

CSR Activities of JSW Limited and NMDC Limited – A Comparative Analysis

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ABSTRACT

Now a day's concept of 'Corporate Social Responsibility' has become a key aspect of business philosophy and practice all over the world. CSR is a component of Indian business also. The Indian Companies (Amendment) act, 2013 has introduced the CSR concept to forefront in the country and through explains the mandatory in promoting transparency and disclosure. Section 135 of the Indian companies act and rules issued there under, CSR norms are applicable on companies which has (a) the net worth of Rs 500 crore or more, (b) the turnover of Rs 1000 crore or more; or (c) the net profit of Rs 5 crore or more. The companies, crossing the prescribed threshold, are needed to spend on CSR activities at least 2% of their average net profit for the immediately preceding 3 financial years. The schedule 7 of the new company's act listing the CSR activities, suggests the communities to be focal point. and by discussing a company's relationship to its stakeholders and integrating into its core operations, the Draft rules suggests that CSR need to go beyond communities and also beyond philanthropy. The aim of this paper is to know what the contribution of public sector and private sector companies towards CSR activities is. This study carries a comparative analysis between Jindal Steel Works (JSW) and National Mineral Development Corporation (NMDC) of Ballari. Data have been collected from annual reports of both company and data has analysed and interpreted with the use of frequency distribution, percentage analysis, absolute change and percentage change. The study found that JSW limited has spent more towards CSR activities than that of NMDC limited. This study concludes that, public sector companies are neglecting the CSR activities and if doing but not so effectively. Therefore, Government must show positive response towards CSR activities on welfare of the society and public at large.

Keywords: CSR, JSW, NMDC, Activities, Society, Comparative Analysis

1. INTRODUCTION

CSR (Corporate social responsibility) is also often referred to as business responsibility and an organization's action on environmental, ethical, social and economic issues. The terms in the area can seem confusing if you do not know the jargon - but do not be put off by this. Ensuring that your business is aware of its affect is accountable for its actions and that it undertakes these actions in capable manner. Moreover, a well-running business is straightforward in its decision-making and processes and this makes for good governance. The importance of corporate social responsibility reporting in today's financial markets has been rising. There has been a significant rise in the number of social reporting requirements driven by regulatory bodies and stock exchanges around the world that have played a key role in discharging towards social reporting practices in India.

In spite that there is no one universally accepted definite on of CSR, but every definition emphasizes the impact that business have on society at large and the societal expectation of them. corporate social responsibility activities began with philanthropic activities like donations, charity by corporate with the passage of time charity by corporations with the passage of time the concept of CSR has emerged and now encompasses all related concept such as triple bottom line, corporate citizenship, humanitarian, strategic philanthropy, concealed worth, corporate sustainability and business obligation. Corporate social responsibility is additionally connected with the principle of sustainability, which appose that enterprises should make decisions not only on the basis of its financial factors such as profit or dividends, but also it must be based on the immediate and long term social and ecological consequences of their activities.

2. CSR ACTIVITIES

The business organisations are utilising the resources, which are available in the society, so they need to give something back to the society. CSR is the kind of form which will helpful to the organisations to contribute towards society. Corporate Social Responsibility (CSR) self regulating business model that enables an organisation to be socially accountable to itself, its stakeholders, and the public. By practicing CSR, also called corporate citizenship, companies can be aware of the kind impact they are having on all aspects of society, including social, economic, and environmental. And the business organisations can brings number of benefits such as an organisation can get a license to operate, attract and retain employees, enhances company's reputations, brand value, boosts government relationship, increase sales, cost savings, also help the organisation to win the new business, increases the buyers and also act as a risk management tool. So that every organisation must have to practice the CSR activities in order to survive in a marketplace.

