



Role of NLCIL in the societal development

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Abstract

CSR is becoming a “business necessity” in the contemporary business world. From the conventional type of the barter system to the present era of modern business world, the business concerns contributing to the societal development. The term CSR is defined by The United Nations Industrial Development Organisation as “a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders”. In order to streamline the CSR activities and ensure more accountability and transparency, the Government of India made it mandatory for the companies to undertake the CSR activities under the Companies Act, 2013. Under the new enactment, the companies are supposed to set aside at least 2% of their average profit in the last three years. This paper presents an understanding about the CSR and also the role of a renowned PSU in Southern India viz., Neyveli Lignite Corporation India Ltd (NLCIL) towards the community development. This organisation is located in Neyveli, Cuddalore District, Tamil Nadu. The NLCIL has adopted the CSR activities to uplift the community and also for the protection of the environment. The innovative strategies adopted by this organisation for social and environmental sustainability and also for the community development has enabled the organisation to make most positive impact on people, planet and profits.

Keywords: corporate social responsibility, society, stakeholders, environmental sustainability, community development

Introduction

CSR is the commitment of business to contribute to sustainable economic development - working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development - World Bank's definition of CSR.

CSR and sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The key stakeholders are employees, customers, suppliers, investors, society and government. In ancient days, it was considered as philanthropic process but in the contemporary business world the tremendous change has undergone a positive impact on socially diverse areas of the community. The modern day business organizations also encourage better work life balance amongst its employees, move towards zero waste status, zero corruption policies and green marketing in order to be responsible company which operates its business with care on day to day basis - be it consumers of its products /services, employees, suppliers, government and the environment.

CSR in India

The world wide renowned leader M.K. Gandhi spoke about seven social sins which includes commerce without morality. Nowadays, there has been a drastic change and vast improvement in the relationship between corporates and society. This paradigm shift is mainly due to LPG.

At the global level India has one of the richest traditions of CSR. India has become the only country in the world with

legislated CSR and a spending threshold of up to 2.5 billion dollars (Rs. 15000 Crores). In the last phase of CSR development Indian companies started abandoning their traditional engagement with CSR and integrated into a sustainable business strategy. The shift from sporadic social service to strategic CSR is important for companies not just to convince their shareholders about their commitment, but to genuinely do business as a responsible corporate citizen for their own sustainability. Hence the companies are contributing towards social cause in the modern era.

Objectives of the study

The main objective of this paper is to study the corporate social responsibility activities undertaken by the corporate giants in India. This study mainly focuses on the CSR activities of Neyveli Lignite Corporation India Limited (NLCIL), Neyveli and its role in societal development. Based on this main objective, the following other objectives are framed:

1. To study the role of NLC India Ltd. in societal development
2. To analyse the various strategic CSR activities of the company

Methodology

This paper brings out how the NLC INDIA Ltd., one of the leading PSU's in South India, organizes CSR activities and its contribution towards community development. The available secondary data collected from the Annual reports and web site of NLC India Ltd. was extensively used for the study. In addition to this, various news articles published in the leading

business dailies were also used for this study.

Current status of CSR in India

A vast majority of the organizations have been involved in serving the community through donations, charity events, medical aids and health camps, setting up schools and colleges, providing vocational training to the local people in order to uplift the society.

Companies have specialized CSR teams that formulate policies, strategies and goals for their CSR programs and create a CSR budget for funding their CSR activities. A more comprehensive method of development is adopted by various corporate giants such as BPCL, BHEL, IOC, NLC, TATA, RELIANCE, GSK PHARMA, HUL, INFOSYS, ITC, MAHINDRA & MAHINDRA, and WIPRO etc. They also join hands with NGO's and devise plans to redress social problems. They devise programs for the empowerment of rural areas and make the people in that area self-reliant through vocational training and help them to uplift their standard of living.

Indian Centre for CSR – ICCSR

It is a not-for-profit global advisory and training organization. It advises clients on sustainability and CSR. The Government of India is also looking at a proposal to float a company to manage CSR funds of all Central Public Sector Enterprises to ensure efficient implementation of this social initiative and to free companies from additional responsibilities.

