dam of height 18 m has been built on the Kurket River.
5. Coal is transported from the mines to the power project via an approximately 6.9 kilometers pipe conveyor belt.
6. The Company has established a 258 Km, 400 KV Double Circuit transmission line from the plant to the PGCIL sub-station at Raipur through which power can be sold anywhere in India.

Social Responsibility

Health, education and sustainable livelihood enhancement programmes are the primary objectives of the community development process initiated by JPL in and around its plant in Tamnar at Chhattisgarh. As part of its corporate philosophy, Jindal Power Limited (JPL) strongly believes that overall sustainable community development is essential for harmony between the community and the industry. The company endeavors to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.



Its commitment to address important societal needs extends through its philanthropic outreach programmes driven by the O.P. Jindal Samaj Kalyan Samiti (OPJSKS) formed for the purpose of improving, guiding and inspiring the lives of the underprivileged through different capacity building programmes. OPJSKS believes its primary task is to understand the perceptions and expectations of all its stakeholders and open up a dialogue with them. While communities have been its primary stakeholder, OPJSKS has included all those engagement in the task of development.

The Samiti facilitates programmes and gives direct assistance and resources to individuals, families and other charitable organisations. Nurturing experiences and personal opportunities are also provided for those in the community who have little or no access to any assistance.

Community Development

OPJSKS is creating assets like roads, drainage systems, drinking water facilities, community building, culvert etc, which are carried out as per the needs of the villagers, Gram Panchayats and Block/District Administration.

"Sitapara" is a remote village situated in Tamnar block, home to 18 Birhor families. Birhor is a primitive tribal community that is on the verge of extinction. All the households fall under the BPL category. Rope making from plastic gunny bags is the primary occupation of these households. In addition to this, they also work as daily wage earners to maintain their family.

To provide a platform for pre-primary education to the children of the Birhor community, OPJSKS has constructed a community building. In this building, a Non-Formal Education Centre (Balwadi) is being run for the last three years. OPJSKS is providing all the resources and supporting services of the Balwadi, like the honorarium of the instructor, study material for the children and mid-day meal. It also takes care of the health of these children. Children are being fostered and groomed in a way that they can join the mainstream after completion of one year.

Agriculture is the mainstay of the rural economy and OPJSKS has given it due importance. Multiple methods have been applied to improve agriculture and make it more profitable. Organic farming is being encouraged. Integrated pest management has been introduced, within which organic, nature friendly alternatives have been provided. SRI technique (System for Rice Intensification) has also been introduced.

Cattle health camps have been organised in joint collaboration with the Government Veterinary department and training programmes are also organised for farmers for better care of cattle; feeding system, fodder development, vaccination etc.

OPJSKS strongly believes that enhancing the capacities of people is the key to sustainability of its development programme. The number of training programmes, workshops, seminars and exposure visits organised by OPJSKS is a testimony of this belief. Training and exposure visits were organised for the farmer community to familiarise them with the latest scientific developments in agriculture to make it more sustainable and profitable. Recent developments and important topics in agriculture like new crops, cropping patterns, organic farming, dairy farming etc. were discussed with the participants. Similarly training sessions were also organised for the members of SHG groups, VEC members, PTA members, youth groups, VHVs, Teachers and other village volunteers.

OPJSKS has employed many strategies to deal with the endemic problem of water storage/shortage. Pond deepening, excavation of new ponds and installation of bore-wells are some of the interventions to deal with this problem. In Chhattisgarh, a pond is very useful not only for the human beings but also for animals. Village ponds provide water for bathing, washing, and cultivation of fish.

The Samiti involves youth in social and rural development activities and motivates them for self-confidence, self-employment and skill development. OPJSKS provides opportunities to the youth to build their capacity. Most of the youth are involved in different self-employment and income generation activities. Some of them also get jobs in different trades after successful completion of various skill development trainings.



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OPJSKS organised the Youth Leadership Training Programme (YLTP) to enhance the youth of surrounding villages and ensure participation in rural development. It is a unique programme because of its holistic characteristics of identifying the dimensions that constitute the actual human personality. It was organised to accomplish our objective of providing youth knowledge about their social, mental, physical and emotional strength and weakness.

Healthcare

To ensure regular health checkups and treatment among villagers, OPJSKS is regularly organising medical camps in the surrounding villages. Most health related problems are identified and cured at the village level.

It has been observed that awareness on health related issues amongst local people is poor. Predominantly, people are suffering from water-borne diseases. Water-borne diseases are caused due to use of unsafe water. It has also been observed that Infant Mortality Rates (IMR) & Mother Mortality Rates (MMR) in the OPJSKS's operational areas is higher than the national ratio.

Keeping in mind the above health evils, the Samiti has created a cadre of Village Health Volunteers called "Swasthaya Sangini", who would be drawn from the community, to address both curative and preventive aspects of health. This programme aims to ensure institutional delivery, child vaccination, ante-natal and post-natal care to reduce IMR & MMR. The Swasthaya Sangini's are trained by expert consultant from the Foundation for Research in Community Health (FRCH), Pune. They are using various participatory tools to generate awareness among the community.

Towards improving the health profile of the nation Mobile Medical Units visit villages to provide diagnostic, curative services and free medicines Mega Health Camps, multi-specialty camps and mobile ambulances impacted 83,359 people through 935 outreach programmes Community clinics provided OPD consultations, pathological benefits and X-ray services to 25,544 people Constructed and repaired 180 hand pumps, bore wells and water tanks for 2,221 beneficiaries and 420 households

Education

Duttack Putri is a unique programme, to promote girl education, implemented by the ICDS department, Chhattisgarh Government. These girls should be either an orphan or belonging to BPL category. The Samiti has collaborated with ICDS department to support these girls. Under this programme, it has adopted the local girls and provided those books, bags, pen, pencil, umbrella and dresses.