3. STATEMENT OF THE PROBLEM

The fact is there are numerous social responsibility issues in today's business world. Each company must identify the concerns that are relevant to operations, based on the priorities

of managers and staff, as well as issue that your customer basis concerned with and the communities in which business operates. The companies are engaged in various areas of CSR activities. But the question is how these companies are carrying out their CSR activities in India integrated of CSR with business activities involves planning and implementation of CSR activities. The common requirements of all CSR projects are resources, in the form of manpower, finance, and time. Depending upon the availability of these resources, companies opt for different modes of executing CSR practices.

CSR has varied enormously, especially by the context of place, or national business systems (matter and moo 2008). Additionally, the most important attribute to note in CSR are its susceptibility to change (Gondand Moon 2011). The change has been evident through variations in (1) the relative significance of Garriga and melé's (2004) theoretical position on CSR (2) the parity of importance attached to the various degrees of obligations in corral's (1979) CSR pyramid (3) the variable prioritization particular stakeholders. (4) Parity of social, monetary, natural, and claiming responsibility. Hence, the method of implementation may vary as per these attributes. Further, CSR of the companies is presently characterized by many unsystematic practices such as, group of arrangements that are suitable for purpose within specific context but which lack sustainability & transferability.

4. NEED FOR THE STUDY

Every country, state, city, town and village need a corporate social responsibility and it should have actually come from the citizens not by the way of law. It is responsible for class of people living in a quality environment to uplift the people living in unhygienic environment. CSR is required to improve local and global communications. Corporate social responsibility improves company's image in public and relationship with their customers. Definitely the companies are going to come under media coverage which is also like brand marketing. It definitely boosts employee engagement. This creates sense to employee as what people surrounding them go through. And how they can help to improve the society. Poor and needs are definitely benefitted, women empowerment in rural villages, clean environment, education about subject or the cleanliness to people etc, are some benefits that the people are going to get. Law has to be incorporated to enforce companies to fund for CSR activities. Companies don't really care about surrounding, so this is best way to enforce them to fund for it.

5. OBJECTIVES OF THE STUDY

- To Study the distinct CSR activities According to Companies (amendment) act 2013.
- To Evaluate the spending of JSW Ltd and NMDC Ltd on selected CSR activities for the period of 2016-17 to 2018-19.
- To Provide suggestions for better CSR practices based on the study.

6. RESEARCH METHODOLOGY

A comparative study of CSR activities of JSW Company and NMDC Company has been undertaken and only five-major CSR areas selected and are taken into account for the purpose of analysis, they are, Eradicating Hunger, Poverty, and Malnutrition, Health care, Education, Environment and Skill development. Data have been collected from Annual report of JSW and NMDC Company, CSR report of JSW and NMDC Company and Official website of JSW and NMDC. Annual report of financial year 2016-17, 2017-18 and 2018-19 have been taken into account and data are analyzed with the help of frequency distribution, percentage analysis, absolute change and percentage change are used.

7. LIMITATIONS OF THE STUDY AND FURTHER RESEARCH SCOPE

The study focused only on a comparative analysis of CSR activities of NMDC and JSW Company limited. Both the companies are well known in and across the world. The data, which is required for the study is collected from secondary sources. There is a lot of difficulties faced in gathering of data as companies are not able to provide information required for the study.