CSR Guidelines in India

The new guidelines link CSR with sustainable development and hence the organizations serve the interest of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

Under the new Companies Act 2013, corporate must spend 2% of their profit on CSR from next fiscal year, provided they have a turnover of Rs.1000 Crores and more or net worth of Rs. 500 Crores and more or a Net Profit of Rs.5 Crore and more.

From April 1, 2014 all profit making Central Public Sector Enterprises are required to allocate budget mandatorily through a Board Resolution as % of Net Profit (previous Year) as stated below:

Type of PSE's N/P (previous year)	Expenditure range for CSR in a Financial year (% of profit)
a) Less than Rs.100 Cr.	3 to 5%
b) Rs.100 to 500 Cr.	2 to 3%(sub. to a minimum of Rs.3Cr.)
c) Rs.500 Cr. & more	1 to 2%

It is also mandatory for PSU's to create a CSR budget through a Board Resolution. The CSR budget has to be fixed for each financial year and the funds would be non-lapsable. However the loss making PSU's need not earmark specific funding for CSR activities.

CSR of PSU'S - sector wise analysis

Indian Public Sector Undertakings always played a pivotal role in shaping the path of the country's economic

development. After the LPG era, the role of Public Sector Undertakings has undergone a drastic change. These undertakings serve the interest of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

The sector wise CSR activities of the PSU's are briefly given below:

1. Coal sector- The CSR activities of coal sector includes infrastructure support, water supply, health care, education, environment, relief of victims and natural calamities like earthquake, cyclone, draught and flood situation in any part of the nation and other development works. For example Coal India Ltd is the sixth largest mining company in the world. On 26th August 2013, this organization has sanctioned an amount of Rs.16.50 crores from its CSR fund to Government of Jammu Kashmir for the construction of Trauma Centre at Leh district.
2. Power sector - This sector spend predominantly on community and rural development. They undertake development measures for communities which stay nearby to their plants through foundations and trusts. Public Sector Undertakings such as NTPC and NHPC mainly focus on rehabilitation and resettlement of the community displaced by construction projects. PGCIL has provided relief and assistance to people affected by flash floods in Leh (J&K), Assam and in Odisha. It has also started Mahils Srishti Samaj, a body involving wives and employees and women employees to monitor the CSR activities of this organization.
3. Oil and Gas sector- Oil and gas sector meets 35% of our country's energy consumption. In addition to this, PSU's of this category also spend mostly on development of townships, community with a special focus on education. They undertake community development and organize health camps which provide free medical check-ups to people. For example, ONGC has set up five centres of Gandhi Institute of Computer Education and Information Technology. IOC runs mobile medical units in Mathura and has set up a nurse training institute in Digboi, Assam. HPCL has been an integral part of the society and conducts its operations mainly focusing on the society. This organization has undertaken various projects with specialized NGOs and serves across the country through community interventions in areas of child care, health care education and skill development. Under Swachh Bharat Abhiyaan new toilets were constructed at retail outlets and at various govt. schools of Andhra Pradesh, Assam, Bihar, Chhattisgarh and Odisha.
4. Steel sector- CSR has been identified as an important parameter in the MOUs drawn up by all the PSU's with the Ministry of Steel. CSR activities of steel PSU's include environment care, education, health care, cultural efflorescence and peripheral development, family welfare, social initiative and other measures. For example, SAIL has invested in health and education infrastructure for its employees. TATA STEELS is another giant steel organization which spends 5-7 % of its PAT on various CSR initiatives. Its CSR in alignment with the Tata Group focus initiatives (skills, water, governance, education) will

focus on four thrust areas- Education, Health, Livelihoods and Rural and Urban infrastructure. Its CSR activities include supporting SHG's, social welfare organizations, health care projects and economic empowerment.

CSR and Neyveli lignite corporation India ltd. (NLCIL)

Neyveli Lignite Corporation India Ltd. is a giant mining cum power public sector undertaking and a Navaratna company located in Neyveli, Tamil Nadu, S. India. Apart from lignite mining, this organization becomes a power producer of the country. The CSR activities of NLCIL not only benefit the employees and their families and also benefit the community at large.