To build leadership among students, OPJSKS facilitated resources for the formation and strengthening of Bal Sansad at schools. The aim behind Bal Sansad is that schools should be managed by their students itself. Under this programme, a committee of 10 students is formed and a leader is elected to manage and monitor activities like mid-day meals, cultural programmes, and horticulture at schools, manage assembly etc. Through this initiative, a feeling of ownership is developed among students.

35% of the total population of Tamnar block belongs to the tribal community where educational attainment above the primary level is very low. Low parental income and poor accessibility of students to good educational facilities is a big constraint for higher education of tribal students. OPJSKS recognizes that higher education is the most direct path to success in their future careers; it has floated many schemes to support and encourage tribal students for higher education.

Scholarships

To enhance education levels among students in the plant's operational areas, OPJSKS provides two types of scholarships viz.

1. O.P. Jindal Merit Scholarship for meritorious students: Financial assistance is provided to 30 meritorious students.



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2. O.P. Jindal Technical scholarship for Higher Studies: To promote technical education in the area, OPJSKS is running the O.P. Jindal Technical Scholarship for Polytechnic, Engineering, Medical and Management students. Many students have benefited under the scholarship scheme.

OPJSKS in joint efforts with Perna Mahila Mandal, is running three month pre-primary activity based classes to prepare children for taking admission in near-by English medium schools. Perna Mahila Mandal is a women-based society run by housewives of JPL officers'. This year OPJSKS has organised three month classes by engaging 30 children from different villages.

To motivate schools and children to celebrate national and other events, OPJSKS provides support in terms of prizes and gifts, sweets etc. OPJSKS also supports block level programmes at Tamnar on Independence Day and Republic day. We also founded the O P Jindal Thermal Power School in 2006.

Women Empowerment

OPJSKS believes that women can play a prominent role as a major change agent for rural communities and empowering them would accelerate the pace of development. With this purpose, the Samiti plays a facilitator's role for Self-Help Groups. OPJSKS facilitates them with the knowledge of saving and credit by organising various training programmes and helps them to get access to various government and non- government financial institutions through various linking processes. At present, 30 groups are engaged in income generation activities based on agriculture produces, livestock rearing, rural art and craft, food processing and other allied activities. Some identified groups have started their own enterprises such as candle-making, bread-making, vermi-composting, soft toys making, dona-pattal making etc., which has made them economically self-reliant. Selected SHGs have also been provided with revolving funds to set-up their own micro-enterprise under income generation programmes.

Sugandhi (Raigarh) An initiative promoting hand rolled agarbatti making, that empowers 25 women from peripheral villages to earn a livelihood ranging between ` 800 to ` 1,250 per month by working for 3-4 hrs per day for 25 days in a month.

Environment

Jindal Power Limited conforms to the latest regulatory norms and aids in environmental protection practices through the implementation of state-of-the-art technologies. Persistent efforts are made to control pollution in and around the factories to provide clean air and water. The Company has taken the following steps towards achieving a pure and pollution free environment.

Pollution Control Measures

1. Air pollution control devices with benchmark efficiency (Electro-Static Precipitators with 99.9% efficiency) have been installed.
2. The plant has been designed on 100% recirculation/reuse of waste water and the concept of 'zero discharge' is being maintained.
3. Water is sprayed in the coal yard to inhibit dust from flying, including at transfer points loading and unloading points.
4. A pipe conveyor of 6.9 km length is installed from the coal mines to the main power plant, avoiding any fugitive dust generation in the transportation of coal.
5. A sewage treatment plant has been installed at the plant and the colony for domestic waste water treatment and treated water is being reused in irrigation (drip line/ pop up).
6. Fly Ash management is done through wet and dry ash collection system, wherein the fly ash is utilised in cement, brick, tiles and blocks manufacturing.
7. A Fly Ash technology park is being developed wherein manufacturing units for fly ash bricks, blocks and tiles are being set up along with demonstration plots for agricultural practices.
8. Various campaigns for building environmental consciousness are carried out on a regular basis in addition to plantation activities at nearby villages, distribution of awareness pamphlets etc. We also observe all



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environment events and celebrate the World Environment Day, Earth Day and Ozone Day through different initiatives.

Continual Improvement Measures

Keeping improvement and up gradation in mind, JPL is in the process of implementation of Integrated Management Systems such as:

1. Quality Management Systems (QMS 9001:2000).
2. Environment Management Systems (EMS 14001: 2004).
3. Occupation Health & Safety Management Systems (OHSAS 18001: 2007).

CSR Policy

1. Ensuring presence through meaningful community participation and proactive engagement. Building and strengthening community institutions and Panchayati Raj Institutions (PRIs)
2. Working in partnership with Civil Society Organizations (CSOs) and Government bodies to widen the reach and leverage each partner's individual experience and expertise.
3. Partnering CSR initiatives through Donor Agencies /Project Implementing Agencies Corporate Partners / Corporations / bodies.
4. Providing maximum assistance during times of disasters. TM Encouraging employee volunteerism.
5. Adhering to the CSR activities as required by the Law.

CONCLUSION

It can be concluded from the above study that JPL is actively exhibiting Social Responsibility in various fields like Health, Education, Women Empowerment, Environmental protection. Policies are in place with regard to CSR. Company is having Integrated Management System to upgrade and improve the quality, health and environment management system.

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