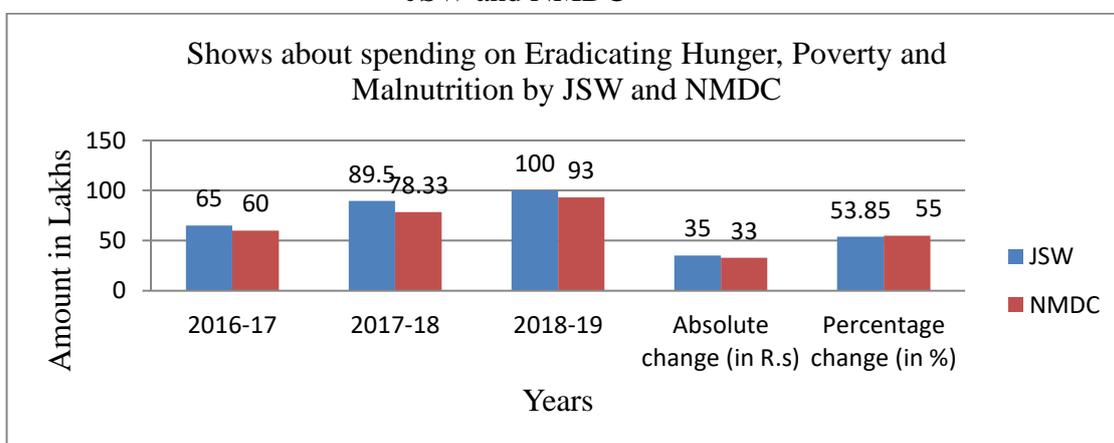
8. DATA ANALYSIS, RESULTS AND DISCUSSIONS

Table: 8.1 Shows about spending on Eradicating Hunger, Poverty and Malnutrition by JSW and NMDC (Amount in lakhs)

| Companies | 2016-17 | 2017-18 | 2018-19 | Absolute change (in Rs) | Percentage change (In %) |
|-----------|---------|---------|---------|-------------------------|--------------------------|
| JSW | 65.00 | 89.50 | 100.00 | 35.00 | 53.85 |
| NMDC | 60.00 | 78.33 | 93.00 | 33.00 | 55.00 |

(Source: Compiled from CSR report of JSW and NMDC for the 2016- 17 to 2018-19)

Chart: 8.1 Shows about spending on Eradicating Hunger, Poverty and Malnutrition by JSW and NMDC



(Source: Created by the researcher)

DATA ANALYSIS AND INTERPRETATION

From the above table and chart the spending on Eradicating Hunger, Poverty and Malnutrition of JSW Company limited is in increasing trend year by year. In the year 2016-17 it was R.s 65 lakhs and increased to R.s 100 lakhs in the year 2018-19. Even the spending of the NMDC Company limited is also in a rising trend. During the year 2016-17 it was R.s 60 lakhs and rose to R.s 93 lakhs, in the year 2018-19.

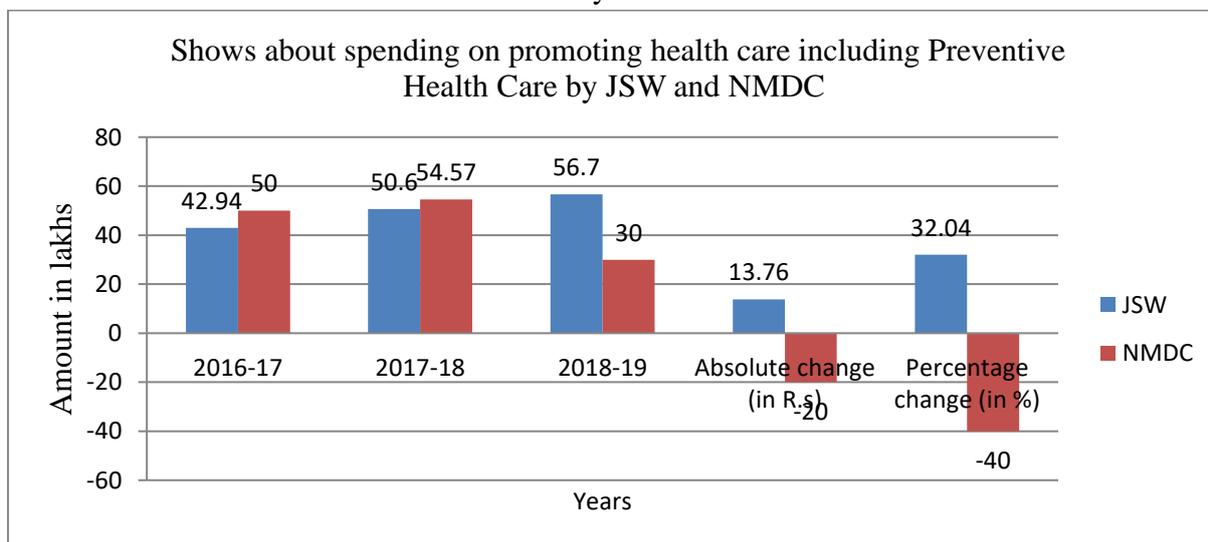
In terms absolute change in R.s the spending of JSW and NMDC has been increased to R.s 35 lakhs and R.s 33 lakhs respectively. In case of percentage change the spending of JSW and NMDC has been increased by 53.85% and 55% respectively. Hence, the spending of JSW limited is more than that of NMDC limited and NMDC limited need to spend more.