The CSR activities of NLCIL mainly focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities, aiding in the Socio-economic development of the local State(s) in which NLCIL operates and also the country at large. The CSR of NLCIL contributes to various sectors of development, as enumerated in the Schedule VII of the Companies Act. The main sectors are:

- Health and Sanitation
- Education and Special Education
- Employment enhancing vocational skills
- Women Empowerment
- Sports
- Relief and Rehabilitation of area affected by disasters.
- Rural Development projects for roads & access, water resources augmentation for irrigation and overall community development.

Now a day the corporate organizations are spending the mandatory requirements as per the legislation towards the CSR activities. This organisation is also lending a helping hand towards its stakeholders through a dedicated team of officials. The CSR Committee of the Board of Directors of NLCIL monitors them. The Board of Directors of NLCIL reviews the same from time to time and ensures that at least two percent of the average net profit of NLCIL for the last three years is spent by this organisation on CSR. This team of officials and through the meticulous planning and also their flagship projects fulfils the CSR activities in a successful manner.

The CSR activities of NLCIL include the following:

- Providing all inclusive social facilities to the employees and their families, especially in the areas of education, healthcare and entertainment.
- Providing assistance to social and cultural activities both to employees and associated sections of the society.
- Providing employment to the weaker section and land acquitees.
- Contributing to the various activities dealing with natural calamities/ disasters.

The socio- economic development of this organization is highly commendable. The contributions of NLCIL to the society in the recent years are listed below:

- NLCIL planned to spend a sum of Rs.41 crores for the year 2014-15 for taking various programmes under CSR.
- NLC IL presented a cheque of Rs. One crore to the Institute of Public Enterprise for instituting NLC chair on

CSR at Hyderabad.

- As a CSR initiative, NLCIL has taken up a baseline survey in 120 villages to identify basic needs and maximize its contribution for their sustainable development. Alampatti Mettur has been identified as the first village outside of Cuddalore district for the implementation of CSR project. It has constructed a dining hall in the Community Centre in this village.
- NLC's CSR initiative include continuous supply of water for irrigating over 23000 acres in surrounding villages, maintaining borewells and supply of drinking water for around 70 villagers and treatment of more than 1 lakh patients from rural areas in the NLC GH.
- As a CSR measure, NLCIL is providing coaching for the Class-X Tamil medium students from the surrounding schools. This programme aims at improving the quality of education of the students in the peripheral villages especially the down trodden group.
- NLCIL CSR Cell has been imparting training to the youth of peripheral villages in operating LMV, HMTV and Earth moving Equipment. They are planning to train women in tailoring, typewriting and computer DTP in future.
- NLCIL renders service to society in the form of Women development, imparting education, provides training and conducts awareness programmes. It also provides service to environment in the form of eco-friendly measures and waste- management.
- On the eve of Golden Jubilee of NLC in 2006, a special fund of Rs. 10 crores was sanctioned for Peripheral Development Scheme in order to strengthen the surrounding community.
- Deputed a strong team to attend relief operations during Tsunami.
- During floods, supplied food from NLCIL canteens and provided shelter in NLC schools.
- Supplied billion litres of water to Chennai during drought.
- NLCIL's multipurpose CSR project "Jala Paryaptha" envisages augmentation of water resources for irrigation in NLC's operating region which include the Wallajah Lake-Desilting at an estimated cost of Rs.14 Crores.
- NLCIL proposed to construct 2500 toilets in schools in neighbouring villages in Tamil Nadu and Rajasthan under Swachh Vidhyalaya Abhiyan at an estimated cost of Rs.52.50 Crores. This work has been commenced already in Tamil Nadu and under progress in Rajasthan.
- NLCIL started a "Women Empowerment Centre" at Neyveli on 22.3.2016 under the auspices of CSR cell in order to help women increase their employment opportunities and supplement their family income.
- NLCIL laid Paver Block Road for Auroville, Pondicherry as a part of its CSR initiatives.
- NLCIL inaugurated the Breakfast Scheme for students of Higher Secondary from 25.9.2017 to commemorate the birth centenary celebrations of Shri. Pandit Deen Dhayal Upadhyayaji.
- NLCIL has actively involved in the Swachh Bharat Abhiyan mission and undertaken various activities such as cleanliness drive, regular inspection of toilets, waste-water treatments and water recycling etc. As a part of this initiative, it organized a cleanliness drive at heritage sites in

Vriddhachalam, Vadalur and Venkampettai village with the participation of Volunteer Association, students from schools and college.

- NLCIL organized a Workshop on Sanitation for the students and members of the SHG's at Keezhmampattu village on 29.8.2017 as a part of the cleanliness fortnight (16.8.2017-31.8.2017). They explained the causes of fever like dengue, malaria and chickengunia and also suggested preventive measures. They also supplied the toiletry kits at free of cost to all.
- NLCIL has actively involved in the Swachh Vidyalaya Abhiyan and took the initiative to construct toilets in schools nearby the Neyveli and peripheral villages.
- NLCIL under CSR constructed Dialysis Centre at the Government Head Quarters's Hospital, Cuddalore at a cost of Rs.225 lakhs.
- NLCIL organized a massive cleaning activity at Manimuktar river, Vriddhachalam on 20.8.2017 under its CSR initiative.
- NLCIL under its CSR initiative inaugurated 4 modern Reverse Osmosis (RO) water treatment plant kiosks of Rs.11 lakhs each at the Rehabilitation Centres around Neyveli.
- NLCIL provided training to Neyveli businessmen on cashless transaction in coordination with SBI.

The CSR spending details of NLCIL in the recent years are given below:

Table 1

Year	Amount Spent On CSR(Cr.)	Trend %
2010-11	8.19	100
2011-12	13.24	161.66
2012-13	14.09	172
2013-14	14.34	175
2014-15	26.30	321.12
2015-16	47.49	579.85
2016-17	82.76	1010.50
2017-18	37.91	462.88

(Source: Annual Reports of NLCIL)

The table given above reveals the trend of the CSR spending of this organisation for the last few financial years which indicates that this organisation has contributed generously towards CSR. There is an uptrend in their spending towards CSR in all the years. In all these years, this organization has spent more than the stipulated norms as prescribed by the DPE.

CSR and NLCIL

This organization is actively involved in the implementation of various CSR activities for their employees, society/community. The following are the various areas through which the CSR activities are undertaken:

Township: NLCIL is located in the Neyveli, Cuddalore (Dt.), Tamil Nadu, S. India. This organization has developed a well planned township spread over 50 square meters with around 21000 residential quarters for its employees. It is a model township with good quality roads, top class sanitation and water facilities, shandies, shopping centres, places of worship

such as temples, church, mosque etc. for all religions, banks, post offices, LIC, court, police station, cinema houses, club, auditorium, swimming pool, parks and a sports stadium covering all sports activities. This township is widely connected with transport facilities for all plants and nearby places. It has also developed a new township namely Lignite Sakthi Nagar at Barsingsar, in Bikaner district of Rajasthan for the employees of that unit.

Medical Services: This organization maintains a sophisticated 369 bedded NLCIL General Hospital for providing medical services and occupational health services to the employees and their dependants. It also operates an out-patient services unit which provides medical treatment at free of cost to the general public.

This GH of NLCIL conducts various camps such as Polio Immunisation Camp, Brain Fever Immunisation Camp, Diabetic Retinopathy Screening Camp, Epidemics control programme and conducted various awareness campaign for health related issues and also organised free health screening camps for testing Blood Group, Sugar Check and HIV identification. This hospital also provided medical support for the elderly people residing in old age home maintained by Help Age India in Cuddalore district.

Education: Neyveli Township is very famous for providing good quality education to the wards of the employees and to the children from the neighbouring villages. This organization runs 33 schools and one college which cater to the needs of the wards of the NLCIL employees. They have also started a school in tie-up with the private school in Andhra Pradesh to give coaching for IIT. This school has sent many students to IIT's and NIT's. Hence this township is regarded as the educational hub of Cuddalore district.