Table: 8.2 Shows about spending on promoting health care including Preventive Health Care by JSW and NMDC (Amount in lakhs)

| Companies | 2016-17 | 2017-18 | 2018-19 | Absolute change (in R.s) | Percentage change (in %) |
|-----------|---------|---------|---------|--------------------------|--------------------------|
| JSW | 42.94 | 50.60 | 56.70 | 13.76 | 32.04 |
| NMDC | 50.00 | 54.57 | 30.00 | -20 | -40.00 |

(Source: Compiled from CSR report of JSW and NMDC for the 2016- 17 to 2018-19)

Chart: 8.2 Shows about spending on promoting health care including Preventive Health Care by JSW and NMDC



(Source: Created by the researcher)

DATA ANALYSIS AND INTERPRETATION

From the above table chart the spending on Promoting Health care including preventive Health care of JSW Company limited is in increasing trend year by year. In the year 2016-

17 it was R.s 42.94 lakhs and increased to R.s 56.70 lakhs in the year 2018-19. But the spending of the NMDC Company limited is following declining, during the year 2016-17 it was R.s 50 lakhs and it has been reduced to R.s 30 lakhs, in the year 2018-19.

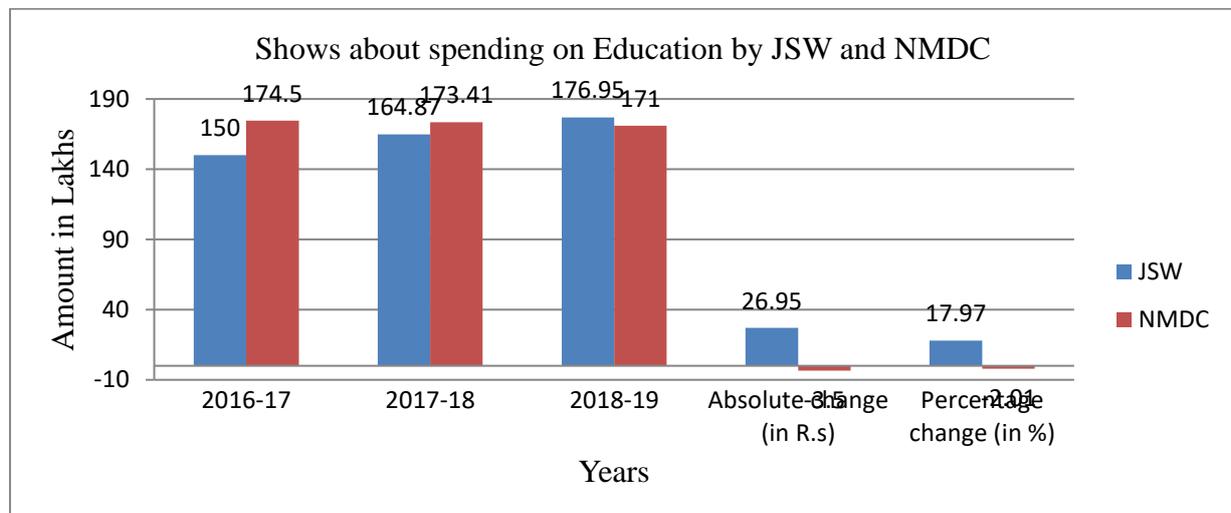
In terms absolute change in R.s the spending of JSW has been increased by R.s 13.76 lakhs and the spending of NMDC limited is decreased by R.s 20 lakhs. In case of percentage change the spending of JSW has been increased by 32.04% and the spending of NMDC is declined by 40%. Hence, the spending of JSW limited is more than that of NMDC limited and NMDC limited need to spend more.

Table: 9.3 Shows about spending on Education by JSW and NMDC (Amount in lakhs)

| Particular | 2016-17 | 2017-18 | 2018-19 | Absolute change (in R.s) | Percentage change (in %) |
|------------|---------|---------|---------|--------------------------|--------------------------|
| JSW | 150.00 | 164.87 | 176.95 | 26.95 | 17.97 |
| NMDC | 174.5 | 173.41 | 171.00 | -3.5 | -2.01 |

(Source: Compiled from CSR report of JSW and NMDC for the 2016- 17 to 2018-19)

Chart: 8.3 Shows about spending on Education by JSW and NMDC



(Source: Created by the researcher)

DATA ANALYSIS AND INTERPRETATION

From the above table chart the spending on Education of JSW Company limited is in increasing trend year by year. In the year 2016-17 it was R.s 150 lakhs and increased to R.s 176.95 lakhs in the year 2018-19. But the spending of the NMDC Company limited is following downward trend, during the year 2016-17 it was R.s 174.5 lakhs and it has been reduced to R.s 171 lakhs, in the year 2018-19.

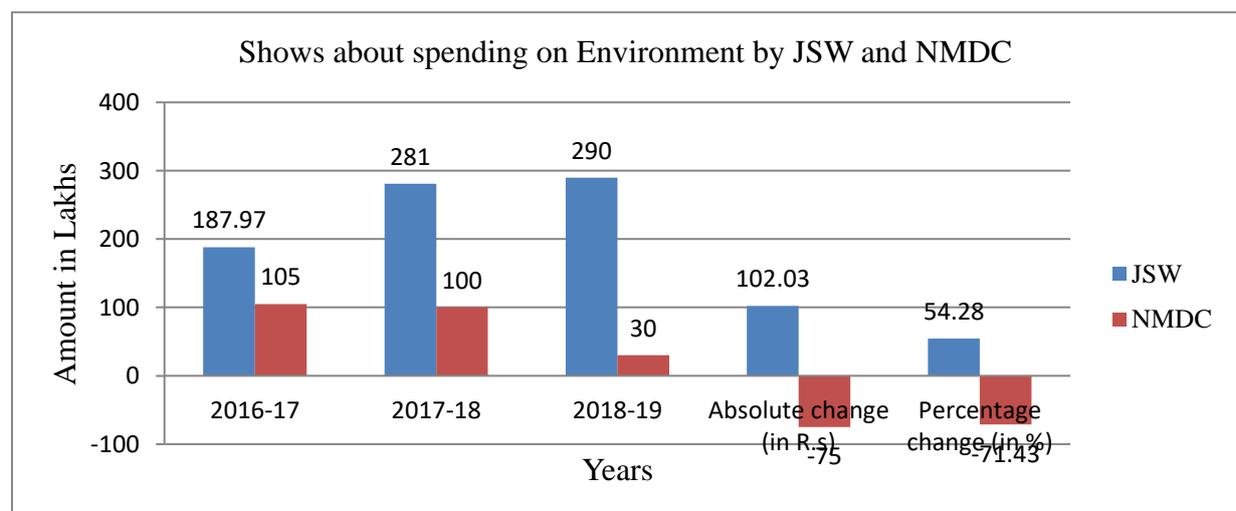
In terms absolute change in R.s the spending of JSW has been increased to R.s 26.95 lakhs and the spending of NMDC limited is decreased by R.s 3.5 lakhs. In case of percentage change the spending of JSW on education has been increased by 17.97% and the spending of NMDC is decreased by 2.01%. Hence, the spending of JSW limited is less than that of NMDC limited though the spending of NMDC is following declining trend, it is not a good sign for the company.