Social Welfare: As a CSR initiative, this organization has started a Sneha Opportunity School for providing education and vocational training to mentally challenged children. This school helps them to be self-reliant and enable to earn their livelihood. To achieve this mission, a garden restaurant called as Sneha Poushtika was set up in Neyveli Township for the benefit of such special children.

This organization has another social welfare centre namely Neyveli Health Promotion and Social Welfare Society which offers services for the benefit of the physically handicapped, widows and destitute. It imparts training for them and provides job opportunities. This society also runs a school for hearing impaired viz., Shravana. This society also conducts welfare programme, computer literacy programme, health care education and providing artificial limbs.

Community Development: Since inception, NLCIL has been taking up the CSR activities for the benefit of people residing in the surrounding villages and the welfare of the neighbouring society at large. For this purpose, a committee was formed under the chairmanship of District Collector namely Peripheral Community Development Committee. This committee consists of villagers/ panchayat chief as members. As a part of the community development initiative, this organization has been building social infrastructure like

drinking water, bore-wells, schools, libraries, laboratories, balwadies, anganwadis, primary health centre etc.

Environment: This organization is also committed to ensure environmentally sustainable and responsible operations to achieve highest standards of environmental excellence. This organization has developed integrated farming system in reclaimed and afforested area. NLCIL undertakes wide range of sustainability development projects and CSR measures for the environment protection and community and rural development in order to ensure the sustainable development of the organization.

Innovative CSR strategies in NLCIL

The innovative strategies adopted by the NLCIL for social and environmental sustainability and the proactive R&D efforts towards finding innovative solutions to environment problems enabled NLC to make most positive impacts on People, Planet and Profit. Its various CSR activities are presented below:

1. People

- Quick and amicable settlement of land compensation to villagers from whom NLC has acquired lands
- Support services to mentally challenged and physically handicapped people thro' Special school
- Extending relief operations during natural calamities
- Extending the facilities such as education, training, sports, health and transport services to the nearby villages.

2. Planet

- Energy conservation through energy audit
- Afforestation and land and ash pond reclamation
- Surface and ground water management and supply of water to villagers for irrigation
- Air quality monitoring and identification of tolerant tree species for inclusion in afforestation
- NLC made its township a plastic free zone.

3. Profit

- A very good source of coal and power with track record of profit for the last three decades
- Well managed and systematic control of operations
- Transparency and fair practices
- Maintains good IR

Awards won

In recognition of NLCIL's commitment and its CSR initiatives towards the society/ community development, various awards have been granted to NLCIL. A few of them are listed below:

- CSR -SCOPE
- CSR - FICCI SEDF
- CSR - HELP AGE INDIA
- BEST CSR – GOVT. OF TAMIL NADU
- ENVIRONMENT – FICCI
- ENVIRONMENT - K.P GOENKA
- ENVIRONMENT - INDOGERMAN GREENTECH
- ENVIRONMENT - T.NADU GOVT. HORTICULTURE
- ENVIRONMENT - INDIRA PRIYADHARSHINI VRIK SHAMITRA

- IME JOURNAL INNOVATION AWARD instituted by Indian Mining &Engineering Journal for using state-of-the- art Mining Technology with effective CSR and Environment Management Initiative
- GREEN GOLD TECH AWARD instituted by Green tech Foundation for outstanding achievement in CSR.
- BT STAR - PSU Excellence Award (CSR) from Bureaucracy Today, a renowned magazine.
- Golden Peacock Award for CSR-2015

Conclusion

“In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence”- Jamsetji, Founder, TATA Group.

The private sector organizations are very rigorously participating in various CSR activities in our country. The PSU's are not an exception to this and they too take care of the community. CSR is the main activity through which the business houses either private/public owes some responsibility towards the community from which it draws the inputs such as men, materials and natural resources. This organisation has gone a long way in fulfilling its duty and responsibility towards the community as well as the nation. Such type of contributions to the society will result in better and healthy relationship between the organisation and community. These social service activities also help the organisation to build an image and reputation among the public. The organisation can also gain the competitive advantage and also boost the employee morale. The CSR activities of this organisation listed in this paper vividly shows that the NLCIL's wide range of sustainability development projects and measure for the environmental protection and community as well as rural development thus ensuring the sustainable development of the organisation.

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