Table: 8.4 Shows about spending on Environment by JSW and NMDC (Amount in lakhs)

| Industry | 2016-17 | 2017-18 | 2018-19 | Absolute change (in R.s) | Percentage change (in %) |
|----------|---------|---------|---------|--------------------------|--------------------------|
| JSW | 187.97 | 281.00 | 290.00 | 102.03 | 54.28 |
| NMDC | 105.00 | 100.00 | 30.00 | -75 | -71.43 |

(Source: Compiled from CSR report of JSW and NMDC for the 2016- 17 to 2018-19)

Chart: 8.4 Shows about spending on Environment by JSW and NMDC



(Source: Created by the researcher)

DATA ANALYSIS AND INTERPRETATION

From the above table chart the spending on Environment of JSW Company limited is in increasing trend year by year. In the year 2016-17 it was R.s 187.97lakhs and increased to R.s 290.00lakhs in the year 2018-19. But the spending of the NMDC Company limited is following downward trend, during the year 2016-17 it was R.s 105.00 lakhs and it has been reduced to R.s 30.00 lakhs, in the year 2018-19.

In terms absolute change in R.s the spending of JSW has been increased by R.s 102.03lakhs and the spending of NMDC limited is decreased by R.s 75 lakhs. In case of percentage change the spending of JSW has been increased by 54.28%and the spending of

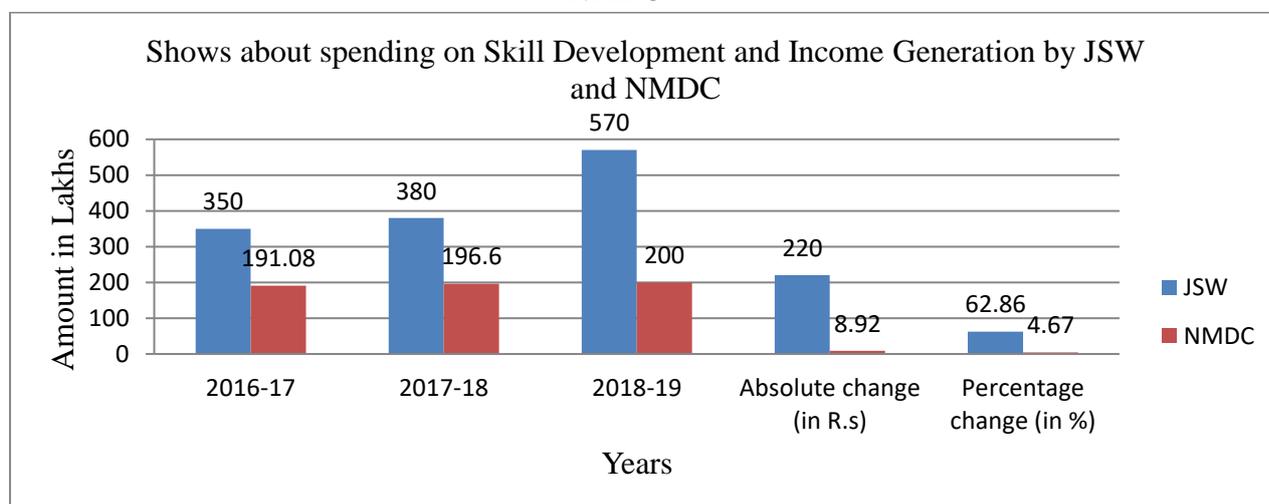
NMDC is declined by 71.43%. Hence, the spending of JSW limited is more than that of NMDC limited and NMDC limited need to spend more.

Table: 8.5 Shows about spending on Skill Development and Income Generation by JSW and NMDC (Amount in lakhs)

| Companies | 2016-17 | 2017-18 | 2018-19 | Absolute change (in R.s) | Percentage change (in %) |
|-----------|---------|---------|---------|--------------------------|--------------------------|
| JSW | 350.00 | 380.00 | 570.00 | 220 | 62.86 |
| NMDC | 191.08 | 196.60 | 200.00 | 8.92 | 4.67 |

(Source: Compiled from CSR report of JSW and NMDC for the 2016- 17 to 2018-19)

Chart: 8.5 Shows about spending on Skill Development and Income Generation by JSW and NMDC



(Source: Created by the researcher)

DATA ANALYSIS AND INTERPRETATION

From the above table chart the spending on Skill development and Income generation of JSW Company limited is in increasing trend year by year. In the year 2016-17 it was R.s 350.00 lakhs and increased to R.s 570.00 lakhs in the year 2018-19. Even the spending of the NMDC Company limited is also slightly in a rising trend, during the year 2016-17 it was R.s 191.08 lakhs and rose to R.s 200.00 lakhs, in the year 2018-19.

In terms absolute change in R.s the spending of JSW and NMDC has been increased by 220 lakhs and R.s 8.92 lakhs respectively. In case of percentage change the spending of JSW and NMDC has been increased by 62.86% and 4.67% respectively. Hence, the spending of JSW limited is more than that of NMDC limited and NMDC limited need to spend more.

9. SUMMARY OF KEY OBSERVATIONS AND FINDINGS

The following are the key observation if the present study and summary of findings;

1. The study found that the spending of JSW and NMDC both the company is increasing year by year. As per the analysis. The survey highlights that the JSW Company is in the leading position in eradicating hunger poverty & malnutrition in year 2016-17 it was R.s 65 lakhs and increased to R.s 100 lakhs in the year 2018-19.
2. JSW Foundation received the Indian CSR project of the year Award for the mission against malnutrition project in Ballari. This project was impacted and transforms lives of over 40,000 women's and children's in Ballari district of Karnataka.
3. JSW, year by year more focusing on the health of surrounding of Vijayanagar, it is spending more amounts on health care issues facing by the public. In the year 2016-17 it was R.s 42.94. lakhs and increased to R.s 56.70 lakhs 2017-18 JSW has taken various preventive measures to reduces the various consequences like ophthalmic camp, Drtho medical camp, cattle medical camp, mobile and special health camps. HIV / AIDS Awareness compass artificial limb program.
4. Under education program, JSW spent around (150 lakhs) in the year 2016-17 and later slowly it has been increased to (176-95 lakhs) in the year 2018-19 JSW has taken several forward steps to reform the education programs in various Rural areas more than 2 lakhs children in 964 villages and schools are benefited by this program. But in case of NMDC company is fluctuating year by year. During the year 2015-16 it was (174.50 lakhs) and decreased in the year 2017-18 to (173.41 lakhs) and fall down to (171.00 lakhs) in the year 2018-19 But compare to JSW, NMDC company put more efforts to get benefit to the rural area more than 35 lakhs children in 1000 of villages and schools are benefited this program.
5. JSW Company limited spending is more to protecting the environment, they have spent R.s 290.00 lakhs during the year 2018-19 whereas NMDC Company limited have spent only R.s 30.00 lakhs during that year.
6. JSW group is giving a lot of thrust to the necessity of skill development in youths and consider it a crucial part in nation buildings, from last 5 years company has adopted 29 ITIS under the public private partnership. In the year 2016-17 1500 more women have received rising in figuring and fashion design. In the year 2017-18, 2000 adolescent girls benefitted by life skill workshop.

10. SUGGESTIONS AND RECOMMENDATIONS

- JSW Foundation received the Indian CSR project of the year Award for the ongoing mission against malnutrition project in Ballari during the 2018-19. This project was impacted and transforms lives of over 40,000 women and children in Ballari district of Karnataka. Recommended to NMDC to do the same.
- JSW, year by year more focusing on the health of surrounding of Vijayanagar, it is spending more amounts on health care issues facing by the public. JSW has taken various preventive measures to reduces the various consequences like medical camp, cattle medical camp, mobile and special health camps. HIV / AIDS Awareness compass artificial limb program etc. It is recommended to NMDC to follow the JSW.
- Number of school building and hostels increased, and it is suggested to both the companies to facilitate all basic educational requirements needed for the rural areas. The Ballari district has so many able adults who are unemployed because they are illiterate and haven't received proper education, so this is an initiative to provide basic education on various fields.
- Both the company has to take a necessary precaution regarding environment pollution by maintaining ecological balance. Planting a greater number of plants, both group should work together as one to reduce wastage and other to recycle waste materials.
- Both the company still has to work more on skill development by increasing number of tailoring institutes more in rural area and also should increase more advanced software of computer in various village by making awareness of the software skills, support to traditional crafts training.
- It for all intents and purposes difficult to envision an agreeable and comfortable life without the knowledge of computers and import phones the companies can donate computers to the students of provincial regions and provide free computer instructions and improve their skills.
- NGO are organizations continuously battling for a social cause. The organisations hold hands with a NGO and assist them out by providing monitory funds and likewise the employees of the company can also voluntary to join the NGO in carrying out various activities of the organization.
- The government have to take some steps to build up the evaluating and monitoring system of CSR activities of public sector company in India, in general. Particularly NMDC limited.

11. CONCLUSION

The business has undergone various changes through barter system to plastic money. In this view various organizations are earning lot of money. For moral purpose the money earned by these organizations should be spent for social development. Earlier socio-economic development was the sole responsibility of government. However, due to Liberalization, Privatization, and Globalization (LPG) era. Various corporate have entered into economy. Therefore, the role of the government is also changing. The government has shifted some responsibility on the shoulder of corporates through the mandatory CSR in companies' act 2013. This act will provide the direction to many corporate for socio-economic development. The findings of JSW and NMDC Limited have been discussed already in this chapter. On the basis of observation, few conclusions can be drawn.

- Under the company's act 2013, the CSR policy should be framed by corporates. When come to both JSW and NMDC companies has formulated CSR policy as per the companies (Amendment) act2013.
- As far the spending concerned that both the companies are spending 2% of their net profits on CSR.
- Five most prepared areas in priority order are education, vocational skills, healthcare, environment and livelihood.

Even though they state CSR in the different ways they perceive the notion of CSR in similar way. In these two firms, cases refer CSR to the triple bottom line; Profit, People and Planet. Those companies define CSR as conducting business in ways that need to provide social, environmental and economic benefits for everyone surrounding the company. CSR activities as a part of the service business model and CSR have positive relationship with profit for innovative companies.

1. JSW Limited states CSR as the cornerstone of its operations. CSR has to be part of the daily work for everyone in firm. It cannot be only the responsibility of a central function at Head Office. Furthermore, JSW works hard to embed sustainability to be a part of the DNA in the way they do business. —We have a responsibility to everyone who contributes for our success, even those who are not employed by JSW.
2. NMDC Limited uses CSR as a part of its overall strategy of interaction with its stakeholders for the co-creation of customer and stakeholder value.

JSW and NMDC, the powerful innovative businesses, have been building their unique culture for such a long time. As we know all of them have a long history of integrating CSR with business management. Every year when they publish financial performance report, to show their performance, they have to publish CSR annual report together with the company fiscal report. It shows that only financial benefit is not enough to be a successful company but have to give back to society and people. All service companies

have to combine CSR or corporate social responsibility and sustainable management in the way they operate to make lasting profits for the company and everyone surrounding them, and the most important part is to create the lasting relationships with customers as JSW and NMDC operate their business.

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